

Recommendation to Award Contract for Capital Projects Program Management

Contractor: CH2MHill (team) with i3 Integration and Merrick & Company

Contract Amount: \$375,248 (Task Order No. 1 – 120 days)

Project Description (directly from RFP):

Program Delivery Approach

The City is committed to delivering the Capital Projects Program to the citizens of Commerce City in a highly effective manner. Key stakeholders, users and operators will be included each step of the delivery process to ensure that the Program remains accountable to its intent. We are committed to pursuing environmentally sustainable and energy efficient design and construction in new projects, rehabilitations and capital maintenance. Planning for the life-cycle cost of our facilities, projected utility costs, long-term operational costs, maintenance requirements and worker productivity are critical. Our financial resources will be carefully projected and managed to ensure funds are budgeted and available when projects are ready, accounted for during delivery and applied appropriately and finally reconciled. Program and individual project risks will be identified and carefully assessed early on and mitigation measures implemented to reduce financial cost, schedule and quality impacts during project delivery. The City's in-house expertise will be augmented through the use of consultants and contractors. Clear and consistent project management practices, procedures, systems and training will be developed and implemented across City agencies and with the selected consultants and contractors to ensure projects are delivered in a high quality manner. Tracking and communicating our progress will be keys to our success

The Capital Projects Program

The Capital Projects Program represents a significant investment in Commerce City's parks, recreation, and transportation system through new construction. Voter approval of the \$166 Million bond issue and the one percent sales tax increase (Question 2K) provides much needed funding for these important improvements. Leveraging transportation funds from the Colorado Department of Transportation (CDOT) and the Northern Infrastructure General Improvement District (NIGID) are providing additional funding for the program.

The City is seeking professional program management services to successfully define, plan, execute, control and close out the Capital Projects Program. Implementation of the voter approved projects is expected to close out in less than five years.

The City is intent upon full implementation of the Program by the end of 2018. Existing City staff will be supplemented by additional design professionals and contractors through a series of procurements over the next several years.

Bidding Process:

- The City issued an RFP for this work on 2/28/2014
- Mandatory Pre-Submission meeting held 3/7/2014
- One (1) proposal was received from a team led by CH2MHill on 3/17/2014

- Staff consisting of the City Infrastructure Team, representing the City Manager's Office, Public Works, Parks, Recreation, and Golf, and Finance Departments evaluated the bids based on the following criteria:
 - Comprehensive definition and understanding of Scope of Services and Program approach (30%)
 - Past experience/qualifications of the Respondent and relevant experience (30%)
 - Project schedules and detailed description of deliverables (5%)
 - Strength of Program team and management approach (30%)
 - References (5%)
- Since only one firm submitted in response to the RFP, staff conducted an interview on March 27, immediately followed by a preliminary scoping meeting
- The interview and subsequent discussion verified the one Respondent would be able to perform the tasks requested in the RFP and provide the deliverables sought by the City.
- The team led by CH2MHill submitted a proposed cost for the work based on an estimate of the staff people needed, their estimated hours, and their hourly rate. The estimated cost for this work is \$375,248 for Task Order No. 1, \$1,622,754 for Task Order No. 2, and \$120,000 in reimbursable expenses and additional services for a total of \$2,118,002 for the initial contract term of two years.
- Staff feels that the scope of work is adequately addressed by the cost estimate for Task Order No. 1.
- Staff believes the additional expenditures for Task Order No. 2 services may be appropriate, but would like to further analyze the specific services to be provided with the selected firm during the initial 90 days (Phase 1) of the contract.

Schedule:

Staff anticipates issuing a notice to proceed to the contractor in April, 2014. The initial scope of work is divided into phases with the initial contract executed for 24 months Three (3), one-year options will be included in the contract.

Phase 1: Initial Ninety (90) Days

Scope to be determined by the City based upon the top ranked proposal. The purpose of the initial ninety (90) day scope is to continue with the procurements for the initial projects while implementing a strategy to improve the efficiency of the organization. These strategies may include, but are not limited to organizational structure, new processes and procedures, document management, and program management software. Several additional City staff will be identified during this process to assist the efforts of the selected firm. The City will determine which services will add value and essential resources to quickly ramp up the program implementation.

Phase 2: Program Management Plan

Phase 2 to be provided concurrently with Phase 1 tasks.

Based upon the City's stated program delivery approach, create the program management plan to include the following:

- Risk Management
- Financial Management
- Operations and Maintenance Analysis
- Project Review and Controls
- Decision Making Process / Dispute Resolution
- Project Management & Tracking System
- Program Review
- Bid Option - Sustainability

Phase 3: Basic Program Management Services

- Risk Management
- Financial & Resource Management
- Program Management & Tracking System

Phase 4: Task Order Services

- On-Call Professional Services
- Task Order Services

Proposed Schedule

April 11

- Notice to Proceed / Kickoff meeting with C3 Infrastructure Team (starts 120-day clock for Task Order No. 1 (C3 Phases 1 and 2))

July 11

- Phase 1 Completed, 90-Day Deliverables presentation to C3 team, including DRAFT Program Management Plan

August 11

- Phase 2 Completed, Approved Program Management Plan, review / present to C3 Infrastructure Team
- Notice to Proceed for Task Order No. 2 (Phase 3 services)

April, 2016

- End of Initial contract term, option to extend in one year increments through April, 2019

Financial Impact:

The budget for program management services is estimated as a percentage of the entire capital improvement program, and includes adequate funding to cover this contract. It is important to note that proceeds from bond issuance revenue will not be used for this expenditure, and services will be paid as revenues are received by the City.

Staff Recommendation:

Staff recommends awarding a contract to CH2MHill in the amount not to exceed \$375,248 Task Order No. 1 with a second approval within 120 days for a specific amount for Task Order No. 2.

Proposed 120 Day and 2 Year Schedule for all Services

	Year				2014		2015	2016
Task Orders	Date	11-Apr	11-May	11-Jun	11-Jul	11-Aug		11-Apr-16
	Day	0	30	60	90	120		24 mos.
Task Order No. 1 - 120-days								
- City Council Approval		7-Apr						
		NTP						
- Phase 1 - 90-Day Deliverables								
- Phase 2 - Program Management Plan					Draft	Final		
Task Order No. 2 - 20-months								
- City Council Approval					20-Jul			
						NTP		
- Phase 3 - Basic Program Management Services							20-month period	
- Phase 4 - Task Order Services (as needed)					TBD		TBD	
- ordered via modification or new Task Order, as desired								