

**Board Report**

File #: 2023-0735, **File Type:** Contract**Agenda Number:** 15.

**EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 15, 2024****SUBJECT: SOUTHEAST GATEWAY LINE****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to award a cost-plus fixed fee contract, Contract No. AE107133000, for a period of 5 years, with two, 5-year options, to WSP USA, Inc., for Program Management Support Services (PMSS) for the Slauson/A Line to Pioneer segment of the Southeast Gateway Line Project (formerly referred to as the West Santa Ana Branch Transit Corridor) in an amount not to exceed \$99,999,105, subject to the resolution of any properly submitted protest(s), if any.

ISSUE

Staff is seeking the Board's approval of a contract award to provide program management and construction management support services to meet the Board's expectation of delivering the Locally Preferred Alternative (LPA) segment of the Southeast Gateway Line Project, formally known as West Santa Ana Branch Project. It allows staff to continue the momentum already established in our ongoing coordination with third-party stakeholders, which is key to ensuring the successful completion of project-related agreements.

BACKGROUND

The Project roadmap is comprised of the following parallel workstreams:

- Planning - completing final environmental clearance,
- Early Due Diligence (EDD) - addressing high risk items such as utilities, unknown soils conditions, and third-party agreements, and
- LRT Project Delivery - continuing to evaluate various contract delivery methods most beneficial to Metro.

A component of the EDD workstream includes the award of several contracts to address the high-risk elements of the project prior to the light rail construction. The Advanced Engineering (AE) contract was the first of those contracts and was approved by the Board in November 2023. While the AE contract provides design services to support Metro's efforts in meeting FTA requirements to advance

through the New Starts federal funding program, the PMSS is also critical in enabling the project to transition seamlessly from environmental clearance to implementation as well as assisting Metro staff in delivering the project.

DISCUSSION

To advance the delivery of the Southeast Gateway Line project, staff will need additional consultant support services to provide the following, which is included in the recommended PMSS contract:

- manage the design,
- continue coordination and negotiations with critical third-parties such as utility owners, Union Pacific Railroad (UPRR), Port of Long Beach, Port of Los Angeles, Caltrans, Army Corps of Engineers, and the California Public Utilities Commission, and
- provide program and construction management support services of the upcoming Construction Manager/General Contractor (CM/GC) early works procurement consisting of utility adjustments, freight relocation, and grade crossings.

In particular, cost estimating and negotiations support with the CM/GC will be critical as staff establish strategies to ensure successful negotiations and bring costs down.

Additionally, the PMSS consultant will provide support with Light Rail Transit (LRT) core scope procurement activities once a contract delivery model is selected for the LRT. The PMSS contract provides all these services.

Staff intends to return to the Board for award of a CM/GC contract for utility adjustment, freight realignment, and grade crossings, anticipated for Board action by fall/winter of 2024.

DETERMINATION OF SAFETY IMPACT

There is no impact to safety.

FINANCIAL IMPACT

The FY24 budget contains \$19.5M in Cost Center 8510 (Program Management), Project 460201 for professional services. Since this is a multi-year contract, the Project Manager and Chief Program Management Officer will be responsible for budgeting in future years.

Impact to Budget

Currently, the funds for this project are provided by the Measure R 35%, Measure M 35% and State Grant SB1. No other funding sources are considered for this effort. These funds are not eligible for operating charges.

EQUITY PLATFORM

This Project will benefit communities through the addition of a new high-quality reliable light rail transit which will increase mobility and connectivity for the historically under-served and transit-dependent communities along the corridor. Approval of the contract will allow staff to advance the project and maintain the schedule to complete the line for service by 2035. The Disadvantaged Business Enterprise (DBE) goal for this procurement is 30% of the contract value; the recommended firm exceeded this goal by making a 30.16% commitment.

The Southeast Gateway Line is comprised largely of Environmental Justice (EJ) communities. In 2017 (the first year of environmental analysis), minority residents comprised 65 percent of the total Study Area population, with Hispanic/Latino groups alone accounting for 51 percent of the total population. In addition, 44 percent of Study Area residents live below the poverty level, which is higher than the county average of 33 percent. The entire LPA qualifies as an EJ corridor and the corridor cities of Bellflower, Paramount, South Gate, Cudahy, Bell, and Huntington Park are also identified as LA Metro's Equity Focus Communities. Since initiating the Project Study, staff has conducted extensive outreach efforts for corridor communities, and has continued to engage project stakeholders through a variety of forums, platforms, languages, and access methods, including special outreach efforts to people of color, low-income, and limited English proficiency populations, and persons with disabilities. Project development has been directly influenced by this engagement, as discussed above. Metro staff will continue to reengage communities as a part of the completion of the final environmental document, as well as the Slauson/A Line to LAUS Study, to help define the project, including alignment profile, station locations, and design.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic plan goals identified in Vision 2028: Goal 1: Provide high- quality mobility options that enable people to spend less time traveling, Goal 3: Enhance communities and lives through mobility and access to opportunity and Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

As one of Program Management's Strategic Initiatives, Metro has a continued focus on developing in-house personnel and hiring experienced staff to deliver large complex projects and is working toward achieving a 50/50 consultant to Metro staff ratio.

The PMSS contract is required to supply the necessary resources to start and develop the Southeast Gateway Line project. Metro's Program Management department will undertake a market analysis to evaluate Metro's capabilities to bring the right talent in-house. As the project progresses through its phases, Metro will assess core management competencies of construction, engineering, quality, schedule, budget, and third-party managers to be maintained in house while supplementing these with specialist resources from the PMSS team. Staffing plans will be reviewed regularly to ensure a balance between consultant and Metro staff. Project leadership will continue to focus on filling open positions within the project's organization and utilize consultants where necessary to successfully deliver the project.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the contract award. Delaying this contract award to a future date would pose significant delays to the overall project schedule and risk that the project would be unable to meet its Measure M schedule.

NEXT STEPS

Upon Board approval, staff will execute Contract No. AE107133000 with WSP USA, Inc. for Program Management Support Services. These activities are needed to continue advancing the Project per Board direction.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by:

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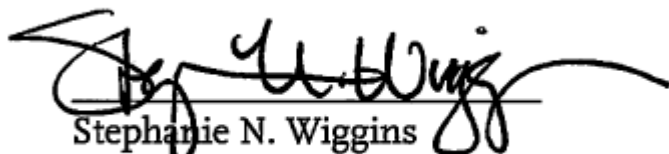
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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**SOUTHEAST GATEWAY LINE (FORMERLY WEST SANTA ANA BRANCH TRANSIT
CORRIDOR)
PROGRAM MANAGEMENT SUPPORT SERVICES / AE107133000**

1.	Contract Number: AE107133000	
2.	Recommended Vendor: WSP USA, INC.	
3.	Type of Procurement (check one) : <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: May 19, 2023	
	B. Advertised/Publicized: May 26, May 27, and June 1, 2023	
	C. Pre-Proposal Conference: June 6, 2023	
	D. Proposals Due: July 3, 2023	
	E. Pre-Qualification Completed: December 5, 2023	
	F. Ethics Declaration Forms Review Completed by Ethics: September 6, 2023	
	G. Protest Period End Date: January 23, 2024	
5.	Solicitations Picked up/Downloaded: 190	Proposals Received: 5
6.	Contract Administrator: Robert Romanowski	Telephone Number: 213-922-2633
7.	Project Manager: June Susilo	Telephone Number: 562-524-0532

A. Procurement Background

This Board Action is to approve the award of Contract No. AE107133000 to provide Program Management Support Services (PMSS) for the Southeast Gateway Line. Scope includes program management and construction management support services to Metro to manage the design, continue coordination and negotiations with critical third-parties, evaluation of future Construction Manager/General Contractor (CM/GC) pricing proposals, and support for project management and administration. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued as an Architectural and Engineering (A&E) services qualifications-based procurement process performed in accordance with Metro Procurement Policies and Procedures and California Government Code §§ 4525-4529.5. The contract type is a Cost-Plus Fixed Fee (CPFF) for a base term of five years with two, five-year options. A virtual pre-proposal conference was held on June 6, 2023, with 107 attendees. The list of Planholders includes 190 downloads of the RFP by 163 firms.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on June 16, 2023, clarified and revised the Submittal Requirements.
- Amendment No. 2, issued on June 23, 2023, clarified applicability of the Contractor Registration Law to this procurement.

Five proposals were received on July 3, 2023, from the following firms, listed in alphabetical order:

1. AECOM Technical Services, Inc.
2. Bechtel Infrastructure Corporation
3. Gateway Cities Connection Joint Venture (PGH Wong Engineering, Inc. and Anser Advisory Management, LLC)
4. Psomas-Stantec-Mott MacDonald Joint Venture (Psomas, Stantec Consulting Services, Inc., and Mott MacDonald Group, Inc.)
5. WSP USA, Inc.

All five proposals were determined to be responsive to the requirements of the RFP, including acknowledging both amendments.

B. Evaluation of Proposals

The Proposal Evaluation Team (PET) was comprised of a member of the City Managers Technical Advisory Committee (TAC); and representatives from the following Metro departments: Countywide Planning, Countywide Planning/Systemwide Design, and Program Management. The PET conducted a comprehensive evaluation of the proposals.

The proposals were evaluated based on the following evaluation criteria and associated weighting of maximum points:

- | | |
|---|------------|
| • Experience and Capabilities of the Proposer's Team | 25 points |
| • Key Personnel Skills and Experience | 35 points |
| • Project Understanding and Approach to Implementation of the Scope of Services | 35 points |
| • Approach to Cultural Competency | 5 points |
| Total | 100 points |

The evaluation criteria are appropriate and consistent with criteria developed for other similar A&E, qualifications-based procurements. Several factors were considered when developing the weightings, giving the greatest importance to the criteria of Key Personnel Skills and Experience, and Project Understanding and Approach to Implementation of the Scope of Services

This is an A&E qualification-based procurement; therefore, price cannot be used as an evaluation factor pursuant to state and federal law.

Qualifications Summary of Recommended Contractor:

The evaluation performed by the PET determined, in accordance with the evaluation criteria established in the RFP, that the proposal from WSP USA, Inc. is the most qualified to perform the services required.

The scoring was based on evaluation of the written proposals received from the proposers and oral presentations conducted on October 17, 18, and 19, 2023. The results of the final scoring are shown below:

Firm	Maximum Points	Earned Points	Total Points	Rank
WSP USA, INC.				
Experience and Capabilities of the Proposer’s Team	25.00	21.19		
Key Personnel Skills and Experience	35.00	30.69		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	30.20		
Approach to Cultural Competency	5.00	3.81		
Total			85.89	1
AECOM Technical Services, Inc.				
Experience and Capabilities of the Proposer’s Team	25.00	19.06		
Key Personnel Skills and Experience	35.00	26.13		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	26.61		
Approach to Cultural Competency	5.00	4.31		
Total			76.11	2

Gateway Cities Connection Joint Venture				
Experience and Capabilities of the Proposer's Team	25.00	18.19		
Key Personnel Skills and Experience	35.00	26.44		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	25.29		
Approach to Cultural Competency	5.00	3.38		
Total			73.30	3
Psomas-Stantec-Mott MacDonald Joint Venture				
Experience and Capabilities of the Proposer's Team	25.00	18.94		
Key Personnel Skills and Experience	35.00	24.00		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	26.05		
Approach to Cultural Competency	5.00	3.63		
Total			72.62	4
Bechtel Infrastructure Corporation				
Experience and Capabilities of the Proposer's Team	25.00	15.88		
Key Personnel Skills and Experience	35.00	22.00		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	21.51		
Approach to Cultural Competency	5.00	3.00		
Total			62.39	5

C. Cost Analysis

Consistent with Metro's Procurement procedures, Metro technical staff prepared an Independent Cost Estimate (ICE) based on the estimated level of effort (staff positions and labor hours) as understood at the time the RFP was issued. The ICE provided the basis for development of pre-negotiation objectives and support for Metro's negotiation position.

Subsequent to reviewing the cost proposal of the most qualified firm, Metro initiated negotiations with three objectives: (1) to negotiate and reduce the cost elements, (2) to clarify proposer's assumptions, estimates, inclusions, and exclusions to the Scope of Services (SOS), and (3) to arrive at a mutually agreeable level of effort and NTE cost for this cost reimbursable contract that is fair and reasonable.

The difference between the ICE and the negotiated NTE contract amount is due to the following factors.

- The ICE underestimated the effort required for the various technical liaisons supporting the coordination with ten corridor cities, 41 private utility owners, Ports of Los Angeles and Long Beach, Union Pacific Railroad, California Public Utility Commission, Caltrans, and Army Corps of Engineers.
- The ICE did not include Other Direct Costs (ODCs) such as project vehicles, office equipment, etc. It also did not include subcontractor management fee.
- The ICE did not include additional field staff to support the management of the CMGC contract.

Recommended Contractor: WSP USA, Inc.				
Contract Duration	Metro ICE	Cost Proposal	NTE Contract Award Amount	Metro Estimating Independent ROM
5 Year Base Term	\$51,794,193	\$126,782,927	\$99,999,105 ⁽¹⁾	\$90,338,310

(1) Direct labor hourly rates are supported by payroll data; overhead rates for the Contractor and Subcontractors are based on current FAR Part 31 compliant audits submitted by the Proposer during negotiations or established as a provisional rate for the first year; and other direct costs and fixed fee amount were negotiated and determined to be fair and reasonable.

To validate cost reasonableness of the negotiated NTE amount, Metro Estimating Department performed an independent Rough Order of Magnitude (ROM) Estimate, based on the agreed level of effort. Metro Estimating developed their estimates using direct labor rates, indirect cost rates, escalation, etc. Metro Estimating was not privy to the cost proposal nor the negotiated NTE amount. Metro Estimating's ROM is within 11% of the negotiated amount.

A cost analysis of the elements of cost including direct labor rates, indirect cost rates, and other direct costs was completed in accordance with Metro's Procurement Policies and Procedures. Indirect cost rates for the Contractor and proposed Subcontractors were established based on currently available and applicable audits.

A fixed fee factor was negotiated to establish a fixed fee amount based in dollars on the total estimated cost of performance of the Scope of Services for the contract term.

Staff successfully negotiated a cost savings of \$26,783,822 from the submitted Cost Proposal by: (1) correcting the proposer's assumptions regarding level of effort; (2) negotiating and agreeing to an estimated level of effort for personnel and all Subcontractors; (3) refining the expectations and confirming deliverables of design reviews; and (4) reducing the fixed fee factor from 10% to 8.5%.

The recommended award amount of \$99,999,105 is fair and reasonable and is the total cost of the agreed estimated level of effort required to perform the Scope of Services for the five-year base term. Pricing for future option terms will be estimated and negotiated in advance of considering exercising the options.

D. Background on Recommended Contractor

WSP USA, Inc. has multiple offices in Southern California including in the city of Los Angeles, which currently support a staff of 800. Their current team has extensive experience with rail design oversight, freight rail coordination, railroad infrastructure design, third party coordination, utility relocation, and program management and construction management support services.

DEOD SUMMARY

**SOUTHEAST GATEWAY LINE (FORMERLY WEST SANTA ANA BRANCH
TRANSIT CORRIDOR)
PROGRAM MANAGEMENT SUPPORT SERVICES / AE107133000**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 30% Disadvantaged Business Enterprise (DBE) goal for this solicitation. WSP USA Inc. exceeded the goal by making a 30.16% DBE commitment.

Small Business Goal	30% DBE	Small Business Commitment	30.16% DBE
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	DBE Subcontractors	Ethnicity	% Committed
1.	Costin Public Outreach	Caucasian Female	1.31%
2.	D'Leon Consulting Engineers	Hispanic American	2.51%
3.	Kelly McNutt Consulting, LLC	Caucasian Female	5.84%
4.	Mammoth Associates, LLC	Caucasian Female	1.64%
5.	Monument ROW	Caucasian Female	0.26%
6.	Ramos Consulting Services, Inc.	Hispanic American	12.81%
7.	Redwood Resources	African American	4.67%
8.	Terry A. Hayes Associates Inc.	African American	0.93%
9.	Zephyr UAS, Inc. dba Zephyr Rail	Hispanic American	0.19%
Total DBE Commitment			30.16%

B. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

C. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

D. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial

Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

E. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.



Program Management Support Services Contract Award

SOUTHEAST GATEWAY LINE

Executive Management Committee

February 15, 2024



Metro

SE Gateway Line PMSS Contract

- As Metro continues to build up internal project team, this contract provides additional staffing support to deliver the project. Consultant staffing plans will be reviewed and approved on an annual basis while the Metro project staff fill internal positions in its aspirations of a 50/50 split between Metro and consultant staff
- Seamless transition from environmental clearance to implementation of early works package to de-risk the LRT scope.
- Supports cost estimating and negotiations with the CMGC.
- Allows for continued coordination and successful negotiations with critical stakeholders.
- Maintains project delivery schedule.

Procurement Evaluation

Proposal Evaluation Team (PET) – 4 members

- 3 – Metro Employees
 - Countywide Planning
 - Systemwide Design
 - Program Management
- 1 – City Managers' Technical Advisory Committee (TAC)

Evaluation Criteria

- | | |
|---|-------------------|
| ○ Experience and capabilities of the proposer's team | 25 points |
| ○ Key personnel skills and experience | 35 points |
| ○ Project understanding and approach to implementation of the Scope of Services | 35 points |
| ○ Approach to cultural competency | 5 points |
| ○ Total | 100 points |



Procurement Evaluation - Scores

EVALUATION CRITERIA	MAXIMUM POINTS	WSP USA, INC.	AECOM TECHNICAL SERVICES	GATEWAY CITIES JV	PSOMAS-STANTEC-MM JV	BECHTEL INFRA.
Experience and capabilities of the proposer's team	25	21.19	19.06	18.19	18.94	15.88
Key personnel skills and experience	35	30.69	26.13	26.44	24.00	22.00
Project understanding and approach to implementation of the Scope of Services	35	30.20	26.61	25.29	26.05	21.51
Approach to cultural competency	5	3.81	4.31	3.38	3.63	3.00
Total Score	100	85.89	76.11	73.30	72.62	62.39

DBE Goal: 30%

WSP DBE Commitment: 30.16%



RECOMMENDATION

Authorize the Chief Executive Officer (CEO) to award a cost-plus fixed fee contract, Contract No. AE107133000, for a period of 5 years, with two, 5-year options, to WSP USA, Inc., for Program Management Support Services (PMSS) for the Slauson/A Line to Pioneer segment of the Southeast Gateway Line Project (formerly referred to as the West Santa Ana Branch Transit Corridor) in an amount not to exceed \$99,999,105, subject to the resolution of any properly submitted protest(s), if any.

