

# **Metro**

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



## **Agenda - Final**

**Thursday, February 21, 2019**

**10:15 AM**

**One Gateway Plaza, Los Angeles, CA 90012,  
3rd Floor, Metro Board Room**

### **Construction Committee**

*Robert Garcia, Chair*

*Jacquelyn Dupont-Walker, Vice Chair*

*Kathryn Barger*

*Janice Hahn*

*James Butts*

*John Bulinski, non-voting member*

*Phillip A. Washington, Chief Executive Officer*

**METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES**  
(ALSO APPLIES TO BOARD COMMITTEES)

**PUBLIC INPUT**

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

**CONDUCT IN THE BOARD ROOM** - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

**REMOVAL FROM THE BOARD ROOM** The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

**INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD**

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded on CD's and as MP3's and can be made available for a nominal charge.

## DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

## ADA REQUIREMENTS

Upon request, sign language interpretation, materials in alternative formats and other accommodations are available to the public for MTA-sponsored meetings and events. All requests for reasonable accommodations must be made at least three working days (72 hours) in advance of the scheduled meeting date. Please telephone (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800) 252-9040.

## LIMITED ENGLISH PROFICIENCY

A Spanish language interpreter is available at all Committee and Board Meetings. All other languages must be requested 72 hours in advance of the meeting by calling (213) 922-4600 or (323) 466-3876.



**323.466.3876 x2**

*Español*

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한국어

日本語

中文

русский

ភាសាខ្មែរ

ภาษาไทย

Tiếng Việt

ភាសាវៀតណាម

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General Information/Rules of the Board - (213) 922-4600

Internet Access to Agendas - [www.metro.net](http://www.metro.net)

TDD line (800) 252-9040

**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

**CALL TO ORDER****ROLL CALL**

25. **SUBJECT: PROGRAM MANAGEMENT MAJOR PROJECT STATUS REPORT** [2019-0017](#)

**RECOMMENDATION**

RECEIVE oral report on the Major Project Status by the Chief Program Management Officer.

**Attachments:** [Attachment A - PM Major Project Status Report - February 2019](#)

34. **SUBJECT: OUTSTANDING CITY OF LOS ANGELES ISSUES** [2019-0084](#)

**RECOMMENDATION**

RECEIVE oral report on outstanding City of Los Angeles issues.

**Attachments:** [Presentation](#)

26. **SUBJECT: METRO PILOT BUSINESS INTERRUPTION FUND (BIF)** [2018-0803](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. AWARD a two-year base period, firm fixed price Contract No. PS56079000 with Pacific Coast Regional Small Business Development Corporation (PCR) to serve as the fund administrator for Metro's Pilot Business Interruption Fund (BIF) in the amount of \$1,585,246 with two, one-year options, in the amounts of \$720,882 and \$650,306, respectively, with an optional start-up of \$391,576 for the inclusion of future new rail lines in this pilot, for a total amount of \$3,348,010;
- B. EXPAND the Pilot Business Interruption Fund to include eligible small "mom and pop" businesses directly impacted by construction of the Purple Line Extension, Section 3; and
- C. RECEIVE AND FILE the status report of the Pilot Business Interruption Fund (BIF).

**Attachments:** [Attachment A - Motion 57](#)  
[Attachment B - BIF Administrative Guidelines](#)  
[Attachment C - Procurement Summary](#)  
[Attachment D - DEOD Summary](#)  
[Presentation](#)



**27. SUBJECT: CONSTRUCTION CLAIMS SUPPORT SERVICES**[2019-0015](#)**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE a 7 year cost-plus fixed fee contract, Contract No. PS58665, with ARCADIS U.S., Inc., to provide Construction Claims Support Services for various projects as required, in an amount not-to-exceed \$24,584,650 and exercise 3 one-year options, when deemed appropriate; and
- B. EXECUTE individual Contract Work Orders and Contract Modifications within the Board approved contract and budget funding amount.

**Attachments:**      [Attachment A - Procurement Summary PS58665](#)  
                                 [Attachment B - DEOD Summary \(Construction Claims\)](#)

**35. SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT**[2019-0050](#)**RECOMMENDATION**

CONSIDER:

- A. AMENDING the Life-of-Project (LOP) Budget of \$1,374,826,466 to \$3,223,623,255 to include the Stations, Trackwork, Systems and Testing portion of the Westside Purple Line Extension Section 3 Project (Project), consistent with previous actions taken by the Board in February 2016, January 2017, and June 2018;
- B. AUTHORIZING the Chief Executive Officer (CEO) to award an 89-month firm fixed price contract under Request for Proposal (RFP) No. C45161C1152 to Tutor Perini/O&G, JV, the responsive and responsible Proposer determined to provide Metro with the best value for the final design and construction of the Westside Purple Line Extension Section 3 Project Stations, Trackwork, Systems and Testing, in the amount of \$1,363,620,000, subject to the Federal Transit Administration (FTA) approval of a Full Funding Grant Agreement (FFGA) and resolution of protest(s), if any;
- C. AUTHORIZING the withholding of funds, pursuant to the provisions of the Measure M Ordinance, from the Local Return/Regional Rail Subfund to pay for the 3% local agency contributions to the Project should no agreement with the local jurisdictions be approved or upon default of payment by a local jurisdiction; and
- D. APPROVING an additional 12 full time Metro staff for FY19 to strengthen the existing project management and support team.

**Attachments:**      [Attachment A - Procurement Summary](#)  
[Attachment B - DEOD Summary](#)  
[Attachment C - Funding Expenditure Plan](#)  
[Attachment D - Request for Project Staff Positions](#)

**SUBJECT:      GENERAL PUBLIC COMMENT**

[2019-0062](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

**Adjournment**



## Board Report

File #: 2019-0017, File Type: Oral Report / Presentation

Agenda Number: 25.

### CONSTRUCTION COMMITTEE FEBRUARY 21, 2019

**SUBJECT: PROGRAM MANAGEMENT MAJOR PROJECT STATUS REPORT**

**ACTION: ORAL REPORT**

#### **RECOMMENDATION**

RECEIVE oral report on the Major Project Status by the Chief Program Management Officer.

#### **DISCUSSION**

Update report covering the month of February 2019 by the Chief Program Management Officer.

#### **ATTACHMENTS**

Attachment A - Program Management Major Project Status Report

Prepared by:

- **Crenshaw/LAX** - Sameh Ghaly, Sr EO Project Mgmt., (213) 418-3369
- **Regional Connector** - Gary Baker, EO Project Mgmt., (213) 893-7191
- **Westside Purple Line Ext 1** - James Cohen, EO Project Mgmt., (213) 922-7911
- **Westside Purple Line Ext 2** - Michael McKenna, EO Project Mgmt., (213) 312-3132
- **Westside Purple Line Ext 3** - Kimberly Ong, EO Project Mgmt., (323) 903-4112
- **Patsaouras Plaza Busway Station** - Timothy Lindholm, EO Project Engr., (213) 922-7297
- **Willowbrook/Rosa Park Station** - Timothy Lindholm, EO Project Engr., (213) 922-7297
- **The New Blue** - Timothy Lindholm, EO Project Engr., (213) 922-7297
- **I-210 Barrier Replacement** - Androush Danielians, EO Project Engr., (213) 922-7598
- **I-5 North** - Abdollah Ansari, Sr EO Construction & Engr., (213) 922-4781
- **I-5 South** - Abdollah Ansari, Sr EO Construction & Engr., (213) 922-4781
- **Presentation** - Shannon Hanley, Chief Administrative Analyst, (213) 922-1350

# **Program Management Major Project Status Report**

Presented By

**Richard Clarke**

Chief Program Management Officer

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February 2019

**Construction Committee**

Los Angeles County Metropolitan Transportation Authority



# PROJECT BUDGET & SCHEDULE STATUS SUMMARY CHART

Project	Cost Performance	Schedule Performance	Comments
Crenshaw/LAX			Project is 90% complete. Metro issued non-compensable time extension to contractor extending Contract Substantial Completion Milestone to December 2019. The forecast revenue service date is Spring 2020.
Regional Connector			Project is 55% complete and proceeding on schedule and within budget.
Westside Purple Line Extension-Section 1			Project is 44% complete and proceeding on schedule and within budget.
Westside Purple Line Extension-Section 2			Project is 14% complete and proceeding on schedule and within budget.
Westside Purple Line Extension-Section 3			Issued Contract C1151 (Tunnels) award to Frontier-Kemper/Tutor Perini Joint Venture on November 30, 2018 and issued Notice to Proceed on January 15, 2019.
Patsaouras Plaza			Project is approximately 65% complete. Metro issued Order of Suspension August 3 <sup>rd</sup> due to archaeological and Native American issues. With anticipated construction delay of 10 months, significant impacts to project schedule and budget expected. Project expected to resume construction by late February 2019
Willowbrook/Rosa Parks Station			Package A is 15% complete with underground utility work in progress. Structural Steel installation to begin on mobility hub. Package B 100% bid package being finalized.
Metro Blue Line Projects			Early Start Work is at 95% completion. Established a combined schedule for three projects (including Willowbrook Station) and Metro internal work. New Blue shutdown work starts January 26, 2019.
I-210 Barrier Replacement			Finding effective mitigation measures to some of the non-standard freeway features along with mitigation measures to alleviate freeway traffic disruption during construction are delaying the project.
I-5 North: SR 118 to SR 134			Segment 1 & 2 (SR 118 to Buena Vista) are complete and open to traffic. Segment 3 (Empire) is 71% complete. Segment 4 (Magnolia to SR-134) is 85% complete.
I-5 South: Orange County Line to I-605			Segment 2 (Valley View) is 37% complete. Segment 3 (Rosecrans) is open to traffic. Segment 4 (Imperial) is 94% complete. Segment 5 (Florence) is 75% complete.

February 2019



On target



Possible problem



Major issue



Metro 2

Construction Committee

Los Angeles County Metropolitan Transportation Authority

# CRENSHAW/LAX TRANSIT PROJECT

⚠️ BUDGET		
	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$2,058M	\$2,058M

⚠️ SCHEDULE		
	<u>Current</u>	<u>Forecast</u>
REVENUE	Fall	Spring
OPERATION	2019	2020

- Overall Project Progress is 90% complete; addressing contractor construction schedule
- Contractor continues critical construction efforts in the five underground structures in the north end
- Completed major work in January for Crenshaw Line track and systems cut-over to Green Line
- Achieved substantial completion for Southwestern Yard Maintenance Facility (Division 16)
- Working with contractor to address open punch list items on City streets and sidewalks



Finishes and systems installation in underground station



Systems Integration Testing with vehicle at Division 16

February 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 3

# REGIONAL CONNECTOR TRANSIT PROJECT

## OK BUDGET

	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$1,810M	\$1,810M

\* Includes Board approved LOP budget plus finance costs.

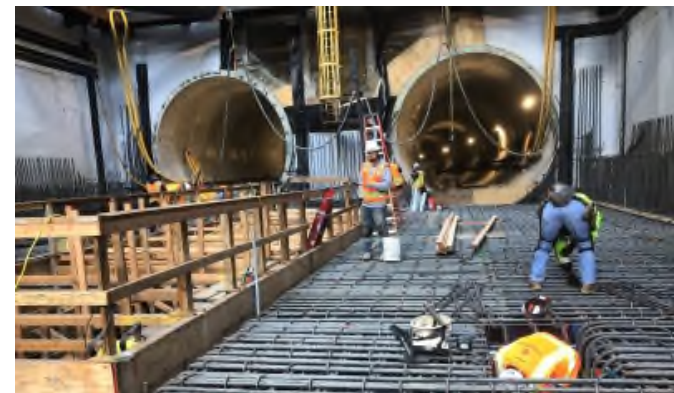
- Overall Project Progress is 55% complete
- Underground:** SEM crossover cavern excavation approximately 95% complete; forecast completion March 6 – slightly ahead of schedule. Liner and plenum to follow
- Little Tokyo/Arts District Station, WYE and 1<sup>st</sup> Street:** Excavation and related support of utilities are ongoing at WYE and 1<sup>st</sup> Street; structural concrete operations underway on station box walls
- Historic Broadway Station:** Structural concrete continues with exterior walls in station box and entrance concourse
- Grand Av Arts/Bunker Hill Station:** Structural concrete walls continue to be erected at multiple levels throughout station
- Flower Street:** Excavation and utility protection south of 5<sup>th</sup> continues; invert placement underway between 4th and 5th Streets

## OK SCHEDULE

	<u>Current</u>	<u>Forecast</u>
REVENUE OPERATION	Winter 2021/2022	Winter 2021/2022



Demolition progress of central walls of SEM



Rebar shear tie installation in Grand Av Arts/Bunker Hill Station

February 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 4



# WESTSIDE PURPLE LINE EXTENSION – SECTION 1

## BUDGET

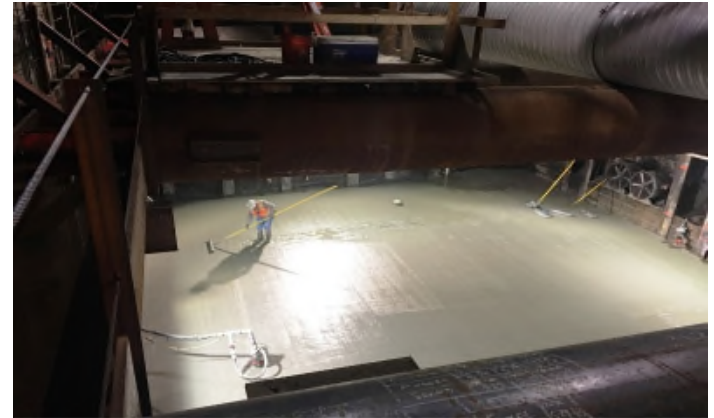
	<u>Current</u>	<u>Forecast</u>
TOTAL COST*	\$3,154M	\$3,154M

\* Includes Board approved LOP budget plus finance costs.

## SCHEDULE

	<u>Current</u>	<u>Forecast</u>
REVENUE	Fall	Fall
OPERATION	2024 (FFGA)	2023

- Overall Project Progress is 44% complete
- Wilshire/Western Retrieval Shaft:** On January 11, 2019, the Tunnel Boring Machine (TBM) temporary support slab was poured. Civil restoration of the Wilshire/Western site is underway.
- Wilshire/La Brea Station:** Concrete placement for interior load bearing walls continues. Shoring installation for the concourse deck has commenced.
- Wilshire/Fairfax Station:** Mass excavation and Level D strut installation at the east end of the station continues. Grounding grid installation started mid-January 2019.
- Wilshire/La Cienega Station:** Installation of Level C struts continues. Bottom of excavation is anticipated to be reached in May 2019.
- Reach 1 TBM Progress (W/LB to W/W):** TBM #1 - 2,856 ft. or 30%; TBM #2 – 1,597 ft. or 17% as of January 23, 2019



Wilshire/La Brea Station – TBM Support Slab



Reach 1 Tunneling

February 2019

Construction Committee

Los Angeles County Metropolitan Transportation Authority



On target



Possible problem



Major issue



Metro 5



# WESTSIDE PURPLE LINE EXTENSION – SECTION 2

## BUDGET

	<u>Current</u>	<u>Forecast</u>
TOTAL COST*	\$2,530M	\$2,530M

\* Includes Board approved LOP budget plus finance costs.

## SCHEDULE

	<u>Current</u>	<u>Forecast</u>
REVENUE	Winter	Summer
OPERATION	2026 (FFGA)	2025

- Overall project progress is 14% complete.
- Final design progress is 88% complete.
- **Century City Constellation**
  - Civil work for LADWP Power and AT&T were completed in December 2018. Cable pulling and splicing for both continues through November 2019.
  - Installation of the temporary LADWP power substation for the tunnel boring machines (TBMs) continues.
  - Contractor completed installation of all 88 soldier piles at the TBM launch box in January 2019.
  - Santa Monica bus layover construction is ongoing with an anticipated completion in February 2019.
  - AT&T parking structure demolition started in December 2018 and is ongoing with a forecasted completion in first quarter of 2019.
- **Wilshire/Rodeo**
  - Demolition of former Ace Gallery completed in December 2018.
  - Preparation for contractor utility relocations is ongoing.



Soldier Pile Installation in Century City



Concrete Placement at Soldier Pile in Century City

February 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 6

# WESTSIDE PURPLE LINE EXTENSION – SECTION 3

## BUDGET

	<u>Current</u>	<u>Forecast</u>
TOTAL COST*	TBD	\$3,675M

\* Includes finance costs.

## SCHEDULE

	<u>Current</u>	<u>Forecast</u>
REVENUE OPERATION	TBD	2027

- Received FTA's approval of 130c environmental document on December 21, 2018.
- C1151 Tunnel Contract – Contract award to Frontier-Kemper/Tutor Perini Joint Venture was issued on November 30, 2018 and Notice to Proceed was issued on January 15, 2019.
- C1152 Stations, Trackwork and Systems Contract – Contract award is subject to Board approval and FTA's approval of a Full Funding Grant Agreement (FFGA).
- C1153 Advanced Utility Relocations (AUR) Contract – Overall progress is 71% complete.



Conduit Encasing on Wilshire Blvd.



Conduit Installation on Wilshire Blvd.

February 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 7

# PATSAOURAS PLAZA BUSWAY STATION

 BUDGET		
	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$39.7M	\$TBD

 SCHEDULE		
	<u>Current</u>	<u>Forecast</u>
SUBSTANTIAL COMPLETION	Winter 2018	March 2020

- Overall project progress approximately 65% complete
- Project contractor and construction suspension continues due to archaeological and Native American resource issues
  - Project team is working diligently to resume construction with FTA and the consulting parties by late February/early March 2019
    - However, this date may be impacted by Federal government shutdown
- Archaeological investigation and treatment field work began on November 12, 2018, and expected to be completed early February 2019.
- Archaeological and Native American issues will deplete project contingency, requiring Life of Project (LOP) budget increase
  - Metro concluded global settlement negotiations with contractor on December 14, 2018, with expected Board Report in March 2019



# WILLOWBROOK/ROSA PARKS STATION

OK BUDGET		
	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$109.3M	\$109.3M

OK SCHEDULE		
	<u>Current</u>	<u>Forecast</u>
SUBSTANTIAL COMPLETION	Summer 2020	Summer 2020

- Package A: Utility Work in progress with main cisterns installed. Decking and framing for Customer Service Building beginning. Structural steel installation set to start on the mobility hub.
- Package C: Construction continues to make preparation for Blue Line shutdown.
- Package B: Finalizing 100% bid Package.



Early Start Construction and Demolition for Package A+C

February 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 9

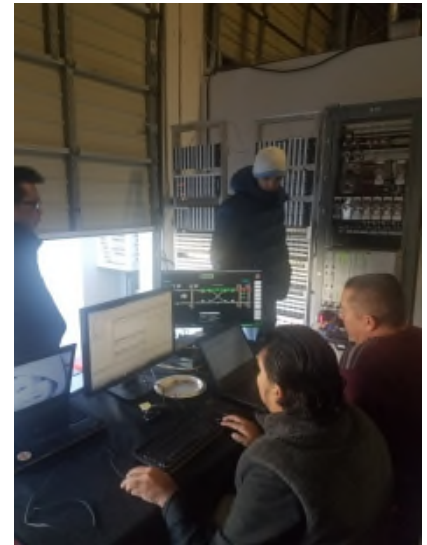
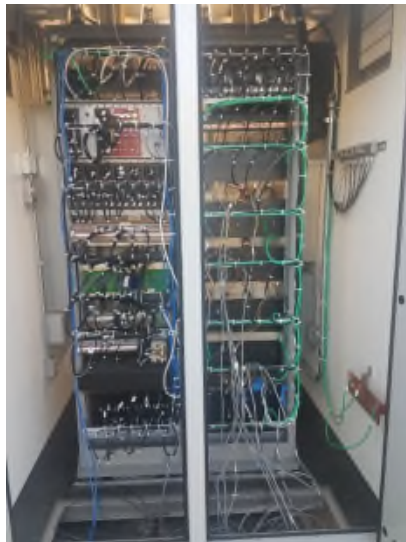
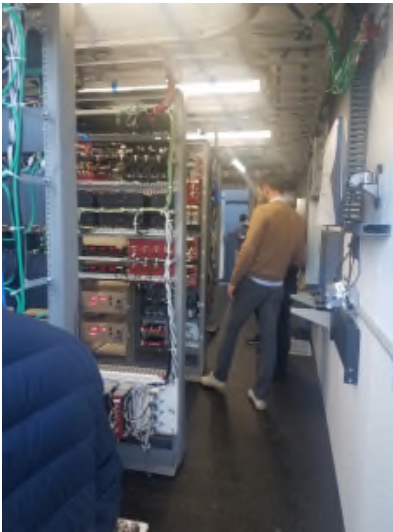


# THE NEW BLUE

OK BUDGET		
	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$221.3M	\$221.3M

OK SCHEDULE		
	<u>Current</u>	<u>Forecast</u>
SUBSTANTIAL COMPLETION	Fall 2019	Fall 2019

- MBL Resignaling Design is 97% complete; Early Start underground work is 90% Completed
- The first Factory Acceptance Test was successful for the new Compton Interlocking
- First Track Coordination meeting took place January 15, 2019 and New Blue shutdown work commenced on January 26, 2019



Compton Interlocking Factory Testing

February 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 10

# I-210 BARRIER REPLACEMENT PROJECT

◆ BUDGET		
	Current	Forecast
TOTAL COST	\$11.08M Design	\$22.54M Design

◆ SCHEDULE		
	Current	Forecast
Complete Design (Proj 1)	Summer 2019	Summer 2019
Complete Design (Proj 2)	Spring 2020	Spring 2020

- Conducting traffic micro-simulation studies to quantify the traffic delays during construction which are expected to be beyond the normal acceptable range and provide for effective mitigation measures.
- Coordinating mitigation measures with Caltrans to address existing non-standard freeway features and other non-standard features caused by this project
- Project 1: Segment from Michillinda to Iconic Bridge – Continuing environmental studies
- Project 2: Segment from west end of the project to Michillinda – Continuing traffic micro-simulation studies
- Separate Board report to request authorization to complete final design.



Newly Installed Caltrans Freeway Sign



Incident in 2014



Newly Installed Speed Limit Sign

February 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 11

# I-5 Construction Projects (By Caltrans)



February 2019

Construction Committee

Los Angeles County Metropolitan Transportation Authority

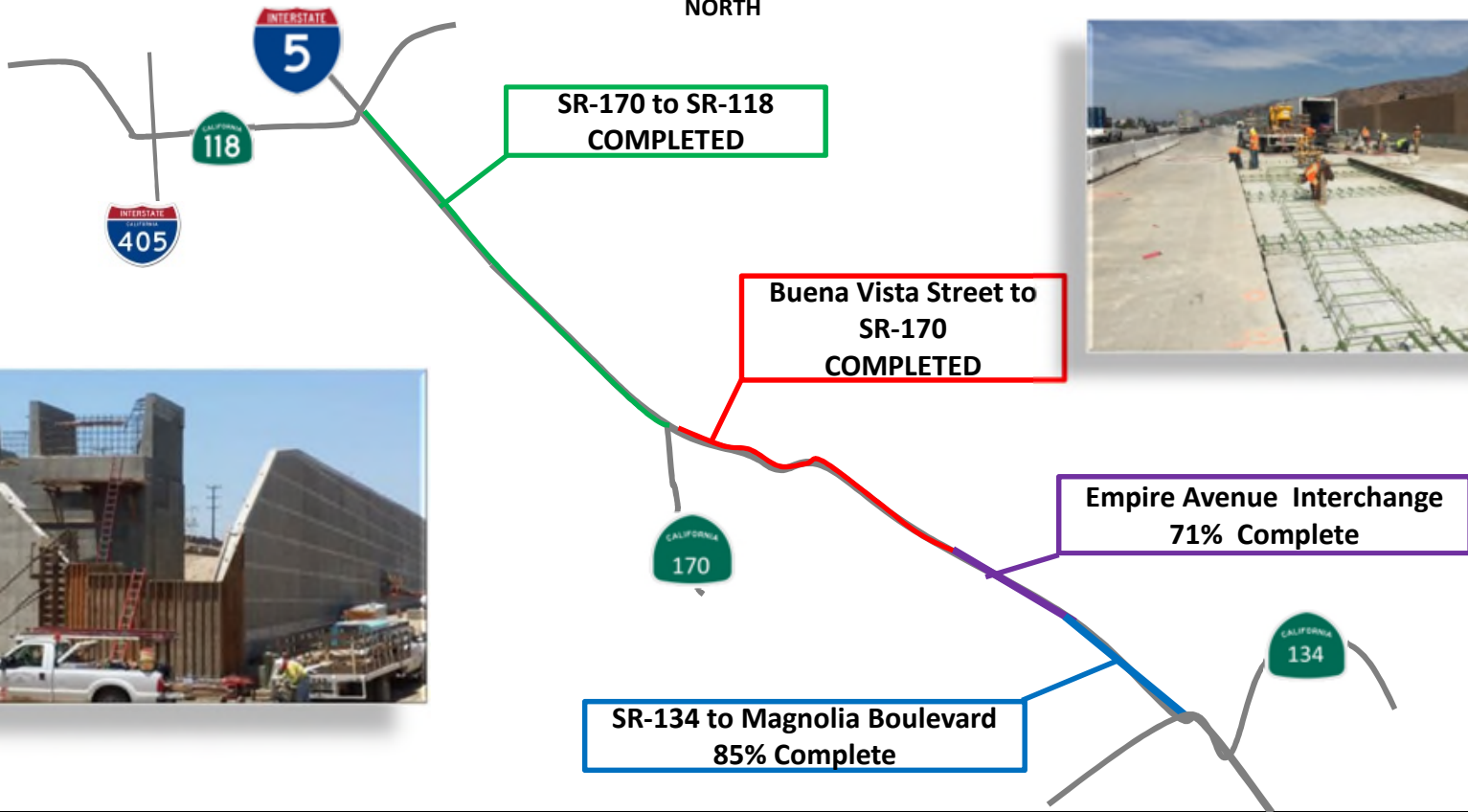


# I-5 NORTH: SR 118 TO SR 134



⚠ BUDGET		
TOTAL COST	Current \$880.9M	Forecast TBD

🟡 SCHEDULE		
ANTICIPATED PROJECT COMPLETION	Current Spring 2022	Forecast Summer 2022



February 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 13

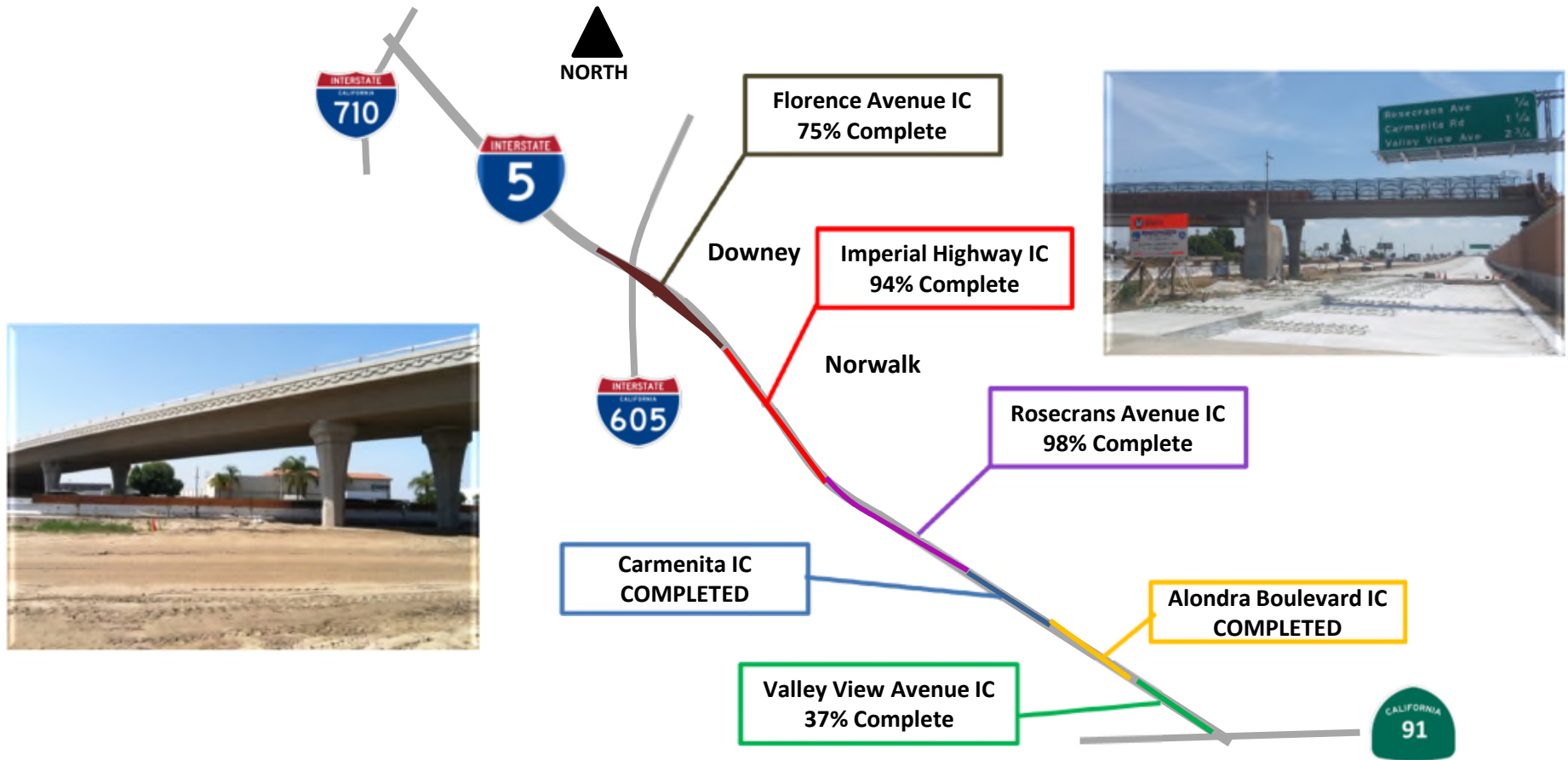


# I-5 SOUTH: ORANGE COUNTY LINE TO I-605



◆ BUDGET	Current	Forecast
TOTAL COST	\$1.888B	TBD

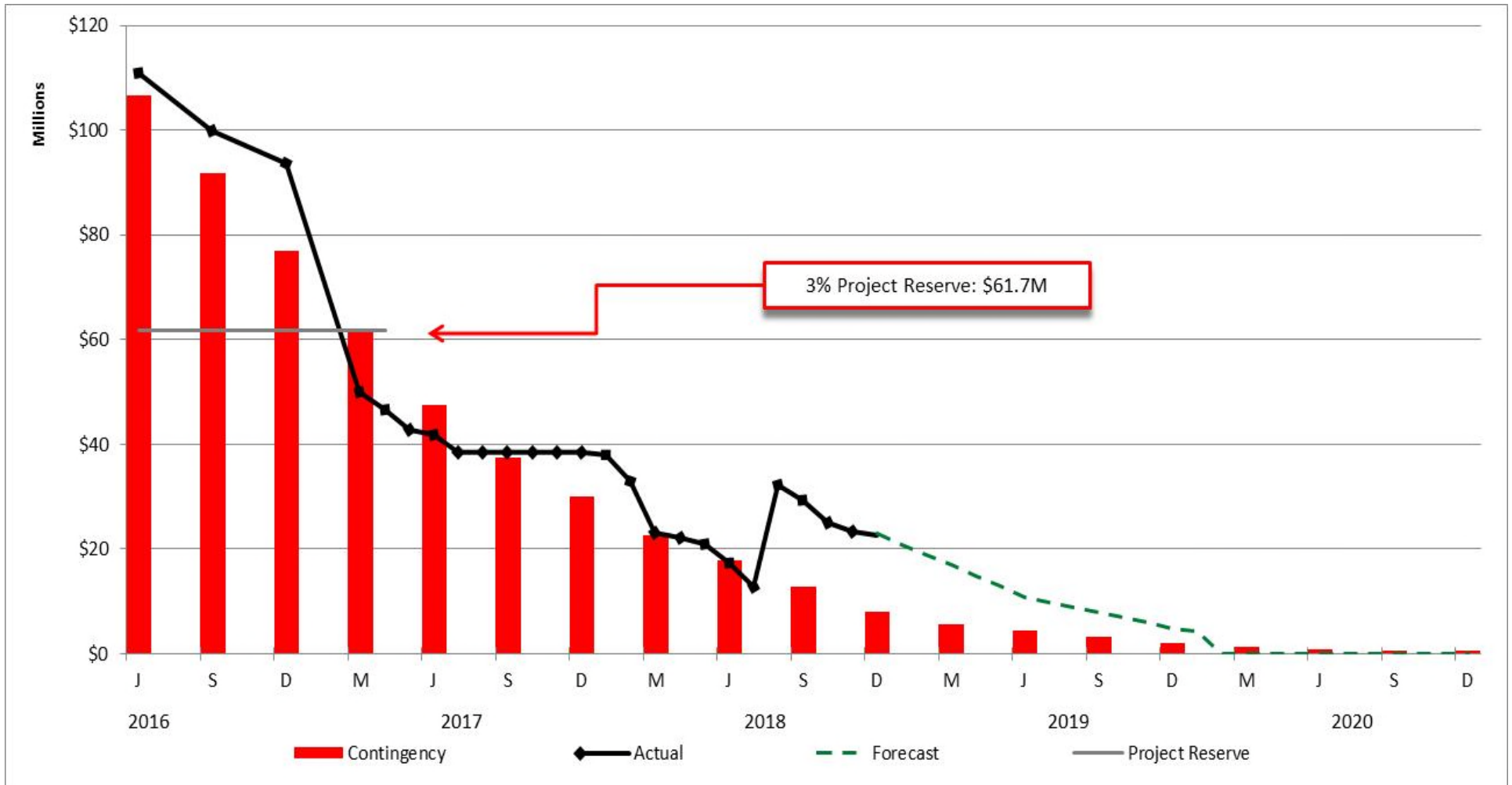
◆ SCHEDULE	Current	Forecast
ANTICIPATED PROJECT COMPLETION	Summer 2022	Fall 2022



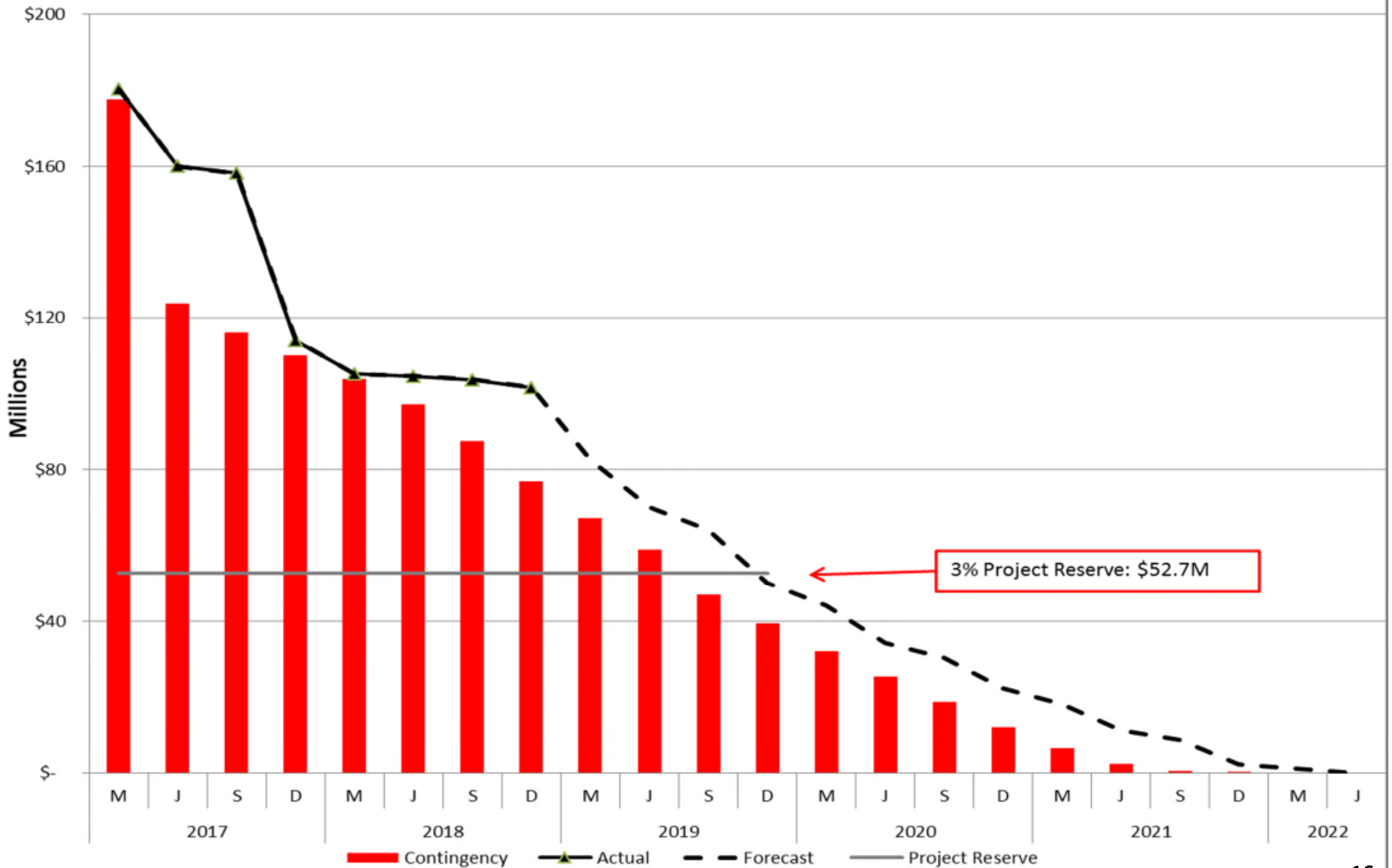
# Crenshaw/LAX Transit Project

## Project Cost Contingency Drawdown

December 2019



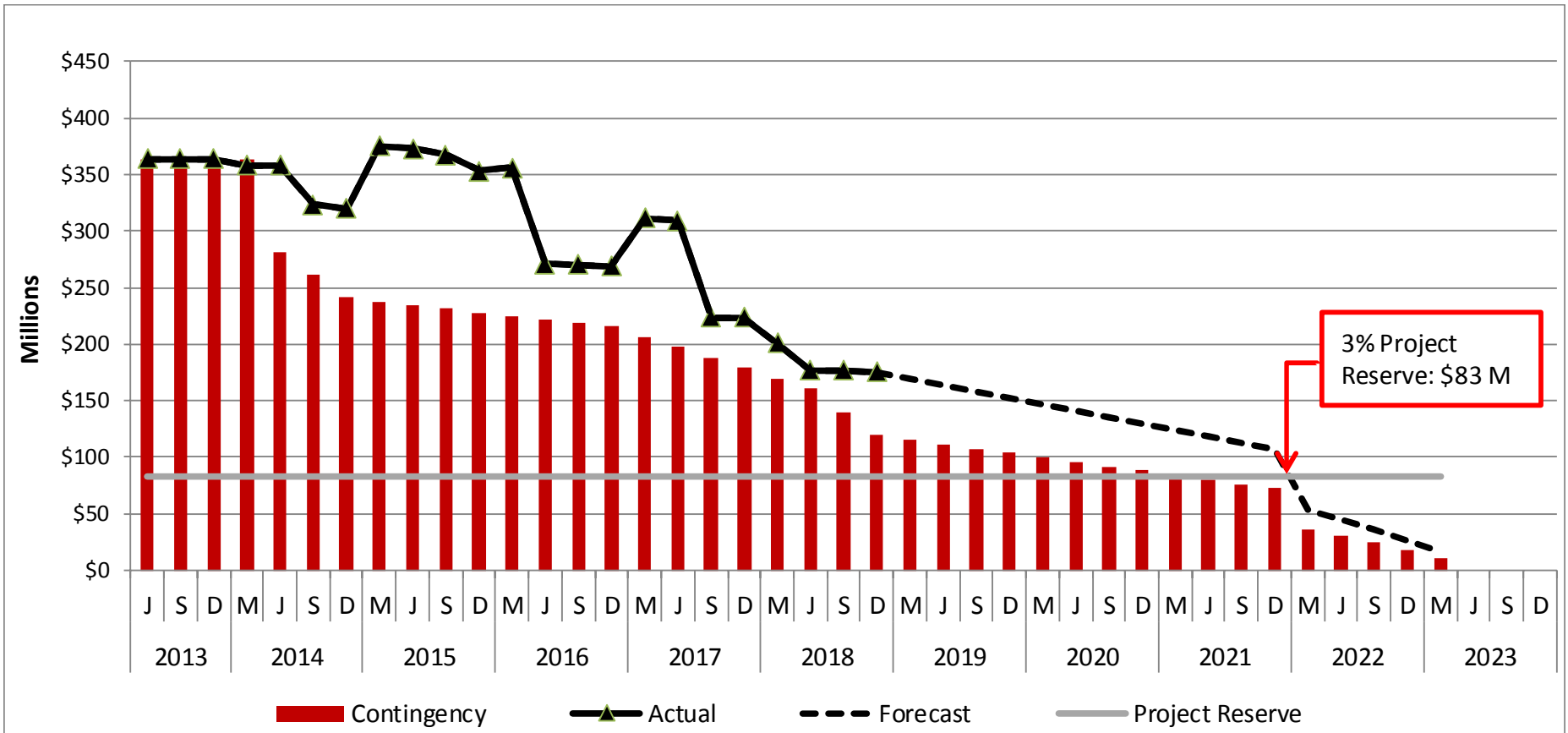
# Regional Connector Project Cost Contingency Drawdown



# Westside Purple Line Extension – Section 1

## Project Cost Contingency Drawdown

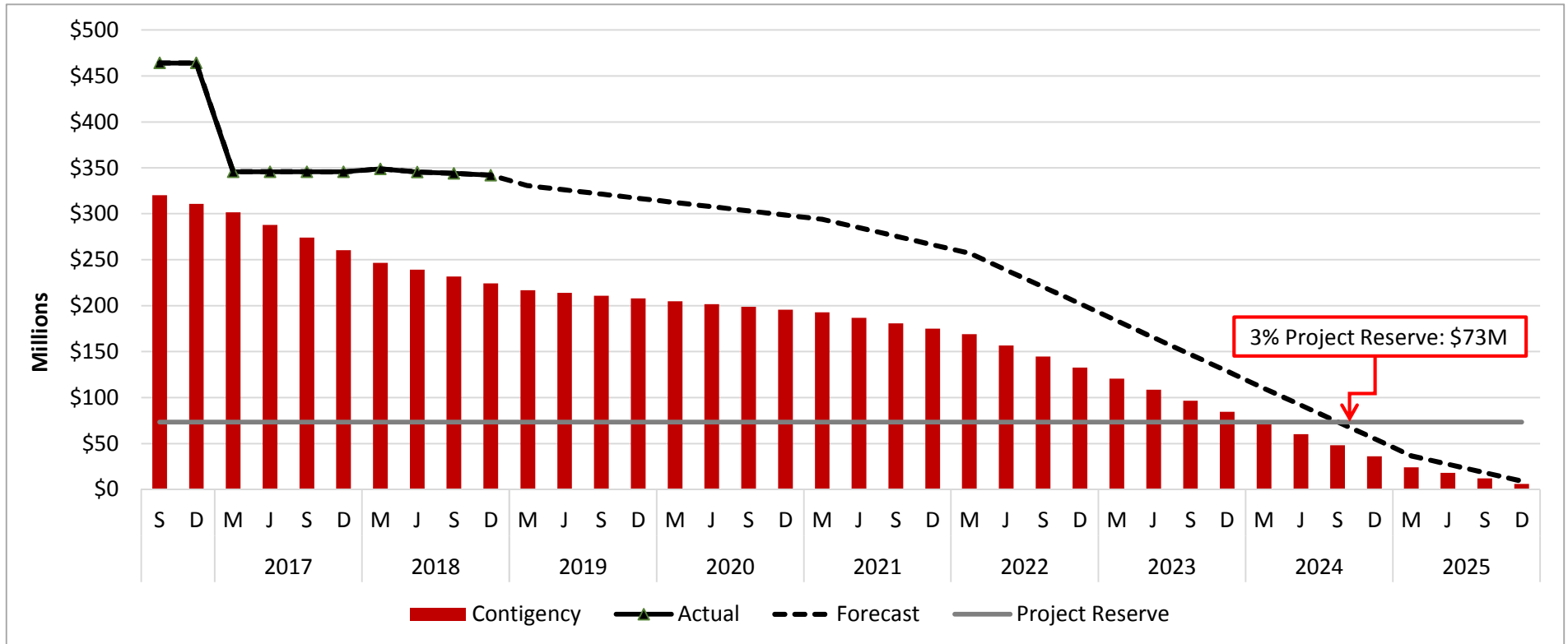
December 2018



# Westside Purple Line Extension – Section 2

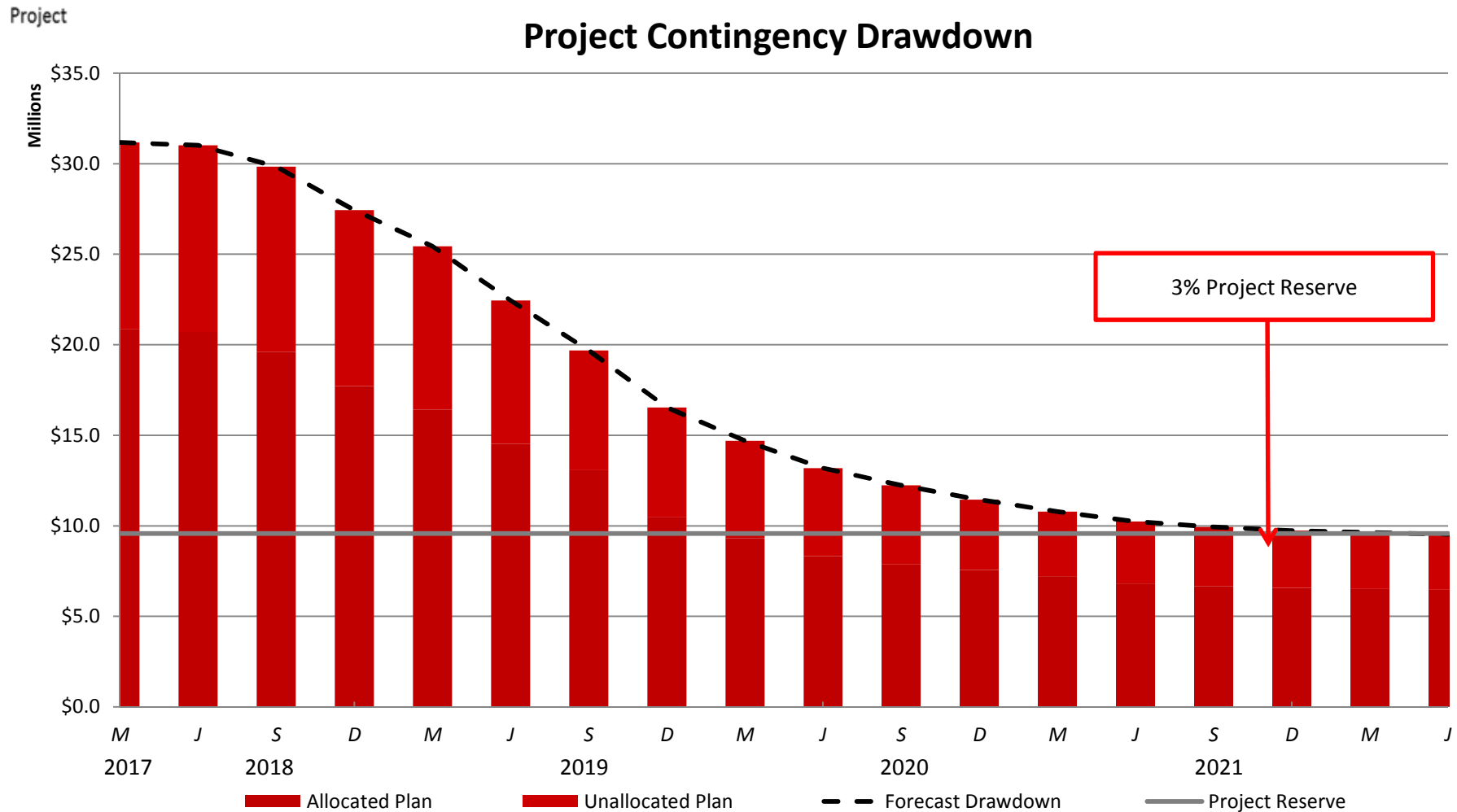
## Project Cost Contingency Drawdown

December 2018



# The New Blue

## Project Cost Contingency Drawdown



3% Project Reserve

- Blue Line Signal Rehabilitation
- Blue Line Track and System Refurbishment
- Willowbrook/Rose Park Station



**Board Report**

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**File #:** 2019-0084, **File Type:** Oral Report / Presentation

**Agenda Number:** 34.

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**CONSTRUCTION COMMITTEE  
FEBRUARY 21, 2019**

**SUBJECT: OUTSTANDING CITY OF LOS ANGELES ISSUES**

**ACTION: ORAL REPORT**

**RECOMMENDATION**

RECEIVE oral report on outstanding City of Los Angeles issues.

**DISCUSSION**

Outstanding City of LA Issues for the Crenshaw/LAX project.

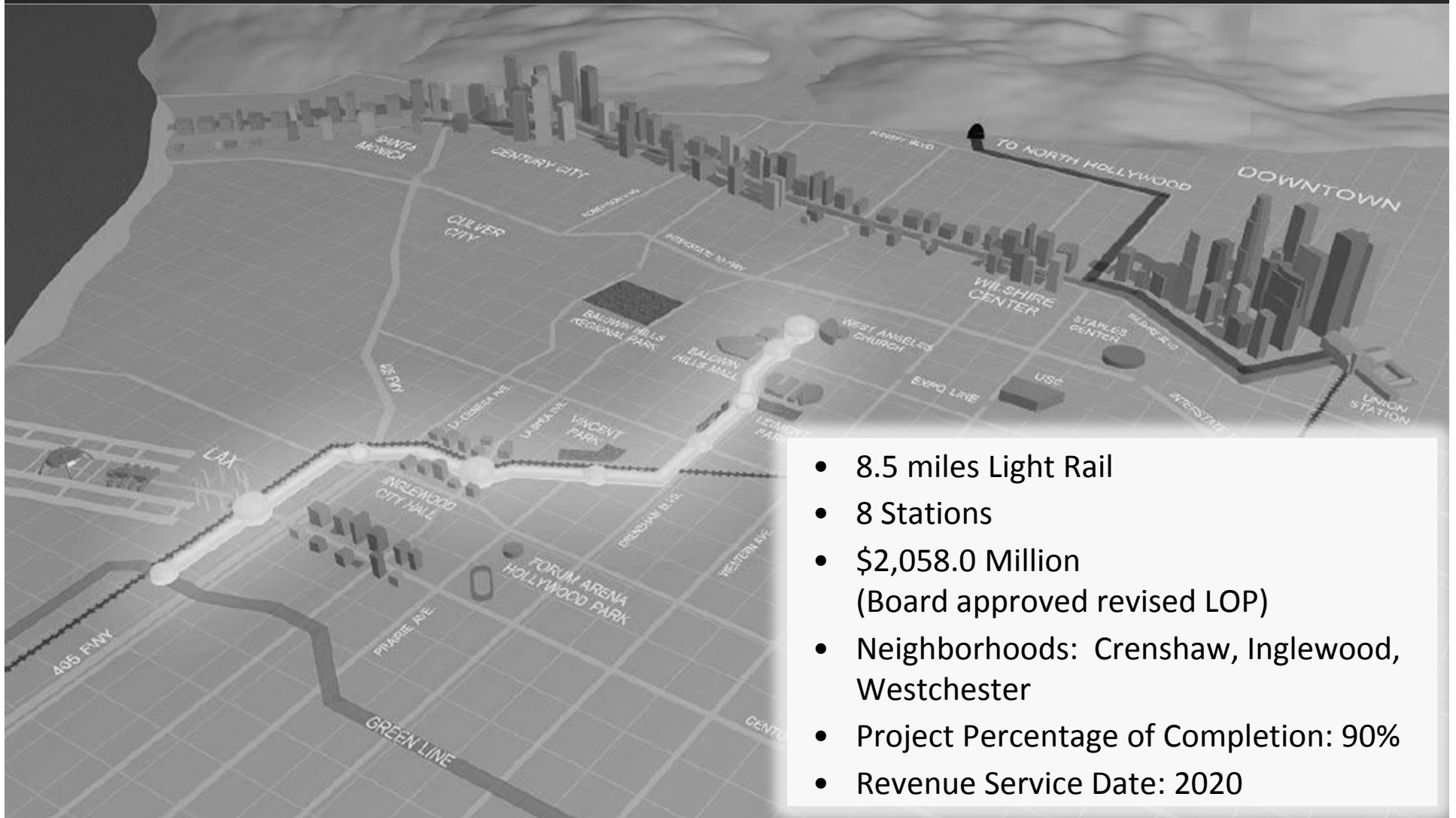
**ATTACHMENTS**

Attachment A - Outstanding City of LA Issues

Prepared by:

- **Crenshaw/LAX** - Sameh Ghaly, Sr EO Project Mgmt., (213) 418-3369

# Crenshaw/LAX Transit Project OUTSTANDING CITY OF LA ISSUES





# Crenshaw/LAX Transit Project OUTSTANDING CITY ISSUES

- Outstanding closure items
- Park Mesa Heights deficiencies
- Incomplete work items



**Metro**

**Crenshaw/LAX Transit Corridor**

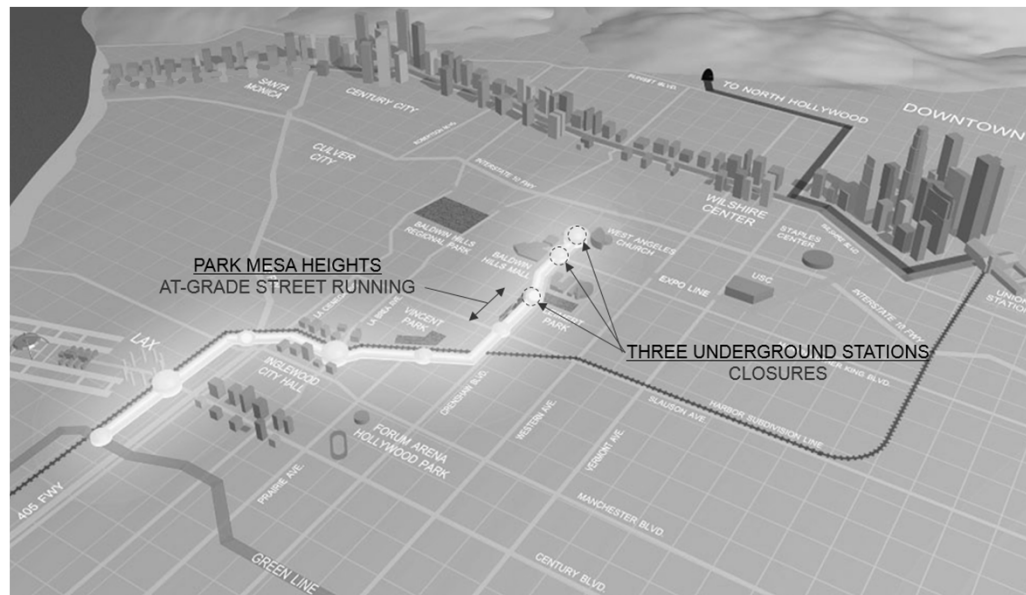


# Crenshaw/LAX Transit Project OUTSTANDING CLOSURE ISSUES

**Expo Closure – 18 Issues**

**MLK Closure – 15 Issues**

**Vernon Closure – 19 Issues**



**Metro**

**Crenshaw/LAX Transit Corridor**



# Crenshaw/LAX Transit Project OUTSTANDING CLOSURE ISSUES



AT&T Line Conflict w/SD (MLK Closure)



Hobus Pipe Connection to GSMH  
(Expo Closure)



Sidewalk Grades (Expo Closure)



Gas Line Embedded Forms Left in Place (Expo Closure)



Walers Left In Place (Vernon Closure)



Metro

Crenshaw/LAX Transit Corridor



# Crenshaw/LAX Transit Project

## PARK MESA WORK DEFICIENCIES

- Total number of deficiencies: 426
  - Heaving sidewalk panels
  - Cracked sidewalk panels
  - Cracked curb & gutter
  - Spalled curb & gutter
  - Adjusting pull boxes
  - Grinding sidewalk pavement
  - Incomplete sidewalk panels and curb & gutter



**Metro**

**Crenshaw/LAX Transit Corridor**



# Crenshaw/LAX Transit Project

## PARK MESA WORK INCOMPLETE

- Total number of incomplete work items: 107
  - Street lighting luminaires not installed
  - Photo camera poles not installed
  - Traffic signal cabinets not installed
  - Traffic signal ped. heads not installed



**Metro**

**Crenshaw/LAX Transit Corridor**



# Crenshaw/LAX Transit Project OUTSTANDING PARK MESA ISSUES



Crack in Sidewalk (East side, 50<sup>th</sup> St.)



Heaving of Sidewalk (West side, 54<sup>th</sup> & 57<sup>th</sup>)



Back-of-walk lippage w/private property (Crenshaw NB 57<sup>th</sup> St )



Block out (Northeast corner, 54<sup>th</sup> Street)



Spalling at Meter Box (West side, 50<sup>th</sup> & 52<sup>nd</sup>)



Metro

Crenshaw/LAX Transit Corridor



# Crenshaw/LAX Transit Project OUTSTANDING AVIATION/CENTURY ISSUES



Aviation/104<sup>th</sup> St. Damaged Curb and Roadway  
NNC 043-0818



Aviation/Century Blvd. Ponding at Median Design Issue



**Metro**

**Crenshaw/LAX Transit Corridor**



# Crenshaw/LAX Transit Project PROCESS TO RESOLVE

- Remove design obstacles
- Address outstanding contractual issues
- Continue to work with contractor
- Prepare Construction Work Plans (CWP)
- Hold readiness reviews
- Execute work



Metro

Crenshaw/LAX Transit Corridor







## Board Report

File #: 2018-0803, File Type: Contract

Agenda Number: 26.

### CONSTRUCTION COMMITTEE FEBRUARY 21, 2019

**SUBJECT: METRO PILOT BUSINESS INTERRUPTION FUND (BIF)**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. AWARD a two-year base period, firm fixed price Contract No. PS56079000 with Pacific Coast Regional Small Business Development Corporation (PCR) to serve as the fund administrator for Metro's Pilot Business Interruption Fund (BIF) in the amount of \$1,585,246 with two, one-year options, in the amounts of \$720,882 and \$650,306, respectively, with an optional start-up of \$391,576 for the inclusion of future new rail lines in this pilot, for a total amount of \$3,348,010;
- B. EXPAND the Pilot Business Interruption Fund to include eligible small "mom and pop" businesses directly impacted by construction of the Purple Line Extension, Section 3; and
- C. RECEIVE AND FILE the status report of the Pilot Business Interruption Fund (BIF).

#### **ISSUE**

In October 2014, Metro's Board issued Motion 57 (Attachment A) that authorized the CEO to establish a pilot program for a special Business Interruption Fund (BIF) for "mom and pop businesses" located along the Crenshaw Line, the Little Tokyo area along the Regional Connector and Phase I of the Purple Line Extension. Since the adoption of the Motion and the implementation of the BIF, Metro has expanded the program to include "mom and pop" businesses within the 2nd/Broadway segment of Regional Connector including Section 2 of the Purple Line Extension. Metro has continued to provide financial assistance to directly impacted eligible businesses through the contracted professional services of Pacific Coast Regional Small Business Development Corporation (PCR), a Community Development Financial Institution (CDFI) and Small Business Development Center (SBDC) serving as the BIF fund administrator.

The authorization of the professional services contract supports the ongoing implementation of the BIF as approved by Metro's Board of Directors.

## **BACKGROUND**

Upon Board authorization in 2014, Metro staff convened a cross-function team to develop a strategy for the implementation and administration of the BIF. Staff initiated several actions such as: conducted peer agency review of Houston Metro's Business Assistance Fund Program, retained the services of dedicated counsel to provide oversight for the development of business loss claims guidelines and procedures, conducted a meeting with the Design Build Contractors for Crenshaw/LAX and Regional Connector transit projects, identified two approaches for the administration and implementation of the BIF; and conducted a Measure R policy analysis and funding assessment.

The BIF had a soft-launched in February 2015 and formally launched in April 2015. In December 2015, Metro's Board authorized the expansion of the BIF to include "mom and pop" businesses directly impacted by unprecedented full street closures with a duration greater than six continuous months such as the 2nd/Broadway segment of the Regional Connector; and Metro's Board authorized the expansion of the BIF to include Section 2 of the Purple Line Extension in December 2016. The pilot program has been operational for four-years of the authorized eight-year term.

## **DISCUSSION**

As a result of staff's efforts, the agency has provided financial assistance and support to more than 300 "mom and pop" businesses directly impacted by transit rail construction. As of December 13, 2018, Metro has awarded 794 grants exceeding the total amount of \$18.5 million to "mom and pop" businesses throughout the project areas. The early successes of the pilot program are demonstrated in the measures of effectiveness of which 93% of businesses have remained in operation six months post grant award; 86% one-year post grant award; and 82% two years post grant award. Moreover, Metro has helped retain more than 1,200 jobs in the diverse business corridors through the award of BIF grants to "mom and pop" businesses.

This report provides a high-level update on the BIF in relation to small business outreach and engagement, overall performance and utilization including ongoing monitoring and oversight; and preparations for the pilot program assessment.

### **A. Small Business Outreach and Engagement**

Staff, along with PCR, continues to implement various outreach activities and methods to inform and educate small businesses about the BIF, provide direct support throughout the application process and link businesses to other small business support services such as Metro's Crenshaw/LAX Transit Project Pilot Business Solution Center (BSC); Metro's Little Tokyo Community Relations Office and/or the Little Tokyo Small Business Center co-located at Metro's Community Relations office including

PCR’s Small Business Development Corporation; and Metro’s Eat-Shop-Play program.

Recognizing many small businesses are independent and/or family owned and operated, direct proactive outreach and canvassing continues to be the most effective means in engaging small “mom and pop” businesses along each transit project corridor; and providing them with direct support during the BIF application process. Therefore, the following outreach activities are ongoing:

- Metro and PCR continue to advance coordinated outreach and communication strategies to reach businesses in each of the transit rail corridors; such as:
  - Hosting BIF workshops at business locations
  - Partnering with Metro’s BSC to co-host small business informational sessions and workshops
  - Collaborating with Metro’s Eat-Shop-Play to implement innovative strategies to engage small businesses.
- PCR’s Business Advisors continue direct canvassing and provide hands-on support and guidance to business owners.
- Metro staff continues to identify opportunities to collaborate with community leaders, business leaders and stakeholders for the implementation of customized outreach strategies; including participate in community and project meetings along each corridor.
- Staff also continues to leverage various platforms to publicize the pilot program and reach the business community such as: a dedicated BIF website, social media platforms such Facebook and Twitter including The Source and El Pasajero; and local print media publications.

The following table highlights outreach activities by project area.

<b>BIF Outreach Activities by Project Area - Reporting as of CY 2018 Q3</b>					
	<b>Crenshaw/LAX Transit Project</b>	<b>Purple Line Extension, Section 1</b>	<b>Purple Line Extension, Section 2</b>	<b>Little Tokyo Area, Regional Connector</b>	<b>2nd/Broadway Segment, Regional Connector*</b>
Canvassing	85	90	35	16	34
Community Meetings/Events	77	32	20	49	4
Legislative Briefings	8	6	4	2	9
Workshops	19	17	1	10	7
<b>Total</b>	<b>189</b>	<b>145</b>	<b>60</b>	<b>77</b>	<b>54</b>

\*Segment eligibility based on full street closure with duration greater than six continuous months.

**B. Performance and Utilization**

The level of commitment and effort of Metro staff to engage small businesses and achieve the Board of Director’s objective to support “mom and pop” businesses directly impacted by transit rail construction is demonstrated through the measurable outcomes of the pilot program. Eligible “mom and pop” businesses in each transit project area have received BIF grants in accordance to the BIF Administrative Guidelines (Attachment B).

Following summary of BIF grant application metrics through December 13, 2018:

- BIF Applications Submitted: 1,036
  - BIF Applications Awarded: 794
  - BIF Applications Pending Completion: 142
  - BIF Applications Deemed Ineligible: 92
  - BIF Applications Denied: 2
- BIF Grant Payments (total value): \$18,508,832.71

The following table summarizes the BIF application metrics by project area.

<b>BIF Application Metrics by Project Area - Reporting as of 12/13/18</b>					
	<b>Crenshaw/ LAX Transit Project</b>	<b>Purple Line Extension, Section 1</b>	<b>Purple Line Extension, Section 2</b>	<b>Little Tokyo Area, Regional Connector</b>	<b>2nd/ Broadway Segment, Regional Connector*</b>
BIF Applications Submitted	621	226	41	104	44
BIF Grants Awarded	460	180	27	91	36
BIF Applications Pending Completion	97	29	13	3	0
BIF Applications Deemed Ineligible	58	16	0	10	8
BIF Applications Denied	2	0	0	0	0
BIF Grant Amount Awarded	\$10,380,384.01	\$4,594,161.83	\$736,587.60	\$1,847,535.24	\$950,164.03
Business Count	185	70	19	33	23

Businesses Receiving Multiple Grants	125	43	7	29	10
Average BIF Grant Payment	\$22,566.05	\$25,523.12	\$27,281.02	\$20,302.59	\$26,393.44

\*Segment eligibility based on full street closure with duration greater than six continuous months.

The following data summarizes the BIF Measures of Effectiveness.

BIF Measures of Effectiveness - Reporting as of CY 2018 Q3	Goal	Actual
Number of businesses referred to support services post grant award	75%	100%
Number of completed applications processed within 9 business days	100%	97%
Client satisfaction rating (via survey): <= 30 days after grant award	100%	87%
Number of businesses remaining in business post grant award/support for: 6 months (248 remain open out of 267)	100%	93%
Number of businesses remaining in business post grant award/support for: 12 months (187 remain open out of 220)	100%	86%
Number of businesses remaining in business post grant award/support for: 24 months (112 remain open out of 139)	100%	82%

### C. Program Monitoring and Oversight

Over the course of performing oversight and monitoring of the pilot program, Metro staff continues to assess lessons learned and the overall performance of the program. Recognizing the importance to maintain a fiscally prudent yet efficient program that meets the objective of providing access to financial assistance to directly impacted “mom and pop” businesses while maintaining a nexus to Metro’s construction activity; staff continues to maintain the integrity of the program through adherence to the BIF Administrative Guidelines. The BIF is a first-ever pilot program for Metro hence staff continues to assess construction impacts through the coordinated construction verification process including assess the applicability of the program guidelines; and gain lessons learned that have led to adjustments to the pilot program. Throughout the implementation of the pilot, staff has maintained the integrity of the program through consistent and equitable application of the guidelines.

Following are examples of adjustments made to the pilot program through administrative

amendments to the BIF Administrative Guidelines:

- Definition of “mom and pop” businesses: Staff clarified the definition of “mom and pop” businesses as 25 or fewer total full-time employees.
- Commercial property owners: The BIF Administrative Guidelines were amended to include two examples for the calculation of award amount for commercial property owners.
- Maximum grant amount: The guidelines were amended to clarify the language pertaining to maximum allowable annual grant amount.
- Loss of goodwill compensation: In coordination with Metro Real Estate and County Counsel the guidelines were amended to include language pertaining to business owners that receive loss of goodwill compensation.

Furthermore, Metro’s BIF Administrative Guidelines also require an annual audit of the program to be conducted by Metro’s Management Audit Services Department (MASD). The objective of the audit is to determine compliance with the Administrative Guidelines including the Fund Disbursement Procedures. MASD has performed three annual audits in May 2016, September 2017 and October 2018. In addition, the Inspector General (IG) conducted a program audit in July 2018. Although the audits concluded that the pilot program has been administered in accordance to the BIF Administrative Guidelines and Fund Disbursement Procedures, staff continues to perform ongoing oversight of the program and per the recommendation of MASD recently identified opportunities to strengthen the fund administrators’ Standard Operating Procedures (SOPs).

#### **D. Pilot Program Assessment**

Recognizing the BIF is Metro’s first-ever pilot program to provide financial grant assistance to small “mom and pop” businesses directly impacted by transit rail construction, the ability to assess the demonstrated outcomes and impacts to the supported business corridors and the local economy is essential. The opportunity to facilitate a comprehensive assessment of the pilot program will occur upon the completion of the first transit rail construction project for which the BIF provided financial assistance to small businesses; which is the Crenshaw/LAX Transit Project. Staff recognizes the Crenshaw/LAX Transit Project as the “anchor” project for the pilot BIF in that it was the first project in operational state with “mom and pop” businesses experiencing direct impact upon the initial implementation of the program. In addition, as staff continues to assess the construction impacts to the small businesses through the construction verification process, “mom pop businesses” located along Crenshaw/LAX transit corridor have demonstrated an elevated degree of impact based on the construction activity which is demonstrated through the increased number of BIF applications and grantees along the transit rail alignment.

Metro staff will initiate a comprehensive case study assessment of the pilot program upon the completion of the “anchor” transit rail project. Through a comprehensive assessment staff seeks to demonstrate the measurable outcomes and effectiveness of the BIF through in-depth analysis of

economic and socio-economic indicators such as:

- Direct and indirect benefits: Recognizing the BIF compensates impacted businesses for loss of revenue, the compensation provided through the program is a direct benefit to businesses including the local and regional economy.
- Business resiliency: The program strives to help businesses, communities, and the local economy sustain the challenges of construction and remain operational to net the benefits of transit rail construction.
- Socio-cultural direct and indirect benefits: To understand the correlated benefits of the financial and supportive services provided through the program to diverse “mom and pop” businesses such as the South Los Angeles business community which is impacted by the Crenshaw/LAX transit project and includes the Little Tokyo community of the Regional Connector (which is an Environmental Justice community) among others.

Moreover, the comprehensive assessment of the pilot program will also serve as resource to support a policy determination regarding the future state of the BIF. Currently, the pilot program has Board of Directors authorization through October 2022.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this recommendation will not impact the safety of Metro’s patrons or employees.

### **FINANCIAL IMPACT**

Metro Board of Directors directed staff to identify \$10 million in eligible annual funds to support the annually funded pilot program for an estimated forecast of eight-year (8) term thus \$80 million cost for the pilot program. The actual annual cost continues to be assessed based on the actual BIF claims for each existing BIF transit rail project. The administrative cost for the implementation of the pilot program are allocated from Measure R Administration funds, and the remaining for the grant fund are allocated from a combination of Proposition C 25% Direct funding (one third) and Measure R Transit Capital Improvement Sub-fund (two thirds) and/or appropriate sources as identified by Office of Management & Budget (OMB).

#### **Impact to Budget**

Measure R Administration funds were previously identified as eligible for this expense through prior Board of Directors authorization and approval. The annual appropriation of the funding source does not impact transit operations and/or capital projects/programs.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The implementation of the Pilot Business Interruption Fund aligns to strategic goal 3 - enhance

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communities and lives through mobility and access to opportunity; and goal 5 - provide responsive, accountable, and trustworthy governance within the Metro organization.

### **ALTERNATIVES CONSIDERED**

1. Utilize Metro staff to perform the fund administration services for BIF. This alternative is not recommended, because Metro does not have the required staffing availability, dedicated resources or expertise to serve as a financial administrator such as those possessed by a community development financial institution. In addition, the program is currently supported by one dedicated FTE that was authorized through the original Board authorization. Any future expansion and/or formulization of the pilot program will require additional Metro staffing.

### **NEXT STEPS**

Upon Board approval, staff will execute the contract with Pacific Coast Regional Small Business Development Corporation and will continue to provide BIF status reports to Metro's Board of Directors.

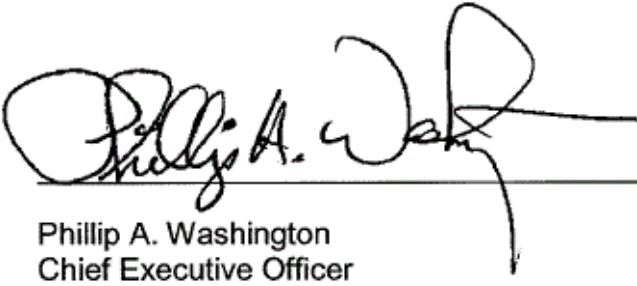
### **ATTACHMENTS**

Attachment A - Motion 57  
Attachment B - BIF Administrative Guidelines  
Attachment C - Procurement Summary  
Attachment D - DEOD Summary

Prepared by: Paula Carvajal-Paez, Business Interruption Fund Manager, Diversity and Economic Opportunity, (213) 922-4258  
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Miguel Cabral, Executive Officer, DEOD (213) 418-3270

Reviewed by: Debra Avila, Chief Vendor/Contract Management Officer, Vendor/Contract Management, (213) 418-3051





Phillip A. Washington  
Chief Executive Officer

**Amendment to Item 57**

**Motion by Directors Molina, Dupont-Walker, Ridley-Thomas and Garcetti**

**Business Interruption Fund**

September 18, 2014

**WE, THEREFORE, MOVE that the Board direct the Chief Executive Officer to:**

1. Establish a pilot program for a special **Business Interruption Fund** for mom and pop businesses located along the Crenshaw Line, within the Little Tokyo area along the Regional Connector, **and Phase I of the Purple Line Extension** immediately.
  
2. Define mom and pop businesses as those **meeting the following criteria:**
  - a. Having 25 employees or fewer;
  - b. **A minimal operational history of two years;**
  - c. **Being in good standing with local, state and federal tax requirements; and**
  - d. **Able to produce financial records (i.e. gross receipts, business license information, pay roll taxes and other pertinent financial information) demonstrating the loss of business revenue directly related to the period of construction disruption.**
  
3. Conduct a baseline survey of all businesses within the project areas.

4. **Identify and designate \$10,000,000 of Metro funds annually to be used for the implementation of the Business Interruption Fund. Funds shall be distributed through the project's administration and/or respective Business Solution Center.**
5. **Each business should be eligible for a maximum of \$50,000 annually, not to exceed 60 percent of their annual business revenue loss.**
6. Participation in the program would release MTA and the general contractor from further liability claims for business loss unrelated to specific incidents of damage and would be voluntary.
7. **Direct the Chief Executive Officer to work with Los Angeles County and local cities to seek all appropriate legislation that would temporarily reduce or waive taxes and fees imposed on impacted businesses during transit-related construction activities and work with the Los Angeles County Assessor's Office to immediately initiate outreach activities to businesses impacted by transit-related construction activities in order to inform them of the Assessor's Office Proposition 8/Decline-in-Value Review process.**
8. Report back to Construction Committee monthly, **beginning in October**, with an implementation plan **and report back to the Board of Directors in September 2015 with an evaluation of the program including utilization levels and recommendations for program modification.**



**Metro**

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Metropolitan Transportation Authority

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**Los Angeles County Metropolitan Transportation Authority  
Business Interruption Fund**

**Administrative Guidelines  
Updated 7/19/18**

**I. Introduction**

The Board of Directors of the Los Angeles County Metropolitan Transportation Authority (Metro) on October 2, 2014, voted to immediately establish a pilot Business Interruption Fund (BIF) for “mom and pop” businesses located along three specified Metro construction projects; and on December 3, 2015, voted to expand the BIF for “mom and pop” businesses impacted by unprecedented full street closures with a duration greater than six continuous months along the Metro construction projects as defined below. On December 1, 2016 Metro’s Board voted to expand the BIF to “mom and pop” businesses located along the Purple Line Extension, Section 2. Metro’s goal through the BIF is to mitigate the financial impact of rail construction on small businesses. This goal shall be achieved by awarding small business grants to cover certain fixed operating expenses. The BIF, indeed, is a demonstration of Metro’s commitment to being a trusted community builder, partner, and stakeholder.

Qualifying businesses for BIF awards shall be those with at least two years of operating history along one of the three specified Metro construction corridors; 25 or fewer total full-time employees; in good standing with local, state and federal taxing and licensing authorities; and able to produce financial records demonstrating a loss of business revenue directly related to the period of construction disruption. Owners of commercial properties will also qualify if they can demonstrate that current or future leases have been terminated as a result of certain Metro construction projects. Participation in the BIF will be limited to businesses whose revenues decreased as a result of construction activities from specified Metro construction projects. The BIF will not compensate businesses for interruptions or property damages caused by Metro contractors. These Administrative Guidelines and all other aspects of the Business Interruption Fund are subject to change throughout the course of the program.

**II. General Provisions**

**A. Definitions**

1. **Small “mom and pop” businesses** for the purposes of this program are defined as for-profit businesses or non-religious, non-profit businesses with 25 or fewer total full-time employees meeting the eligibility requirements (as specified in Section II.B).
2. **Relevant Metro Construction Projects** refers to the following:
  - The Crenshaw/LAX Line
  - The Regional Connector (Little Tokyo section and 2<sup>nd</sup>/Broadway segment)
  - Section 1 and Section 2 of the Purple Line Extension.



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3. **Immediately adjacent to a rail corridor** refers to a business whose property line abuts or faces the rail corridor or a designated construction staging or construction storage area, including a business located in a mall or strip-mall that is similarly situated. A map of parcels in which such businesses are located is available.
4. **Construction period** refers to the period after Metro issued a Notice to Proceed to the construction project's Design Build Contractor in which activity related to a Metro rail construction project (as specified in Section II.A.2) occurred in front of a business or on the block in which a business is situated.
5. **Solvency** is defined as the ability to pay legal debts. Businesses in bankruptcy, as a documented result of Metro construction projects, are still considered solvent as long as they are reorganizing and have not filed Chapter 7 for liquidation.
6. **Revenue decrease and therefore impact** is defined as a decrease in business revenues throughout the quarter(s) containing construction periods (as defined in Section II.A.4) from a specified Metro rail construction project (as specified in Section II.A.2) occurred as compared to the same quarter(s) one year prior to the construction period. For commercial property owners, revenue decrease and impact may be defined differently and other special provisions may apply.
7. **Business** refers to entities registered with and defined by the Internal Revenue Service as a Sole Proprietorship, a Partnership, a Corporation, an S Corporation, or a Limited Liability Corporation.
8. **Non-profits** refers to organizations qualified as tax-exempt by the Internal Revenue Service.
9. **Commercial Property Owners** are defined as owners who rent or lease property for retail, office, or other non-residential use.

## B. Eligible Businesses

Businesses eligible to receive awards from the BIF must meet all of the eligibility criteria listed below:

1. For-profit businesses or non-religious non-profit organizations (as defined in Section II.A.7 and Section II.A.8)
2. Businesses located immediately adjacent to a Metro rail construction project (as specified in Section II.A.2 and Section II.A.3) which experienced impacts during construction periods as defined in Sections II.A.4 and II.A.6.



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3. Businesses that meet the following technical qualifications to participate in the program:
  - Businesses which have 25 or fewer total full-time employees as of the period covered by their claim or claims. Full-time employees (who work 35+ hours per week) are each counted as one;
  - Businesses which have been in continuous operation for at least two years (24 months) immediately adjacent to a specified Metro rail construction project (as specified in Section II.A.2);
  - Businesses with the ability to provide all relevant documents listed in Section IV.B and any other documents required by the BIF administrator's Required Documents Checklist, including all records necessary to verify eligibility and/or construction-related revenue losses.
4. Businesses which are solvent (as defined in Section II.A.5).
5. Businesses which are in good standing with all local, state, and federal taxing and licensing authorities.
6. Businesses which have experienced a revenue decline in the most recent quarter(s) since the construction period (defined in Section II.A.4) began as compared to the same quarter(s) one year prior to the beginning of the construction period (as specified in Section II.A.6).
7. Businesses which do not meet any of the criteria specified in Section II.C.

## C. Ineligible Businesses

The following types of businesses are ineligible to participate in the Business Interruption Fund even if they meet other criteria outlined in Section II.B:

1. Non-profit businesses engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs.
2. Businesses generating over 60% of revenues from the sale of alcoholic beverages.
3. Businesses generating revenues from the sale of marijuana.
4. Businesses with any products or services of a sexual nature representing over 50% of their revenue.
5. National or regional chain retailers or outlets unless operated under a franchise agreement and which otherwise meet all eligibility criteria.
6. Owners of residential property or properties.
7. Businesses that relocate on the construction alignment after being displaced from a commercial property by Metro through Eminent Domain Action and compensated for said displacement and loss of goodwill pursuant to California Code of Civil Procedure section 1263.510 may not receive awards from BIF for losses of business revenue at their new location on the alignment.

Note: Metro compensates business owners for the projected financial business loss related to the displacement through the loss of goodwill payment. Business owners release and hold harmless Metro against any and all future claims for compensation through the Acceptance and Release (Loss of Goodwill Claim).



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**D. Eligibility Requirements for Commercial Property Owners**

1. Commercial property owners must meet all eligibility requirements listed in Section II.B.
2. BIF will not accept applications where the property was unoccupied at the beginning of the construction period (as defined in Section II.A.4) and the owner alleges they are unable to rent/lease property due to construction.
3. If a property is occupied, the owner must provide documentation from the tenant that they have ended or will end their lease due to a specified Metro rail construction projects (as specified in Section II.A.2).
4. If a tenant has indicated the intention to end a lease, a commercial property owner must demonstrate continuous efforts to acquire a new tenant through active listing and advertisement of the property.
5. Commercial property owners may not apply for an award if their tenant is also in the Program and is receiving reimbursement to cover rent.
6. A commercial property owner that is both a small business and a landlord (Lessor) may demonstrate dual eligibility up to the maximum program grant limits as specified in Section V.A.1 herein if the “mom and pop” small business is a separate legal entity (as defined in Section II.A.7 and Section II.A.8) and the business and commercial property owner meet the eligibility requirements as stated in Sections II.B.1-7 and II.D.1-6 herein. In the event of dual eligibility, separate applications are required for the small business and commercial property owner.

**III. Financial Assistance**

**A. Eligible Expenses**

Upon approval for a BIF award, the grantee must first use the payment to cover past due amounts for the following fixed operating expenses:

1. Utilities
2. Insurance
3. Rent or Mortgage payments
4. Payroll, or
5. BIF program manager may consider other types of documented business-related expenses.
6. Commercial property owners may only file a claim for mortgage, utilities, insurance and other expenses as determined by the BIF program manager.

Federal and State taxes are not deemed fixed operating expenses for the purposes of BIF grant payments.



# Metro

## IV. Application Process

### A. Application Submission

1. Businesses may submit claims no more frequently than on a quarterly basis, and claim periods should be aligned to standard calendar quarterly increments (i.e. January-March, April-June, July-September, October-December). A business must submit a claim for the quarter that corresponds to the beginning of the construction period (as defined in Section II.A.4). Should the construction period (as defined in Section II.A.4) extend past the end of that quarter, a business may submit subsequent quarterly claims throughout the duration of the construction period provided the business has not already received the maximum allowable amount of \$50,000 per calendar year or 60% of its annual revenue losses (as specified in Section V.A.1). A business whose annual revenue losses exceed the maximum allowable amount may not receive additional BIF grants in a subsequent year for any portion of the excess revenue losses that were not reimbursable in a prior year.
2. Businesses may submit a claim that corresponds to construction impacts that occur **after** the first 24 months of operating history immediately adjacent to a specified Metro rail construction project (as specified in Sections II.A.2 and II.B.3).
3. The business must submit an initial claim within **180 calendar days** from the end of the quarter in which the construction period occurred (as defined in Sections II.A.4 and Sections IV.A.1).
4. In the case of businesses with multiple owners, only one application for each claim may be submitted per business. The signatories to the application must include all owners of the business.
5. In the case of owners with multiple businesses at different locations, each business may submit a claim if it is a separate legal entity (as defined in Section II.A.7 and Section II.A.8) and meets the eligibility requirements (as defined in Section IV.B.1-10). Each separate business may be eligible for a BIF award for up to the maximum allowable amount (as specified in Section V.A.1); separate applications are required for each business.
6. Businesses that are relocated on the construction alignment after being displaced from a commercial property by Metro through Eminent Domain Action and compensated for said displacement through loss of goodwill pursuant to California Code of Civil Procedure section 1263.510 must disclose their acceptance of loss of goodwill upon submitting a BIF claim. Business owners that receive loss of goodwill compensation are ineligible for the BIF (as specified in Section II.C.7). A copy of the Acceptance and Release (Loss of Goodwill Claim) will be supplied by either the business owner or Metro's Real Estate Department. If a business owner that is displaced from a commercial property by Metro through Eminent Domain Action waives loss of goodwill compensation, the owner must provide a statement and/or





# Metro

waiver from Metro's Real Estate Department as verification. In the event of a documented waiver of loss of goodwill, the owner's eligibility to participate in the BIF program will be based on the eligibility requirements (as defined in Section IV.B.1-10).

- B.** Applicants must be pre-qualified to participate in the program. In order to pre-qualify, a business will be required to provide the documents from the following list which are relevant to their particular business:
1. Business and personal federal tax returns from the most recently completed federal tax year.
  2. California Employment Development Department payroll tax returns.
  3. Verification of "good standing" status from the California Secretary of State.
  4. Board of Equalization sales tax reports.
  5. Current lease agreement(s)/rental agreement(s) and those from at least 24 months prior to application date (for both tenants and property owners).
  6. Current property title(s) and deed(s) (for property owners).
  7. Current verification from the Internal Revenue Service attesting to tax-exempt status (for non-profits).
  8. Three months of bank statements covering the construction period (as defined in Section II.A.4) and the comparable period one year prior.
  9. Copies of delinquent bills or debt payments due.
  10. Any additional records requested by the BIF administrator to determine eligibility and/or loss of revenue concurrent with the construction period (as defined in Section II.A.4).
- C.** The above mentioned items will be used to determine both the eligibility of a business for an award from the BIF and an appropriate amount of a BIF award. Approval will be based upon a combination of factors including: confirmation of eligibility and pre-qualification, the financial stability and viability of the company as an ongoing concern, length of time in business, recent past financial performance, and the overall impact of the construction on the business. Management and technical assistance will be available through Pacific Coast Regional Small Business Development Corporation (PCR) serving as Metro's Fund Administrator and/or the respective Business Solution Center (BSC) in the compilation of requisite documents to determine financial viability.
- D.** Once an application is complete, including all supporting documentation noted elsewhere in these guidelines, the assigned BIF advisor will review and analyze it for completeness and, assuming impact can be demonstrated, will calculate a recommended BIF award and prepare a Grant Recommendation Form. This recommendation will be submitted to PCR's BIF review committee, comprised of two PCR senior staff members and PCR's president or another PCR board member, for a total of 3 members.



# Metro

If the president or other PCR senior staff member performs the tasks of business advisor, they may not participate as a member of the BIF review committee but will have to be substituted by a PCR board member.

- E. Any requests that do not meet the requirements outlined herein will not qualify for BIF assistance; but all businesses seeking aid will be offered the full menu of services offered by the BSC and/or PCR which include but are not limited to ongoing business technical assistance and referrals to small business loan programs.
- F. Awards will be distributed by PCR in accordance with a Grant and Funds Disbursement Agreement to be agreed to and signed by both the business owner(s) and PCR.

## V. Construction Impacts: Awards

### A. Loss of Revenue

**1. Calculation of Award Amount:** A business that can demonstrate a decline in gross revenue during a construction period from a specified Metro rail construction project (as defined in Sections II.A.2, II.A.4, and II.A.6) may receive an award in the amount of its lost quarterly revenue. Awards to each business are limited to a maximum of the lesser of 60% of the business' total annual revenue loss or \$50,000; if 60% of the annual loss is less than \$50,000, the award shall be the amount of the actual loss up to \$50,000. Three examples are shown below, each with the assumption of proper licensing, current taxes, proper location, minimum time in business, and otherwise meeting all other qualifying criterion.

**Example A.** - XYZ Company's most recent 3-months of bank statements, internal financial statement, and/or sales tax receipts (since the construction period as defined in Section II.A.4 began) reveal revenues of \$50,000 per month, or \$150,000 for the quarter, which, when compared to the revenues from the same 3-month period in the previous year (\$187,500) from last year's tax return (or financial statement), showed revenues down by 20%. This is summarized as follows:

Quarterly revenues during construction	\$150,000
Less: Prior year's quarterly revenue	<u>-\$187,500</u>
Revenue Reduction/Impact	< \$37,500 > = 20% reduction

Thus, XYZ Company has been impacted, and qualifies for a BIF award in the amount of \$37,500.

**Example B.** – Acme Market's most recent sales tax receipts would indicate sales of \$400,000 for the 90 days since the construction period (as defined in Section II.A.4). The market's tax return, sales tax receipts and other evidence reveal that sales for the



# Metro

same period last year were \$600,000, which would represent a reduction of 33%, or \$200,000 from one reporting period to the next.

Quarterly revenues during construction	\$400,000
Less: Prior year's quarterly revenue	<u>-\$600,000</u>
Revenue Reduction/Impact	< \$200,000 > = 33% reduction

The market has thus been impacted in the amount of \$200,000. However, Acme Market's BIF award amount would be limited to the maximum annual BIF award of \$50,000.

**Example C.** – Construction began outside of ABC Cleaners in April 2014 and lasted through May 2014. ABC's most recent internally prepared financial statement and bank statements indicate revenues of \$85,000 for the 2<sup>nd</sup> quarter of 2014, which is 26% below the quarterly revenues of \$115,000 for the same quarter in 2013. This is summarized as follows:

Quarterly revenues during construction	\$85,000
Less: Prior year's quarterly revenue	<u>-\$115,000</u>
Revenue Reduction/Impact	< \$30,000 > = 26% reduction

ABC Cleaners' BIF award amount for this quarter would be \$30,000.

Additionally, construction continued outside of ABC Cleaners throughout the 3<sup>rd</sup> quarter of 2014. During this quarter, ABC's internally prepared financial statement and bank statements indicate revenues of \$90,000, compared to \$125,000 for the 3<sup>rd</sup> quarter of 2013. Thus, ABC's revenue losses for the 3<sup>rd</sup> quarter of 2014 are as follows:

Quarterly revenues in 3 <sup>rd</sup> quarter 2014:	\$90,000
Less: Prior year's quarterly revenue	<u>-\$125,000</u>
Revenue Reduction/Impact	< \$35,000 > = 28% reduction

Although ABC's revenue losses for this quarter are \$35,000, awarding the business the full amount would exceed the \$50,000 annual maximum, since it had previously received \$30,000 for the second quarter. Accordingly, ABC Cleaners would receive an award of \$20,000 and would not be eligible for any further awards in 2014.

Should construction activity continue in front of ABC Cleaners into 2015, the business would be eligible to apply for an additional BIF award for construction periods in that year. ABC Cleaners may submit subsequent quarterly claims throughout the duration of the construction period provided the business has not already received the maximum allowable amount for the annual period when the construction impact occurred.



# Metro

A commercial property owner that can demonstrate a decline in gross revenue during a construction period from a specified Metro rail construction project (as defined in Sections II.A.2, II.A.4, and II.A.6) may receive an award in the amount of its lost quarterly revenue. Two examples are shown below, each with the assumption of proper licensing, current taxes, proper location, minimum time in business, and otherwise meeting all other commercial property owner qualifying criteria (as defined in Section II.D).

Example D. – Commercial Property Owner A has a tenant with an executed lease. The lease states the rent is \$1,000 per month. Since Metro construction began (as defined in Section II.A. 4), the tenant has experienced revenue loss in the 4th quarter of 2017. The tenant was able to make a partial payment of \$500 for the first month of the quarter but was unable to pay rent the last two months of the quarter. The property owner applies for the BIF to recoup lost rent revenue for that quarter. This scenario is summarized as follows:

Rent billed for 4th quarter of 2017	\$3,000	
Less: Rent revenue received	<u>- \$500</u>	
Revenue Reduction/Impact		< \$2,500 > = 83% reduction

Thus, Commercial Property Owner A has been impacted, and qualifies for a BIF award in the amount of \$2,500. In the example above, per Section II.D.5, commercial property owners may not apply for an award if their tenant is also in the Program and is receiving reimbursement to cover rent.

Example E. - Property Owner B has a tenant with an executed lease. The lease states the rent is \$1,000 per month. Since Metro construction began (as defined in Section II.A. 4), the tenant experienced revenue loss due to ongoing construction impacts. As a result, the tenant broke its lease and left the premises at the beginning of the 4th quarter of 2017. The property owner tries unsuccessfully to re-rent the space vacated by the former tenant. The property owner applies for the BIF to recoup lost rent revenue for that quarter. This scenario is summarized as follows:

Rent billed for 4th quarter of 2017	\$3,000	
Less: Rent revenue received	<u>- \$0</u>	
Revenue Reduction/Impact		< \$3,000 > = 100% reduction

Thus, Property Owner B has been impacted, and qualifies for a BIF award in the amount of \$3,000. In the example above, per Sections II.D.3 and II.D.4, the commercial property owner must provide documentation from the tenant that it ended its lease due to a specified Metro rail construction project (as specified in Section II.A.2) and the commercial property owner must also demonstrate continuous efforts to acquire a new tenant through active listing and advertisement of the property.



# Metro

**2. Calculation of Award Amount for Recurring Decline in Gross Revenue:** A business that can demonstrate recurring declines in gross revenue during multiple years of construction of a specified Metro rail construction project (as defined in Sections II.A.2, II.A.4, and II.A.6) may receive an award in the amount of its lost quarterly revenue (as defined in Section V.A.1) based on the pre-impact base year for the initial BIF award and payment.

## **B. Additional Considerations for Awards**

1. Eligible businesses that have been acquired by new owners may qualify using a history of past performance by the previous owner, provided that the product/services offerings and pricing of such products and/or services have not materially changed after the acquisition.
2. Revenue losses attributable to physical property damage or business interruption caused by the actions of a Metro contractor are not compensable under the BIF.
3. The portion of a business' revenues derived from online sales will be factored into the determination of the overall BIF award amount for qualifying businesses.

## **VI. Appeals Process**

- a. A business denied BIF assistance may request reconsideration of their denial. Such requests must be in writing and include an explanation of why the denial should be reconsidered along with any supporting documentation. Requests must be sent to:

Pacific Coast Regional Small Business Development Corporation (PCR)  
3255 Wilshire Blvd., #1501  
Los Angeles, CA 90010

Attn: Angela B. Winston  
Program Manager  
Business Interruption Fund

- b. The review will be conducted by the BIF Program Manager who will refer his/her recommendation to a committee to include a member of the Metro Ethics staff, and two members of the board of directors of PCR. Said members shall comprise the members of the Metro/PCR board review committee. The review shall be completed within **10 business days of receipt** of the request for reconsideration.
- c. The decision of the Metro/PCR board review committee is final.



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## **VII. Grantee Certification and Indemnification**

Upon approval of a BIF award Grantees shall execute a Grant and Funds Disbursement Agreement that shall at a minimum certify, acknowledge and agree that:

- a. Participation in the BIF is voluntary.
- b. Metro is not responsible for closures by entities other than Metro.
- c. Metro is not responsible for scheduled business disruptions of less than one business day.
- d. Funds received from the BIF shall constitute income for tax purposes and are reportable.
- e. All BIF funds shall be used for the purpose(s) stated during the application process, and any deviation shall constitute a breach of this Agreement.
- f. Grantee's best efforts will be made to continue the business in its current location. Such efforts could include but not be limited to seeking assistance from the Metro Business Solution Center and/or PCR-SBDC.
- g. All financial records submitted by Grantee to obtain BIF aid are true and correct representations of grantee's financial performance; and there have been no material changes to such records since submitted that would diminish the Grantor's reliance on them for consideration of Grantee's BIF aid. If, subsequent to an award of BIF aid, Grantor discovers discrepancies, errors or misstatements in Grantees submitted financial records, this discovery shall constitute a breach of this Agreement by Grantee. In this case Grantor, in its sole discretion, shall pursue all of its legal remedies to secure full repayment of BIF aid.

## **VIII. Audit**

An annual audit of the Program will be conducted by Metro in addition to Metro's ability to audit at any time.

### **REVISION HISTORY**

- Revision 1 – 2/5/15
- Revision 2 – 4/17/15
- Revision 3 – 10/28/15
- Revision 4 – 1/26/16
- Revision 5 – 8/17/16
- Revision 6 – 4/1/17
- Revision 7 – 3/23/18
- Revision 8 – 7/19/18

## PROCUREMENT SUMMARY

## BUSINESS INTERRUPTION FUND ADMINISTRATION SERVICES/PS56079000

1.	<b>Contract Number:</b> PS56079000	
2.	<b>Recommended Vendor:</b> Pacific Coast Regional Small Business Development Corporation (PCR)	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	A. <b>Issued:</b> August 6, 2018	
	B. <b>Advertised/Publicized:</b> August 6, 2018	
	C. <b>Pre-Proposal Conference:</b> August 27, 2018	
	D. <b>Proposals Due:</b> September 10, 2018	
	E. <b>Pre-Qualification Completed:</b> December 21, 2018	
	F. <b>Conflict of Interest Form Submitted to Ethics:</b> September 10, 2018	
	G. <b>Protest Period End Date:</b> February 26, 2019	
5.	<b>Solicitations Picked up/Downloaded:</b>  10	<b>Bids/Proposals Received:</b>  1
6.	<b>Contract Administrator:</b> Lily Lopez	<b>Telephone Number:</b> 213-922-4639
7.	<b>Project Manager:</b> Paula Carvajal	<b>Telephone Number:</b> 213-922-4258

**A. Procurement Background**

This Board Action is to approve Contract No. PS56079000 issued in support of the Business Interruption Fund (BIF) Administration Services. The BIF provider needs to be a qualified Community Development Financial Institution (CDFI)/Small Business Development Center (SBDC) in order to provide professional services for administration and meeting the resource requirements (personnel and infrastructure); processing business eligibility, developing timeline and process for evaluation, selecting and awarding grant funds; providing reporting; and administering the fund account. Board approval of contract award is subject to resolution of any properly submitted protest(s).

The Request for Proposal (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price.

No amendment was issued during the solicitation phase of this RFP.

A pre-proposal conference was held on August 27, 2018, attended by 4 participants representing one company.

A total of 10 firms downloaded the RFP and were included in the planholders list.



One proposal was received on September 10, 2018. A market survey was conducted in order to ascertain the reason(s) for non-submittal. One response was received and the reason given for not submitting a proposal was not being able to provide the services or meet the requirements to provide the services.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro's Diversity and Economic Opportunity Department and Community Relations was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria (inclusive of minimum requirements on a pass/fail basis) and weights:

- Professional Experience 30 percent
- Workplan Approach and Methodology 30 percent
- Personnel Qualifications and Management Plan 20 percent
- Cost 20 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar procurements for professional services. Several factors were considered when developing these weights, giving the greatest importance to both professional experience and workplan approach and methodology.

During the week of September 17, 2018, the PET completed its independent evaluation of the proposal. An oral presentation was held on October 3, 2018. At the conclusion of the oral presentation, the PET finalized the evaluations and determined Pacific Coast Regional Small Business Development Corporation (PCR) was qualified to render the required services.

### **Qualifications Summary:**

#### **Pacific Coast Regional Small Business Development Corporation (PCR)**

PCR is a non-profit firm with demonstrated experience in assisting small business owners. PCR has a background in community-based economic development and experience providing financial support to small businesses. The BIF program requires a firm to be a certified Community Development Financial Institution (CDFI) and a designated Small Business Development Corporation (SBDC) in order to provide financial, educational and consulting services. PCR is both a CDFI and SBDC, and is qualified to administer and support the implementation of the BIF.

A summary of the PET scores is provided below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	PCR				
3	Professional Experience	93.33	30.00%	28.00	
4	Work plan Approach and Methodology	96.33	30.00%	28.90	
5	Personnel Qualifications and Management Plan	98.35	20.00%	19.67	
6	Cost	100.00	20.00%	20.00	
7	<b>Total</b>		<b>100.00%</b>	<b>96.57</b>	<b>1</b>

### C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon a technical analysis, a cost analysis, fact finding, and negotiations.

Due to the unique attributes of the project, Metro underestimated the level of effort that such a program would require. The proposed enhanced focused client support services is necessary to support the greater number of businesses along the various corridors.

Metro staff successfully negotiated a cost savings of \$255,526 by reducing the duplication of efforts and clarifying the intent of the Scope of Services.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated amount
1.	PCR	\$3,603,536	<b>\$3,188,857</b>	<b>\$3,348,010</b>

### D. Background on Recommended Contractor

The recommended firm, PCR, located in Los Angeles, California, and founded in 1977, provides assistance to small business owners by promoting community economic development, through the delivery of financial and educational services to underserved small business persons and communities. PCR is the incumbent on the existing BIF contract awarded in December 2014, and has performed satisfactorily in addition to being responsive to the community needs.

DEOD SUMMARY

METRO PILOT BUSINESS INTERRUPTION FUND / CONTRACT NO. PS56079

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small/Disabled Veteran Business Enterprise (SBE/DVBE) goal for this procurement due to the lack of SBE/DVBE firms certified as Community Development Financial Institutions (CDFI) and accredited Small Business Development Center (SBDC) Consultants, as required for this project.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

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

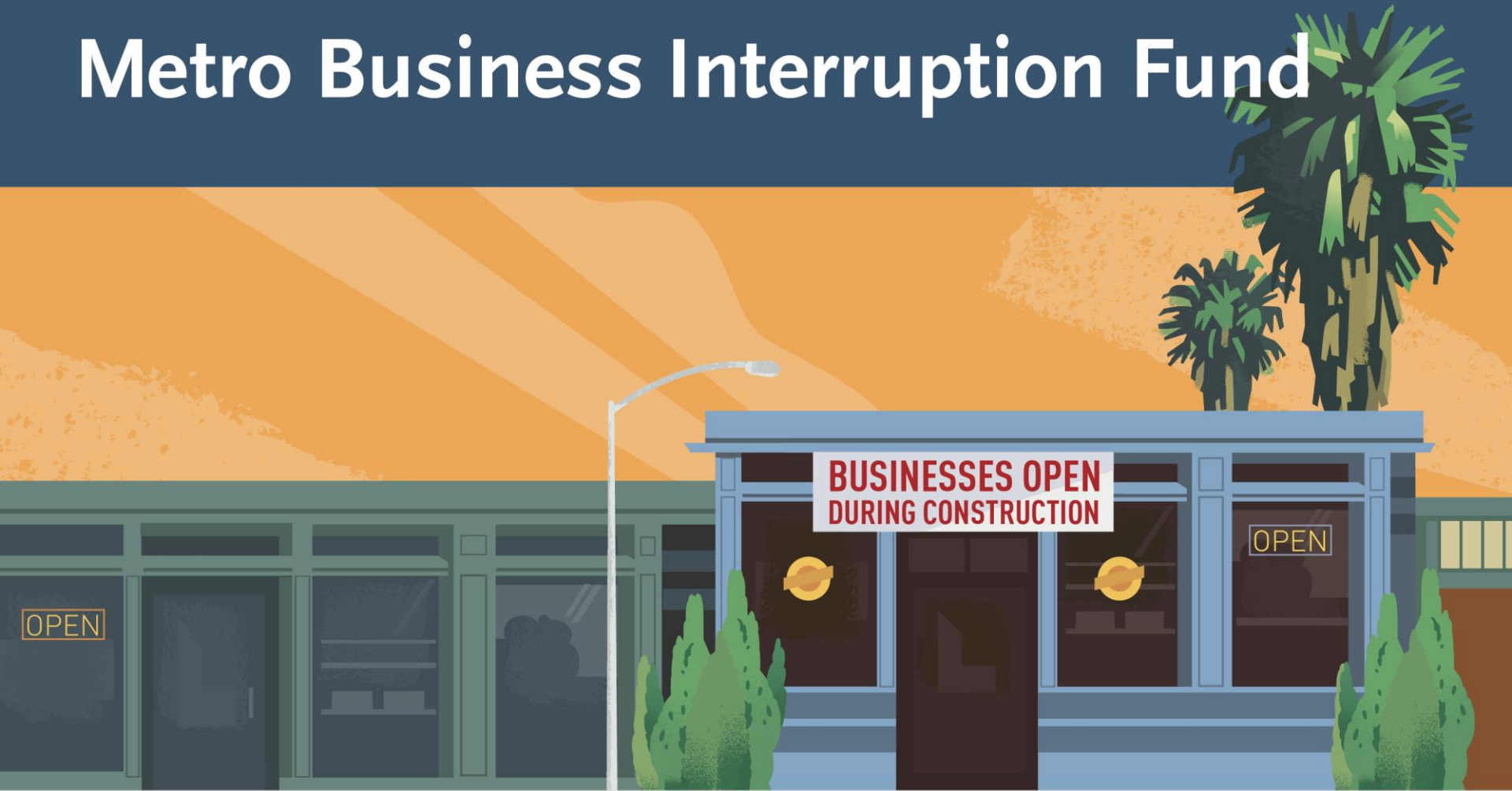
**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.

# Metro Business Interruption Fund



# Pilot Program Goal

- *Metro's Goal: Help small "mom and pop" businesses continue to thrive throughout construction and post construction.*
- Financial assistance to small "mom and pop" businesses **directly** impacted by Metro transit rail construction along three project areas:
  - Crenshaw/LAX Transit Project
  - Purple Line Extension, Section 1
  - Regional Connector, Little Tokyo area & 2<sup>nd</sup>/Broadway segment
  - Purple Line Extension, Section 2



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# Program Evolution

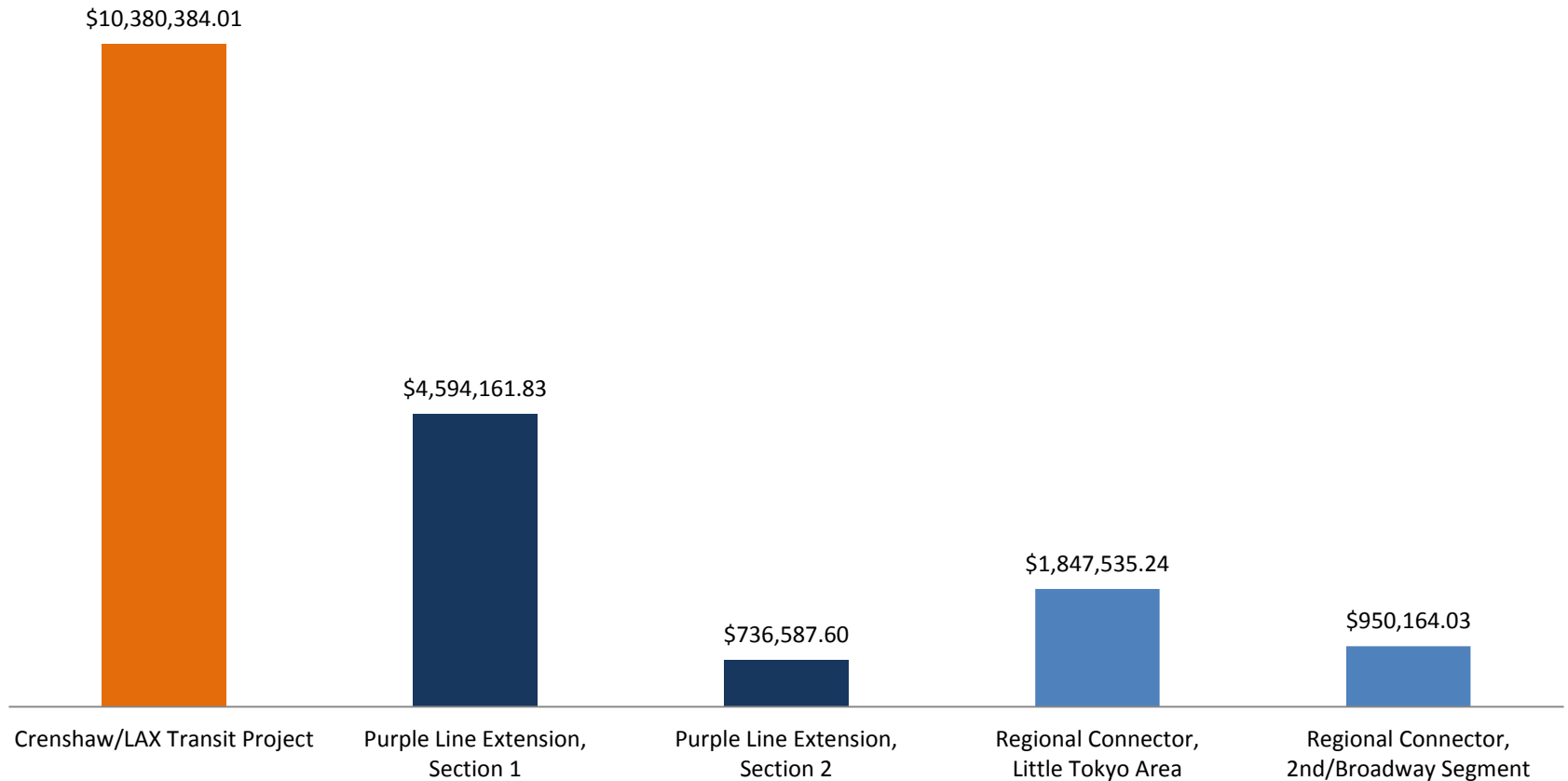
- Metro's first ever pilot project
  - > Board authorization: October 2014
  - > BIF soft- launch: February 2015
  - > BIF formal launch: April 2015
  - > BIF expansion: December 2015
  - > BIF Expansion: December 2016

# Facts at a Glance

- > More than \$18.5 million awarded to “mom and pop” businesses
- > Over 700 grants awarded to more than 300 “mom and pop” businesses
- > More than 1,200 jobs retained through the award of BIF grants to businesses
- > 100% of business grantees referred to support services post grant award



# Grant Award Summary



# Measures of Effectiveness



93%

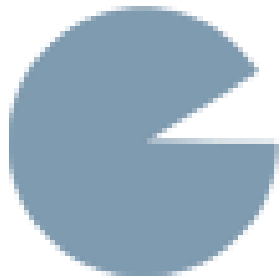
Businesses remaining open  
after six months of grant award

**Goal: 100%**



86%

Businesses remaining  
open after 12 months of  
grant award **Goal: 100%**



82%

Businesses remaining open after  
24 months of grant award

**Goal: 100%**



**Metro**

Reporting as of CY 2018 Q3

# Outreach & Engagement



“We remain committed to the success of Café Creole and look forward to increasing customers when the Crenshaw line opens. In the meantime, it is great to have the support from a program such as the BIF that looks out for small businesses.”  
Eric Lanueville

Project: Crenshaw/LAX Transit Project

# Lessons Learned



“Our business was impacted when 2nd Street was closed because of where we are located. We experienced some difficulties but we are thankful for the support we received from the BIF.”  
Cindy Shiono and Shinataro Shiono

Project: Little Toyko Area Regional Connector

# Next Steps

- Execution of professional services contract for fund administrator
- Ongoing assessment of lessons learned
- Initiate case study assessment of pilot
  - Measurable economic and socio-economic impacts
  - Direct and indirect benefits
  - Business resiliency



**Metro**

Thank you





## Board Report

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**File #:** 2019-0015, **File Type:** Contract

**Agenda Number:** 27.

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### CONSTRUCTION COMMITTEE FEBRUARY 21, 2019

**SUBJECT: CONSTRUCTION CLAIMS SUPPORT SERVICES**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE a 7 year cost-plus fixed fee contract, Contract No. PS58665, with ARCADIS U.S., Inc., to provide Construction Claims Support Services for various projects as required, in an amount not-to-exceed \$24,584,650 and exercise 3 one-year options, when deemed appropriate; and
- B. EXECUTE individual Contract Work Orders and Contract Modifications within the Board approved contract and budget funding amount.

#### **ISSUE**

Construction Claims Support Services (CCSS) are required to assist Metro in avoiding potential contractor claims and proactively addressing actual contractor claims, recommending policy and procedures to reduce the likelihood of claims, formulating claims settlement scenarios, assisting County Counsel with the resolution of claims and disputes, and assisting with and/or perform forensic analyses, as necessary.

#### **DISCUSSION**

The Consultant will be a part of the Metro team to:

- Assist Metro in claims avoidance
- Conduct training
- Prepare a Claims Management Manual
- Assist Metro in addressing contractor claims against Metro
- Recommend policy and procedures that reduce the likelihood of claims

- Formulate claim settlement scenarios
- Assist County Counsel in resolving claims and disputes as needed
- Assist with and/or perform forensic analyses, as necessary

Metro's current experience with the submission of claims combined with Metro's current reactive approach to claims rather than being pro-active has resulted in an increased level of effort in gathering and compiling contemporaneous documentation to defend these claims.

The Consultant will assist Metro in developing and implementing processes and strategies, along with a claims management manual and claims management training to provide Metro guidance in (1) avoiding potential claims and (2) responding to and resolving actual claims, to be more proactive and creating defensible positions.

The Consultant will provide the Contracting Officer and Program Management with an independent assessment of potential and actual claims, the responsible parties, a quantification of alleged impacts including schedule analyses of delays, disruption and lost productivity, and support Metro with the negotiation and resolution of disputes.

The Consultant shall facilitate and collaborate closely with all Metro departments and staff, including County Counsel, as needed, in addressing disputes and claims.

Consultant services will be authorized, funded and paid under separate Contract Work Orders for each project. The cumulative value of all Contract Work Orders will be within the Board approved contract funding amount.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on safety.

### **FINANCIAL IMPACT**

The not-to-exceed award value is based on the anticipated level of services. The Contract will be funded by the individual projects issuing the work order under this contact. Work orders issued for FY19 will be covered by the respective projects' annual budget and within life-of-project budget. For multiyear work orders and future work orders, the project managers, cost center managers, and Chief Program Management Officer will be responsible for future year budgeting.

#### **Impact to Budget**

There is no impact to budget for this action. Each project utilizes life-of-project budget or annual adopted budget which has designated funding source(s) at the time of adoption. Many of the projects issuing work orders are funded with multiple sources of funds: federal and state grants, federal loans, bonds, and local sales taxes. Much of local sales taxes, and some federal and state funds are eligible for bus and rail operations and capital improvements.



### **ALTERNATIVES CONSIDERED**

The Board could direct Metro staff to perform construction claims support services tasks with current in-house resources. This alternative would require Metro to divert resources from on-going projects and/or hire multiple full-time personnel that are not immediately available or funded.

### **NEXT STEPS**

After Board approval of the recommended action, staff will award Contract No. PS58665.

### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by:

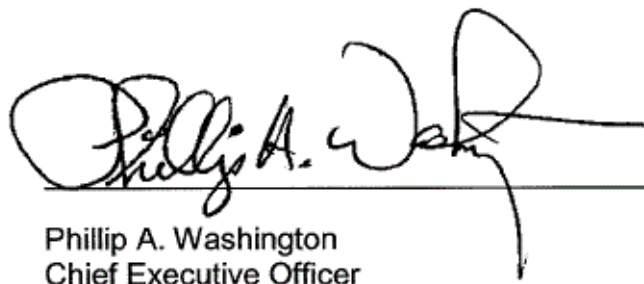
Bruce Warrensford, Director of Contract Administration, Vendor Contract Management (213) 922-7338

David Davies, Deputy Executive Officer, Program Management (213) 418 3348

Reviewed by:

Richard Clarke, Chief Program Management Officer (213) 922-7557

Debra Avila, Chief Vendor/Contract Management Officer (213) 418-3051



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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

**CONSTRUCTION CLAIMS SUPPORT SERVICES  
CONTRACT NUMBER PS58665**

1.	<b>Contract Number:</b> PS58665	
2.	<b>Recommended Vendor:</b> ARCADIS U.S., Inc.	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> November 2, 2018	
	<b>B. Advertised/Publicized:</b> November 2, 2018	
	<b>C. Pre-Proposal Conference:</b> November 13, 2018	
	<b>D. Proposals Due:</b> December 3, 2018	
	<b>E. Pre-Qualification Completed:</b> January 14, 2019	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> December 12, 2018	
	<b>G. Protest Period End Date:</b> February 26, 2019	
5.	<b>Solicitations Picked up/Downloaded:</b> 62	<b>Proposals Received:</b> 5
6.	<b>Contract Administrator:</b> Bruce Warrensford	<b>Telephone Number:</b> 213-922-7338
7.	<b>Project Manager:</b> David Davies	<b>Telephone Number:</b> 213-418-3348

**A. Procurement Background**

This Board Action is to approve Contract No. PS58665, Construction Claims Support Services, to assist Metro in avoiding claims, proactively addressing potential contractor claims, recommending policy and procedures to reduce the likelihood of claims, addressing actual contractor claims, formulate claim settlement scenarios, assisting County Counsel in resolving claims and disputes, and assisting with and/performing forensic analyses, as necessary.

The RFP was issued in accordance with Metro's Acquisition Policies and Procedures. Metro held a pre-proposal conference on November 13, 2018, in the Gateway Conference Room on the 3rd floor of the Gateway Building. There were seventeen (17) representatives from eleven (11) firms that attended the pre-proposal conference. Fifty-two (52) individuals from various firms picked up or downloaded the RFP Package.

Six amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on November 7, 2018, to revised Submittal Requirements;
- Amendment No. 2, issued on November 8, 2018, to remove the DBE Contracting Outreach and Mentoring Plan (COMP) from this Contract.
- Amendment No. 3, issued on November 9, 2018, revised Compensation and Payment Provisions and Evaluation Criteria

- Amendment No. 4, issued November 13, 2018, to correct Amendment No. 3 numbering.
- Amendment No. 5, issued November 15, 2018, to revise Letter of Invitation and Scope of Services.
- Amendment No. 6, issued November 20, 2018, to correct Amendment numbering and Submittal Requirements indexing.

A total of five (5) proposals were received on December 3, 2018, from the following firms, in alphabetical order:

1. ARCADIS U.S., Inc.
2. HKA Global, Inc.
3. McMillen Jacobs Associates
4. PMA Consultants LLC
5. Trident CPM Consulting

**B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro Program Management, Project Management, Project Controls, County Counsel, and Contract Administration was convened and conducted a comprehensive evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and the associated weightings:

- Experience and Capabilities of the Firms on the Consultant’s Project Team.....(25%)
  - Key Personnel’s Skills and Experience.....(25%)
  - Effectiveness of Management Plan.....(20%)
  - Understanding of Work and Appropriateness of Approach for Implementation.....(20%)
  - Cost Proposal.....(10%)
- Total 100%

The evaluation criteria are appropriate and consistent with criteria developed for other Professional Service procurements. Several factors were considered when developing the weightings, giving the greatest importance to the Experience and Capabilities of the firms on the Consultant’s Project Team and Key Personnel’s Skills and Experience.

During the month of December 2018, the PET evaluated the five (5) written proposals. Of the five (5) proposals received, four (4) were determined to be within the competitive range. The four (4) firms within the competitive range are listed below in alphabetical order:

1. ARCADIS U.S., Inc.
2. HKA Global, Inc.
3. McMillen Jacobs Associates
4. PMA Consultants LLC

One firm was determined to be outside the competitive range and was not included for further consideration. That firm was notified of the determination and debriefed.

On December 12, 2018, the PET met with four (4) Proposers in the competitive range for oral presentations. The firms were given the opportunity to present on: 1) Effectiveness of Management Plan and 2) Understanding of Work and Appropriateness of Approach for Implementation.

The proposing firms had the opportunity to present their proposed project managers, key personnel, and some of their key members, as well as respond to the PET's questions. In general each presentation addressed the requirements of the RFP, experience with all aspects of the required and anticipated tasks, and stressed each proposer's commitment to the success of the contract.

### **Qualifications Summary of Firms within the Competitive Range:**

#### **ARCADIS**

- ARCADIS' proposal significantly exceeds the RFP minimum requirements in most major areas. The proposed approach indicates an exceptionally thorough and comprehensive understanding of the contract goals, resources, schedules, and other aspects essential to the performance of the Services.
- ARCADIS was excellent in demonstrating the ability to fill, maintain, and replace required staffing positions for the life of the project, as detailed in the proposers project Organization Chart including a clear staff responsibility description.
- ARCADIS demonstrated an exceptionally thorough and comprehensive understanding of the contract requirements, Scope of Services, and the execution and management of the task order process.
- The proposal demonstrated very successful and extensive experience in working with similar type projects with large agencies.
- The proposed project manager has all necessary qualifications and demonstrates a high probability of success with his team members.

## **HKA**

- HKA’s proposal substantially meets the RFP minimum requirements in most major areas. The proposed approach indicates a thorough and comprehensive understanding of the Project goals, resources, schedules, and other aspects essential to the performance of the Project.
- The proposed key personnel demonstrate a thorough understanding and qualifications necessary to conduct the required services.
- The firm demonstrates successful experience with similar program type projects with other agencies.

## **McMillen Jacobs Associates (MJA)**

- MJA’s proposal substantially meets the RFP minimum requirements in most major areas. The proposed approach indicates a thorough and comprehensive understanding of the contract goals, resources, schedules, and other aspects essential to the performance of the Services.
- The proposed key personnel demonstrate a thorough understanding and qualifications necessary to conduct the required services.
- The firm demonstrates successful experience with similar program type projects with other agencies.

## **PMA**

- PMA’s proposal substantially meets the RFP minimum requirements in most major areas. The proposed approach indicates a thorough and comprehensive understanding of the contract goals, resources, schedules, and other aspects essential to the performance of the Services.
- The key personnel demonstrated relevant experience as required by the RFP.
- PMA demonstrated their ability to organize for multiple assignments.
- The firm demonstrates successful experience with similar program type projects with other agencies.

The Proposal Evaluation Team (PET) ranked the four proposals within the competitive range, based on the evaluation criteria in the RFP, and assessed major strengths, weaknesses and associated risks of each of the Proposers to determine the most advantageous firm. The final scoring was based on evaluation of the written proposals, as supported by oral presentations, and clarifications received from the Proposers. The results of the final scoring are shown below:

		<b>Average Score**</b>	<b>Factor Weight</b>	<b>Weighted Average Score *</b>	<b>Rank</b>
<b>1.</b>	<b>Firm</b>				
<b>2.</b>	<b>ARCADIS U.S., Inc.</b>				
<b>3.</b>	Experience and Capabilities of	95.64	25%	23.91	

	the Firms on the Consultant's Project Team				
4.	Key Personnel's Skills and Experience	96.80	20%	19.36	
5.	Effectiveness of Management Plan	96.75	20%	19.35	
6.	Understanding of Work and Appropriateness of Approach for Implementation	93.76	25%	23.44	
7.	Cost Proposal	77.90	10%	7.79	
8.	<b>Total</b>		<b>100.0%%</b>	<b>93.85</b>	<b>1</b>
9.	<b>PMA Consultants LLC</b>				
10.	Experience and Capabilities of the Firms on the Consultant's Project Team	90.76	25%	22.69	
11.	Key Personnel's Skills and Experience	89.35	20%	17.87	
12.	Effectiveness of Management Plan	89.60	20%	17.92	
13.	Understanding of Work and Appropriateness of Approach for Implementation	91.08	25%	22.77	
14.	Cost Proposal	94.80	10%	9.48	
15.	<b>Total</b>		<b>100.0%%</b>	<b>90.73</b>	<b>2</b>
16.	<b>HKA Global, Inc.</b>				
17.	Experience and Capabilities of the Firms on the Consultant's Project Team	91.56	25%	22.89	
18.	Key Personnel's Skills and Experience	90.65	20%	18.13	
19.	Effectiveness of Management Plan	89.40	20%	17.88	
20.	Understanding of Work and Appropriateness of Approach for Implementation	86.56	25%	21.64	
21.	Cost Proposal	100.00	10%	10.00	
22.	<b>Total</b>		<b>100.0%%</b>	<b>90.54</b>	<b>3</b>
23.	<b>McMillen Jacobs Associates</b>				
24.	Experience and Capabilities of the Firms on the Consultant's Project Team	82.40	25%	20.60	
25.	Key Personnel's Skills and Experience	88.90	20%	17.78	
26.	Effectiveness of Management Plan	87.90	20%	17.58	
27.	Understanding of Work and Appropriateness of Approach for Implementation	90.88	25%	22.72	

<b>28.</b>	Cost Proposal	98.30	10%	9.83	
<b>29.</b>	<b>Total</b>		<b>100%</b>	<b>88.51</b>	<b>4</b>

\* Weighted scores are rounded to the nearest second decimal point.

\*\* Cost proposals were based on the Proposers' rates for a sample level of effort of 8,000 hours only. Scores shown above for the cost proposals are based on formulae in the RFP highest score going to the lowest cost proposal.

### **C. Cost/Price Analysis**

Metro performed a cost analysis of labor rates comparing the four (4) proposals in the competitive range with one another as well as Metro's estimate. All proposals were based on direct labor rates, overhead rates, other direct costs, sub-consultant costs and fixed fee. The costs for the recommended firm were determined to be fair and reasonable.

	<b>Proposer Name</b>	<b>Proposal Amount <sup>(1)</sup></b>	<b>Metro ICE <sup>(2)</sup></b>	<b>Recommended NTE Amount <sup>(3)</sup></b>
1.	ARCADIS U.S., Inc.	\$2,530,590	\$24,584,650	\$24,584,650
2.	<b>PMA Consultants LLC</b>	\$2,079,956		
3.	<b>HKA Global, Inc.</b>	\$1,971,590		
4.	<b>McMillen Jacobs Associates</b>	\$2,004,907		

Notes:

(1) The proposal amounts shown were for evaluation purposes only and were based on the rates for a sample level of effort (8000 hours, only) since there was no definable total level of effort for the Scope of Services. Hourly labor rates, overhead and fee were negotiated and determined to be fair and reasonable.

(2) The amount \$24,854,650 is a Not-to-Exceed amount estimated for the basic term of the contract.

(3) The amount of \$24,854,650 is the Not-to-Exceed amount for the basic term of the contract. Work will be funded according to an Annual Work Program. The total contract amount will be the aggregate value of all task orders negotiated with the Consultant through the term of the contract.

### **D. Background on Recommended Contractor**

The recommended firm, ARCADIS U.S., Inc. is located in Los Angeles, CA, as well as other offices located throughout Southern California, U.S. and globally. ARCADIS' construction claims practice has been in business for over 20 years, with staff members with over 35 years of experience in construction claims services, and is a leader in the field of construction claims services on behalf of the owners for public works, transit and the various delivery methods proposed.

ARCADIS has successfully provided construction claims services on the Metro's Crenshaw/LAX Transit Corridor, I-405 Sepulveda Pass Widening Project, California High Speed Rail, Construction packages 2-3, Honolulu Rapid Transit Project, Toronto-York Spadina Subway Extension and over the past 30 years has helped in the evaluation and settlement of over \$2 billion in construction disputes in California for its public owner clients.

ARCADIS is committed to being available to meet the demands of Metro's various projects. Their large pool of professionals are available to support multiple-shift construction schedules ensuring a successful project delivery. ARCADIS also commits to utilizing Metro's Disadvantage Business Enterprises to meet the RC/DBE goal of 15%.



**DEOD SUMMARY**

**CONSTRUCTION CLAIMS SUPPORT SERVICES/ CONTRACT NUMBER PS58665**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 15% Disadvantaged Business Enterprise (DBE) goal for this Task Order Contract. Arcadis U.S., Inc. made a 15% DBE commitment for this Task Order Contract.

In response to a specific Task Order request with a defined scope of work, the prime contractor will be required to identify DBE subcontractor activity and actual dollar value commitments for that Task Order. Overall DBE achievement in meeting the commitment will be determined based on the cumulative DBE participation of all Task Orders awarded.

Metro Project Manager and Contract Administrator will work in conjunction with DEOD to ensure that Arcadis U.S., Inc is on schedule to meet or exceed its DBE commitments. Accordingly, access will be provided to Metro’s tracking and monitoring system to key stakeholders over the contract to ensure that all parties are actively tracking Small Business progress.

<b>Small Business Goal</b>	<b>15% DBE</b>	<b>Small Business Commitment</b>	<b>15% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	Destination Enterprises	Non-Minority Female	TBD
2.	LKG-CMC, Inc.	Non-Minority Female	TBD
3.	O2 Engineering, Projects & Construction Management (O2EPCM)	African American	TBD
4.	Spire Consulting Group, LLC	Hispanic American	TBD
	<b>Total DBE Commitment</b>		<b>15%</b>

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

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

**C. Prevailing Wage Applicability**

Prevailing Wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.



**Board Report**

**File #:** 2019-0050, **File Type:** Contract

**Agenda Number:**

**CONSTRUCTION COMMITTEE  
FEBRUARY 21, 2019**

**SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT**

**ACTION: APPROVE LIFE OF PROJECT BUDGET AND CONTRACT AWARD**

**RECOMMENDATION**

CONSIDER:

- A. AMENDING the Life-of-Project (LOP) Budget of \$1,374,826,466 to \$3,223,623,255 to include the Stations, Trackwork, Systems and Testing portion of the Westside Purple Line Extension Section 3 Project (Project), consistent with previous actions taken by the Board in February 2016, January 2017, and June 2018;
- B. AUTHORIZING the Chief Executive Officer (CEO) to award an 89-month firm fixed price contract under Request for Proposal (RFP) No. C45161C1152 to Tutor Perini/O&G, JV, the responsive and responsible Proposer determined to provide Metro with the best value for the final design and construction of the Westside Purple Line Extension Section 3 Project Stations, Trackwork, Systems and Testing, in the amount of \$1,363,620,000, subject to the Federal Transit Administration (FTA) approval of a Full Funding Grant Agreement (FFGA) and resolution of protest(s), if any;
- C. AUTHORIZING the withholding of funds, pursuant to the provisions of the Measure M Ordinance, from the Local Return/Regional Rail Subfund to pay for the 3% local agency contributions to the Project should no agreement with the local jurisdictions be approved or upon default of payment by a local jurisdiction; and
- D. APPROVING an additional 12 full time Metro staff for FY19 to strengthen the existing project management and support team.

**ISSUE**

In February 2016, the Board authorized staff to begin the necessary steps to advance the project delivery of the Westside Purple Line Extension Section 3 Project (Project) as part of the Shovel Ready Program of Projects, which included the advancement of other Measure R Projects. In

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January 2017, the Board approved the Project delivery methodology of design-build.

In consideration of advancing the Project, three procurement packages were established to meet the desired project delivery schedule. The major project work was separated into two discrete design/build procurements: 1) C4043C1151, Tunnels and 2) C45161C1152, Stations, Trackwork, Systems and Testing. The third, the Advanced Utility Relocations contract, was awarded in October 2017 under the FTA pre-award authority.

In June 2018, the Board authorized the CEO to award the C1151 Tunnels contract, subject to the FTA approval of the Letter of No Prejudice (LONP), and to establish the LOP Budget for the Tunnels portion of the Project. The Contract was awarded on November 30, 2018 after receiving a Letter of No Prejudice (LONP) from the FTA. The LONP permitted Metro to award the contract, but not issue the Notice to Proceed (NTP) until the completion of the 23 CFR §771.130 (c) environmental review, which was received on December 21, 2018. The NTP was issued to Frontier-Kemper/Tutor Perini, JV on January 15, 2019. This action to award the Stations, Trackwork, Systems and Testing contract is subject to receiving an FFGA from the FTA. Staff has been working diligently with the FTA to secure an FFGA for the Project.

The recommended actions to amend the LOP Budget for the final phase of the Project and to award Contract C45161C1152 are consistent with the approval actions taken by the Board in February 2016, January 2017, and June 2018. The funding plan is outlined in Attachment C.

Amending the LOP Budget for the Stations, Trackwork, Systems and Testing portion of the Project at the time of contract award is consistent with the recommendations in the Office of the Inspector General (OIG) Construction Management Best Practices Study Report and lessons learned regarding establishing final budgets, when adequate information (such as the recommended price) is available.

As part of the approval process of the FFGA, staff was required to produce a Westside Purple Line Extension Section 3 Project Management Plan (PMP) and sub plans that would ensure that Metro has the capacity and capability to manage and oversee the Project safely, on-time and within budget. As part of the Metro budget process, to strengthen the existing project management and support team, staff will be requesting the need for additional Metro staff. These staff will support engineering, design, construction management, project controls, safety, third party coordination, community relations, and real estate, in accordance with the PMP and the needs of the Project.

## **BACKGROUND**

The Westside Purple Line Extension Section 3 Project consists of approximately 2.56 miles of twin-bored tunnels and two underground stations located at Westwood/UCLA and Westwood/VA Hospital. Advanced utility relocation work has begun and is approximately 70% complete. That work began

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under pre-award authority that was granted by the FTA in 2012 upon approval of the Record of Decision. The major design and construction work will be performed under two contracts; C1151 for the twin bore tunnels and C1152 for the stations, trackwork, systems and testing.

In January 2017, the Board authorized staff to use a design/build contracting delivery approach to complete the final design and construction of the Project and to solicit two contracts for the 2.56-mile dual track heavy rail extension and two new underground stations. The Board authorized the procurement under Public Utilities Code (PUC) Section 130242(a) and Public Contract Code Sections 22160 - 22169 to reduce project costs, expedite project completion and allow for an award to the lowest responsive and responsible bidder, or the negotiation and award of a design/build contract to a responsible proposer whose proposal is determined to be the best value to Metro.

A Request for Qualifications (RFQ)/Request for Proposals (RFP) two-phase negotiated procurement was implemented for the C1152 design/build delivery approach. An open procurement was advertised on September 15, 2017, which culminated with five firms meeting the RFQ requirements and subsequently invited to submit proposals in response to the second phase of the solicitation, the RFP. Additional details for the procurement process, including the evaluation results, are in Attachment A.

## **DISCUSSION**

The recommended action to award the contract to the most advantageous proposer, Tutor Perini/O&G,JV, is based on a "Best Value" selection process. In accordance with Public Contract Code Sections 22160 - 22169, the RFP defined Best Value as a value determined by objective criteria and may include, but is not limited to price, features, functions, life-cycle costs, and other criteria deemed appropriate by Metro; and the Best Value Proposal as the most advantageous Proposal to Metro when evaluated in accordance with the Evaluation Criteria defined in the RFP.

The Source Selection Plan and the RFP established the weighted value assigned to the major evaluation criteria:

·	Project Management	45%
·	Technical Approach	20%
·	Price	<u>35%</u>
	<i>Subtotal</i>	100%
·	A Prompt Payment to Subcontractors Initiative	5% (bonus scoring)

Total 105%

After a thorough and extensive competitive procurement process, staff recommends Tutor Perini/O&G, JV as the contracting team for the final design and construction of the Westside Purple Line Extension Section 3 Project Stations, Trackwork, Systems and Testing.

### **DETERMINATION OF SAFETY IMPACT**

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

### **FINANCIAL IMPACT**

Cumulative funds required through fiscal year 2019, in the amount of \$268,275,191, are included in Project 865523 Westside Purple Line Extension Section 3 Project, in Cost Center 8510 (Construction Project Management), and Account Number 53101 (Acquisition Building and Structure).

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

On June 15, 2017, the Board authorized the Chief Executive Officer to enter into a stipend agreement with the unsuccessful responsive proposers for the Project, in the amount of \$1,250,000. A stipend is a common construction industry practice to compensate unsuccessful responsive and responsible proposers for the high cost of producing a competitive and comprehensive proposal. Both AECOM Westside Partners and Healy Dragados PL3S JV will receive a stipend in exchange for their work products, which entitles Metro's use of any such products.

### **Impact to Budget**

The FY19 sources of funds for the recommended actions includes Section 5309 New Starts Funds advanced for FY19, Measure R 35% and Measure M 35%. The approved FY19 budget is designated for the Westside Purple Line Extension Project and does not have an impact to operations funding sources. The Project is not eligible for Propositions A and C funding due to the tunneling element of the Project. No other funds were considered.

### **Multiyear Impact**

The sources of funds to support the \$3.224 Billion Project LOP are capital funds identified in the recommended Funding/Expenditure Plan as shown in Attachment C. Federal sources are identified with Measure R 35%, Measure M 35% and Local Returns funding the balance of project costs. The project cost was included and funded in the 2017 Long Range Transportation Plan Financial Forecast.

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## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports Strategic Plan Goal #3 - Plan and deliver capital projects on time and budget while increasing opportunities for small business development and innovation. The recommendation supports the plan to deliver the Project in time to support the 2028 Olympic and Paralympic Games while broadening small business opportunities.

## **ALTERNATIVES CONSIDERED**

The Board may choose to not move forward with the contract award and amending the LOP Budget for the second and final project phase. This is not recommended as this is an adopted project within the Long Range Transportation Plan, and not moving forward with the recommendations will delay the schedule, increase the cost of the Project, and jeopardize \$1.3 billion in New Starts funding from the FTA, as well as jeopardize completion of the Westside Purple Line Extension Section 3 Project by 2027.

## **NEXT STEPS**

Upon approval by the Board and the receipt of an FFGA, Metro will issue a Notice-of-Award, execute a contract with the recommended Design/Build Contractor and once bonds, insurance, and project labor agreement requirements are met; issue a Contract Notice-to-Proceed. Thereafter, the LOP Budget will be amended accordingly per Recommendation A.

## **ATTACHMENTS**

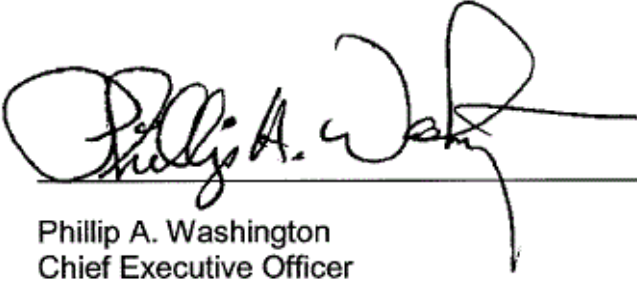
Attachment A - Procurement Summary  
Attachment B - DEOD Summary  
Attachment C - Funding /Expenditure Plan  
Attachment D - Request for Project Staff Positions

### Prepared by:

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### Reviewed by:

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Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer



## PROCUREMENT SUMMARY

**WESTSIDE PURPLE LINE EXTENSION SECTION 3 STATIONS PROJECT-  
DESIGN/BUILD  
CONTRACT NO. C45161C1152**

1.	<b>Contract Number:</b> C45161C1152	
2.	<b>Recommended Vendor:</b> Tutor Perini/O&G, JV, a Joint Venture	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 9-15-2017	
	<b>B. Advertised/Publicized:</b> 9-15-2017	
	<b>C. Pre-Proposal Conference:</b> 10-9-2017	
	<b>D. Proposals Due:</b> 08-22-2018	
	<b>E. Pre-Qualification Completed:</b> 1-23-2018	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 8-24-2018	
	<b>G. Protest Period End Date:</b> 3-2-2019	
5.	<b>Solicitations Picked up:</b> 66	<b>Bids/Proposals Received:</b> 3
6.	<b>Contract Administrator:</b> Albert Soliz	<b>Telephone Number:</b> 213-418-3110
7.	<b>Project Manager:</b> Kimberly Ong	<b>Telephone Number:</b> 213-312-3143

**A. Procurement Background**

This Board Action is to approve the award of a design-build “Best Value” procurement issued in support of the Westside Purple Line Extension Section 3 Stations Project (Project). This Project will extend the existing heavy rail subway Purple Line approximately 2.59 miles from the future Century City Constellation Station site and includes two stations - the Westwood/UCLA Station and Westwood/VA Hospital Station. The Section 3 alignment extends beneath the City of Los Angeles, Caltrans (I-405), County of Los Angeles, and Veterans Affairs (VA) Hospital property. Board approval of the contract award is subject to resolution of any properly submitted protest(s).

The Work under this contract includes, but is not limited to, furnishing all management, coordination, professional services, labor, equipment, materials and other services to perform the final design and construction of Stations, Trackwork, Utilities and Systems of the Project. The contract type is a firm fixed price.

A Request for Qualification (RFQ)/Request for Proposal (RFP) was issued on September 15, 2017. A pre-proposal conference was held on October 9, 2017, in the Board Room with representatives of approximately 200 firms in attendance. A networking event was held for the subcontracting community, including DBEs immediately after the conference.

The RFQ/RFP implemented a two-phase negotiated procurement in accordance with California Public Contract Code § 22160-22169 and in accordance with Metro's Acquisition Policy. The first phase of the procurement was a request for Statement of Qualifications (SOQ), where a qualification evaluation team determined the entities pre-qualified to proceed to the second phase, submitting a proposal. Five SOQs were received on November 13, 2017.

On January 11, 2018, the qualification evaluation team determined all five respondents qualified to participate in the second phase of the procurement process and submit proposals. The firms were:

- AECOM Westside Partners
- Healy Dragados PL3S, JV
- Skanska-Obayashi, JV
- Tutor Perini/O&G, JV
- Walsh-Traylor JV

The second phase of the procurement process sought Request for Proposals (RFP), due on August 22, 2018. Proposers were required to provide the following:

Administrative Submittal - Providing licensing, certifications, disclosure of litigation, Disadvantaged Business Enterprise (DBE) and subcontractor information, past performance, organizational documents, and insurance requirements.

Project Management Submittal – Providing information that addressed skill and experience, approach to management, design and construction, DBE Contracting Outreach, risk, safety, quality and schedule.

Technical Approach Submittal – Requesting proposer's understanding of the technical issues, scope and approaches to develop and effectively execute appropriate and efficient solutions to technical issues for utilities, traffic engineering, drainage, trackwork, general civil works, station design, geotechnical, environmental compliance, traffic management, jurisdictional coordination, track electrification, signaling, communications, ventilations, and system integration.

Pricing Submittal – Providing the proposer's price for the following: Base Proposal (base work), Provisional Sums, Unit Prices, Delay Compensation, and Life Cycle Costs.

During the solicitation, Proposers and subcontractors submitted technical and commercial questions that were recorded, reviewed, and responses issued by Metro staff. Formal written answers to 212 questions were provided to the 70 planholders.

Twelve amendments were issued to the RFQ/RFP during the solicitation process:

- Amendment No. 1, issued on October 13, 2017, clarified the Key Personnel years of experience and the Disadvantaged Business Enterprise (DBE) Program requirements;
- Amendment No. 2, issued on November 3, 2017, clarified Metro's Local Hire Initiative and replaced a duplicate question on the past performance questionnaire;
- Amendment No. 3, issued on December 15, 2017, provided RFP Reference Documents and revised reference drawings;
- Amendment No. 4, issued on December 29, 2018, revised portions of the Project Definition Documents;
- Amendment No. 5, issued on January 23, 2018, announced the firms which met the minimum pre-qualification requirement to submit Proposals;
- Amendment No. 6, issued on February 7, 2018, revised portions of the Project Definition Documents and drawings;
- Amendment No. 7, issued on March 23, 2018, revised portions of Project Definition Documents, Reference Documents and schedules;
- Amendment No. 8, issued on April 2, 2018, added additional Reference Documents and Definition Drawings;
- Amendment No. 9, issued on April 5, 2018, revised the Proposal Due date to June 22, 2018;
- Amendment No. 10, issued on April 25, 2018, revised portions of the Project Definition Documents and Reference Documents;
- Amendment No. 11, issued on May 15, 2018, revised the Proposal Due date to August 22, 2018 and;
- Amendment No. 12, issued on June 6, 2018, revised the General Condition for Subcontractor Costs and revised portions of the Project Definition Documents, Reference Documents and schedules.

Three proposals were received on August 22, 2018, from the following firms:

- AECOM Westside Partners, comprised of AECOM Energy & Construction, Inc., of Los Angeles; California, Shimmick Construction Company, Inc., of Irvine, California, an AECOM company; Tishman Construction Corporation of Los Angeles, California, an AECOM company; and a joint venture of AECOM Technical Services Inc., of Los Angeles, California and FMG Architects Design, of Los Angeles.
- Healy Dragados PL3S JV, a joint venture of S.A. Healy Company of Henderson, Nevada and Dragados USA, Inc., of Costa Mesa, California.
- Tutor Perini/O&G, JV, a joint venture of Tutor Perini Corporation of Sylmar, California and O&G Industries, Inc. of Torrington, Connecticut.

Two pre-qualified firms, Skanska-Obayashi, JV and Walsh-Traylor JV, elected to not submit proposals, citing commitments to other projects.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of one representative each from Metro Program Management, Systems Engineering, and Transportation Planning conducted a comprehensive evaluation of the proposals received, in accordance with the factors and sub-factors set forth in the RFP and Source Selection Plan to assign a score and ranking. Additionally, the PET was supported by 15 subject matter experts (SME) in key areas of the evaluation criteria, who reviewed those portions of the proposals and provided written reports to the PET to aid in the evaluation. Only members of the PET scored the Proposals.

The proposals were evaluated based on the following major evaluation criteria and weights:

- |   |                           |
|---|---------------------------|
| • Project Management                            | 45 percent                |
| • Technical Approach                            | 20 percent                |
| • Price   | 35 percent                |
| • A Prompt Payment to Subcontractors Initiative | 5 percent (bonus scoring) |

The Proposers could opt for the prompt payment initiative, noted above, that requires the prime contractor to pay its first tier subcontractors for work completed prior to submitting its monthly billing to Metro. This triggers the cascading of earlier payments where each subcontractor must make payment to their subcontractors of undisputed amounts within 7 days of having received payment. In return, Metro provides terms of Net 21 days payment of undisputed amounts to the Contractor.

Proposers received written Requests for Clarification from the PET regarding topics, such as, work experience, key personnel assignments, management approach, design approach, schedule, risk management approach and organizational documents. DEOD also sought clarification on the DBE participation forms submitted in the proposals.

During the period of November 6, 2018 to November 18, 2018, each proposing team provided an oral presentation to the PET for the purpose of highlighting certain aspects of their written proposals, enhance the PET's understanding of the Proposals and facilitate the evaluation process. The agenda of the presentation was standardized in duration and topics for each Proposer that was followed by standardized questions asked by the PET. Each of the Proposer's responses to those questions were followed by formal written responses to provide each team the best opportunity to highlight strengths within their Proposal.

Upon the conclusion of oral presentations and the receipt of all clarifications, the PET finalized the Technical Approach and Project Management evaluation scoring.

Price Proposals were evaluated for price reasonableness and scored in compliance with the methods set forth in the RFP and Source Selection Plan, see Section C, Cost/Price Analysis. The results of the weighted scoring were then added to arrive at the cumulative total score for each Proposal.

Each of the three proposals were responsive to the requirements of the RFP, including evidence of bonding capability, insurability, current contract licenses, appropriate and duly notarized joint venture agreements, as well as disclosure of litigation.

Based upon the final scoring of the Evaluation Criteria weightings, the PET determined that a recommendation for Award could be made without further Discussions or Best and Final Offer (BAFO).

A summary of the of the final evaluation criteria scores for each Proposal is provided below:

Firm	Average Score	Factor Weight	Weighted Average Score	Rank
<b>Tutor Perini/O &amp; G, JV</b>				
Project Management	86.69	45.00%	39.01	
Technical Approach	87.20	20.00%	17.44	
Price	98.57	35.00%	34.50	
*Voluntary Payment to Subcontractors Initiative	100.00	5.00%	5.00	
<b>Total</b>		<b>105.00%</b>	<b>95.95</b>	<b>1</b>
<b>Healy Dragados PL3S, JV</b>				
Project Management	83.27	45.00%	37.47	
Technical Approach	81.50	20.00%	16.30	
Price	89.14	35.00%	31.20	
*Voluntary Payment to Subcontractors Initiative	100.00	5.00%	5.00	
<b>Total</b>		<b>105.00%</b>	<b>89.97</b>	<b>2</b>
<b>AECOM Westside Partners</b>				
Project Management	83.38	45.00%	37.52	
Technical Approach	82.10	20.00%	16.42	
Price	87.37	35.00%	30.58	
*Voluntary Payment to Subcontractors Initiative	100.00	5.00%	5.00	
<b>Total</b>		<b>105.00%</b>	<b>89.52</b>	<b>3</b>

*Scores rounded to the second decimal*

*\* All Proposers received full credit.*

**Evaluation Outcome**

Each of the proposals was determined to have met or exceeded the minimum requirements of the evaluation scoring standards. While all proposers are capable of performing the work, the PET’s evaluation determined that it need not consider any tradeoff factors in determining the Best Value.

Based on the assessment of all proposals, the Proposal Evaluation Team determined, in accordance with the specified evaluation factors and sub-factors, that the Tutor Perini/O&G, JV Proposal offers the Best Value overall, and is the most advantageous to Metro.

Significant strengths of Tutor Perini/O&G, JV’s Proposal included their understanding of attaining approval of project plans from agencies and jurisdictions involved in the Project; the ability to transition subcontractors from the Section 2 project; and the lowest responsive price.

**C. Cost/Price Analysis**

A line by line proposal pricing evaluation for price reasonableness was performed and is documented in the procurement file. Each price proposal was evaluated for price reasonableness to determine if the proposer’s price fully contemplated the required work; unbalanced pricing that evaluates, despite an acceptable total evaluated price, the price of one or more line items is significantly overstated or understated; and the proposer’s ability to perform the work for the stated pricing compared to Project Management and Technical Approach submittal.

The price of the recommended award is determined to be fair and reasonable based on Metro’s budget, corresponding funding levels, adequate price competition, and comparison to the independent cost estimate which was submitted concurrently with the proposals.

Proposer Name	Total Price Proposal <sup>1</sup>	Total ICE <sup>2</sup> Price Proposal	Award Price <sup>3</sup>	ICE <sup>2</sup> Award Price <sup>3</sup>
AECOM Westside Partners	\$1,673,015,004	\$1,328,583,699	\$1,591,840,500	\$1,241,176,270
Healy Dragados PL3S, JV	\$1,554,333,297		\$1,428,892,540	
Tutor Perini/O&G, JV	\$1,450,424,058		\$1,363,620,000	

Note<sup>1</sup>: The Total Price Proposal includes the Base Work, Provisional Sums, Unit Prices, Delay Compensation, and Life Cycle Costs.

Note<sup>2</sup>: The Independent Cost Estimate (ICE) amounts are submitted before the due date and opened concurrently with the other Proposals.

Note<sup>3</sup>: The Award Price includes Base Work and Provisional Sums only.

Tutor Perini/O&G, JV is also the contractor for the Purple Line Section 2 work and a part of the joint venture awarded the Section 3 Tunnels work, as such, Tutor Perini/O&G, JV offered LACMTA within its Proposal a simplified solution to integrating and coordinating this Contract with the other two existing Purple Line contracts. The declaration was not considered in the evaluation by the PET, but was further confirmed and clarified by the LACMTA Contracting Officer and affirmed as to be added to the Contract requirements, if the Proposer was the successful Proposer.

This added provision provides for integration of the Purple Line contracts, as if the Contractor is managing one contract, without combining Key Personnel or other key resources, to significantly reduce the risks of Delay and cost overruns between the Contracts due to the contractor's actions or inactions.

#### **D. Background of Recommended Contractor**

Tutor Perini/O&G, JV is a fully integrated joint venture between Tutor Perini Corporation (Tutor Perini), the Managing Partner with 75% equity, and O&G Industries, Inc. (O&G) with 25% equity.

Tutor Perini Corporation, headquartered in Sylmar, California, is ranked 10th on Engineering News-Record (ENR)'s Top 400 Contractors list for 2018. Tutor Perini Corporation has performed work on very large projects in the City of Los Angeles, throughout California, and the US, including more than 20 separate projects for LACMTA's underground system. Recent major project experience includes Purple Line Extension Section 2, the Third Street Light Rail Program Phase 2, Gold Line Eastside Extension and California High Speed Rail Construction Package 1.

O&G Industries, Inc. is a privately held company, is ranked 321st on Engineering News-Record (ENR)'s Top 400 Contractors list for 2018 and is one of the largest heavy civil contractors in the Northeast. O & G has worked with Tutor Perini on large projects in the past. Locally, Tutor Perini and O & G delivered the D-B Alameda Corridor Project in south Los Angeles.

STV is the lead design firm and is currently ranked 7th among ENR's Top 25 in Mass Transit and Rail and 9th among the Top 50 in the Transportation category. STV has worked with Tutor Perini on design-build transportation projects throughout the United States since 1997, as well as on Section 2.

## DEOD SUMMARY

**WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT – DESIGN/BUILD  
CONTRACT NO. C45161C1152  
Stations, Trackwork, Systems and Testing**

**A. (1) Small Business Participation - Design**

The Diversity and Economic Opportunity Department (DEOD) established a 17% Disadvantaged Business Enterprise (DBE) goal for Design. Tutor Perini/O&G, JV exceeded the goal by making a 19.25% DBE commitment.

<b>Small Business Goal</b>	<b>17% DBE</b>	<b>Small Business Commitment</b>	<b>19.25% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	Coast Surveying, Inc.	Hispanic American	0.74%
2.	Colmena Engineering	Hispanic American	0.58%
3.	Cornerstone Studios, Inc.	Asian Pacific American	0.35%
4.	Electrical Building Systems, Inc.	Hispanic American	1.64%
5.	Hinman Consulting Engineers, Inc.	Non-Minority Female	0.10%
6.	LIN Consulting, Inc.	Asian Pacific American	1.68%
7.	NUVIS	Hispanic American	0.87%
8.	OptiTrans	Asian Pacific American	0.79%
9.	Pacific Railway Enterprises	Non-Minority Female	0.33%
10.	PacRim Engineering, Inc.	Asian Pacific American	4.92%
11.	Sanchez/Kamp & Associates dba SKA Design	Hispanic American	0.47%
12.	Ted Tokio Tanaka Architects	Asian Pacific American	4.94%
13.	The Morcos Group, Inc.	Non-Minority Female	0.96%
14.	V&A, Inc.	Hispanic American	0.88%
<b>Total DBE Commitment</b>			<b>19.25%</b>

**A. (2) Small Business Participation - Construction**

DEOD established a 21% DBE goal for Construction. Tutor Perini/O&G, JV exceeded the goal by making a 21% DBE commitment. To be responsive to DBE requirements, Tutor Perini/O&G, JV was required to identify all known DBE subcontractors at the time of proposal. Tutor Perini/O&G, JV listed two (2) known DBE firms as noted below, with commitments totaling 21%. In addition, Tutor



Perini/O&G, JV is required to submit a DBE Contracting Plan within sixty (60) days after Notice to Proceed (NTP), identifying construction opportunities to meet its DBE commitment of 21%. Tutor Perini/O&G, JV must update the Contracting Plan monthly as contract work is bid and awarded to DBE firms.

<b>Small Business Goal</b>	<b>21% DBE</b>	<b>Small Business Commitment</b>	<b>21% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	Modern Times, Inc.	Hispanic American	0.03%
2.	Valverde Construction, Inc.	Hispanic American	1.87%
3.	To Be Determined at Time of Final Design	TBD	19.10 %
<b>Total DBE Commitment</b>			<b>21.00%</b>

**B. Contracting Outreach and Mentoring Plan (COMP)**

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP) including strategies to mentor for protégé development two (2) DBE firms for Design and four (4) DBE firms for Construction. Tutor Perini/O&G, JV selected PacRim Engineering and LIN Consulting, Inc. as protégés for Design and committed to identify the four (4) Construction protégés after the start of Construction.

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

The PLA/CCP requires that contractors commit to meet the following targeted hiring goals for select construction contracts over 2.5 million dollars:

<b>Federally Funded Projects</b>		
<b>Extremely / Economically Disadvantaged Worker Goal</b>	<b>Apprentice Worker Goal</b>	<b>Disadvantaged Worker Goal</b>
<b>40%</b>	<b>20%</b>	<b>10%</b>

**D. Prevailing Wage Applicability**

Prevailing Wage requirements are applicable to this project. DEOD will 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).

**E. Living Wage Service Contract Worker Retention Policy Applicability**

The Living Wage / Service Contract Worker Retention Policy is not applicable to this design/build contract.

**FUNDING / EXPENDITURE PLAN  
WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT  
LIFE OF PROJECT BUDGET (LOP)**

**ATTACHMENT C**

(DOLLARS IN MILLIONS)														Previously Appr'd LOP for Phase 1	Request Balance of LOP
Capital Project 865523	Prior	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28 to FY31	LOP Total	% of Total		
<b>Uses of Funds</b>															
Guideway & Track Elements	0.0	26.5	46.4	81.5	102.7	103.1	82.6	48.0	0.0	0.0	0.0	490.7	15.2%	362.6	128.1
Stations, Stops, Terminals, Intermodal	0.0	0.1	48.6	89.9	114.6	124.1	117.3	151.4	147.2	0.6	0.0	793.9	24.6%	6.4	787.5
Sitework & Special Conditions	3.1	52.0	59.4	56.4	75.7	82.3	75.7	57.5	29.6	0.0	0.0	491.8	15.3%	187.3	304.5
Row, Land, Existing Improvements	0.0	100.0	209.6	95.5	61.7	0.0	0.0	0.0	0.0	0.0	0.0	466.9	14.5%	465.9	1.0
Professional Services	49.5	28.2	72.7	72.7	72.7	72.7	52.3	41.2	27.6	15.1	0.0	504.5	15.6%	212.3	292.2
Unallocated Contingency	0.0	8.0	14.0	82.0	87.8	79.5	69.5	64.1	46.9	12.3	0.0	464.1	14.4%	128.6	335.5
<b>Section 3 LOP Budget (FFGA) Subtotal:</b>	<b>52.6</b>	<b>214.8</b>	<b>450.7</b>	<b>478.0</b>	<b>515.2</b>	<b>461.6</b>	<b>397.5</b>	<b>362.2</b>	<b>251.4</b>	<b>28.0</b>	<b>0.0</b>	<b>3,211.9</b>	<b>99.6%</b>	<b>1,363.1</b>	<b>1,848.8</b>
Sitework & Special Condition	0.0	0.0	0.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	0.2%	6.0	0.0
ROW Acquisition (Lost of Good Will)	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0%	1.0	0.0
Professional Services	0.0	1.0	1.0	1.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	3.6	0.1%	3.6	0.0
Planning / Environmental	0.8	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.04%	1.1	0.0
<b>Concurrent Non-FFGA Subtotal:</b>	<b>0.8</b>	<b>1.8</b>	<b>1.5</b>	<b>7.0</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11.7</b>	<b>0.4%</b>	<b>11.7</b>	<b>0.0</b>
<b>Total Life of Project Budget (LOP):</b>	<b>53.4</b>	<b>216.6</b>	<b>452.2</b>	<b>485.0</b>	<b>515.8</b>	<b>461.6</b>	<b>397.5</b>	<b>362.2</b>	<b>251.4</b>	<b>28.0</b>	<b>0.0</b>	<b>3,223.6</b>	<b>100%</b>	<b>1,374.8</b>	<b>1,848.8</b>
<b>Source of Funds</b>															
Federal Sources															
Section 5309 New Starts	0.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	400.0	1,300.0	40.3%	283.8	1,016.2
Surface Transportation Block Grant Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	93.0	0.0	0.0	0.0	93.0	2.9%	0.0	93.0
Congestion Mitigation & Air Quality Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.1	25.0	14.9	0.0	45.0	1.4%	0.0	45.0
<b>Total Federal Funds</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>198.1</b>	<b>125.0</b>	<b>114.9</b>	<b>400.0</b>	<b>1,438.0</b>	<b>44.6%</b>	<b>283.8</b>	<b>1,154.2</b>
Non-Federal Sources															
Local Funds	53.4	116.6	352.2	385.0	433.8	379.6	333.6	167.2	207.1	13.0	0.0	2441.5	75.7%	1,091.0	1,350.5
Reimbursement of Local Funds from New Starts *	0.0	0.0	0.0	0.0	(18.0)	(18.0)	(36.1)	(34.9)	(80.7)	(100.0)	(400.0)	(687.8)	(0.2)	0.0	(687.8)
Regional Improvement Program Funds (RIP)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.8	0.0	0.0	0.0	31.8	0.0	0.0	31.8
<b>Total Non-Federal Funds</b>	<b>53.4</b>	<b>116.6</b>	<b>352.2</b>	<b>385.0</b>	<b>415.8</b>	<b>361.6</b>	<b>297.5</b>	<b>164.1</b>	<b>126.4</b>	<b>(87.0)</b>	<b>(400.0)</b>	<b>1,785.6</b>	<b>0.6</b>	<b>1,091.0</b>	<b>694.6</b>
<b>Total Life of Project Budget Funding:</b>	<b>53.4</b>	<b>216.6</b>	<b>452.2</b>	<b>485.0</b>	<b>515.8</b>	<b>461.6</b>	<b>397.5</b>	<b>362.2</b>	<b>251.4</b>	<b>28.0</b>	<b>0.0</b>	<b>3,223.6</b>	<b>100%</b>	<b>1,374.8</b>	<b>1,848.8</b>

\* Does not include finance costs

\* Timing of funding sources is subject to change

**REQUEST FOR PROJECT STAFF POSITIONS  
WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT**

**ATTACHMENT D**

<b>No. FTE</b>	<b>Cost Center</b>	<b>Position Title</b>	<b>Job Description</b>	<b>QTR Needed</b>
1	6510	Principal Real Estate Officer (Acquisitions)	The Principal Real Estate Officer (Acquisitions) serves in a lead capacity performing highly complex real estate functions, including property acquisition and other specific tasks, and may supervise subordinate staff in support of the Project needs.	FY19, Q3
<b>1</b>	<b>Subtotal 6510</b>			
1	6810	Director Construction (Safety)	The Director of Construction (Safety) provides direction and leadership to individuals inside and outside of Metro, and ensures construction contract compliance, as well as compliance with applicable federal, state, and local safety regulations in support of the Project. This position is also responsible for overseeing the implementation of the Corporate Construction Safety Goals and Objectives at the line supervision level.	FY19, Q3
<b>1</b>	<b>Subtotal 6810</b>			
1	7120	Sr. Manager Transportation Planning	The Senior Manager, Transportation Planning will work closely with the Project Manager, engineers, design professionals and community members to ensure holistic integration of art and design into the Project, as well as the required removal and/or demolition of third party artworks is addressed with sensitivity. Will engage significant art, design and cultural organization stakeholders, non-profits, schools and community members in the project area to develop community arts and cultural resource guides and ensure early input into the process and application of industry best practices. Will host artist workshops, develop scopes of work, issue calls to artists, respond to RFIs, review technical submittals, participate in design resolution, cost estimating, value engineering, construction management, manage art design development, fabrication, installation and other related project delivery activities.	FY19, Q3
<b>1</b>	<b>Subtotal 7119</b>			
1	7160	Sr. Construction Relations Officer	The Sr. Community Relations Officer's primary responsibilities are to conduct public outreach, stakeholder communications and construction impact coordination and mitigation in partnership with project management and contractors.	FY19, Q3
<b>1</b>	<b>Subtotal 7160</b>			

No. FTE	Cost Center	Position Title	Job Description	QTR Needed
1	8010	Sr. Director Construction (Systems)	The Sr. Director Construction (Systems) oversees, manages, and coordinates design and construction activities related to systems final design, design support during construction and testing/startup of the Project. This position has the day-to-day responsibility of directing Metro Engineering staff assigned to the Project to review work performed by the contractor's design consultants.	FY19, Q3
1	8010	Director Construction (Systems)	Director of Construction (Systems) reports to the Sr. Director Construction (Systems) oversees the day-to-day engineering and construction management services staff assigned to the Project.	FY20, Q1
1	8010	Director Construction	Director of Construction reports to the D.E.O., Program Management and oversees the day-to-day activities of the construction management support services staff assigned to the Project.	FY19, Q3
1	8010	Sr. Administrative Analyst	The Sr. Administrative Analyst provides administrative and analytical support, and interacts with Metro staff, consultants and outside agencies and coordinates administrative functions. Coordinates work efforts for new projects/contracts, sets up preliminary project management plans and other requirements in support of the departmental Directors.	FY19, Q3
1	8010	Engineering Associate	The Engineering Associate performs intermediate-level engineering technical work in support the Project.	FY19, Q3
<b>5</b>	<b>Subtotal 8010</b>			
1	8430	Third Party Administrator	The Third Party Administrator plans and coordinates the multi-disciplined and complex work associated with the Project construction activities involving public agencies, public/private utilities, and other third parties.	FY19, Q3
<b>1</b>	<b>Subtotal 8430</b>			
1	8610	Director Cost Estimating	The Director of Cost Estimating provides cost estimating oversight and direction to the Project estimating staff that provide independent project specific cost estimates and analysis.	FY19, Q3
1	8610	Sr. Configuration Management Analyst	The Sr. Configuration Management Analyst processes request for information, change notices, contract modifications, submittals, drawings, claims, and project correspondence for compliance with laws, regulations and requirements.	FY19, Q3
<b>2</b>	<b>Subtotal 8610</b>			

No. FTE	Cost Center	Position Title	Job Description	QTR Needed
12	Total			

Westside Purple Line Extension Stations Project - Section 3  
C1152 Recommendation for Award – Board Meeting  
February 28, 2019



# Westside Purple Line Extension Stations Project - Section 3 C1152 Recommendation for Award Board Item 2019-0050 - Recommended Actions

- A. AMENDING the Life-of-Project (LOP) Budget of \$1,374,826,466 to \$3,223,623,255 to include the Stations, Trackwork, Systems and Testing portion of the Westside Purple Line Extension Section 3 Project (Project), consistent with previous actions taken by the Board in February 2016, January 2017, and June 2018;
- B. AUTHORIZING the Chief Executive Officer (CEO) to award an 89-month firm fixed price contract under Request for Proposal (RFP) No. C45161C1152 to Tutor Perini/O&G, JV, the responsive and responsible Proposer determined to provide Metro with the best value for the final design and construction of the Westside Purple Line Extension Section 3 Project Stations, Trackwork, Systems and Testing, in the amount of \$1,363,620,000, subject to the Federal Transit Administration (FTA) approval of a Full Funding Grant Agreement (FFGA), and resolution of protest(s), if any;
- C. AUTHORIZING the withholding of funds, pursuant to the provisions of the Measure M Ordinance, from the Local Return/Regional Rail Subfund to pay for the 3% local agency contributions to the Project should no agreement with the local jurisdictions be approved or upon default of payment by a local jurisdiction; and
- D. APPROVING an additional 12 full time Metro staff for FY19 to strengthen the existing project management and support team.



# Westside Purple Line Extension Section 3 Project (Century City Constellation to Westwood/VA Hospital) Project Description



- The WPLE Section 3 Project is a 2.56 mile alignment from the future Century City Constellation Station to the future Westwood/VA Hospital Station. The Project includes 16 heavy rail vehicles, twin-bored tunnels and two (2) new subway stations:
  - Westwood/UCLA
  - Westwood/VA Hospital
- Requested LOP Budget
  - \$3.22 Billion
- Revenue Service Date:
  - Forecast – 2027
- Daily Project Transit Trips: 42,903
- Daily New Transit Trips: 9,386

# Westside Purple Line Extension Stations Project - Section 3 C1152 Recommendation for Award Basis of Award/Procurement Method

LACMTA used a competitive negotiated procurement process to select the contractor for the design-build delivery, as follows.

**Request for Qualifications to establish a listing of pre-qualified teams.** On September 15, 2017, five teams submitted Statements of Qualifications..

**Request for Proposal** – On August 22, 2018, three of the five pre-qualified teams submitted proposals:

AECOM Westside Partners  
Healy Dragados PL3S, JV  
Tutor Perini/O&G, JV

Two pre-qualified firms, Skanska-Obayashi, JV and Walsh-Traylor JV, elected to not submit proposals, citing commitments to other projects.

The basis for award is to a responsive and responsible Proposal determined by LACMTA, based on the evaluation factors set forth in the RFP, to provide the best value.

Notice of Intent to Award was issued on February 15, 2019.

# Westside Purple Line Extension Stations Project - Section 3 C1152 Recommendation for Award Price Analysis

Proposer Name	Total Price Proposal <sup>1</sup>	Total ICE <sup>2</sup> Price Proposal	Award Price <sup>3</sup>	ICE <sup>2</sup> Award Price <sup>3</sup>
AECOM Westside Partners	\$1,673,015,004	\$1,328,583,699	\$1,591,840,500	\$1,241,176,270
Healy Dragados PL3S, JV	\$1,554,333,297		\$1,428,892,540	
Tutor Perini/O&G, JV	\$1,450,424,058		\$1,363,620,000	

Note<sup>1</sup>: The Total Price Proposal includes the Base Work, Provisional Sums, Unit Prices, Delay Compensation, and Life Cycle Costs.

Note<sup>2</sup>: The Independent Cost Estimate (ICE) amounts are submitted before the due date and opened concurrently with the other Proposals.

Note<sup>3</sup>: The Award Price includes Base Work and Provisional Sums only.

A line by line detailed price comparison of all Price Proposals with the Independent Cost Estimate (ICE) was performed. The one line item which represented a significant component of lower costs than other Proposers for Tutor Perini/O&G, JV was the General Requirements line Item.

An evaluation for price reasonableness was performed for each Proposal, to determine: 1) If the proposer's price fully contemplates the required work; 2) Unbalanced pricing, which despite an acceptable total evaluated price, the price of one or more line items is significantly overstated or understated; and 3) The proposer's ability to perform the work for the stated pricing compared to their Management and Technical Approach submittal.

The price of the recommended award is determined to be fair and reasonable based on Metro's budget, corresponding funding levels, adequate price competition, and comparison to the Independent Cost Estimate which was submitted concurrently with the proposals

# Westside Purple Line Extension Stations Project - Section 3 C1152 Recommendation for Award Disadvantage Business Enterprise Determination

The Diversity & Economic Opportunity Department (DEOD) Disadvantaged Business Enterprise (DBE) subcontractor goals for the project were established at 16% for Design and 21% for Construction. Proposers were required to identify DBE subcontractors for Design and provide a DBE Contracting Plan detailing their plan to achieve their DBE commitment for Construction.

Tutor Perini/O&G, JV's proposal committed to a DBE subcontractor goal of 19.25% for Design and 21.00% for Construction.

# Westside Purple Line Extension Stations Project - Section 3 C1152 Recommendation for Award Questions

