

46
May 1, 1997 46



TO: BOARD OF DIRECTORS

FROM: LINDA BOHLINGER, INTERIM CHIEF EXECUTIVE OFFICER

SUBJECT: APPROVE AWARD FEE FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE METRO RED LINE, NORTH HOLLYWOOD CORRIDOR

Los Angeles County
Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

RECOMMENDATION

Approve an award fee of \$78,409, for Contract MC047 with Jacobs Engineering Group, Mott, MacDonald-Hatch and ACG Environment (JMA), a Joint Venture for Construction Management Services on the Metro Red Line, North Hollywood Corridor. The award fee, based on a performance evaluation score of 2.37 out of a maximum of 4.0, is 8.40% for the period of November 1, 1996 through February 28, 1997.

Within Construction Committee authority: Yes No N/A

ORGANIZATIONAL IMPACT

This recommended action will be the last award fee for JMA and will also reflect the current fee structure for this contract. The intent of the award fee structure is to reward JMA for commendable performance and to motivate them for excellent performance in the future.

BUDGET IMPACT

The funds for this action are available within the MTA Board approved Project Budget of \$1,313,848,000. The recommended action is already included in the current contract budget. The forecast final cost for this contract is \$60,919,000. The current status of the contract, including Project Contingency, will not be affected. The recommended action does not impact the MTA Fiscal Year Budget or the Sources of Funds, either in the fiscal year or over the life of the project.

Potential for Cost Recovery: Yes No

ALTERNATIVES CONSIDERED

The Board has the option to withhold approval. Disapproval of this action will delay payment of an earned fee to JMA. Pursuant to the terms of Contract MC047, JMA may submit a claim for payment in the amount of their previously submitted award fee which was 8.77% if their performance evaluation is not processed in a timely manner.

BACKGROUND

At the July 26, 1995 Board Meeting, the Board of Directors directed staff to submit award fee payment recommendation for professional services contracts to the Cost Containment, Contracts and Efficiency Committee and the Board of Directors for approval.

The Board approved JMA's previous award fee in November 1996. At the time staff had stated it would be the last award fee for JMA because the Contracts Department was negotiating to change the contract from a cost plus award fee to a cost plus fixed fee. JMA and the MTA have not yet reached an agreement on converting the contract. This action allows JMA to be paid fee earned until the conversion to a fixed fee is finalized.

The award fee process for JMA includes a weighted evaluation of four categories of performance, 1) Project Management - 50%; 2) Quality - 20%; 3) Budget - 15%; and 4) Schedule - 15%. JMA could earn a minimum 0% and a maximum of 13%. Attachment 1 summarizes the completed performance evaluation on JMA. Attachment 2 summarizes the payment process of the Award Fee and shows the contract table for determining the Award Fee Percentage.

SMALL BUSINESS PARTICIPATION

The Contract has a DBE participation goal of 32.6%. The current DBE participation, as determined by MTA's EO Programs Departments' Contract Compliance Unit, is 9.06%. See Attachment 2 for more details.

ATTACHMENTS

Attachment 1 - Trimester Performance Report

Attachment 2 - Additional Background Discussion

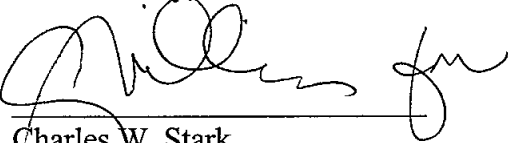
Attachment 3 - Additional DBE Participation Discussion

Attachment 4 - Cumulative Summary of Construction Committee Approvals

Prepared by:

John Adams, Interim Deputy Executive Officer/Project Manager, Metro Red Line

Teresa Beatty, Senior Contract Administrator



Charles W. Stark

Interim Executive Officer, Construction

TRIMESTER PERFORMANCE REPORT SUMMARY

DURING CONSTRUCTION

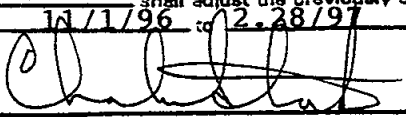
CONTRACT NO.: MC047 TITLE:

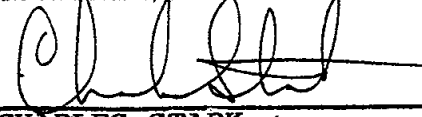
CONTRACTOR: JMA

EVALUATION PERIOD: FROM 11/1/96 TO 2/28/97

TRIMESTER SCORE		SUMMARY SCORE TO DATE			
MAJOR CATEGORY & WEIGHT	SUB CATEGORY	TRIMESTER SCORE	COMPLETE SCORE	AVG. CATG. SCORE	WGHT. SCORE
PROJECT MANAGEMENT 50%	CM MANAGEMENT		2.36		
	Corporate Responsiveness	2.69			
	Project Management	2.04			
	Total Quality Mgmt.	2.17			
	Partnering	2.67			
	Project Status Reports	2.24			
	MANAGEMENT SUPPORT		2.29		
	Reporting	2.28			
	Document Control	2.33			
	Contracts and Procurement	2.22			
	Safety	2.43			
	Construction Services	2.09			
	Environmental Support	2.4			
	SERVICES		2.12		
	Preconstruction Services	1.67			
	Contract Management	2.23			
	Value Engineering	2			
	Geotechnical Services	2.5			
RESIDENT ENGINEER		2.14			
				2.23	1.12
QUALITY 20%				2.77	.55
BUDGET 15%				2.33	.35
SCHEDULE 15%				2.36	.35
SUMMARY SCORE					2.37

In accordance with the Compensation and payment Provisions of Contract No. MC047, the AUTHORITY presents its Trimester Performance Report of the Consultant. In accordance with the Contract and based upon the above Trimester Summary Score, 2.37 shall adjust the previously billed provisional fee to reflect the contractually prescribed award fee amount for the period from 11/1/96 to 2/28/97 @ 8.40%





(NAME) **John Adams**
Deputy Executive Officer/Project Manager
(PROJECT)

CHARLES STARK
Interim Exec. Officer, Construction

ATTACHMENT 2

ADDITIONAL BACKGROUND DISCUSSION

On September 28, 1995, the MTA Board approved the selection of JMA and authorized the issuance of a contract. Contract Work Order No. 1 authorized the Construction Manager's (CM) services for a term of 5 years. The current value of the Contract for CM Services is \$55,381,438.

The contract terms provide for a provisional fee of 5% of JMA's total direct labor plus indirect labor costs. JMA invoices the provisional fee monthly. The MTA Board approves the award fee, based on the performance evaluation score, for each trimester. After Board approval, JMA invoices the total award fee amount, less the provisional fee paid for the trimester. If JMA earns an Award Fee Percentage that is less than 5%, the contract requires JMA to credit the MTA the difference between the award fee earned and the provisional fee paid for that trimester. The Award Fee Percentages earned by JMA to date are:

<u>Performance Report Card</u>	<u>Period</u>	<u>Score</u>	<u>Award Fee %</u>
1	7/1/95 thru 10/31/95	2.64	9.25%
2	11/1/95 thru 2/29/96	2.50	8.9%
3	3/1/96 thru 6/30/96	2.64	9.25%
4	7/1/96 thru 10/31/96	2.44	8.77%
5	11/1/96 thru 2/28/97	2.37	8/4%

The MTA determines the earned Award Fee Percentage by using the following table from the contract:

<u>Evaluation</u>	<u>Score</u>	<u>Award Fee %</u>
Excellent Performance is 4.0	3.8 - 4.0	13% - Maximum
	3.5 - 3.7	12%
	3.3 - 3.4	11%
Commendable Performance is 3.0	3.0 - 3.2	10%
	2.7 - 2.9	9%
	2.4 - 2.6	8%
	2.1 - 2.3	7%
Competent Performance is 2.0	1.8 - 2.0	6%
	1.5 - 1.7	5%
	1.4	4%
	1.3	3%
Fair Performance is 1.0	1.2	2%
	1.1	1%
Unacceptable Performance is 0.0	1.0	0% - Minimum

SCORING CRITERIA					
CRITERIA WEIGHING GRADE	50% PROJECT MANAGEMENT	20% QUALITY	15% BUDGET	15% SCHEDULE	% OF PERFORMANCE TO MAKE GRADE
4 Excellent Performance	Submittals Ahead of Time; No Changes	Excellent Inspection Record	Maintained Contract Under Budget	Project Maintained Ahead of Schedule	90%
3 Commendable Performance	Submittals on Time; Minor Changes	Above Average Inspection Record	Budget Savings	Project Ahead of Schedule	80-89%
2 Satisfactory Performance	Submittals on time; Changes Required	Satisfactory Inspection Record	Project on Budget	Project on Schedule	70-79%
1 Poor Performance	Submittals Late; Changes Required	Adequate Inspection Record	Project Over Budget	Project Schedule Slipping	60-69%
0 Unacceptable Performance	Submittals Not Presented At All	Poor Inspection Record	Project Over Budget	Project Schedule Not Being Met	Less Than 59%

ATTACHMENT 3

ADDITIONAL DBE PARTICIPATION DISCUSSION

This is a Construction Management Services Work Order contract for the Metro Red Line, North Hollywood Corridor awarded October 25, 1995 in the sum of \$55,381,438.

The contract has a DBE participation goal of 32.6% and the Prime Contractor is JMA, A Joint Venture.

The contract is administered through Change Orders necessary to modify, repair, change and/or enhance systems, repairs and/or engage new systems on the Metro Red Line, North Hollywood Corridor.

To date, the Prime Contractor has utilized seven (7) DBE firms on the contract: A.C.G. Environments (2.98% for DPM, Inspections, Office Engineering, Administrative Assistant, Accounting), Anil Verma Associates (1.78% for Assistant RE, Office Engineering, Inspections), J.L. Patterson & Associates (.22% for Assistant RE, Inspection), Kal Krishnan Consulting (1.50% for Assistant RE, Inspection), KJM & Associates (.78% for Schedules Management, Cost Estimating), and Lee Andrews Group, Inc. (.65% for Cost Control/Document Control, Human Resources) for a total participation of \$4,400,532 or 7.94%.

The contract is 30% complete. There have been no problems reported between the DBE Subcontractors and the Prime Contractor.

Based on the approved Work Orders assigned to this Contractor, JMA must increase the utilization of DBE's through the assignment of larger Scopes Of Work to meet the participation goal by contract completion.

The Contractor will be notified of this observation.

Attachment 4

THE CUMULATIVE SUMMARY OF CONSTRUCTION COMMITTEE APPROVALS ON THE MC047 CONTRACT
SINCE DELEGATION OF AUTHORITY IN MARCH 1995

PREVIOUS CONTRACT ACTIONS/CHANGE ORDERS WITHIN THE CONSTRUCTION COMMITTEE AUTHORITY

<u>CONTRACT NO.</u>	<u>AMENDMENT # & DESCRIPTION</u>	<u>DOLLAR VALUE</u>	<u>DATE OF CONST. COMM. MTG.</u>
<u>MC047</u>	<u>CCN 2.0 - Horizontal Probe from AL B251 Tunnel Face</u>	<u>\$24,561</u>	<u>Since Jan. 1997</u>
	<u>CCN 5.01 - Universal City - Integrated Design and Construction Schedule</u>	<u>\$48,000</u>	
	<u>CCN 6.00 - Additional Construction Management Services - C0327</u>	<u>\$35,000</u>	