



Metro

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CONSTRUCTION COMMITTEE
June 17, 2004

PROJECT: MAJOR CAPITAL PROJECTS
CONTRACT: EN069, ENVIRONMENTAL WASTE HANDLING SERVICES, CH2M HILL CONSTRUCTORS, INC.
ACTION: INCREASE NOT TO EXCEED VALUE FROM \$12,130,000 TO \$17,895,000

RECOMMENDATION

Authorize an increase in an amount not to exceed \$5,765,000 to Contract No. EN069 with CH2M Hill Constructors, Inc. (CCI), to provide environmental waste handling services for Fiscal Year 2005, increasing the Total Contract Not-to-Exceed (NTE) Value from \$12,130,000 to \$17,895,000.

Within Construction Committee authority: Yes No N/A

RATIONALE

In December 2000, the MTA Board awarded a five-year contract that included three one-year options, to CCI under Contract No. EN069 for Environmental Waste Handling Services. In February 2004, the MTA Board authorized \$2,480,000 for known or suspected hazardous and contaminated waste handling services through FY04; and an additional Not-to-Exceed amount of \$1,800,000 of delegated authority to the Chief Executive Officer for unknown environmental waste handling services that may impact the Metro Orange Line Project. The last Board action authorized increases to the previous total Not-to-Exceed Contract Value from \$7,850,000 to \$12,130,000.

This action is to authorize an increase in an amount Not-to-Exceed \$5,765,000, to provide environmental waste handling services based on the anticipated needs for FY05. The requested amount is based on new estimated quantities of excess soil from the Metro Orange Line Project and includes the estimated costs for the Metro Gold Line Eastside Extension Project. Since this is a task order contract, expenditures will not be incurred until each task order is issued.

The anticipated needs thru FY05 for these projects are as follows:

MAJOR CAPITAL PROJECTS	Current Needs Thru FY04	Anticipated Future Needs Thru FY05	TOTAL
ORANGE LINE	\$5,005,000	\$5,400,000	\$10,405,000
EAST SIDE	\$289,000	\$365,000	\$654,000
OTHER PROJECTS	\$6,836,000	To Be Determined	\$6,836,000
TOTAL	\$12,130,000	\$5,765,000	\$17,895,000

IMPACTS TO OTHER CONTRACTS

If Contract No. EN069's contract value is not increased, then support to other MTA contracts will be limited. Project Managers would have to procure environmental waste handling services for each project, specifically the Orange Line. At present, the Orange Line Project (800112), Contract No. C0675 Design/Build contractor is proceeding with critical grading activities on an accelerated basis that results in the generation of substantial amounts of surplus contaminated soil requiring waste handling services. Any delay in an MTA response will significantly increase MTA's liability for Contractor monetary claims of delay to schedule completion milestones.

FINANCIAL IMPACT

The increased funding of \$5,765,000 for this service is included in the FY05 budget in Cost Center 8510, Construction Contracts, under 800112- Metro Orange Line, 800088 – Metro Gold Line Eastside Extension. Since this is multi-year contract, the Cost Center Manager and Executive Officer will be accountable for budgeting the cost in future years.

EN069 is a task order contract and no funds are obligated until a task order is awarded against a valid project budget.

COST RECOVERY

With regards to the Orange Line, there is a potential to recover some of the costs associated with the excavation, loading, transport, and disposal of contaminated soils removed from the ROW through the Pollution Legal Liability Select (insurance) Policy bought by the MTA. MTA Risk Management and Environmental Compliance and Services Department staff has already initiated the claims process and will periodically advise the MTA Board of the progress of this effort.

ALTERNATIVES CONSIDERED

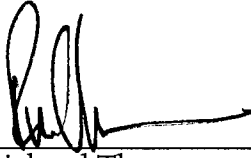
The MTA Board may reject the recommendation to increase the Not to Exceed value. However, a new environmental waste handling services contract would need to be solicited, or individual contracts would need to be procured for each task. Due to the time to re-solicit these services, the Project Managers would be without critically needed support and would have potential schedule impacts that may occur on various MTA capital projects. In addition, the planned August 2005 opening of the Orange Line may be impacted.

MTA does not have licenses, insurance, equipment, staff and supplies to perform the highly specialized environmental waste handling work.

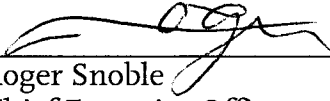
ATTACHMENTS

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

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Chief Capital Management Officer



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Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

**INCREASE CONTRACT AWARD – NOT TO EXCEED AMOUNT FROM \$12,130,000
TO \$17,895,000**

1.	Contract Number: EN069		
2.	Recommended Vendor: CH2MHILL Constructors, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$ N/A	Recommended Price: Not to Exceed \$17,895,000	
	B. Details of Significant Variances are in Attachment: N/A		
4.	Contract Type: CWO Time and Material		
5.	Procurement Dates: N/A		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: N/A		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: N/A	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: 30%. Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names: N/A	Bid/Proposal Amount: N/A	Best and Final Offer Amount: N/A
	B. Evaluation Methodology: Increasing the Not to Exceed Amount		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Brian P. Mahaffey	Telephone Number: 922-7327	
11.	Project Manager: James Cohen	Telephone Number: 922-7911	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

**INCREASE CONTRACT AWARD – NOT TO EXCEED AMOUNT FROM \$12,130,000
TO \$17,895,000**

A. Background on Contractor

CH2MHILL Constructors, Inc., located in Santa Ana, California, in business since 1993, has been providing environmental waste handling services to the MTA since December 2000. The Contract, for five years (two base years with three one-year options), will end November 2005.

B. Procurement Background

On October 8, 1999, the MTA Procurement Department Issued RFP No. EN069. On October 25, 1999 a pre-proposal conference was held. Two addenda were issued. Two proposals were received. After evaluating each proposal, CH2MHILL's proposal was evaluated as the most technically competent, and was recommended to the MTA Board.

The MTA Board awarded a Contract Work Order (CWO) contract, to CH2MHILL Constructors, Inc., in an amount not to exceed \$4,000,000. Staff was to return to the Board for an authorized increase in the not to exceed amount if additional projects were approved or unanticipated extensive contamination was encountered.

Staff did return to the Board in March 2003 for an authorization to increase the not-to-exceed amount by \$3,850,000. Staff has again returned to the Board in February 2004 to request additional funding in the amount of \$4,280,000 primarily for the removal, loading, hauling, and disposal of Metro Orange Line contaminated soil. Staff is now requesting additional funding authorization in the amount of \$5,765,000 based on the MTA Environmental Compliance and Services Department's (ECSD) estimated projection of required services for fiscal year 2005.

The MTA has established a DBE goal of 30% for this CWO contract.

C. Evaluation of Proposals

In 1999 CH2MHILL Constructors, Inc. proposal was evaluated as the most technically competent. In general, the Contractor provides contaminated soil/water/air remediation, asbestos assessment, asbestos abatement, lead assessment and abatement, demolition, handling, transport and disposal.

D. Cost/Price Analysis Explanation of Variances

The contract is a time and material contract with negotiated rates that are subject to yearly adjustments based on the Consumer Price Index.

**ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

SMALL BUSINESS PARTICIPATION (CONTRACT EN069)

This Task Order Contract (TO) has a DBE participation goal of 30%. The contract was awarded in December 29, 2000 to CH2M Hill Constructors. Current DBE attainment¹ based on the relevant contract amount² is 14.9%. Current DBE participation³ based on total actual amount paid-to-date to Contractor and total actual amount paid-to-date to DBEs 25.9%.

At the time of award, the Contractor designated six DBE subcontractors to be utilized without schedules or expenditures specified. As such, there were no specific dollar commitments made to the designated DBEs. Since contract inception, fifty-eight (58) Task Orders have been issued to four DBE firms. To date, four DBE subcontractors and one non-DBE subcontractor are performing on the project as listed below.

Original Award Amount (not to exceed)	\$	4,000,000.00
Relevant Contract Value ²	\$	8,212,488.00
Total Actual Amount Paid to Date to Prime	\$	4,687,950.00

Subcontractor	Commitment	Current Attainment <small>1</small>	Current Participation <small>3</small>	Current Status
Applied P & Ch Laboratory	CWO	2.0%	3.4%	Performing
Cordoba Corporation	CWO	0.0%	0.0%	Not performing
Curtom-Metaclad	CWO	9.5%	16.6%	Performing
Gardner Consulting	CWO	0.0%	0.0%	Not performing
G & C Equipment	CWO	0.0%	0.0%	Not performing
SCA Environmental	CWO	1.4%	2.5%	Performing
United Pumping Service	CWO	2.0%	3.5%	Performing
TOTAL	30.0%	14.9%	25.9%	Performing

¹Current Attainment = Total Actual Amount Paid-to-Date to Subs ÷ Relevant Contract Value

²Relevant Contract Value = Original Contract Value + Contract Cost Modifications

³Current Participation = Total Actual Amount Paid-to-Date to Subs ÷ Total Actual Amount Paid-to-Date to Prime