

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net**CONSTRUCTION COMMITTEE
NOVEMBER 06, 2014****SUBJECT: PMIS HOSTING SUPPORT SERVICES CONTRACT****ACTION: INCREASE CONTRACT VALUE****RECOMMENDATIONS**

- A. Authorize an increase to the total contract value for Contract No. PS12861006 to MLM Project Services, Inc., to provide software system hosting services for the Project Management Information System until December 2016 in the amount of \$476,750 increasing the total contract value from \$343,261 to \$ 820,011.
- B. Establish an increase in Contract Modification Authority in an amount not-to-exceed \$200,000 increasing the total Contract Modification Authority from \$100,000 and authorize the CEO to execute individual Contract Modifications within the Board approved Contract Modification Authority

ISSUE

On March 18, 2010, the board approved development and implementation of a Project Management Information System (PMIS) to deliver Measure R and other projects. The software solution involved design and deployment of Oracle Primavera compatible products comprising seven management systems. The system includes Oracle Primavera P6, P6Web, Contract Management, Contract Management Interface, EcoSys and SharePoint. The system was designed and deployed based upon an externally hosted solution as there were insufficient resources available internally to support the system.

DISCUSSION

At the time PMIS was initially implemented there were not adequate resources available within the Metro Information Technology Services department to support the system. Therefore, on December 1, 2011 the initial software hosting services contract was issued for two years in the amount of \$244,777.50. A contract modification in the

amount of \$98,484 was subsequently issued to extend service until November 30, 2014.

Metro Information Technology Services department was recently consulted as to whether PMIS could now be insourced. Metro ITS determined that it would not be possible to insource PMIS until after Metro Gateway building renovation. Power consumption constraints at that time limited the amount of systems that could be housed internally until after building system renovation. In addition, there needs to be sufficient time to develop the business case for migrating PMIS in-house.

PMIS system service must be maintained without interruption as dozens of engineering and construction projects cannot be interrupted without risk of contractor claims. A contract extension to MLM Project Services was offered amounting to \$476,750 that included a total of twenty seven months service that will be granted on a fiscal year basis through exercising contract options through December 2016. In the period between now and December 2016, Metro staff will continue to assess its ability to bring the PMIS systems within the Metro enterprise or continue outsourcing the services.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects.

FINANCIAL IMPACT

Funding for the MLM Project Services Contract is included in the FY15 budget in Cost Center 8610, (Program Management) under Project 100800 (Construction Administration), Account 50316, (Professional Services). The contract will be incrementally funded by fiscal year. Since this is a multi-year contract, the cost center manager and Executive Director will be accountable for budgeting the cost annually, including any option(s) exercised.

Impact to Budget

Funds used in Project 100800 are a combination of various types of Local, State and Federal funds which primarily impacts construction functions. The Bus and Rail Operations budget may be affected by approval of this action.

ALTERNATIVES CONSIDERED

The Board may elect to stop externally hosting PMIS systems with MLM Project Services. Staff does not recommend this alternative as dozens of active projects and hundreds of users would be significantly impacted. In addition, the cost of procuring

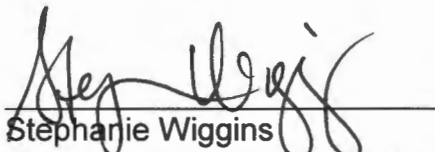
another consultant in a timely manner would create potential delay costs to existing projects.

Another alternative would be to hire Metro staff to perform the required services and bring the systems in house. This alternative is also not recommended as there is insufficient power to bring the systems in-house and it would be difficult to obtain qualified staff with experience in these systems.

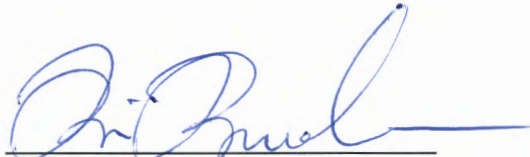
ATTACHMENTS

- A. Procurement Summary
- B. Contract Modification Authority (CMA) Summary

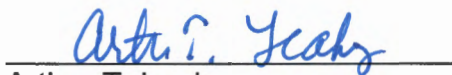
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Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

PMIS HOSTING SUPPORT SERVICES CONTRACT/PS12861006

1.	Contract No.: PS12861006		
2.	Contractor: MLM Project Services, Inc.		
3.	Mod. Work Description: See Attachment B		
4.	Work Description: See list of pending changes in Attachment B		
5.	The following data is current as of:	10/3/14	
6.	Contract Completion Status -		
	Bids Opened:	N/A	% Complete \$: 95%
	Contract Awarded:	12/1/11	% Complete Time 95%
	NTP:	12/1/11	Orig. Contract Days: 365 calendar days
	Orig. Complete Date:	12/1/12	Change Order Days: 730 calendar days
	Current Est. Comp Date:	11/30/14	Suspended Days: 0 calendar days
			Total Revised Days : 1095 calendar days
7.	Financial Status -		
	Contract Award Amount	\$244,777.50	
	Total Contract Modification Authority (CMA)	\$98,484	
	Total of Mods. Issued to Date (Including this action)	\$98,484	
	Requested Additional CMA (See attachment B *)	\$476,750	
8.	Contract Administrator: Zachary Munoz	Telephone Number: (213) 922-7301	
9.	Project Manager: Bryan Pennington	Telephone Number: (213) 922-7449	

A. Procurement Background

This Board Action is to approve modification no. 5 issued in support of .continued software system hosting services for the Project Management Information System.

In November 2011, Metro Procurement utilized the Sole Source method to obtain the services of the current vendor, MLM Project Services, Inc. (MLM) to minimize interruptions to its PMIS hosting services (in accordance with Metro's Policy and Procedures, section 11.7 and Public Utilities Code 130237). Metro executed a contract with MLM for the period of performance beginning December 1, 2011 to November 30, 2012, in an amount not-to-exceed \$244,777.50, inclusive of a one-year option. Subsequently, two modifications were executed extending the period of

performance. Modification No. 1 extended the period of performance by one year, beginning December 1, 2012, to December 31, 2013. Modification No. 2 extended the period of performance by an additional three months, beginning January 1, 2014, to March 31, 2014. There was no change to the funding amount.

In March 2014, a request was made to extend to the period of performance by six months to continue providing PMIS hosting services. The system supports over five hundred users across all capital projects for Transit Project and Highway Project Delivery and systems must be continued. In addition, as funds in the amount of \$244,777.50 had been exhausted, additional funding was required to support the supplemental services. The Contract Modification Authority allowed for additional funds in the amount not-to-exceed \$100,000. Modification No. 3, was executed and incorporated a supplemental statement of work for PMIS Hosting Services and an extension of the period of performance by 6 months beginning on April 1, 2014, to September 30, 2014 for \$98,484. Modification No. 4 was executed and extended the period of performance 2 month beginning on October 1, 2014, to November 30, 2014.

Prior to the expiration of the Contract period of performance, the Project Manager will consult with Metro ITS to provide adequate power supply and resources to internally house the PMIS system. If Metro ITS is unable to internally house the PMIS system within the required time frame, staff will return to the Board to request authorization either to extend the value of the existing Contract or award a new sole source contract.

The proposed contract modification will be handled in accordance with the LACMTA approved procedures for contract modifications.

Attachment B shows the list of pending modifications that will add work. The pending modifications total approximately \$476,750.

B. Cost/Price Analysis

See list of pending changes in Attachment B.

The negotiated amount complies with all requirements of Metro Procurement policies and procedures and was determined fair and reasonable through fact-finding, clarifications, and cost analysis. An independent cost estimate (ICE) was obtained as part of the cost analysis before negotiating.

Proposal Amount	Staff Estimate	Recommended Amount
\$476,750	\$480,768	\$476,750

C. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) goal for this contract awarded in 2011. MLM Project Services, Inc. did not list any SBE subcontractor(s), and no SBE commitments were made at the time of award. According to the Project Manager, there are no small business opportunities in this particular procurement. The hosted services and equipment is provided by MLM services on a monthly subscription basis. These are specialized systems being provided with proprietary technology and the basis of the sole source procurement.

ATTACHMENT B

CONTRACT MODIFICATION AUTHORITY (CMA) SUMMARY

PMIS HOSTING SUPPORT SERVICES CONTRACT/PS12861006

Mod. No.	Description	Status (Approved or Pending)	Contract Value (A)	Mods (B)	Board Approved CMA (C)
N/A	Initial Award	Approved	\$244,777.50		\$100,000
1	No Cost Time Extension to 12/31/14	Approved		\$0	
2	No Cost Time Extension to 3/31/14	Approved		\$0	
3	Continued service to 9/30/14	Approved		\$98,484	
4	No Cost Time Extension to 11/30/14	Approved		\$0	
5	Continued service to 12/30/16	Pending		\$476,750	\$100,000
Subtotal (Pending)				\$476,750	
Subtotal (Approved and Pending)				\$575,234	
Subtotal Approved and Pending including Credits				\$575,234	
Total			\$244,777.50	\$575,234	\$200,000

Subtotal – Board Approved Modifications		\$0	
Subtotal – Approved Modifications within CMA		\$98,484	
Subtotal – All Approved Modifications		\$98,484	
Pending Changes/Modifications		\$476,750	
Total Mods and Pending Changes		\$575,234	
Total Contract Value (including Approved and Pending Mods including credits)	\$820,011		
Board Approved Cumulative CMA (C)			\$100,000
Requested CMA			\$100,000