

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 7/22/2020

Staff Report No. 18-105c

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Bus Rapid Transit Construction Management Contract

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to exercise the second-year option for contract 2018-1435 for construction management services for the Bus Rapid Transit (BRT) Project for tasks associated with the final project closeout.

STRATEGIC IMPORTANCE:

Goal - Safe and Secure Operations
Initiative - Service Quality

Exercising this option will ensure the BRT project is completed with the quality and compliance necessary for safe and reliable service.

BUDGETARY/FISCAL IMPACT:

The full value of the contract option is up to \$4,804,778.75 for construction management services. However, the District expects to spend approximately 50% of the option. The budget will be expended only on actual work performed, and the BRT Program budget has sufficient capacity to cover these professional services costs through project closeout.

BACKGROUND/RATIONALE:

On May 2, 2018, a solicitation was issued for construction management services in support of the BRT construction contract (IFB 2016-1354). WSP was awarded the resulting contract on July 11, 2018. This award contained two one-year pre-priced options. As work on the BRT project was delayed, WSP's services were required past the original base-year contract deadline. The Board approved exercising the first option under this contract on June 12, 2019, and the District executed the option on July 31, 2019. Under the current contract, WSP is providing inspection services, engineering support, and payment review for the construction contract.

Major construction is substantially complete and BRT service is slated to launch in August 2020. Following substantial completion, WSP's services are needed to complete punch list items, inspection services, systems

testing, and project closeout activities. Additionally, WSP will continue to support the District in compliance with Federal Transit Administration readiness for service, as well as transitioning the maintenance agreements to the City of Oakland, San Leandro and Caltrans. Contracted staff will also serve as support to the District for acceptance testing for the major electronic components of the BRT stations. Lastly, WSP will work with District staff to ensure construction is completed to the quality expected by the District, its agency partners (Oakland, San Leandro and Caltrans), and the compliance required by the FTA.

Staff recommends that the Board authorize the General Manager to amend the contract with WSP by exercising the second one-year option. This option is necessary due to the ongoing need for services through the remainder of construction, post service launch, and through Project completion. Staff is requesting authorization to amend the WSP contract to exercise this option and add \$4,804,778.75 to the contract value. The District expects to expend approximately 50 percent of the option period value or about \$2.1 million. The District will work with the contractor to drawdown staff and demobilize their services as the project moves to closeout.

The requested action complies with the Federal Transit Agency (FTA) guidance regarding exercising contract options (4220.1F Chapter V, 7, a (1)):

Consistency with the Underlying Contract: The option for this contract were priced before the execution of the original contract and submitted by each proposer. All other terms and conditions remain the same for this contract.

Price: Provided the time and resources required to re-solicit these services, the option price will be a significant cost saving to the District. Additionally, the Contract has performed under the monthly budgeted amount for these services for the past three months. The District plans to be under the Contract budget for the remaining months in 2020.

Awards Treated as Sole Source Procurements: The options were priced by all proposers as part of the original RFQ, therefore this option was competitively priced as part of the original contract: *“The District intends to enter into agreement for a term of 12 months, with the option to extend the contract for two (2) one (1) year periods.”* (RFQ 2018-1435, Page 6)

Per FTA guidance, the District is required to exercise each option based on the price and terms from the original proposal although the Contractor will be required to justify each monthly invoice regardless of the revised contract amount. Additionally, this action considers the District's need for continuity of service as the District transitions from the Shelter in Place mandate from Alameda County.

ADVANTAGES/DISADVANTAGES:

Advantages: By exercising the second option, the District will ensure continuity of service. WSP's services are critical to achieving final acceptance by the FTA and for successful completion of BRT construction and project closeout activities. The construction management contractor has performed the work within budget and to the District's expectations. This option will help ensure that BRT construction and eventual service will be successful.

Disadvantages: Exercising this second one-year option puts the District at risk of restricting unspent and encumbered funds until the end of second year option, unless the contract can be terminated early or reduced based on the District's needs.

ALTERNATIVES ANALYSIS:

Do nothing. The District could opt to allow the existing contract to expire and continue construction without construction management. The District would then be forced to perform all the requested services with in-house staff. This is not recommended as without construction management services, the BRT project will fail and passenger service will not start.

Re-Solicit Services. This approach would require 6-7 months to re-solicit these services. The BRT construction will be completed, passenger service launched, and project will be closed out by the time a new contract would be in place for construction management. This option also presents a steep learning curve for the new consultants, which could not be achieved in the few remaining months of the project. Moreover, the current consultants would need to be retained until the new contract is awarded yielding no savings to the District in the process.

Perform the services with existing or new in-house staff. The District does not have enough internal staff with the requisite skill sets to perform this work in-house. The District could elect to hire new staff but doing so would entail a several months-long process to fill positions that would only last for the 6-7 months until we achieved project closeout. This option would require a substantial investment in current staff's time to hire and/or train new staff, and to provide ongoing supervision and direction.

Issue Sole Source Contract. The District could issue a sole source contract extension for WSP in order to shape a less expensive and shorter term. However, this would require extensive negotiations with the contractor. Additionally, the sole source procedures would require extensive time and potentially create a break in the period of performance.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Reports 18-105a and 18-105b

ATTACHMENTS:

None

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