

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/12/2019

Staff Report No. 18-106b

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: BRT Outreach Contract

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to exercise the first option year on contract 2018-1437 with L. Luster & Associates for Community outreach and public engagement services for the Bus Rapid Transit (BRT) Project.

BUDGETARY/FISCAL IMPACT:

This first year option will cost the District \$1,011,069.88 for community outreach services. This cost is included in the BRT project budget and will be paid for out of project funds. The base year amount of this contract is \$982,621.20. The base year plus the first year option total \$1,993,691.08.

BACKGROUND/RATIONALE:

On May 2, 2018, a solicitation was issued for community outreach services in support of BRT construction and implementation. Under the current contract, L. Luster & Associates provides community outreach services for the District on the BRT project. The base period for this contract expires on August 1, 2019, and contains two one-year extension options.

In the Board-approved Project Completion Plan (Staff Report 17-132) the BRT project is projected to be completed in December 2019. This action is consistent with the Board-approved Project Completion Plan (PCP) which forecasts project completion in December 2019. In the same plan, staff forecasted a total need of \$9.5 million for all professional services to meet the forecasted revenue service in December 2019. The BRT project is on schedule and on budget to meet the Board-approved PCP forecast opening of December 2019.

Staff wishes to exercise the first one-year option for community outreach and public engagement services for the BRT project. This request is necessary due to the ongoing need for services through the remainder of construction and the launch of revenue service after December 2019. Staff requests the Board authorize the General Manager to amend the L. Luster & Associates contract to exercise the first year option of the original contract, and add \$1,011,069.88 to the contract value.

The requested action is in compliance with Federal Transit Administration (FTA) guidance regarding exercising contract options (4220.1F Chapter V, 7, a (1)):

1. *Consistency with the Underlying Contract:* The options for this contract were priced before the execution of the original contract. All other terms and conditions remain the same for this contract.
2. *Price:* Provided the time and resources required to re-solicit these services, the option price will be a significant cost savings to the District. Additionally, the 3% increase in direct labor costs originally priced into this option is less than the 3.5% increase experienced in the San Francisco-Oakland-Hayward area over the past year as reported by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (data as of February 2019).
3. *Awards Treated as Sole Source Procurements:* The options in this contract were priced by all proposers as part of the original RFP, therefore this option was competitively priced as part of the original contract: "The Service Cost Proposal must be submitted on a firm-fixed price basis for the term of August 1, 2018 through July 31, 2019 and two option years from August 1, 2019 through July 31, 2021 respectively and shall be submitted on with your cost breakdown." (RFP 2018-1437, Page 9)
4. Additionally, this action takes into account the District's need for continuity of operations and the potential costs of disrupting BRT construction if the option is not exercised.

Per FTA guidance, the District is required to exercise each option based on the price and term as it was originally proposed. This restricts the District from negotiating an increase or decrease in amounts for each contract.

ADVANTAGES/DISADVANTAGES:

The main advantage of exercising this contract option is that the District will ensure continuity of service for the BRT project's community outreach efforts. Continuity of service is critical to help prevent any delays and complete the BRT by December 2019. The community outreach contractor has performed the work within budget and to expectations. Exercising this option will help ensure that BRT construction and implementation proceeds as effectively and efficiently as possible. Staff cannot identify any disadvantages to exercising the contract option.

ALTERNATIVES ANALYSIS:

- 1) Issue Sole Source Agreements. The District could issue a sole source contract extension for in order to shape a less expensive and shorter term. However, this would require extensive negotiations with the contractor. Additionally, posting these sole source justifications for other vendors' input would invite multiple vendors that would challenge the sole source justification, thereby delaying or preventing the execution of the contract.
- 2) Migrate the services in-house. The District could elect to reassign existing staff, or hire new staff, to perform community outreach for the BRT. Hiring new staff would entail a months-long process to fill positions that would only last for the remaining duration of BRT construction and implementation, or approximately seven months. Following BRT launch, the staff assigned to the project would need to be reassigned or laid off. 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.

- 3) Re-Solicit Contractor: The solicitation of a new contractor for this service will require at least eight months to plan and execute, and additional staff time to onboard the new community outreach team. With this option, it is anticipated that BRT construction will be completed, and the service launched, before the District could have a new contract in place for community outreach services.
- 4) Do nothing. The District could opt to allow the existing contract to expire and continue construction without contracted community outreach services. Based on the positive feedback provided from the community, local elected officials, and federal partners - in addition to the consistent contributions the existing team has made towards the BRT projects' progress - staff believes that elimination of these services would be detrimental to achieving the project's community relations, local hire, and project completion goals.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 18-106 - Authorization to issue a Request for Proposals (RFP) for Community Outreach and Public Engagement Services.

Staff Report 18-106a - Community Outreach and Public Engagement Services Associated with the East Bay Bus Rapid Transit Project.

Board Policy 465 - Procurement Policy

ATTACHMENTS:

None

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