



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

5

PLANNING AND PROGRAMMING COMMITTEE
April 15, 2009

SUBJECT: PUBLIC-PRIVATE PARTNERSHIP PROGRAM

ACTION: AWARD CONTRACT

RECOMMENDATION

Authorize the Chief Executive Officer to award and execute:

- A. Contract No. PS4370-2316 to InfraConsult LLP to provide professional services encompassing seven tasks: Tasks 1 and 2 in the firm fixed price amount of \$397,535 for program development and project screening to identify candidate projects for our Public-Private Partnership (PPP) program; Tasks 3 through 6 for further analysis, business case development and project delivery to be negotiated at firm fixed prices following completion of Task 2, with all six tasks to be completed within a three year term; and one option, Task 7, for implementation management support; and
- B. Contract modification authority for up to \$60,000 to cover the cost of any potentially unforeseen issues that may arise during consultant performance of Tasks 1 and 2.

Attachment A contains the Procurement Summary.

RATIONALE

At its September 17, 2008 meeting, the Board approved the PPP Work Plan, which included the procurement of a consultant to support the PPP program and strategy development, and to provide technical and financial services. On December 30, 2008, we issued a Request for Proposals (RFP). The Scope of Services includes a base scope to conduct initial project screening and four additional Tasks to advance strategic assessments, business case development and PPP procurement processes, to be completed through negotiated task orders, with Board approval. Task 7 is an optional task to provide for implementation management during the term of any resulting concession contract.

By the February 20, 2009 due date, we received six proposals. The proposals were evaluated, and proposers interviewed, by a team consisting of representatives from our Treasury, Construction, Procurement, New Business Development and Planning Departments, as well as from Caltrans Headquarters and Stanford University. The evaluation team recommended InfraConsult LLP as the consultants who presented consistently strong credentials across all disciplines, including financial, technical, project management, etc., requested in the RFP.

Because the consultant team is to undertake a project screening process resulting in an unknown number of potential PPP candidate projects, the recommended contract to be awarded includes Tasks that could be exercised through negotiated task orders, at Board direction, at the conclusion of the base scope. The following Tasks are included:

- Task 3 – Strategic Assessment
- Task 4 – Business Case Development
- Task 5 – Procurement Methodology/Approach
- Task 6 – Concession/Contractual Agreements
- Task 7 (Option) – Implementation Management

The firm recommended for contract award has demonstrated full qualifications to perform these further Tasks. Before each Task is exercised, we would negotiate and bring back to the Board the necessary contract award actions.

Background

Since November 2007, the Board has taken various steps to develop a Framework and Work Plan to initiate the consideration of PPP as a potential alternative project delivery model for rail and highway projects identified in our future plans. The Board adopted the PPP Framework (June 2008) and Work Plan (September 2008) and requested us to further explore and evaluate the potential use of PPP. An objective of the Work Plan is to identify projects for Board consideration and potential implementation, as well as develop our PPP organizational structure and business plan. This procurement fulfills a major component of the Work Plan, allowing us to move forward with technical and financial analyses of future potential PPP projects.

FINANCIAL IMPACT

Funding of \$855,000 for this contract has been included in the proposed FY 10 budget in cost center 4370, San Fernando Valley/North County Area Team, Project 405510, Task 10.01, line item 50316. Propositions A, C and TDA Administration funds will be budgeted for this contract. Should there be any FY 09 expenses, they will be absorbed in the FY 09 budget.

As this is a multi-year project, it will be the responsibility of the cost center manager and the Chief Real Property Management and Development Officer to budget expenditures in future years.

ALTERNATIVES CONSIDERED

Several alternatives were considered: (1) using existing in-house resources to support the PPP program; (2) recommending another proposer, and (3) re-advertising the contract. None of these alternatives are recommended. We do not have the in-house resources to undertake the complex technical analysis required for the PPP program. Further, all six proposals were from highly qualified teams, many with international experience, and the proposals have been evaluated. It has been determined that InfraConsult LLP has the technical expertise, experience and qualifications to conduct the work within the negotiated amount.

ATTACHMENTS

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

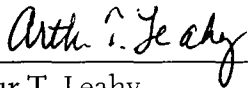
Prepared by: Kathleen Sanchez, Transportation Planning Manager
Mayumi Lyon Ales, Contract Administrator, Contract Administration
Brian Lin, Director, San Fernando Valley/North County Area Planning Team
Renee Berlin, Executive Officer, Transportation Development and Implementation



Carol Inge
Chief Planning Officer
Countywide Planning and Development



Roger Moljere
Chief, Real Property Management and Development



Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY
PUBLIC-PRIVATE PARTNERSHIP CONSULTING SERVICES**

1.	Contract Number: PS4370-2316		
2.	Recommended Vendor: InfraConsult LLC		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$397,535.00 for Tasks 1 and 2	Recommended Price: NTE \$397,535.00 for Tasks 1 and 2	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: 12/30/08		
	B. Advertised: 12/30/08 through 01/18/09 (different advertising mediums)		
	C. Pre-proposal Conference: n/a		
	D. Proposals Due: 02/20/09		
	E. Pre-Qualification Completed: 03/25/09		
	F. Conflict of Interest Form Submitted to Ethics: 02/20/09		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 10% DALP	Date Small Business Evaluation Completed: 03/16/09	
	B. Small Business Commitment: 12.26% DBE (DALP) Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 269	Bids/Proposals Picked up: 389	Bids/Proposals Received: 6
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u>
	InfraConsult LLC	\$ 397,535.00	NTE \$397,535.00
	Deloitte Canada	N/A	
	First Southwest Co.	N/A	
	Lea+Elliott	N/A	
	Scott Balice	N/A	
	Sperry Capital	N/A	
	B. Evaluation Methodology: Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 04/21/09		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Mayumi Lyon Ales	Telephone Number: 922-4020	
11.	Project Manager: Kathleen Sanchez	Telephone Number: 922-2421	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY
PUBLIC-PRIVATE PARTNERSHIP CONSULTING SERVICES**

A. Background on Contractor

InfraConsult LLC (InfraConsult) is located at 288 Broadway, Laguna Beach, California 92651.

InfraConsult was established in 2006 as an infrastructure-centered management consultancy firm. Practice areas include strategic planning, project development and finance, and organizational management. Their principal market is public transportation advisory and consultation services.

InfraConsult's senior staff is knowledgeable and experienced in the international PPP market. Their Project Manager is a civil engineer, urban planner, and transport economist who has directed a number of highly innovative infrastructure delivery and procurement programs and was instrumental in setting up two special-purpose companies that focus on the development of infrastructure through public-private partnerships. In addition, he co-chairs the National Committee on PPP for the American Public Transportation Association (APTA).

InfraConsult's Procurement and Project Implementation Lead has in-depth experience and current knowledge of development, funding, contract documentation and construction of PPP projects worldwide. He will recommend the best PPP candidate(s) and advise as to fair and feasible risk sharing among all participants to accelerate implementation. InfraConsult's Project Delivery Lead is internationally recognized as one of the first bankers to develop and implement private sector financing schemes for infrastructure development. She structured and closed the first private investment transaction involving a commuter railroad and private real estate investors and has 30 years experience as an international investment banker, project developer and consultant focused on transportation management and infrastructure development.

InfraConsult is involved in recent and ongoing projects with relevance to PPP consulting services. They are the program management and production development oversight for the Rapid Transit Division of the City of Honolulu (HI) in support of its \$5.3 billion elevated rail system being implemented under a multiple-strategy delivery program, including design-build procurement for civil works contracts and potential PPP options. They are providing project delivery advisory services and public-private partnership assessment for Sacramento Regional Transit (CA) for development of a light rail extension. They are also providing strategic advisory services, project management oversight, organizational development, and implementation assistance to the Utah Transit Authority (Salt Lake City, UT) for the 5-corridor, \$5 billion Frontlines 2015 transit development program, being developed through "PM/GC" public-private partnerships. Additional relevant projects include their evaluation of public-private partnership options for the development of a new Mississippi River Bridge crossing in St. Louis for the East-West Gateway Council of Governments; value for money analysis and cost evaluation for the Denver Regional Transportation District (CO) in review of the multi-corridor FasTracks transit expansion program (one of three designated FTA Public-Private Partnership Pilot Programs); project management and project finance support

for the development of a \$1.7 billion commuter railroad in the State of Guanajuato, Mexico, being done under a public-private partnership concession; project management support and community outreach for the Hampton Roads Transit (VA) light rail program; and stakeholder outreach and early revenue service for Valley Metro Rail in Phoenix (AR).

B. Procurement Background

The Request for Proposal (RFP) is a standard qualifications-based, negotiated competitive procurement for Tasks 1 and 2 where cost was not an evaluation criterion. This procurement is in support of a long range project delivery effort. In addition to the requirements of Task 1 for program development and Task 2 for project screening, there are four (4) additional tasks: Task 3 is to undertake a more detailed assessment of selected PPP projects; Task 4 is to develop a business case; Task 5 is to assist Metro staff with development of procurement evaluation criteria and submission requirements, marketing strategies, outreach and legislation; and Task 6 is to assist in the development of concession/contractual agreements. We will negotiate Tasks 3 through 6 following completion of Task 2. There is one (1) option (Task 7) to provide support for oversight of project implementation.

On September 17, 2008 the Board item #6 approved the PPP Work Plan, which included the procurement of a consultant to provide support for our PPP program and strategy development, and to provide technical and financial services.

The Diversity and Economic Opportunity Department (DEOD) recommended a 10% DBE Anticipated Level of Participation (DALP) goal. Achieving the DALP is a goal, but not a condition, of the award of the contract.

C. Evaluation of Proposals

The proposal evaluation was conducted in accordance with Metro Procurement Policy and Procedures. The source selection committee conducted a comprehensive technical evaluation, including oral discussions. Each proposal is considered responsive to the project and submittal requirements. Based on the evaluation criteria stipulated within the RFP solicitation requirements, InfraConsult LLC received the highest ranking of the six responsive proposals received.

D. Cost/Price Analysis Explanation of Variances

The recommended price not to exceed \$397,535.00 for Tasks 1 and 2 has been determined to be fair and reasonable based upon a Management Audit Services (MAS) commercial rate market analysis, a cost analysis, independent cost estimates, a fact find, technical review, and negotiations. Tasks 3 through 6 are negotiated consolidated rates and labor hours will be negotiated on a separate basis after completion of Task 2.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS
PUBLIC-PRIVATE PARTNERSHIP CONSULTING SERVICES**

PRIME CONTRACTOR – InfraConsult LLC

DBE Commitment

Sharon Greene and Associates 12.26%

Total DBE Commitment 12.26%

Other Subcontractors

KPMG LLP

Halcrow, Inc.

Nossaman LLP

Englander and Associates