



June 15, 1999

Metropolitan
Transportation
Authority
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TO: BOARD OF DIRECTORS

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SUBJECT: NOTICE OF PROCUREMENT ACTION, MTA
REQUIREMENTS FOR ARCHITECTURAL,
ENGINEERING AND CONSTRUCTION
MANAGEMENT SERVICES

ISSUE

Proposed change to the method of procurement of MTA requirements for Architectural, Engineering and Construction Management Services.

BACKGROUND

As the MTA completes various Segment 2 and Segment 3 construction projects, the Agency is reorganizing the management of its design and engineering projects through consolidation of all bus and rail engineering efforts under a single Division. Staff anticipates that after Segment 3 completion, MTA will average \$50 - 100 million per year in construction, inclusive of design and engineering costs. This will require ongoing engineering support and related construction management services in the range of \$3-6 million per fiscal year.

Currently, the MTA contracts with the Engineering Management Consultants (EMC) for most of its rail engineering requirements and contracts for its bus related construction projects by competing each design and engineering requirement. While contracting with a General Engineering Consultant like the EMC was appropriate for a large scale public works program such as the Red Line project, this is not typical practice for an agency with smaller scale projects. Staff has evaluated typical practices from other comparable transit agencies and the Federal Government. We have concluded that Task Order Contracting for these services would be prudent for the MTA.

Transit agencies such as San Francisco Bay Area Rapid Transit (SFBART) have successfully used the task order or "on call" contracting approach for engineering contracts since the early 1980's. Typically, the agency awards multiple contracts for both the "on call" Engineering and Construction Management services. This strategy was very successful for SFBART in allowing them to negotiate very favorable terms and conditions on all their RFPs. They were able to negotiate lower fees, avoid ordinary proposal costs and minimize program overheads. SFBART also obtained warranties as part of this type of procurement. The multiple consultant process with tasks awarded on a rotational basis, gave the consultants an ongoing incentive to perform well because the agency always had another consultant as a backup. Therefore, after an assessment of utilizing this approach in Los Angeles, staff has proceeded with publicizing and issuing two requests for proposals or RFPs. They are:

1. Engineering and related services. This RFP contemplates an award to three consultants, for a not-to-exceed value per individual contract of \$30 million over 5 years; with an aggregate limit of \$30 million for all services to be performed under this award.
2. Construction Management and related services. This RFP also contemplates an award to three consultants, for a not-to-exceed value per individual contract of \$12 million over 5 years; with an aggregate limit of \$12 million for all services to be performed under this award.

As part of management's recommendation to the Board to approve the contract awards, management will request authorization for the CEO to issue any task orders under these contracts. The Executive Officer, Construction would be responsible for overall management of these contracts with support from MTA Contract Administration.

Forward rates will be negotiated as part of the award process. An independent cost estimate will be performed prior to the execution of each task order. As applicable, audits will be requested. All task orders will be negotiated and executed by the CEO or his designee.

No work will be guaranteed to any of the consultants. If a consultant does not provide the requested level of service, another of the two consultants will be asked to do the work.

Staff will annually brief the Board on the status of these contracts.

OUTREACH

The MTA Transportation Business Advisory Council (TBAC) was briefed and a presentation given on this contracting approach at its April 1, 1999 meeting.

Staff hosted separate teaming conferences on April 6, 1999 for the Construction Management and Engineering Consultant services, to notify the contracting community of the MTA's intent with respect to its architectural, engineering and construction management requirements over the next 4 years. The fifth year is reserved to complete the obligated work of the previous 4th year. Invitees included all firms listed in the MTA vendor database (over 2,000 postcard notifications mailed) for these categories and all certified SBE and DBE firms from the MTA's certified vendor listing. Notices of the teaming conferences

were also publicized in multiple newspapers and the MTA website. There were 125/90 attendees respectively at the two meetings.

NEXT STEPS

Staff is preparing the RFP's for release in the near future.