



Metro

Los Angeles County
Metropolitan Transportation Authority

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**AD HOC CONGESTION PRICING COMMITTEE
SEPTEMBER 19, 2013**

SUBJECT: METRO EXPRESSLANES

**ACTION: APPROVE CONTRACT MODIFICATIONS AND INCREASE CONTRACT
MODIFICATION AUTHORITY**

RECOMMENDATION

- A) Authorize the Chief Executive Officer (CEO) to negotiate and execute Contract Modification No. 34 to Contract No. PS0922102333, with Atkinson Contractors, LP, for additional account support, in a not-to-exceed amount of \$1,000,000 increasing the Total Contract Price from \$87,096,680 to \$88,096,680. This action does not increase the Life-of-Project Budget.
- B) Authorize the CEO to execute Contract Modification No. 35 to Contract No. PS0922102333 with Atkinson Contractors LP, for contract extension and acceleration costs in an amount of \$2,769,206 increasing the total contract price from \$88,096,680 to \$90,865,886. This action does not increase Life of Project Budget.
- C) Authorize the CEO to execute Contract Modification No. 36 to Contract No. PS0922102333 with Atkinson Contractors LP, for a reduction of Contract Provisional Sum Line Items in an amount of (\$2,147,709), decreasing the total contract price from \$90,865,886 to \$88,718,177.
- D) Authorize the CEO to execute Contract Modification No. 40 to Contract No. PS0922102333 with Atkinson Contractors LP, for additional Mailing Costs in the not-to-exceed amount of \$1,000,000, increasing the total contract price from \$88,718,177 to \$89,718,177.
- E) Approve an increase in Contract Modification Authority (CMA) for Contract No. PS0922102333 in the amount of \$2,335,035 increasing the total CMA from \$18,828,815 to \$21,163,850.

ISSUE

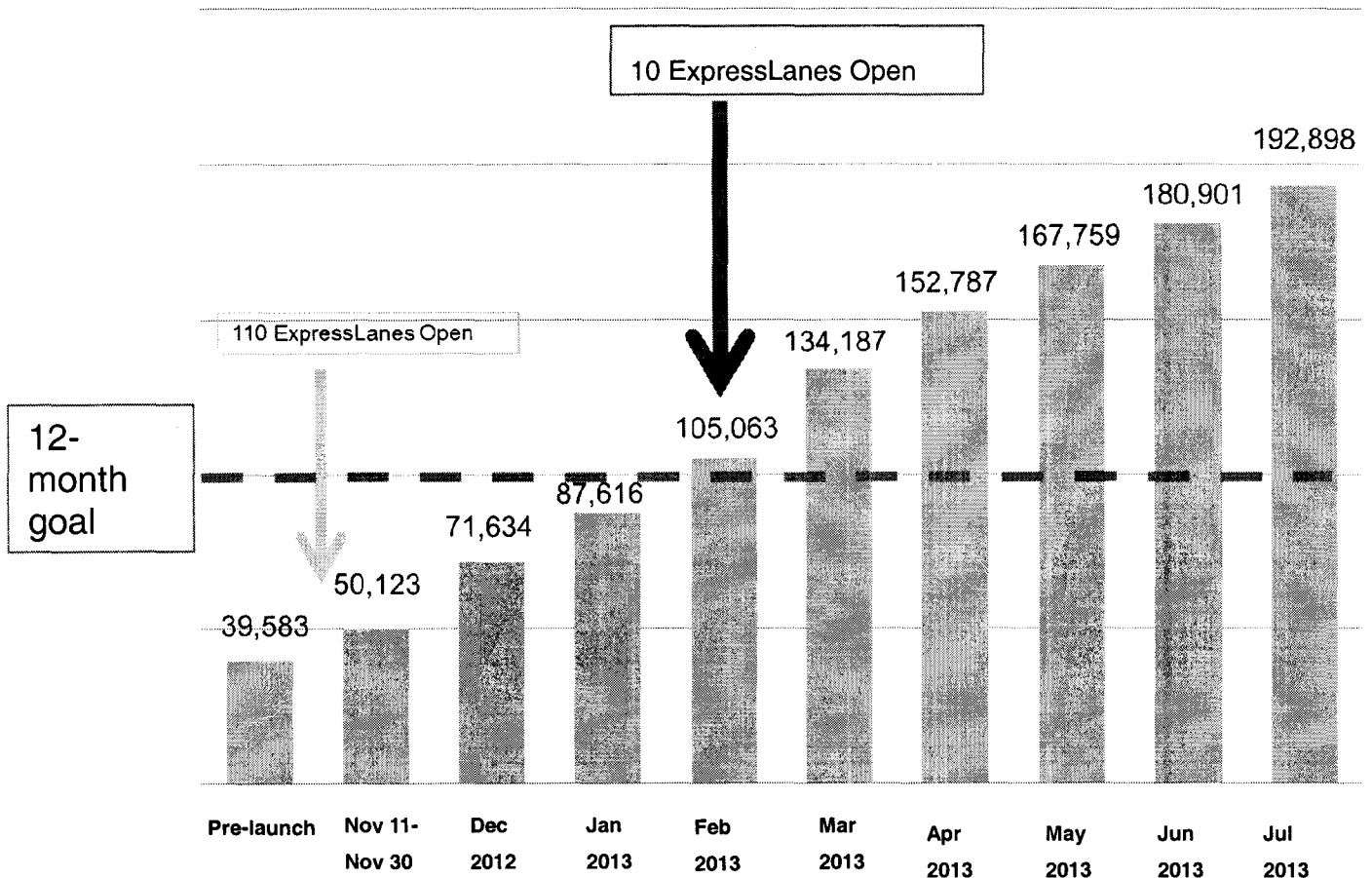
The successful launch of the Metro ExpressLanes pilot program is reflected in the number of transponders distributed to date, which currently exceeds the original contract threshold of 100,000 transponders. Driven by customer demand, the current contract requires modification to address the increase in new accounts and transponder distribution, variable costs associated with mailing customer correspondence and credit card transactions, as well as efforts to improve customer service by addressing customer requests for a mobile app, text notification, and other productivity enhancements to improve the quality of the customer experience with the Metro ExpressLanes.

In addition, contract modifications are recommended to allow administrative close out of the design-build portion of the design-build-operate-maintain (DBOM) contract. Negotiations were recently completed regarding the contract term for the design-build work. The contract term had to be extended due to additional scope that was added to the DBOM Contract after award. Also, portions of the ExpressLanes Project work had to be accelerated to ensure the ExpressLanes opened for Revenue Operations by the agreed date between Metro and FHWA. This was necessary to avoid jeopardizing the \$210.6 Million Grant Metro received from FHWA/FTA to construct the ExpressLanes Demonstration Project and other various transit improvements. The DBOM Contractor was able to also design and construct the ExpressLanes Project without having to use the full amount of the Provisional Sums that were contained in the contract thus allowing a reduction to the contract price.

BACKGROUND

All vehicles, except for buses, motorcycles, and emergency vehicles, traveling in the Metro ExpressLanes must have a transponder. Public acceptance of the pilot program continues to grow and transponder adoption has increased 342% since the opening of the 110 ExpressLanes on November 10, 2012 (Fig 1 below). Almost 75,000 additional transponders have been issued since the opening of the 10 ExpressLanes on February 23, 2013.

[Figure 1: Cumulative FasTrak® Transponder Adoption]



The distribution of additional transponders results in establishment of new accounts that require order fulfillment and additional staffing support by the contractor to service these accounts. Servicing activity includes answering calls, handling correspondence, responding to customer inquiries, postage, and processing transactions. The contract modification in **Recommendation A** addresses additional operational support required to establish and maintain FasTrak accounts through the balance of the pilot period.

Contractor Schedule Extension and Acceleration

During the design build implementation of the ExpressLanes Project there was additional scope of work issued to the DBOM Contractor after the award of the DBOM contract to improve the functionality and the operation of the ExpressLanes Project. This extended the DBOM contract duration by 149 calendar days. The added scope of work, as well as other issues listed below required Metro to implement acceleration of certain portions of the construction work in order for Metro to meet FHWA's requirement to open the Project by February 2013. Below are some of the major elements that contributed to the contract extension and acceleration;

1. The design and installation of additional 13 "Earthcam" Cameras along the corridor. These additional cameras provide the DBOM Contractor and Caltrans with real time freeway condition information on the status of ExpressLanes when an incident occurs that impacts ExpressLanes operation. This additional video capability allows the DBOM Contractor to better manage the reaction time for the clearance of the incidents and to restore the ExpressLanes back to normal operation.
2. After the DBOM contract award, state law AB 1105 was passed, which modified the striping requirements of the ExpressLanes contract. Metro directed the DBOM Contractor through a Contract Modification to conform to the new AB1105 State Law striping requirements.
3. During installation of CIDH Piles on the I-10 Freeway, the DBOM Contractor encountered storm drainage lines along the Metrolink R/W adjacent to the freeway that were not indicated on any as-built plans and had to be relocated prior to installing the CIDH Piles in these locations for the new ExpressLanes signs. Metro directed the DBOM Contractor through a Contract Modification to relocate the drainage lines.
4. On the I-10 Freeway Caltrans had a contractor performing rehabilitation of the freeway concrete surface, various other concrete work, striping and the installation of a new fiber optic line. A portion of this fiber optic line was supposed to be turned over to the ExpressLanes contractor for the use of the ExpressLanes Project. This portion of the fiber optic line was designed to carry the communication and data systems of the various ExpressLanes Dynamic Message Signs and other systems. The Caltrans contractor failed to turn over this portion of the fiber optic line in time for the ExpressLanes contractor to be able to complete their work within the allotted schedule. The system work related to this fiber optic line had to be accelerated to meet the required completion date.
5. The Adams Blvd. Bridge crossing the I-110 Freeway had to be widened to create an additional turn lane to avoid back up on the I-110 Freeway off ramp as part of the

ExpressLanes Project. Once agreement was reached between Caltrans and LADOT on the configuration of the surface traffic lanes, the design was completed. However this delayed the start of construction of the bridge work so contract acceleration was required to meet the completion date.

During the early stages of the design of the project these high risk items were identified and reported on as part of the Schedule Risk Analysis and quarterly updates to the Ad Hoc Congestion Pricing Committee.

The direct design and construction costs associated with the various changes above were processed under separate Contract Modifications. All schedule impacts due to added scope items above and the acceleration have been addressed in Contract Modification No. 35, **Recommendation B**. The Independent Cost Estimate and Time Impact Analysis for this Change has only been finalized recently. This caused a delay in bringing this Contract Modification to the Board for approval. This Contract Modification will also allow the administrative close out of the design build portion of the ExpressLanes DBOM Contract.

Provisional Sums Reduction

The DBOM Contract contained a number of Provisional Sums in the Contract Schedule of Quantities and Prices. These Provisional Sums covered the relocation of existing utilities along the I-10 and I-110 Freeways, repairs to conduit/fiber optic lines, and removal of contaminated and hazardous material required to construct the ExpressLanes Project. During the design and construction of the ExpressLanes Project the full amount of the Provisional Sums was not used. As the construction portion of the DBOM Contract is now complete, Metro can now deduct any unused Provisional Sums through Contract Modification No. 36 (**Recommendation C**), which results in a credit of \$2,147,709.00.

The above actions do not increase the Life-of-Project Budget.

Lack of Sufficient CMA

CMA is a Board authorized contract administration tool that has been used previously to maintain the project schedule. Now that Metro is in the operations phase of the pilot program, additional CMA will ensure the ability to continue to provide quality customer service without disruption. Specifically, it will enable Metro staff to authorize the Contractor to respond to the growth of the program and discourage backlogs in responding to customer requests. Currently staff has identified pending and possible potential future changes that will require additional CMA to complete the demonstration period for operations.

During the performance of the Metro ExpressLanes Project by Atkinson Contractors LP, various contract modifications have been issued, are in the process of being issued to the Contractor, or are pending and this information is shown in Attachment B. The Contract Modifications issued to date has expended most of the currently approved CMA of \$18,828,815. Use of the CMA to date has been for Board approved Options, civil improvements, and various operating requirements.

The additional CMA request of \$2,335,035 is comprised of variable costs associated with mailing customer correspondence and credit card transactions, as well as efforts to address customer feedback by increasing programming activity to address requests for a mobile app, text notification, and other productivity enhancements to improve the quality of the customer experience with the Metro ExpressLanes. Because these costs are variable, rather than fixed, staff requests authorization to increase the CMA which will serve as a management tool for staff to issue contract modifications to compensate the contractor for additional costs due to the growth of the program.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards.

FINANCIAL IMPACT

The funding for the recommended Contract Modifications Nos. 34, 35, 36 and 40 in the amount of \$2,621,497 and for the additional CMA for future changes is included in the FY14 Budget, cost center 2220, Congestion Reduction, under projects 210120, 307001 and 307002, Metro ExpressLanes Program. Since this is a multi-year project, the Cost Center Manager and the Executive Officer, Congestion Reduction Initiative, will be accountable for budgeting the cost in future years, including any options exercised.

IMPACT TO THE BUDGET

The current funding for this action will come from Toll Revenues generated from the Metro ExpressLanes operation and Congestion Mitigation Air Quality Funds from the Congestion Reduction Grant. No other funds were considered for this activity because these funds were approved specifically for the Metro ExpressLanes operations. This activity will not impact ongoing bus and rail operating costs.

ALTERNATIVES CONSIDERED

The Board may decline to approve the recommended actions. This is not recommended as it will result in poor customer service.

ATTACHMENTS

- A. Procurement Summary
- B. Contract Modification Authority Summary

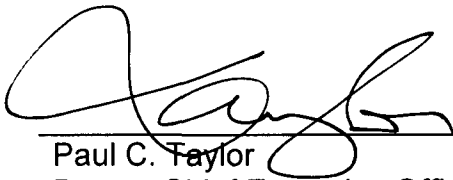
Prepared by: Stephanie Wiggins, Executive Officer (213) 922-1023
Henry Fuks, Executive Officer Project Management (213) 922-7282



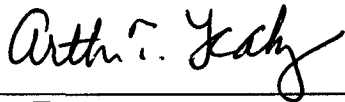
Michelle Lopes Caldwell
Chief Administrative Services Officer



Krishniah N. Murthy
Executive Director, Transit Project Delivery



Paul C. Taylor
Deputy Chief Executive Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

METRO EXPRESSLANES PROJECT

1.	Contract Number: PS0922102333	
2.	Recommended Vendor: Atkinson Contractors, LP	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input checked="" type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: N/A	
	B. Advertised/Publicized: N/A	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: N/A	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: August 30,2013	
	G. Protest Period End Date: N/A	
5.	Solicitations Picked up/Downloaded: N/A	Bids/Proposals Received: N/A
6.	Contract Administrator: Joe O'Donnell	Telephone Number: 213-922-7231
7.	Project Manager: Stephanie Wiggins	Telephone Number: 213-922-1023

A. Procurement Background

The procurement was performed in accordance with Los Angeles County Metropolitan Transportation Authority (Metro) Procurement Policies and Procedures, and the California Public Contract Code § 6800 - 6813, et. seq. for this Contract. The solicitation utilized a competitive best value methodology for an award to the responsible offeror whose proposal was determined to be in the best interests of Metro.

In July 2010, the METRO Board delegated authority to the CEO to award a contract for the HOT ExpressLanes Project. The contract was awarded to Atkinson Contractors, LP on December 16, 2010.

This Board Action is to approve recommended Contract Modifications and increase the Contract Modification Authority for the Design, Build, Operate & Maintain contract issued in support of the LA County Congestion Reduction Demonstration Program.

B. Evaluation of Proposals/Bids – Not Applicable

C. Cost/Price Analysis

The recommended prices for the recommended changes have been determined to be fair and reasonable based upon: An independent cost estimate, cost analysis, technical evaluation, fact finding, and negotiations, as appropriate.

- Modification No. 34: Metro's Independent Cost Estimate is in-process. The Not-to-Exceed amount of \$1,000,000 is based on Metro's current ROM estimate for the additional account services costs.
- Modification No. 35: The contractor accepted Metro's Independent Cost Estimate of \$2,769,206. Therefore, a cost proposal is not required.
- Modification No. 36: The final credit amount of (\$2,147,709) is based on the reduced provisional sums. Therefore, a cost proposal and Independent Cost Estimate are not required.
- Modification No. 40: The Not-to-Exceed amount of \$1,000,000 is based on the Contractor's current mailing costs for accounts multiplied by the number of months remaining in 2013. All mailing costs will be approved by Metro prior to reimbursement.

D. Background on Recommended Contractor

Atkinson Contractors, LP, is located at 27422 Portola Parkway in Foothill Ranch, CA. Founded in 2004, Atkinson Contractors, LP is a limited Partnership between Guy F. Atkinson Construction, LLC and Atkinson Contractors, Inc. Guy F. Atkinson Construction, LLC holds a 99% share, while Atkinson Contractors, Inc. owns the remaining 1% and serves as the General Partner. Atkinson Contractors, LP (Atkinson) has completed numerous heavy civil projects in the Southern California region, and is currently working on the Route 710 Improvements Project, I-10 Freeway Rehabilitation Project, I-15/Route 78 Widening, SR-22/I-405 HOV Connector, and I-405/I-605 HOV Connector for the California State Department of Transportation (Caltrans). Atkinson is a leader in the delivery of complex road and civil construction, with expertise in constructing highway and tolling facilities. Guy F. Atkinson was the contractor for the Pershing Square station on the Metro Red Line.

E. Small Business Participation

This contract is subject to Caltrans' Underutilized Disadvantaged Business Enterprise (UDBE) Program requirements. For Design, Civil, and Operation & Maintenance (O&M), Atkinson Contractors, LP made a 16.20% UDBE and a 1.87% DBE commitment at the time of contract award. Atkinson's current UDBE participation¹ is 19.01% and DBE participation¹ is 3.10%.

Current Contract Amount	\$86,052,654.
Total Actual Amount Paid-to-Date to Prime	\$79,932,496.
Total Actual Paid-to-Date to UDBEs	\$15,197,120
Total Actual Paid-to-Date to DBEs	\$ 2,478,026.

UDBE SUBCONTRACTORS	Current Participation
MARRS Corp (Design)	0.14%
Lin Consulting (Design)	0.99%
Abratique & Associates, Inc. (Civil)	0.10%
Safeprobe (Civil)	0.64%
G & C Equipment Corporation (Civil)	5.25%
Mariman Security (Civil)	0.65%
Sequoia Consultants (Civil)	0.26%
Davis Blue Printing Company (Civil)	0.02%
Payco Specialties (Civil)	1.54%
Fine Grade Equipment (Civil)	2.83%
Rivera Trucking (Civil)	0.35%
American Steel Placers (Civil)	0.87%
DNS Solutions (Civil)	0.08%
G & F Concrete Cutting (Civil)	0.43%
E-Nor Innovations (Civil)	0.08%
JC Supply & Manufacturing (Civil)	0.09%
ACE Fence (Civil)	0.27%
TEC Management Consultants (Civil)	0.27%
R.J. Lalonde (Civil)	0.02%
G & C Corporation (O&M)	4.02%
Noble Insight (O&M)	0.11%
Total:	19.01%

DBE SUBCONTRACTORS	Current Participation
Intueor Consulting (Design)	0.52%
Diaz Yourman (Design)	0.25%
Seville (Construction)	2.33%
Total:	3.10%

¹ Participation = Total actual amount paid-to-date to UDBE/()BE Subcontractors divided by the total paid-to-date to the Prime.

F. All Subcontractors Included with Recommended Contractor's Proposal

	Name of Subcontractor	Services Provided
1.	Abratique & Associates	Third Party Coordination
2.	ACE Fence Company	Fence Installation
3.	American Steel Placers	Reinforced Steel
4.	Davis Blue	Design Drawing Supplier
5.	Diaz Yourman & Associates	Geotechnical Design
6.	DNS Solutions	Cleaning Services
7.	E-Nor Innovations	Traffic Control
8.	Fine Grade	Demolition
9.	G & C	Sign Structures
10.	G & F Concrete Cutting	Demolition
11.	Intueor Consulting	Striping
12.	JC Supply	Construction Material
13.	Lin Consulting	Electrical Design
14.	Mariman Security	Security
15.	MARRS Corp	Utility Resource Design
16.	Noble Insight	Marketing Consultant
17.	Payco	Striping
18.	R. J. Lalonde	Equipment Rental
19.	Rivera Trucking	Trucking
20.	Safeprobe	Traffic Monitoring
21.	Sequoia	Quality Control
22.	Seville	Quality Assurance
23.	TEC Management	Flatwork

Contract Modification / Change Order Log

Mod. No.	Description	Status	Cost
N/A	Initial Award	Approved	\$72,363,702
1	Exercise Options 1 and 2	Approved	\$4,250,000
2	Admin Modification of Audit Requirements	Approved	\$0
3	Install Fiber Cables & Splice Vaults on I-110	Approved	\$470,487
4	Toll System Digital Visual Aids	Approved	\$65,100
5	Modification to Field Office	Approved	\$3,228
6	Drainage Improvements on I-110 (Const.)	Approved	\$1,867,000
7	Exercise Option 3	Approved	\$2,475,000
8	Construction of Divider Wall	Approved	\$821
9	Drainage Improvement on I-110 (Design)	Approved	\$234,440
10	Harbor Gateway Transit Center	Approved	\$0
11	Retail Transponder Sales	Approved	\$347,854
12	Differing Site Condition – CIDH Pile Install.	Approved	\$384,768
13	Modified Striping for Toll Lanes	Approved	\$607,964
14	Audible and Visible Warning System	Approved	\$316,334
15	Adams Blvd/Flower St. OCS (Construction)	Approved	\$80,061
16	DSC – CIDH Piles Along I-10 Fwy	Approved	\$78,448
17	Retail Packaging for Add'l Transponders	Approved	\$337,500
18	Additional Design Support	Approved	\$137,879
19	Rehabilitation of I-10 Shoulder	Approved	\$633,414
20	Perforated Steel Pipe	Approved	\$160,276
21	Temporary Customer Service Center	Approved	\$193,383
22	Closure of Patsaouras Plaza Ramps	Approved	\$69,524
23	Modify Conflicting Expo Signs	Approved	\$25,508
24	Metro's TAP Interface Program	Approved	\$25,734
25	I-10 Traffic Loops	Approved	\$126,598
26	Additional Traffic Monitoring Support	Approved	\$957,186
27	Additional Video Cameras	Approved	\$726,288
28	Adams Blvd/Flower St. OCS (Design)	Approved	\$59,331
29	Mobile Van Retail Unit/Extended Hours	Approved	\$50,000
30	Additional Barrier Markers	Approved	\$39,128
31	Toll System Software Modifications for Grace Period	Approved	\$9,724
32	Release of Additional Transponders	Approved	\$450,000
33	Mailing Costs	Approved	\$450,000
34	Additional Account Support	Recommended	\$1,000,000
35	Contract Milestone Revision	Recommended	\$2,769,206
36	Reduction of Provisional Sum Line Items	Recommended	(\$2,147,709)
38	Add'l Transponders Option 3 and Retail Packaging	Approved	\$459,375
39	Additional Contaminated Material	Approved	\$150,000
40	Additional Mailing Costs	Recommended	\$1,000,000
41	Additional Static and Digital Messaging Signs	In-Process	\$450,000
42	Permanent. Redundant Fiber Comm Network	In-Process	\$380,000
43	Digital Messaging Sign at I-10	In-Process	\$475,000
CO12	Additional Computer Programming	Approved	\$250,000
CO13	Credit Card Transaction Costs	Pending	\$270,000
TBD	Tolling Operation Interface Document	Pending	\$100,000
TBD	Field Office Relocation	Pending	\$80,000
TBD	Additional Traffic Monitoring Expenditures	Pending	\$50,000
TBD	Additional Bond and Insurance Costs	Pending	\$120,000
TBD	I-10 Additional Traffic Delineators	Pending	\$100,000
Subtotal – Approved/Recommended/In-Process Modifications			\$19,943,850
Subtotal – Pending Changes/Modifications			\$720,000
Total Mods and Pending Changes			\$20,663,850
Prior CMA Authorized by the Board			\$18,828,815
Increased CMA requested			\$2,335,035
Total CMA including this action			\$21,163,850
Remaining CMA for Future Changes			\$500,000