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REVISED
SYSTEM SAFETY, SECURITY, AND OPERATIONS COMMITTEE
MARCH 19, 2015

SUBJECT: GATEWAY BUILDING EMERGENCY GENERATOR PROJECT**ACTION: INCREASE CONTRACT MODIFICATION AUTHORITY****RECOMMENDATION**

Authorize the Chief Executive Officer to increase Contract Modification Authority to Contract No. PS12643059R with Global Power to provide Gateway Building emergency generator additions and upgrades from \$216,245 to \$966,245 for an increase of \$750,000.

ISSUE

The existing emergency generator has reached its capacity and needs to be upgraded to handle a larger load due to general growth of equipment in the Gateway Building now and new equipment planned for the future. Therefore, an upgrade project was planned and initiated. In the interim high priority needs emerged that required additional generator capacity in the near term before the emergency generator upgrade project could be completed. One such example was in-sourcing the TAP Customer Service Call Center system to support an arbitration ruling. In order to accommodate the emerging needs, a temporary emergency generator was installed to bridge the period until the emergency generator upgrade can be completed, which includes the manufacture, installation and wiring of the permanent, higher capacity generator for the Gateway Building. As a result of the need to install the temporary generator, additional contract modification authority is now necessary for Global Power to complete the upgrade project.

DISCUSSION

As a result of a competitive bidding process, a firm fixed price contract was issued to Global Power for a design/bid/build project to provide the Gateway Building generator additions and upgrades. Several modifications and change orders to the original contract amount were necessary due to Metro's existing site conditions and changing requirements such as removing cubicles after hours, shorter power outages during installation, and not inconveniencing the building occupants and the public. In addition, other needs were identified for additional power in the data center for new systems

including: the TAP Customer Service Call Center, the TAP Quality Assurance Lab and the Rail Fiber Communications Terminal at Gateway.

To move forward with this request and to be able to continue to provide support Contract Modification No. 2 was issued to include the design, installation, and renting of a temporary generator to support the data center for Metro and Metrolink until the new emergency generator could be installed and brought online.

Since this new emergency generator is critical to the building support of the agency, this contract work scope was added to the existing USG Building Renovation Capital Project and all costs will be absorbed within it for the new generator and upgrades. If original Life-of-Project (LOP) funds are insufficient to complete the original project scope of work, staff will go back and ask for a LOP increase for the USG Building Renovation project.

DETERMINATION OF SAFETY IMPACT

This generator is essential to support the Metro critical data systems along with the Advanced Transportation Management System. If the new generator is not installed, a power outage would result in the loss of these systems which will negatively impact service to the public and Metro staff.

FINANCIAL IMPACT

Funding for this action is budgeted in cost center 6430 (Building Services), account 53102 (Acquisition of Equipment), project 210131 (USG Building Renovation Project) and there is no LOP increase required at this time. Since this is a multi-year contract, the cost center manager and Executive Director will be responsible for budgeting the cost in future years.

Impact to Budget

Funding for this project is from the General Fund which is eligible for Bus & Rail operations. Funding for this action is within the existing LOP budget and no new funds are required.

ALTERNATIVES CONSIDERED

One alternative is not to approve the recommendation which would mean that the new generator at the Gateway headquarters would not be installed exposing the agency's critical data systems to failure due to a power outage. This alternative is not recommended because these systems are critical to the agency providing services to its transit riding public.

Another alternative is to develop a new solicitation and obtain another contractor to complete the project scope of work required. This alternative is not recommended because of the time delay of installing this critical piece of equipment.

NEXT STEPS

Upon approval, procurement will issue the contract modification authority so the installation can continue with this critical piece of equipment.

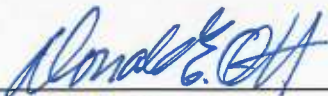
ATTACHMENTS

- A. Procurement Summary
- B. Contract Modification/Change Order Log

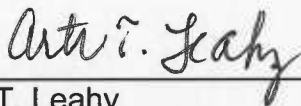
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**PROCUREMENT SUMMARY
GATEWAY BUILDING EMERGENCY GENERATOR PROJECT**

1.	Contract No.: PS12643059R		
2.	Contractor: Global Power		
3.	Mod. Work Description: Modify and increase contract authorization		
4.	Work Description: Gateway Building Emergency Generator Project		
5.	The following data is current as of :	March 2, 2015	
6.	Contract Completion Status:		
	Bids Opened	10/31/13	Financial Status
	Contract Awarded	1/30/14	Contract Award Amount
	NTP	N/A	Total of Modifications approved
	Orig. Complete Date	11/20/14	Pending Modifications (including this action)
	Current Est. Complete Date	8/31/15	Current Contract Value (with this action)
7.	Contract Administrator: Kenneth Takahashi	Telephone Number: (213) 922-1047	
8.	Project Manager: Phyllis Meng	Telephone Number: (213) 922-2375	

A. Procurement Background

On January 30, 2014, Contract No. PS12643059R was awarded to Global Power, the lowest responsive and responsible bidder, in the amount of \$2,162,455, for the Gateway Building Emergency Generator Project.

Attachment B shows that three modifications have been issued to date to add work.

B. Cost/Price Analysis

The recommended price of any future changes will be determined to be fair and reasonable based upon cost analysis, technical evaluation, fact finding, and negotiations.

C. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 20% Small Business Enterprise (SBE) goal for this procurement. Global Power Group made a 19.11% SBE commitment. The project is 39.97% complete and the current SBE participation¹ is 30.50%. Global Power Group is exceeding the goal by utilizing one of its listed SBE subcontractor, Granitex Construction. It is estimated that the other listed subcontractor, MTGL, will start performing seismic inspection onsite beginning March 2015.

Small Business Enterprise Goal	20% SBE	Small Business Enterprise Commitment	19.11% SBE
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	DBE Subcontractor	% Commitment	Current Participation¹
1.	MTGL, Inc.	1.85%	0%
2.	Granitex Construction	17.26%	30.50%
	TOTAL	19.11%	30.50%

¹Current Participation = Total Actual Amount Paid-to-Date to DBE / Total Actual Amount Paid-to-Date to Prime.

ATTACHMENT B

**CONTRACT MODIFICATION/CHANGE ORDER LOG
GATEWAY BUILDING EMERGENCY GENERATOR PROJECT**

Mod no.	Description	Status	Cost
1	Administrative Change	Approved	\$0.00
2	System/Equipment Changes/Enhancements	Approved	\$163,520.68
3	Additional Upgrades/Enhancements	Approved	\$50,000.00
4	Additional Contract Modification Authority	Pending	\$750,000.00
Subtotal – Approved Modifications			\$213,520.68
Subtotal – Pending Changes/Modifications			\$213,520.68
Original CMA Authorized by the Board Subtotal Totals: Mods. + Pending Changes/Modifications			\$216,245.50
Previously Authorized CMA			\$216,245.50
Balance Remaining – CMA Authorized by the Board			<u>\$2,724.82</u>
CMA Necessary to Execute Pending Changes/Mods + Possible Claims			\$750,000.00
Total CMA including this Action			\$966,245.50
CMA Remaining for Future Changes/Mods after this Action			\$752,724.82