



Board Report

File #: 2024-0323, File Type: Project

Agenda Number: 14.

CONSTRUCTION COMMITTEE JULY 17, 2024

SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT LINE PROJECT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. INCREASE the Board approved Preconstruction Budget for the East San Fernando Valley Light Rail Transit Project (Project) by \$382,875,000 from \$496,856,000 to \$879,731,000; and
- B. NEGOTIATE AND EXECUTE all project-related agreements and modifications to existing contracts within the authorized Preconstruction Budget.

ISSUE

Staff is seeking the Board's approval for two items: (1) increasing the Preconstruction Budget by \$382,875,000 for additional funding to support the development of design work and a negotiated final construction cost for the project, continuing with Real Estate acquisition and relocation activities, and continuing utility relocation work to mitigate project risks; and (2) authorizing the negotiation and execution of all project-related agreements and modifications to existing contracts within the authorized Preconstruction Budget.

BACKGROUND

The Project extends north from the Van Nuys Metro G-Line station to the Sylmar/San Fernando Metrolink Station, a total of 9.2 miles of a dual track light rail transit (LRT) system with 14 at-grade stations. The Metro Board certified the Final Environmental Impact Statement/ Environmental Impact Report (FEIS/EIR) on December 3, 2020, and the Federal Transit Administration signed a Record of Decision on January 29, 2021, for the project. Included in the FEIS/EIR was the Initial Operating Segment (IOS) defined as the southern 6.7 miles of the Project alignment. The IOS, identified as the southern segment, is street running in the middle of Van Nuys Boulevard and includes 11 at-grade center platform stations, 10 traction power substations, and a maintenance and storage facility (MSF) for LRT vehicles. This southern segment of the Project is the subject of this Board action. The remaining northern 2.5 mile environmentally cleared segment is going through additional analysis as

directed by the Board in December 2020 and is not included in this board action.

Through the Preliminary Engineering (PE) phase of the Project, design refinements to the southern segment resulted in updates to the project description. Environmental analysis of the design refinements was completed, and the findings were presented in an Addendum to the FEIR. On October 26, 2023, the Board approved the Addendum to the FEIR. Street improvements and guideway designs have advanced to 60 percent completion, and all other design elements (stations, MSF, landscaping, and systems) are at 30 percent. The design of utility composite plans has also advanced to 60 percent complete, and six design packages of Los Angeles Department of Water and Power (DWP) utility relocations are in final design.

The following list summarizes current commitments of the Preconstruction Budget to advance the delivery of the Project.

- Service Contracts - Previously awarded and existing service contracts for project and construction management and engineering services will continue to augment Metro labor through construction.
- Construction Contract - The first of seven DWP utility relocation contracts were awarded to W.A. Rasic Construction Company, Inc., with a Notice to Proceed (NTP) issued on December 1, 2022. Substantial completion of construction was achieved in March 2024.
- Public Private Partnership (P3) Contract - A P3 contract to provide Solar Panels and an Energy Storage System on select MSF buildings was awarded to PCS Energy with a NTP issued on December 7, 2022, for Phase 1 Preconstruction design services.
- Real Estate Acquisitions and Relocations - appraisal, acquisition, and relocation activities continue to advance with anticipation of securing possession in support of construction schedule activities.

On February 23, 2023, the Board approved the awarding of a Progressive Design-Build (PDB) contract to San Fernando Transit Constructors (SFTC), a joint venture of Skanska USA Civil West California District, Inc., and Stacy and Witbeck Inc., for Phase 1 Preconstruction Services in the amount of \$30,979,750. Phase 2 of the PDB contract includes Design, Construction, Testing and Commissioning of the Project.

A Preconstruction Phase-of-Project Budget (Preconstruction Budget) in the amount of \$496,856,000 was also established at the February 23, 2023 Board meeting.

On April 14, 2023, NTP was issued to SFTC for Phase 1 work which includes validation of base design, value engineering, and a framework for negotiating and reaching a Phase 2 Contract Price. The implementation of Early Works Packages concurrently with Phase 1 work will advance design efforts required to support Phase 2 contract price negotiations and support the project schedule. Metro continues to work with the Federal Transit Administration (FTA) and the Project Management Oversight Contractor (PMOC) in support of securing a Full Funding Grant Agreement (FFGA) for the project by September 2024.

DISCUSSION

The Preconstruction Budget approved by the Board in February 2023, will be fully committed by the Summer of 2024. Budget items with committed funding include awarded phases of construction contracts, advancing PDB Phase 2 work through the implementation of Early Work Packages (EWP), early priority Real Estate acquisition and relocation, third party agreements, Metro labor, and encumbered and forecasted costs for professional services.

The additional authority to fund the activities shown in the table below is necessary to meet the schedule in delivering the Project within budget. Upon approval of the FFGA, additional funds will be needed to continue to advance the Project schedule. A Life-of-Project budget and Phase 2 contract will be recommended to the Board once the Phase 2 negotiations for construction have been completed (anticipated in Fall of 2025).

The following table provides a breakdown summary of budget items included in the initial Preconstruction Budget adjustment, current budget commitments, and items to be supported by this additional funding request.

ESFV Preconstruction Budget			
Preconstruction Budget		Revised Preconstruction Budget (\$M)	Additional Requested Funds (\$M)
Budget Item	Initial Allocation (\$M)		
Phase 1 – PDB ¹	\$38.500	\$30.980	(\$7.520)
Early Works Packages	\$109.060	\$370.101	\$261.04
(EWP 1-6)			
P3 (Phase 1 Preconstruction)	\$0.500	\$1.063	\$0.563
Construction	\$0.000	\$9.888	\$9.888
(UA #1 Utility Adjustments)			
Professional Services	\$16.137	\$27.795	\$11.658
(Agency & CMSS)			
Right-of-Way ²	\$114.575	\$204.486	89.911
Third Party & COLA	\$29.796	\$37.080	\$7.284
Construction Management Support Services	\$22.456	\$33.810	\$11.354
Light Rail Vehicles	\$1.500	\$1.200	(\$0.300)
Professional Services - Other	\$2.496	\$10.504	\$8.008
Professional Services - Engineering	\$25.784	\$108.960	\$83.176
Contingency	\$52.695	\$20.815	(\$31.880)
Pre-Authority ³ Expenditures	\$61.493	\$0.000	\$0.000
Environmental Planning	\$21.864	\$23.049	\$1.185
Totals	\$496.856	\$879.731	\$ 382.875

NOTES:

- 1 Adjustment to reflect PDB Phase 1 contract value
- 2 Proposed Budget for Right-of-Way Acquisition only includes acquisition, relocation, & consultant costs.
- 3 Pre-Authority Expenditures are included in real estate acquisitions, engineering, project management and Third Party support budget line items.

Currently, Metro and SFTC have established technical working groups to facilitate the review of Phase 1 Preconstruction submittals required to advance to pricing and schedule negotiations for Phase 2 work. Initial efforts have focused on the Phase 1 tasks, which include the validation of the Base Design, development of an Opinion of Probable Cost (OPC), development of a Design Management Plan (DMP), performing value engineering and innovation solutions to reduce Project costs and shorten design and construction durations, participation in project risk assessment workshops, development of a preliminary project schedule, Cultural Competency Plan (CCP), and Community Outreach Plan.

Construction relations efforts by SFTC include participation in meetings with council district staff to share construction phasing concepts, providing updates on utility potholing activities, participation in quarterly community project update meetings, and presenting the CCP to the Community Leadership Council.

Early Work Packages (EWP): Currently, 16 EWPs have been initiated by the contractor for consideration to advance work from Phase 2. The majority of these EWPs support the Project schedule critical path. Each EWP will have a separate scoping, negotiation, and recommendation process. Funds have been committed to EWPs 1, 2, 3, and partially 4 under the current Preconstruction Budget authority.

- EWP 01 Technical Studies - initiates studies required to support future design.
- EWP 02 Initial Integrated Project Management Office (IPMO) - provides field office, warehouse storage to support initial utility adjustments and future construction.
- EWP 03 UA 4 & 6 - construction of DWP utility adjustments.
- EWP 04 Final Design - partial funding allocation

Additional funding to support the following EWPs are subject to this board action:

- EWP 04 Final Design - preparation of GMP plan set for negotiation of Phase 2 and Approved for Construction plans and specifications
- EWP 05 IPMO Hub Office - integrated project office to support design and construction.
- EWP 06 UA 2,3, & 7 - construction of DWP utility adjustments

Real Estate: The Project has prioritized acquisition and relocation efforts aligned with need-by dates established to support construction activities outlined in the proposed project schedule. The full acquisitions are the most critical and are required to construct the Maintenance and Storage Facility (MSF), Traction Control Bungalow (TCB) and the Traction Power Substations (TPSS). The additional funding in this request will enable the progression of real estate activities in support of the design and construction schedule.

Third Party Support: The nature of the at-grade light rail system requires extensive utility relocations along the entire 6.7 miles of the alignment. Many of the construction EWPs are focused on utility relocations, to remove conflicts with proposed infrastructure improvements of the LRT system. The Third Party support costs from LADWP, City of Los Angeles, Los Angeles County, SoCal Gas, Telecom Utilities, and other stakeholders necessary to successfully complete these EWPs are

included in this Board request.

DETERMINATION OF SAFETY IMPACT

This Board action will not have any negative impact on established safety standards.

FINANCIAL IMPACT

The Preconstruction Budget funding increase will be included in the existing Project 865521- East San Fernando Valley Light Rail Transit Corridor, in Cost Center 8510 - Construction Project Management.

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

Impact to Budget

The sources for funding the additional \$382,875,000 for the Project are capital funds as shown in Attachment A, East San Fernando Valley Light Rail Project Preconstruction Expenditure/Funding Plan. The proposed funding for the Project does not negatively impact funding for operations or safety.

EQUITY PLATFORM

The additional funding will support continued community and small business engagement efforts led by Metro Community Relations (CR) staff in conjunction with the implementation of construction activities:

- **Elected Representatives and City Representatives:** To date, Metro CR staff have met with representatives from the City of Los Angeles Neighborhood Councils and Council District Offices, on upcoming construction, mitigation plans/efforts, and outreach efforts to the local community. Metro has held several quarterly community construction update meetings, presented at various community and school meetings, tabled at various special events, and presented at various business association meetings. The Construction Relations team is currently conducting bilingual door-to-door outreach of small businesses along the Project alignment.
- **Community Members:** The Project has established a Community Leadership Council (CLC) as an advisory body to the Project and is in the process of implementing Community Based Organization (CBO) Partnerships that align with Metro's CBO Partnering Strategy. CLC members have been instrumental in providing direct feedback at the two CLC meetings held on ways to improve current outreach efforts and message delivery on the project.
- **Small Businesses:** Metro CR staff have visited the small businesses along the alignment and provided bilingual project information along with small business mitigation programs available to businesses along the Project corridor: Eat Shop Play (ESP), Business Interruption Fund (BIF), and Business Solution Center (BSC). Metro Diversity & Economic Opportunity, in partnership with Metro CR has formally launched the BIF on this Project in May of 2024 and anticipates launching the BSC Program in Fall 2024. The ESP

program is also anticipated to launch in Fall 2024.

- **Cultural Competency Plan (CCP):** The CCP includes a comprehensive strategy for engagement with the local community utilizing a multi-layered approach focused on a career academy, small business opportunities, and project internal culture and training. Training will encompass the entire team including vendors and subcontractors. The CCP supports an accountability framework to track the progress of each task and goal through the utilization of technology in order to develop the highest standards of resources and programs for the community.

SFTC made a 19.33% DBE commitment for Phase 1 (Pre-Construction) of the contract. Based on payments, the contract is 80% complete and the current level of DBE participation is 15.25%, demonstrating a 4.08% shortfall in the commitment. SFTC reported that they continue to engage DBE firms during Phase 1 and that all DBE firms will be fully utilized. SFTC contends that it will meet its DBE commitment on this project with utilization forecasted through to December 2024.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic goals:

- Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.
The purpose of the Project is to provide high-capacity transit service in the San Fernando Valley.
- Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system.
The at-grade light rail system will attract bus ridership and improve the trip experience for users of the transportation system.
- Strategic Goal 3: Enhance communities and lives through mobility and access to opportunity.
With 11 stations, including connections to Metro G-Line and Metrolink, the ESFV enhances mobility to the community.
- Strategic Goal 4: Transform LA County through regional collaboration and national leadership.
Collaboration with the elected officials, citizens, and Metro patrons of San Fernando Valley continues to positively impact the Project.

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with the requested increase to the Preconstruction Budget. This is not recommended as Metro will incur undesirable schedule delays and cost increases if this action does not move forward. Furthermore, delays to the Project will have detrimental effects on the available Federal and State Grant funding dollars.

NEXT STEPS

Upon Board approval of the augmentation of the ESFV Preconstruction Budget, the Project will continue with real estate activities to secure construction access, commence with utility relocation construction, advance design plans and specifications to support the negotiation of a Guaranteed Maximum Price and construction schedule for Phase 2 work, and continue to complete final design. Once the FFQA is secured, additional preconstruction funding will be requested so that staff can

continue to move the project forward. Once an agreement of Phase 2 price has been reached, staff will return to the Board for approval of an LOP budget and seek further authority for the Chief Executive Officer to execute project agreements and contract modifications within the LOP budget.

ATTACHMENTS

Attachment A - East San Fernando Valley Light Rail Transit Project, Preconstruction Expenditure/Funding Plan

Prepared by:

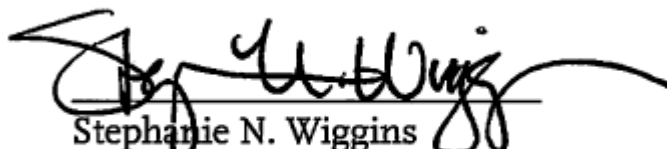
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Stephanie N. Wiggins
Chief Executive Officer

East San Fernando Valley Light Rail Transit Project

Preconstruction Expenditure/Funding Plan

Attachment A

Capital Project #865521

				Actual Expenditures			Forecast Expenditures			
Use of Funds (\$ in Millions)	Prior Pre-Construction Budget (Feb. 2023)	Revised Preconstruction Budget	Proposed Budget Revisions	Pre-Authority ³	Inception Thru FY23	FY24	FY25	FY26	FY27	FY28
Phase 1 - PDB ¹	\$ 38.500	\$ 30.980	\$ (7.520)	\$ -	\$ -	\$ 26.300	\$ 4.680			
Additional Preconstruction Activities										
Anticipated Early Work Packages	\$ 109.060	\$ 370.101	\$ 261.041	\$ -	\$ -	\$ 1.762	\$ 135.000	\$ 165.000	\$ 68.339	
P3 Solar - PCS Energy	\$ 0.500	\$ 1.063	\$ 0.563	\$ -	\$ -	\$ 0.013	\$ 0.300	\$ 0.450	\$ 0.300	
AUA #1 - W.A. Rasic	\$ -	\$ 9.888	\$ 9.888	\$ -	\$ 2.090	\$ 7.798				
Professional Services (Agency & PCSS)	\$ 16.137	\$ 27.795	\$ 11.658	\$ 7.108	\$ 5.823	\$ 5.174	\$ 9.690			
Right-of-Way Acquisition ²	\$ 114.575	\$ 204.486	\$ 89.911	\$ 7.220	\$ 0.252	\$ 6.304	\$ 190.710			
Third Party & COLA	\$ 29.796	\$ 37.080	\$ 7.284	\$ 5.538	\$ 4.376	\$ 2.972	\$ 24.194			
Construction Management Support Services	\$ 22.456	\$ 33.810	\$ 11.354	\$ -	\$ 6.163	\$ 11.000	\$ 16.647			
Light Rail Vehicles	\$ 1.500	\$ 1.200	\$ (0.300)	\$ -	\$ -	\$ -	\$ 1.200			
Other Professional Services	\$ 2.496	\$ 10.504	\$ 8.008	\$ 1.018	\$0.856	\$ 2.361	\$ 6.269			
Engineering Services for the Project										
General Engineering	\$ 23.670	\$ 95.860	\$ 72.190	\$ 35.501	\$ 16.942	\$ 6.179	\$ 12.000	\$ 12.000	\$ 7.000	\$ 6.238
Systems Engineering	\$ 2.114	\$ 10.992	\$ 8.878	\$ 5.090	\$ 1.861	\$ 0.974	\$ 3.067			
Engineering Support	\$ -	\$ 2.108	\$ 2.108	\$ 0.019	\$ 0.468	\$ 0.496	\$ 1.125			
Contingency										
Contingency	\$ 52.695	\$ 20.815	\$ (31.880)	\$ -	\$ -	\$ -	\$ 10.815	\$ 10.000		
Environmental Planning & Pre-Authority Expenditures										
Pre-Authority Expenditures (865521) ³	\$ 61.493	**	**	**	\$ -					
Environmental Planning (405521 & 465521)	\$ 21.864	\$ 23.049	\$ 1.185	\$ -	\$ 22.344	\$ 0.705				
Totals	\$ 496.856	\$ 879.731	\$ 382.875	\$ 61.493	\$ 61.176	\$ 72.038	\$ 415.697	\$ 187.450	\$ 75.639	\$ 6.238

Sources of Funds (\$ in Millions)	Current Funding ⁴	Total Proposed Funding ⁵	Additional Funding	Pre-Authority Expenditures	Prior Expenditures	FY24	FY25	FY26	FY27	FY28
Federal Revenue										
Section 5339 Alternatives Analysis	\$ 0.968	\$ 0.968	\$ -	\$ 0.968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Revenue										
Transit and Intercity Rail Capital Program (TIRCP)	\$ 81.330	\$ 81.330	\$ -			\$ -	\$ 8.242	\$ 73.088	\$ -	\$ -
Regional Improvement Program Funds (RIP)	\$ 17.315	\$ 34.630	\$ 17.315		\$ 3.651	\$ 6.304	\$ 24.675	\$ -	\$ -	\$ -
Traffic Congestion Relief Program Funds (TCRP)	\$ 27.000	\$ 27.000	\$ -	\$ 27.000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SB1 - Local Partnership Program	\$ -	\$ 74.944	\$ 74.944			\$ -	\$ 74.944	\$ -	\$ -	\$ -
Other State Revenue (State Highway Funds - Fuel Tax - CRRSAA Exchange)	\$ -	\$ 18.185	\$ 18.185			\$ -	\$ 18.185	\$ -	\$ -	\$ -
Local Revenue										
Prop A - Rail Development Account (35%)	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
Measure R - Transit Capital (35%)	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
Measure R - Transit Capital (35%) - from Canoga Savings	\$ 68.500	\$ 182.000	\$ 113.500	\$ 33.525	\$ 56.194	\$ -	\$ 92.280	\$ -	\$ -	\$ -
Measure R - Highway Projects (20%) - from I-5 N Capacity Enhancement	\$ -	\$ 49.417	\$ 49.417			\$ -	\$ 49.417	\$ -	\$ -	\$ -
Prop C - Discretionary (40%)	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
Prop C - Transit-Related Highway (25%) - from I-5 Replacement Credit	\$ 52.410	\$ 161.924	\$ 109.514		\$ 1.330	\$ -	\$ 88.259	\$ 47.341	\$ 24.993	
Local Agency Transit Project Contributions	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
Measure M - Transit Construction (35%)	\$ 249.333	\$ 249.333	\$ -			\$ 65.734	\$ 59.694	\$ 67.021	\$ 50.646	\$ 6.238
Total Preconstruction Funding	\$ 496.856	\$ 879.731	\$ 382.875	\$ 61.493	\$ 61.176	\$ 72.038	\$ 415.697	\$ 187.450	\$ 75.639	\$ 6.238

Notes:

1. Adjustment to reflect PDB Phase 1 contract value.

2. Proposed Budget for Right-of-Way Acquisition only includes acquisition, relocation, & consultant costs.

3. Pre-Authority Expenditures are included in real estate acquisitions, engineering, project management and Third Party support budget line items.

4. Current Funding reflects the Feb 2023 board-approved preconstruction budget.

5. Preliminary funding plan - fund assignments are subject to change upon confirmation of future grant awards.



We're building light rail for the Valley.

EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT



July 17, 2024
Construction Committee

East San Fernando Valley Light Rail Transit Project

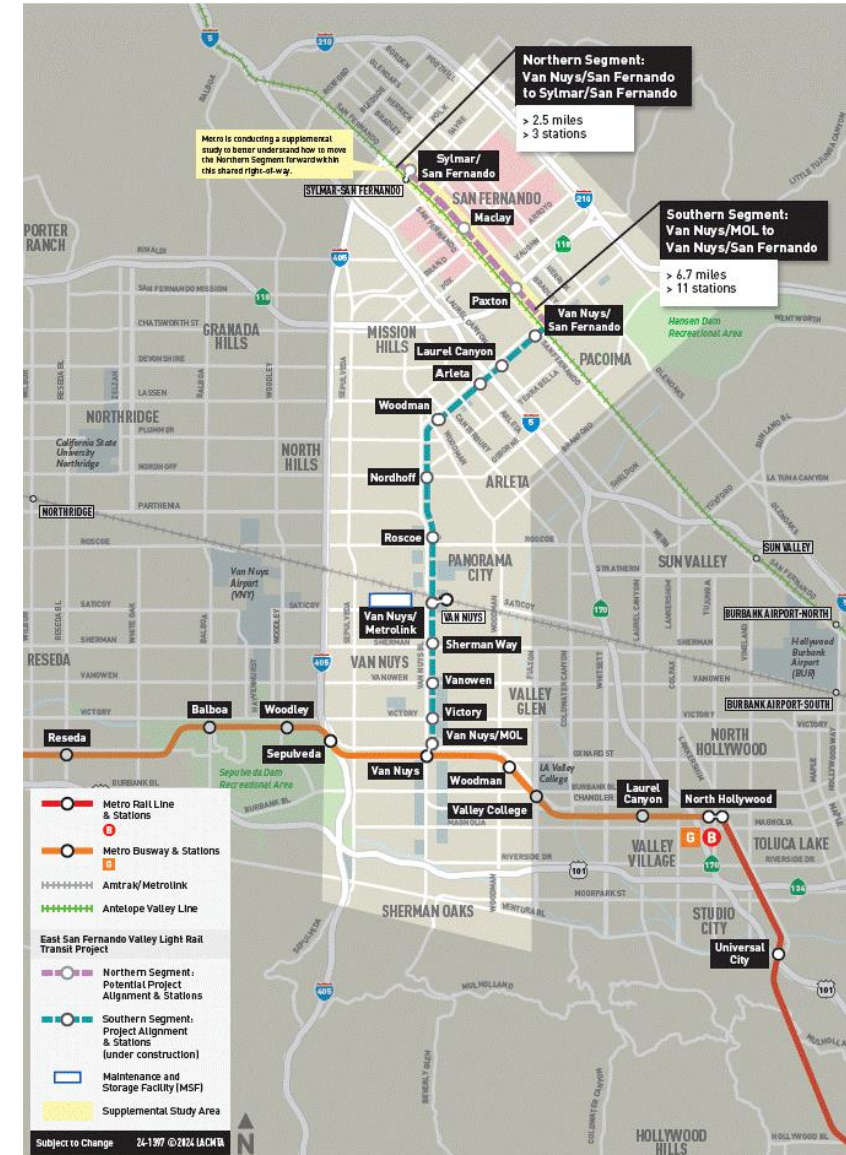


Initial Operating Segment

- 6.7 miles at-grade double-track light rail service along the center of Van Nuys Blvd.
- 11 center-platform stations
- 10 Traction Power Substations
- Maintenance and Storage Facility
- Procurement of 33 Light Rail Vehicles

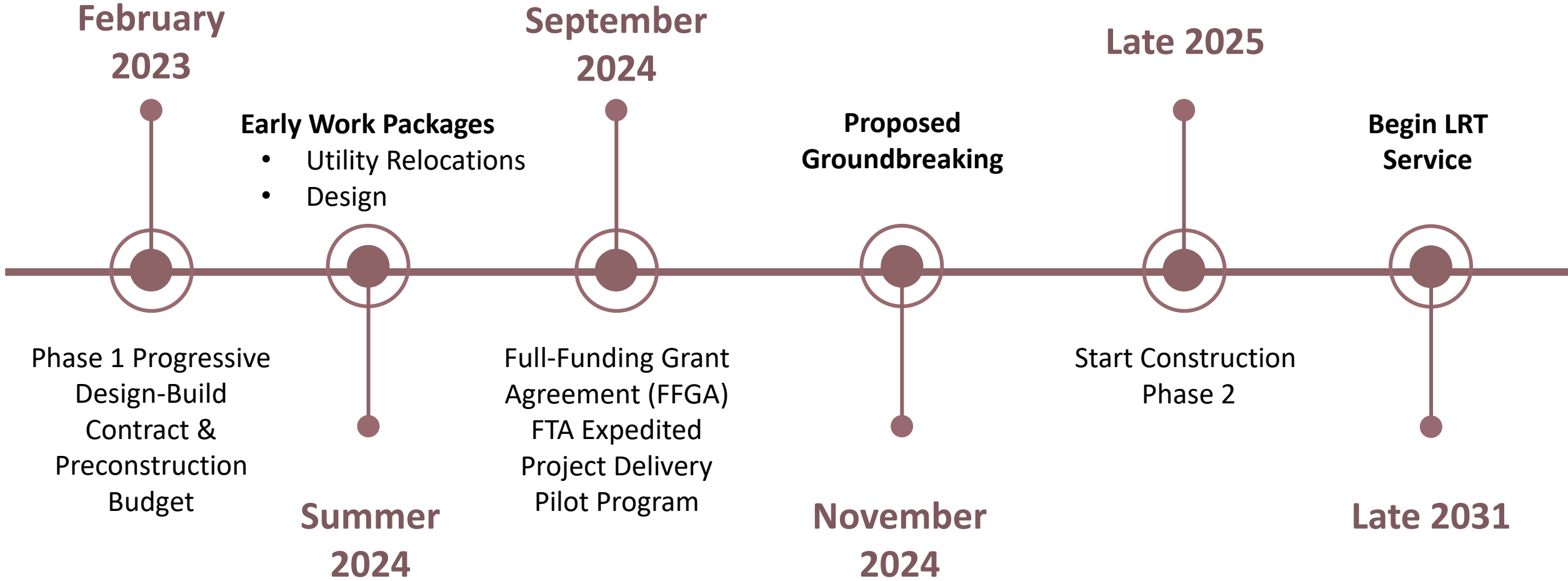
Estimated Project Cost

- \$3.573 Billion





Project Schedule Milestones



East San Fernando Valley Light Rail Transit Project Funded Activities Underway

Federal Transit Administration

- FFGA Application

Construction Activities in 2024

- Utility Adjustment Construction
- Complete Design/Construction Plans
- Progressive Design-Build: Phase 1 Activities

Real Estate Acquisitions/Relocations

Community Outreach

- Construction Relations
- Construction Mitigation Programs
 - Business Interruption Fund
 - Business Solution Center
 - Eat Shop Play



East San Fernando Valley Light Rail Transit Project

Additional Funding Investment

- **Early Work Packages**
 - EWP 04 – Final Design
 - EWP 05 – Integrated Project Management Office
 - EWP 06 – Utility Adjustment Packages 2, 3, & 7
- **Progression of Real Estate Activities in support of design and construction**
- **Construction of Utility Adjustments**



Concept Image. ESFV LRT Maintenance and Storage Facility



Concept Image. ESFV LRT alignment along Van Nuys Boulevard

Request to Construction Committee

RECOMMENDATION TO BOARD

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