Agenda Item 9-F
Action Item

To: Chairman Skinner and the VRE Operations Board
From: Doug Allen
Date: March 18, 2016
Re: Authorization to Issue a Request for Proposals for Program Management Consultant Services

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue a Request for Proposals for Program Management Services for the Office of Development.

Background:

The current VRE six-year Capital Improvement Plan (FY 2017-FY 2022) includes 32 projects and nearly $1.7 billion in expenditures for stations, parking lots, track, signals, bridges, yards, and maintenance facilities. These projects are all related to fulfillment of either our agreements with CSX Transportation or the System Plan 2040.

The CIP projects include development (planning, environmental, preliminary design) and implementation (final engineering, construction) phases of project delivery. Of these 32 projects, 25 are either funded in whole or in part with a value of $296 million. Funding for the unfunded portions of the remaining projects is being pursued.

Given the growth in the number and complexity of projects anticipated for the next six years, VRE needs to expand its program management capacity for successful management and project delivery. This includes additional project management and procurement
staffing as well as personnel with special expertise to augment VRE’s present staff in order to deliver a varying volume of capital projects on time.

VRE also needs an integrated system of project controls to keep pace with this larger, more diverse program of projects. Project controls (e.g., schedule, costs/budget, risk assessments, document controls, quality assurance/quality controls) are currently developed and maintained on a project-by-project basis using VRE contractors. VRE needs a uniform set of project management oversight procedures so that it can more precisely and consistently monitor the progress of individual projects as well as that of the program of projects as a whole.

We believe the best resource strategy is to hire a Program Management Consultant (PMC) that will augment VRE’s in-house staff as needed in response to project demands and to provide a comprehensive set of program controls to track budgets, expenditures, schedules and other key performance metrics applied to all projects. This is the favored approach of many like-sized peer operating agencies to manage and administer large capital improvement programs while minimizing agency staff size and overhead. This strategy is more cost-effective than hiring additional VRE permanent staff to address increased but varying program management requirements.

As determined in accordance with VRE Public Procurement Policies and Procedures, an Invitation for Bids (IFB) is neither practicable nor fiscally advantageous to VRE and an RFP is the preferred method of procurement for this solicitation since there are different approaches to the desired service and an evaluation of technical merit is required.

Upon completion of evaluation of proposals, negotiations are conducted with the two highest ranked firms deemed to be fully qualified and best suited among those submitting Proposals, on the basis of the factors specified in the evaluation criteria. Price will be considered in context of technical performance for this service to achieve a best value determination. After receipt of the best and final offer from the top-ranked firm, a cost analysis is performed to compare the proposed cost with the independent cost estimate to determine that the proposed cost is fair and reasonable.

The scope of work for the RFP includes provisions for staff augmentation and production of an integrated system of project controls for an initial period of five years with the option of up to three annual renewals. Upon receipt and evaluation of the proposals, staff will return to the Board to request authorization to award the contract.

**Fiscal Impact:**

Program Management services related to specific capital projects will be funded from project grants, project agreements or the Capital Reserve. Funds for the development of a document control and project control system were included in the Capital Planning Fund in the FY 2016 budget.
Virginia Railway Express
Operations Board

Resolution
9F-03-2016

Authorization to Issue a Request for Proposals for
Program Management Consultant Services

WHEREAS, VRE is implementing the six-year Capital Improvement Program including 32 projects with a budget of nearly $1.7 billion in expenditures; and,

WHEREAS, VRE requires a scalable means of augmenting its project management and procurement capacities in response to an increased and varying volume of projects; and,

WHEREAS, a larger program of projects requires integrated controls to monitor and manage project performance; and,

WHEREAS, VRE has determined that a Program Management Consultant is the most cost-effective means of accessing and maintaining the skills and expertise necessary to deliver an expanded program of capital projects on time and budget;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby acknowledge the determination made by the VRE Contract Administrator in accordance with the VRE Public Procurement Policies and Procedures that competitive bidding is not practicable, nor fiscally advantageous to VRE, and that competitive negotiation is the appropriate method to procure these services; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a Request for Proposals for Program Management Consultant Services.

Approved this 18th day of March 2016

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Gary Skinner
Chairman

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Maureen Caddigan
Secretary