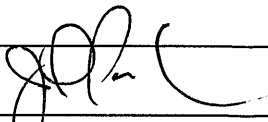


# M · E · M · O

## Alameda Corridor Transportation Authority

February 8, 2018

<b>To:</b>	Governing Board
<b>From:</b>	James P. Preusch, Chief Financial Officer 
<b>Subject:</b>	<i>Alameda Corridor Engineering Team (ACET) FY19 Support Services (APPROVAL)</i>

**Recommendation:**

In keeping with the Board's prior direction for current FY18, it is recommended that the Board authorize staff to include the engagement of the Alameda Corridor Engineering Team (ACET) in the FY19 budget preparation process for ACTA's continued use of ACET's engineering and specialized services.

**Discussion:**

At its February 13, 2014 meeting, ACTA staff presented the Governing Board with four options for the support services being provided by ACET. These included: 1) re-competing the ACET contract, 2) extending the ACET contract, 3) adding ACTA positions to perform some or all of the ACET duties, or 4) replacing the single contract with multiple contracts.

At that meeting, the advantages and disadvantages were presented for each option as summarized in the Background Section below. The Board was advised that there were unfinished tasks to be performed by ACET, including but not limited to ACTA's commitments to Caltrans for the SR-47 Project, and several incomplete Corridor-related property transfer activities. Accordingly, the Board directed that the ACET contract should be extended on a year-by-year basis while unfinished activities remained. It was also determined that, while substituting ACTA positions for ACET positions could be considered in the future, ACTA should primarily focus on its fiduciary duties and have engineering duties performed by qualified consultants.

In January 2015, March 2016 and February 2017, the Board directed that the ACET contract be extended for FY16, FY17 and FY18 respectively.

In keeping with the Board's rationale for prior extensions to ACET's contract, it is recommended that the Board approve the continued use of ACET's engineering and specialized services for FY19. The ACET contract extension will be provided for Board approval at the June 2018 Board meeting. However, if the Board seeks to implement a different approach for FY19



rather than extend ACET's contract, staff requests Board direction regarding an alternative approach so that ACTA staff may bring forth a request for Board approval at a public meeting prior to July 1, 2018.

**Background:**

ACET, is a joint venture (JV) that has been providing program management support to ACTA since January 1996. The JV is comprised of four firms: AECOM Technical Services, Inc.; Moffatt & Nichol, Inc.; Jenkins/Gales & Martinez, Inc.; and TELACU Construction Management, Inc. together with several sub-consultants. The selection of ACET was based on a competitive process.

Services provided throughout the years have included project planning, engineering, environmental support, ROW acquisition and management, utility coordination, project controls, contract and construction management, and various other special functions. At the peak of Corridor construction in FY2000, over 170 full-time-equivalent (FTE) positions were provided to support ACTA's \$2.4 billion program. That FTE number is now less than 10. The scope and value of ACET services for each upcoming year is approved by the Board annually.

The original contract term was 10 years, expiring December 31, 2005. With Board approval, the contract was extended three times: 3 years through December 31, 2008; 5 years through December 31, 2013; and 6 months through June 30, 2104 to coincide with the end of FY14 and the expiration of ACTA's then current office lease, for which ACET paid half the rent.

At the Governing Board meeting in September 2013, staff advised that, in response to continuing budget reduction pressure, it would return in early 2014 to discuss options for ACTA's future engineering and management support needs for FY15 and beyond, considering the reduced capital construction effort and operations focus.

In February 2014, the Board reviewed the following four options or combinations of these options for future support services and chose the second option:

1. Re-competing the existing contract.
2. Extending the existing contract one year at a time until the remaining capital support and close-out activities are completed.
3. Converting some of the ACET positions to ACTA staff positions.
4. Replacing the single contract with multiple individual contracts by re-competing some and sole-sourcing others, if warranted.

**Current ACET Staff and Involvement**

The following full-time ACET staff work at the ACTA office, for which ACET pays half the rent and does not directly charge ACTA for same:

1. *Technical Manager* – vacant – oversees ACET staff and coordinates all engineering activities.

2. *Project Coordinator* – performs coordination tasks including ACTA’s obligations to Caltrans under cooperative agreements.
3. *Environmental Engineer* – coordinates ongoing regulatory reporting functions for pump stations and other environmental matters.
4. *IT Manager* – maintains office, revenue collection, and railroad safety, security and communications systems.
5. *Reports Coordinator/Administrative Assistant* – provides graphics and statistical analysis/support for all presentations, operations performance data (train counts, revenue, and container counts), information requests and exhibits.
6. *Maintenance/Construction Coordinator* – oversees activities of the Corridor Maintenance Contractor.

Additional engineering resources are also made available as-needed from the JV home offices. They invoice only for services performed upon request. In addition, several sub-consultants provide services through the ACET contract. Most sub-consulting services involve ACTA’s obligations under the SR-47 Caltrans cooperative agreements, as well as remaining right-of-way services required for property transfers for the original project.

### **Options**

#### **Option #1 – Re-competing the existing contract**

This option would involve issuing a new contract for all the required services to a single firm or joint venture, or issue new separate contracts to multiple firms to provide the necessary services. There would be a competitive selection process.

One disadvantage of this option is that existing uncompleted tasks might be completed by new firms with personnel less familiar with the work in the event that any of the existing firms did not win the selection process. This might result in higher expenditures for the same work, dependent upon the rate schedules and expertise of the personnel completing the work. Awarding multiple contracts would require some additional administration and coordination.

#### **Option #2 - Extending the existing contract year-to-year until the remaining SR-47 support, property transfer and close-out functions are completed.**

This option might continue to have the most appeal at this time because there is a significant amount of near-term unfinished business for which ACET can provide assistance to ACTA involving the SR-47 Caltrans cooperative agreements and completed project close-out functions.

#### **Option #3 - Converting some of the ACET positions to ACTA staff positions.**

ACTA will need at least four of the six ACET-provided positions described above over the long term. These include the Environmental Engineer, IT Engineer, Reports Coordinator, and Maintenance Coordinator. ACTA could perform these functions with direct hires at a cost of about half of that paid to consultants.

As a variation of this option, the ports' staff could provide some of these functions on a part-time, as-needed basis, but availability could be limited due to each port's project priorities and cost reimbursement for staff time and resources would need to be considered.

**Option #4 - Awarding one or more contracts to replace the existing ACET contract by re-competing and/or sole-sourcing, if justifiable.**

The contract with ACET could be terminated and contracts could be awarded pursuant to a competitive process. An open competitive process, including the participation of the four current joint venture firms, could be conducted. Depending on the results of the competitive process, contracts could be awarded to one or more firms including the existing four firms, existing joint venture sub-consultant firms or new firms not included in the existing ACET contract.

The potential downside to this option is the possibility that multiple contracts would need to be managed in the event multiple firms were awarded agreements. This could be more costly and complex than managing the current single contract.

ACTA staff recommends that Option #2 continue to be exercised.

**Budget Impact:**

There is no budget impact regarding this approval at this time. Should the Board recommend that the existing ACET contract be extended, the contract amendment will be brought to the Board in June 2018 for approval and inclusion in the FY19 Program Budget.