Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2015-1390, **File Type:** Contract **Agenda Number:** 21

CONSTRUCTION COMMITTEE
MARCH 17, 2016

SUBJECT: PATSAOURAS BUS PLAZA STATION

ACTION: AUTHORIZATION FOR LIFE OF PROJECT BUDGET AND CONTRACT MODIFICATION AUTHORITY

RECOMMENDATION

CONSIDER:

A. INCREASING the Life of Project (LOP) and Contract Modification Authority (CMA) as follows:

1. **LOP Budget for Patsaouras Bus Plaza Station** (PBPS CP 202317) by $8,809,000, from $30,984,000 to $39,793,000; and

2. CMA for Contract No.C0970 with OHL USA, Inc. (OHL), in the amount of $6,276,800, from $1,983,200 to $8,260,000.

B. AUTHORIZING the Chief Executive Officer (CEO) to execute Contract Modification:

1. No. 9 to Contract No. C0970, with OHL in the amount of $697,185, increasing the total value of the Contract from $20,247,802 to $20,944,987; and

2. No. 10 to Contract No. C0970, with OHL in the amount of $3,694,695, increasing the total value of the Contract from $20,944,987 to $24,639,682.

ISSUE

This action is required to increase the PBPS LOP budget consistent with the current projected forecast and approve an increase in the CMA to allow staff to execute two separate Contract Modifications over $500,000 each with OHL for design related changes:

- Contract Modification No. 9 is in the amount of $697,185 to provide two lanes westbound from the PBPS for safety reasons.
- Contract Modification No. 10 is in the amount of $3,694,695 to redesign and construct structural footings for the El Monte Busway Bridge widening at Patsaouras Bus Plaza Station in order to accommodate the existing Metro Red Line service tunnels that were incorrectly

depicted by the Advanced Conceptual Engineering (ACE) drawings.

DISCUSSION

Background

As originally envisioned, the PBPS scope of work was to relocate the patron boarding island situated at the corner of Alameda Street to the east side of Patsaouras Bus Plaza for buses running on the El Monte Busway. The idea was to accomplish this by widening the existing El Monte Busway Bridge, building a new passenger station in the median, and creating either an undercrossing or overcrossing to allow passengers to cross directly into Patsaouras Bus Plaza. The proposed configurations were coordinated with the Union Station Master Plan and High Speed Rail and the proposed PBPS location was selected as the preferred alternative. Other project objectives also included:

- Build a transit station properly reflecting its surroundings.
- Allow more efficient passenger boarding and alighting.
- Direct pedestrian connection to Union Station, Metro's primary transit hub.
- Provide passenger amenities such as lighting, CCTV, information displays, shelter or landscaping.
- Provide a more convenient connection between the Silver Line and Express Lanes, rail and conventional bus transit.
- Reduce pedestrian walking distance encouraging mode shift to regional and local buses, heavy rail, light rail and commuter trains.
- Improve the overall operational efficiency of Patsaouras Bus Plaza.

LOP Budget

In September 2012, contractor bids were rejected because they exceeded our budget by a range of $7 to $11 million. In order to reduce costs on the project, Metro revised the project design and re-solicited the project. In October 2013, Metro received a low bid approximately $4 million less than the previous low bid.

Based on the bid amount, the LOP budget for the project was approved by the Board in January 2014 in the revised amount of $30,984,000. A design/build (D/B) contract was subsequently awarded to OHL USA Inc. in the amount of $19,832,000 on February 26, 2014. In addition, the Board approved the initial contingency of $2,817,000 within the LOP budget. The following table summarizes the approved LOP.

Cost Category	Amount
Design/Prof. Services	$2,598,000
Construction Contract	$19,992,000
Construction Mgmt.	$1,900,000

Special Conditions (3rd Party)	$750,000
Staff Labor	$2,927,000
Contingency	$2,817,000
Approved LOP	**$30,984,000**

PBPS Construction Contract

The PBPS most complex and high risk condition is the existing underground Metro Red Line service tunnels. The project team discovered during design development that the Metro Red Line service tunnels geometry and PBPS foundations were not correctly depicted by the ACE drawings during preliminary engineering. As a result, Metro requires complete PBPS structural foundation redesign in the area of the Metro Red Line service tunnels in order to avoid potential project conflicts. Redesigning the structural foundations is the only solution to build the project at this location. The modification is necessary to correct a plan deficiency in the engineering design drawings. As has been previously reported to the Board, staff is in the process of evaluating and assessing an errors and omissions claim with the insurer of the prime ACE design consultant for full cost recovery.

OHL had submitted three claims for a total of $8,633,533 related to the PBPS bridge foundation system including redesign, added construction costs and compensable time related impacts. Through a negotiation process, Metro determined that the claims had merit and OHL and Metro reached a proposed resolution of all of OHL's requests for PBPS bridge foundation system claims, including delay and related impacts, as Contract Modifications shown in the table below.

Claim Issue	**OHL Claim Amount**	**Metro Negotiated Amount**
Redesign	$156,923	Inc. in Construction $
Construction	$7,244,610	$3,694,695
Compensable Time	$1,232,000	$499,000
Bridge Foundation Contract Modification	**$8,633,533**	**$4,193,695**

As part of the negotiation, OHL has not only agreed to settle their compensable time extension request for 308 calendar days as shown above, they have also reduced the contractual date for substantial completion by two months by agreeing to work a six day 10-hour per day work week. Construction is anticipated to start April 2016 and be substantially completed by October 2017. And finally, OHL has agreed to absorb five pending change orders in the approximate amount of $208,000 as part of the negotiated compensable time extension of $499,000.

The PBPS design originally included two lanes eastbound and one lane westbound from the proposed bus station. However, after further engineering and design review from Metro and Caltrans staff, it was determined that a two lanes westbound lane configuration is safer due to merge speeds when Metro buses and automobiles travelling on the High Occupancy Toll (HOT) lanes converge.

These modifications are necessary to improve safety of merging bus and automobiles travelling on the HOT lanes. Metro has processed and negotiated the Contract Modification pending Board approval requested herein in the amount of $697,185.

The PBPS project currently does not have adequate contingency or Contract Modification Authority to cover these two change orders for design and engineering costs. This project requires a substantial contingency reserve balance for a project with PBPS's complexity and high risk that has not yet started active construction. Aside from these two modifications, there are two other items requiring negotiation with OHL, as shown in the table below. As discussed above, OHL and Metro have negotiated all potential change orders related to ACE design errors and omissions. Five change orders have been processed and were executed as Contract Modifications in the amount of $415,803. The remaining pending change orders were all evaluated by Metro as being with merit for an outstanding pending contract modification in the amount of $635,000.

Therefore, staff is requesting additional CMA of $8,260,000 to provide funding for the previously executed contract modifications, the two identified Contract Modifications over $500,000, pending Contract Modifications and potential contract value for the project contingency. In regards to the project contingency, it is the PBPS project team recommendation to retain the original project contingency value due to the project's continued complexity and high risk, consistent with FTA *Project and Construction Management Guidelines*. These contingency funds would be reserved to cover any unforeseen conditions and Potential Contract Modifications that may arise during construction, not identified in the table below. A summary of approved and Pending Contract Modifications is found in the Contract Modification/Change Order Log, Attachment C.

As part of completion of the project, the PBPS project team comprehensively reviewed the approved LOP budget of $30,984,000 and identified additional funds needed to complete the project and open for revenue service in Fall 2017. The extended duration of the project will also require additional funds for construction management services, staff labor, design services and 3rd Party.

In addition, as a result of the revised foundation system, Metro now has to relocate an existing LADWP vault and conduit that previously was not impacting construction. Although Metro believes that relocating this utility is the responsibility of LADWP, in order to move forward and not impact the contractor, Metro will issue a work order to LADWP in the approximate amount of $1,500,000. Metro intends to seek reimbursement of all costs to design and relocate this utility from LADWP. This cost is included under "Special Conditions (3rd Party)."

As shown in the table below, we are recommending approval of the LOP budget increase of $8,809,000, to fund the recommended Contract Modifications and provide additional funding needed to complete the PBPS project per the forecasted major cost categories as revised.

Cost Category	Additional Funds Needed
Construction Contract Modifications	$5,443,000
Design/Professional Services	51,000
Construction Management	1,485,000
Special Conditions (3rd Party)	1,767,000
Staff Labor	63,000
Additional LOP Needed	**$8,809,000**

The revised LOP budget request of $39,793,000 is not atypical of other similar Metro transit stations making complex connections. Even with the increased project budget, the revised cost is in-line with recent Metro bus and rail station improvements, such as the Rosa Parks Metro Rail Station and North Hollywood Underpass. Most importantly, the PBPS will be a significant Metro asset connecting the region to Union Station, Metro's primary transit hub. Union Station currently serves 120,000 daily passengers and is projected to nearly double by 2040, further increasing the need for the new PPBS station.

DETERMINATION OF SAFETY IMPACT

This Board action will result in a significant safety improvement to Metro bus operations and the overall safety of our patrons using both the PBPS and HOT Lanes. The two lanes westbound lane configuration greatly improves the safety factor of automobile speed and stopping distance the required bus acceleration distance.

FINANCIAL IMPACT

This Board action would increase the LOP budget by $8,809,000 and establish a revised LOP budget for the PBPS in the amount of $39,793,000. The new funding required would be programmed into the Fiscal Year (FY) 17 and FY18 budgets per Attachment B. There is no impact to the current FY16 budget.

Use of Funds	Amount
Design/Prof. Services	2,649,000
Construction Contract	25,435,000
Special Conditions (3rd Party)	2,517,000
Construction Management	3,385,000
Metro Staff Labor	2,990,000
Contingency	2,817,000
Revised LOP Budget	**$39,793,000**

The source of the funding for the revised LOP budget of $39,793,000 is comprised of:

- $9,679,000 - Federal Grant funds
- $16,590,000 - Prop C25 Highway funds
- $1,200,000 - Federal Section 5307 (CRD) funds
- $3,215,000 - Ramirez Flyover (Union Station escrow)
- $9,109,000 - Proposition C25 Debt

The FY budgets would be programmed in Cost Center 8510, Construction Procurement, under Capital Project No. 202317 (Patsaouras Plaza Busway Station), Account 53101, Acquisition of Building and Structures.

Since this a multi-year project, the cost center manager and the Executive Director, Program Management would be responsible for budgeting project costs in future fiscal years. The project budget and funding plan is included in Attachment B.

Impact to Bus and Rail Operating and Capital Budget

In June 2015, staff reported a $900 million shortfall through FY 2024 in the financial forecast for the 2014 Short Range Transportation Plan (SRTP). That shortfall level could be further exacerbated by unanticipated cost increases, revenue forecast disparities, and American's with Disability Act mandates. Through the Risk Allocation Matrix (RAM) process, staff are monitoring and managing the forecasted deficit.

The PBPS LOP increase requires the utilization of Proposition C 25% funds. Proposition C 25% Transit Related Highway Improvement funds are utilized, or are planned to be utilized, by various rail right of way, highway, and soundwall improvement projects in the 2014 SRTP and RAM processes. No other eligible funds exist that are not already accounted for in the SRTP and RAM processes. If this action is approved, the increase must be funded directly or indirectly through additional borrowing against Proposition C sources.

ALTERNATIVES CONSIDERED

The Board of Directors may choose to:

1. Terminate the project by not authorizing the proposed Contract Modification for the Patsaouras Bus Plaza Station.
2. Complete the Design portion and re-bid the Build portion of the D/B Contract No. C0970, hence switching to a Design/Bid/Build delivery method. This will require terminating the Builder, procuring a new construction contractor and keeping the existing Designer on-board for design support services during construction. This approach would be risky and could lead

to even higher construction costs.
3. Transpose the HOT Lanes direction between the LAC-USC Medical Center bus station and Alameda Street to allow direct access to the Patsaouras Bus Plaza and/or Union Station. This concept would be more expensive than the current proposed project.
4. Move the bus station to the end of the HOT Lanes and upgrade the existing Alameda Street bus stop.
5. Complete PBPS design using existing contract authority and delay construction until other funding sources and/or alternative funding scenarios are identified for the proposed LOP budget increase.

These alternatives are not recommended since they would, with the exception of Items Nos. 2 and 5, prevent staff from completing this transit improvement project as currently proposed and described in the FTA Sustainability Grant. Also, these alternatives would require FTA approval and/or concurrence. FTA has advised staff that completion of this transit improvement project is in their view a key transit element of the HOT Lanes project, and not implementing the project could jeopardize the $9,679,000 FTA Sustainable and Livable Communities Grant.

NEXT STEPS

Upon Board approval, Metro's project team will continue the PBPS project to the Build stage and work diligently with the contractor to resolve current and potential disputes and any resultant claim issues within the revised CMA budget as well as discuss schedule critical path and review potential mitigation opportunities available to the project to further reduce impacts to the project budget.

As has been previously reported to the Board, staff is in the process of evaluating and assessing an errors and omissions claim with the insurer of the prime ACE design consultant for full cost recovery.

ATTACHMENTS

A. Attachment A - Procurement Summary Patsaouras Plaza Busway Station
B. Attachment B - LOP Funding and Expenditure Plan for PBBS Project
C. Attachment C - Contract Modification/Change Order Log
D. Attachment D - DEOD Summary

Prepared by: Manuel Gurrola, Project Manager, (213) 922-8889

Reviewed by: Tim Lindholm, Executive Officer, Capital Projects, (213) 922-7297
I Ivan Page, Interim Executive Director, Vendor/Contract Management, (213) 922-6383
Richard Clarke, Executive Director, Program Management, (213) 922-7557

Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY

PATSAOURAS PLAZA BUSWAY STATION / CONTRACT C0970

1.	**Contract Number**: C0970			
2.	**Contractor**: OHL USA, Inc.			
3.	**Mod. Work Description**: (1) Reconfiguration 2 Lane West to 1 Lane West; and (2) Redesign Extra Work of Foundations for El Monte Busway Bridge Widening			
4.	**Contract Work Description**: Patsaouras Plaza Busway Station			
5.	**The following data is current as of**: October 9, 2015			
6.	**Contract Completion Status**:			
	Bids/Proposals Opened:	4	**% Completion $s**:	17%
	Contract Awarded:	2/26/2014	**% Completion time**:	58.77%
	NTP:	3/31/2014	**Original Contract Days**:	900
	Original Complete Date:	9/16/2016	**Change Order Days**:	0
	Current Est. Complete Date:	10/18/2017	**Suspended Days:**	0
			Total Revised Days:	0
7.	**Financial Status**			
	Contract Award:		**$19,832,000.00**	
	Total Contract Modifications Approved:		**8**	
	Current Contract Value:		**$20,247,802.07**	
	Contract Administrator: Deneise Glover		**Telephone Number**: 213-922-7302	
8.	**Project Manager**: Manuel Gurrola		**Telephone Number**: 213-922-8889	

A. Contract Action Summary

This Board Action is to approve Modifications No. 9 and 10 issued in support of the design and construction of the Patsaouras Plaza Busway Station. The new station will relocate the patron boarding island currently situated at the corner of North Alameda to the east side of Patsaouras Plaza and will provide a direct connection to Patsaouras Plaza and Union Station for buses running on the El Monte Busway. The project includes widening of the existing Caltrans Los Angeles River Busway Bridge and Overhead, providing new vertical and horizontal pedestrian circulation elements (Pedestrian Ramp/ Walkway, Pedestrian Overcrossing, elevators, and stairs) and closing all vehicular traffic access between the El Monte Busway and Union Station at Patsaouras Plaza.

These contract modifications have been processed and will be issued in accordance with Metro's Acquisition Policy. The contract type is Firm Fixed Price.

Patsaouras Plaza Busway Station (PPBS) was presented to and approved by the Metro Board on January 16, 2014. The PPBS project is a component of the overall Los Angeles Congestion Relief Demonstration (CRD) Project to enhance and expand transit service and create High Occupancy Toll lanes in the I-10 and I-110 freeway corridors. During preliminary engineering it was found that the PPBS would have a significant positive impact for Metro patrons and service delivery on the Silver Line system.

The contract was awarded February 26, 2014, to OHL USA, Inc., in the amount of $19,832,000.00.

Refer to Attachment C, Contract Modification/Change Order Log, for modifications to date.

B. Cost/Price Analysis

The recommended prices for the proposed modifications are determined to be fair and reasonable based upon thorough fact-finding, clarifications, independent cost estimates, cost analysis, price analysis, technical evaluation, negotiations, and subject to audit. An audit is currently being performed by MASD for Redesign Extra Work of Foundations for El Monte Busway Bridge Widening and the negotiated price subject to adjustment based on any audit findings of unallowable costs.

Item No.	Modifications	Proposal amount	Metro ICE	Negotiated or NTE amount
0009	Reconfiguration 2 Lane West to 1 Lane West	$997,762.06	$665,681.00	$697,185.00
0010	Redesign Extra Work of Foundations for El Monte Busway Bridge Widening	$5,390,472.45	$3,894,695.00	$3,694,695.00

ATTACHMENT B – LOP FUNDING AND EXPENDITURE PLAN

Use of Funds	Inception - July 2015	FY16	FY17+	FY18+	Capital Costs Total
Design Consultants	951,000	-	-	-	951,000
Construction Contract	3,381,000	3,300,000	13,750,000	5,004,000	25,435,000
Special Conditions (3rd Party)	86,000	315,000	322,000	1,794,000	2,517,000
Construction Management	1,005,000	700,000	1,200,000	480,000	3,385,000
Environmental	785,000	150,000	200,000	62,000	1,197,000
Other Professional Services	115,000	150,000	150,000	86,000	501,000
Agency Costs: Project Control, Procurement support, Safety, Communications, etc.	984,000	650,000	750,000	606,000	2,990,000
Contingency	-			2,817,000	2,817,000
Total Project Cost	7,307,000	5,265,000	16,372,000	10,849,000	39,793,000
Source of Funds	**Inception - July 2015**	**FY16**	**FY17+**	**FY18+**	**Capital Costs Total**
Federal - Bus Livability	5,807,000	3,872,000	-	-	9,679,000
Federal - Section 5307 (CRD)	1,200,000	-	-	-	1,200,000
PC 40	300,000	-	-	-	300,000
Prop C 25 (Highway)	-	1,993,000	15,197,000	-	16,590,000
Ramirez Flyover (Union Station Escrow)	-	-	1,175,000	2,040,0000	3,215,000
Proposition C25 Debt	-	-	-	8,809,000	8,809,000
Total Project Funding	**7,307,000**	**5,265,000**	**16,372,000**	**10,849,000**	**39,793,000**

ATTACHMENT C

CONTRACT MODIFICATION/CHANGE LOG
PATSAOURAS BUS PLAZA STATION - C0970

Mod. No.	Description	Status	Contract Value (A)	Mod/CO Value (B)	Board Approved CMA (C)
N/A	Initial Award		$19,832,000.00		$1,983,200.00
1	Modify Volume 1: GE Section 01310 – DB, Cost/Schedule Integration System. Appendix A: Schedule Template Guideline	Approved		No Cost	
2	Update SP-27 and Section 01200	Approved		No Cost	
3	Revised Contract Compliance Manual	Approved		No Cost	
4	Development of Supplemental Fact Sheet and PSR/PR	Approved		$93,450.42	
5	Emergency Power to Lightings Fixtures	Approved		$79,424.00	
6	Replace base contract light fixtures with LED fixtures	Approved		$8,876.65	
7	Changes to Electrical Power Source	Approved		$173,151.00	
8	Ramirez Street Realignment Study	Approved		$60,900.00	
	Subtotal – Approved Modifications			**$415,802.07**	
9	Reconfiguration 2 Lane West to 1 Lane West	Pending		$697,185.00	
10	Redesign Extra Work of Foundations for El Monte Busway Bridge Widening	Pending		$3,694,695.00	
	Subtotal Pending			**$4,391,880**	
11	Bridge Foundation Time Extension	Pending		$499,000	
12	ADA Tactile Pathway	Pending		$51,000	
13	Safety Bollards	Pending		$85,000	
	Subtotal Pending			**$635,000**	
	Subtotal – Pending Modifications			**$5,026,880.00**	
Total Contract Value (including Approved Modifications)			**$20,247,802.07**		
Total Approved Mods and Pending Modifications (including this change)				**$5,442,682.07**	

Prior CMA Authorized by the Board			**$1,983,200.00**
Approved Modifications			**$415,802.07**
Remaining CMA for Future Modifications			**$1,567,397.93**
Pending Modifications			**$5,026,880.00**
Increase CMA for this Recommended Action			**$6,276,782.07**
Remaining CMA after Board Action			**$2,817,000**

ATTACHMENT D

DEOD SUMMARY

PATSAOURAS BUS PLAZA STATION / Contract C0970

A. Small Business Participation

OHL USA, Inc. made an 18.60% Disadvantaged Business Enterprise (DBE) commitment. Current DBE participation is 2.08%. The contract is 17% complete. OHL confirmed that Design is 60% complete, and Construction has an anticipated start date of March 2016. OHL reemphasized their efforts to meet the DBE committed values pursuant to their contracting plan.

SMALL BUSINESS COMMITMENT	18.60% DBE	SMALL BUSINESS PARTICIPATION	2.08% DBE

	DBE Subcontractors	Ethnicity	% Commitment	% Current Participation[1]
1.	PBS Engineers (Design)	Subcontinent Asian	4.60%	2.08%
2.	California Testing & Inspections (Construction)	Hispanic American	0.22%	0.00%
3.	Inspections Services (Construction)	Asian Pacific American	0.15%	0.00%
4.	Excelsior Elevator Corp.[2] (Construction)	Asian Pacific American	2.69%	0.00%
5.	G&C Equipment (Construction)	African American	3.66%	0.00%
6.	Integrity Rebar Placers (Construction)	Hispanic American	7.28%	0.00%
		Total	**18.60%**	**2.08%**

[1]Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷Total Actual Amount Paid-to-date to Prime.
[2] Substituted

B. Project Labor Agreement / Construction Careers Policy (PLA/CCP)

The Contractor has committed to complying with PLA/CCP requirements for this project. This project has not started construction yet. Staff will monitor and report the contractor's progress toward meeting the goals of the PLA/CCP once construction begins.

C. Living Wage Service Contract Worker Policy

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

D. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).