

**Metro**

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952213.92
metro.net**PLANNING & PROGRAMMING COMMITTEE****January 14, 2009****SUBJECT: CONGESTION MITIGATION FEE STUDY****ACTION: AWARD A CONTRACT TO CAMBRIDGE SYSTEMATICS, INC. FOR PROFESSIONAL SERVICES****RECOMMENDATION**

- A. Exempt new consulting contracts freeze for Congestion Mitigation Fee Study – Step 2 due to the statutory requirements of the Congestion Management Program (CMP), which mandates compliance with the implementation of a countywide Deficiency Plan to measurably improve congestion in Los Angeles County.
- B. Authorize the Chief Executive Officer to execute a firm fixed price contract to Cambridge Systematics, Inc. to conduct Step 2 of the Congestion Mitigation Fee Work Plan consisting of project identification, estimating project costs, and confirming growth forecasts, for a period of six months in the amount not to exceed \$932,718.

ISSUE

On September 25, 2008, the Board approved the Final Draft Congestion Mitigation Fee Feasibility Study Report and authorized staff to initiate Step 2 of the Congestion Mitigation Fee Work Plan (See Attachment B) consisting of project identification, estimating project costs, and confirming growth forecasts.

POLICY IMPLICATIONS

These recommendations are consistent with the direction given by the Board to explore the feasibility of implementing a congestion mitigation fee program when the Board adopted the 2003 Short Range Transportation Plan in August 2003.

OPTIONS

The Board could decide not to conduct Step 2 of the Congestion Mitigation Fee Work Plan. However, this is not recommended as the proposed Congestion Mitigation Fee program is being developed to meet the statutory requirements of the CMP Deficiency Plan, which Metro manages as the State mandated Congestion Management Agency for

Los Angeles County. Conformity with CMP legislation provides \$95 million annually in gas tax revenue (Section 2105) to the 89 jurisdictions in Los Angeles County. The proposed congestion mitigation fee program is proposed to replace the current CMP countywide debit-credit approach. That program requires local mitigation but provides no new revenue sources for local mitigation.

FINANCIAL IMPACT

The funding of \$933,500 is included in FY09 Budget in Cost Center 4220, Project Number 405544, and Task Number 01 to conduct Step 2 of the Work Plan. Implementing Step 2 of the congestion mitigation fee work plan would meet CMP conformance requirements allowing jurisdictions to continue receiving Section 2105 State gas tax funding in the annual amount of \$95 million, as well as other state and federal transportation funds.

BACKGROUND

Due to projected growth challenges and on-going transportation funding shortfalls, the Board authorized work on a Congestion Mitigation Fee Feasibility Study to explore the feasibility of implementing a congestion mitigation fee in Los Angeles County. Staff has been meeting with sub-regional Councils of Governments (COGs), local jurisdictions, the private sector, the Congestion Mitigation Fee Policy Advisory Committee (PAC) and other stakeholders to solicit input on whether a Congestion Mitigation Fee program would work in a complex County such as Los Angeles.

A congestion mitigation fee is a one-time fee applied to all types of new development to fund transportation projects that will help mitigate the impacts to the regional transportation network resulting from new development. If implemented, a congestion mitigation fee would generate new revenue to build transportation projects that would go towards mitigating the impact of new growth. In addition, the Congestion Management Program (CMP) would be amended to replace the Deficiency Plan debit-credit methodology of addressing system deficiencies with the Congestion Mitigation Fee program. This program would be a local responsibility for meeting State CMP requirements in order for cities to receive \$95 million annually in State gas tax revenue.

Step 2 of the Work Plan consists of working with cities to identify local projects with a regional benefit, estimate their corresponding costs, and confirm growth forecasts for each of the 89 jurisdictions. Step 2 is also one of the mandated steps to conduct a legally sound Nexus Study that establishes a “nexus or reasonable relationship between the need for the fee (i.e. congestion mitigation) and the type of project for which the fee is required.”

To conduct Step 2 of the Congestion Mitigation Fee Work Plan within the scheduled six month period requires the procurement of a professional services firm that will have the technical expertise, credibility with stakeholders and subject matter knowledge to carry out the complex tasks of Step 2 within the required performance period.

We are recommending Cambridge Systematics, Inc. because they have been working with staff on this project since the inception of the Congestion Mitigation Fee Feasibility Study (See Attachment A – Procurement Summary.)

Not conducting Step 2 of the Congestion Mitigation Fee Work Plan would not allow the county's jurisdictions to potentially generate new revenue for local projects for additional transportation capacity, while also mitigating the impact of new development on the regional transportation system throughout the County. Although the amount of the proposed fee has not been determined at this time, the forecasted revenue generated by cities could range from \$2 billion to nearly \$15 billion over 25 years. In addition, if Step 2 of the Congestion Mitigation Fee Work Plan is not conducted, the San Gabriel Valley COG Pilot Study also would not be conducted, which was also approved by the Board at the September 25, 2008 Board meeting.

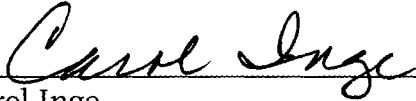
NEXT STEPS

Upon Board approval, staff will initiate Step 2 with the Contractor beginning January 2009 and ending June 2009. Upon completion of Step 2 of the Work Plan, the next step would consist of conducting the Nexus Study (Step 3 of Work Plan) and local implementation (Step 4 of Work Plan.) Each of these steps requires Board action to proceed.

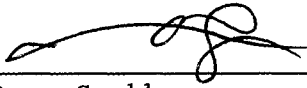
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Heather Hills, Director, Long Range Planning

ATTACHMENTS

- A. Procurement Summary
- B. Congestion Mitigation Fee Work Plan



Carol Inge
Chief Planning Officer
Countywide Planning & Development



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

Congestion Mitigation Fee - Step 2

1.	Contract Number: PS-4220-2287		
2.	Recommended Vendor: Cambridge Systematics, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$ 932,717.68	Recommended Price: \$ 932,717.68 NTE	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: 11/14/2008		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: 11/21/2008		
	E. Pre-Qualification Completed: 12/11/2008		
	F. Conflict of Interest Form Submitted to Ethics: 11/20/2008		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 15% SBE	Date Small Business Evaluation Completed: December 8, 2008	
	B. Small Business Commitment: 19.31% SBE Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names: <i>Cambridge Systematics, Inc.</i>	Bid/Proposal Amount: \$ 932,717.68	<u>Best and Final Offer Amount:</u> \$ 932,717.68 NTE
	B. Evaluation Methodology: Cost Analysis Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Gary Katzman	Telephone Number: 922-4607	
11.	Project Manager: Robert Calix	Telephone Number: 922-5644	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

Congestion Mitigation Fee - Step 2

A. Background on Contractor

CAMBRIDGE SYSTEMATICS, INC.
100 Cambridge Park Drive, Suite 4000
Cambridge, MA 02140

With Regional Offices in Atlanta, Austin, Chicago, Fort Lauderdale, Oakland, Orlando, New York, Tallahassee, and Washington, DC.

Cambridge Systematics has been in business over 36 years in transportation services and tools and products for local, state, national, and international agencies in the public and private transportation industries. Cambridge Systematics specializes in: Policy, strategic planning, and management; freight planning services; environment and transportation; forecasting; operations and simulation; transportation safety; tolling and road pricing; asset management; software and information technology consulting; and geographic information systems (GIS) and data management.

Cambridge Systematics holds the following Metro Planning Bench Contracts since 2003: PS-4310-1268-01-2 (Transportation Planning), PS-4310-1268-15-2 (Economic Analysis), PS-4310-1268-16-2 (Financial Analysis), PS-4310-1268-17-3 (Geographic Information System). Cambridge Systematics was issued the following Task Orders from the Planning Bench Contract: PS-4310-1268-01-2-1 Congestion Mitigation Fee Program Nexus Study; PS-4310-1268-01-2-3 Congestion Mitigation Fee Program Nexus Study Phase II; and PS-4310-1268-01-2-2 Cube Software Calibration. Performance was satisfactory on all of these Task Orders.

Cambridge Systematics has also worked on the 710 Corridor study in a subcontracting capacity. In this study they have developed specialized modeling applications for HOV lanes, ITS improvements, and simulated truck travel. Their qualification statement cites work for San Francisco, Fresno, Seattle, Boston, Washington DC, Oakland, New York City, Anchorage, and Detroit, among others.

B. Procurement Background

This is a negotiated Firm Fixed Price (FFP), follow-on procurement to PS4310-1268-01-2-3 (Congestion Mitigation Fee program Nexus Study Phase II) based on minimal risks in performance and a thorough understanding of technical and performance requirements.

Cambridge Systematics, Inc. has been working with staff since the inception of the Congestion Mitigation Fee Feasibility Study, which resulted in developing the necessary technical specifications and materials to carry out Step 2 of Congestion Mitigation Fee Work Plan. As the author of the technical materials, Cambridge Systematics, Inc. could best respond to the technical intent or significance of its content and ensure viability of a Congestion Mitigation Fee program for 89 jurisdictions. This would also ensure full

continuity and accountability in a program that was developed with extensive stakeholder input. Since the performance period is six months, Cambridge Systematics, Inc. is best positioned to carry out the required tasks within the short performance period.

Diversity and Economic Opportunity Department (DEOD) has established a SBE Goal of 15% with a Contractor commitment of 19.31% for the contract.

C. Evaluation of Proposals

In accordance with the Procurement Policy Manual, the Project Manager (PM) conducted a comprehensive technical evaluation of the written proposal. Cambridge Systematics, Inc. met the requirements of the RFP and is most advantageous to Metro based upon the proposal technical review.

D. Cost/Price Analysis Explanation of Variances

The recommended price of \$932,717.68 NTE for the contract has been determined to be fair and reasonable based upon cost analysis, independent cost estimates, and negotiations with Cambridge Systematics, Inc.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

Congestion Mitigation Fee - Step 2

PRIME CONTRACTOR – Cambridge Systematics, Inc.

Small Business Commitment
Arellano Associates 19.31%

Other Subcontractors
*Willdan Financial Services
ABL, Inc.*

Total Commitment 19.31% SBE

ATTACHMENT B

Congestion Mitigation Fee Work Plan

Work Plan Components	Preliminary Schedule	Estimated Dates for Final Board Action
Step 1: Feasibility Study & Program Guidelines <ul style="list-style-type: none"> • Review with PAC, local jurisdictions, COGs, & Others 	Jan. '07-April '08	Sept. '08
Step 2: Local Project Identification <ul style="list-style-type: none"> • Work with local jurisdictions to confirm growth forecasts • Work with local jurisdictions to identify local projects with regional benefits 	Jan. '09-June '09	July '09
Step 3: Nexus Study <ul style="list-style-type: none"> • Technical work effort to determine nexus • Final Board action to authorize program 	Aug. '09-Feb. '10	March '10
Step 4: Local Implementation <ul style="list-style-type: none"> • Work with local jurisdictions to adopt Local Ordinance 	April '10 +	

