



Los Angeles County
Metropolitan Transportation Authority

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**SYSTEM SAFETY AND OPERATIONS COMMITTEE
NOVEMBER 17, 2011**

SUBJECT: GATEWAY COMPLEX RENOVATIONS

ACTION: APPROVE CONTRACT FOR USG ENGINEERING MANAGEMENT SERVICES

RECOMMENDATION

Authorize the Chief Executive Officer to award a ten-year, task order contract, Contract No. PS116430102 to the team led by Vanir Construction Management, the most qualified proposer, for USG Engineering Management Services in an amount not to exceed a cumulative total of \$8,000,000.

ISSUE

The services of a facility engineering management services firm are required to assist staff in implementing the ten-year, \$42.8 million USG Building Renovation Plan (Capital Project #210131) that was approved with the FY12 Budget for the replacement of USG building systems and equipment.

DISCUSSION

The USG building is now over sixteen years old. General Services hired an engineering firm to perform a facility condition assessment of the building's central plant equipment. The engineering company analyzed the existing condition of the building equipment. A report was issued indicating that within the next ten years most of the building equipment will reach the end of its useful life. The USG Renovation Plan capital project projecting the replacement of the building equipment within the next ten years in the amount of \$42.8 million was approved in the capital plan by the Board in May 2011.

This action will engage the services of a facility engineering management team to develop technical specifications and scopes of work, help us evaluate, select, and oversee the work of contractors to replace the various systems and equipment. This effort will require technical assistance from mechanical, electrical, structural, and other

specialized engineers, as well as program and construction management specialists. The engineers must have experience replacing major equipment within an occupied high-rise facility.

FINANCIAL IMPACT

The funding of \$400,000 for this service is included in the FY12 budget in cost center number 6430, Building Services under 210131, Building Renovation Plan.

Since this is a multi-year contract and project, the cost center manager and Chief Administrative Services Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact to Bus and Rail Operating and Capital Budget

The source of funds for these services is General Fund Right-of-Way Lease Revenues which are eligible for bus and rail operating and capital funds. No other sources of funds were considered because these funds are programmed for this use.

ALTERNATIVES CONSIDERED

1. Amend the FY12 budget to include three (3) additional FTEs to perform the required engineering, architectural, and construction management services in-house and not contract out for these services. This alternative is not recommended because the project will require different specialists at various times throughout the life of the projects. The contractor will be able to assign specialists as necessary to meet the needs and requirements of each project at the appropriate time, which will result in a more effective use of personnel.
2. Extend the replacement schedule and amend the FY12 budget to include twelve (12) additional FTEs of building maintenance personnel that would be required to provide temporary repair of the building's aging systems and equipment. This alternative is not recommended because it will substantially increase building operating costs while only briefly extending the useful life of the less efficient existing building systems and equipment.

NEXT STEPS

After award of the contract, staff will initiate the engineering and procurement task order processes of the building renovation program.

ATTACHMENT

A. Attachment A - Procurement Summary

Prepared by: Phyllis Meng, Deputy Executive Officer, General Services

Michelle Lopes Caldwell

Michelle Lopes Caldwell
Chief Administrative Services Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY

USG ENGINEERING MANAGEMENT SERVICES

1.	Contract Number: PS116430102	
2.	Recommended Vendor: Vanir Construction Management	
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: August 8, 2011	
	B. Advertised: August 8, 2011	
	C. Pre-Proposal Conference: August 18, 2011	
	D. Proposal Due Date: September 12, 2011	
	E. Pre-Qualification Completed: September 13, 2011	
	F. Conflict of Interest Form Submitted to Ethics: October 19, 2011	
	G. Protest Period End Date: November 10, 2011	
5.	Solicitations Picked up/Downloaded: 125	Proposals Received: 5
6.	Contract Administrator: Kenneth Takahashi	Telephone Number: (213) 922-1047
7.	Project Manager: Phyllis Meng	Telephone Number: (213) 922-2375

A. Procurement Background

This procurement was conducted as an Architectural/Engineering Request for Proposals ("RFP") in compliance with Government Code Section 4525 and Metro Procurement policies and procedures to support the USG Building Renovation Plan. A Pre-Proposal Conference was held on August 18, 2011. Twenty-seven firms, both primes and subcontractors, were in attendance. During the procurement process, two amendments that addressed the USG Building Renovation Plan's Life-of-Project budget and responding to questions that were submitted were issued.

Proposals were received on September 12, 2011. A total of five proposers responded to the RFP.

The USG Engineering Management Services contract is anticipated to total approximately \$8.0 million in task orders over the life of the contract. Task Orders will be issued for each Statement of Work and a proposal will be received from the contractor. After submittal of the technical and cost proposal, the Task Order will be evaluated for cost reasonableness.

B. Evaluation of Proposals

The Source Selection Committee consisting of two staff members from Metro General Services, a Supervising Engineer from Metro Facilities Engineering, and one member from Catellus was convened and conducted a technical evaluation of the proposals received.

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

- Professional Qualifications of the Firm/Personnel - 50%
- Understanding of the Work and Approach - 50%

The evaluation criteria are consistent with criteria developed for similar A&E procurements. Equal importance was given to the qualifications of the firms/staff and their work plan for completing the projects. As this is an A&E procurement, price was not an evaluation factor pursuant to state law.

Of the five proposals received, four were considered responsive. The four responsive proposers are listed below in alphabetical order:

1. Anil Verma Associates
2. M. Delvin & Associates
3. NBA Engineering
4. Vanir Construction Management

One firm, SY Lee Associates, Inc., was deemed non-responsive for failure to submit the required documentation.

Scoring of proposals for this solicitation was conducted in accordance with the evaluation criteria in the RFP. Proposals were scored for the purpose of determining professional qualifications and understanding of the work and approach. This included the use of the two applicable scenarios to assess the proposers' strengths and weaknesses.

Qualifications of the Firms and Understanding of the Work/Approach

Anil Verma: Anil's listed experience was mainly related to new construction, campus, and rail system work. Two of their subcontractors have some high rise office building system experience. Their proposed project manager is familiar with the Gateway Complex from prior work performed during the construction phase. **Understanding of the Work and Approach:** Anil provided adequate details responding to the Statement of Work; however, they did not include any discussion of how to install the new systems while keeping the existing systems functioning.

M. Delvin & Associates: M. Delvin's experience as a prime contractor has primarily been as an owner representative providing project management services. They have experience with the Solair Wilshire Condominium Project, a 22-story, mixed-use, condominium and commercial building. They have also performed tenant improvement work and commissioning projects. M. Delvin's responses demonstrate an understanding of the scope of work, and provided a detailed systems approach to the various project scenarios.

NBA Engineering / Simplex JV: NBA Engineering / Simplex JV are not large companies, but have teamed together to provide a combination of specialties appropriate to this project. Two members of their team have high rise experience. Their experience includes completing new construction and light rail projects. NBA Engineering / Simplex JV's responses to the scenarios were adequate. They recommended a new approach called "Design Assist." The Design Assist approach gives the prime contractor responsibility for the actual design, with subcontractors engaged at early stages of the job to provide input as to the equipment selections and installation procedures.

Vanir Construction Management: Vanir has formed a very solid and complete organization to perform the work. Their team's experience indicates that they have the necessary background to successfully complete the various projects that are involved. Their project manager and team have experience working on long-term projects such as ours. They have extensive experience with high-rise work, including occupied high rises and historical buildings. Vanir presented an extensive discussion of their plans and approaches. The Cooling Tower scenarios were thoroughly answered. Their attention to the details indicates they have a thorough understanding of the project complexities.

The Source Selection Committee rated Vanir Construction Management highest, based on the established criteria of Qualifications of the Firm and Understanding of the Work/Approach.

C. Cost/Price Analysis Explanation of Variances

Labor types and applicable rates were obtained to establish a baseline for the Task Orders. Detailed cost analysis will be performed for each Task Order issued under this contract.

D. Background on Recommended Contractor

Vanir Construction Management ("Vanir")
3435 Wilshire Boulevard, Suite 2420
Los Angeles, CA 90010

Vanir provides a broad range of construction management experience and provides comprehensive management of the planning, design, engineering, and construction phases of a project. Vanir has been in business for almost thirty years and for this contract they have assembled a team that consists of eight other firms to perform the services.

Vanir will perform the following roles related to the USG Engineering Management projects:

- Lead Program/Construction Management
- Project controls
- Inspection
- Project administration
- Project close-out

Vanir has extensive experience performing projects involving high rise buildings. Their past projects include the Metropolitan Water District Headquarters, Caltrans District 7 Headquarters, Library Tower, and Metro's Headquarters building.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 25% Small Business Enterprise ("SBE") for the procurement. SBE firms were listed as part of proposer teams to perform as-needed tasks. SBE participation will be reviewed when individual task order(s) are assigned.

SMALL BUSINESS GOAL	25%	SMALL BUSINESS COMMITMENT	49%
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	Subcontractor	% Committed
1.	Owen Group, Inc	43.0%
2.	Marrs	2.7%
3.	Ultra Systems	1.5%
4.	Safe Works	0.9%
5.	Minagar & Associates	0.9%
	Total Commitment	49.0%

F. Subcontractors Included with Recommended Contractor's Proposal

	Subcontractor	Services Provided
1.	Owen Group, Inc.	<ul style="list-style-type: none"> • Lead Engineering • Lead Design Management • Plan/Peer Preview • QA/QC • Construction Management • LEED Consulting • Commissioning
2.	Levine-Seegel	<ul style="list-style-type: none"> • Engineering Structural • Plan/Peer Preview
3.	John Martin & Associates	<ul style="list-style-type: none"> • Engineering • Plan/Peer Preview
4.	TMAD Taylor & Gaines	<ul style="list-style-type: none"> • Engineering • Plan/Peer Preview • Commissioning
5.	MARRS	<ul style="list-style-type: none"> • Construction Management • Inspection • Project administration
6.	Minagar & Associates	<ul style="list-style-type: none"> • Engineering: Telecom/Voice/Data/CCTV • Inspection
7.	Ultra Systems	<ul style="list-style-type: none"> • HazMat • Noise/Dust Control
8.	Safe Work	<ul style="list-style-type: none"> • Safety Officer