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Agenda - Final

Thursday, August 18, 2022

11:00 AM

To give written or live public comment, please see the top of page 4

Construction Committee

Fernando Dutra, Chair

Janice Hahn, Vice Chair

Mike Bonin

Jacquelyn Dupont-Walker

Sheila Kuehl

Gloria Roberts (Interim), non-voting member

Stephanie Wiggins, Chief Executive Officer

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(ALSO APPLIES TO BOARD COMMITTEES)

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The public may also address the Board on non agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

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REMOVAL FROM THE BOARD ROOM The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

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The Committee Meeting begins at 11:00 AM Pacific Time on August 18, 2022; you may join the call 5 minutes prior to the start of the meeting.

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Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."
Email: BoardClerk@metro.net
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Board Administration
One Gateway Plaza
MS: 99-3-1
Los Angeles, CA 90012

CALL TO ORDER**ROLL CALL**

- 24. SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT PROJECT, PUBLIC PRIVATE PARTNERSHIP FOR SOLAR PANELS AT MAINTENANCE AND STORAGE FACILITY**

[2022-0443](#)**RECOMMENDATION****CONSIDER:**

- A. AUTHORIZING the Chief Executive Officer (CEO) to award and execute a public-private partnership (P3) Contract No. PS84743000, East San Fernando Valley Light Rail Maintenance and Storage Facility Solar and Energy Storage System Public Private Partnership, for a maximum duration of 15 years, with PCS Energy LLC pursuant to Public Utilities Code Section 130242, in the amount of \$1,063,190, for Phase 1 (Preconstruction design services) subject to the resolution of any timely protest(s), if any. Pricing for Phase 2 (Finance, design, supply, installation, and commissioning) and Phase 3 (Monitor systems performance and oversight of Metro O&M activities) will be negotiated in the future with a not to exceed margin percentage of 10% and 12%, respectively; and
- B. ESTABLISHING Contract Modification Authority (CMA) for 10% of the not-to-exceed contract award value and authorizing the CEO to execute individual Contract Modifications within the CCMA and within the project budget authorization.

Attachments: [Attachment A - Procurement Summary](#)
 [Attachment B - DEOD Summary](#)

- 25. SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT PROJECT - CONSTRUCTION SUPPORT SERVICES CONTRACT**

[2022-0438](#)**RECOMMENDATION****CONSIDER:**

- A. AUTHORIZING the Chief Executive Officer to award and execute a seven-year contract ending in September 2029, for Contract No. AE82218, with Arcadis Mott MacDonald (AMM) ESFV LRT JV on a Cost Reimbursable Plus Fixed-Fee basis to provide Construction Management Support Services (CMSS) for the East San Fernando Valley (ESFV) Light Rail Transit Project (Project), for an amount of \$65,606,451, subject to the resolution of any timely protest; and

- B. ESTABLISHING Contract Modification Authority (CMA) for \$6,560,645 (10%) of the not-to-exceed contract award value and authorizing the CEO to execute individual Contract Modifications within the CMA and within the project budget authorization.

Attachments: [Attachment A - Procurement Summary RFP No. AE82218](#)
 [Attachment B - DEOD Summary](#)

26. SUBJECT: METRO G LINE BUS RAPID TRANSIT IMPROVEMENTS PROJECT

[2022-0440](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed price Contract No. PS85661000 to Valley Transit Partners, for Phase 1 Preconstruction Services of the Progressive Design-Build contract for the Metro G Line Bus Rapid Transit Improvements Project (Project) in the amount of \$43,997,256, subject to the resolution of protest(s) if any;
- B. ESTABLISH a Preconstruction Phase-of-Project Budget (Preconstruction Budget) for the Project in the amount of \$149,683,000; and
- C. NEGOTIATE and EXECUTE all project-related agreements and modifications to existing contracts within the authorized Preconstruction Budget.

Attachments: [Attachment A - Expenditure & Funding Plan](#)
 [Attachment B - Procurement Summary](#)
 [Attachment C - DEOD Summary](#)

27. SUBJECT: METRO I-105 EXPRESSLANES - CONSTRUCTION MANAGER/GENERAL CONTRACTOR CONTRACT

[2022-0442](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm-fixed-price contract, Contract No. PS84667000 to Flatiron-Myers, Joint Venture, for I-105 ExpressLanes Project Construction Manager/General Contractor (CM/GC) Phase 1 in the amount of \$7,997,461, for Preconstruction Services for a period of performance of 30 months, subject to the resolution of protest(s), if any;
- B. ESTABLISH a Preconstruction Phase-of-Project Budget (Preconstruction Budget) for the I-105 ExpressLanes Project (Project) in an amount of

\$119,391,538; and

- C. NEGOTIATE and EXECUTE all project-related agreements and modifications to existing contracts within the authorized Preconstruction Phase-of-Project Budget (Preconstruction Budget).

Attachments: [Attachment A - Expenditure and Funding Plan](#)
 [Attachment B - Procurement Summary](#)
 [Attachment C - DEOD Summary](#)

**28. SUBJECT: METRO EXPRESSLANES PROJECTS - PROGRAM
MANAGEMENT SUPPORT SERVICES**

[2022-0441](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD task order-based Contract No. AE83974000 for Program Management Support Services (PMSS) to HNTB Corporation, in the amount of \$66,913,860 for a seven (7) year base period and \$6,142,748 for a two-year option, for a total of nine (9) years and a maximum total of \$73,056,608, subject to resolution of protest(s), if any;
- B. ESTABLISH Contract Modification Authority (CMA) for \$7,305,660 (10%) of the not-to-exceed contract award value and authorizing the CEO to execute individual Contract Modifications within the CMA and within the respective project budget authorizations.

Attachments: [Attachment A - Procurement Summary](#)
 [Attachment B - DEOD Summary](#)

**29. SUBJECT: METRO I-105 EXPRESSLANES - ROADSIDE TOLL
COLLECTION SYSTEM**

[2022-0427](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD firm fixed price Contract No. PS78835000 for the I-105 ExpressLanes Roadside Toll Collection System (RTCS) Design, Build, Operate, and Maintain (DBOM) contract to Conduent State and Local Solutions Inc. in the amount of \$66,067,392 for a 12-year base period including the occupancy detection system, \$13,161,324 for the first three-year option term for operations and maintenance, \$14,165,857 for the second three-year option term for operations and maintenance, and \$1,217,700 for a standalone Traffic Management Center, for a total contract value of \$94,612,273, subject to resolution of protest(s), if any.

- B. EXECUTE individual Contract Modifications within the Board-approved CMA in the not to exceed amount of \$6,606,739, to cover the costs of anticipated future changes to the contract as informed by past experience with other Metro ExpressLanes contracts of similar nature, scope, and duration.

Attachments: [Attachment A - Procurement Summary](#)
 [Attachment B - DEOD Summary](#)
 [Presentation](#)

30. **SUBJECT: PROGRAM MANAGEMENT QUARTERLY CHANGE REPORT** [2022-0402](#)

RECOMMENDATION

RECEIVE AND FILE status report on Program Management Quarterly Change Report.

Attachments: [Attachment A - Change Order Log](#)
 [Attachment B - OIG Spot Check CEO Delegated Authority Delays Avoided](#)

31. **SUBJECT: OFFICE OF THE INSPECTOR GENERAL CHANGE ORDER CONSTRUCTION SPOT CHECKS** [2022-0450](#)

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General Change Order Construction Spot Check Report for the period March 1 to May 31, 2022.

Attachments: [Attachment A - August 2022 Spot Check](#)
 [Attachment B - August 2022 Recommendation Response](#)
 [Attachment C - August 2022 OIG Spot Check](#)

- SUBJECT: GENERAL PUBLIC COMMENT** [2022-0480](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

Adjournment



Board Report

File #: 2022-0443, File Type: Contract

Agenda Number: 24.

CONSTRUCTION COMMITTEE AUGUST 18, 2022

SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT PROJECT, PUBLIC PRIVATE PARTNERSHIP FOR SOLAR PANELS AT MAINTENANCE AND STORAGE FACILITY

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) to award and execute a public-private partnership (P3) Contract No. PS84743000, East San Fernando Valley Light Rail Maintenance and Storage Facility Solar and Energy Storage System Public Private Partnership, for a maximum duration of 15 years, with PCS Energy LLC pursuant to Public Utilities Code Section 130242, in the amount of \$1,063,190, for Phase 1 (Preconstruction design services) subject to the resolution of any timely protest(s), if any. Pricing for Phase 2 (Finance, design, supply, installation, and commissioning) and Phase 3 (Monitor systems performance and oversight of Metro O&M activities) will be negotiated in the future with a not to exceed margin percentage of 10% and 12%, respectively; and
- B. ESTABLISHING Contract Modification Authority (CMA) for 10% of the not-to-exceed contract award value and authorizing the CEO to execute individual Contract Modifications within the CCMA and within the project budget authorization.

ISSUE

Pursuant to Public Utilities Code Section 130242, and with Board approval on October 28, 2021, staff solicited competitive proposals to use a P3 procurement method as an alternative delivery project method to design, build and finance a solar panel system at the maintenance and storage facility (MSF) for the East San Fernando Valley (ESFV) Light Rail Transit Project (Project). This P3 contract satisfies a federal Expedited Project Delivery Grant requirement for a P3 component to be integrated within the overall Project.

BACKGROUND

The Project is a light rail system that will extend north from the Van Nuys Metro G-Line station to the

Sylmar/San Fernando Metrolink Station, a total of 9.2 miles with 14 at-grade stations. The Metro Board certified the Final Environmental Impact Report on December 3, 2020. The Project achieved a Record of Decision on January 29, 2021. Included in the Project environmental document was the initial operating segment (IOS) defined as the southern 6.7 miles of the Project alignment. The IOS is street running in the middle of Van Nuys Boulevard and includes 11 at-grade stations along with the maintenance facility. The final design for select advanced utility relocations is also being advanced. The Project includes an MSF that covers approximately 21-acres and includes several buildings that are an opportunity to implement a solar photovoltaic (PV) power system.

As the IOS was cleared and the design has advanced, the IOS portion of the Project is proceeding into the next phase of final design and construction, and the procurement process for a Progressive Design Build Contractor began in the Summer of 2022. The remaining northern 2.5-mile environmentally cleared segment is going through additional analysis as directed by the Board in December 2020 and is not included in the IOS.

In April 2021, the Board approved the ESFV Project as a priority for pursuing a grant from the Federal Transit Administration (FTA) Expedited Project Delivery (EPD) Pilot Program. In May 2022, the FTA agreed that the Project is eligible for a grant of up to \$908.7 million. The federal grant requires a P3 component to be included as part of the Project. In addition to meeting the requirements of the EPD Grant and helping to achieve sustainability objectives, this P3 contract will provide an opportunity for Metro to engage with the private sector to manage cost, schedule, and performance of the PV power system over a long-term contract.

DISCUSSION

PCS Energy LLC, was selected for recommendation following the competitive P3 procurement process to provide the funds (including finance charges) for the capital costs, and be responsible for the design, procurement and installation of the solar panels, battery energy storage system and related infrastructure. Metro will use the power generated by the PV system to provide an estimated 70% of the electrical requirement for the MSF on an annual basis. Excess power not used will be stored and could provide power when weather or seasonal variability impacts solar exposure. Availability payments for the P3 contractor will include scheduled payments over the life of the contract for the capital cost and for oversight and assistance for operations and maintenance of the PV system. Availability payments will also be based on requirements for system performance, efficiency, and reliability.

Per available heat assessment data, the San Fernando Valley experiences maximum temperatures upwards of 20°F hotter than other parts of Los Angeles, and the number of days above 95°F (extreme heat days) is at least 5 times that of other, more coastal areas of the region. Metro will use the power generated by the PV system to provide an estimated 70% of the electrical requirement for the MSF on an annual basis, to ultimately operate and maintain the fleet and system, including during extreme heat or other high-energy demand events. Excess power not used will be stored and could provide power when weather or seasonal variability impacts solar exposure. The PV system will assist in California's Flex Alert when high temperatures threaten California's electric grid. The PV system will also help conserve energy when demand for power could outstrip supply, which generally

occurs during heat waves when electrical demand is at its highest.

Metro Union employees will perform operations and maintenance of the PV power system under current Metro Labor Agreements. However, the P3 contractor will work with Metro Operations to provide protocols, procedures, and guidance to oversee and assure the PV system continues to meet performance metrics over the life of the contract.

Metro's experience with this type of contract has been successful on the Metro Support Services Center (MSSC) Solar Energy & Energy Conservation Equipment Project - A Public/Private Partnership, where a similar P3 contract was used for the contractor to design and install the PV system, and Metro Labor forces provided the operations and maintenance under Metro Labor Agreements. Under the Services Center P3 contract, the contractor also provided professional guidance and training for operations and maintenance of the PV system over a long-term contract.

In addition to a price factor, the competitive solicitation included evaluation criteria structured to facilitate the selection of a qualified proposer with experience in design and construction of PV power systems, experienced technical and management personnel, demonstrated experience with third-party permitting and approvals, and proven strategies for implementing a collaborative approach.

DETERMINATION OF SAFETY IMPACT

This Board action will have no adverse impacts on safety standards for Metro. The contract provisions require P3 team members to follow the direction of the Metro construction safety policies and procedures to ensure that safety is the highest priority during oversight of all phases of construction.

FINANCIAL IMPACT

This Project is funded on a fiscal year basis under Project number 865521 East San Fernando Valley Light Rail Transit Corridor, cost center 8510, under various accounts including Professional/Technical Services and \$248,236,500 is included in the FY23 Adopted Budget. This is a multi-year project requiring expenditure authorizations in fiscal year increments until a Board Authorized Life of Project Budget is adopted. It is the responsibility of the Cost Center Manager, Project Manager and Chief Program Management Officer to budget for this project in the future fiscal years.

Impact to Budget

There are no impacts to the FY 23 Budget. In the future, there may be a small impact during the term of the P3 agreement to Operations eligible funding as Metro would be responsible for the operations and maintenance of the solar panels and battery energy storage system. Annual O&M costs and availability payments will be budgeted in future fiscal years.

EQUITY PLATFORM

To ensure maximum opportunity for participation on this contract, Metro staff performed extensive outreach to the small business community, including those within the Disadvantaged Business Enterprise (DBE) community. The solicitation was advertised through periodicals of general circulation (i. e., Asian Journal, LA Daily News, La Opinion, and LA Sentinel), posted on Metro's Vendor Portal, and an e-mail notice to small businesses with applicable NAICS codes. Also, a virtual Industry Outreach Event was held on December 3, 2021. The Proposal Evaluation Team was comprised of department personnel that was gender diverse. The selected firm made a DBE commitment of 8.94%. This commitment exceeds the DEOD recommended goal of 5%.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic goals:

Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The purpose of the Project is to provide high-capacity transit service in the San Fernando Valley.

Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system.

The at-grade light rail system will attract bus ridership and improve the trip experience for users of the transportation system.

Strategic Goal 3: Enhance communities and lives through mobility and access to opportunity. With 11 stations, including connections to Metro G-Line and Metrolink, the ESFV enhances mobility to the community.

Strategic Goal 4: Transform LA County through regional collaboration and national leadership. Collaboration with the elected officials, citizens, and Metro patrons of San Fernando Valley continues to positively impact the Project.

ALTERNATIVES CONSIDERED

The Metro Board may reject the recommended action and direct staff to pursue a capital construction project to be designed and built by Metro. Staff does not recommend this approach, as alternatives that do not include a P3 component would impact the submitted EPD grant application. With the EPD Program funded on a first come/first-serve basis, and with limited funding authorized and appropriated by Congress, staff recommends utilizing the P3 contracting method for the Maintenance and Storage Facility Solar Panels for the ESFV Project.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS84743000 with PCS Energy LLC for the East San Fernando Valley Light Rail Maintenance and Storage Facility Solar and Energy Storage System

Public Private Partnership.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by:

Monica Born, Deputy Executive Officer, Program Management, (562) 524-0597

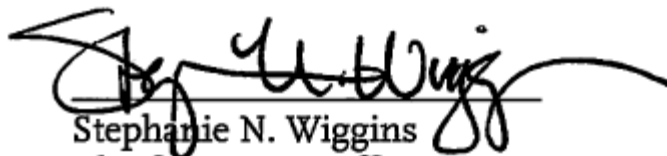
Debra Avila, Deputy Chief, Vendor/Contract Management Officer, (213) 418-3051

Reviewed by:

Bryan Pennington, Chief Program Management Officer (213) 922-7557

James Dela Loza, Chief Planning Officer (213) 922-3038

Sharon Gookin, Deputy Chief Executive Officer (213) 922-418-3101



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT PROJECT, PUBLIC
PRIVATE PARTNERSHIP FOR SOLAR PANELS AT MAINTENANCE AND
STORAGE FACILITY/PS84743000**

1.	Contract Number: PS84743000	
2.	Recommended Vendor: PCS Energy LLC	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: March 25, 2022	
	B. Advertised/Publicized: March 25, 30-31, 2022, and April 6, 2022	
	C. Pre-Proposal Conference: April 6, 2022	
	D. Proposals Due: May 31, 2022	
	E. Pre-Qualification Completed: July 14, 2022	
	F. Conflict of Interest Form Submitted to Ethics: June 2, 2022	
	G. Protest Period End Date: August 23, 2022	
5.	Solicitations Picked up/Downloaded: 82	Bids/Proposals Received: 2
6.	Contract Administrator: Lily Lopez	Telephone Number: (213) 922-4639
7.	Project Manager: Monica Born	Telephone Number: (562) 524-0597

A. Procurement Background

This Board Action is to approve Contract No. PS84743000 issued in support of a Public-Private Partnership (P3) for the design, build, finance, and oversight of operations and maintenance of solar photovoltaic (PV) power (commonly known as solar panels) generation system at the maintenance and storage facility for the East San Fernando Valley (ESFV) Light Rail Transit Project. Board approval of contract awards are subject to resolution of any properly submitted protest.

Prior to the release of the solicitation, Metro held a virtual Industry Outreach Event on December 3, 2021, to provide general information of the upcoming procurement opportunity and allow for prospective proposers to network and ask questions. The event also informed the small business community of the upcoming contracting opportunity and to increase and promote DBE participation.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy under a P3 firm-fixed price contract. The RFP was issued with a DBE goal of 5%

Three (3) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on April 27, 2022, provided revisions related to the DEOD DBE Forms and Instruction to Proposers and extended the proposal due date to May 31, 2022;

- Amendment No. 2, issued on June 28, 2022, after receipt of proposals, provided revised Form 70 (Phase 2 and 3 Margin Percentage) and requested submission of best and final offers (BAFOs).
- Amendment No. 3, issued on July 8, 2022, provided revised Form 70 and Cost Allocation Matrix for Phase 2 Margin Percentage.

A virtual pre-proposal conference was held on April 6, 2022, attended by 33 participants representing 25 firms. A total of 19 questions were asked and responses were released prior to the proposal due date.

A total of 82 firms downloaded the RFP and were included in the planholders list. A total of two proposals were received on May 31, 2022, from the following firms:

- Ameresco, Inc. (Ameresco)
- PCS Energy LLC (PCSE)

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Program Management, Countywide Planning, and Environmental Services Department was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|-----------------------------|-----------|
| • Capability and Experience | 35 points |
| • Project Understanding | 10 points |
| • Project Approach | 35 points |
| • Price | 20 points |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar solar panels generation system procurements. Several factors were considered when developing these weights, giving the greatest importance to the capability, experience and project approach. The PET evaluated the proposals according to the pre-established evaluation criteria.

In addition, the price evaluation criteria consisted of three sections with pre-established parameters to reflect the phases of the project designed to establish a level playing field and to arrive at one price that would be evaluated with the understanding that only the amount listed under Phase 1 would be used for the Contract Value (subject to clarification and/or negotiations) as follows:

1. Phase 1 Pre-Construction Lump Sum Fee;
2. Phase 2 Margin Percentage – (for evaluation purposes only) with an estimated contract price for Phase 2 of \$4,750,000;

3. Phase 3 Margin Percentage – (for evaluation purposes only) with an estimated Phase 3 contract price of \$500,000.

During the period of June 2 to June 13, 2022, the PET members independently evaluated and scored the technical proposals. Both firms were invited for oral presentations on June 21, 2022, which provided each firm the opportunity to present each team's qualifications and respond to PET's questions.

Following the interviews, the PET finalized technical scores based on both written proposals and the oral presentations. On June 22, 2022, the PET agreed that the final ranking of proposals scored PCSE's proposal as the highest ranked firm. The PET concluded that PCSE's proposal presented the highest degree of capability and experience as well as demonstrated the best understanding of the project approach.

Qualifications Summary of Firms:

PCSE

Overall, PCSE demonstrated strong technical capabilities, thorough implementation plan and direct relevant experience working on similar types of projects. PCSE has applied and achieved net energy metering and interconnection agreements, including with Los Angeles Department of Water and Power (LADWP). The Project Manager and Energy Resource Manager have experience on alternative delivery projects through the concept, design and construction phases on privately finance projects of similar size. Their implementation plan showed an in-depth understanding of the project along with anticipated challenges and solutions based upon other projects. PCSE also demonstrated direct experience with transparent cost estimating and emphasized the importance of communication within their team, their client and third parties.

Ameresco

Overall, Ameresco demonstrated the technical capabilities to design and construct the project but did not demonstrate the experience of applying and achieving net energy metering and interconnection agreements with LADWP. Ameresco's Project Manager appeared to have relevant experience and the structure of the team showed an understanding of the project. The challenges and solutions presented showed Ameresco understood the key issues and approach to implementation of the project but lacked some details on collaborative, transparent pricing.

A summary of the PET scores is provided below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	PCSE				
3	Capability and Experience	77.14	35.00%	27.00	
4	Project Understanding	86.70	10.00%	8.67	
5	Project Approach	78.08	35.00%	27.33	
6	Price	100.00	20.00%	20.00	
7	Total		100.00%	83.00	1
8	Ameresco				
9	Capability and Experience	58.09	35.00%	20.33	
10	Project Understanding	80.00	10.00%	8.00	
11	Project Approach	72.86	35.00%	25.50	
12	Price	77.30	20.00%	15.46	
13	Total		100.00%	69.29	2

C. Price Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), adequate price competition, technical evaluation, fact finding, and BAFOs.

	Proposer Name	Proposal Amount	Metro ICE	Award Amount
1.	PCSE	\$1,063,190 (Phase 1)	\$1,180,000	\$1,063,190 (Phase 1)
		10% Margin Percentage (Phase 2)		10% Margin Percentage (Phase 2)
		12% Margin Percentage (Phase 3)		12% Margin Percentage (Phase 3)
2.	Ameresco	\$1,077,096.83 (Phase 1)		
		20% Margin Percentage (Phase 2)		
		8% Margin Percentage (Phase 3)		

D. Background on Recommended Contractor

The recommended firm, PCSE, located in Culver City, California, was established in 2016. PSCE operates within the Renewable Energy Semiconductor Manufacturing sector, providing services and products addressing the demand of the entire energy grid ecosystem by creating innovative electric vehicle charger solutions, demand response tools, and solar development.

PSCE has installed 200+ solar power systems in the Los Angeles area ranging from 30kW systems up to 1MW. These projects include government buildings, such as airports and other city-owned lands. Other projects are commercial, including hotel chains, factory warehouses, large multifamily buildings.

The proposed Project Manager has several years of experience in the solar development process: O&M, procurement, project development, and project management. The proposed Project Manager will be the lead project developer in the solar and storage installation.

DEOD SUMMARY

**EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT PROJECT, PUBLIC PRIVATE
PARTNERSHIP FOR SOLAR PANELS AT MAINTENANCE AND STORAGE FACILITY/
PS84743000**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Disadvantaged Business Enterprise (DBE) goal for this project. PCS Energy LLC exceeded the goal by making an 8.94% DBE commitment on Phase 1.

Small Business Goal	5% DBE	Small Business Commitment	8.94%
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Phase 1:

	DBE Subcontractors	Ethnicity	% Committed
1.	Indian Energy, LLC	Native American	8.94%
Total DBE Commitment			8.94%

Phase 2 & 3:

PCS must achieve DBE participation in each of Phase 1, Phase 2, and Phase 3 by demonstrating a DBE participation percentage of greater than 0% of each of the Phase 1 Contract Price, Phase 2 Contract Price, and the Phase 3 Contract Price.

PCS Energy LLC will be required to commit to meet or exceed the DBE goal for the Project at the time of negotiation of the Implementation Supplement for the Phase 2 Work and Phase 3 Work, and prior to issuance by Metro of the Notice to Proceed for Phase 2.

If the PCS Energy LLC's DBE commitment for the Phase 2 Work and Phase 3 Work is less than the stated DBE goal, PCS Energy LLC will be required to submit at the time of Implementation Proposal submission for Phase 2 Work and Phase 3 Work, its Good Faith Efforts (GFE) documentation evidencing that it made adequate GFE to achieve the stated goal.

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. 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).

D. Project Labor Agreement/Construction Careers Policy

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



Board Report

File #: 2022-0438, File Type: Contract

Agenda Number: 25.

**REVISED
CONSTRUCTION COMMITTEE
AUGUST 18, 2022**

**SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT PROJECT -
CONSTRUCTION SUPPORT SERVICES CONTRACT**

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award and execute a seven-year contract ending in September 2029, for Contract No. AE82218, with Arcadis Mott MacDonald (AMM) ESFV LRT JV on a Cost Reimbursable Plus Fixed-Fee basis to provide Construction Management Support Services (CMSS) for the East San Fernando Valley (ESFV) Light Rail Transit Project (Project), for an amount of \$65,606,451, subject to the resolution of any timely protest; and
- B. ESTABLISHING Contract Modification Authority (CMA) for \$6,560,645 (10%) of the not-to-exceed contract award value and authorizing the CEO to execute individual Contract Modifications within the CMA and within the project budget authorization.

ISSUE

A CMSS is required to provide constructability review, design review support, inspection, estimating, and construction and administration support of the Project to ensure the Project is completed in compliance with contract requirements and applicable government regulations. The CMSS will also provide support for final design, pre-construction activities, administration, pre-revenue service, and contract close-out.

BACKGROUND

The Project is a light rail system that will extend north from the Van Nuys Metro G-Line station to the Sylmar/San Fernando Metrolink Station, a total of 9.2 miles with 14 at-grade stations. The Metro Board certified the Final Environmental Impact Report on December 3, 2020. The Project achieved Record of Decision on January 29, 2021. The Initial Operating Segment (IOS) is street running in the middle of Van Nuys Boulevard and includes 11 at-grade stations along with the Maintenance and

Storage Facility (MSF). The remaining northern 2.5-mile environmentally cleared segment is going through additional analysis as directed by the Board in December 2020 and is not included in the IOS.

The Project is currently finalizing the preliminary engineering design, with street improvements and guideway design advanced to 60 percent complete and all other design elements (stations, MSF, and systems) to 30 percent complete. Final design for select advanced utility relocations is also being advanced. The MSF is comprised of approximately 21 acres and includes several maintenance buildings where Metro will implement a solar photovoltaic (PV) power system via a Public/Private Partnership (P3).

As the IOS has been cleared and the design has advanced, the IOS portion of the Project is proceeding into the next phase of final design and construction. The IOS procurement process for a Progressive Design Build (PDB) Contractor began in July 2022. The CMSS services requested in this item will support execution of the PDB contract once it is awarded in early 2023.

Project Delivery Method

The Project Delivery Method for the ESFV light rail construction Project will be PDB, a delivery method that was approved by the Board in October 2021 and will be supported by this CMSS contract. The PDB delivery method has been determined by staff to be the best delivery alternative for the Project, primarily because it is a partnership-based model that will allow Metro and the PDB team to collaborate early, progressively build up the final design of the project, and transparently negotiate the price in an open-books fashion at specific intervals of the design process until a Guaranteed Maximum Price is reached and agreed to. This method will allow Metro to leverage private sector innovation and expertise to identify efficiencies and cost saving opportunities during the next stage of design development. The CMSS consultant is a critical component of the PDB process, as the CMSS team will be providing qualified staff to assist in the PDB process including estimators, construction managers, resident engineers, and professionals experienced in alternative project delivery.

The CMSS consultant will also support the proposed P3 contract for the solar PV system at the MSF, as well as stand-alone utility relocation projects performed by third-party agencies or separate contractors.

DISCUSSION

Arcadis Mott MacDonald (AMM) ESFV LRT JV, has been selected for recommendation following a competitive procurement process to provide the CMSS in support of the Project. The scope of services includes administration, inspection services, estimating, and technical support during advanced utility relocations, final design, construction, pre-revenue operations, and closeout phases of the Project. The primary role of the CMSS consultant is to provide highly skilled and qualified individuals to support and assist Metro with construction management of the Project by becoming part of a fully integrated construction management team residing in the project field

office, under the direction of Metro Project Management. Staff augmentation by the CMSS consultant is necessary to efficiently provide resources and technical expertise that will vary throughout each phase of the Project.

The term of the contract is to support the completion of the PDB and Solar P3 contracts through construction of the projects all the way through the contract closeout process.

DETERMINATION OF SAFETY IMPACT

This Board action will have no adverse impacts on safety standards for Metro. The CMSS contract will provide services that support Metro's internal safety staff on the Project. The contract provisions require CMSS consultant's team members to follow the direction of the Metro construction safety policies and procedures to ensure that safety is the highest priority during oversight of all phases of construction.

FINANCIAL IMPACT

This Project is funded on a fiscal year basis under Project number 865521 East San Fernando Valley Transit Corridor, cost center 8510, under various accounts including Professional/Technical Services and \$248,236,500 is included in the FY23 Adopted Budget. This is a multi-year project requiring expenditure authorizations in fiscal year increments until a Board Authorized Life of Project Budget is adopted. It is the responsibility of the Cost Center Manager, Project Manager and Chief Program Management Officer to budget for this project in the future fiscal years and within the cumulative budget limit for the affected fiscal year.

Impact to Budget

Sources of funds for the recommended actions are a federal grant from the Federal Transit Administration (FTA) Expedited Project Delivery (EPD) Pilot Program, State Grants and Measure M 35%. These funds are not eligible for bus and rail operations.

EQUITY PLATFORM

The Project study area's average transit-dependent population of 7.04 persons per acre is more than 100 percent higher than the 3.21 County average. The Project will provide new reliable service and/or infrastructure that improves passenger mobility and enhances transit accessibility/connectivity for residents within the Project study area to local and regional destinations and activity centers. This contract will facilitate Project construction and the Progressive Design/Build delivery method is not anticipated to have any adverse impacts to engagement or mitigation opportunities for the surrounding communities.

To ensure maximum opportunity for participation on this contract, Metro staff performed extensive outreach to the small business community, including those within the Disadvantaged Veterans Business Enterprise and the Small Business Enterprise programs. The solicitation was advertised through periodicals of general circulation, posted on Metro's Vendor Portal, and an e-mail notice to small businesses with applicable NAICS codes. The Proposal Evaluation Team was comprised of department personnel that were both race and gender diverse. The selected firm committed to achieving a Disadvantaged Business Enterprise (DBE) goal of 30.05% through 9 identified subcontractors. This commitment exceeds the DEOD recommended goal of 28%.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic goals:

Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The purpose of the Project is to provide a high-capacity transit service in the San Fernando Valley.

Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. The at-grade light rail system will attract bus ridership and improve the trip experience for users of the transportation system.

Strategic Goal 3: Enhance communities and lives through mobility and access to opportunity. With 11 stations, including connections to Metro G-Line and Metrolink, the ESFV enhances mobility to the community

Strategic Goal 4: Transform LA County through regional collaboration and national leadership. Collaboration with the elected officials, citizens, and Metro patrons of San Fernando Valley continues to positively impact the Project.

ALTERNATIVES CONSIDERED

The Board could direct Metro staff to perform construction support tasks with current in-house resources. However, this alternative is not recommended or feasible, as Metro does not currently have available in-house resources with expertise in the negotiation, estimation, and delivery of alternative delivery contracts such as Progressive Design-Build. The FY23 budget does include several new positions in Program Management for this project; however, these positions are primarily for Project Management, Program Controls, and Engineering and the CMSS is still required. Program Management will continue to manage the consultant/staff balance as we continue to on-board new staff and Metro full-time equivalents.

NEXT STEPS

After the recommended Board actions are approved, staff will complete the process to award Contract No. AE82218.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by::

Monica Born, Deputy Executive Officer, Program Management, (562) 524-0597

Reviewed by:

Bryan Pennington, Chief Program Management Officer, (213) 922-7557

James Dela Loza, Chief Planning Officer (213) 922-2920

Debra Avila, Deputy Chief, Vendor/Contract Management Officer, (213) 418-3051



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONSULTANT (CMSSC)
FOR EAST SAN FERNANDO VALLEY (ESFV) LIGHT RAIL TRANSIT PROJECT
CONTRACT NO. AE82218**

1.	Contract Number: AE82218	
2.	Recommended Vendor: ARCADIS MOTT MACDONALD (AMM) ESFV LRT JV	
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 November 17, 2021	
	B. Advertised/Publicized: November 22, 2022 (Periodicals of General Circulation)	
	C. Pre-Proposal Conference: November 30, 2021	
	D. Proposals Due: February 10, 2022	
	E. Pre-Qualification Completed: July 1, 2022	
	F. Organizational Conflict of Interest Review Completed by Ethics: June 23, 2022	
	G. Protest Period End Date: Est. August 20, 2022	
5.	Solicitations Picked up/Downloaded: 165	Proposals Received: 4
6.	Contract Administrator: Robert Romanowski	Telephone Number: 213.922.2633
7.	Project Manager: Monica Born	Telephone Number: 562.524.0597

A. Procurement Background

This Board Action is to approve the award of Contract RFP No. AE82218 to provide construction management support services to Metro, to manage the construction contracts for the ESFV LRT including AUR (Advanced Utility Relocation) D/B/B Contract and Progressive-Design Build Construction Contract for the East San Fernando Valley (ESFV) LRT Project.

Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was an Architectural and Engineering (A & E) services, qualifications-based procurement process performed in accordance with Los Angeles County Metropolitan Transportation Authority (Metro) Procurement Policies and Procedures and California Government Code §4525-45429.5. The contract type is a Cost Plus Fixed Fee (CPFF) type contract for a term of seven (7) years with no options. A virtual pre-proposal conference was held on November 30, 2021, in accordance with the California Governor's Executive Order N-33-20 related to Covid-19. One Hundred Sixty-Five (165) individuals from various firms downloaded the RFP Package.

Four (4) Amendments were issued during the Solicitation phase of this RFP:

- Amendment No. 1, issued on December 16, 2021, to extend the Proposal Due Date.
- Amendment No. 2, issued on December 22, 2021, to correct DBE Goal Language in the LOI and in the DEOD Instructions to Proposers, delete requirement for Contractor Outreach Mentoring Plan (COMP); and clarify which Volume of the Proposal shall contain certain required Exhibits
- Amendment No. 3, issued on January 20, 2022, to Extend the Proposal Due Date and issue Metro's Staffing Plan of 155.3 FTEs for the Key and Required Personnel for Proposers' use in submitting VOLUME III – Cost and Fee Proposal.
- Amendment No. 4, issued on January 28, 2022, to extend the Proposal Due Date one final time to February 10, 2022.

A total of four (4) proposals were received on February 10, 2022, from the following firms, in alphabetical order:

1. ARCADIS MOTT MACDONALD (AMM) ESFV LRT JV
2. JOINT VENTURE OF DESTINATION ENTERPRISES, MACE GROUP, AND COMTECH GROUP (DMC-JV)
3. KLEINFELDER, INC.
4. PGH WONG ENGINEERING, INC.

All four (4) of the Proposals were responsive to the requirements of the RFP Documents, including all four (4) amendments.

B. Evaluation of Proposals

The Proposal Evaluation Team (PET) was comprised of representatives from the following departments: Countywide Planning, Finance & Budget, and Program Management Department. The PET conducted a comprehensive evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and associated weightings:

- Experience and Capabilities of the Firms on the Proposer's Team (15%)
- Personnel's Skills and Experience (30%)
- Approach to Team Management (20%)
- Approach to Implementation (35%)

Total	100%
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The evaluation criteria are appropriate and consistent with criteria developed for other similar A & E procurements. Several factors were considered when

developing the weightings, giving the greatest importance to the Personnel's Skills and Experience and Approach to Implementation.

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

Qualifications Summary of Recommended Consultant:

The evaluation performed by the PET determined, in accordance with the evaluation criteria established in the RFP, that the proposal from ARCADIS MOTT MACDONALD (AMM) ESFV LRT JV demonstrated outstanding competence and professional qualifications for the best performance of the services required and is determined to be the most qualified proposer. What distinguished ARCADIS MOTT MACDONALD (AMM) ESFV LRT JV was the demonstrated extensive technical expertise of the proposed Key Personnel and Required Personnel's Skills and Experience to perform Construction Management Support Services, that it is well versed in providing the Scope of Services related to this contract, and has the capabilities to provide staffing for the type of work that exceed what is required under this contract.

Furthermore, ARCADIS MOTT MACDONALD (AMM) ESFV LRT JV demonstrated an Approach to Implementation that indicates an exceptional, thorough, and comprehensive understanding of the Project goals, resources, and schedules essential to the performance of the Contract to accomplish the Scope of Services as reflected in the weighted criteria.

The scoring was based on evaluation of the written proposals received from the Proposers and Oral Presentations. All four Proposers participated in Oral Presentations to the PET on May 13, 2022. The results of the final scoring are shown below, in rank order:

Firm	Average Score	Factor Weight	Weighted Average Score	Rank
ARCADIS MOTT MACDONALD (AMM) ESFV LRT JV				
Experience and Capabilities of the Firms on the Proposer's Team	90.40	15%	13.56	
Personnel's Skills and Experience	90.17	30%	27.05	
Approach to Team Management	90.80	20%	18.16	
Approach to Implementation	92.20	35%	32.27	
Total		100.00%	91.04	1

PGH WONG ENGINEERING, INC.				
Experience and Capabilities of the Firms on the Proposer's Team	88.60	15%	13.29	
Personnel's Skills and Experience	86.20	30%	25.86	
Approach to Team Management	86.30	20%	17.26	
Approach to Implementation	89.40	35%	31.29	
Total		100.00%	87.70	2
KLEINFELDER, INC.				
Experience and Capabilities of the Firms on the Proposer's Team	82.80	15%	12.42	
Personnel's Skills and Experience	81.53	30%	24.46	
Approach to Team Management	79.10	20%	15.82	
Approach to Implementation	88.14	35%	30.85	
Total		100.00%	83.55	3
JOINT VENTURE OF DESTINATION ENTERPRISES, MACE GROUP, AND COMTECH GROUP (DMC-JV)				
Experience and Capabilities of the Firms on the Proposer's Team	79.00	15%	11.85	
Personnel's Skills and Experience	80.67	30%	24.20	
Approach to Team Management	80.20	20%	16.04	
Approach to Implementation	80.48	35%	28.17	
Total		100.00%	80.26	4

Note: All Scores rounded to the second decimal.

C. Cost Analysis

A cost analysis of the elements of cost including labor rates, indirect rates and other direct costs was completed in accordance with Metro's Procurement Policies and Procedures, including fact-finding, clarification and cost analysis and the cost factors were determined to be fair and reasonable. Metro negotiated and established indirect cost rates and as appropriate provisional indirect (overhead) rates, plus a fixed fee factor to establish a fixed fee amount based on the total estimated cost of performance of the Scope of Services, during the contract term.

Audits will be completed, where required, for those firms without a current applicable audit of their indirect cost rates, other factors, and exclusion of unallowable costs, in accordance with Federal Acquisition Regulation (FAR) Part 31. In order to prevent any unnecessary delay in contract award, provisional overhead rates have been established subject to retroactive Contract adjustments upon completion of any necessary audits. In accordance with FTA Circular 4220.1.f, if an audit has been performed by any other cognizant agency within the last twelve-month period, Metro will receive and accept that audit report for the above purposes rather than perform another audit.

Proposer: ARCADIS MOTT MACDONALD (AMM) ESFV LRT JV			
Contract Duration	Cost Proposal Amount	Metro ICE	NTE Funding Amount
Base Period – 7 Years	\$60,508,189 ⁽¹⁾	\$56,448,898 ⁽²⁾	\$65,606,451 ⁽³⁾

Notes:

- (1) This is a Cost Plus Fixed Fee (CPFF) Contract with no definable level of effort for the Scope of Services at the time of proposal. In order for Metro to perform the cost analysis, Proposers submitted a cost proposal amount for the standardized level of effort based on Metro's Staffing Plan issued in Amendment No. 3 of the RFP, for the Key and Required Personnel which the most qualified Proposer estimated at 1,860 hours for each of the 155.3 Full Time Equivalents (FTEs), totaling 288,858 labor hours.
- (2) The Independent Cost Estimate (ICE) was established based on the same Staffing Plan of 155.3 FTEs, but Metro estimated the FTEs at 1,920 hours for a total of 298,176 labor hours for the Scope of Services developed for the Contract. The ICE is based on only estimated direct labor hourly rates for the Consultant, estimated overhead rates, estimated Subcontractors' costs, estimated other direct costs, and estimated fixed fee factor.
- (3) During negotiations, the labor hours per FTE were standardized at 1,920 hours, resulting in agreement on a total estimated level of effort of 298,176 labor hours for the Key and Required Personnel. Direct labor hourly rates are supported by payroll data validated by Metro; overhead rates for the JV Partners are based on current FAR Part 31 compliant audits submitted by the Proposer during negotiations; and other direct costs and fixed fee amount were negotiated and determined to be fair and reasonable. The additional 9,318 labor hours required by Metro to perform the Scope of Services at actual, validated labor and overhead costs is why the negotiated final amount is higher than both the Cost Proposal Amount and the ICE. The final amount of **\$65,606,451** is the requested NTE for the total cost of the agreed estimated level of effort required to perform the Scope of Services by the Consultant and sub-consultants for the base term of the contract.

D. Background on Recommended Consultant

ARCADIS U.S., Inc., JV Partner of ARCADIS MOTT MACDONALD (AMM) ESFV LRT JV, with local office in Los Angeles, provide a full spectrum of consulting, design, engineering, project and construction management services related to infrastructure, environment, and waste solutions in the public and private business sectors. The Company is a Delaware corporation and maintains offices throughout the United States, including several in the greater-Los Angeles area. ARCADIS U.S., Inc. is a wholly owned subsidiary of its ultimate parent entity, ARCADIS N.V., a leading global design and consultancy organization for natural and built assets headquartered in the Netherlands. ARCADIS N.V. is a publicly traded company with its shares traded on the EuroNext exchange. ARCADIS US Inc. has significant experience specifically related to providing and construction support for large capital projects. ARCADIS has four active contracts with LA Metro, three as a prime: Construction Claims Management, Regional Connector Construction Management and Environmental Operations Support and AST/UST Management. ARCADIS is providing the Principal in Charge for this Contract.

MOTT MACDONALD GROUP, a JV Partner of ARCADIS MOTT MACDONALD (AMM) ESFV LRT JV, with local office in Los Angeles, is also a publicly traded company headquartered in the U.K. with experience in architecture, engineering, construction management, and construction management support services including two active contracts with LA METRO, both as a prime: Construction Management Support Services for Section Three of the D Line Extension (WPLE3), and Supplemental Engineering Services (SES) including design, engineering, and design support services during construction for the Metro G Line Bus Rapid Transit Improvements Project. MOTT MACDONALD GROUP is providing the Project Manager for this Contract.

DEOD SUMMARY

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONSULTANT (CMSSC)
FOR EAST SAN FERNANDO VALLEY (ESFV) LIGHT RAIL TRANSIT PROJECT
CONTRACT NO. AE82218**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 28% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Arcadis Mott MacDonald (AMM) ESFV LRT JV exceeded the goal by making a 30.05% DBE commitment.

Small Business Goal	28% DBE	Small Business Commitment	30.05% DBE
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	DBE Subcontractors	Ethnicity	% Committed
1.	AIM Consulting Services	Caucasian Female	1.54%
2.	American Safety Group	Hispanic American	3.02%
3.	Baryeh Construction	African American	7.91%
4.	Kelly McNutt Consulting	Caucasian Female	3.56%
5.	Material Culture Consulting	Caucasian Female	0.00%*
6.	MTGL, Inc.	Hispanic American	1.82%
7.	Steiner Consulting Inc.	Caucasian Female	4.53%
8.	Suenram Associates, Inc.	Caucasian Female	2.36%
9.	The Sierra Group	Hispanic American	5.31%
Total DBE Commitment			30.05%

*** Firm was listed in AMM's proposal with zero commitment as a non-DBE. Although, DEOD's review determined that Material Culture Consulting is DBE certified, the firm is not part of the Proposer's dollar commitment. Only DBE firms listed with dollar commitments are calculated toward the goal.**

B. Contracting Outreach and Mentoring Plan (COMP)

COMP is not applicable for this A&E contract. In accordance with the California Government Code Section 4525, et seq., Metro shall use qualifications-based competitive procedures for the procurement of architectural and engineering services, as defined in the code. Only a competitor's qualifications to perform the architectural and engineering services are to be evaluated and the most qualified proposing firm to be selected.

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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.



Board Report

File #: 2022-0440, File Type: Contract

Agenda Number: 26.

CONSTRUCTION COMMITTEE AUGUST 18, 2022

SUBJECT: METRO G LINE BUS RAPID TRANSIT IMPROVEMENTS PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed price Contract No. PS85661000 to Valley Transit Partners, for Phase 1 Preconstruction Services of the Progressive Design-Build contract for the Metro G Line Bus Rapid Transit Improvements Project (Project) in the amount of \$43,997,256, subject to the resolution of protest(s) if any;
- B. ESTABLISH a Preconstruction Phase-of-Project Budget (Preconstruction Budget) for the Project in the amount of \$149,683,000; and
- C. NEGOTIATE and EXECUTE all project-related agreements and modifications to existing contracts within the authorized Preconstruction Budget.

ISSUE

Staff is seeking the Board's approval for two items: (1) to award a Progressive Design-Build firm fixed price Contract No. PS85661000 to Valley Transit Partners in the amount of \$43,997,256; and (2) to establish a Preconstruction Budget in the amount of \$149,683,000. The Preconstruction Budget is inclusive of all previously awarded contracts, incurred expenses to date of \$30,145,000, and anticipated additional preconstruction activities performed by existing professional services contracts for the Project, all as summarized in the expenditure and funding plan for the Preconstruction Budget as shown in Attachment A.

BACKGROUND

The Project seeks to provide safe and cost-effective improvements to the operating speeds, capacity, and safety of the existing G Line busway while addressing passenger needs and minimizing disruption to the San Fernando Valley residents. The proposed improvements include grade

separations over Van Nuys Boulevard and Sepulveda, enhanced signal priority technology, electronic bus connectivity, and a four-quadrant railroad style gating system. The proposed gating-system is intended to reduce incidents between vehicles and Metro buses and increase the speeds of buses along the corridor which will reduce travel times for riders. The Project is a Measure M deliverable, with an anticipated revenue date of July 2026.

In March of 2020 the Board approved the use of Progressive Design-Build for this Project. In order to move the Project through the Preconstruction Phase of the Progressive Design-Build process, the Project will utilize the Progressive Design-Build contract that is the subject of this action, and will continue to utilize support from previously awarded and existing contracts, agreements, and Metro labor, as listed below and further explained in Attachment A:

- Measure W Stormwater Infiltration scope using the as needed CEQA/NEPA support services contract with ICF to revalidate CEQA to ensure staff are meeting grant funding requirements (Contract No. PS20111 Board Report 2016-0887 - \$2,394,000);
- Construction Support Services from PMA Consultants LLC which was the first medium sized business set aside professional services contract (Contract No. PS70129 Board Report 2021-0362 \$3,967,000);
- As needed program management support services provided by KTJV's on call support contract (Contract No. AE35279 Board Report 2017-0188 - \$3,950,000);
- Supplemental engineering support during the PA&ED and the ongoing PS&E phase with Mott MacDonald (Contract No. AE36687 Board Report 2017-0262 \$12,686,000); and
- Metro Labor (\$10,649,000), Right of Way Acquisitions (\$2,394,000), Third Party costs with the City of Los Angeles and local utilities (\$3,558,000), and Legal Support (\$1,509,000).

DISCUSSION

Progressive Design-Build is a delivery method wherein the Contractor and their designer are brought in early to progress design and evaluate constructability of a project from approximately 30% design to approximately 80-90% design. Through the development of design, the Contractor becomes knowledgeable about the details of the Project, most important of which is the Project risks and risk mitigation strategies. The Contractor will provide cost estimates throughout the design development process and at each major milestone of the Project.

Progressive Design-Build works best on projects with sequence and schedule sensitivities and where design is complex, difficult to define, and/or subject to change. Those criteria exist on the subject Project due to the interfaces with other transit projects that are currently in the planning stages (and therefore are subject to design and schedule changes), emerging technology elements related to the crossing gates, and necessary interfaces with third party stakeholders. Utilizing the Progressive Design-Build delivery method will provide for the efficient management of risks, appropriate collaboration with the selected qualified contractor to deliver a complex project, and the optimization of interface management between internal Metro departments, other projects, and third-party stakeholders. Progressive Design-Build is one of the strategies being applied by the Program Management Department to address Project risks and current cost escalation trends in the construction industry.

The Progressive Design-Build contract for the Project will be delivered in two phases, as described in more detail below:

- Phase One Preconstruction Services (Phase One) expressly sets out the work that the Contractor will perform, such as design and early works construction packages. Phase One also establishes the performance and outcome-based specifications for Phase Two Construction (Phase Two). All Phase One work is performed within the Board approved Preconstruction Budget.
- Upon issuance of Notice to Proceed (NTP) for Phase One, the Contractor and Metro will work side by side to review constructability, undertake value engineering and innovation tasks, conduct site investigations, assess market conditions, provide cost estimates, perform risk assessments, and develop a design and construction schedule for the Project.
- Throughout Phase One, the Contractor will provide Metro with Opinions of Probable Construction Cost (OPCC) which are open book detailed cost estimates that will enable staff to evaluate the overall projected Project costs against the Project budget and make necessary adjustments to scope and/or schedule that protect the affordability of the Project.
- To optimize the Project schedule, early work packages for discrete scopes of work included in Phase Two may be defined and Metro and the Contractor may agree to firm pricing, after which Metro may issue NTP prior to issuance of the full Phase Two NTP. Examples of these early works packages may include gating proof-of-concepts, gated intersection design, operations and maintenance plans, and early electrical equipment installations. A line item for early works packages is included within Attachment A.
- If a final negotiated OPCC is reached, staff will seek Board approval to award all of Phase Two work to the Contractor. If a final OPCC cannot be reached, Metro will have the option to terminate the contract with the Contractor and package the design documents into a separate bid package. This off-ramp will be available to Metro throughout the course of Phase One and will be evaluated at each OPCC.
- Throughout Phase One negotiations, the following parameters will be maintained to mitigate discrepancies and lead to a positive outcome:
 - the Contractor's fee and margin originally proposed will be retained in all OPCCs;
 - if Metro and the Contractor cannot reach an agreement on the Phase Two pricing and terms, Metro may exercise its right to "off-ramp" as described above, ensuring accountability for the Contractor to effectively work with Metro through all phases;
 - the Phase One specification sets out the form and frequency of OPCCs to provide for multiple checkpoints for Metro;
 - the Progressive Design-Build contract sets out the form of the price proposal for Phase Two and the information that the Contractor is required to submit;
 - the Progressive Design-Build contract sets out a clear governance structure for managing Phase One, including establishment of working groups that include members from Metro, the Contractor team and any relevant third parties; and

- the process for establishing all OPCCs will employ transparent open-book methods and the use of independent cost estimates to enable validation of pricing.
- Phase Two work begins upon successful negotiations for all work associated with the Project and includes constructing all work not included in Phase One or early works packages. When the Project proceeds into Phase Two, staff will return to the Board to set the Life of Project budget (LOP). The LOP will be inclusive of all previous costs, including the Preconstruction Budget and the negotiated final price for all Phase Two work. Board approval of the LOP and a successfully negotiated construction contract with Metro allows the Contractor to proceed into Phase Two .

As an essential element of the Preconstruction Phase, staff recommends the award of a firm fixed price contract for the Project for the Phase One Preconstruction Services as further explained in the Procurement Summary in Attachment B and DEOD Summary in Attachment C.

DETERMINATION OF SAFETY IMPACT

The recommended Board action will have no detrimental safety impact.

FINANCIAL IMPACT

The funds required in FY23 for the preconstruction work are included in the adopted budget under project 871405. This is a multi-year project and with Board approval, budgeting for the future fiscal years (FY24, FY25, and FY26) will be the responsibility of the Project Manager, Cost Center Manager, and the Chief Program Management Officer.

Impact to Budget

The award and execution of the Progressive Design-Build Contract and all necessary support costs for the Preconstruction Budget are funded with Measure M 35% Construction, as well as a \$30M Measure W Grant from the County of Los Angeles. The Funding and Expenditure Plan for this Project from inception to Preconstruction is included in the Expenditure and Funding Table, provided as Attachment A. The funding sources - Measure M 35% Construction, SB1 LPP, and Measure W - are not eligible for Metro bus and rail operations.

EQUITY PLATFORM

The Project, which passes through or is adjacent to 18 Equity Focused Communities, will improve transit passenger experience and pedestrian safety through the construction of grade separations, vehicle and pedestrian crossing gates, first/last mile improvements, and ADA accessible features along the entire G Line alignment. More than 80% of riders connect to bus transit by walking, and the improved ADA curb ramps, and pedestrian crossing gates will create a more positive experience for both patrons and pedestrians. The end to end run time will be reduced by more than 15 minutes through signal priority, separating the alignment from traffic at Van Nuys Boulevard and Sepulveda Boulevard, and installing gates at the intersections. Impacts to the community due to this action will

primarily be realized during the construction phase, where noise and vibration pollution and construction traffic may create an unpleasant and sometimes untenable situation for individuals near the alignment, and bus and bicycle path detours will create delays and confusion for some patrons. Additional consideration will be given to the potential impacts created by bus and bike detours, and lessons learned will be drawn from the recent A Line and L Line bus detours, such as proper and timely notification provided in multiple languages, concise and prominently located signage, and having Metro Ambassadors to minimize impacts related to the disruption.

To ensure maximum opportunity for participation on this contract, Metro staff conducted an industry forum that included extensive outreach to the small business community, including those within the Disabled Veterans Business Enterprise and the Small Business Enterprise programs. The solicitation was available for download from Metro's Vendor Portal, was advertised in four leading publications within Los Angeles County (Los Angeles Daily News, Watts Times, La Opinion and the Asian Journal), and notifications were sent to small businesses based on applicable North American Industry Classification System (NAICS) codes. The Proposal Evaluation Team was comprised of personnel from various Metro Departments that was gender diverse and have relevant background and experience. The selected firm made an SBE commitment of 18.35% and a DVBE commitment of 3.73%. This commitment exceeds the DEOD goal of 17% SBE and 3% DVBE.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic goals:

Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.

One of the Project's main objectives is to reduce end to end travel times on the G Line.

Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system.

The addition of safety features and the reconstruction of stations at Van Nuys and Sepulveda will improve the trip experience for users of the transportation system.

Strategic Goal 4: Transform LA County through regional collaboration and national leadership.

Collaboration with the elected officials, citizens, and Metro patrons of San Fernando Valley continues to positively impact the Project.

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with award of the contract and establishment of the Preconstruction Budget. This is not recommended as Metro will incur undesirable schedule delays and cost increases if the Project does not move forward. Furthermore, delay to the Project will have detrimental effects on the available LPP funding dollars.

NEXT STEPS

After Board approval, staff will execute Contract No. PS85661000 with Valley Transit Partners to begin Phase One work. As the design nears completion level and assuming successful OPCC negotiations for Phase Two work, staff will return to the Board for approval of an LOP budget and seek further authority for the Chief Executive Officer to execute project agreements and contract modifications within the LOP budget.

ATTACHMENTS

Attachment A - Expenditure and Funding Plan

Attachment B - Procurement Summary

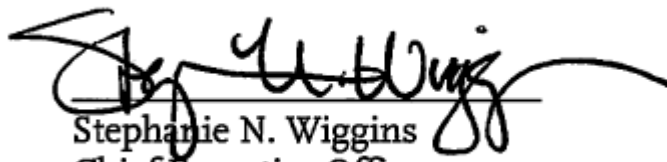
Attachment C - DEOD Summary

Prepared by: Brad Owen, Executive Officer, Program Management (213) 418-3143

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Reviewed by: Bryan Pennington, Chief Program Management Officer, (213) 922-7557

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Stephanie N. Wiggins
Chief Executive Officer

Attachment A - Expenditure and Funding Plan
Metro G Line BRT Improvements Project Preconstruction Budget

Use of Funds	Total (million)	Inception Thru FY 22 (million)	FY 23 (million)	FY 24 (million)
August 2022 Progressive Design Build Contract Award				
Phase 1 - Preconstruction Services	\$ 43.997		\$ 21.999	\$ 21.999
Additional Preconstruction Activities				
PDB Identified Early Works Packages	\$ 48.008	\$ -	\$ 9.602	\$ 38.406
Agency Labor Costs	\$ 10.649	\$ 6.614	\$ 2.421	\$ 1.614
Right of Way Acquisition	\$ 2.283	\$ 0.101	\$ 2.182	\$ -
Measure W - Storm Water Infiltration <i>(previously awarded)</i>	\$ 2.394	\$ 0.133	\$ 1.356	\$ 0.905
Third Party <i>(previously awarded)</i>	\$ 9.374	\$ 5.815	\$ 2.135	\$ 1.423
Construction Support Services <i>(previously awarded)</i>	\$ 3.967	\$ 0.677	\$ 1.974	\$ 1.316
Other Professional Services <i>(previously awarded)</i>	\$ 5.459	\$ 4.119	\$ 0.804	\$ 0.536
Engineering Services for Project through FY22				
PA&ED Support <i>(previously awarded)</i>	\$ 0.966	\$ 0.966		
PS&E Support <i>(previously awarded)</i>	\$ 11.720	\$ 11.720		
Contingency				
Contingency (10%)	\$ 10.867		\$ 4.247	\$ 6.620
Total Preconstruction Services Budget	\$ 149.683	\$ 30.145	\$ 46.720	\$ 72.819
Source of Funds	Total	Inception Thru FY 22	FY 23	FY 24
LACMTA Measure M Funds	\$ 147.289	\$ 30.013	\$ 45.364	\$ 71.914
Measure W (Stormwater Infiltration)	\$ 2.394	\$ 0.133	\$ 1.356	\$ 0.905
SB1 LPP (for Construction)				
Total Preconstruction Phase Funding	\$ 149.683	\$ 30.145	\$ 46.720	\$ 72.819

PROCUREMENT SUMMARY
G-LINE BRT IMPROVEMENTS PROJECT/PS85661000

1.	Contract Number: PS85661000	
2.	Recommended Vendor: Valley Transit Partners	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> RFP <input type="checkbox"/> IFB <input type="checkbox"/> IFB-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: February 10, 2022	
	B. Advertised/Publicized: February 16, 2022, and February 17, 2022	
	C. Pre-proposal/Pre-Bid Conference: February 22, 2022	
	D. Proposals/Bids Due: May 2, 2022	
	E. Pre-Qualification Completed: June 30, 2022	
	F. Conflict of Interest Form Submitted to Ethics: May 4, 2022	
	G. Protest Period End Date: August 22, 2022	
5.	Solicitations Picked up/Downloaded: 229	Bids Received: 4
6.	Contract Administrator: Aielyn Dumaua	Telephone Number: (213) 922-7320
7.	Project Manager: Annalisa Murphy	Telephone Number: (213) 922-2143

A. Procurement Background

This Board Action is to approve the award of Contract No. PS85661000 to Valley Transit Partners to provide G-Line Bus Rapid Transit (BRT) Improvements Project ("G-Line Project") under a progressive design-build contract. Board approval of contract award is subject to the resolution of any properly submitted protest.

In March 2021, the Board authorized the use of alternative delivery methods, including progressive design-build, for the G-Line Project to achieve certain private-sector efficiencies in the integration of design, project works, and other components, pursuant to Public Utilities Code (PUC) Section 130242 (file 2020-0884). The Board also approved the competitive solicitation of a progressive design-build contract to achieve the proposed design approach, specific project features and functions, and other project criteria in addition to price, pursuant to PUC 130242(e).

Prior to the release of the solicitation, Metro conducted an Industry Review in November 2021 to give firms interested in the project the opportunity to review and submit written comments on the draft RFP and progressive design-build contract for the G-Line Project and request one-on-one meetings with Metro to discuss the proposed project delivery approach. The one-on-one meetings were held virtually on December 20, 2021, and December 21, 2021, and were participated by five (5) firms. Metro responded to a total of 193 industry review comments/questions.

On February 10, 2022, RFP No. PS85661 was issued as a competitive procurement in accordance with Metro's Acquisition Policy and the contract type is a progressive

design build. Work under the Contract is intended to be delivered in two phases, as follows:

- Phase 1 - Pre-construction services; and
- Phase 2 - Final design development and construction services.

If it is in the best interest of Metro and the general public for the Contractor to continue to complete the design development and undertake the construction of the Project, Metro will issue a Notice to Proceed for the Phase 2 work upon acceptance of the Contractor's phase 2 proposal. In the spirit of expanding competition, Metro had not determined the gating and signal pre-emption technology for the Project. Therefore, firms were encouraged to propose innovation and cost savings measures across the full breadth of the scope of work that will assure that Metro receives value for money for the Phase 2 Contract Price, and cost-effectiveness throughout construction.

The RFP was issued with the following Small Business Enterprise (SBE) and Disabled Veteran Business Enterprise (DVBE) goals and is subject to Metro's Contract Outreach and Mentoring Plan (COMP) and a Small Business Engagement Outreach Plan (EOP).

Phase 1 - 17% SBE and 3% DVBE goal for Phase 1 of the Contract

Phase 2 - Range of 15% to 30% of the Phase 2 Contract Price for Phase 2 Work

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

- Amendment No. 1, issued on March 4, 2022, revised Form 063 – Proposer's Industrial Safety Record to require disclosure of Proposer's current year's safety record.
- Amendment No. 2, issued on March 23, 2022, provided revisions to various sections of the RFP and Contract including RFP Appendices A (Definitions and Interpretation), C (Administrative Submittals), D (Phase 1 Proposal Instructions), E (Price Proposal Instructions-Cost Allocation Matrix), and G (Reference Documents); and Contract Exhibits 1 (Definitions), 3 (Project Requirements) and 11 (Form of Phase 2 Proposal).
- Amendment No. 3, issued on March 25, 2022, provided revisions to various sections of the RFP and Contract, including RFP Appendices E and G; and Contract Exhibit 3.
- Amendment No. 4, issued on March 30, 2022, extended the proposal due date.
- Amendment No. 5, issued on April 14, 2022, provided revisions to various sections of the RFP and Contract including RFP Appendices B (Summary and Checklist of Proposal Content), C, D, and E; and Contract Exhibit 3.

A virtual pre-proposal conference was held on February 22, 2022, and was attended by 163 participants.

A total of 229 firms downloaded the RFP and were included on the plan holders list. Four proposals were received by the due date of May 2, 2022, and are listed below in alphabetical order:

1. Bechtel-Griffith, JV
2. Herzog/Rados, A Joint Venture
3. Valley Transit Partners
4. Skanska USA Civil West California District Inc.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Alternative Delivery/ Construction Management, Systems Engineering, Project Engineering, and Mobility Corridors Team convened and conducted a comprehensive technical evaluation of the proposals received. In addition, a subject matter expert (SME) from Metro's Corporate Safety and DEOD offered the PET a technical analysis of the Proposers' safety record, safety program, approach to risk management; and approach to engagement and outreach to small and disadvantaged business communities.

Proposals were evaluated based on the following evaluation criteria stated in the RFP:

- | | |
|-----------------------------|-----------|
| • Capability and Experience | 35 points |
| • Project Understanding | 10 points |
| • Project Approach | 35 points |
| • Price Proposal | 20 points |

Several factors were considered in developing these weights, giving the greatest importance to capability and experience, and project approach. As noted above, to maximize potential competition and innovation, Metro did not specify a required gating and signal pre-emption technology for the Project. Therefore, firms were encouraged to propose innovation and cost savings measures across the full breadth of the scope of work and assure that Metro receives value for money for the Phase 2 Contract Price and cost-effectiveness throughout construction. Proposers were also asked to identify risks, challenges, and opportunities of the Project and how their experience on other projects can be utilized to address the major elements of the G-Line Project scope that will require focus and present the greatest risk to the successful delivery of the G-Line Project. Finally, firms were encouraged to demonstrate how their qualifications and experience on comparable projects (or comparable elements of projects), would support their approach to successfully deliver the project.

In addition, the price evaluation criteria consisted of five sections with pre-established parameters to reflect the phases of the project designed to establish a

level playing field and to arrive at one price that would be evaluated with the understanding that only the amount listed under Phase 1 would be used for the Contract Value (subject to clarification and/or negotiations) as follows:

1. Phase 1 Pre-Construction Lump Sum Fee;
2. Delay Compensation Rate for Phase 1 (for evaluation purposes only) in an amount no less than \$10,000 per day as a parameter;
3. Phase 2 Management Lump Sum Fee – (for evaluation purposes only);
4. Phase 2 Margin Percentage – (for evaluation purposes only);
5. Phase 2 Design Support During Construction (DSDC) – (for evaluation purposes only).

On May 4, 2022, the PET met to review the evaluation criteria package, process confidentiality and conflict of interest forms, and take receipt of the proposals to initiate the evaluation phase. Evaluations were conducted from May 4, 2022, through May 17, 2022.

On May 25, 2022, virtual and/or in-person oral presentations were held with the four firms. The project managers and key team members from each firm were invited to present their firm's respective qualifications and respond to the PET's questions. At the conclusion of the oral presentations, Valley Transit Partners was determined to be the highest-rated firm.

VTPs proposal more closely correlated its relevant design and construction experience to the G-Line Project's key objective outcomes: improving operational speeds, capacity/ridership/throughput, connectivity, safety, allowing for future conversion to light rail, and minimizing impacts to area traffic. Most significant was VTP's recent successful work in the Los Angeles region and other referenced projects, demonstrating VTPs depth of knowledge and expertise in the design and construction of all key elements of the G-Line Project, particularly on gating technology/signal preemption applied to Bus Rapid Transit (BRT), which is a key component of achieving the project outcomes. VTP also outlined innovative cost savings solutions, such as allowance agreements, performance incentives, and risk sharing arrangements, that would also promote efficiency, improved productivity, and ultimately provide added value to Metro. Reference checks conducted by Metro staff revealed consistent high-performance ratings in terms of quality, innovation, schedule adherence, minimizing claims, personnel, and partnership.

Qualifications Summary of Proposers:

Bechtel-Griffith JV

Bechtel-Griffith JV (BGJV) is a partnership between Bechtel Infrastructure Corporation (Bechtel), the managing partner, and Griffith Company. The BGJV is supplemented by three key subconsultants: TY Lin International, a global, multi-disciplinary infrastructure services firm that provides a range of planning, design,

construction, and project management services to the aviation; bridge; facilities; mobility, planning, and management; ports and marine; rail and transit; and surface transportation industries; L.K. Comstock National Transit, LLC, a subsidiary of RailWorks, is a transit rail systems specialty electrical contractor; and B&C Transit a subsidiary of Alstom, provides automated train control design, technical engineering, system installations, field testing, networked and stand-alone control, office monitoring systems, station communications, and design-build engineering. Collectively, reference projects include the Metro Sepulveda Transit Corridor Project, E street BRT with the San Bernardino County, Metro Orange Line Extension, Metro Exposition 2, Metro Blue Line Re-Signaling, and Dallas Area Rapid Transit (DART) Blue Line Extension to Rowlett.

Herzog/Rados, A Joint Venture

Herzog/Rados, A Joint Venture (HRJV) is comprised of Herzog Contracting Corp. (Herzog) and Steve P. Rados, Inc. (Rados). Herzog, the lead JV partner, brings over 30 years of experience constructing light rail and modern streetcar projects, including eight Metro rail transit projects while Rados has a 100-year construction presence in California and a long history of building complex highway and heavy civil projects for Los Angeles Department of Transportation (LADOT) and Caltrans along with Metro experience with the delivery of the Expo Phase 2 LRT DB project. The HRJV team includes STV Incorporated (STV), the lead designer and three (3) technology-specialist subcontractors: C3M Power Systems (C3M), Herzog Technologies, Inc. (HTI), and Thompson Technologies, Ltd. will support STV with the detailed gate crossing technology. Collectively, reference projects of the HRJV Team include Brightline High-Speed Rail Project - Phases 1 and 2, Expo Phase 2 LRT Design-Build, Virginia Department of Transportation GRTC Pulse BRT Design-Build, and Charlotte Area Transit System LYNX Blue Line Extension Light Rail Project.

Skanska USA Civil West California District Inc.

Skanska USA Civil West California District, Inc. (Skanska) headquartered in Riverside, CA, was incorporated in 2020 and provides construction services. It constructs highways, streets, roads, airport runways, sidewalks, and bridges. Its team includes AECOM Technical Services, Inc. (AECOM) as the lead designer. Skanska and AECOM's history of partnering on alternative delivery projects in Southern California include the Expo Phase 2, I-210 Iconic Bridge, Regional Connector, Mid-Coast Corridor, and I-805 HOV/BRT projects. Its team also handled, developed, and performed pilot programs of novel technologies to demonstrate a Concept of Operations for the Miami Dade South Corridor BRT Project.

Valley Transit Partners

Valley Transit Partners (VTP) is a joint venture of Stacy and Witbeck, Inc. (Stacy and Witbeck), Flatiron West Inc. (Flatiron), and Modern Railway Systems (MRS). Stacy

and Witbeck and Flatiron are heavy civil construction companies experienced in alternative delivery of transit and transportation projects while MRS is a turn-key provider of railroad systems design and implementation and has expertise in gating technology, including directly relevant experience working on Metro's G-Line Pilot Gate Technology. The VTP team includes Parsons Transportation Group, Inc. (Parsons) as the lead designer. Collectively, reference projects include the Utah Transit Authority's FrontRunner Commuter Rail, Sonoma-Marín Area Rail Transit's SMART Commuter Rail, Miami South Dade Transitway BRT Corridor Project, BART Oakland Airport Connector, Caltrans North Coast Corridor Project, and LAX Automated People Mover. Parsons is the lead designer on the Miami South Dade Transitway BRT Project.

The following is a summary of the PET scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Valley Transit Partners				
3	Capability and Experience	87.86	35.00%	30.75	
4	Project Understanding	90.00	10.00%	9.00	
5	Project Approach	88.63	35.00%	31.02	
6	Price Proposal	66.70	20.00%	13.34	
7	Total		100.00%	84.11	1
8	Skanska				
9	Capability and Experience	78.00	35.00%	27.30	
10	Project Understanding	76.00	10.00%	7.60	
11	Project Approach	78.91	35.00%	27.62	
12	Price Proposal	100.00	20.00%	20.00	
13	Total		100.00%	82.52	2
14	Herzog/Rados, A Joint Venture				
15	Capability and Experience	78.42	35.00%	27.45	
16	Project Understanding	74.00	10.00%	7.40	
17	Project Approach	76.46	35.00%	26.76	
18	Price Proposal	30.50	20.00%	6.10	
19	Total		100.00%	67.71	3
20	Bechtel-Griffith JV				
21	Capability and Experience	66.57	35.00%	23.30	
22	Project Understanding	60.00	10.00%	6.00	
23	Project Approach	72.29	35.00%	25.30	
24	Price Proposal	64.00	20.00%	12.80	
25	Total		100.00%	67.40	4

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based on adequate price competition including cost analysis, price analysis, technical analysis, and fact-finding.

Proposer Name	Proposal Amount	Metro ICE	Award Amount
Valley Transit Partners	\$46,315,349 Phase 1	\$34,373,200	\$43,997,256
	Phase 1 Delay Compensation Rate \$10,000/day		
	Phase 2 Management Lump Sum Fee \$67,710/week		
	Phase 2 Margin Percentage 10.5%		
	Phase 2 DSDC Fee 3.0%		
Skanska	\$34,753,562 Phase 1		
	Phase 1 Delay Compensation Rate \$10,000/day		
	Phase 2 Management Lump Sum Fee \$70,768/week		
	Phase 2 Margin Percentage 7.0%		
	Phase 2 DSDC Fee 2.0%		
Herzog/Rados, A Joint Venture	\$57,215,277 Phase 1		
	Phase 1 Delay Compensation Rate \$50,982/day		
	Phase 2 Management Lump Sum Fee \$93,900/week		
	Phase 2 Margin Percentage 12.0%		
	Phase 2 DSDC Fee 4.04%		
Bechtel-Griffith JV	\$49,500,000 Phase 1		
	Phase 1 Delay Compensation Rate \$25,000/day		
	Phase 2 Management Lump Sum Fee \$60,000/week		
	Phase 2 Margin Percentage 11.0%		
	Phase 2 DSDC Fee 2.0%		

Metro's independent cost estimate (ICE) was prepared using a traditional bid-build cost estimate where the design cost is calculated as a percentage of total anticipated construction costs. It did not fully consider the nuances of a progressive design-build delivery method, the Phase 1 Proof of Concept task required for gated intersections, and unique staff requirements due to the G-Line Project's aggressive schedule. Further, the ICE did not take into consideration current increases in labor rates due to labor market shortages, increasing inflation rates, and market uncertainty. All proposals received exceeded Metro's ICE.

Staff successfully negotiated \$2,318,093.00 in cost savings from VTP's proposal.

D. Background on Recommended Contractor

The recommended firm, Valley Transit Partners (VTP) is a collaboration of two major heavy civil construction companies: Stacy and Witbeck, Inc. (Stacy and Witbeck) and Flatiron West Inc. (Flatiron); and Modern Railway Systems (MRS), a turn-key provider of railroad systems design and implementation. Stacy and Witbeck, a California Corporation, is headquartered in Alameda California. It provides construction and management expertise on complex transit and transportation projects. Flatiron, a Delaware Corporation founded in Boulder, Colorado, is a subsidiary of German-based HOCHTIEF, an international construction service provider. It builds roads, bridges, rail, airports, dams, industrial, water, and underground projects from common to complex, large-scale jobs. MRS, located in Littleton, Colorado, is a wholly owned subsidiary of Stacy and Witbeck. It delivers turnkey projects, including, signaling, traction electrification, communications, security, and SCADA in the transportation industry from conceptual design through certification of installed systems. VTP's lead designer and key subcontractor, Parsons Transportation Group, Inc. (Parsons), is headquartered in Washington, DC and provides engineering, construction, technical, and management services.

VTP's Project Manager has spent the last ten years of his career working on alternative delivery projects. The Design Manager has 23 years' experience in the design of transit and transportation projects and has been the Design Manager on five similar transit projects including three Metro Projects: Gold Line Foothill Extension Phase 2B., Purple Line Extension Section 1, and Crenshaw LAX Transit Corridor. The Technology Systems Manager has over 24 years of complex signaling design and installation experience while the Operations Integration Manager has 44 years of BRT operations experience and is familiar with LADOT systems and Metro bus operations.

DEOD SUMMARY

G-LINE BRT IMPROVEMENTS PROJECT/PS85661000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 17% Small Business Enterprise (SBE) goal and a 3% Disabled Veteran Business Enterprise (DVBE) goal for Phase 1 of this project. Valley Transit Partners (VTP) made a 18.35% SBE commitment and a 3.73% DVBE commitment for Phase 1.

Small Business Goal	SBE 17% DVBE 3%	Small Business Commitment	SBE 18.35% DVBE 3.73%
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Phase 1

	SBE Subcontractors	% Committed
1.	PBS Engineers	2.35%
2.	Civic CM	0.63%
3.	Modern Times, Inc.	0.22%
4.	Conaway Geomatics	2.79%
5.	Geo-Advantec, Inc.	2.04%
6.	2R Drilling Inc.	0.99%
7.	Synergy Traffic Control	0.38%
8.	Pac-Rim Engineering, Inc.	1.33%
9.	Suenram & Associates, Inc.	2.39%
10.	The Alliance Group Enterprise, Inc.	2.84%
11.	Steiner Consulting Inc.	0.54%
12.	Transportation Management & Design, Inc.	1.73%
13.	Value Management Strategies, Inc.	0.12%
	Total Commitment	18.35%

	DVBE Subcontractor	% Committed
1.	Fryman Management, Inc.	3.73%
	Total Commitment	3.73%

Phase 2

DEOD will establish the SBE/DVBE goals(s) for the Phase 2 Work in accordance with the provisions of the Contract. Prior to submittal of the Phase 2 Work Proposal, DEOD will notify VTP of the SBE/DVBE goal(s) established for the Phase 2 Work. VTP will be contractually required to meet or exceed the goal at the time of submission of its Phase 2 Work Proposal. If VTP does not meet or exceed the SBE/DVBE goal(s) for the Phase 2 Work, the Phase 2 Proposal will not be accepted by Metro.

B. Small Business Engagement and Outreach Plan (EOP)

Proposers were required to submit a small Business Engagement Outreach Plan (EOP) as part of its proposal evidencing how it will engage and outreach to the small and disadvantaged business community on contracting opportunities for all phases of the contract work. VTP met the requirements.

C. Contracting Outreach and Mentoring Plan (COMP)

The COMP is applicable to this project. At a minimum, Proposers were required to mentor: three (3) firms, two (2) SBE firms and one (1) DVBE firm in connection with Phase 1 Work for protégé development. VTP committed to mentor Conaway Geomatics, Suenram & Assoc., and The Alliance Group.

VTP must also mentor a total of two (2) SBE/DVBE firms, in connection with any Early Works Package valued at \$25 million or more. VTP must mentor at a minimum four (4) SBE firms and two (2) DVBE firms during Phase 2 Construction Work for protégé development. SBE/DVBE firms mentored during Phase 2 shall not be SBE/DVBE firms previously mentored during any other phase.

D. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this project.

E. 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). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection, construction management and other support trades.

D. Project Labor Agreement/Construction Careers Policy

PLA/CCP will be applicable on the Construction portion of this contract. Contractor will be required to commit to meet the applicable Targeted Local Hiring requirements.



Board Report

File #: 2022-0442, File Type: Contract

Agenda Number: 27.

CONSTRUCTION COMMITTEE AUGUST 18, 2022

SUBJECT: METRO I-105 EXPRESSLANES - CONSTRUCTION MANAGER/GENERAL CONTRACTOR CONTRACT

ACTION: AWARD CONTRACT AND ESTABLISH PRECONSTRUCTION BUDGET

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm-fixed-price contract, Contract No. PS84667000 to Flatiron-Myers, Joint Venture, for I-105 ExpressLanes Project Construction Manager/General Contractor (CM/GC) Phase 1 in the amount of \$7,997,461, for Preconstruction Services for a period of performance of 30 months, subject to the resolution of protest(s), if any;
- B. ESTABLISH a Preconstruction Phase-of-Project Budget (Preconstruction Budget) for the I-105 ExpressLanes Project (Project) in an amount of \$119,391,538; and
- C. NEGOTIATE and EXECUTE all project-related agreements and modifications to existing contracts within the authorized Preconstruction Phase-of-Project Budget (Preconstruction Budget).

ISSUE

Staff is seeking the Board's approval for two items: (1) to award a CM/GC firm fixed price Contract No. PS84667000 to Flatiron-Myers Joint Venture in the amount of \$7,997,461; and (2) to establish a Preconstruction Budget in the amount of \$119,391,538. The Preconstruction Budget is inclusive of all previously awarded contracts, incurred expenses to date of \$13,938,500, and anticipated additional preconstruction activities performed under the contracts discussed herein for the Project, all as summarized in the expenditure and funding plan for the Preconstruction Budget included in Attachment A.

BACKGROUND

In January 2017, the ExpressLanes Strategic Plan was presented to the Board. The Strategic Plan analyzed all existing, in construction, and planned High Occupancy Vehicle (HOV) lanes in the county for potential conversion to ExpressLanes and identified three tiers of corridors, with Tier 1 being the highest. Tier 1 projects include I-105, I-405, I-605, and an extension of the existing I-10

ExpressLanes. At its January 2017 Board meeting, the Board directed staff to initiate planning studies for Tier 1 projects.

The I-105 Expresslanes Project (I-105 Project) will convert the existing HOV lane to ExpressLanes and add a second Express Lane in each direction on the I-105 between I-405 and Studebaker Road in the City of Norwalk. The Project Approval/Environmental Document (PA/ED) phase for the I-105 Project began in March 2018 and was completed in May 2021. The I-105 Project is currently in the Plans, Specifications, and Estimates (PS&E) phase. PS&E for segment 1 between I-405 and Central Avenue is scheduled to be completed in Spring 2023 and PS&E for segment 2 between Central Avenue and Studebaker Road is scheduled to be completed in Fall 2024. The I-105 Project is a Measure M project and has also received a \$150 million State Solutions for Congested Corridors (SCCP) grant.

The I-105 Project will provide multi-modal travel options and mobility benefits to all users in the corridor. Metro transit, vanpool, and high-occupancy vehicle users are eligible to continue to use the lanes without a toll. Revenues from ExpressLanes can support Metro rail and Metro and municipal bus operators through direct subsidies to transit programs on the ExpressLanes. Local cities and agencies benefit from the ExpressLanes Net Toll Revenue Grant program which supports transit and active transportation programs and adds a tool to help close the first/ last mile gap. Local streets and arterials will have fewer cars congesting their intersections which will offset the vehicle miles travelled figures while improving air quality in the neighborhoods. Moreover, Metro's Low Income Assistance Plan and Transit Rewards programs will help lower the financial burden of opening and maintaining an ExpressLanes account while providing reliability benefits to all users. These programs, along with dynamic pricing for solo drivers using the ExpressLanes, will help ensure the facility operates efficiently while maintaining reliable and equitable travel for all.

Metro will deliver the Project under two separate contract components: 1) heavy civil construction of the highway and 2) tolling system design and installation. The Roadside Toll Collection System (RTCS) will be a Design/Build/Operate/Maintain contract. The Project's heavy civil construction will be delivered utilizing the CM/GC delivery method. In May 2021 and April 2022, the Board approved the two PS&E contracts for the final design.

Metro staff will also seek Board approval for the Program Management Support Services (PMSS) and RTCS contracts in August 2022. The CM/GC, PMSS, and RTCS contractors are required to design, construct, and operate the Project.

In June 2021 the Board approved the use of CM/GC as the delivery method for this Project. In order to move the Project through the Preconstruction Phase of the CM/GC process, the Project will utilize the CM/GC contract that is the subject of this action, the PMSS contract (separate item), and will continue to utilize support from previously awarded and existing contracts, agreements, and Metro labor, as listed below and further explained in Attachment A (Preconstruction Budget):

- PMSS Contract Expenses (August 2022 Board), \$7,100,000
- PS&E Engineering Expenses (Contracts approved by Board May 2021 and April 2022), \$55,313,574
- Caltrans PS&E Oversight, \$6,200,000

-
- Metro Labor, \$7,300,000,
 - Right of Way Acquisitions, \$3,000,000
 - Third Party costs and local utilities, \$6,000,000
 - Integrated Project Management Office expenses, \$1,100,000; and
 - Professional Services/Legal Support, \$4,400,000.

DISCUSSION

Staff recommends using CM/GC for the Project's Phase 1 as it enables Metro to engage a General Contractor to act as the "Construction Manager" consultant and collaborate with Metro and the PS&E and RTCS contractors. The CM/GC process provides the ability to effectively integrate benefits from the early engagement of construction experts that will enable Metro to make informed decisions during the design process and provide substantive benefits to the project. Further, the CM/GC delivery method for this project will also improve construction quality, provide higher certainty on the final construction cost and delivery schedule, and minimize risks related to construction change orders, disputes, and third-party delays during construction.

The CM/GC will deliver the Project in two distinct contract phases. The Preconstruction Budget establishes Phase 1, the Preconstruction Phase (Design), which allows the contractor to work with the PS&E contractor and Metro to identify risks, provide cost estimates, and refine the project schedule. During Phase 1, Metro will work with the CM/GC Contractor to explore opportunities to accelerate the delivery schedule, as well as leverage their expertise to drive the completed design in a direction that remains within approved project budgets. As the design approaches completion, the CM/GC contractor and Metro negotiate the contract price for Phase 2, the Construction Phase. If both the CM/GC and Metro reach an agreement on the Construction Phase costs, then the second contract phase (Construction Phase) will begin, and Metro will execute a Contract Supplement and issue a Notice to Proceed (NTP) for Phase 2.

At any stage during the Preconstruction design period, Metro can exercise an "off-ramp" and seek another contractor by competitively bidding on the Project's final design, while still benefitting from the previous work performed by the CM/GC Contractor. The CM/GC Phases are described in more detail below:

- Phase 1 Preconstruction Services expressly sets out the work that the Contractor will perform, such as design review and Early Works Packages.
- Upon issuance of NTP for Phase 1, the Contractor, PS&E design contractor, RTCS, and Metro will work side by side to review constructability, undertake value engineering, conduct site investigations, assess market conditions, and provide current contractor price estimates, risk assessments, and construction schedules at each successive prescribed design interval to finalize the design.
- Throughout Phase 1, the Contractor will provide Metro with Opinions of Probable Construction Cost (OPCC), which are detailed cost estimates that will enable staff to evaluate the projected Project costs against the Project budget and make necessary adjustments to the scope or schedule.

-
- If both parties agree to a final OPCC, staff will seek Board approval to award Phase 2 construction to the Contractor. If not, Metro will have the option to terminate the contract with the Contractor and package the design documents into a separate bid package. This off-ramp will be available for Metro throughout Phase 1 as staff evaluates each OPCC.
 - Throughout Phase 1 negotiations, Metro will maintain the following parameters to mitigate discrepancies and to increase the likelihood of project success:
 - the Contractor's fee and margin initially proposed will be retained in all OPCCs;
 - the Phase 1 specification sets out the form and frequency of OPCCs to provide for multiple checkpoints for Metro;
 - the CM/GC contract sets out the conditions of the price proposal for Phase 2 and the information that the Contractor is required to submit;
 - the CM/GC contract sets out a clear governance structure for managing Phase 1, including the establishment of working groups that include members from Metro, the contractor team, and any relevant third parties; and
 - the process for establishing all OPCCs will employ transparent open-book methods and the use of independent cost estimates to validate pricing.

In December 2020 the Project received \$150,000,000 as part of the Solutions for Congested Corridor Program (SCCP) with specific requirements:

- Metro requested funding for the 2022-2023 fiscal year
- Award is valid for six months from allocation
- Metro must request the California Transportation Commission by June 2023, and a construction contract be awarded by December 2023
- Metro has until December 2026 to complete the Contract

Metro anticipates issuing an Early Works Package as Part of Phase I to satisfy these requirements that would meet the construction cost threshold of \$150,000,000 and the allotted project delivery schedule to begin construction by 2023. The Early Works Package will be to construct Segment 1 of the Project between I-405 to Central Avenue, generally located between the I-405 and I-110 at the western limit of the Project. When the Project team completes the Segment 1 Design, Metro and the CM/GC will negotiate the Early Works Package Construction Budget, and staff will return to the Board for Segment 1 Budget approval. At the same time, the Project team will continue working on completing the Project's final design from Central Avenue to Studebaker Road. Metro will then negotiate the Construction Fee with the CM/GC for the remaining segments and return to the Board to request approval for the Life of Project (LOP) Budget, including all preconstruction costs, early works, and the negotiated final price for all Phase 2 work, or Guaranteed Maximum Price (GMP). Upon Board approval of the LOP, Metro will issue an NTP for the CM/GC to construct the remaining Project segments within the GMP as defined by the Project's design documents. The GMP includes the total of all subcontracts, the CM/GC General Conditions, the CM/GC fee, and the CM/GC construction contingency.

The Federal Highway Administration (FHWA) is currently reviewing staff's request to use Metro's Project Labor Agreement (PLA) to construct the Project. If approved by FHWA, Metro will incorporate

the PLA into Phase 2.

As an essential element of the Phase I Preconstruction Work, staff recommends the award of a CM/GC firm fixed price contract for the Project as further explained in the Procurement Summary in Attachment B and DEOD summary in Attachment C.

DETERMINATION OF SAFETY IMPACT

The Project is being planned and designed per Caltrans Standard Specifications and Caltrans Standard Plans. Approval of the Preconstruction Budget for the Project will have no impact on safety.

FINANCIAL IMPACT

This Preconstruction Budget will span from FY23 to FY25. Budgeting for the future fiscal years will be the responsibility of the Chief Program Management Officer and the Deputy Chief Operations Officer, Shared Mobility.

The Project is a “Tier 1 Project” within the 2017 LACMTA Countywide ExpressLanes Strategic Plan (ELSP). The cost estimate to construct dual ExpressLanes on the I-105, including hard and soft costs, is \$779,000,000. Since this project is at a very early stage of PS&E, this initial cost estimate is subject to change due to design refinement during the PS&E phase, input from the CM/GC during preconstruction services, and market conditions, including escalation and supply chain. Measure M funds this contract award.

The Project currently has \$175,000,000 in Measure M and \$150,000,000 from the SCCP to fund the proposed contract award and establish the Preconstruction Budget (see Attachment A). Toll-backed obligations, including a TIFIA loan and potential federal grants to fund the Project’s remaining budget in future fiscal years, will fill the funding gap of approximately \$454,000,000. For example, in Spring 2022, Metro applied and requested \$45,000,000 from the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and \$45,000,000 from the Multimodal Project Discretionary Grant (MPDG). This action only commits Metro to the costs of the Preconstruction Budget of \$119,391,538 without further contractual obligation by Metro.

Impact to Budget

The FY23 funding for the award and execution of Phase 1 Preconstruction Services and all support costs is included in FY23 Adopted Budget in cost center 2220, project 475004. This is funded with Measure M 17% Highway and is not eligible for Metro bus and rail operations. The funding and expenditure plan for this project from inception to Preconstruction is included in Attachment A.

EQUITY PLATFORM

The Diversity and Economic Opportunity Department (DEOD) established a 12% Disadvantaged

Business Enterprise (DBE) goal for Phase 1 and a 19% DBE goal for Phase 2 of this solicitation. The proposed contractor team exceeded Metro's goal by making a 12.61% commitment for Phase 1 and will be required to meet or exceed the DBE goal for Phase 2 Work at the time of submission of its Phase 2 Work Proposal. Before the release of the solicitation for this contract, Metro conducted two virtual Metro Connect Industry Forums on June 3, 2021, and July 23, 2021. The June 3rd event was attended by 138 individuals, and the July 23rd event was attended by 88 individuals. The events were held to inform the DBE community of the upcoming I-105 contracting opportunities and to increase small business participation.

In 2019, Equity Focus Communities (EFCs) comprised approximately six miles of the Project's sixteen-mile-long corridor. In the one-mile area around the I-105, about 94% of the total population of 536,000 is non-white. Of the 142,000 households in this area, 26% earned less than \$25,000 annually. On the I-10 corridor, EFCs are in the cities of Pomona, Baldwin Park, Covina, West Covina, El Monte, and South El Monte. On the I-405 corridor, EFCs are in the vicinity of the 10/405 interchange, by UCLA, and in Van Nuys just north of US-101. The analysis will incorporate the updated (2022) EFC maps in future updates to the Board.

Metro has established its Low-Income Assistance Plan (LIAP) program to ensure low-income households' equitable access to the ExpressLanes. Metro ExpressLanes also reinvests a substantial portion of its toll revenues back into the respective corridors in the form of incremental transit service funding and net toll revenue reinvestment grants.

Additional strategies cited in the I-105 Project EIR/EA to help mitigate negative Project impacts on EFCs include sound walls, best management practices, and a traffic management plan (TMP) to reduce construction-related impacts. Mitigation measures, if required, for the I-10 and I-405 Projects will be identified as part of the PA/ED phase. Metro anticipates that CM/GC delivery method will improve public outreach on the Project's design and implementation by having the CM/GC on board during design development feedback.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports Strategic Goal 1, providing high-quality mobility options that enable people to spend less time traveling by increasing regional highway capacity and offering travelers on the corridor a new, faster, more reliable, and convenient travel mode alternative.

The Project supports Strategic Goal 2, delivering outstanding trip experiences for all users of the transportation system, by improving trip times and travel speeds for both the ExpressLanes and the general-purpose lanes.

The Project supports Strategic Goal 4, transforming LA County through regional collaboration and national leadership, by strengthening Metro's relationships with Caltrans, the Federal Highway Administration, Los Angeles County, local cities/jurisdictions, and several other agencies.

ALTERNATIVES CONSIDERED

The Board may elect not to award Phase 1 of the CM/GC Contract for the Project. Staff does not

recommend this alternative because the project benefits of using CM/GC Preconstruction Services for the Project would not be realized, including improved design quality, enhanced efficiencies, a guaranteed maximum budget principal, and lower risk for future construction change orders. Furthermore, this may impact grant funding agreements and jeopardize the \$150,000,000 State SCCP funds awarded to the Project.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS84667000 with Flatiron-Myers, Joint Venture. Metro staff will engage the CM/GC contractor to initiate Phase 1 Preconstruction Services with the PS&E contractor and RTCS contractor to complete the final design. Staff will return to the Board to seek approval of the Segment 1 Early Works Package Construction Budget in FY24 and the Phase 2 Construction Project Budget in FY25. Staff will also keep the Board apprised of our progress in securing additional funds as the Project moves forward.

ATTACHMENTS

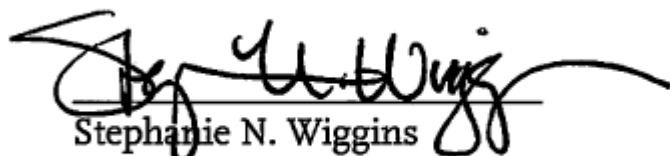
Attachment A - I-105 ExpressLanes Funding and Expenditure Plan

Attachment B - Procurement Summary

Attachment C - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

**Attachment A - Expenditure and Funding
Plan**

**I-105 ExpressLanes Preconstruction
Budget**

Use of Funds	Total	Inception Thru FY 22	FY23	FY24	FY25
August 2022 Construction Manager/General Contractor Award					
Construction Manager/General Contractor (CM/GC) Phase One	\$ 7,997,464		\$ 2,997,464	\$ 4,000,000	\$ 1,000,000
Anticipated Additional Preconstruction Activities					
Caltrans PS&E oversight cost	\$ 6,200,000		\$ 1,600,000	\$ 3,000,000	\$ 1,600,000
Right of Way Acquisition	\$ 3,000,000		\$ 1,200,000	\$ 1,200,000	\$ 600,000
3rd Party/Utilities Coordination	\$ 6,000,000		\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Agency Labor Costs	\$ 7,300,000		\$ 2,700,000	\$ 3,000,000	\$ 1,600,000
Integrated Project Management Office	\$ 1,100,000		\$ 400,000	\$ 350,000	\$ 350,000
Other Awarded Contracts					
Program Management Support Services (PMSS)(Awarded August 2022)	\$ 7,100,000		\$ 2,400,000	\$ 3,100,000	\$ 1,600,000
PS&E (Plans, Specifications, and Estimates)(previously awarded)	\$ 55,313,574		\$ 11,700,000	\$ 27,613,574	\$ 16,000,000
Other Professional Services	\$ 4,400,000		\$ 1,600,000	\$ 1,700,000	\$ 1,100,000
Planning Phase/Early Engineering (previously awarded)	\$ 13,938,500	\$ 13,938,500			
Contingency					
Contingency 10% (PS&E and CMGC contracts)	\$ 7,042,000			\$ 4,000,000	\$ 3,042,000
Total	\$ 119,391,538	\$ 13,938,500	\$ 26,597,464	\$ 49,963,574	\$ 28,892,000
Source of Funds					
LACMTA Measure M Funds	\$ 119,391,538	\$ 13,938,500	\$ 26,597,464	\$ 49,963,574	\$ 28,892,000

PROCUREMENT SUMMARY

METRO I-105 EXPRESSLANES – CONSTRUCTION MANAGER/GENERAL CONTRACTOR/PS84667000

1.	Contract Number: PS84667000	
2.	Recommended Vendor: Flatiron-Myers, Joint Venture	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP–A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: February 16, 2022	
	B. Advertised/Publicized: February 17, 18, 19, 22, 23, and 24, 2022	
	C. Pre-Proposal Conference: February 28, 2022	
	D. Proposals Due: April 26, 2022	
	E. Pre-Qualification Completed: June 13, 2022	
	F. Conflict of Interest Form Submitted to Ethics: April 28, 2022	
	G. Protest Period End Date: August 22, 2022	
5.	Solicitations Picked up/Downloaded: 67	Proposals Received: 2
6.	Contract Administrator: Victor Zepeda	Telephone Number: (213) 922-1458
7.	Project Manager: James Wei	Telephone Number: (213) 922-2313

A. Procurement Background

This Board Action is to approve Contract No. PS84667000 issued in support of the construction manager/general contractor project delivery method (approved for use on June 12, 2021, Board Report No. 2021-0306) for Metro's ExpressLanes on Interstate 105 (I-105). Board approval of contract awards are subject to resolution of any properly submitted protest.

Prior to the release of the solicitation, two virtual Metro Connect Industry Forums were conducted for the I-105 projects on June 3, 2021 and July 23, 2021. The June 3rd event was attended by 138 individuals and the July 23rd event was attended by 88 individuals. The events were held to inform the DBE community of the upcoming I-105 contracting opportunities and to increase small business participation.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is construction manager/general contractor (CM/GC). The RFP was issued with a 12% DBE goal for Phase 1 and 19% DBE goal for Phase 2.

Four (4) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on March 10, 2022, replaced a safety form, allowed with limitations the use of 11"x17" paper, and clarified instructions for certain sections of the RFP;

- Amendment No. 2, issued on March 25, 2022, revised various sections of the RFP and Contract documents;
- Amendment No. 3, issued on April 5, 2022, revised the Contract by the addition of a Term and Condition; and,
- Amendment No. 4, issued on April 13, 2022, revised various sections of the RFP and Contract.

A virtual pre-proposal conference was held on February 28, 2022, and was attended by 38 participants representing 22 companies. There were five sets of questions and responses were released prior to the proposal due date.

A total of 67 firms downloaded the RFP and were registered in the plan holder's list. A total of two proposals were received by April 26, 2022.

Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Countywide Planning, Construction Management, and Caltrans was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following weighted evaluation criteria:

1. Capability and Experience	35 Points
2. Project Understanding	10 Points
3. Project Approach	35 Points
4. Price	<u>20 Points</u>
	100 Points

Several factors were considered when developing these weights, giving the greatest importance to capability and experience and project approach.

In addition, the price evaluation criteria consisted of four sections with pre-established parameters to reflect the phases of the project designed to establish a level playing field and to arrive at one price that would be evaluated with the understanding that only the amount listed under Phase 1 would be used for the Contract Value (subject to clarification and/or negotiations) as follows:

1. Phase 1 – Pre-Construction Lump Sum Fee;
2. Delay Compensation Rate for Phase 1 (for evaluation purposes only) with a quantity of 100 days established as a parameter;
3. Phase 2 – Management Lump Sum Fee – (for evaluation purposes only) with a 50-month construction period and a cost of \$507,257,686.00;
4. Phase 2 Margin Percentage – (for evaluation purposes only).

Of the two proposals received, both were determined to be within the competitive range and are listed below in alphabetical order:

1. Flatiron-Myers Joint Venture (FMJV)
2. Skanska USA Civil West California District, Inc. (Skanska)

On May 26, 2022, oral presentations were conducted. During each firm's interview, project managers and key team members discussed their proposed response to various traffic and economic conditions, prior experience with alternate delivery methods, and other technical questions. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Each team was asked questions relative to each firm's proposal and previous experience.

After a thorough review of proposals and interviews, the PET's recommendation in the order of ranking is shown in the table below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	FMJV				
3	Capability and Experience	92.31	35%	32.31	
4	Project Understanding	90.60	10%	9.06	
5	Qualifications of Contractor	86.57	35%	30.30	
6	Price	100.00	20%	20.00	
7	Total		100%	91.67	1
8	Skanska				
9	Capability and Experience	88.22	35%	30.87	
10	Project Understanding	92.70	10%	9.27	
11	Qualifications of Contractor	85.94	35%	30.08	
12	Price	92.25	20%	18.45	
13	Total		100%	88.67	2

Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), price analysis, technical evaluation, fact finding, and negotiations.

Proposer Name	Proposal Amount	Metro ICE	Award Amount
Flatiron-Myers JV	\$8,319,958 (Phase 1)	\$9,871,431	\$7,997,461 (Phase 1)
	Phase 1 Delay Compensation Rate \$9,000/day		Phase 1 Delay Compensation Rate \$9,000/day
	Phase 2 Management Lump Sum Fee \$840,000/month		Phase 2 Management Lump Sum Fee \$840,000/month
	Phase 2 Margin Percentage 8.0%		Phase 2 Margin Percentage 8.0%
Skanska	\$7,500,000 (Phase 1)		
	Phase 1 Delay Compensation Rate \$8,500/day		
	Phase 2 Management Lump Sum Fee \$1,000,000/month		
	Phase 2 Margin Percentage 8.0%		

The final amount is lower than Metro's original ICE as a result of the following factor:

- The ICE was originally developed based on a period of performance of 36 months for Phase 1. However, the final Request for Proposal was issued with a period of performance of 30 months for Phase 1.

Staff successfully negotiated \$322,497 in cost savings from FMJV's proposal.

D. Background on Recommended Contractor

Flatiron-Myers, Joint Venture

The recommended firm, Flatiron, has a local office in Chino, CA and was originally founded in Boulder, Colorado in 1974. Flatiron is a subsidiary of German-based HOCHTIEF, an international construction service firm and operates throughout the United States and Canada.

Flatiron has experience in bid-build, CM/GC, construction-manager-at-risk, design-build, progressive design-build, and P3 delivery methods.

Myers & Sons Construction (Myers) is a heavy (bridge and roadway projects) construction company based in Sacramento, CA that was established in 2010. Myers has experience in alternative delivery projects such as design build and CM/GC.

Flatiron-Myers formed a joint venture specifically for this endeavor and bring together their experience in alternate delivery methods as well as heavy construction.

DEOD SUMMARY

**METRO I-105 EXPRESSLANES – CONSTRUCTION MANAGER/GENERAL
CONTRACTOR/PS84667000**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 12% Disadvantaged Business Enterprise (DBE) goal for Phase 1 for this Federal Highway Administration funded (FHWA) project. Flatiron-Myers, JV (FMJV) exceeded the goal by making a 12.61% DBE commitment for Phase 1.

Small Business Goal	12% DBE	Small Business Commitment	12.61% DBE
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Phase 1:

	DBE Subcontractors	Ethnicity	% Committed
1.	Costin Public Outreach Group, Inc.	Caucasian Female	2.74%
2.	Hirschmugi, Heine & Associates, Inc.	Caucasian Female	1.73%
3.	Modern Times, Inc.	Hispanic American	1.79%
4.	Sequoia Consultants, Inc.	Subcontinent Asian American	2.37%
5.	Steiner Consulting, Inc.	Caucasian Female	3.98%
Total DBE Commitment			12.61%

Phase 2:

DEOD established a 19% Disadvantaged Business Enterprise (DBE) goal for Phase 2 of this project. FMJV will be required to meet or exceed the DBE for Phase 2 Work at the time of submission of its Phase 2 Work Proposal. If FMJV'S DBE commitment for the Phase 2 Work is less than the stated DBE goal for the Phase 2 Work, FMJV will be required to submit at the time of its Phase 2 Proposal submission, its Good Faith Efforts (GFE) documentation evidencing that it made adequate GFE to achieve the stated goal.

B. Small Business Engagement and Outreach Plan (EOP)

Proposers were required to submit a small Business Engagement Outreach Plan (EOP) as part of its proposal evidencing how it will engage and outreach to the small and disadvantaged business community on contracting opportunities for all phases of the contract work. FMJV met this requirement.

C. Contracting Outreach and Mentoring Plan (COMP)

COMP is applicable to this project. FMJV must submit a detailed COMP evidencing how it will achieve its listed commitment through the utilization of DBE firms for the project when submitting its Price Proposal for any Early Work package request worth \$25 million or more and submit an updated COMP with Contractor's Phase 2 Price Proposal.

D. Living Wage and Service Contract Worker Retention Policy Applicability

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

E. 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).

F. Project Labor Agreement/Construction Careers Policy

Metro has submitted a request to FHWA on the use of a Project Labor Agreement/Construction Careers Policy (PLA/CCP) on the construction portion of the CM/GC contract. Upon approval, the PLA/CCP shall requires that the General Contractor commit to meet the applicable Targeted Local Hiring Requirements.



Board Report

File #: 2022-0441, File Type: Contract

Agenda Number: 28.

CONSTRUCTION COMMITTEE AUGUST 18, 2022

SUBJECT: METRO EXPRESSLANES PROJECTS - PROGRAM MANAGEMENT SUPPORT SERVICES

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD task order-based Contract No. AE83974000 for Program Management Support Services (PMSS) to HNTB Corporation, in the amount of \$66,913,860 for a seven (7) year base period and \$6,142,748 for a two-year option, for a total of nine (9) years and a maximum total of \$73,056,608, subject to resolution of protest(s), if any;
- B. ESTABLISH Contract Modification Authority (CMA) for \$7,305,660 (10%) of the not-to-exceed contract award value and authorizing the CEO to execute individual Contract Modifications within the CMA and within the respective project budget authorizations.

ISSUE

PMSS services are required to assist Metro Program Management staff with program and construction management support for Metro ExpressLanes projects currently in project development, including the I-105, I-405, and I-10. This work will include program and project management services, preconstruction activities through construction management services, tolling operations testing, and contract closeout.

BACKGROUND

In January 2017, the ExpressLanes Strategic Plan was presented to the Board. The Strategic Plan analyzed all existing, in construction, and planned High Occupancy Vehicle (HOV) lanes in the county for potential conversion to ExpressLanes and identified three tiers of corridors, with Tier 1 being the highest. Tier 1 projects include I-105, I-405, I-605, and an extension of the existing I-10 ExpressLanes. At its January 2017 Board meeting, the Board directed staff to initiate planning studies for Tier 1 projects.

The Project Approval/Environmental Document (PA/ED) phase for I-105 ExpressLanes Project (I-105 Project) began in March 2018 and was completed in May 2021. The I-105 is currently in the Plans,

Specifications, and Estimates (PS&E) phase. PS&E for segment 1 between I-405 and Central Avenue is scheduled to be completed in Spring 2023 and PS&E for segment 2 between Central Avenue and Studebaker Road is scheduled to be completed in Fall 2024. The I-105 is a Measure M project and has also received a \$150 million State Solutions for Congested Corridors (SCCP) grant.

The I-405 ExpressLanes Project (I-405 Project) between US-101 and I-10 is currently in the PA/ED phase and is a Measure M project. The I-10 ExpressLanes Project (I-10 Project) between I-605 and the Los Angeles/San Bernardino County line is also currently in the PA/ED phase. The ExpressLanes Projects will provide multi-modal travel options and mobility benefits to all users in the corridor. Metro transit, vanpool, and high-occupancy vehicle users are eligible to continue to use the lanes without a toll. Revenues from ExpressLanes can support Metro rail and Metro and municipal bus operators through direct subsidies to transit programs on the ExpressLanes. Local cities and agencies benefit from the ExpressLanes Net Toll Revenue Grant program which supports transit and active transportation programs and adds a tool to help close the first/ last mile gap. Local streets and arterials will have fewer cars congesting their intersections which will offset the vehicle miles travelled figures while improving air quality in the neighborhoods. Moreover, Metro's Low Income Assistance Plan and Transit Rewards programs will help lower the financial costs of opening and maintaining an ExpressLanes account while providing reliability benefits to all users. These programs, along with dynamic pricing for solo drivers using the ExpressLanes, will help ensure the facility operates as efficiently as possible while maintaining reliable and equitable travel for all.

The PMSS contractor will be responsible for providing oversight and completion of ongoing and future work associated with the planning and management of Metro's ExpressLanes Capital Program. The PMSS Contractor shall serve as advisors, managers, and support as an extension of Metro technical staff.

For the I-105 Project, the SCCP grant requires issuing a construction contract by December 2023. To meet this deadline, Metro intends to apply the grant funds to construct segment 1 first. In addition to the PMSS, this will require procuring the Construction Management/General Contractor (CM/GC) and Roadside Toll Collection (RTCS) contract that Metro staff is seeking Board approval for. Because the I-105 Project is the furthest along and is moving into the construction process, as well as the SCCP grant deadline, we anticipate that 88% of the PMSS contract work will be applied to the I-105 Project for project and construction management services, while the remaining 12% will be utilized for project management services on the I-10 and I-405 Projects when those projects advance into the next phases of project development.

DISCUSSION

The proposed PMSS contract would generally support Program Management and Shared Mobility departments by providing highly skilled and qualified individuals to support Metro staff with program and construction management and by co-locating with Metro staff to establish an Integrated Project Management Office. The PMSS consultant will provide administration, inspection services, and technical support during the design, construction, tolling operations, and closeout phases of the

Project(s).

With the significant size and aggressive implementation schedule for delivering the Projects, close coordination and expertise across multiple disciplines are specifically required in Program Management, including Project Management, Project Delivery and Contract Development/Compliance, and Construction Management services.

The I-105 Project is also a highly technical and unique project for Metro and is one of Metro's first projects to use the CM/GC delivery method to deliver and construct the project. With CM/GC, Metro will hire the construction contractor to provide feedback during the design phase before the start of construction. The PMSS team will work with the PS&E and CM/GC contractors to provide strategic guidance and direction to achieve effective coordination of the design and construction of the Project. Furthermore, the PMSS Contractor team, working in conjunction with Metro Project Controls, will provide the independent cost estimates for Metro to work with the CM/GC to establish the final cost for the construction of the Project. The PMSS will also provide extensive coordination with the RTCS contractor that will install, test, and integrate the tolling system for this Project. Metro will manage the Task Orders to assure overall coordination, collaboration, and efficiency between the PMSS, PS&E, CM/GC, and RTSC contractors.

The procurement and deployment timeframe for the I-105 Project, including the design and construction phases, will last approximately six years. The performance period for the PMSS contract shall be seven years, with one option for an additional two years for a total of nine years that would provide for program and construction management staff augmentation necessary to efficiently provide resources and technical expertise as necessary during this timeframe.

DETERMINATION OF SAFETY IMPACT

The Board action is not anticipated to have an impact on the safety of Metro's patrons or employees. The PMSS contract will provide services that support Metro's internal safety staff on the Project. The Project is being planned, designed, and constructed per Caltrans Standards

FINANCIAL IMPACT

The FY 23 budget includes \$2.4 million in Cost Center 2220 (Shared Mobility), Project 475004 for the Project PMSS. Since this is a multi-year contract, the Deputy Chief Operations Officer, Shared Mobility, and Deputy Chief Program Management Officer will be responsible for budgeting in future years.

Impact to Budget

The funding source for I-105 and I-405 Express Lanes is Measure M Highway 17%, which is not eligible for Metro Bus/Rail capital or operating expenditures. I-10 Express Lanes project is not an Ordinance-identified project and is currently funded by toll revenue.

EQUITY PLATFORM

The Diversity and Economic Opportunity Department (DEOD) established an 18% Disadvantaged Business Enterprise (DBE) goal for this solicitation. The proposed contractor team exceeded Metro's goal by making a 21.89% DBE commitment. Before the release of the solicitation for this contract, Metro conducted two virtual Metro Connect Industry Forums on June 3, 2021, and July 23, 2021. The June 3rd event was attended by 138 individuals, and the July 23rd event was attended by 88 individuals. The events were held to inform the DBE community of the upcoming I-105 contracting opportunities and to increase small business participation.

In 2019, Equity Focus Communities (EFCs) comprised approximately six miles of the I-105 Project's sixteen-mile-long corridor. In the one-mile area around the I-105, about 94% of the total population of 536,000 is non-white. Of the 142,000 households in this area, 26% earned less than \$25,000 annually.

On the I-10 corridor, EFCs are in the cities of Pomona, Baldwin Park, Covina, West Covina, El Monte, and South El Monte. On the I-405 corridor, EFCs are in the vicinity of the 10/405 interchange, by UCLA, and in Van Nuys just north of US-101. The analysis will incorporate the updated (2022) EFC maps in future updates to the Board.

Metro has established its Low-Income Assistance Plan (LIAP) program to ensure low-income households' equitable access to the ExpressLanes. Metro ExpressLanes also reinvests a substantial portion of its toll revenues back into the respective corridors in the form of incremental transit service funding and net toll revenue reinvestment grants.

Additional strategies cited in the I-105 Project EIR/EA to help mitigate negative Project impacts on EFCs include sound walls, best management practices, and a traffic management plan (TMP) to reduce construction-related impacts. Mitigation measures, if required, for the I-10 and I-405 Projects will be identified as part of the PA/ED phase. Metro anticipates that CM/GC delivery method will improve public outreach on the Project's design and implementation by having the CM/GC on board during design development feedback.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports Strategic Goal 1, providing high-quality mobility options that enable people to spend less time traveling, by increasing regional highway capacity and offering travelers on the corridor a new, faster, more reliable, and convenient travel mode alternative.

The Project supports Strategic Goal 2, delivering outstanding trip experiences for all users of the transportation system, by improving trip times and travel speeds for both the ExpressLanes and the general-purpose lanes.

The Project supports Strategic Goal 4, transforming LA County through regional collaboration and national leadership, by strengthening Metro's relationships with Caltrans, the Federal Highway Administration, Los Angeles County, local cities/jurisdictions, and several other agencies.

ALTERNATIVES CONSIDERED

The Board may elect not to award and execute the Contract. This alternative is not recommended because the Project requires PMSS for core program, project, and construction management functions. The use of PMSS consultant staff provides flexibility with appropriate experience and background that are needed for specific activities and durations throughout the life of the Project.

NEXT STEPS

Upon Board approval, staff will execute Contract No. AE83974000 with HNTB Corporation for program management support services.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared_by

Prepared by: Manuel Gurrola, Director, (213) 922-8889

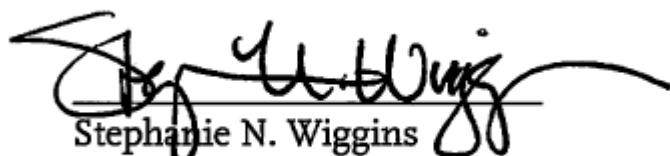
James Wei, Deputy Executive Officer, (213) 922-7528

Tim Lindholm, Deputy Chief Program Management Officer, (213) 922-7297

Debra Avila, Deputy Chief Vendor/Contract Management Officer, (213) 418-3051

Reviewed_By

Reviewed by: Bryan Pennington, Chief Program Management Officer, (213) 922-7449



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

EXPRESSLANES PROGRAM MANAGEMENT SUPPORT SERVICES/AE83974000

1.	Contract Number: AE83974000	
2.	Recommended Vendor: HNTB Corporation	
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: January 25, 2022	
	B. Advertised/Publicized: January 25, 26, 27, February 1, 2, and 3, 2022	
	C. Pre-Proposal Conference: February 8, 2022	
	D. Proposals Due: March 10, 2022	
	E. Pre-Qualification Completed: April 28, 2022	
	F. Conflict of Interest Form Submitted to Ethics: March 15, 2022	
	G. Protest Period End Date: August 22, 2022	
5.	Solicitations Picked up/Downloaded: 161	Proposals Received: 5
6.	Contract Administrator: Victor Zepeda	Telephone Number: (213) 922-1458
7.	Project Manager: James Wei	Telephone Number: (213) 922-7528

A. Procurement Background

This Board Action is to approve Contract No. AE83974000 issued in support of the ExpressLanes Program & Construction Management Support Services (PMSS) for various ExpressLanes projects. Board approval of contract awards are subject to resolution of any properly submitted protest.

Prior to the release of the solicitation, two virtual Metro Connect Industry Forums were conducted for the ExpressLanes projects on June 3 and July 23, 2021. The June 3rd event was attended by 138 individuals and the July 23rd event was attended by 88 individuals. The events were held to inform the DBE community of the upcoming I-105 contracting opportunities and to increase small business participation.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is task order based. The RFP was issued with a DBE goal of 18%.

Three (3) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on February 4, 2022, notified vendors that no DBE Contract Outreach and Mentoring Plan was required;
- Amendment No. 2, issued on February 11, 2022, provided maps and Quality Management Oversight Plan and Procedures referenced in the Statement of Work, and extended the due date from March 1 to March 10, 2022; and,

- Amendment No. 3, issued on February 17, 2022, revised the Statement of Work and increased the pagination count for Section III Proposal Requirements/Forms from 25 to 50.

A virtual pre-proposal conference was held on February 8, 2022 and was attended by 107 individuals. There were five sets of questions and responses were released prior to the proposal due date.

A total of 161 firms downloaded the RFP and were registered in the plan holder's list. A total of five (5) proposals were received on March 10, 2022.

Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Project Management and Transportation Planning department and a Transportation Engineer from Caltrans was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

1. Experience/Capabilities of the Firms	30 Points
2. Key Personnel Skills and Experience	40 Points
3. Project Understanding and Approach	<u>30 Points</u>
	100 Points

The evaluation criteria are appropriate and consistent with criteria developed for other, similar Architectural and Engineering (A&E) procurements. Several factors were considered when developing these weights, giving the greatest importance to Key Personnel Skills and Experience.

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

Of the five proposals received, all five were determined to be within the competitive range and are listed below in alphabetical order:

1. 3D Built
2. HNTB Corporation
3. Jacobs Engineering Group, Inc.
4. Parsons Transportation Group, Inc.
5. TRC Solutions, Inc.

During the week of May 16th, the evaluation committee met and interviewed the firms. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's

questions. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Each team was asked questions relative to each firm's proposal and previous experience.

After a thorough review of proposals and interviews, the PET's recommendation in the order of ranking is shown in the table below:

1	Firm	Weighted Average Score	Factor Weight	Average Score	Rank
2	HNTB Corporation				
3	Experience/Capabilities of the Firms	90.56	30.00%	27.17	
4	Key Personnel Skills and Experience	90.56	40.00%	36.22	
5	Project Understanding and Approach	88.46	30.00%	26.54	
6	Total		100.00%	89.93	1
7	Jacobs Engineering Group, Inc.				
8	Experience/Capabilities of the Firms	87.44	30.00%	26.23	
9	Key Personnel Skills and Experience	87.44	40.00%	34.98	
10	Project Understanding and Approach	86.13	30.00%	25.84	
11	Total		100.00%	87.05	2
12	Parsons Transportation Group, Inc.				
13	Experience/Capabilities of the Firms	86.11	30.00%	25.83	
14	Key Personnel Skills and Experience	87.22	40.00%	34.89	
15	Project Understanding and Approach	84.67	30.00%	25.40	
16	Total		100.00%	86.12	3
17	TRC Solutions, Inc.				
18	Experience/Capabilities of the Firms	85.33	30.00%	25.60	
19	Key Personnel Skills and Experience	84.12	40.00%	33.65	
20	Project Understanding and Approach	85.96	30.00%	25.79	
21	Total		100.00%	85.04	4
22	3D Built				
23	Experience/Capabilities of the Firms	46.67	30.00%	14.00	

24	Key Personnel Skills and Experience	67.78	40.00%	27.11	
25	Project Understanding and Approach	52.71	30.00%	15.81	
26	Total		100.00%	56.92	5

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical evaluation, fact finding, and negotiations with the most highly qualified firm in accordance with A&E qualifications-based procurement process.

Proposer Name	Proposal Amount	Metro ICE	Award Amount
HNTB Corporation	\$73,686,796	\$85,869,018	\$73,056,608

The final amount is lower than Metro's original ICE as a result of the following factors:

- Metro's ICE was more conservative on risk factors; and
- The ICE overestimated quality control material testing work based on previous projects

Staff successfully negotiated \$630,188 in cost savings from HNTB's proposal.

D. Background on Recommended Contractor

HNTB Corporation

HNTB Corporation was established in 1914, headquartered in Kansas, and has a local office in Los Angeles. The firm has project experience in highways, intelligent transportation, bridges, construction and program management, as well as architecture. HNTB has over 5,000 employees nationwide and has completed 120 Project Management Support Services type contracts. Furthermore, HNTB has experience working with similar express lane projects as well as environmental review and advanced conceptual engineering design services for the Sepulveda Transit Corridor.

DEOD SUMMARY

EXPRESSLANES PROGRAM MANAGEMENT SUPPORT SERVICES/AE83974000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established an 18% Disadvantaged Business Enterprise (DBE) goal for this solicitation. HNTB Corporation exceeded the goal by making a 21.89% DBE commitment.

Small Business Goal	18% DBE	Small Business Commitment	21.89% DBE
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	DBE Subcontractors	Ethnicity	% Committed
1.	Arellano Associates, LLC	Hispanic American	0.37%
2.	Cabrinha, Hearn & Associates	Hispanic American	2.71%
3.	Construction Quality Management Solutions, Inc.	Caucasian Female	1.04%
4.	D'Leon Consulting Engineers	Hispanic American	4.24%
5.	Fountainhead Consulting Corporation	Hispanic American	3.48%
6.	Lenax Construction Services, Inc.	Caucasian Female	0.70%
7.	LKG-CMC, Inc.	Caucasian Female	0.22%
8.	Mammoth Associates, LLC	Caucasian Female	0.27%
9.	Ramos Consulting Services, Inc.	Hispanic American	4.13%
10.	SafeworkCM	Caucasian Female	4.73%
Total DBE Commitment			21.89%

B. Contractor Outreach and Mentoring Plan (COMP)

COMP is not applicable to this A&E contract.

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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.



Board Report

File #: 2022-0427, File Type: Contract

Agenda Number: 29.

CONSTRUCTION COMMITTEE AUGUST 18, 2022

SUBJECT: METRO I-105 EXPRESSLANES - ROADSIDE TOLL COLLECTION SYSTEM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD firm fixed price Contract No. PS78835000 for the I-105 ExpressLanes Roadside Toll Collection System (RTCS) Design, Build, Operate, and Maintain (DBOM) contract to Conduent State and Local Solutions Inc. in the amount of \$66,067,392 for a 12-year base period including the occupancy detection system, \$13,161,324 for the first three-year option term for operations and maintenance, \$14,165,857 for the second three-year option term for operations and maintenance, and \$1,217,700 for a standalone Traffic Management Center, for a total contract value of \$94,612,273, subject to resolution of protest(s), if any.
- B. EXECUTE individual Contract Modifications within the Board-approved CMA in the not to exceed amount of \$6,606,739, to cover the costs of anticipated future changes to the contract as informed by past experience with other Metro ExpressLanes contracts of similar nature, scope, and duration.

ISSUE

Board authorization is needed for the Chief Executive Officer to award a contract for the I-105 ExpressLanes Project RTCS DBOM for the procurement and installation of the necessary roadside infrastructure, customization of the algorithm for dynamic pricing and ongoing operations and maintenance.

BACKGROUND

In January 2017, the Board approved the Countywide ExpressLanes Strategic Plan, which listed I-105 as a priority Tier 1 corridor to be implemented within the next 5-10 years. In December 2020, the I-105 ExpressLanes project received a \$150 million Solutions for Congested Corridors Program (SCCP) grant from the California Transportation Commission (CTC). In May 2021, Metro and Caltrans completed the Project Approval/Environmental Document (PA/ED) phase for the I-105 ExpressLanes. The project is now in the next phase of project development, which is Plans,

Specifications, and Estimates (PS&E). In April 2022, the Board awarded a contract to prepare PS&E. Now in August 2022, Metro is seeking Board approval for the RTCS contract (the subject of this Board Report), the Construction Management/General Contractor (CM/GC) contract, and the Project Management Support Services (PMSS) contract. The RTCS, CM/GC, and PMSS contracts are required to construct and implement the I-105 ExpressLanes. With prior Board direction, staff continues to seek additional funds through U.S. Department of Transportation (USDOT) discretionary grant programs.

Metro, in partnership with the California Department of Transportation (Caltrans), is implementing improvements on the I-105 corridor in the cities of El Segundo, Inglewood, Hawthorne, Los Angeles, Lynwood, South Gate, Paramount, Downey, Norwalk, and portions of unincorporated Los Angeles County. The improvements will convert the existing HOV lane to one or more High-Occupancy Toll (HOT) lanes, referred to as express lanes and branded by Metro as I-105 ExpressLanes.

The I-105 corridor is an integral part of Southern California's freeway network, extending from I-405 at the western limit to Studebaker Road at the eastern limit. Traffic demand regularly exceeds the capacity of the corridor, resulting in over 11,000 daily Vehicle Hours of Delay (VHD) for eastbound general-purpose lane users and over 2,200 daily VHD for westbound HOV lane users. Existing daily vehicle miles travelled exceed 2.7 million, and Average Daily Traffic (ADT) volume exceeds 250,000 vehicles, with HOV lanes accounting for 17% of total ADT.

Metro anticipates that the I-105 ExpressLanes will be developed in multiple segments, starting with segment 1 spanning between I-405 and Central Avenue and segment 2/3 between Central Avenue and Studebaker Road.

The I-105 ExpressLanes Project will provide multi-modal travel options and mobility benefits to all users in the corridor. Metro transit, vanpool, and HOV users are eligible to continue to use the lanes without a toll. Revenues from ExpressLanes can support Metro rail and Metro/municipal bus operations through direct subsidies to transit programs on the ExpressLanes. Local cities and agencies benefit from the ExpressLanes Net Toll Revenue Grant program which supports transit and active transportation programs and adds a tool to help close the first/ last mile gap.

The I-105 ExpressLanes project is expected to improve overall operating conditions on local arterials due to vehicles shifting away from arterials and onto I-105. Local streets and arterials will have fewer cars congesting their intersections which will offset the vehicle miles travelled improve air-quality in the neighborhoods, and accommodate potential active transportation improvements.

A major component of the project is the RTCS. The RTCS contractor will be responsible for providing input to the overall design of the ExpressLanes on I-105, implementation of the RTCS, and Operations and Maintenance (O&M) of the system post-construction.

DISCUSSION

Recommendation A: Award of I-105 ExpressLanes RTCS Contract

The RTCS encompasses the hardware and software systems in the field needed to support congestion pricing calculations and toll collection from customers traveling in the ExpressLanes. Functions of the RTCS include transponder communications, image capture and processing, dynamic pricing, and transaction acquisition. Since all toll agencies, including Metro ExpressLanes, have very specific business rules, toll rate policies, customer policies, and standard operating procedures dictated by the agency or statute, each RTCS must be designed to conform to precisely specified requirements.

The system and services under this contract will incorporate the latest best-in-class tolling technologies capable of fulfilling the needs on the I-105 ExpressLanes over the next 12 to 18 years, depending on the execution of options, with additional capacity for future growth to support additional ExpressLanes corridors if required. The contract will also include an option for an automated occupancy detection system to electronically verify the number of occupants in each vehicle at configured locations.

This RTCS contract term and associated scope of work, which included over 1,700 requirements, was developed in collaboration with a team of consultants with tolling expertise. The recommended contract term is based on experience gained in a decade of tolling, as well as the results of an Industry Forum conducted in February 2017. The current I-10/I-110 RTCS contract for the I-10 and I-110 ExpressLanes also has a similar period of performance of 12 to 18 years.

Staff is recommending a long-term contract because the RTCS requires large capital investment for the equipment necessary to support electronic tolling, the complexity associated with system integration, and the substantial number of labor hours required to bring a new RTCS online. Industry experience has shown that a typical acquisition of a RTCS requires at least 30 to 36 months to complete. This places a significant burden on Metro in terms of time and resources, making the process cost-prohibitive to repeat at more traditional procurement intervals. With a shorter contract term, the agency would be in a perpetual cycle of system procurement, integration, and data migration.

The procurement and deployment timeframe for the I-105 RTCS is provided below.

- Months 1-12: Prepare a suitable statement of work to reflect tolling best practices and lessons learned from past program experience.
- Months 13-22: Release RFP, review proposals, interview, negotiate, seek Board approval, and award contract.
- Months 23-50: Design RTCS
- Months 51-86: Construction of I-105 ExpressLanes, including the RTCS

The design and construction phases will last approximately five years, while base O&M will last approximately seven years. Therefore, an 18-year contract will provide for O&M for up to 13 years (seven-year base, plus two options of three years each), which is similar to that of the I-10/I-110 ExpressLanes RTCS contract approved by the Board in June 2018.

A potential total contract term of 18 years (including the design phase) will allow Metro to fully realize the useful life of the system and obtain maximum return on investment. Furthermore, it typically takes

at least a year of operation to comprehensively verify system reliability and achieve steady-state conditions. Therefore, it is usually several years from the date that work commences before normal, stable operating conditions are achieved. For this reason, a shorter contract duration would lead to significant procedural inefficiencies, as the procurement process would need to be restarted before the current contractor has achieved stable operations. Minimizing the number of vendor/system transitions for the RTCS also reduces costs, avoids lane closures, and minimizes the risk of lost transactions and service disruptions that can arise during system transition. Therefore, staff is recommending a 12-year base contract with two options of three years each, for a total of 18 years.

Staff will return to the Board to seek approval before authorizing either of the contract options for additional years of RTCS O&M. This will be done far enough in advance of the current contract end date to allow sufficient time to develop, advertise, award, and implement a new RTCS if directed to do so by the Board in lieu of executing one of the O&M contract options.

Recommendation B: Contract Modification Authority Considerations

The request for authorization to execute individual Contract Modifications within the Board-approved CMA will serve as a management tool for staff to issue Contract Modifications expeditiously to the contractor for additional costs that may be incurred as a result of necessary activities that are challenging to predict or anticipate sufficiently far enough in advance to incorporate them into the original contract with any precision or reliability. Furthermore, these activities often require rapid or immediate response to address conditions that impact public safety, continuity of operations, and/or customer-facing aspects of the system.

Examples of such required contract expenditures that are effectively impossible to anticipate and that require rapid/immediate response include system hardware and software upgrades in response to newly discovered critical vulnerabilities. They also include repairs to address damage to field infrastructure resulting from acts of vandalism, theft, sabotage, or other destruction of roadside equipment by malicious or negligent third parties.

Staff is therefore recommending the authorization for the CEO to execute individual Contract Modifications within the Board-approved CMA to ensure that such needs may be expeditiously addressed to prevent schedule delays during the construction phase, minimize system downtime, avoid service interruptions, and protect against any customer-facing impacts.

DETERMINATION OF SAFETY IMPACT

The Board action is not anticipated to have an impact on the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The FY 2022-23 budget includes \$3 million in Cost Center 2220 (Shared Mobility) and Project 475004 for the I-105 ExpressLanes RTCS. Since this is a multi-year contract, the Cost Center Manager, RTCS Project Manager, and Deputy Chief Operations Officer of Shared Mobility will be responsible for budgeting in future years. Consistent with existing ExpressLanes policy, the ongoing I

-105 ExpressLanes O&M will be funded through future toll revenues.

In December 2020, the I-105 ExpressLanes project received a \$150 million SCCP grant from the CTC which will be used for constructive activities.

Impact to Budget

The funding for this Project is from Measure M funds included in the 2016 Measure M Expenditure Plan; to be used for pre-construction expenses for the I-105 ExpressLanes project. Those funds are not eligible for Metro bus/rail capital or operating expenditures.

EQUITY PLATFORM

The Diversity and Economic Opportunity Department (DEOD) established a 22% Disadvantaged Business Enterprise (DBE) goal for this solicitation. The proposed contractor team satisfied Metro's goal by making a 22% DBE commitment. Prior to the release of the solicitation, two virtual Metro Connect Industry Forums were conducted for the I-105 ExpressLanes Construction Management/General Contractor (CMGC) and RTCS projects on June 3, 2021, and July 23, 2021. The June 3rd event was attended by 138 individuals and the July 23rd event was attended by 88 individuals. The events were held to inform the SBE/DBE/DVBE community of the upcoming I-105 contracting opportunities and to increase SBE/DBE/DVBE participation.

Equity Focus Communities (EFCs) comprise approximately six miles of the sixteen-mile-long corridor. In the one-mile area around the I-105, about 94% of the total population of 536,000 is minority (70.3% Hispanic, 19.6% African American, 3.5% Asian, 0.6% American Indian) based on 2018 data. Of the 142,000 households living in this area, 22% earned below the poverty level (\$25,900 for a family of four) and 26% earned less than \$25,000 annually.

To ensure low-income households are afforded equitable access to the ExpressLanes and their benefits, Metro's Low Income Assistance Plan and Transit Rewards programs will help lower the costs of opening and maintaining an ExpressLanes account while providing reliability benefits to all users. These programs along with dynamic pricing for solo drivers using the ExpressLanes will help ensure the facility operates as efficiently as possible while maintaining reliable and equitable travel for all.

Additional strategies cited in the final environmental document to help mitigate negative project impacts on EFCs include sound walls, best management practices, and a traffic management plan (TMP) to reduce construction-related impacts.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The I-105 ExpressLanes project supports Strategic Goal 1, providing high-quality mobility options that enable people to spend less time traveling, by increasing regional highway capacity and offering travelers on the corridor a new, quicker, more reliable, and convenient travel mode alternative.

The project supports Strategic Goal 2, delivering outstanding trip experiences for all users of the transportation system, by improving trip times and travel speeds for both the ExpressLanes and the general-purpose lanes.

The project supports Strategic Goal 4, transforming LA County through regional collaboration and national leadership, by strengthening Metro's relationships with Caltrans, the Federal Highway Administration, Los Angeles County, local cities/jurisdictions, and several other agencies.

ALTERNATIVES CONSIDERED

The Board may elect not to award and execute the Contract. This alternative is not recommended because the I-105 ExpressLanes project requires an RTCS for core operational functions including dynamic pricing, toll collection, and violation enforcement.

The Board may elect to direct staff to develop and install the system using in-house resources. This alternative is not recommended because Metro staff does not currently possess sufficient expertise in developing, installing, and maintaining roadside tolling equipment, nor does it have the necessary staffing to do so.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS78835000 to Conduent State & Local Solutions, Inc. for the design, implementation, operation, and maintenance of the new I-105 ExpressLanes RTCS.

ATTACHMENTS

Attachment A - Procurement Summary

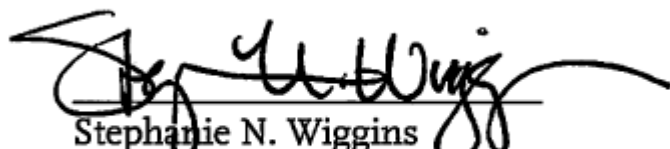
Attachment B - DEOD Summary

Prepared_by

Prepared by: Daniel Tran, Transportation Planning Manager, (213) 922-2313
Robert Campbell, Sr. Transportation Planning Manager, (213) 418-3170
Mark Linsenmayer, Deputy Executive Officer, (213) 922-7528
Shahrzad Amiri, Deputy Chief Operations Officer, (213) 922-3061
Debra Avila, Deputy Chief Vendor/Contract Management Officer, (213) 418-3051

Reviewed_By

Reviewed by: Conan Cheung, Chief Operations Officer (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**METRO I-105 EXPRESSLANES — ROADSIDE TOLL COLLECTION SYSTEM
PS78835000**

1.	Contract Number: PS78835000	
2.	Recommended Vendor: Conduent State & Local Solutions, Inc.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: November 23, 2021	
	B. Advertised/Publicized: December 2 and 10, 2021	
	C. Pre-Proposal Conference: December 2, 2021	
	D. Proposals Due: February 7, 2022	
	E. Pre-Qualification Completed: March 10, 2022	
	F. Conflict of Interest Form Submitted to Ethics: February 8, 2022	
	G. Protest Period End Date: August 22, 2022	
5.	Solicitations Picked up/Downloaded: 124	Proposals Received: 4
6.	Contract Administrator: Victor Zepeda	Telephone Number: (213) 922-1458
7.	Project Manager: Daniel Tran	Telephone Number: (213) 922-2313

A. Procurement Background

This Board Action is to approve Contract No. PS78835000 issued in support of the Design Build Operate and Maintain project delivery method (approved for use on June 12, 2021, Board Report No. 2021-0306) for Metro's Express Lanes on Interstate 105 (I-105) Roadside Toll Collection System (RTCS). Board approval of contract awards are subject to resolution of any properly submitted protest.

Prior to the release of the solicitation, two virtual Metro Connect Industry Forums were conducted for the I-105 projects on June 3, 2021, and July 23, 2021. The June 3rd event was attended by 138 individuals and the July 23rd event was attended by 88 individuals. The events were held to inform the DBE community of the upcoming I-105 contracting opportunities and to increase small business participation.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. The RFP was issued with a DBE goal of 22%.

Seven (7) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on December 6, 2021, clarified COMP requirements;

- Amendment No. 2, issued on December 8, 2021, revised the Statement of Work and due date extension from January 27 to February 7, 2022;
- Amendment No. 3, issued on December 20, 2021, revised the Statement of Work, modified Exhibits and Letter of Invitation;
- Amendment No. 4, issued on December 28, 2021, clarified the Minimum Qualifications and the RFP Submittal Instructions;
- Amendment No. 5, issued on December 29, 2021, revised the Statement of Work and Pricing Agreement Exhibit;
- Amendment No. 6, issued on January 11, 2022, revised the Statement of Work, Attachment Requirements Conformance Matrix, DEOD Contract Compliance Manual, and RFP Proposal Instructions; and,
- Amendment No. 7, issued on January 14, 2022, revised the Statement of Work, Attachment Requirement Conformance Matrix, and Exhibit Pricing Agreement.

A virtual pre-proposal conference was held on December 2, 2021 and was attended by 61 participants representing 29 companies. There were eleven sets of questions and responses were released prior to the proposal due date.

A total of 124 firms downloaded the RFP and were registered in the plan holder's list. A total of four (4) proposals were received on February 7, 2022.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Transportation Planning and Transportation Planning ExpressLanes was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following Minimum Qualifications and weighted evaluation criteria:

Minimum Qualifications:

1. Maintenance and Implementation Experience	Pass/Fail
2. Prior experience with Single System and a volume of 25 million	Pass/Fail
3. Key Team Personnel Qualifications	Pass/Fail

Weighted Criteria:

1. Demonstrated Project Experience and Qualifications	5 Points
2. Key Project Team Experience	12 Points
3. Approach to Statement of Work and Requirements	29 Points
4. Approach to Coordination with PS&E Designer/Civil Contractor	10 Points
5. Approach to Project Plan and Implementation	14 Points
6. Approach to Operations and Maintenance	11 Points
7. DBE COMP	4 Points

8. Price

15 Points
100 Points

The evaluation criteria are appropriate and consistent with criteria developed for other, similar toll lane systems procurements. Several factors were considered when developing these weights, giving the greatest importance to the proposals' approach to the Statement of Work and project requirements.

Of the four proposals received, all four were determined to be within the competitive range and are listed below in alphabetical order:

1. Conduent State & Local Solutions, Inc. (Conduent)
2. Kapsch TrafficCom USA, Inc. (Kapsch)
3. Parsons Neology I-105 Joint Venture (Parson Neology)
4. TransCore, LP (TransCore)

On March 17, 2022, oral presentations were conducted. During each firm's interview, project managers and key team members discussed their proposed response to various traffic conditions, addressing vandalism, communication redundancy and other technical questions. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Each team was asked questions relative to each firm's proposal and previous experience.

On May 18, 2022, TransCore was notified that it was not responsive to DEOD's DBE Goal of 22% or Good Faith Efforts, as noted in its findings of April 14, 2022.

After a thorough review of proposals and interviews, the PET's recommendation in the order of ranking is shown in the table below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Conduent				
3	Project Experience & Qualifications	88.80	5%	4.44	
4	Key Project Team Experience	93.67	12%	11.24	
5	Approach to SOW & Requirements	84.83	29%	24.60	
6	Approach to Coordination	83.83	10%	8.38	
7	Approach to Plan & Implementation	82.93	14%	11.61	
8	Approach to O&M	84.88	11%	9.34	
9	DBE COMP	75.00	4%	3.00	
10	Cost	98.33	15%	14.75	
11	Total		100%	87.36	1

12	Parsons/Neulogy				
13	Project Experience & Qualifications	74.60	5%	3.73	
14	Key Project Team Experience	84.78	12%	10.17	
15	Approach to SOW & Requirements	77.16	29%	22.37	
16	Approach to Coordination	71.67	10%	7.17	
17	Approach to Plan & Implementation	75.19	14%	10.53	
18	Approach to O&M	75.45	11%	8.30	
19	DBE COMP	75.00	4%	3.00	
20	Cost	100.00	15%	15.00	
21	Total		100%	80.27	2
22	Kapsch				
23	Project Experience & Qualifications	82.93	5%	4.15	
24	Key Project Team Experience	87.56	12%	10.50	
25	Approach to SOW & Requirements	79.55	29%	23.07	
26	Approach to Coordination	87.83	10%	8.78	
27	Approach to Plan & Implementation	80.43	14%	11.26	
28	Approach to O&M	79.52	11%	8.75	
29	DBE COMP	75.00	4%	3.00	
30	Cost	59.40	15%	8.91	
31	Total		100%	78.42	3

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), price analysis, technical evaluation, fact finding, and negotiations.

Proposer Name	Proposal Amount	Metro ICE	Negotiated Amount
Conduent State & Local Solutions, Inc.	\$95,574,999	\$139,189,782	\$94,612,273
Parsons/Neulogy I105, JV	\$94,008,022		
Kapsch TrafficCom USA, Inc.	\$158,223,723		

The final negotiated amount is substantially lower than Metro's original ICE as a result of several factors, including the following:

- The proposer's costs for many core functions and subsystems were lower than expected or assumed in the independent cost estimate as a result of using internal resources and internally developed systems rather than contracting out these project aspects, which enabled the proposer to avoid associated mark-ups and other cost inefficiencies. This includes the costs associated with the occupancy detection system, operations and maintenance labor, and roadway support system software.
- The proposer was able to negotiate more competitive labor rates and equipment prices than had been assumed in the independent cost estimate. This includes the costs associated with manual image review, system testing, and traffic detection.
- The proposer provided lower licensing costs than were expected or assumed in the independent cost estimate.
- The proposer's risk-based cost adjustments were less conservative than what had been assumed in the independent cost estimate.

Staff successfully negotiated \$962,726 in cost savings from Conduent's proposal.

D. Background on Recommended Contractor

Conduent State & Local Solutions, Inc.

Conduent is a multinational business service company that specializes in the public transportation and mobility industry. Conduent demonstrated expertise in a number of transportation sectors, including roadside tolling infrastructure, toll collection functions and systems, and tolling systems maintenance and operations.

Conduent presented a dedicated team of qualified professionals, many of whom participated in the current tolling project on the I-10/110 ExpressLane operations.

DEOD SUMMARY

**METRO I-105 EXPRESSLANES — ROADSIDE TOLL COLLECTION
SYSTEM/PS78835000**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 22% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Conduent State and Local Solutions Inc. met the goal by making a 22% DBE commitment.

Small Business Goal	22% DBE	Small Business Commitment	22% DBE
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	DBE Subcontractors	Ethnicity	% Committed
1.	Partners In Diversity, Inc.	Caucasian Female	12.23%
2.	C2PM	Asian Pacific American	7.34%
3.	DC Engineering Group	Subcontinent Asian American	0.35%
4.	DC Traffic Control	Hispanic American	0.78%
5.	Addison Burnet Group	Hispanic American	0.30%
6.	Redwood Resources	Asian Pacific American	1.00%
Total DBE Commitment			22.00%

Contracting Outreach and Mentoring Plan (COMP)

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP) including strategies to mentor for protégé development four (4) DBE firms for Mentor-Protégé development. Conduent State and Local Solutions Inc. proposed to mentor the following (5) protégé's: Partners In Diversity (DBE), C2PM (DBE), DC Engineering Group (DBE), DC Traffic (DBE), and Addison Burnet Group (DBE).

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. 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).

D. Project Labor Agreement/Construction Careers Policy

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



Board Report

File #: 2022-0402, **File Type:** Informational Report

Agenda Number: 30.

CONSTRUCTION COMMITTEE August 18, 2022

SUBJECT: PROGRAM MANAGEMENT QUARTERLY CHANGE REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on Program Management Quarterly Change Report.

ISSUE

This board report is a receive and file that provides program management quarterly changes from capital projects greater than \$500,000. Greater detail is provided in Attachment A - Quarterly Change Orders Log for Reporting Period of March 1, 2022 - May 31, 2022.

BACKGROUND

In January 2017, the Metro Board approved a one-year pilot to delegate the CEO the authority to execute project agreements up to the Life-of-Project (LOP) budget for the Crenshaw/LAX, Regional Connector, and Purple Line Extension Section 1 & 2 projects. The purpose of the pilot was to save time and minimize disruption due to the typical contract change administration approval process.

The pilot program was effective, generated cost savings and avoided costly construction delays. At the January 26, 2018 Board meeting, the Board approved the continuation and expansion of the delegation of authority within Life of Project (LOP) budget management on all Transit and Regional Rail Capital Projects. Staff was directed to provide quarterly reports to the Board on change orders and modifications that are above \$500,000. CEO Board delegated authority of changes is very beneficial to expedite contract changes and avoid costly construction delays. Since the inception of the program up to 1,992 concurrent workdays or concurrent 7.6 years, aggregated across the program, have been saved. (Attachment B)

DISCUSSION

The change activities for the reporting period between March 1, 2022 and May 31, 2022 are included

in Attachment A.

FINANCIAL IMPACT

The changes included in this report are included in the approved life-of-project budget for each project.

EQUITY PLATFORM

Crenshaw/LAX	Equity - 8 of 8 stations (100%) are within or adjacent to Equity Focus Communities
Westside Purple Line Ext 1	Equity - This project is not located within or adjacent to Equity Focus Communities
Westside Purple Line Ext 2	Equity - This project is not located within or adjacent to Equity Focus Communities
Westside Purple Line Ext 3	Equity - 1 of 2 stations (50%) are within or adjacent to Equity Focus Communities
Division 20	Equity - 100% of the project is within or adjacent to Equity Focus Communities
Airport Metro Connector	Equity - 100% of the project is within or adjacent to Equity Focus Communities
Metro Center Project (ESOC)	Equity - This project is not located within or adjacent to Equity Focus Communities
Blue Line Resignaling	Equity - 100% of the project is within or adjacent to Equity Focus Communities
I-5 North County Enhancements	Equity - This project is not located within or adjacent to Equity Focus Communities

Note: This EFC analysis was conducted with the 2019 EFC map. Future analysis will be updated to reference the 2022 EFC map.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal # 5 to provide responsive, accountable, and trustworthy governance within the Metro organization by keeping the Board informed of the Projects' change orders and modifications via submitting the Change Order log on a quarterly basis.

NEXT STEPS

The next Change Order Log will cover the period of June 1, 2022, through August 31, 2022, and will be presented to the September 2022 Construction Committee.

ATTACHMENTS

Attachment A - Quarterly Change Orders Log for Reporting Period of March 1, 2022- May 31, 2022.

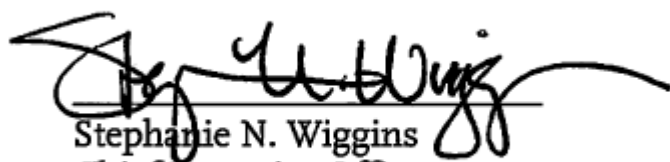
Attachment B - OIG Construction Change Order Spot Checks CEO Delegated Authority Delays Avoided.

Prepared by:

- **Crenshaw/LAX** - Sameh Ghaly, Deputy Chief Program Management Officer, (213) 418-3369
- **Westside Purple Line Ext 1** - James Cohen, EO Projects Eng., (323) 900-2114
- **Westside Purple Line Ext 2** - Michael McKenna, EO Projects Eng., (424) 551-4447
- **Westside Purple Line Ext 3** - Kimberly Ong, EO Projects Eng., (424) 551-4501
- **Division 20 Portal** - Bryan Pennington, Chief Program Management Officer, (213) 922-7449
- **Airport Metro Connector** - Tim Lindholm, Deputy Chief Program Management Officer, (213) 922-7297
- **Metro Center** - Jeanet Owens, Sr. EO Project Mgmt., (213) 418-3189
- **Metro Blue Line Resignaling** - Tim Lindholm, Deputy Chief Program Management Officer, (213) 922-7297
- **I-5 North Country Enhancements** - Tim Lindholm, Deputy Chief Program Management Officer, (213) 922-7297
- **Report** - Julie Owen, Sr. EO Program Control, (213) 922-7313

Reviewed by:

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Sameh Ghaly, Deputy Chief Project Management Officer, (213) 418-3319
Bryan Pennington, Chief Program Management Officer, (213) 922-7449
Sharon Gookin, Deputy Chief Executive Officer, (213) 418-3101



Stephanie N. Wiggins
Chief Executive Officer

CRENSHAW/LAX TRANSIT PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (March 1, 2022 - May 21, 2022)

Change Types:

1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - Contract No. C0988 - WALSH SHEA CORRIDOR CONSTRUCTORS

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts that is why this is unilateral and a modification will follow upon negotiation is finalized between Contractor and Metro).	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B) PROFESSIONAL SERVICES CONTRACTS

MOD/CHANGE #	DESCRIPTION	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (March 1, 2022 - May 21, 2022)**A) DESIGN BUILD CONTRACT - Contract No. C0988 - WALSH SHEA CORRIDOR CONSTRUCTORS**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

B) PROFESSIONAL SERVICES CONTRACTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
PS58665-TO-009-MOD-00008	Arcadis Construction Claims Support Services - Additoinal funding to Support for Claims and Potential Litigation for the C/LAX through June 30, 2023	5	Between \$1M and \$5M
E0117 MOD56	Add FY23 Funding and Extend Period of Performance through June 20, 2023 to Crenshaw/LAX Phase III DSDC and Phase IV Systems Activation with Claims Prep Support	5	Between \$1M and \$5M
AE35279-004-MOD-00013	Program Management Support Services through FY23: Metro requires continuation of project scheduling, cost, and estimating support services on Crenshaw/LAX	5	Between \$500K and less than \$1M

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACT - Contract MC069 - STANTEC CONSULTING, INC.

MOD/CHANGE #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
MC069-MOD-0004	CWO 16 FY23 CMSS Support: The estimated cost of CWO 16 has been revised and the period of performance has been extended through June 30, 2023.	5	Between \$1M and \$5M

CRENSHAW/LAX CLOSE OUT PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (March 1, 2022 - May 31, 2022)

Change Types:

1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - Contract No. C1217 - VENDOR TBD

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts that is why this is unilateral and a modification will follow upon negotiation is finalized between Contractor and Metro).	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B) PROFESSIONAL SERVICES CONTRACTS

MOD/CHANGE #	DESCRIPTION	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (March 1, 2022 - May 31, 2022)**A) DESIGN BUILD CONTRACT - Contract No. C1217 - VENDOR TBD**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

B) PROFESSIONAL SERVICES CONTRACTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
E0117-MOD-00056	FY23 Funding for Greenshaw/LAX Phase III/IV for Design Services During Construction (DSDC), Systems Activation, and Claims Preparation Support	5	Between \$500K and less than \$1M

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACT - Contract MC069 - STANTEC CONSULTING, INC.

MOD/CHANGE #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
MC069-32-MOD-00001	FY23 Funding Authorization for Construction Management Support Services (CMSS)	5	Between \$1M and \$5M

WESTSIDE PURPLE LINE SECTION 1

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (March 1, 2022 – May 31, 2022)

Change Types:

1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1045 - SKANSKA-TRAYLOR-SHEA, A JOINT VENTURE

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
MOD 154.1	Temporary Construction Easement (TCE) Slab Demolition and Removal at the Western Shaft (CN-00088.1): After C1045 contract award, the terms of this TCE changed and now require the site be turned over to the property owner suitable for future development. This requires the existing slab to be removed as outlined in Los Angeles Building and Safety Department (LABSD) standards, which has the acceptance oversight of work within this TCE.	2	4/4/2022	5/31/2022	\$566,175.00	\$541,233.00
CO-10	Funding for Claim 2/RFC-13 – Reach 2 Gas Events Dispute: Executive business decision to provide funding for Claim 2/RFC13 Reach 2 Gas Events Dispute until it is resolved. This change order has been issued with a reservation of rights.	3	5/2/2022	5/3/2022	N/A	\$5,769,234.00

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1078 - CLARK CONSTRUCTION GROUP

None						
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B. PROFESSIONAL SERVICES CONTRACTS

None						
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C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

None						
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (March 1, 2022 – May 31, 2022)**A) DESIGN BUILD CONTRACT - CONTRACT NO. C1045 - SKANSKA-TRAYLOR-SHEA, A JOINT VENTURE**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
CN-00213	Wilshire/La Cienega Station Stand-By Generator (Design and Construction): Due to new final load design information from Purple Line Extension Sections 2 and 3 Project contractors, the WPLE Section 1 Project has to upgrade its standby generators to a larger size to accommodate the increased generator loads at the Wilshire/La Cienega Station.	5	Between \$500K and less than \$1M
CN-00214	Wilshire/La Brea Station Stand-By Generator (Design and Construction): Due to new final load design information from Purple Line Extension Sections 2 and 3 Project contractors, the WPLE Section 1 Project has to upgrade its standby generators to a larger size to accommodate the increased generator loads at the Wilshire/La Brea Station.	5	Between \$1M - \$5M
CN-00220	Track Level Access Openings at Wilshire/Western, Wilshire/La Brea, and Wilshire/La Cienega Stations: Due to the impacts associated with the Wilshire/San Vicente anomaly, the overall project schedule was delayed. The primary purpose for constructing these track level access openings is to provide the Project with improved construction site logistics. This includes the efficient and safe movement of personnel, materials and equipment within the construction area while the Project is being built. These construction openings are necessary to mitigate schedule risks and reduce the dependency from (the soon to be closed) Division 20 Yard access.	3	Between \$1M - \$5M
CN-00222	Installation of Support of Excavation (SOE) for LADWP Equipment Access Hatch: Preliminary Design Contract drawings and Los Angeles Department of Power (LADWP) prior approval indicated an LADWP equipment hatch buried five feet under the roadway. During the final approval process, LADWP management indicated that a permanent engineered emergency hatch direct to the road surface would be required. This change allows the contractor to design and construct a temporary access hatch during the Wilshire/La Brea Station backfill operation. This will also minimize the impact/effort to install the permanent hatch at a later date.	2	Between \$500K and less than \$1M

A) CONTRACT NO. C1078 - CLARK CONSTRUCTION GROUP

	None		
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B) PROFESSIONAL SERVICES CONTRACTS

	None		
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		
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WESTSIDE PURPLE LINE SECTION 2

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (MARCH 1, 2022 - May 31, 2022)						
Change Types: 1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety						
A. DESIGN BUILD CONTRACT - C1120						
MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
CO-00041	<u>Tunneling Suspension Associated with Abandonment of Oil Wells (RFC-097.1):</u> This change compensates the C1120 Contractor for Metro issued suspensions for tunneling activities. In accordance with General Requirements 01 14 05 Metro-Directed Stoppages and General Conditions GC-36, Metro ordered the suspension of tunnel excavation work east of the Tunnel Access Shaft in order to allow for complete plugging and abandonment of two oil wells found beneath Beverly Hills High School property in the paths of the tunnel boring machines. (<u>Unilateral Change : Contractor is not agreeing daily standby rate identified in C1120 Contract</u>)	2	-	4/12/2022	-	\$ 2,075,000.00
B. PROFESSIONAL SERVICES CONTRACT						
MOD/CHANGE #	DESCRIPTION	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (MARCH 1, 2022 - May 31, 2022)

A) DESIGN BUILD CONTRACT - C1120

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
CN-00185	Provisions for WRS North (Secondary) Entrance – Construction: This change is for construction of elements within the Wilshire Rodeo Station to accommodate a future North (secondary) Entrance, based on design provisions authorized by MOD-134. The scope includes the construction of a new walkway extending from the northwest corner of the existing concourse to a new knock out panel at the northwest corner of the station platform module, including all associated adjustments to ancillary items. This scope of work is required to accommodate the approved and executed Settlement Agreement between Metro and City of Beverly Hills which was authorized by the Metro Board on November 10,2020.	2	Between \$1M and \$5M
CN-00188	Type X Tunnel Lighting Fixture Substitution (RFC – 00148): This change is needed to provide design and construction to substitute tunnel lighting fixture "Type X" on Metro Rail Electrical Standard drawing ES-106 with an approved equal that meets the performance criteria provided in ES-106. The Lighting Fixture shown on Metro Rail Electrical Standard drawing ES-106 is no longer being manufactured by Go Green Solutions.	3	Between \$500K and less than \$1M

B) PROFESSIONAL SERVICES CONTRACTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

D) OTHER AGREEMENTS

MOD/CHANGE #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

WESTSIDE PURPLE LINE SECTION 3

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (MARCH 1, 2022 - May 31, 2022)

Change Types:

1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - C1151

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

A. DESIGN BUILD CONTRACT - C1152

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
C1152-CO-00035.1	VA Steam Tunnel Size Increase and Redundancy – VA Sta - CONSTRUCTION ONLY	2	4/22/2022	4/29/2022	\$6,717,671	\$4,286,988

A. DESIGN BUILD CONTRACT - C1153

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	Contract Closed					

B. PROFESSIONAL SERVICES CONTRACTS

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (MARCH 1, 2022 - May 31, 2022)**A) DESIGN BUILD CONTRACT - C1151**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

A) DESIGN BUILD CONTRACT - C1152

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
C1152-CN-00073.1	Tail Tracks – Hi-Rail Vehicle Storage (Design)	5	Between \$1M and \$5M

A) DESIGN BUILD CONTRACT - C1153

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	Contract Closed		

B) PROFESSIONAL SERVICES CONTRACTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

DIVISION 20 PORTAL PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (March 1, 2022 – May 31, 2022)

Change Types:

1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BID BUILD CONTRACT - CONTRACT NO. C1136 - TUTOR PERINI CORPORATION

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

A. DESIGN BID BUILD CONTRACT - CONTRACT NO. C1184 - C3M

	None					
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B. PROFESSIONAL SERVICES CONTRACTS - CONTRACT NO. AE66758000 T.Y.LIN INTERNATIONAL

	None					
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C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS- CONTRACT NO.MC074 ANSER ADVISORY MANAGEMENT LLC

	None					
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (March 1, 2022 – May 31, 2022)**A) DESIGN BID BUILD CONTRACT - CONTRACT NO. C1136 - TUTOR PERINI CORPORATION**

CN/CO/MOD #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
37(MOD)	First Street Bridge Continuous Monitoring. This change is for continuous monitoring displacements of the First Street Bridge during major impact bridge construction operations	2	Between \$500K and less than \$1M
32.1(CO)	Traction Power Substation (TPSS) Civil and Power Changes. This change updates the civil/structural and traction power raceway designs of the TPSS and DWP switchgear site per answers to RFI's	6	Between \$500K and less than \$1M
47.1(CO)	Temporary traction Power Negative Returns & Revised Track Demolition Limits. This change results from responses to RFI's 453.02, 803 and 859 to provide a negative return path from existing TPSS to track and storage track	6	Between \$500K and less than \$1M
76.1(CO)	Installation of Disconnect Switches - East Union Station. This change provides two (2) Owner-procured manual disconnect switches to be installed at the diamond crossover immediately east of Union Station	5	Between \$500K and less than \$1M

B) DESIGN BID BUILD CONTRACT NO. C1184 - C3M

1	TPSS and EBPS Building Structural Calculations	5	Between \$500K and less than \$1M
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C) PROFESSIONAL SERVICES CONTRACTS- CONTRACT NO.AE66758000 T.Y.LIN INTERNATIONAL

	None		
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D) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - CONTRACT NO.MC074 ANSER ADVISORY MANAGEMENT LLC

	None		
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AIRPORT METRO CONNECTOR

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (March 1, 2022 – May 31, 2022)

Change Types:

1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BID BUILD CONTRACT - C1194 - HPH

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

A. DESIGN BID BUILD CONTRACT - C1197 - Tutor

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B) PROFESSIONAL SERVICES CONTRACTS

	None					
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C) THIRD PARTY AGREEMENTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Rough Order of Magnitude Cost
	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (March 1, 2022 – May 31, 2022)**A) DESIGN BID BUILD CONTRACT - Contract C1194 - HPH**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

A) DESIGN BID BUILD CONTRACT - Contract C1197 - Tutor

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
Tutor - C1197 CN 14 Bulletin 26	Bulletin 26: The Contractor shall provide the labor, material, and equipment required to perform the following work scope: temporary site improvements to Metro's auxiliary lot located at 5601 Century Blvd including but not limited to hardscape, landscape, site drainage, new fencing and installing new underground utilities in accordance with Bulletin 26.	5	Between \$500K and less than \$1M

B) PROFESSIONAL SERVICES CONTRACTS - DSDC Gruen

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

D) THIRD PARTY AGREEMENTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

METRO CENTER PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (March 1, 2022 – May 31, 2022)

Change Types:

1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1169 - S.J. AMOROSO CONSTRUCTION CO., LLC.

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
C52151C1169-2-CO-00002	Update Network Equipment (LAN,WLAN,VOIP) to current Metro ITS Standards	5 - Scope	2/7/2022	4/12/2022	\$ 1,000,000	\$ 1,000,000

B. DESIGN SUPPORT DURING CONSTRUCTION - CONTRACT NO. AE451150019779 - HDR Engineering Inc

	None					
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C. PROFESSIONAL SERVICES CONTRACTS

	None					
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D. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS CONTRACT NO. PS66100MC076 - CENTER STREET MANAGEMENT PARTNERS JV

	None					
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (March 1, 2022 – May 31, 2022)**A. DESIGN BUILD CONTRACT - CONTRACT NO. C1169 - S.J. AMOROSO CONSTRUCTION CO., LLC.**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Rough Order of Magnitude Cost
CS2151C1169-2-CN-00015	Add Virtual Machine (VM) Environment	5 - Scope				Between \$500K and less than \$1M

B. DESIGN SUPPORT DURING CONSTRUCTION - CONTRACT NO. AE451150019779 - HDR Engineering inc

	Provide Additional Design Support Services					Between \$500K and less than \$1M
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C. PROFESSIONAL SERVICES CONTRACTS

	None					
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D. CONSTRUCTION SUPPORT SERVICES CONTRACTS - CONTRACT NO. PS66100MC076001 - CENTER STREET MANAGEMENT PARTNERS, JV

	None					
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METRO BLUE LINE RESIGNALING

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (March 1, 2022 – May 31, 2022)

Change Types:

1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - Contract C1081 Metro Blue Line Resignalling - Mass Electric

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B) PROFESSIONAL SERVICES CONTRACTS

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (March 1, 2022 – May 31, 2022)**A) DESIGN BUILD CONTRACT - Contract C1081 Metro Blue Line Resignalling - Mass Electric**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
Mod 10 (CN Not yet issued)	<u>Resolution of CO 14.1, CO 15.1, CO 16, and CO 17.1</u> This one modification will combine resolution of CO 14.1 (WRP Ped Gates), CO 15.1 (Switch Controller), CO 16 (Skip Stop), and CO 17.1 (Auto Clearing Interlocking). These four change orders were previously not reported because they were issued for less than \$250K.	5	Between \$1M and \$5M

B) PROFESSIONAL SERVICES CONTRACTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

I-5 North County Enhancements Project

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (March 1, 2022 - May 31, 2022)

Change Types:

1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A) DESIGN BID BUILD CONTRACT - CONTRACT NO. C70396C1205 - OHL USA, INC.

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B. PROFESSIONAL SERVICES CONTRACTS

CONTRACT NO. AE469080015383 - JACOBS ENGINEERING

MOD 16	Design Services During Construction and RIITS Change Order Plan and Quantity Revisions	5	3/7/2022	5/4/2022	\$ 3,399,875.00	\$3,399,875.00
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CONTRACT NO. AE51181EN084 - BURNS & McDONNELL

None

CONTRACT NO. AE30673002 - PARSONS TRANSPORTATION

None

CONTRACT NO. PS58665013TO11 - ARCADIS

None

CONTRACT NO. AE35279008CWO005 - KKCS/TRIUNITY JOINT VENTURE

None

CONTRACT NO. PS73323000 - PRECISION MATERIAL MANAGEMENT, LLC

None

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - CONTRACT NO. PS67828000 - HILL INTERNATIONAL

	None					
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (March 1, 2022 - May 31, 2022)**A) DESIGN BID BUILD CONTRACT - CONTRACT NO. C70396C1205 - OHL USA, INC.**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

B. PROFESSIONAL SERVICES CONTRACTS

CONTRACT NO. AE469080015383 - JACOBS ENGINEERING			
None			
CONTRACT NO. AE51181EN084 - BURNS & McDONNELL			
None			
CONTRACT NO. AE30673002 - PARSONS TRANSPORTATION			
None			
CONTRACT NO. PS58665013TO11 - ARCADIS			
None			
CONTRACT NO. AE35279008CWO005 - KKCS/TRIUNITY JOINT VENTURE			
None			
CONTRACT NO. PS73323000 - PRECISION MATERIAL MANAGEMENT, LLC			
None			

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - CONTRACT NO. PS67828000 - HILL INTERNATIONAL

None			
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Attachment B: IG Spot Check CEO Delegated Authority Delays Avoided

Project Name	Total Work Days Saved	Years Saved
Crenshaw/LAX	336	1.3
Regional Connector	420	1.6
Purple Line Section 1	629	2.4
Purple Line Section 2	365	1.4
Purple Line Section 3	210	0.8
Division 20	32	0.1
Total Savings	1992	7.6



Board Report

File #: 2022-0450, **File Type:** Informational Report

Agenda Number: 31.

CONSTRUCTION COMMITTEE August 18, 2022

**SUBJECT: OFFICE OF THE INSPECTOR GENERAL
CHANGE ORDER CONSTRUCTION SPOT CHECKS**

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General Change Order Construction Spot Check Report for the period March 1 to May 31, 2022.

ISSUE

On January 25, 2018, the Metro Board directed the Office of the Inspector General (“OIG”) to conduct random spot checks on change orders for the projects listed in the quarterly program management report to ensure that the CEO Delegation of Authority to approve Construction Change Orders Policy is performing in the manner desired by the Board of Directors.

BACKGROUND

The OIG’s Construction Change Order Spot Check Program (“Spot Checks”) focuses on approved change orders and modifications that exceed \$500,000. The four change orders in this report were selected from the Program Management Major Project Status. The OIG gathers the data, reviews all the change orders over \$500,000 and selects one change order from each of the major projects. Where a major project does not have a change order over \$500,000, another project might have two change orders to report on. The information for the Spot Checks was collected from the Program Management Information System (PMIS) which is the department’s database system. Also, TEAM meetings and telephonic interviews were conducted with Metro Program Management, Project Control, and Procurement staff from each involved project office.

Change orders in this report originate from three different projects (Purple Line Extension Sections 2 and 3, and Division 20) but all concern the same contractor.

- Two change orders were issued as Not To Exceed (NTE) amounts because no Scope of Work agreement and Cost Schedule Proposal (CSP) were received, consequently no final modifications were entered into.
- One change order Scope of Work was agreed upon, but Metro could not reach an agreement with the contractor concerning the schedule. Therefore, Metro issued a Unilateral (directed) change order to the contractor.
- There was only one change order that progressed to a signed modification that had both an

agreed upon Scope of Work and a CSP submitted.

- The Contractor objects to language in Metro's standard forms.

For each Spot Check we summarize:

- Description of the change order
- Change order detail
- Scope of Work
- Budget
- Schedule: (Time to execute the change order)
- Safety and
- Recommendations

Metro's Program Control department has provided informal responses to this report before its issuance and will provide written responses to the recommendations in this OIG Spot Checks Report within 30 days after this Report is issued. Included with this Report is a spreadsheet on the status of responses concerning former OIG Spot Check Report recommendations.

DISCUSSION

Spot Checks Performed in this Quarter

Spot Check #1 - Division 20 Portal Widening and Turnback Project

This OIG Spot Check report concerns the DIV 20 Portal Widening and Turnback Project. (Contract C1136 MOD-0029), Time Extension for MOD 20 Addl Scope & Requirements for DIV 20

Change Order Detail

See Attachment A Spot Check #1 chart.

Summary #1

Scope of Work - This change order (MOD 29) covers "delay" costs claimed by the contractor. A prior change order, MOD 20, was executed in August 2021 for \$43.3m which incorporated numerous design changes, drawing updates, and extra Metro directed work under the Division 20 contract; but not the delay costs. The contract does not state the cost per day for delays.

The Contractor's claim is for 7 months (calculated at 213 days) lost time, in the amount of \$8,825,585.79. Metro negotiated with the contractor to allow 6 months (183 days) at \$32,787/day for a total of \$6m. This change order did not have an independent cost estimate (ICE) therefore the amount was checked against a similar concurrent change order's ICE and found to be consistent. Metro developed a time impact analysis to determine that 6 months and not the Contractor's 7 months, was an appropriate amount of time. This modification resolves all time related impacts for the 6-month extension including milestones 2 through 8 of the project schedules.

Budget - These modifications were negotiated, and the award amount is \$6,000,000. The Contractor's proposal was \$8,825,585. The difference in price is \$2,825,585 (32%) under the contractor's proposal. The negotiated amount was compared concurrent change order's ICE. Staff stated that funds for this change are within the recently amended Life-of-Project budget.

Schedule - The new delegation process was utilized for this modification. The Contractor and Metro

agreed on the Scope of Work on March 25, 2022. The modification including the price, was awarded on June 3, 2022, and was completed in 50 workdays. Under the prior Board approval method for change orders, assuming a June Board meeting date, it would have taken a total of 63 workdays to complete the transaction.

Safety - DIV 20 Project has 493,789 project hours through June 2022 with a Recordable Injury Rate of 2.84 (Bureau of Labor Statistics the National Average is 2.4) and a Days Away, Restricted or Transferred (DART) of 1.22 (Bureau of Labor Statistics National Average is 1.5).

Recommendation - The OIG recommends that future construction contracts include a capped amount per day to pay the contractor when Metro stops critical path construction work or the contractor incurs significant delays due to unforeseen causes.

Spot Check #2 - Division 20 Portal Widening and Turnback Project

This OIG Spot Check report concerns the DIV 20 Portal Widening and Turnback Project. (Contract C1136 CO-0011.3), 1st Street Viaduct - Crack and Spall Repair.

Change Order Detail

See Attachment A Spot Check #2 chart.

Summary #2

Scope of Work - This change order is to repair the concrete cracks and broken pieces on the 1st Street Viaduct. The 1st Street Viaduct, originally completed in 1929, is a bridge that consists of a series of arches, and columns supporting the long-elevated roadway of 1st Street and the South East portion of the Metro Gold line. Modifications are necessary to the supporting structures of the bridge to provide for the track turnback to accommodate the new Purple line heavy rail trains to be located at the Metro Division 20 yard.

The remediation process to the 1st Street Viaduct required a full structural concrete inspection of the bridge. The full inspection was not possible because of limited access to the live train yard. Three processes needed to take place to determine the status of the bridge: 1) the removal of the asphalt roadway above and 2) the smoke protection "slabs" attached to the underside of the bridge structure (covered under MOD 20) needed to be removed as well, 3) exposing the bridge foundations. When the Contractor removed the slabs, the original concrete revealed extensive cracking and breakage. Remedial repairs were necessary. The parties have not agreed upon a scope of work because the full extent of the repairs have not been determined. Additionally, the Contractor has not completed a final cost and schedule proposal (CSP), but they are continuing to perform work. We were advised, "The Scope of Work with associated costs will be determined when all repair work is complete." The contractor does not have a fixed schedule, scope, or cost for performance of the work. The project team provided four NTE change orders (CO-11) to the contractor to complete the work. The project team states the full amount may cost as much as \$4m.

Because of limited access to the live train yard, this change order work was budgeted at \$100,000 in the contract as a place holder until the full scope could be determined.

The cumulative change orders are:

- a. Base was \$706,673, CO 11.0
- b. Increase of \$1,394,170, to \$2,100,843, CO 11.1
- c. Increase of \$500,000, to \$2,600,843, CO 11.2
- d. Increase of \$634,157, to \$3,235,000, CO 11.3

Independent of this change order, the OIG was informed the contractor refuses to sign modifications because the Metro standard modification form says Metro will not pay the sub-contractor's bond cost. This issue is not limited to this project.

Budget - Four NTE change orders have occurred totaling \$3,235,000. An estimate of \$4,044,990 was established by Metro. The total awards (of all four NTE's) are 21% under this amount. Staff stated that funds for this change are within the recently amended Life-of-Project budget.

Schedule - An NTE was issued on March 15, 2022, to continue the work. The amount of time to complete the change order verses taking it to the Board is undetermined since the NTE was issued without CSP or an agreed upon scope.

Safety - DIV 20 Project has 493,789 project hours through June 2022 with a Recordable Injury Rate of 2.84 (Bureau of Labor Statistics the National Average is 2.4) and a Days Away, Restricted or Transferred (DART) of 1.22 (Bureau of Labor Statistics National Average is 1.5).

Recommendation - (1) The OIG recommends that the scope of work should be agreed upon as soon as possible, and (2) the OIG recommends the issue of liability for sub-contractors claims and bonds be resolved, and further change orders follow the standard Metro construction practices and procedures. We further recommend that the language concerning bonds and sub-contractors in the Metro standard forms for modification/change orders be moved to the Metro standard contract terms and conditions.

Spot Check #3 - Purple Line Extension Section 2 Transit Project

This OIG Spot Check report concerns the Purple Line Extension Section 2 Transit Project (Contract C1120 CO-0041), Tunneling Suspension Associated with Abandonment of Oil Wells.

Change Order Detail

See Attachment A Spot Check #3 chart.

Summary #3

Scope of Work - This change order covers compensation for the period when Metro ordered suspension of work below the Beverly Hills High School for a total of 83 days because of the oil wells in the path of the tunnel boring machines. The oil wells required plugging in accordance with California Department of Conservation Geologic Energy Management Division (CalGEM).

Budget - This Unilateral change order is for \$2,075,000. The contract rate under the schedule of quantities and prices for 'daily standby for tunnel heading' is \$25,000 per day. The Contractor submitted a request for delay charges for 144 days. The ICE was calculated at \$25,000 per day multiplied by 83 days. Staff stated that funds for this change are within the approved Life-of-Project budget.

Schedule - The Scope of Work was signed on March 22, 2022; the change order was signed April

12, 2022. This change order was accomplished in 16 work days. If the delegation of authority was not in place, this Unilateral request would have gone to the May Board, 48 work days later.

Safety - Purple Line Extension 2 Project has 2,759,051 project hours through June 2022 with a Recordable Injury Rate of 2.97 (Bureau of Labor Statistics reports the National Average is 2.4) and Days Away, Restricted or Transferred (DART) of 0.67 (Bureau of Labor Statistics reports the National Average is 1.5).

Recommendation - The OIG recommends Metro consider implementing Unilateral change orders when the contractor is claiming compensation for delays greater than the contract cap permits.

Spot Check #4 - Purple Line Extension Section 3 Transit Project

This OIG Spot Check report concerns the Purple Line Extension Section 3 Transit Project (Stations Contract C1152 CO-0035.1), VA Steam Tunnel Size Increase and Redundancy (Construction)

Change Order Detail

See Attachment A Spot Check #4 chart.

Summary #4

Scope of Work - This change order provides funds to the contractor for enlarging the existing steam tunnel and building a redundant steam line to provide hot water for sterilization at the VA hospital pursuant to memorandum of understanding (MOU) between the VA and Metro. The contract states that the existing utility steam line tunnel is to be relocated because it is in the way of the future Metro station.

Budget -. CO-35.0 was issued in February 2021 as a Not to Exceed (NTE) type change order for \$850,000 for the steam tunnel materials. This (NTE) type change order, CO-35.1, for an additional \$4,286,998, is for the construction of the steam lines to continue to perform work while staff continues their review of the Contractor's proposal for this large and complex change order. Metro's staff stated that funds for this change are within the approved Life-of-Project budget.

Schedule - The delegation process was utilized for this change order. The staff determined the NTE amount and issued the change order in 6 days. If the change order had gone to the Board, it would have been for the June Board, which occur 44 days later. However, since the change order is not settled in terms of cost, and schedule it might not be considered Board ready.

Safety - Purple Line Ext. 3 Project has 1,988,977 project hours through May 2022 with a Recordable Injury Rate of 1.51 (Bureau of Labor Statistics reports the National Average is 2.4) and Days Away, Restricted or Transferred (DART) of 0.50 (Bureau of Labor Statistics reports the National Average is 1.5).

Recommendation - Now that the cost schedule proposal (CSP) has been received, the OIG recommends that the contractor's CSP be thoroughly evaluated to finalize the change order to enter into an agreed upon modification to replace working on an NTE basis as soon as possible.

FINANCIAL IMPACT

This report will have no financial impact on the agency.

Impact to Budget

For all of the construction change orders reviewed, Metro states the funds are within the approved budget and will utilize the contingency funds to cover the costs from the LOP budget.

- Spot Check #1) \$6,000,000 DIV 20 Portal Widening & Turnback Project
- Spot Check #2) \$634,157 DIV 20 Portal Widening & Turnback Project
- Spot Check #3) \$2,075,000 Purple Line Extension Section 2 Project
- Spot Check #4) \$4,286,998 Purple Line Extension Section 3 Project

In the opinion of the OIG, the use of NTE awards for tens of millions of dollars in construction services is a practice Metro has historically avoided as high risk. It does not commit a contractor to completion of a specific amount of work for a fixed price within a certain schedule. It does have the potential to save money, but should not be over used. NTE authorizations do not incentivize efficiency.

The OIG was informed the contractor refuses to sign modifications because the Metro standard modification form says Metro will not pay the sub-contractor's bond cost. Therefore, to avoid over use of NTE's the disagreement concerning the modification form language should be resolved.

EQUITY PLATFORM

In the opinion of the OIG, we considered whether these change orders presented any equity related issues on their face. The two locations inside of Division 20, are within or adjacent to Equity Focus Communities (EFC's). There are 20-ft high sound walls around the construction worksites to protect residential communities and office suites from the nuisance of construction noise. The OIG did not receive any data concerning other community impacts. Each of the contractors are striving to have work performed by Disadvantage Business Enterprises (DBE) typically at 12-15% implementation, for these change orders at these EFC sites. The OIG observed no obvious disparate impacts created by these change orders on small businesses, low-income persons, or by the performance of the work in a manner that impacted a disadvantaged community beyond what is typical and usual when conducting any construction.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Office of Inspector General reviews large change orders over a calendar quarter and makes recommendations as appropriate to support Metro's Strategic Plan Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization and CEO goals to exercise fiscal discipline to ensure financial stability. The OIG mission includes reviewing expenditures for fraud, waste, and abuse in Metro programs, operations, and resources. For each selected change order reviewed, the OIG evaluates whether there are red flags of fraud, waste, or abuse taking place. We report the details of the significant change orders and make recommendations consistent with the OIG's Construction Best Practices report dated February 29, 2016, more particularly focusing on lessons learned, improving efficiencies, and prudent spending.

NEXT STEPS

The OIG shall provide every quarter, an ongoing spreadsheet of recommendations to Program Control and Program Management. Program Control and Program Management both agrees to respond to the recommendations of the OIG within 30 days. The OIG continues to meet periodically to discuss reports, recommendations, and the status of implementation of the recommendations with Project Management, and receive updates. The list of OIG recommendations and Metro management responses is an attachment to this OIG report (Attachment B).

ATTACHMENTS

Attachment A - Change Order Details for Spot Checks

Attachment B - Tracking Sheet of OIG Recommendations and Responses to last quarter

Attachment C - Power Point for Aug 2022 Construction Spot Checks

Prepared by: Prepared by: Suzanna Sterling, Construction Specialist Investigator, (213) 244-7368

Reviewed by: Karen Gorman, Inspector General, (213) 244-7337



Karen Gorman
Inspector General

Spot Check #1 – Division 20 Portal Widening Turnback Project - Contract C1136**Change Order Detail**

<u>Description of Modification or Change Order MOD-00029</u>	
Time Extension for MOD 20 Addl Scope and Addl Requirements for DIV 20	
<u>Change Order Dates:</u>	
Scope of Work approved	March 25, 2022
Modification Executed	June 3, 2022
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process	50 workdays
Estimate using former Board approval process Agenda for the June Board	63 workdays
<u>Cost of Change Order:</u>	
Metro independent cost estimate (ICE)	none
Contractor's proposed cost	\$8,825,585
Negotiated amount	\$6,000,000
Percentage of negotiated amount over ICE	undetermined
Amount negotiated less than the Contractor's proposal	2,825,585

Spot Check #2 - Division 20 Portal Widening Turnback Project - Contract C1136**Change Order Detail**

<u>Description of Modification or Change Order – CO-0011.3</u>	
1st Street Viaduct – Crack and Spall Repair	
<u>Change Order Dates:</u>	
Scope of Work approved	No agreed scope
Not To Exceed amount issued March 15, 2022 No Modification Executed	NTE only
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process,	undetermined
Estimate using former Board approval process	undetermined
<u>Cost of Change Order:</u>	
Metro Record of Magnitude (ROM)	\$4,044,990
Contractor's proposed cost	none
Not Negotiated – NTE ONLY for \$634,157 increase to	\$3,235,000
Percentage under the ROM	5.5%
Amount negotiated less than the Contractor's proposal	undetermined

Spot Check #3 - Purple Line Extension Section 2 Transit Project - Contract C1120**Change Order Detail**

<u>Description of Modification or Change Order – CO-0041</u> Tunneling Suspension Associated with Abandonment of Oil Wells	
<u>Change Order Dates:</u>	
Scope of Work approved	March 22, 2022
Unilateral Executed	April 12, 2022
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process	16 workdays
Estimate using former Board approval process Agenda for the May Board	48 workdays
<u>Cost of Change Order:</u>	
Metro independent cost estimate (ICE)	\$2,075,000
Contractor's proposed cost	none
Not Negotiated - Unilateral	\$2,075,000
Percentage amount over/under ICE	0%
Amount negotiated less than the Contractor's proposal	undetermined

Spot Check# 4- Purple Line Section 3 Transit Project – Stations Contract C1152**Change Order Detail**

<u>Description of Modification or Change Order – CO-0035.1</u> VA Steam Tunnel Size Increase and Redundancy (Construction)	
<u>Change Order Dates:</u>	
Scope of Work approved	April.22.2022
Not To Exceed amount issued No Modification Executed	April 29, 2022
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process, prepared 04.22.2022	6 workdays
Estimate using former Board approval process Agenda for the June Board	44 workdays
<u>Cost of Modification:</u>	
Metro independent cost estimate (ICE)	\$5,358,735
Contractor's proposed cost	\$6,717,671
Not Negotiated – NTE ONLY	\$4,286,998
80% Percentage of ICE allowed for NTE	0%
CO Not negotiated – difference btwn CSP and NTE	\$2,430,673

ATTACHMENT B (August 2022)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
August 2022 #1 Contract C1136 MOD-0029 Division 20 Portal Widening and Turnback Project - Time Extension for MOD-20 Addl Scope and Addl Requirements for DIV 20	The OIG recommends, that all future construction contracts include a capped amount per day to pay the contractor when Metro stops critical path construction work or contractor incurs significant delays due to unforeseen causes.		
August 2022 #2 Contract C1136 CO-0011.3 Division 20 Portal Widening and Turnback Project - 1st Street Viaduct - Crack and Spall Repair	1) The OIG recommends that the scope of work should be agreed upon as soon as possible. 2) The OIG recommends the issue of liability for sub-contractors claims and bonds be resolved, and further change orders follow the standard Metro construction practices and procedures. We further recommend that the language concerning bonds and sub-contractors in the Metro standard forms for modification/change orders be moved to the Metro standard contract terms and conditions.		
August 2022 #3 Contract C1120 CO-0041 Purple Line Ext. Sect. 2 Tunneling Suspension Associated with Abandonment of Oil Wells	The OIG recommends Metro consider implementing Unilateral change orders when the contractor is claiming compensation for delays greater than the contract cap permits.		
August 2022 #4 Stations Contract C1152 CO-0035.1 Purple Line Ext. Sect. 3 VA Steam Tunnel Size Increase and Redundancy	Now that the cost schedule proposal (CSP) has been received, the OIG recommends that the Contractor's CSP be thoroughly evaluated to finalize the change order to enter into an agreed upon modification to replace working on a NTE basis as soon as possible.		

ATTACHMENT B (April 2022)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
April 2022 #1 Contract C0988 MOD-0551 Crenshaw/LAX Transit Corridor Project Landscape Changes – Park Mesa	none		
April 2022 #2 Contract C0980 MOD-00230 Regional Connector - Transit Corridor Project Alameda Emergency Stair Exit (ES2)	The OIG recommends in-house plan review be as fully completed as possible before Metro groups sign off on the design plans.	The project team agrees with OIG and does have both project staff and Metro staff provide reviews for all plans. This change originated with the change in FLS requirements within the Wye which was identified after award of contract.	
April 2022 #3 Contract C1045 MOD-0144 Purple Line Extension Sect. 1 Construction LaCienega Station During Mining	none		
April 2022 #4 Contract C1045 MOD-0147 Purple Line Extension Sect. 1 Vapor Extraction Street Restoration	none		

ATTACHMENT B (January 2022)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
January 2022 #1 Contract C0980 MOD-00218 Regional Connector - Transit Corridor Project Metro Eastside Access Improvement Project "Segment 2" Esplanade and other improvements along Alameda Street – Construction Only	none		
January 2022 #2 Contract C1136 CO-00020.2 Division 20 Portal Widening and Turnback Project Differing Site Conditions - Connections to Existing Ductbanks and Unknown Utilities Impacts	The OIG recommends that Metro continue to track the time and materials used by the contractor while negotiating the Contractor's cost and schedule proposal and to bring this change order to a final award amount.	Final award amount for CO-00020.2 has been reached. Negotiations with the Contractor (TPC) consisted of multiple workshops to reach agreement on rates of production, activity duration, labor, materials and equipment required, complexity of the work. Since agreement on these items was challenging, Metro made a business decision to start with the contractor's estimate and deduct items that were not allowed in the contract. A final settlement for CO 20 was reached at \$43.3M, approximately \$10M under the contractor's original estimate. A time delay for changes related to CO 20 in the amount of \$6M, or 6 months at \$1M per month, has also been agreed upon for these changes.	Substantial Completion and commissioning of the turnback track is scheduled for late Fall of 2024 to coincide with Revenue Operations of PLE1. Final project completion could be as much as a year later.
January 2022 #3 Contract C1120 CO-00034 Purple Line Extension Sect. 2 Century City Constellation Station Storm Drain and Sanitary Sewer Relocation Construction of MOD 70 Design	none		
January 2022 #4 Contract C1152 MOD-0007 Purple Line Extension Sect. 3 Replacement Parking at VA Hospital Lot 42 During Station Construction	The OIG recommends that the Contractor be instructed to timely submit cost proposals, enter negotiations, and sign agreements before work is performed so Metro can process the work order close in time to work being performed, not only to pay the contractor but to help ensure the sub-contractors are paid timely.	No Comments	

ATTACHMENT B (October 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
October 2021 #1 Contract C0980 MOD-00206 Regional Connector - Transit Corridor Project Add Wye Junction Fan Plant - Construction	Since the Board approved of a budget for this item in 2015 at \$12 mil., the cost has increased to a total of \$21,186,000 (a 77% increase). This Fan System cost has been reported in pieces, as parts were completed, but not as a whole to indicate the cost creep overall over time. We recommend that when LOP information is being periodically provided to the Board that it includes a summary, per project, to show historical cost information over the life of each project. That summary should indicate if they anticipate completing the project within the current LOP and how many LOP increases have occurred so far.	The initial board item in 2015 for the fan plant was an ROM at the time and had yet to be fully designed and estimated for a complete change. As the project progressed the design and went into construction, the team worked through the negotiations for the full scope of the fan plant. As of now, there has only been one LOP increase and the project has anticipated that the project would fall within the LOP to date. Project team will work with Program Management leadership on how information is reported and follow Program Management's direction for any changes on how LOP is reported.	
October 2021 #2 Contract C1136 MOD-00020 Division 20 Portal Widening and Turnback Project Additional Scope and Additional Requirements for the Division 20 Portal Widening and Turnback Project	The OIG recommends: 1. When Metro needs to expedite a project, include Operations in the initial planning phase early, prior to and during design so they can provide constant input during the design. 2. Explore with Operations if they need additional resources to dedicate full time to assist in the intense design, planning, and implementation pre-opening phases of Metro's rail infrastructure/capital projects, or other ways in which Program Management and Operations can work together to approach these projects to maximize cooperation, communication, and assistance. 3. Have the Legal Department review our designer contracts to determine if they are adequate to hold contractors accountable, enforceable, and require use of bonds and proof of adequate insurance to cover errors of this type and resulting in cost of this magnitude.	1. Project alignments were revised during planning phase to accommodate additional storage capacity and technical requirements required for turnback headways. As design progressed, Operations participated in frequent design review meetings. 2. Additional Operations resources during design phases would be beneficial and help produce more comprehensive reviews. 3. Project team is coordinating with County Counsel on review of designer contracts.	
October 2021 #3 Contract C1045 MOD-0 137 Purple Line Extension Sect. 1 Increased Well Maintenance at Western Shaft due to Groundwater Chemistry Impacts	see #4 for recommendation		
October 2021 #4 Contract C1045 MOD-00138 Purple Line Extension Sect. 1 Additional Dewatering Treatment and Discharge Impacts at Western	The OIG recommends that all dewatering change orders for this project should be evaluated or audited. The Geotechnical Baseline Report issued by the consultant to Metro was not accurate for the soil type, ground water, and hydrogen sulfide levels for each segment of Purple Line Section 1 and the consultant might be held liable for some of the costs of differing site conditions not correctly determined by the consultant. Unplanned dewatering site conditions also cost Metro \$15.8 mil. at the La Brea Station and \$16.8 mil. at the La Cienega Station in 2020 and 2019 respectively.	The dewatering MODs for WPLE-1 have been already been evaluated as part of the CN process. In order to minimize the potential for future DSCs on other Projects, consideration should be undertaken to expend more resources during Preliminary Engineering (PE) to more accurately project the actual conditions encountered. The costs of additional PE should be weighed against the increased base bid prices, or future Change Order costs if no additional PE efforts are undertaken. Valid additional costs to Metro, via the base bid or Change Order, will be incurred either way. It is premature at this time to hold the PE Consultant liable for all or a portion of the costs of this MOD.	

ATTACHMENT B (July 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
July 2021 #1 Contract C0980 MOD-00196 Regional Connector - Transit Corridor Project Construct the 2nd & Broadway Station Overbuild Load Transfer System	none		
July 2021 #2 Contract C0980 MOD-00202 Regional Connector - Transit Corridor Project Revise Communications Radio System Scope of Work- Construction	The OIG recommends that after installation of the new radio system that interface with Los Angeles fire, police and sheriff departments be tested and verified for their signal strength and connectivity.	Agreed, all radio systems will be fully tested and verified for signal strength and connectivity	
July 2021 #3 Contract C1045 MOD-0131 Purple Line Extension Sect. 1 Wilshire/Fairfax Station Subgrade Differing Site Conditions	The OIG recommends that after a DRB issues its recommendations that favor the contractor, Metro act swiftly to move forward with a change notice to the contractor and not delay payment to the contractor, less any credits owed to Metro. We understand in this particular case the contractor assigned a lower priority for processing this change notice over many others.	In this case there was no requirement for Metro to issue a Change Notice due to the DRB ruling. The Contractor (STS) chose to delay providing Metro with a cost proposal associated with the DRB ruling due to other higher Contractor priorities. After the eventual receipt of the DRB ruling proposal from the Contractor, the costs were negotiated, and a MOD issued (w/o any Change Notice being created). It should be noted that whether a Change Notice is issued or not, the Contractor has the right to submit a proposal whenever and for whatever they perceive as changed work (via a Request for Change). Section 1 has and continues to issue Change Notices in a timely manner when Metro recognizes merited changed scope of work.	
July 2021 #4 Contract C1152 MOD-0014 Purple Line Extension Sect. 3 Revisions to Westwood/UCLA Station Entrances – Design Only	none		

ATTACHMENT B (April 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
April 2021 #1 Contract C0988 MOD-00253.3 Crenshaw/LAX Transit Corridor Project Landscape Changes – Park Mesa	The OIG recommends that we identify quickly the differences in cost between the new scope of work from the contract and finalize plans and the cost with the prime Contractor.	-Agree and recommendation will be incorporated into C/LAX Project Lessons Learned. -C0988 Contract Team has started to identify the differences in cost between the new scope of work from the contract. Additionally, new scope of work will only be processed if it is a safety related change.	
April 2021 #2 Contract C0980 MOD-00188 Regional Connector - Transit Corridor Project 2nd/Hope Pedestrian Bridge - Construction	no recommendation concerning this change order		
April 2021 #3 Contract C1120 MOD-0095 Purple Line Extension Sect. 2 Station and Bicycle Parking, Architectural Features Design and Construction Changes at Wilshire/Rodeo & Century City Constellation Stations	The OIG recommends that Purple Line, Section 3, be immediately evaluated to determine if the MRDC architectural updates and the Metro bike hub system changes have been incorporated into the Purple Line Extension Section 3 Transit project. This will ensure consistency, compliance with the MRDC, and cost assessments to be determined and negotiated at the earliest possible time.	Purple Line Sect #2 response: Noted. Purple Line Sect #3 response: The WPLE3 contract included the latest MRDC requirements for bike hubs at both stations at time of bid, which minimized changes to the WPLE3 contract.	
April 2021 #4 Contract C1120 MOD-0095 0100 Purple Line Extension Sect. 2 Century City Constellation Main Entrance - Construction	The large cost disparities between the ICE and a Contactor's proposal on high dollar transactions should continue to prompt further technical and commercial evaluation in order to arrive at a fair and reasonable price. The OIG recommends that the ICE be evaluated by the Estimating department to further evaluate the significant differences between the Contractor's proposal and their independent estimate utilizing both technical and commercial evaluation.	ESTIMATING response: Metro Estimating will review the ICE and CSP and work with V/CM and Project Management staff to evaluate the differences. Purple Line Sect #2 response: Project staff will continue to involve Estimating staff in scoping discussions to ensure that they have a full understanding of the scope of work for all Change Work.	

ATTACHMENT B (January 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
January 2021 #1 Contract C0980 MOD-00184 Regional Connector - Transit Corridor Project Expanded Duco Yard and Temple Street Sanitary Sewer Work	The OIG recommends that future contracts with the designer should include verification of sewers identified as abandoned, and to document the verification on the construction drawings if the cost of such verification is minor and the consequences of reliance on erroneous information is significant. Additionally, the OIG recommends that the as-built record drawings at the City be updated.	Planning and engineering need to rely on as-built records for much of their work. However, where key utilities are involved, it is best that their condition and status be validated during the preliminary design phase. This investigation is often expensive and not easily performed without site investigation. The engineer must use his/her judgement to determine which utilities require physical investigation and inspection. Project budget contingency should be set aside for utility discrepancies that may be discovered during construction. Agree that even minor utilities, improperly documented, can have a significant cost and/or schedule impact to a project and should be investigated early, to the extent possible. The City is the best entity to ensure that underground maps are complete.	No further action from Regional Connector as project design has already been completed. However, efforts are continually made to perform potholing investigations for verification prior to construction so as to avoid impacts to schedule should discrepancies be found.
January 2021 #2 Contract C1045 MOD-00121 Purple Line Extension Sect. 1 Alternate Soil Disposal	<p>California laws, including Senate Bill 1383 of 2016 set mandatory targets to reduce waste going to landfills. Metro developed a recycling policy (GEN 51) in response to State recycling goals and to support Metro's sustainability goals. The Conditional Use Permit for the Chiquita Canyon Landfill was set to expire and the Landfill operator sought a new permit, which was granted in July, 2017. The new permit requirements limits the rate of tonnage of dumping allowed, hours of operation, and the county set other multiple requirements that Chiquita Canyon must adhere. The OIG recommends:</p> <ol style="list-style-type: none"> 1. Construction waste disposal options are utilized to minimize project costs and to help achieve the reduction goal of a 75% reduction in waste by 2025; 2. Project teams work very closely with the Metro Sustainability Department, State, Los Angeles County, other regulators, landfill owners, and contractor's personnel, to determine options consistent with GEN 51 for the reuse of soils and construction debris in the current or other construction sites; 3. When a Board member has a matter come before them at their respective municipalities that can potentially effect Metro projects, if they would give notice to Metro of the matter, Metro can determine how its projects will be impacted and possibly address the matter with the municipality or 3rd party prior to the matter being approved including possibly negotiate that the terms of a permit not allow price increases or other impacts on Metro projects where contractual commitments have previously been negotiated in reliance on previous conditions; 4. LA Metro evaluate how other LA Metro projects for which a contract was entered may be impacted by the newly imposed landfill mitigations and higher fees. 	<p>Metro acknowledges the recommendations listed and provides the following responses below:</p> <ol style="list-style-type: none"> 1. Per contract, the project must divert/recycle 75% of waste. Purple Line Section 1 has diverted 100% of excavated clean material on the project to be reused as beneficial cover or fill at offsite projects. 2. The Purple Line Section 1 project has a member of the Metro Environmental Compliance and Sustainability Department (ECSD) on staff. This team member updates project management and contractors on opportunities to reduce waste impacts as they become available across the county. 3. Acknowledged 4. ECSD management will review awarded projects and available facilities and make recommendations on where to make changes to disposal practices as needed. 	
January 2021 #3 Contract C1120 MOD-0091 Purple Line Extension Sect. 2 Increase UPS Spare Capacity at Wilshire Rodeo and Century City Constellation Stations	The OIG recommends that immediately prior to sending out an RFP, Metro should insure that the most current MRDC is used.	In this case, the updated MRDC Section 8 was added to the RFP near the end of the solicitation period, but conflicts with other contract documents were not identified because of the late issuance of the update. Staff agree that all future changes to the MRDC should be coordinated by Metro Engineering and issued before future RFPs are released.	

ATTACHMENT B (January 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
January 2021 #4 Contract C1152 CO-0005.1 Purple Line Extension Sect. 3 VA Hospital Replacement Parking for Lot 42 During Station Construction Phase	The OIG recommends that the Project office and Real Estate continue to work closely and aggressively to come to a full resolution with the VA hospital and the contractor on the modified costs.	Agree	

ATTACHMENT B (October 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
October 2020 #1 Contract C0988 MOD-00485 Crenshaw/LAX Transit Corridor Project Case 5 Bedding Required by LABOE	<p>Since the 'Green book' states the support and materials for sewer and storm drain pipe are to be encased in concrete, the OIG recommends that the LA Metro rail standard drawing US-014, be updated to reflect the required City standard and Metro may negotiate with the LABOE to adopt a different standard for specific projects as warranted.</p> <p>We further recommend, as discussed in previous reports, that Metro study the large discrepancies between the Metro ICE and the award amounts to determine if there is a method by which those discrepancies can be narrowed. This recommendation applies to many of the Spot Checks reviewed in this Report, and is based also on a Metro audit completed by the Management Audit Services Department that noted significant discrepancies in these amounts to be a frequent occurrence.</p>	Recommendation will be incorporated into C/LAX project Lessons Learned.	
October 2020 #2 Contract C1045 MOD-00111 Purple Line Extension Sect. 1 Fairfax Paleo Zone Modified Limits	The OIG recommends future GBR's include a more comprehensive underground site assessment to determine a better approximation of the marine and paleo geological layers. In this instance, a robust underground assessment would have avoided the costly change order. However, the additional excavation costs would have been included in the higher base bid value.	Recommendation will be incorporated into PLE1 project Lessons Learned.	
October 2020 #3 Contract C1120 MOD-00080 Purple Line Extension Sect. 2 Demobilization and Remobilization due to COBH Moratorium	<p>The MOA between Metro and COBH imposes additional restrictions on Metro and adds costly change orders to the original contract.</p> <p>The OIG recommends Metro adopts a standardized MOA for use in negotiations with all jurisdictions within Los Angeles County and utilizes this agreement for every construction project going forward in each respective jurisdiction and that budget estimates for projects should be revised as necessary to take into consideration MOAs entered into.</p>	Agreed.	
October 2020 #4 Contract C1151 MOD-0004.1 Purple Line Extension Sect. 3 Increase Ground Water Treatment Plant Capacity at Tail Track Exit Shaft	<p>It is the OIG's understanding that water pump tests and water quality tests were performed, but they were performed at the original location, the Army Reserve site, which is no longer the correct shaft location. Now the site is at the Veterans Administration property. A change in location can greatly affect both the levels and quality of the groundwater, thus increasing the revised dewatering process.</p> <p>It is critical that the Real Estate Department be included at the earliest possible time in negotiating the property requirements for a project. Having to change location plans after a contract award can have significant scheduling and expense consequences.</p>	The location of the Tail Track Exit Shaft had to move from an environmentally cleared site occupied by the Army reserve site to the US Department of Veterans Affairs West Los Angeles campus when it became evident that the US Army Reserve was unwilling to allow the use of this location for either construction laydown or a permanent Metro Facility. Metro Real Estate and Project staff successfully negotiated with the Department of Veterans Affairs to enable relocation of this construction laydown area and permanent facility to their West Los Angeles Campus.	

ATTACHMENT B (October 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
October 2020 #5 Contract C1151 MOD-0005 Purple Line Extension Sect. 3 Addition of Sepulveda Staging Area to Compensate VA Site Reduction	<p>The Purple Line Extension 3 was a 'next decade project' and was accelerated to be completed in the next 5 years with many project processes that had to be compressed to meet the schedule. We also understand that the real estate acquisition process is contingent on the funding being in place.</p> <p>The real estate acquisition process and all other real estate arrangements must be negotiated as early as possible and negotiate those property rights strategically to ensure we have our real estate needs met at the earliest and least expensive manner possible.</p>	<p>The space available for staging at the Tail Track Exit Shaft on the Department of Veterans Affairs Campus is limited; being located in a nationally designated historic district. Metro Real Estate and Project Staff have and are working closely together, in a timely manner to ensure real estate acquisitions are coordinated with project need dates to minimize overall risk and cost to Metro in delivering the project.</p>	

ATTACHMENT B (August 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
August 2020 #1 Contract C1045 MOD-00095 Purple Line Extension Sect. 1 Transit Project: Phase 5 Golder EOR Mitigation Plan Implementation	<p>The OIG is in agreement with applying extra safety precautions that the Metro project office has put forward. Where conditions are relatively unique to the tunneling industry, more prescriptive specifications for means and methods in these zones is warranted.</p> <p>Since the Contractor, Golder Gas, performed the entire mitigation plan including removal and mitigation, the OIG recommends that LA Metro ensure that Golder Gas is held contractually, jointly, and severally liability for any future incident involving gas in the area where the soil vapor extraction wells and the monitoring wells are installed and abandoned. This is the common practice in environmental cases where a "consulting expert" is hired to monitor and mitigate a hazardous substance issue.</p>	The Section 1 Project will review the indemnification text issued to Golder that was required by STS in order for Golder to proceed with the work. This indemnification will determine what Golder's future obligations are.	
August 2020 #2 Contract C1045 MOD-00106 Purple Line Extension Sect. 1 Center Muck Shaft at La Brea (ECI-03)	The OIG recognizes that this type of shaft at the La Brea station can serve a legitimate purpose and that the OIG recommends that use of such methods should be considered and contemplated in future project specifications and a reserve for same should be made when the savings in time, expense, and safety outweigh the cost of such a shaft.	OIG comment received will be included in the lessons learned.	
August 2020 #3 Contract C1045 MOD-00107 Purple Line Extension Sect. 1 Center Muck Shaft at La Brea (ECI-03)	The OIG is concerned that a bid of 40% over an ICE, when you are in a noncompetitive circumstance, may not be a good faith offer or bad communication on specifications. Such behaviors can have the effect of damaging a relationship during an early phase of construction and create distrust that can harm project collaboration in the future. We appreciate a contractor's willingness to proceed on work even without a commitment from Metro in some cases for the payment for that work, but recommend the contractor exercise greater care in formulating its proposals and that Metro be clear and fair but diligent and firm in its ICE calculations and negotiations stance.	OIG comment received. Contractor will be reminded to have appropriate personell attend the fact finding and provide timely complete CSP in order to resolve issues in a collaborative manner.	

ATTACHMENT B (August 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>August 2020 #4 Contract C1120 MOD-00073 Purple Line Extension Sect. 2 Century City Constellation Station Track work Extension</p>	<p>1. The OIG is concerned that a bid is almost 3 times over the ICE, when you are in a noncompetitive circumstance, may not be a good faith offer or bad communication on specifications. Such behaviors can have the effect of damaging a relationship during an early phase of construction and create distrust that can harm project collaboration in the future. We appreciate a contractor's willingness to proceed on work even without a commitment from Metro in some cases for the payment for that work, but recommend the contractor exercise greater care in formulating its proposals and that Metro be clear and fair but diligent and firm in its ICE calculations and negotiations stance.</p> <p>LA Metro is having to absorb the cost of track extension change orders that arose due to errors and omissions on the part of the engineering consultant WSP. The OIG was informed that WSP miscalculated the braking distance in the initial project definition drawings that were supplied to the construction contractor. Metro will have to cover this expense with the contractor, but should look to the design engineering firm for reimbursement to Metro of the costs it would not have had to otherwise incur less amounts saved or mitigations.</p> <p>2. The OIG additionally recommends that Metro review the current Metro Rail Design Criteria (MRDC) compared to the newly released FRA track design standards for accommodating a train entering a stub-end to determine if any modification or update to our MRDC is warranted.</p>	<p>1. If a Cost and Schedule Proposal (CSP) is significantly higher than the Independent Cost Estimate (ICE), Metro's Contract Administrator and the Project Team engages in further meetings with the Contractor to clarify scope in order to determine the source of the discrepancies between the two estimates. These meetings are professional in nature, and often result in favorable resolution on a price that is somewhere between the ICE and the revised CSP. This process ultimately leads to the execution of mutually agreed upon Contract Modifications, and avoids costly disputes related to Changed Work.</p> <p>Related to the cost of the change, if WSP had calculated the braking distance correctly, the Contractor's proposal price would have included the cost for the trackwork that was recently added by Contract Modification. As a result, the awarded contract value would have been slightly higher, and the project contingency slightly lower at Notice to Proceed. The only additional cost that this error by WSP may have created is a theoretical premium for paying for added trackwork in a non-competitive environment, which would be difficult to prove. It should be noted that the difference between the executed Contract Modification price and the ICE was about 17%, or \$171,000. As a result, it is likely that it would be difficult for Metro to determine if it paid a non-competitive premium. That said, the recommendation will be discussed with senior executive management in VCM and Program Management to determine if any action against WSP will take place.</p> <p>2. This recommendation will be referred to Metro Engineering for consideration.</p>	

ATTACHMENT B (April 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
April 2020 #1 C0980 MOD-00161 Regional Connector - Procure Medium Attenuation Fasteners in Lieu of Standard Direct Fixation Rail Fasteners for the 2nd & Broadway Crossover	<p>Regional Connector project is very unique because of all the existing historical buildings above the construction. Noise pollution has become a major concern for urban transit dwellers and authorities. The rule of thumb is a 10decibel technical increase in noise is heard by the human ear as "doubled" in loudness. When constructing underground for tunnels and stations the Environmental Impact Report must remember to always mitigate sound and vibration to protect the potentially impacted fragile surface buildings.</p> <p>The OIG recommends this scenario be written into the Lessons Learned file for future similar situations when constructing under historic or special case existing buildings.</p>	<p>The Regional Connector Project has extensive vibration mitigation elements included in the design where the operating guidway passes nearby sensitive receptors including recording studios, music venues and hotels. The project also requires that noise and vibration monitoring be performed during construction near sensitive facilities.</p> <p>The lesson learned and responded to in the referenced Contract Modification, is that information gathered during construction monitoring should be used to adjust the designed mitigations where field conditions indicate they are necessary.</p>	Completed with issuance of subject contract modification. Equipment to be installed 3rd quarter 2020
April 2020 #2 C1045 MOD-00098 Purple Line Sect. 1 Additional Air Scrubbers at Fairfax Station	<p>The OIG recommends further questioning to Southern California AQMD to determine why on a previous Metro construction contract (at the same location) they set the emission limit at 50 parts per billion, and the published standards are set at an emission limit of 30 parts per billion. On this contract the limits are set at 15 parts per billion. The inconsistency of the emissions limit should be taken under consideration and request in writing from AQMD why the standard emission limit could not be applied to this permit.</p> <p>The OIG further recommends in future construction pre-bid meetings, disclose to all potential contractors that the AQMD permit values necessary for the technical specification, "Temporary Construction Ventilation for Scrubber Units" has varied in the recent past and to verify the amount with an AQMD representative. If possible a commitment needs to be obtained from AQMD by the contractor at the time of submission of a bid amount, that the standard is firm for a defined period.</p>	<p>The emissions limit for equipment was set at the time the Contractor submitted the specific ventilation plan to SCAQMD for permit.</p> <p>The SCAQMD does not have a set standard for hydrogen sulfide, but the states standard is 30 parts per billion. SCAQMD develops their requirements based on specific site conditions. Our EIR states Metro and its contractors will set and maintain work equipment and standards to meet SCAQMD standards.</p> <p>A letter will be sent to SCAQMD for clarification on how SCAQMD can consistently apply emissions regulations for hydrogen sulfide for Metro's future projects.</p>	
April 2020 #3 C1120 MOD-00064 Purple Line Sect. 2 Geotechnical Instrumentation Installation and Monitoring AT&T and Beverly Hills High School	The OIG recommends that the independent estimator visit the field location concerning where the work for this change order will occur. The construction manager should walk the estimator through the scope of the changes for which they are developing a cost estimate. The independent estimate was a 126.7% lower than the negotiated price. Where such significant discrepancies in price estimates exist, either the estimator for Metro, or the estimator for the contractor needs to re-evaluate the scope of the change order.	Agreed. Moving forward the estimating group will endeavor to work even more closely with available subject matter experts to assure a thorough understanding of scope and of the engineering and construction processes involved.	
April 2020 #4 C1151 MOD-00001 Purple Line Sect. 3 Revise the Tail Track Exit Shaft Location from US Army Reserv to Veterans Affairs Property	<p>If the Army Reserve location had been negotiated prior to the contract award, these amounts might have been included in the original bid, although the price then and now might have been the same for this different location.</p> <p>The OIG recommends Real estate arrangements should be negotiated as early as possible.</p>	Metro agrees with the OIG's comment regarding the price of the change. The cost would roughly be the same whether it was negotiated prior to contract award or after award. We agree that real estate arrangements (agreements) should be negotiated as early as possible. The project initiated contact with the property owner for the Exit Shaft property acquisition after the project was identified to be accelerated from the original 2035 Revenue Service Date. Metro did engage in talks with the VA early in the Project but obtaining VA approval to access their property has not been without a few challenges that Metro was able to overcome.	

ATTACHMENT B (January 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
Jan 2020 / #1 C0988-MOD-00437 Crenshaw/LAX UG1 (H2S) Ventilation Fans - Construction	none		
January 2020 #2 C0980 MOD-00154 Regional Connector - Acoustical Treatments for Areas Not on Finish Schedule	none		
January 2020 #3 C1045 MOD-00089 Purple Line Sect. 1 Development and On Site Validation of the Selected Gas Mitigation Option for M13	<p>While the soil at every site is unique, it is possible to create a standard for testing soils for gasses. There is no current rule or technical specification within Metro criteria for extraction of CH₄ or H₂S from the soil.</p> <p>The OIG recommends after the final report is submitted by the contractor, that a technical specification for testing be developed and written into the MDRC to use in the future.</p>	<p>PLE1 Final M13 Mitigation Report will be forwarded to Metro Geotechnical Department for their review and further processing.</p>	
January 2020 #4 C1045 MOD-00090 Purple Line Sect. 1 Oil Well Investigation In Lieu of TBM Probe Ahead	<p>The implementation of the drilling and magnetometer survey from Section 1 has been incorporated into Purple Line Extension Section 2 and 3 contracts.</p> <p>The OIG recommends that the procedures implemented for locating tanks, pipes and other abandoned waste be added to the Lessons Learned database.</p> <p>The OIG further recommends that Metro evaluates whether to pursue recovery for waste removal costs under CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act, also known as Superfund. Passed in 1980). The OIG recommends that Metro's Engineering Program Management provide information on this matter to Metro's Legal department to assist in making this determination and potentially pursuing this recovery.</p>	<p>PLE1 implemented methodologies for locating known tanks, pipes and other abandoned waste will be added to the Lessons Learned database. PLE1 notes that the hazardous waste removal is relatively small/negligible compared with the overall volume of soil removed. After reviewing the potential ROI on pursuing legal actions against any potential responsible parties for cost recovery the current determination based on the available data is that it is not worth the effort and cost at this time. However, it was decided that Metro County Counsel would provide a preliminary review on the issue and it would be revisited in the future.</p>	

Office Of Inspector General Construction Change Order Spot Check Report

Presented By
Karen Gorman
Inspector General

August 2022

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Checks 1 & 2

1 - Division 20 - - Time Extension for MOD-20 Addl Scope and Addl Requirements for DIV 20 **\$6,000,000**

Recommendation:

Future construction contracts include a capped amount per day to pay the contractor when Metro stops critical path construction work or contractor incurs significant delays due to unforeseen causes.

2 - Division 20 - - 1st Street Viaduct – Crack and Spall Repair **NTE: \$634,157 increase for total of \$3,235,000**

Recommendation:

- (1) The scope of work should be agreed upon as soon as possible,
- (2) Resolve the dispute concerning the language in the modification form.

Spot Check 3 & 4

File #
2022-0450

3 - Purple Line Sect. 2 - - Tunneling Suspension Associated with Abandonment of Oil Wells Unilateral: **\$2,075,000**

Recommendation:

Metro consider implementing Unilateral change orders when the contractor is claiming compensation for delays greater than the contract cap permits.

4 - Purple Line Sect. 3 - - VA Steam Tunnel Size Increase and Redundancy (Construction) NTE: **\$4,286,998**

Recommendation:

The Contractor's CSP be thoroughly evaluated to finalize the change order.

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Spot Check Schedule Comparison

File #
2022-0450

Schedule Comparison: new delegated process vs. former Board approval process

PROJECT	Title of Change Order	Time Saved Executed date to Board Mtg.	NEW Delegated Process final SOW to Executed date	Former Board Approval Process
DIVISION 20 PORTAL WIDENING & TURNBACK PROJECT	Time Extension for MOD 20 Addl Scope	13	50	63
DIVISION 20 PORTAL WIDENING & TURNBACK PROJECT	1 st Street Viaduct Crack and Spall Repair	UNDETERMINED		
WESTSIDE PURPLE LINE EXT. SECT 2	Tunneling Suspension Associated w/Abandonment of Oil Wells	32	16	48
WESTSIDE PURPLE LINE EXT. SECT 3	VA Steam Tunnel Size Increase and Redundancy (Construction)	38	6	44

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