



Metro 40

CONSTRUCTION COMMITTEE FEBRUARY 19, 2004

- PROJECT:** ALL TRANSIT CORRIDOR AND CAPITAL PROJECTS
- CONTRACT:** EN069, ENVIRONMENTAL WASTE HANDLING SERVICES, CH2M HILL CONSTRUCTORS, INC.
- ACTION:** INCREASE CONTRACT VALUE IN ACCORDANCE WITH RECOMMENDATIONS A AND B BELOW

RECOMMENDATION

- A. Authorize an increase in an amount not to exceed \$2,480,000 to Contract No. EN069 with CH2M Hill Constructors, Inc. (CCI), to issue additional Contract Work Orders for known or suspected hazardous and contaminated environmental waste handling services through Fiscal Year 2004, increasing the Total Contract Value from \$7,850,000 to \$10,330,000; and
- B. Delegate to the Chief Executive Officer an additional \$1,800,000, to issue Contract Work Orders to Contract EN069 with CCI for future unknown environmental waste handling services, that may impact the Metro Orange Line Project, increasing the future Total Contract Value from \$10,330,000 to \$12,130,000.

Within Construction Committee authority: Yes No N/A

RATIONALE

In December 2000, the Board awarded a five-year contract, with three one-year options, to CCI under Contract No. EN069 for Environmental Waste Handling Services. The Board approved a contract value of \$4,000,000, based on the staff estimate of work necessary to support the approved capital construction program for five years. Previous contract modifications, numbers 2 and 4, have exercised options to extend the period of performance by one-year increments. In March 2003 the MTA Board increased the contract not-to-exceed value by \$3,850,000 from the original award of \$4,000,000.

Staff requests additional contract value in the amount of \$2,480,000, to manage known and suspected contaminated or hazardous material for the Metro Orange Line and other projects listed in Attachment C. Staff also requests Board-delegated authority for the CEO to increase the contract value (if needed) by not more than \$1,800,000, in the event that the Metro Orange Line encounters additional unknown contaminated or hazardous materials, requiring the CEO to issue Contract Work Orders immediately.

The recommended actions would allow MTA to support the Metro Orange Line construction with testing, excavation, removal, transport, and disposal of whatever contaminated or hazardous materials are encountered. There are still uncertainties in dealing with various levels of contamination and alternate scenarios of managing the materials to support a dynamic, active construction contract.

Most capital projects undertaken by the MTA, require evaluation of hazardous substances, contamination, or a need for regulatory compliance under federal, state and local law. MTA must comply with all environmental laws to avoid fines, and civil or criminal liability. Contract No. EN069 assists with properly cleaning up, abating, managing, transporting, and disposing of contaminated or hazardous substances for major transit corridor and capital projects.

To date, MTA has spent or committed \$1,200,000 for work on the Metro Orange Line Project through Contract No. EN069. The prior work includes demolition of the old Los Angeles River Bridge, which was contaminated with lead-based paint, demolition of structures and facilities, testing of ground water, and removal of debris from former tenants or unauthorized dumpers. Recently, CCI sampled and tested soil from locations along the Metro Orange Line, and excavated and disposed of materials determined to be hazardous to human health.

In the future, CCI will test both plants and soils to establish the suitability of the soils for planned landscaping, and review existing soil data to determine the types of amendments that can be applied to the soil to reduce concentrations of substances that are toxic to plants. They will recommend other measures that will assure selected landscape plants will grow. There is a likelihood that CCI would have to excavate and dispose of additional contaminated soil if the remaining soil at the Metro Orange Line Right-of-Way (ROW) proves to be unsuitable for plant growth, even with amendments.

MTA's Environmental Compliance and Services Department (ECSD) is also preparing to support the sale of Division 12 (Long Beach) real estate and will be utilizing Contract No. EN069 to demolish structures on the Division site that are contaminated with asbestos and lead based paint, or to clean up soil contaminants remaining from bus operations.

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 Metro Orange Line. At present, the Metro Orange Line Project (800112), Contract No. C0675 Design/Build, is in design and construction, and requires a substantial amount of waste handling services. Any delay in an MTA response may significantly increase MTA's liability for Contractor monetary claims of delay to schedule completion milestones.

FINANCIAL IMPACT

The funding of \$2,710,000 for this service and \$1,800,000 in future increases is included in the FY04 budget in Cost Center 8510, Construction Contracts, under 800112 Metro Orange Line,

200026 Site Remediation and other projects as projected in Attachment C, under line item 50316 for Professional and Technical Services. From contract award in FY01 to present in FY04, MTA committed \$7,620,000 on Site Remediation, Underground Storage Tank Upgrades, and major transit corridor and capital program projects as shown in Attachment B. Since this is a multi-year contract, the cost center manager and Executive Officer will be accountable for budgeting the cost in future years, including any option exercised.

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

ALTERNATIVES CONSIDERED

The MTA Board could decide not to increase the funding for this contract, and a new environmental waste handling services contract could be solicited, or individual contracts could be procured for each task. However, Project Managers would be without critically needed support until MTA could award a new contract. Further, it would not be time or cost efficient to prepare dozens of individual contracts for the waste handling tasks that MTA will order.

MTA cannot do all the environmental waste handling work in-house, because of the highly specialized nature of the work. MTA does not have the required waste handling contractor licenses, professional licenses, insurance, equipment, staff and supplies to perform this type of work.

This action will allow CCI to proceed with performing environmental waste handling services for the proposed projects as described above. An increase for this contract will provide a timely method for MTA's qualified consultant to continue to clean up, abate, handle, transport and dispose of contaminated and hazardous materials.

NEXT STEPS

Staff will notify the Board prior to issuing Contract Work Orders under Recommendation B.

ATTACHMENTS

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors
- B. Contract EN069 Budgeted Funds
- C. Tasks to Support Major Transit & Capital Projects

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**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

**INCREASE CONTRACT AWARD – NOT TO EXCEED AMOUNT FROM \$7,850,000
TO \$10,330,000**

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 \$10,330,000	
	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: Jim Sowell	Telephone Number: 922-7306	

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

**INCREASE CONTRACT AWARD – NOT TO EXCEED AMOUNT FROM \$7,850,000
TO \$10,330,000**

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 is now requesting additional funding authorization in the amount of \$2,480,000 based on the MTA Environmental Compliance and Services Department's (ECSD) estimated projection of required services through fiscal year 2004.

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.

**BOARD REPORT 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 **19.7%**. Current DBE participation³ based on total actual amount paid-to-date to Contractor and total actual amount paid-to-date to DBE's **31.6%**.

At the time of award, the Contractor designated six DBE subcontractors to be utilized without schedules or expenditures specified. As such, there are no specific dollar commitments made to the designated DBEs. A total of 47 Task Orders have been issued 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 Value²	\$	5,117,857.00
Total Actual Amount Paid to Date to Prime	\$	3,189,965.00
Total Payments made to DBE firms	\$	1,006,000.00

Subcontractor	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Applied P & Ch Laboratory	CWO	1.9%	3.0%	Performing
Cordoba Corporation	CWO	0.0%	0.0%	Not performing
Curtom-Metaclad	CWO	13.1%	20.9%	Performing
Gardner Consulting	CWO	0.0%	0.0%	Not performing
G & C Equipment	CWO	0.0%	0.0%	Not performing
SCA Environmental	CWO	2.0%	3.0%	Performing
United Pumping Service	CWO	2.9%	4.6%	Performing
TOTAL	30.0%	19.7%	31.6%	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

BOARD REPORT ATTACHMENT B

CONTRACT EN069 SUMMARY OF PRIOR AND CURRENT WORK

(approximate distribution among projects)

CURRENT WORK (COMPLETED OR IN PROGRESS)

Project No./ Name/CP No.

<u>Various Capital Projects</u>	\$ 361,823
<u>200015 - Rail Facility Tank Program 2304022</u>	\$ 682,261
<u>200025 – Bus Facility Tank Program 2304022</u>	\$2,042,774
<u>200026 – Site Remediation and Tank Upgrade 2304022</u>	\$1,522,853
<u>800081- Metro Red Line, Segment 2</u>	\$ 154,833
<u>800082 – Metro Red Line, North Hollywood</u>	\$ 406,146
<u>800088 – Metro Gold Line East Side</u>	\$ 288,376
<u>800112 – The Orange Line</u>	\$1,205,083
<u>Glendale Vermiculite Site</u>	\$ 954,890

VALUE OF CURRENT WORK

\$7,620,000

BOARD REPORT ATTACHMENT C

**FY04 WORK TO SUPPORT MAJOR TRANSIT
AND CAPITAL PROJECTS**

PROJECTED PROJECT ALLOCATIONS

BUS FACILITY PROJECTS

200027 - Bus Hoist Replacement \$ 100,000

200015 – RAIL FACILITY TANK PROGRAM

Division 60 (Rail Operations Center) \$ 110,000
Underground Storage Tank Replacement

200026 - SITE REMEDIATION

Division 12 Remediation & Land Sale \$ 500,000

800112 – THE ORANGE LINE

Contaminated or Hazardous Materials Response \$2,000,000

TOTAL PROJECTED WORK **\$ 2,710,000**

PLUS CURRENT WORK (Attachment B) \$ 7,620,000

VALUE OF CURRENT AND PROJECTED WORK **\$10,330,000**

LESS PRESENT VALUE OF CONTRACT \$ 7,850,000

ADDITIONAL VALUE REQUIRED NOW **\$ 2,480,000**
(Recommendation A)

POTENTIAL FUTURE VALUE INCREASES BY CEO **\$ 1,800,000**
(Recommendation B)

POTENTIAL FUTURE CONTRACT VALUE **\$12,130,000**