



Board Report

File #: 2020-0320, **File Type:** Informational Report

Agenda Number: 27.

CONSTRUCTION COMMITTEE MAY 21, 2020

SUBJECT: CRENSHAW/LAX CLOSE OUT PROJECT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER adopting the Life-of-Project (LOP) budget of \$30,000,000 for a new Crenshaw/LAX Close Out Project.

ISSUE

The Crenshaw/LAX project is 95% complete. As the project reaches completion, Metro requires a close out project to provide funding for work anticipated to commence after substantial completion of the Crenshaw Project has been achieved. The funding is separate from the Crenshaw/LAX Construction Project which allows Metro flexibility to close out the Construction Project and related administrative elements in a timely manner. The scope of the new Project will include additional work required that due to timing constraints, is not recommended to be issued to the prime, Crenshaw/LAX Project design-builder. A new "catch-all contract" will be issued for bid to handle the remaining miscellaneous items that are required to be constructed separate from the design-build contract and may potentially be used for other projects as well.

BACKGROUND

The Crenshaw/LAX Transit Project is a north/south light rail line that serves the cities of Los Angeles, Inglewood, Hawthorne and El Segundo as well as portions of unincorporated Los Angeles County. The alignment extends 8.5 miles, from the intersection of Crenshaw and Exposition Boulevards to a connection with the Metro Green Line south of the Aviation/LAX Station. The project provides major connections with the Los Angeles International Airport (LAX) as well as links to the C Line (Green), the E Line (Expo) and countywide bus network.

The alignment is comprised of a double-tracked rail line consisting of sections of at-grade in-street, at-grade within railroad right-of-way, aerial, and below-grade guideway sections, eight stations, park and ride facilities at two locations, utilities, landscaping, roadway improvements required by the project and a maintenance & storage facility (Division 16 - Southwestern Yard).

DISCUSSION

The funding of the new Project will maximize the ability for Metro to mitigate the delay of the Crenshaw/LAX Construction Project substantial completion date by completing some non-revenue service required items before and after substantial completion.

The scope of the new Project will include additional work required that due to timing constraints, is not recommended to be issued to the Crenshaw/LAX Project design-builder. Therefore, a new “catch-all contract” will be issued for bid and notice to proceed issued to handle the remaining miscellaneous items that are required to be constructed but as a schedule mitigation, can be completed after substantial completion. This contract could potentially also be used for other projects subject to Board approval.

Funding is also included for legal services required to defend against any claims submitted by the design-builder.

The close out of the professional services contracts will be included as part of this Project. Current Metro and consultant staff will be allocated to perform under this Project and no new staff are being requested.

The funding in Recommendation A is requested to provide support to achieve Substantial Completion in December 2020 and to allow revenue service to commence in 2021.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro’s construction projects.

FINANCIAL IMPACT

Activities for this project will commence in fiscal year 2021. Funds will be requested through the annual budget development process.

Since this is a multi-year capital project, the Chief Program Management Officer and the Project Manager will be responsible for budgeting costs in future fiscal years.

Impact to Budget

Eligible local funds (i.e., non-State, non-federal) available at the time of expenditure will be utilized to fund this project. These may include operating eligible funding sources. Eligible federal funds will be utilized and supplant operating eligible local funds.

Multiyear Impact

The sources of funds for the Project are capital funds identified in the recommended Funding/Expenditure Plan as shown in Attachment A. In accordance with the Measure R and Measure M Unified Cost Management Policy, staff has evaluated the required steps to address the

cost of the project that are identified in the policy, and due to the need to provide timely funding, recommend the use of countywide local funds that are not restricted to the project corridor or affected subregions.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports Strategic Plan Goal #1 - Provide high-quality mobility options that enable people to spend less time traveling.

ALTERNATIVES CONSIDERED

The Board may choose to not move forward with adopting the LOP Budget. This is not recommended as Metro will not have flexibility to complete required scope of work within the best timely and cost-effective opportunities.

NEXT STEPS

Upon approval by the Board, the LOP Budget will be adopted per the Recommendation.

ATTACHMENTS

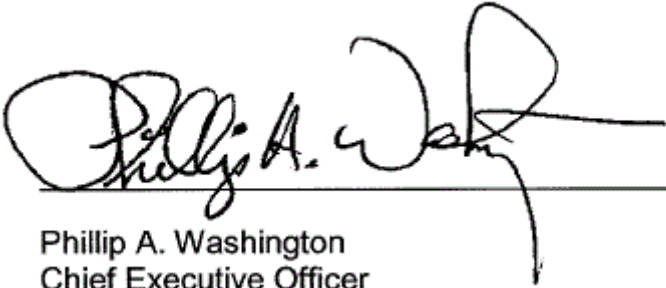
- Attachment A - Funding/Expenditure Plan
- Attachment B - Projected Breakdown of Cost Allocation

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ATTACHMENT A

C/LAX Close Out Activities Project
Funding / Expenditure Plan*
(Dollars in Millions)

Capital Project N21CCO	FY20**	FY21	FY22	FY23	TOTAL	% Of Total
Uses of Funds						
Construction	-	1.0	11.0	3.0	15.0	50.0%
Prof Services	-	2.2	4.6	3.1	9.9	33.0%
Project Contingency	-	-	4.4	0.7	5.1	17.0%
Subtotal	-	3.2	20.0	6.8	30.0	100.0%
Total Project Costs:	-	3.2	20.0	6.8	30.0	100%
Sources of Funds						
Local/Federal Sources	-	3.2	20.0	6.8	30.0	100%
TOTAL:	-	3.2	20.0	6.8	30.0	100%

*Sources of funds are subject to change. Assumes Contractor Substantial Completion December 2020 and Metro Revenue Service June 2021.
**FY20 is projected.

ATTACHMENT B

C/LAX Close Out Activities Project
Projected Breakdown of Cost Allocation for \$30 million

Amount	Descriptions
\$15,000,000	"Catch-All" Contract (includes estimated \$5m Park Mesa work)
\$7,200,000	Legal Services
\$2,700,000	Professional Services: Metro project support staff Contract Compliance Community Outreach Miscellaneous support
\$5,100,000	Unallocated Contingency
\$30,000,000	Total Increase