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**Agenda - Final**

**Thursday, April 16, 2020**

**10:15 AM**

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**Construction Committee**

*Janice Hahn, Chair*

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*Kathryn Barger*

*Jacquelyn Dupont-Walker*

*Sheila Kuehl*

*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 must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

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 one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

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.

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.

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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.

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

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

26. **SUBJECT: PROGRAM MANAGEMENT MAJOR PROJECT STATUS REPORT** [2020-0219](#)

**RECOMMENDATION**

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

**Attachments:** [Attachment A - Program Management Major Project Status Report](#)

27. **SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR- 118 TO SR-134; SEGMENT 3** [2020-0202](#)

**RECOMMENDATION**

AUTHORIZE Contract Modification No. 306 (CCO 306) by the California Department of Transportation (Caltrans) for the construction contract for Segment 3 (Empire) of I-5 North Capacity Enhancements Project between SR-134 and SR-118 (Project) in the amount not to exceed \$1.06 million under Funding Agreement No. MOU. P0008355/8501A/A9 within the LOP budget.

28. **SUBJECT: SUSTAINABILITY ENGINEERING SERVICES FOR SOLID WASTE, RECYCLING AND HAZARDOUS WASTE COMPLIANCE** [2020-0127](#)

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) to award a Cost Plus Fixed Fee Contract for a base period of performance of three (3) years, Contract No. AE61890, to Jacobs Engineering Group, Inc., for **Sustainability Engineering Services for Solid Waste, Recycling and Hazardous Materials and Waste Compliance**, for total Contract amount not-to-exceed \$11,047,603 for the 3 year baseline term and to exercise two one (1) year options, year one option not-to-exceed \$3,825,715 and year two option not-to-exceed \$3,954,885; and
- B. AUTHORIZING the Chief Executive Officer (CEO) to execute changes and modifications within the Board approved not-to-exceed contract amount.

**Attachments:** [Attachment A - Procurement Summary](#)  
[Attachment B - DEOD Summary](#)  
[Attachment C - Anticipated Projects and Tasks](#)

**29. SUBJECT: CRENSHAW/LAX TRANSIT PROJECT**[2020-0195](#)**RECOMMENDATION**

CONSIDER amending the Life-of-Project (LOP) budget by \$90,000,000 for the Crenshaw/LAX Transit Project (Project) of \$2,058,000,000 to \$2,148,000,000, consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment B).

**Attachments:**      [Attachment A - Funding-Expenditure Plan \(\\$90\)](#)  
                                 [Attachment B - Crenshaw-LAX Transit Project Measure R and Measurement M](#)

**30. SUBJECT: WILLOWBROOK/ROSA PARKS STATION IMPROVEMENT PROJECT**[2020-0154](#)**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to increase the Life of Project Budget (LOP) Budget for Willowbrook/Rosa Parks Station Improvement Project (CP 210151) by \$18,998,400 from \$109,350,000 to \$128,348,400.

**Attachments:**      [Attachment A - WRP Funding and Expenditure Plan 200214](#)

**31. SUBJECT: CRENSHAW/LAX CLOSE OUT PROJECT**[2020-0238](#)**RECOMMENDATION**

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

**Attachments:**      [Attachment A - Funding-Expenditure Plan \(\\$30\)](#)  
                                 [Attachment B - Crenshaw-LAX Transit Project Measure R and Measurement M](#)

**SUBJECT: GENERAL PUBLIC COMMENT**[2020-0271](#)

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 #:** 2020-0219, **File Type:** Oral Report / Presentation

**Agenda Number:**

### CONSTRUCTION COMMITTEE APRIL 16, 2020

**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**

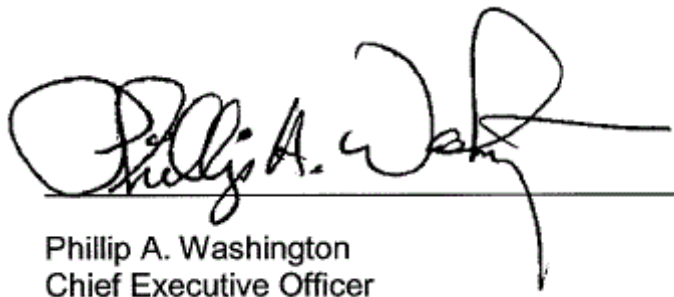
Update report covering the month of April 2020 by the Chief Program Management Officer.

#### **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
- **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** - Yohana Jonathan, Princ. Prog. Mgmt. Analyst, (213) 418-3031



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Phillip A. Washington  
Chief Executive Officer





















# **Program Management Major Project Status Report**

Presented By

**Richard Clarke**

Chief Program Management Officer

# PROJECT BUDGET & SCHEDULE STATUS SUMMARY CHART

Project	Cost Performance	Schedule Performance	Comments
Crenshaw/LAX			Project is 95% complete. Contractor needs to recover schedule.
Regional Connector			Project is 64.5% complete and proceeding on schedule and within budget.
Westside Purple Line Extension-Section 1			Project is 58% complete and proceeding on schedule. Differing site conditions and third party requirements are impacting the project budget.
Westside Purple Line Extension-Section 2			Project is 27% complete and proceeding on schedule and within budget.
Westside Purple Line Extension-Section 3			Project is 8% complete and proceeding on schedule and within budget. The FTA has awarded the Full Funding Grant Agreement.
Patsaouras Plaza			Project is 85% complete and proceeding on schedule and within budget.
Willowbrook/Rosa Parks Station			Blue Line Platform and Mezzanine Finishes and Vertical Circulation work ongoing while station is in operation. Customer Center, Mobility Hub + Public Plaza and promenade are substantially complete. Package B 100% bid package has been bid with negotiations ongoing. Real Estate and eminent domain costs are now finalized and along with Package B costs will push the project above the budget.
I-210 Barrier Replacement			Final Project 1 Project Report submitted to Caltrans for approval. We expect Project Report approval by the end of March. We are working toward Project 1 100% Design Package for approval by end of April 2020. Project 2 constructability and impact to Metro, Caltrans and surrounding cities are being investigated by the Design Team.
I-5 North: SR 118 to SR 134			Segment 1 and 2 are completed. Segment 3 (Empire Ave & Burbank) is 79% complete. Segment 4 (Magnolia to SR-134) is 96% complete.
I-5 South: Orange County Line to I-605			Segments 1, 3 and the Carmenita Interchange are completed. Segment 2 (Valley View) is 60% complete. Segment 4 (Imperial) is 97% complete. Segment 5 (Florence) is 86% complete.

April 2020

Construction Committee

Los Angeles County Metropolitan Transportation Authority



On target



Possible problem



Significant Impact



Metro 2

# CRENSHAW/LAX TRANSIT PROJECT

## BUDGET

	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$2,058M	\$2,148M

## SCHEDULE

	<u>Current</u>	<u>Forecast</u>
REVENUE	Summer/Fall	2021
OPERATION	2020	

- Overall Project Progress is 95% complete; contractor needs to recover schedule.
- Project budget is being impacted by schedule delay.
- Contractor continues remaining facility and systems installation and testing efforts.
- Integrated testing being performed up to Hindry Ave in south section of alignment.



Vehicle testing on new bridge over I-405 Freeway



Trackwork and overhead catenary system – Crenshaw & 57<sup>th</sup>

April 2020



On target



Possible problem



Significant Impact

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 3

\*Substantial Completion: Winter 2020

# REGIONAL CONNECTOR TRANSIT PROJECT

## BUDGET

	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$1,816M	\$1,816M

- Overall Project Progress is 64.5% complete.
- Little Tokyo/Arts District Station, WYE and 1st Street:** Street Restoration continues at Wye and 1st/Alameda; Structural concrete operations continue at Station.
- Historic Broadway Station:** Structural concrete continues within the Station and Crossover Cavern.
- Grand Av Arts/Bunker Hill Station:** Structural concrete installation continues throughout the Station; Concrete masonry unit (CMU) walls for systems and electrical equipment continue.
- Flower Street:** Installation of exterior and interior walls and roof placements continue.
- Track:** Phase 1 of rail welding operations is complete; Phase 2 to begin in Q3 of this year.

## SCHEDULE

	<u>Current</u>	<u>Forecast</u>
REVENUE	Summer/Fall	Summer/Fall
OPERATION	2022	2022



Fan Room interior wall construction at future Little Tokyo/Arts District Station



Conduit installation at CMU walls

April 2020



On target



Possible problem



Significant Impact

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 4

# WESTSIDE PURPLE LINE EXTENSION – SECTION 1

## BUDGET

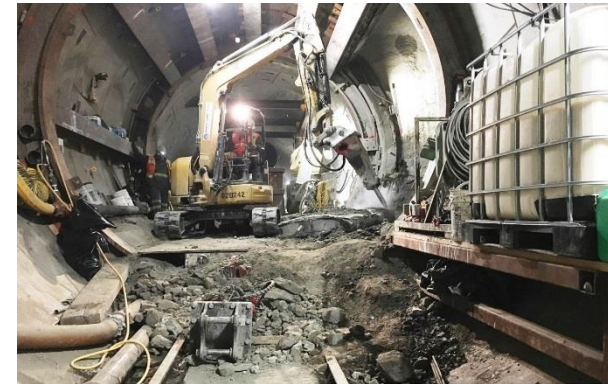
	<u>Current</u>	<u>Forecast</u>
<b>TOTAL COST*</b>	<b>\$3,154M</b>	<b>\$3,154M</b>

\* Includes Board approved LOP budget plus finance costs.

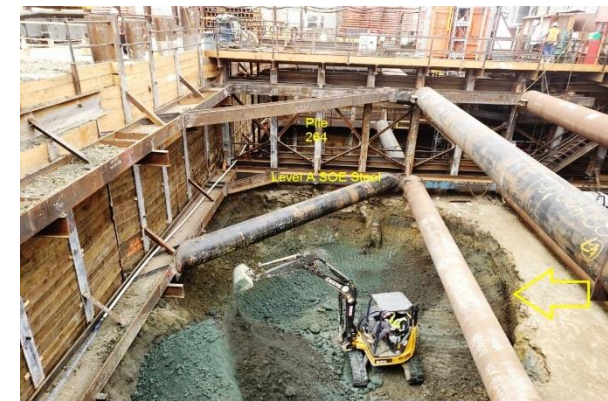
## SCHEDULE

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

- Overall Project Progress is 58% complete.
- Wilshire/Western Retrieval Shaft:** Continued support of Reach 1 cross passage construction.
- Wilshire/La Brea Station:** Concrete placement for 2<sup>nd</sup> lift exterior wall continues. First roof concrete placement is scheduled for March 14, 2020. Removal of the Center Shaft is scheduled for March 22, 2020.
- Wilshire/Fairfax Station:** Excavation and SOE installation at the future station entrance is anticipated to complete in June 2020. Tunnel boring machines TBM arrival is scheduled for April 8, 2020. Work on interior walls will commence after TBMs are launched for Reach 3 tunnel mining.
- Wilshire/La Cienega Station:** Station invert concrete placement completed on February 29, 2020. First exterior wall concrete placement is scheduled to start on March 24, 2020.
- Tunneling:** Reach 2 Tunneling as of March 11, 2020 - Purple TBM (Elsie): 3,464 feet mined (78% complete); Red TBM (Soyeon): 2,277 feet mined (51% complete).
- Cross Passages (CP):** Excavation at cross passages #11 and #12 have been completed in this reporting period. Cross passage #13 excavation has commenced.
- Differing site conditions and third party requirements are impacting the project budget.



Work at Cross Passage #12



Wilshire/Fairfax Station Entrance Structure

April 2020



On target



Possible problem



Significant Impact



Metro 5

Construction Committee

Los Angeles County Metropolitan Transportation Authority

# WESTSIDE PURPLE LINE EXTENSION – SECTION 2



## BUDGET

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

\* Includes Board approved LOP budget plus finance costs.



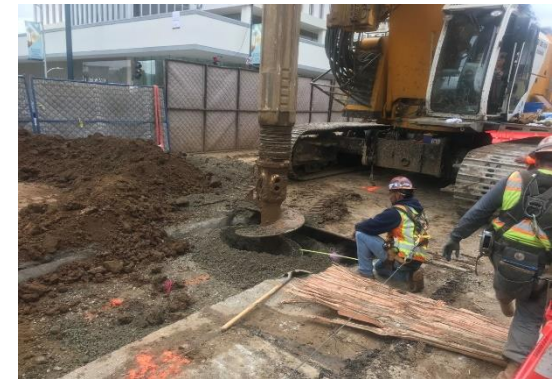
## SCHEDULE

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

- Overall Project progress is 27% complete.
- Final design progress is 98% complete.
- **Century City Constellation Station**
  - Assembly of the tunnel boring machines (TBM's) started on December 26, 2019 and is ongoing.
  - Tunnel shaft excavation has reached a depth of 64ft and is on hold pending an investigation into potential differing site conditions. Staff is coordinating additional site investigations and potential surface work on the BHHS campus with BHUSD and CalGEM.
  - LADWP cable pulling and splicing was completed on March 5, 2020.
- **Wilshire/Rodeo Station**
  - Piling for the station box excavation has completed one-hundred and nineteen (119) out of two hundred and ninety (290) piles as of March 16, 2020.
  - Piling activities are forecasted to continue through July 2020.



Lowering of TBM Cutterhead at the Launch Box in Century City



Pile Installation at Wilshire/Rodeo Station

April 2020



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 7

# WESTSIDE PURPLE LINE EXTENSION – SECTION 3



## BUDGET

	<u>Current</u>	<u>Forecast</u>
<b>TOTAL COST*</b>	<b>\$3,611M</b>	<b>\$3,611M</b>

\* Includes Board approved LOP budget plus finance costs.



## SCHEDULE

	<u>Current</u>	<u>Forecast</u>
<b>REVENUE</b>	<b>2028</b>	<b>2027</b>
<b>OPERATION</b>	<b>(FFGA)</b>	

- The Full Funding Grant Agreement has been awarded.
- Overall Project progress is 8% complete
- Final design progress is 47% complete
- **C1151 Tunnel Contract**
  - Utility work for TBM power continues.
  - Preparation of the Tail Track Exit Shaft (TTES) site for construction continues on the VA Campus.
- **C1152 Stations, Trackwork and Systems Contract**
  - Final Design is ongoing.
  - Utility potholing investigation has begun.
  - Pre-construction surveys of adjacent properties ongoing.
  - Contractor completed geotechnical investigation work.
- **Other Third Party Utility Relocation Work**
  - Joint trench activities for combining Verizon and Frontier telecommunications are ongoing. Cable pulling/splicing ongoing.
  - Southern California Gas relocations are ongoing. Final “hot tapping” pending crew availability.
  - LADWP(Power): Cable pulling/splicing/cutover completed.



First 100 ft. of TTES Guide Wall Placement  
at Western VA Staging Area



Excavation of TTES Guide Wall Trench

April 2020



On target



Possible problem



Significant Impact

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 7

# PATSAOURAS BUS PLAZA STATION



## BUDGET

	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$50.9M	\$50.9M



## SCHEDULE

	<u>Current</u>	<u>Forecast</u>
SUBSTANTIAL COMPLETION	Spring 2020	Spring 2020

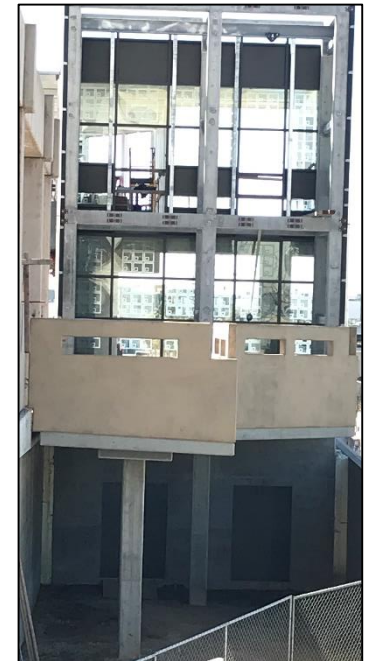
- Overall project progress at approximately 85% complete.
- Drainage system tie in on-hold to revise Area of Potential Effect with Consulting Parties.
- Elevator enclosure glass completed.
- Pedestrian walkway interior stainless steel panels initiated.
- Austin Vault completed.



Austin Vault completed



Interior panels initiated



Elevator glass enclosure completed

April 2020



On target



Possible problem



Significant Impact



Metro 8

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# WILLOWBROOK/ROSA PARKS STATION

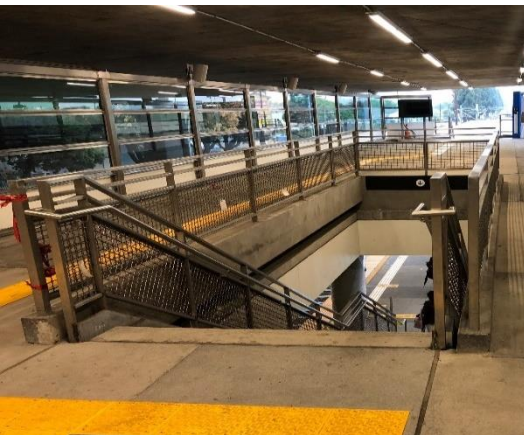
## BUDGET

	<u>Current</u>	<u>Forecast</u>
<b>TOTAL COST</b>	<b>\$109.3M</b>	<b>\$128.4M</b>

## SCHEDULE

	<u>Current</u>	<u>Forecast</u>
<b>SUBSTANTIAL COMPLETION</b>	<b>Summer 2020</b>	<b>Summer 2020</b>

- Package A: Customer Center, Mobility Hub and Public Plaza are substantially complete. Promenade remains at 95% completion due to delay in materials. Punch walks completed. Eminent domain acquisition costs are now finalized and will push the total cost of the project above the current budget. Southern pedestrian crossing being coordinated with Union Pacific Rail Road and may cause delay in planned July 2020 opening.
- Package C: Finishes, Systems (Variable Message Sign, TAP) and Vertical Circulation work ongoing while Station is in Operations. North end of mezzanine and stair to C Line platform construction near completion.
- Package B: Contractor has submitted pricing, total costs much higher than expected. Early work scheduled to commence end of March 2020, budget issue to be considered at this meeting.



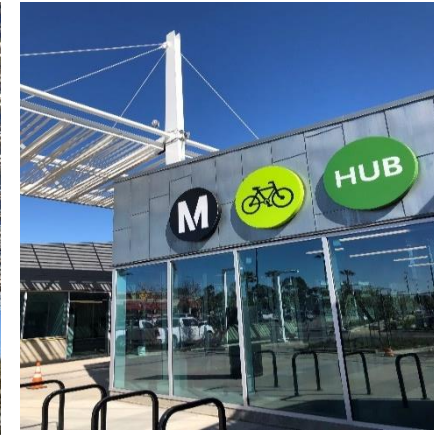
Blue Line Mezzanine open to the public



Mobility Hub Interior



Customer Center and Mobility Hub substantially complete



**April 2020**



On target



Possible problem



Significant Impact



**Metro** 9

**Construction Committee**

Los Angeles County Metropolitan Transportation Authority

# I-210 BARRIER REPLACEMENT PROJECT

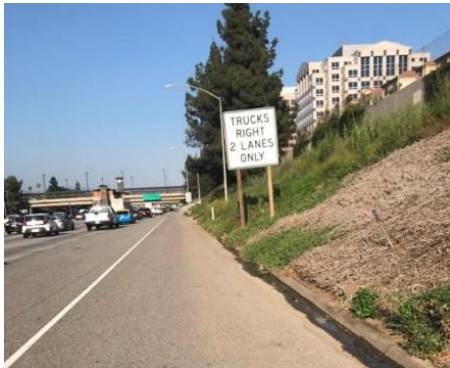
## BUDGET

	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$22.54M	\$22.54M
	Design	Design

## SCHEDULE

	<u>Current</u>	<u>Forecast</u>
Complete Design (Proj 1)	Apr 2020	Spring 2020
Complete Design (Proj 2)	Apr 2021	Spring 2021

- Project 1: Segment from Michillinda to Iconic Bridge – Final PSR-PR submitted to Caltrans for approval. Approval is expected by end of March. After that is completed, the 100% Design Package will be submitted for approval in April.
- Project 2: Segment from west end of the project to Michillinda – Investigation of the barrier alternatives feasible for Project 2 has been completed by the Design Team.
- Projects 1 & 2: Design Team investigating the constructability and operational impact while single tracking occurs during construction on Gold Line. Additional track infrastructure (like cross-overs) is being investigated to see if they minimize the impact during construction.



Newly Installed Caltrans Freeway Sign



Incident in 2014



Newly Installed Speed Limit Sign

April 2020



On target



Possible problem



Significant Impact

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Los Angeles County Metropolitan Transportation Authority



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# I-5 Construction Projects (By Caltrans)



April 2020

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Los Angeles County Metropolitan Transportation Authority

# I-5 NORTH: SR 118 TO SR 134

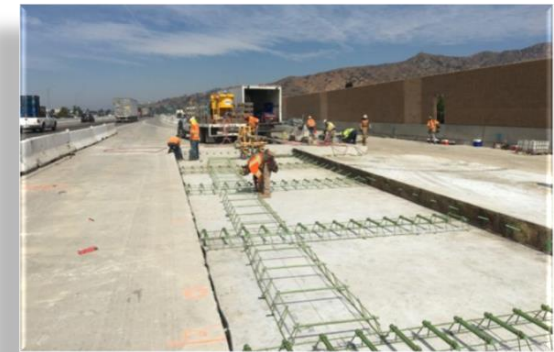
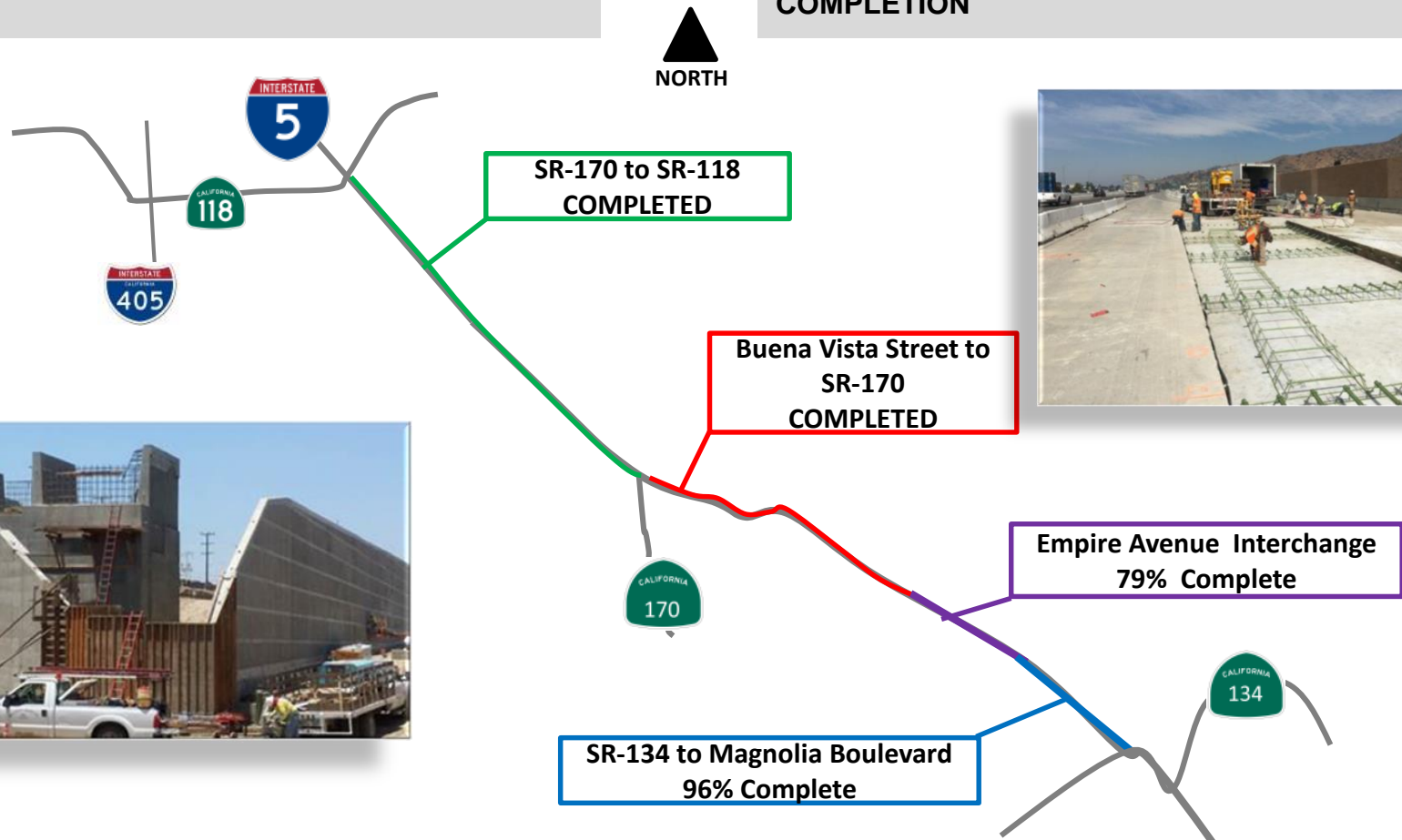


## ⚠ BUDGET

	Current	Forecast
TOTAL COST	\$880.9M	\$915.7M*

## ⚠ SCHEDULE\*

ANTICIPATED PROJECT COMPLETION	Current Summer 2022	Forecast Winter 2022
--------------------------------	------------------------	-------------------------



April 2020



On target



Possible problem



Significant Impact



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\* Risk Analysis, Nov 2019

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



## BUDGET

	Current	Forecast
<b>TOTAL COST</b>	<b>\$1.888B</b>	<b>\$1.888B*</b>

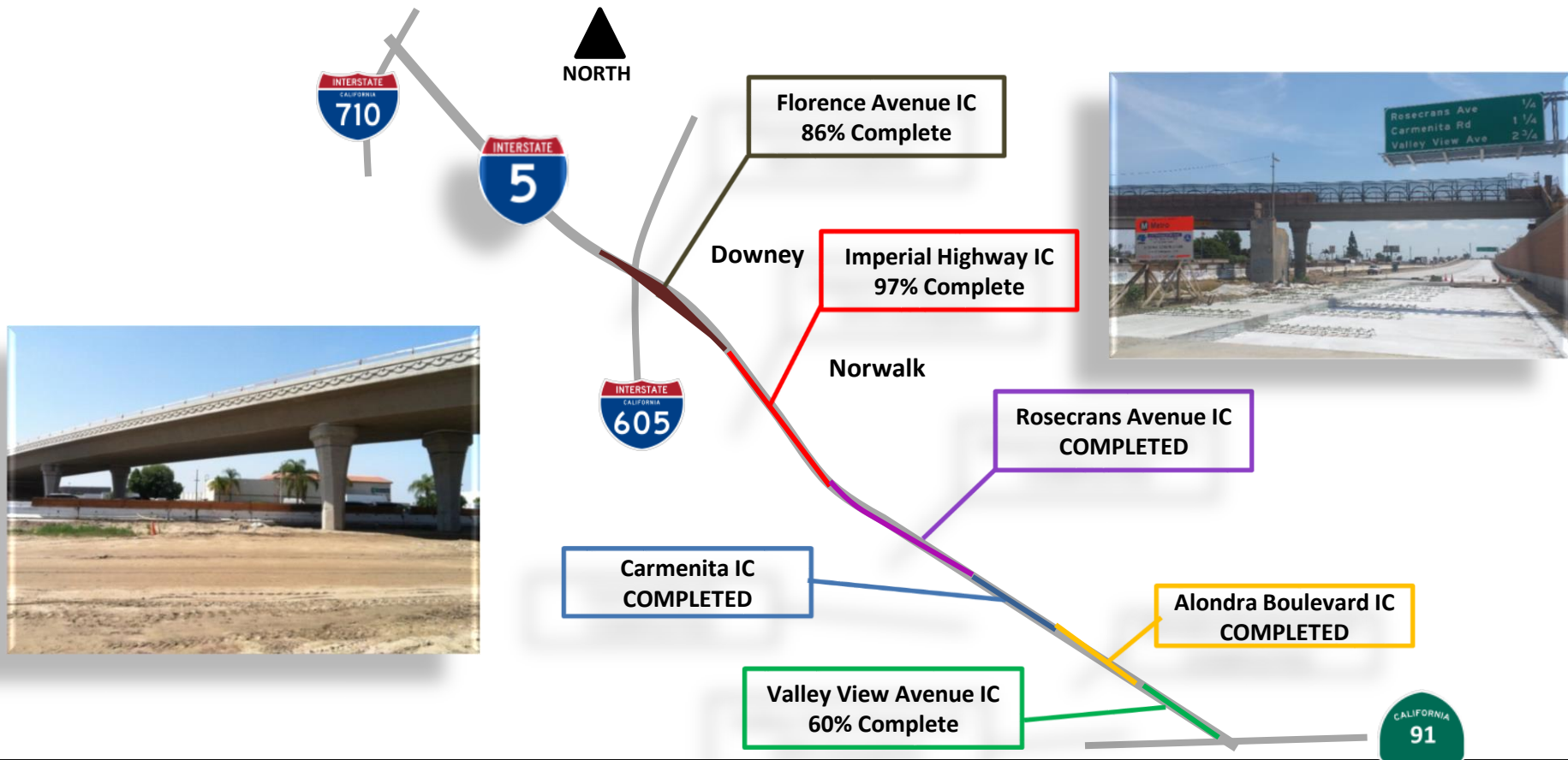


## SCHEDULE

**ANTICIPATED  
PROJECT  
COMPLETION**

**Current**  
Fall 2022

**Forecast**  
Winter 2022



On target



Possible problem



Significant Impact



**Metro** 13

April 2020

Construction Committee

Los Angeles County Metropolitan Transportation Authority

\* Risk Analysis, Nov 2019



## Board Report

File #: 2020-0127, File Type: Contract

Agenda Number: 28.

### CONSTRUCTION COMMITTEE APRIL 16, 2020

**SUBJECT: SUSTAINABILITY ENGINEERING SERVICES FOR SOLID WASTE, RECYCLING AND HAZARDOUS WASTE COMPLIANCE**

**ACTION: AWARD CONTRACT FOR SOLID WASTE, RECYCLING AND HAZARDOUS MATERIALS AND WASTE COMPLIANCE**

### RECOMMENDATION

#### CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) to award a Cost Plus Fixed Fee Contract for a base period of performance of three (3) years, Contract No. AE61890, to Jacobs Engineering Group, Inc., for **Sustainability Engineering Services for Solid Waste, Recycling and Hazardous Materials and Waste Compliance**, for total Contract amount not-to-exceed \$11,047,603 for the 3 year baseline term and to exercise two one (1) year options, year one option not-to-exceed \$3,825,715 and year two option not-to-exceed \$3,954,885; and
- B. AUTHORIZING the Chief Executive Officer (CEO) to execute changes and modifications within the Board approved not-to-exceed contract amount.

### ISSUE

Metro's sustainability program is nationally recognized as one of the leading programs in the transit industry. Sustainability principles such as climate, energy, water, resource conservation and management are integrated into Metro's transportation infrastructure and facilities activities. As a result, Metro has effectively reduced resource consumption, decreased air pollutant emissions, including greenhouse gas emissions, improved efficiency, reduced solid and liquid waste generation, and increased recycling and diversion from landfill.

To ensure the continued success of Metro's sustainability program and further achieve operational sustainability, we have solicited and recommend the award of a professional services contract for solid waste, recycling and hazardous waste compliance consulting services.

The scope of this contract is designed to reduce generated waste, increase capacity for recycling, and ensure that hazardous waste compliance is both effective and consistent with current regulations and ahead of emerging statutes and regulatory requirements.

Over the long-term, the services used through this contract will ensure the protection of human health and the environment, addresses challenge of operational sustainability, and reduces the impacts of our activities to shrinking landfill resources. This recommended contract was also solicited to increase participation of firms that work in the sustainability industry in Metro's programs, especially those which are involved in the fields of solid waste, recycling and hazardous materials and waste compliance.

## **DISCUSSION**

As Metro's sustainability program has matured, the Environmental Compliance and Sustainability Department (ECSD) has a need for several specialty contracts to provide technical expertise and support to advance agency-wide sustainability initiatives and projects.

To advance Metro's sustainability and environmental stewardship commitment, the following four separate consultant contracts have been implemented to assist Metro with its sustainability program:

- A. Sustainability Engineering Services for Solid Waste, Recycling and Hazardous Waste Compliance (this procurement);
- B. Sustainability Engineering Services for Water Resources, Conservation and Compliance (awarded in Fall 2019);
- C. Sustainability Engineering Services for Energy, Renewable Energy, and Climate Change and Adaptation and Climate (currently being procured); and
- D. Sustainability Program Assistance Services (currently being procured).

The current Metro Sustainability Implementation Plan (MSIP, 2008) together with *GEN51: Construction and Demolition Debris Recycling and Reuse Policy* provides a framework of how our agency can reduce our impacts to the environment resulting from activities that produce waste that are destined for landfills. In the current effort to update the MSIP, staff proposes to meet specific waste metrics, including activities that will reduce or divert such wastes that currently use traditional disposal methods. This contract will assist staff in developing those alternative means to:

- 1. Reduce the amount of waste generated from Metro activities;
- 2. Increase the diversion of waste that are inevitably generated;
- 3. Immobilizing the impacts of hazardous materials and hazardous waste; and
- 4. Determine new ways to influence the practices of our vendors to reduce generated waste as they supply goods and services to Metro.

Additional strategies have been developed and continue to be developed as part of the Board approved Sustainable Acquisition Program (SAP). Through several SAP pilots, staff is developing new tactics and best practices consistent with the MSIP update efforts.

The services that will be provided by the Sustainability Engineering Services for Solid Waste, Recycling and Hazardous Materials and Waste Compliance contract include the preparation of analyses, studies, surveys, investigations, modeling, predictions, recommendations and/or reports

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related to solid waste, recycling and hazardous waste and compliance related to the operation and maintenance of Metro's transportation system, facilities and support activities. The consultant is expected to support a wide range of solid waste initiatives, including, but not limited to, solid waste reduction, reuse, and recycling programs; solid waste regulatory compliance and reporting; waste management; environmental management system (EMS); and emerging sustainability-related and cleantech technologies. These services will support Metro with identifying, designing and implementing the next phase of waste disposal reduction and diversion measures, while fulfilling all compliance obligations.

To accomplish the assigned tasks, the consultant will provide necessary staff, sub-consultants, equipment, software, supplies and services. The consultant shall employ or subcontract as necessary with diverse professionals such as Professional Engineers, Sustainability Engineers, Solid Waste Specialists, and other such professional practitioners as may be needed to support the required solid waste, recycling and hazardous waste compliance projects and initiatives.

### **DETERMINATION OF SAFETY IMPACT**

This Board action will help ensure the long-term safety and security of Metro's operations by improving the management and efficiency of our use of non-renewable resources, reducing generated waste, while advancing agency resiliency and contributing to state of good repair.

### **FINANCIAL IMPACT**

Contract No. AE61890 will be Cost Reimbursable (i.e., Cost Plus Fixed Fee (CPFF)) contract. No Metro funds are obligated until a Contract Work Order (CWO) is issued by a Metro authorized Contracting Officer against a valid project budget. No expenditures are authorized until a Task Order is awarded by a Metro authorized Contracting Officer for a specific package of work within the CWO. All Task Orders are to be individually negotiated for a not-to-exceed amount and level of effort fully defined prior to the authorization of any project specific funds. Execution of work under those Task Orders within those CWO awards can continue beyond the contract end date.

Obligations and authorizations made within the total Contract Amount will be against specific capital or operations budgets, which make up the Board-approved Metro budget for any fiscal year. Specific funding for the CWO's using this contract will draw from the project funding approved by Board under separate actions. The Chief Sustainability Officer, Chief Program Manager, and Project Managers of each of the business units overseeing these projects will be responsible for providing appropriate budgets.

#### **Impact to Budget**

The initial source of funds for this contract is included in the FY20 budget under Project Number 450002, 1.01 - Sustainability Design, Cost Center 8420 Environmental Compliance and Sustainability, Account 50316 Professional and Technical Services. Future task orders are to be individually negotiated and level of effort fully defined prior to the authorization of any project specific funds from the projects that would use these services.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This Architect Engineer Contract will provide services to support the implementation of Metro's Strategic Plan Goals, with specific alignment to Initiative 5.2 - Exercise good public policy judgement and sound fiscal stewardship; and Initiative 5.4 - Apply prudent commercial business practices to create a more effective agency.

## **ALTERNATIVES CONSIDERED**

Contract AE61890 is designed to strategically advance Metro's existing solid waste, recycling and hazardous compliance efforts, while establishing the next generation of initiatives and best practices.

The Board may reject the recommended action and direct staff to do all solid waste, recycling and hazardous waste compliance services work in-house. To support the large volume of technical tasks associated with this program, Metro would have to hire additional staff with specific technical expertise, which staff currently do not have. These would include Professional Engineers, Sustainability Engineers, Solid Waste Specialists, and such other professional practitioners as may be needed to support the required solid waste, recycling and hazardous waste compliance programs, projects and initiatives.

While cost efficiencies may be achieved by having these credentialed and highly skilled staff hired full-time, this alternative is not recommended as it would be financially challenging to *consistently* support these specialized, highly skilled resources in-house in the foreseeable future. The tasks associated with this contract are currently projected to be needed only for short-term defined assignments. Staff will, however, need to revisit the need for augmenting in-house sustainability-related skills every three years as our portfolio of these types of programs increase, alongside the expansion of our transit system.

As another alternative, staff could also solicit and award individual contracts for each solid waste, recycling and hazardous compliance expert consulting services task, as the need arises. This alternative is not recommended. Individually procuring these CWO's and Task Orders result in inconsistencies across the program and cumulatively higher administrative and execution costs. As many of these projects overlap with one another, having multiple consultants will cause delays and administrative inefficiencies.

## **NEXT STEPS**

After the recommended Board Action is approved, staff will execute the conformed contract and proceed with issuing Task Orders and Contract Work Orders.

## **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Report

Attachment C - Anticipated Projects and Tasks


Prepared by:

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

**SUSTAINABILITY ENGINEERING SERVICES FOR SOLID WASTE, RECYCLING  
AND HAZARDOUS WASTE COMPLIANCE  
CONTRACT NO. AE61890**

1.	<b>Contract Number:</b> AE61890	
2.	<b>Recommended Vendor:</b>	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" 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> August 5, 2019	
	<b>B. Advertised/Publicized:</b> August 5, 2019 (Vendor Portal) / August 9, 2019 (Periodicals of General Circulation)	
	<b>C. Pre-Proposal Conference:</b> August 16, 2019	
	<b>D. Proposals Due:</b> October 16, 2019	
	<b>E. Pre-Qualification Completed:</b> March 2, 2020	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> January 15, 2020	
	<b>G. Protest Period End Date:</b> April 20, 2020	
5.	<b>Solicitations Picked up/Downloaded:</b> 79	<b>Proposals Received:</b> 5
6.	<b>Contract Administrator:</b> Diana Sogomonyan	<b>Telephone Number:</b> 213.922.7243
7.	<b>Project Manager:</b> Cris B. Liban	<b>Telephone Number:</b> 213.922.2471

**A. Procurement Background**

This Board Action is to approve the award of Contract No. AE61890, Sustainability Engineering Services for Solid Waste, Recycling and Hazardous Waste Compliance, to provide consulting services for a wide range of projects, as well as provide services related to compliance with sustainability and environmental policies, in support of Metro's Environmental Compliance and Sustainability Department (ECSD). Efforts would include projects that fall under the following general categories: waste management, environmental management system (EMS), and emerging sustainability related and cleantech technologies. Board approval of contract awards are subject to resolution of any properly submitted protest.

The recommended consultant will furnish all labor, materials, services, and other related items required to perform the services on a Contract Work Order basis for a project, under which specific Task Orders will be issued for specific Scopes of Services and Period of Performance.

The Request for Proposals (RFP) was an Architecture Engineer (AE), qualifications based procurement process performed in accordance with Los Angeles County Metropolitan Transportation Authority (Metro) Procurement Policies and Procedures, and California Government Code §4525-4529.5 for Architectural and Engineering

services. The contract type is a Cost Plus Fixed Fee (CPFF). The Contract is for a term of three (3) years plus 2 one-year options.

Two (2) Amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on September 3, 2019, with revisions clarifying Contract estimated value, Insurance Requirements, Scope of Services, SBE/DVBE/DBE Instruction to Bidders/Proposers and Forms, Submittal Requirements, Evaluation Criteria, and Required Certifications (updated footer only).
- Amendment No. 2, issued on September 17, 2019, with revisions clarifying Scope of Services, DBE Instructions to Bidders/Proposers (Federal), and Submittal Requirements, as well as amended the Letter of Invitation to extend the Proposal due date.

A total of five (5) proposals were received on October 16, 2019.

## **B. Evaluation of Proposals**

The Proposal Evaluation Team (PET) was comprised of representatives from the following departments: Environmental Compliance and Sustainability, Community Relations, and Quality Assurance. and the PET conducted a comprehensive evaluation of the proposals received.

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

Experience, Qualifications, and Capabilities of Firms on the Team and Key Personnel.....	(40%)
Effectiveness of Management Plan.....	(30%)
Understanding of Work and Appropriateness of Approach for Implementation.....	(20%)
Innovative Sustainable Solid Waste/Recycling Practices and Experience.....	(10%)

The evaluation criteria are appropriate and consistent with criteria developed for other, similar Architect Engineer procurements. Several factors were considered when developing the criteria weightings, giving the greatest importance to the Experience, Qualifications and Capabilities of the Firms and Key Personnel, and Effectiveness of Management Plan.

This is an AE, qualifications based procurement; therefore, price cannot be used as an evaluation factor pursuant to state and federal law.

All five (5) proposals received are listed below in alphabetical order:

1. Arcadis U.S., Inc.
2. Burns & McDonnell Engineering Co., Inc.
3. Jacobs Engineering Group, Inc.
4. Kleinfelder, Inc.
5. Tetra Tech, Inc.

During the week(s) of October 17, 2019 thru December 20, 2019, the PET reviewed the five written qualification proposals. From December 9, 2019 through December 10, 2019, Metro held Oral Presentations with all five (5) proposing firms. The proposing firms had the opportunity to present their key personnel as well as respond to the PET's questions. In general, each proposer's 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. Each proposing team was asked questions relative to each firm's previous experience performing work of a similar nature to the Scope of Services presented in the RFP. Sealed cost proposals were received at the time of oral presentations.

#### **Qualifications Summary of Recommended Firm:**

The evaluation performed by the PET determined Jacobs Engineering Group, Inc. (Jacobs) as the most qualified firm and team to provide Sustainability Engineering Services for Solid Waste, Recycling and Hazardous Waste Compliance, as provided in the RFP Scope of Services.

What distinguished Jacobs was they demonstrated, through their written proposal and oral presentation extensive technical experience and significant expertise in each of the specialty areas identified in the Scope of Services. Jacobs demonstrated high quality of technical expertise and years of experience, along with a thorough, complete and comprehensive understanding of project goals, methods and objectives.

Jacobs proposal directly addressed Metro's sustainability goals, knowledge of Metro's work done to date, and the services required under this contract Scope of Services. In addition, Jacobs demonstrated innovative tools and processes to help Metro identify innovations. They demonstrated innovative sustainable solid waste/recycling practices and experience, and a solid understanding of resources/tools used by Metro, that substantially met the RFP minimum requirements and exceeded in some major areas.

Jacobs also identified pertinent real-world examples that are applicable to Metro and demonstrated past project experience in providing the identified professional

services. Their demonstrated applicability of strategies and techniques based on past projects, shows lessons learned, which have potential to be adopted for this contract.

Their team consists of numerous highly qualified team members with extensive experience in solid and hazardous waste, including well qualified subconsultants, which substantially met the RFP minimum requirements and exceeded in some major areas. Furthermore, Jacobs demonstrated an effective Management Plan that significantly exceeded the RFP minimum requirements.

The Proposal Evaluation Team (PET) ranked the proposals, and assessed major strengths, weaknesses and associated risks of each of the Proposers to determine the most qualified 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 scoring and ranking are shown below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Jacobs Engineering Group, Inc.</b>				
3	Experience, Qualifications, and Capabilities of Firms on the Team and Key Personnel	87.98	40%	35.19	
4	Effectiveness of Management Plan	85.67	30%	25.70	
5	Understanding of Work and Appropriateness of Approach for Implementation	89.45	20%	17.89	
6	Innovative Sustainable Solid Waste/Recycling Practices and Experience	88.80	10%	8.88	
7	<b>Total</b>		<b>100.00%</b>	<b>87.66</b>	<b>1</b>
8	<b>Kleinfelder, Inc.</b>				
9	Experience, Qualifications, and Capabilities of Firms on the Team and Key Personnel	85.90	40%	34.36	
10	Effectiveness of Management Plan	83.73	30%	25.12	
11	Understanding of Work and Appropriateness of Approach for Implementation	75.70	20%	15.14	
12	Innovative Sustainable Solid Waste/Recycling Practices and Experience	85.00	10%	8.50	
13	<b>Total</b>		<b>100.00%</b>	<b>83.12</b>	<b>2</b>
14	<b>Arcadis U.S., Inc.</b>				

<b>15</b>	Experience, Qualifications, and Capabilities of Firms on the Team and Key Personnel	81.28	40%	32.51	
<b>16</b>	Effectiveness of Management Plan	81.33	30%	24.40	
<b>17</b>	Understanding of Work and Appropriateness of Approach for Implementation	83.60	20%	16.72	
<b>18</b>	Innovative Sustainable Solid Waste/Recycling Practices and Experience	80.70	10%	8.07	
<b>19</b>	<b>Total</b>		<b>100.00%</b>	<b>81.70</b>	<b>3</b>
<b>20</b>	<b>Burns &amp; McDonnell Engineering Co., Inc.</b>				
<b>21</b>	Experience, Qualifications, and Capabilities of Firms on the Team and Key Personnel	80.22	40%	32.09	
<b>22</b>	Effectiveness of Management Plan	78.80	30%	23.64	
<b>23</b>	Understanding of Work and Appropriateness of Approach for Implementation	83.95	20%	16.79	
<b>24</b>	Innovative Sustainable Solid Waste/Recycling Practices and Experience	76.10	10%	7.61	
<b>25</b>	<b>Total</b>		<b>100.00%</b>	<b>80.13</b>	<b>4</b>
<b>26</b>	<b>Tetra Tech, Inc.</b>				
<b>27</b>	Experience, Qualifications, and Capabilities of Firms on the Team and Key Personnel	82.52	40%	33.01	
<b>28</b>	Effectiveness of Management Plan	77.33	30%	23.20	
<b>29</b>	Understanding of Work and Appropriateness of Approach for Implementation	76.90	20%	15.38	
<b>30</b>	Innovative Sustainable Solid Waste/Recycling Practices and Experience	78.90	10%	7.89	
<b>31</b>	<b>Total</b>		<b>100.00%</b>	<b>79.48</b>	<b>5</b>

### **C. Cost Analysis**

The recommended total estimated cost has been determined to be fair and reasonable based upon a cost analysis of labor rates, indirect rates and other direct costs completed in accordance with Metro's Procurement Policies and Procedures. Metro negotiated and established indirect cost rates and as appropriate provisional indirect (overhead) rates, plus a fixed fee factor to establish a fixed fee amount based on the total estimated cost for task orders, during the contract term to compensate the consultant.

Audits will be completed, where required, for those firms without a current applicable audit of their indirect cost rates, other factors, and exclusion of unallowable costs, in accordance with Federal Acquisition Regulation (FAR) Part 31. In order to prevent any unnecessary delay in contract award, provisional overhead rates have been established subject to Contract adjustments. In accordance with FTA Circular 4220.1.f, if an audit has been performed by any other cognizant agency within the last twelve-month period, Metro will receive and accept that audit report for the above purposes rather than perform another audit.

<b>Proposer:</b>			
<b>Contract Duration</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>NTE Funding Amount</b>
Base Period – 3 Years	N/A <sup>(1)</sup>	\$11,047,603 <sup>(2)</sup>	\$11,047,603 <sup>(2)</sup>
Option Year 1	N/A <sup>(1)</sup>	\$3,825,715 <sup>(3)</sup>	\$3,825,715 <sup>(3)</sup>
Option Year 2	N/A <sup>(1)</sup>	\$3,954,885 <sup>(4)</sup>	\$3,954,885 <sup>(4)</sup>

- (1) A proposal amount was not applicable. This is a Cost Plus Fixed Fee (CPFF) Task Order Contract with no definable 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 \$11,047,603 is the Independent Cost Estimate (ICE) for 3-year base Period of the Contract.
- (3) The amount \$3,825,715 is the Independent Cost Estimate (ICE) for Option Year 1 Period of the Contract.
- (4) The amount \$3,954,885 is the Independent Cost Estimate (ICE) for Option Year 2 Period of the Contract.

The Sustainability Engineering Services Independent Cost Estimate (ICE) was established based on the Scope of Services developed for the Contract. The probable costs are based on the anticipated level of effort estimated for each year that will be required to perform the Scope of Services by the Consultant and sub-consultants.

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

Jacobs Engineering Group, Inc. (Jacobs) has offices located at various locations throughout United States and abroad, with local offices located in Los Angeles, Long Beach, Riverside, Ontario, San Bernardino, Irvine, and San Diego. Jacobs has been in business for over 70 years. They work with private and public sector clients and provide professional services, including engineers, scientists, and related technical and project support personnel.

Jacobs is a leader in the consulting and engineering services involving solid waste, recycling, and hazardous waste compliance. Jacobs and their proposed team worked on various local and global projects, including various Metro projects, and have expertise and knowledge of Metro systems and facilities. They have previously provided hazardous waste engineering on the construction of the Metro Red Line to North Hollywood and Orange Line BRT, and currently provide engineering services on Metro's Twenty-Eight by '28 Initiative projects, including Purple Line Phase 1, I-5 North HOV Lanes, LA River Path, West Santa Ana Branch, North San Fernando Valley BRT, and SR-57/SR-60 Interchange. Jacobs' current Metro Programs/on-Call projects include: Program Management Support Services, Highway Program

Project Delivery Support Services, Highway Program Management & QA/QC Support Services, Regional Rail On-Call, Countywide Planning Bench, and Light Rail Vehicle Overhaul Program Support Services

Furthermore, Jacobs worked on the recycLA Program and several other major programs and projects related to solid waste, recycling, and hazardous waste, such as: Atlanta's Solid Waste Master Plan, Calgary's Solid Waste Program, Zero Waste Scotland, Portland's Metro Waste Transportation and Disposal System Analysis, Union Pacific Railroad's (UPRR's) Hazardous Waste Engineering Support Services, the SoundTransit Sustainability On-Call, and Los Angeles County's Sustainable Waste Management and Recycling Program.

## DEOD SUMMARY

**SUSTAINABILITY ENGINEERING SERVICES FOR SOLID WASTE, RECYCLING  
AND HAZARDOUS WASTE COMPLIANCE  
CONTRACT NO. AE61890**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) will determine a Disadvantaged Business Enterprise (DBE) contract-specific participation goal based upon review of each task order prior to issuance for solid waste, recycling and hazardous waste compliance services. Proposers were encouraged to form teams that include DBE, SBE, and DVBE firms to perform the scopes of work identified without schedules or specific dollar commitments prior to establishment of this contract.

For each task order, DBE or SBE/DVBE goals will be recommended based on scopes of work and estimated dollar value for task orders that are federally and/or state/locally funded. Jacobs Engineering Group will be required to meet or exceed the DBE contract-specific goal or demonstrate good faith efforts to do so. Jacobs Engineering will be required to meet or exceed the SBE/DVBE contract-specific goal to be eligible for task order award.

**Prime: Jacobs Engineering Group**

	Subcontractors	SBE	DVBE	DBE
1.	Akima Consulting LLC	X		X
2.	A-Tech Consulting	X		X
3.	Belshire Environmental Services, Inc.			
4.	Casamar Group, LLC	X	X	X
5.	Cascadia Consulting Group	X		
6.	CivilEarth Engineering	X		X
7.	Communications Lab	X		X
8.	Coto Consulting, Inc.	X		X
9.	E. Tseng and Associates			
10.	El Capitan			
11.	Effect Strategies LLC	X		X
12.	Go2Zero Strategies	X		X
13.	Innovative Construction Solutions			
14.	Chief's Engineering			
15.	ECTI			
16.	Martin Trucking			
17.	Nieto & Son's Trucking			
18.	Rust & Son's Trucking			
19.	Indian Energy, LLC	X		X
20.	LA Conservation Corps			
21.	MSW Consultants			
22.	ReGen Consulting	X		X
23.	SCS Engineers			

24.	SunWest Engineering Constructors	X		
25.	Test America			

**B. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**C. Living Wage / Service Contract Worker Retention Policy Applicability**

The Living Wage / Service Contract Worker Retention Policy 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.

## Attachment C: Anticipated Projects and Tasks

Tasks	Type of Project	FY21-FY24	FY25	FY26	Value to Metro
Waste Action and Implementation Plan Development, Studies and Annual Updates	Study	\$800,000	\$200,000	\$300,000	<ul style="list-style-type: none"> <li>• Compliance with Local, State and Federal Regulations</li> <li>• Reducing waste and diversion from landfills</li> </ul>
On-going Waste Characterization for solid waste and organics	Field Analysis / Implementation	\$700,000	\$250,000	\$300,000	<ul style="list-style-type: none"> <li>• Clear understanding of waste streams and opportunities for reduction</li> <li>• Compliance with solid waste and organics</li> <li>• Avoided fines of up to \$10,000 per day for SB 1383 compliance. Annual reduction in waste hauling and processing/disposal costs at an estimated savings of \$90.16 per ton. Reduction in AB 939 disposal fees - currently 10% of total tipping cost - estimated as \$60,000 per year.</li> <li>• Identification of materials for source reduction and/or diversion. Identification of training needs and compliance issues.</li> <li>• Potential cost saving measures associated with avoidance of fines from non-compliance <ul style="list-style-type: none"> <li>◦ \$200k per year</li> </ul> </li> </ul>
System-wide Recycling and Organics Program Management and Training – Reduce landfill diversion – Compliance with AB939, AB 341, AB 1826 and AB 1383	Implementation	\$700,000	\$250,000	\$300,000	<ul style="list-style-type: none"> <li>• Development of a system-wide program that reduces waste</li> <li>• Reduction in AB 939 disposal fees - currently 10% of total tipping cost - estimated as \$60,000 per year.</li> <li>• Reduction in regional GHG</li> </ul>

					emissions resulting from landfilling of organic waste. <ul style="list-style-type: none"> <li>• Cost saving measures associated with reducing, re-using and recycling <ul style="list-style-type: none"> <li>○ ~ \$200k per year</li> </ul> </li> </ul>
Research and develop a Circular Economy opportunities and solutions for re-use	Study / Design / Implementation	\$1,000,000	\$300,000	\$300,000	<ul style="list-style-type: none"> <li>• In conjunction with the Sustainable Acquisition Program, continue to pilot, test and design products that produce less waste and can be re-used or re-purposed throughout the Metro system</li> <li>• Design systems and procedures for adhering to a circular economy</li> <li>• Potential cost savings associated with reducing inventory and repurchasing <ul style="list-style-type: none"> <li>○ ~\$1M - \$5M per year</li> </ul> </li> </ul>
Develop conservation strategies and on-going organizational training – Reduce operational waste. Integrate best management practices agency-wide	Implementation / Training	\$500,000	\$100,000	\$100,000	<ul style="list-style-type: none"> <li>• Design new strategies and operating procedures for waste reduction</li> <li>• Develop a training program to reducing waste during operations for the full lifecycle of the product or service</li> <li>• Quarterly audits to the program for continual improvement</li> <li>• Annual reduction in waste hauling and processing/disposal costs at an estimated savings of \$90.16 per ton. Per MBS goal, if Metro reduces annual waste generation 24%,</li> <li>• Potential cost savings associated with waste reduction <ul style="list-style-type: none"> <li>○ ~\$ 250k per year</li> </ul> </li> </ul>

Develop waste-to-energy strategies	Studies/Pilots	\$1,500,000	\$400,000	\$300,000	<ul style="list-style-type: none"> <li>• Develop strategies for converting waste into energy (Digesters/Incineration) to be stored and used to power buses or rail</li> <li>• Pilot strategy to test effectiveness</li> <li>• Reduction in annual VMTs for trash trucks. Estimated annual VMT reduction for Division 18 is 5,109.</li> <li>• Potential cost savings associated with generating power and diverting waste <ul style="list-style-type: none"> <li>○ ~\$800k per year</li> </ul> </li> </ul>
Develop a conceptual end-to-end design for waste management at Metro	Design / Implementation	\$700,000	\$200,000	\$100,000	<ul style="list-style-type: none"> <li>• Design a conceptual strategy to transport waste via rail cars to incineration locations to avoid transportation of waste</li> <li>• Test models and create business case for waste management</li> <li>• Potential cost savings associated managing waste <ul style="list-style-type: none"> <li>○ ~1M per year</li> </ul> </li> </ul>
On-going updates to Metro's GIS / EAMS database, CAD Drawings and other documentation/studies/reports	Analysis / Reporting	\$100,000	\$50,000	\$50,000	<ul style="list-style-type: none"> <li>• Database for tracking and monitoring systems and mapping</li> <li>• Potential cost savings associated with delays and re-work <ul style="list-style-type: none"> <li>○ Nominal</li> </ul> </li> </ul>
Identify and submit for incentives, grants, rebates, and other inducements related to Waste	Analysis / Reporting	\$200,000	\$50,000	\$50,000	<ul style="list-style-type: none"> <li>• Find alternative funding sources to saving money on projects and initiatives <ul style="list-style-type: none"> <li>○ ~1M per year</li> </ul> </li> </ul>
Develop solutions for Sustainable Acquisition Program (SAP)	Design / Implementation	\$450,000	\$300,000	\$300,000	<ul style="list-style-type: none"> <li>• Work directly with end-users and Vendor/Contract Management to identify, test and approve the most sustainable products and</li> </ul>

					<p>services that meet Metro's performance and quality standards</p> <ul style="list-style-type: none"> <li>• Potential cost savings associated with developing SAP solutions <ul style="list-style-type: none"> <li>○ Unknown until program is implemented</li> </ul> </li> </ul>
Study and Engineer Solutions for Capital Projects – Waste Prevention and Landfill Diversion	Design / Implementation	\$800,000	\$200,000	\$200,000	<ul style="list-style-type: none"> <li>• Identify, study and implement waste diversion solutions and innovations for capital projects</li> <li>• Potential cost savings associated with engineered solutions <ul style="list-style-type: none"> <li>○ ~\$500k per project</li> </ul> </li> </ul>
Support Capital Project with waste management and hazardous waste	Field Analysis / Reporting	\$1,000,000	\$450,000	\$450,000	<ul style="list-style-type: none"> <li>• Conduct study, documentations, reporting and testing</li> <li>• Compliance with CALGreen waste diversion requirements</li> <li>• Potential cost savings associated with compliance and no fines <ul style="list-style-type: none"> <li>○ ~\$300k per year</li> </ul> </li> </ul>
Perform on-going hazardous waste characterization studies (monitoring well installations, soil and groundwater assessment and monitoring and geotechnical engineering analysis) on capital projects	Field Analysis / Reporting	\$1,000,000	\$400,000	\$400,000	<ul style="list-style-type: none"> <li>• Conduct study, documentations, reporting and testing</li> <li>• Avoided violation fines of up to \$70,000 per day.</li> <li>• Potential cost savings associated with compliance and no fines <ul style="list-style-type: none"> <li>○ ~\$300k per year</li> </ul> </li> </ul>
Sampling of suspect hazardous waste and materials; technical analysis of sampling results; reporting and interpretation of data on capital projects	Field Analysis / Reporting	\$1,150,000	\$450,000	\$550,000	<ul style="list-style-type: none"> <li>• Conduct study, documentations, reporting and testing</li> <li>• Avoided violation fines of up to \$70,000 per day.</li> <li>• Potential cost savings associated with compliance</li> </ul>

					and no fines ~\$300k per year
Support of unforeseen initiatives, projects and programs driven by regulatory compliance requirements	Design / Implementation	\$400,000	\$200,000	\$200,000	<ul style="list-style-type: none"> <li>On an as-needed basis, develop solutions and innovations to support waste management and reduction goals</li> <li>Cost savings associated with solutions <ul style="list-style-type: none"> <li>Unknown but assumed 10% reduction</li> </ul> </li> </ul>
Sub-Totals:		\$11,000,000	\$3,800,000	\$3,900,000	
Total:		\$18,700,000.00			



## Board Report

**File #:** 2020-0195, **File Type:** Informational Report

**Agenda Number:**

### CONSTRUCTION COMMITTEE APRIL 16, 2020

**SUBJECT: CRENSHAW/LAX TRANSIT PROJECT**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

CONSIDER amending the Life-of-Project (LOP) budget by \$90,000,000 for the Crenshaw/LAX Transit Project (Project) of \$2,058,000,000 to \$2,148,000,000, consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment B).

#### **ISSUE**

The Substantial Completion date for the Project is currently forecast to be delayed to December 2020 and the revenue service in 2021. As a result, the Project LOP budget needs to be increased, requiring an additional \$90,000,000 million beginning in the second half of 2020 for Metro staff and professional service contracts to continue management and oversight of the Project. No additional funding from this LOP increase is designated for the contractor. This represents the first LOP adjustment since the beginning of construction on the Project in 2013.

#### **BACKGROUND**

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

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

On June 27, 2013, the Board authorized an LOP budget of \$1,923,000,000 for the base Project. In addition, the Board authorized an increase to the LOP budget in the amount of \$135,000,000 from \$1,923,000,000 to \$2,058,000,000, for the award of options for Leimert Park Station and Hindry Station (now called Westchester/Veterans Station). The LOP budget has not been

adjusted since that time.

Metro awarded a 57-month Design/Build contract to Walsh/Shea Corridor Constructors (WSCC) for construction of the Project in August 2013 and issued a Notice to Proceed to WSCC in September 2013. WSCC's Substantial Completion date was September 2018 with a revenue service date of October 2019.

## **DISCUSSION**

In March 2017, Metro executed a Claims and Disputes Settlement Agreement with WSCC to resolve outstanding claims and disputes up to that point in the Project. WSCC's Contract Milestones were confirmed as part of the Agreement. WSCC committed to a Substantial Completion date of May 2019 as part of an approved Completion Schedule, which still enabled the October 2019 revenue service date.

WSCC's progress in 2018 fell behind the Completion Schedule dates agreed upon in the Claims and Disputes Settlement Agreement. Metro was informed by WSCC that, due to delays, it would not be able to complete its work by the projected deadline in the Completion Schedule. Since WSCC was not able to demonstrate that its forecasted delay was an Excusable Delay or a Compensable Delay under the Contract Terms and Conditions, Metro executed a Non-Compensable Time Extension. A Unilateral Change Order (CO-223.1) was executed in September 2018 resetting the Project Substantial Completion to December 11, 2019.

In 2019, the project continued to fall behind the dates reset in the Non-Compensable Time Extension. There have been several areas of work along the alignment that could not be completed due to damaged, incomplete and missing components (rework). This rework plus other performance and resource issues caused the contractor's progress to be less than planned, impacting WSCC's follow-on subcontractors work and creating inefficient performance. Metro has been assessing liquidated damages.

Due to extending the Project's Substantial Completion date, additional funding is now required. The existing LOP budget includes funding obligations for the contractor's work, but the LOP budget needs to be amended to provide additional funding for professional services that are required to support the completion of the Project. The required support includes Metro staff and professional services consultants who provide various services to assist in the management and oversight of the Project. The funding in Recommendation A is requested to provide support to achieve Substantial Completion in December 2020 and to allow revenue service to commence in 2021. A detailed breakdown of the proposed uses for the additional \$90 million LOP is contained in Attachment C.

## **DETERMINATION OF SAFETY IMPACT**

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

## **FINANCIAL IMPACT**

Funds required through fiscal year 2020, in the amount of \$127,950,000, are included in Project 865512 Crenshaw/LAX Transit Project, in Cost Center 8510 (Construction Project Management).

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

### **Impact to Budget**

The sources of funds for the recommended actions are local funds available and eligible at the time of expenditure, including operating eligible funding sources. Eligible federal funds will also be utilized to fund the increase.

### **Multiyear Impact**

The sources of funds for the Project are capital funds identified in the recommended Funding/Expenditure Plan as shown in Attachment A. The project cost, prior to the proposed cost increase, is included and funded in the 2019 Long Range Transportation Plan Financial Forecast. With respect to the \$90,000,000 increase, Attachment B shows the Measure R and Measure M Unified Cost Management Policy (the Policy) analysis and funding strategy required for cost increases to Measure R Projects.

To comply with the Policy of the Metro Board of Directors, Metro staff has evaluated potential offsetting cost reductions, including value engineering, shorter segment, and reductions to other Metro projects in the corridor and subregion, and has determined these are not feasible, and that additional local funding resources, which are to be considered prior to Metro's countywide funding, are potentially available. The Policy analysis identifies a Measure M multi-year subregional program, Measure R highway program, and federal formula CMAQ funding as available funding sources in the Long Range Transportation Plan Financial Forecast that can address the \$90,000,000 cost increase.

This report identifies additional funding resources consistent with the Policy approved by the Board in 2018. Attachment B provides a detailed discussion of the Policy. In summary, the Policy was developed in recognition that some projects would need additional funding and the Policy provides a consistent and equitable process to assure that any financial impacts are limited to the subregion where the project is located and not have a region-wide impact.

The Policy defines a cascading list of actions that can be taken. Because the Project is so far along, actions such as value engineering or changes in scope are no longer feasible. Additional funding is the only option.

The table at the end of Attachment B identifies the potential funding sources that are available. The selection and application of specific resources requires further discussion with stakeholders. Any use of Measure R Highway programming to this transit project requires a two-thirds vote by the Board (as part of its ongoing consideration of the 10 year Measure R ordinance transfer options).

It is important to note that the Project spans two subregions - South Bay 59% and Central City 41%. In addition, \$33.1 million is available from CMAQ funds. Therefore, the net impact to any one

subregion is less.

The most recent project to be evaluated under the Policy was the Foothill Extension to Pomona in 2019. Although the two projects are not directly comparable (Foothill was not yet under construction, so had more opportunity for scope changes), there are similarities that could be instructive.

In that case, the financial deficit was addressed by the subregional equity program of the San Gabriel Valley. Funds were accelerated to be taken from the subregional equity pool in the year that funding became available (2044). A board motion directed this approach.

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

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

### **ALTERNATIVES CONSIDERED**

The Board may choose to not move forward with amending the LOP Budget. This is not recommended as Metro will be unable to provide funding for Metro staff or obligate any extension to existing professional service contracts, or other required services beyond June 2020.

### **NEXT STEPS**

Upon approval by the Board, the LOP Budget will be amended accordingly per Recommendation A.

### **ATTACHMENTS**

Attachment A - Funding/Expenditure Plan

Attachment B - Measure R and Measure M Unified Cost Management Policy Analysis

Attachment C - Breakdown of Additional \$90 Million LOP

Prepared by:

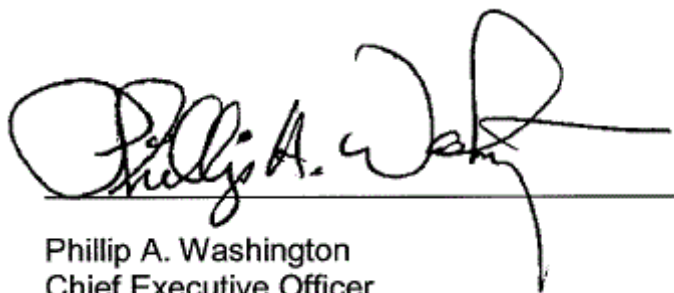
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Reviewed by:

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

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Phillip A. Washington  
Chief Executive Officer

# ATTACHMENT A

Crenshaw/LAX Transit Project  
Funding / Expenditure Plan\*  
(Dollars in Millions)

Capital Project 865512	Prior	FY20**	FY21	FY22	FY23	FY24	TOTAL
<b>Uses of Funds</b>							
Construction	1,267.1	15.1	73.8	10.0	-	-	1,366.0
Right-of-Way	132.4	1.4	-	-	-	-	133.8
Vehicles	78.8	4.7	-	-	-	-	83.6
Prof Services	364.3	46.3	78.0	30.0	20.0	-	538.6
Project Contingency	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>1,842.6</b>	<b>67.5</b>	<b>151.8</b>	<b>40.0</b>	<b>20.0</b>	<b>-</b>	<b>2,122.0</b>
Environmental Planning	26.0						26.0
<b>Total Project Costs:</b>	<b>1,868.6</b>	<b>67.5</b>	<b>151.8</b>	<b>40.0</b>	<b>20.0</b>	<b>-</b>	<b>2,148.0</b>
<b>Sources of Funds</b>							
FEDERAL - CMAQ	54.0	50.0	-	-	-	-	104.0
FEDERAL - SECTION 5309 BUS CAPITAL	8.6	-	-	-	-	-	8.6
FEDERAL - REGIONAL STP	91.2	-	8.7	-	-	-	99.9
FEDERAL - ALTERNATIVE ANALYSIS	1.2	-	-	-	-	-	1.2
FEDERAL - TIGER II	13.9	-	-	-	-	-	13.9
STATE REGIONAL IMPROVEMENT PROG	36.6	-	-	-	-	-	36.6
STATE PPM	0.2	-	-	-	-	-	0.2
STATE PROP 1B PTMISEA	128.9	-	-	-	-	-	128.9
STATE PROP 1 B LOCAL PARTNERSHIP PROGRAM	49.5	-	-	-	-	-	49.5
MEASURE R - TIFIA LOAN	545.9	-	-	-	-	-	545.9
MEASURE R 35%	467.5	4.5	92.3	(20.0)	-	(15.0)	529.3
CITY CONTRIBUTION	43.6	3.1	20.0	20.0	-	15.0	101.7
GENERAL FUNDS	54.3	-	-	-	-	-	54.3
PROPOSITION C 25% HIGHWAY	368.4	9.9	(20.0)	20.8		-	379.1
PROPOSITION C 40% DISCRETIONARY	-	-	-	-	-	-	-
PROPOSITION A 35% RAIL CAPITAL	4.9	-	-	-	-	-	4.9
Local/Federal Sources		-	50.8	19.2	20.0	-	90.0
<b>TOTAL:</b>	<b>1,868.7</b>	<b>67.5</b>	<b>151.8</b>	<b>40.0</b>	<b>20.0</b>	<b>-</b>	<b>2,148.0</b>

\*Sources of funds are subject to change. Assumes Contractor Substantial Completion December 2020 and Metro

\*\*FY20 is projected.

**Crenshaw/LAX Transit Project**

**Measure R and Measure M Unified Cost Management Policy Analysis**

**Introduction**

The Measure R and Measure M Unified Cost Management Policy (the Policy) was adopted by the Metro Board of Directors in June 2018. The precursor Measure R cost management policy was adopted in March 2011. The intent of the Policy is to inform the Metro Board of Directors regarding cost increases to Measure R- and Measure M-funded projects and the strategies available to close a funding gap. The Crenshaw/LAX Transit Project (the Project) is subject to this policy analysis.

The life-of-project (LOP) budget for the Project was last approved by the Board in June 2013 at \$2,058,000,000. The Project is subject to the Policy analysis now due to a proposed \$90,000,000 increase to the LOP budget. Funding for the cost increase is needed through FY 2023. This analysis recommends trade-offs required by the Policy to identify the funds necessary to meet the cost increase.

The Project has previously recognized cost increases and the Metro Board implemented the Policy in June 2013 to address a \$160,100,000 cost increase to the base project (excluding a \$135,000,000 increase to the LOP for station improvements that were not considered cost increases). The Board approved funding of the cost increase using \$149,910,000 of the countywide share of Proposition C 25% and \$10,090,000 that was taken from the Wilshire Bus Rapid Transit project.

**Measure R and Measure M Unified Cost Management Policy Summary**

The adopted Policy stipulates the following

If a project cost increase occurs, the Metro Board of Directors must approve a plan of action to address the issue prior to taking any action necessary to permit the project to move to the next milestone. Increases will be measured against subsequent actions on cost estimates taken by the Metro Board of Directors, including the determination of the budget. Shortfalls will first be addressed at the project level prior to evaluation for any additional resources using these methods in this order as appropriate:

- 1) Scope reductions;
- 2) New local agency funding resources;
- 3) Value Engineering;
- 4) Other cost reductions within the same transit or highway corridor;
- 5) Other cost reductions within the same sub-region; and finally,
- 6) Countywide transit or highway cost reductions or other funds will be sought using pre-established priorities.

### Scope Reductions

The Project cost increase is attributable to schedule delays and the need for additional Metro project management support services. Any attempt to identify and negotiate agreeable reductions to the scope may result in further delays and potential additional costs. Because of this, we recommend moving to the next step.

### New Local Agency Funding Resources

Local funding resources are considered in the next step as opposed to countywide or regional sources so as not to impact the funding of other Metro Board-approved projects and programs or subregions in the County.

The Project is eligible for both Measure M and Measure R funding and is currently allocated \$1,207,000,000 of funding that is identified in the Measure R sales tax ordinance Expenditure Plan, less \$131,800,000 that the Board reallocated to the Purple Line Extension project (Board item #2015-1630) to address a Regional Connector cost increase.

The Project is located in the South Bay and Central City Area subregions (as defined in the Policy, as amended), with station locations in the cities of Los Angeles and Inglewood. The Project is primarily in the South Bay (59%) with the remainder in the Central City Area (41%) based on distance. Local funding resources from both the subregions and cities could be considered for the cost increase.

### *Subregional Programs and Local Agency Contributions*

Measure M includes funding for a transit-eligible multi-year subregional program (MSP) for the South Bay and Central City Area subregions. The subregion (represented by its Council of Governments) could allocate a portion of the funding for the Project. Measure R includes funding for a "highway program" in the South Bay. Any use of this funding source would require a transfer to the transit fund and an amendment of the Measure R ordinance so that the funds are eligible for a transit use. The Measure R transfer amendment is in progress and expected to be considered by the Metro Board in June 2020.

In the South Bay, the MSP program with transit funding eligible beginning FY 2018 is the Subregional Equity Program (SEP). South Bay has two highway-eligible MSP but these cannot be used on the Project without an amendment to the Measure M ordinance (which cannot occur, per the Measure M ordinance, until July 2026). Metro has assigned \$130.0 million for the SEP in the Long Range Transportation Plan that would be available to the South Bay subregion, funded from Measure M, beginning in FY 2043. The Board has directed (Motion 36.1 #2019-0598) that the SEP is escalated to the year of expenditure. The escalation increases the SEP to \$287.5 million through FY 2057 (the final year of the Long Range Transportation Plan planning horizon) and \$355.0 million in total through FY 2062, if spent in these years. To utilize this funding for the project, the programming of the funds would need to be accelerated. However, the acceleration of the funds results in a funding shortfall as there is other Metro spending planned and to make capacity for the acceleration Metro must prioritize and reduce

funding for other project or programs, or use additional debt financing. In order to mitigate the impact of accelerating the funds on other Metro projects and programs, the SEP funding could be “discounted” or reduced, resulting in approximately \$90 million available now for the Project.

The Central City Area subregion also has a SEP that is transit-eligible. The Measure M Expenditure Plan includes \$235 million for the Central City Area SEP. With escalation, this increases to \$519.8 million through FY 2059 and \$641.8 million through FY 2062, if spent in these years. If accelerated to fund the Project cost increase, the reduced amount that mitigates the impact on other Metro spending is approximately \$160 million.

Measure R includes funding for the "Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay)," also described as the "South Bay Ramp and Interchange Improvements Project." In order that these funds can be programmed for use on the Project, they would need to be transferred to the Measure R transit fund, in accordance with the provisions of the ordinance. A process to amend the Measure R ordinance is underway and could provide funding for the Project. There is approximately \$500 million of funding (subject to verification from the South Bay COG) that has not already been programmed by Metro or otherwise committed for the existing highway program. This notwithstanding, the South Bay COG has identified alternative uses for the planned transfer of Measure R highway program funds.

#### *Local Agency Contributions*

The cities with Project stations have agreed to contribute funding to the Project as part of the 3% local agency funding assumption included in the Measure R ordinance. Metro is front-funding the Los Angeles share of \$89.7 million with the city making payments to Metro through FY 2023. Inglewood has agreed to pay \$12 million, with \$6 million in-kind for future first-last-mile improvements, and \$6 million in payments made over 40 years (with no payments or interest accrued for ten years). The cities are generally not responsible for cost increases to the projects and this restriction is included in the local agency contribution agreements between Metro and the cities.

Measure M, as well as Measure R and Propositions A and C, provide “local return” funding to Los Angeles and Inglewood. The cities will receive an estimated \$3.3 billion of local return (Los Angeles \$3.2 billion, Inglewood \$90 million) over the ten year period FY 2021 to FY 2030 that is eligible for transit use and could contribute a portion to the Project (not adjusted for any negative impact to countywide sales tax due to the current global pandemic). However, prior Board actions relating to the Twenty-Eight by '28 Initiative and funding for the cost increase to Foothill Extension to Pomona did not support use of local return, and it is presumed these funds would not be available for the cost increase to the Project.

#### *State and Federal Funding (Discretionary)*

The State has previously granted the project \$129.1 million through Prop 1B grants and the USDOT has provided funding through a \$13.9 million TIGER grant and \$545.9 million TIFIA loan. Additional State or federal discretionary funding (where Metro would

compete for the funding) is not probable, given the Project has experienced multiple cost increases and the design/build contract is already awarded.

#### Value Engineering

The Project cost increase is attributable to schedule delays and the need for additional Metro project management support services. Any attempt to identify and negotiate agreeable value engineering may result in further delays and potential additional costs. As a result, we recommend moving to the next step.

#### Other Cost Reductions within the Same Transit or Highway Corridor, or within the Same Sub-region

The cities and subregions have existing funding programs that have funding amounts yet to be spent. The potential use of the MSP, SEP, and Measure R highway program are discussed above in section "New Local Agency Funding Resources."

The cities also receive funding through the Call-For-Projects, the competitive grant program that is funded and managed by Metro for the benefit of LA County cities, transit operators, and State highway projects that was last held in 2015. At times the funding for certain projects in the Call-For-Projects is "de-obligated" if not spent within a reasonable timeframe and this can be a funding source for other uses. Currently there is not a meaningful amount of de-obligated funds available, and all other projects are moving through their respective development process.

The Project is within the same corridor as the Airport Metro Connector, the planned Project station intended to be a gateway to LAX. This project is currently in final design and pending a construction bid in mid-2020 to determine the LOP budget. Funding is not yet available from the project.

#### Countywide Cost Reductions and/or Other Funds

If new local agency resources are not allocated to the Project cost increase, regional or countywide funding could be considered. These funds are programmed for other uses in Metro's financial forecast, during the timeframe when funds are needed for the Project cost increase. A reallocation of the funds to the cost increase would divert the funding from other Board-approved uses and or require additional debt financing. Eligible sources of countywide funding include Proposition C 25% (Transit-Related Streets and Highways), Proposition C 40% (Discretionary), and Proposition A 35% (Rail Development).

Through FY 2023, the Proposition C 25% funds are currently planned, from highest to lowest, for debt service on Metro bonds, I-5 South Carpool and Mixed Flow Lanes I-605 to OCL, Freeway Service Patrol, Blue Line Track and System Refurbishment, and the Crenshaw/LAX Locally Funded Activities Project. The Proposition C 40% is planned for Metro bus operations, ADA-paratransit operations, debt service, Metro bus fleet replacement, and the municipal and non-Metro operators. The Proposition A 35% is planned for debt service on Metro bonds, Metro rail operations, Division 20, Heavy Rail Vehicles, and Light Rail Vehicles.

The Project is currently allocated (prior to the proposed LOP increase) \$379.1 million in regional Proposition C 25% and \$4.9 million in regional Proposition A 35% funding.

*State and Federal Funding (Formula)*

Metro receives quasi-formula funding from the State through the Regional Improvement Program (RIP) and Local Partnership Program (LPP). This is considered regional funding as it can be applied countywide to both transit and highway spending. There is currently no capacity in the RIP or LPP through FY 2025. The RIP has been allocated to projects submitted in Metro's 2020 RTIP and the next cycle of the LPP is planned to be used on the \$801 million Division 20 project.

Due to the delay in revenue operation, approximately \$16.1 million from the State Low Carbon Transit Operations Program (LCTOP) and \$31.1 million from the federal Congestion Mitigation & Air Quality Program (CMAQ), which were allocated to operating costs of the Project in FY 2021, will no longer be needed for this purpose if the revenue service date is delayed. The LCTOP funds have already been earmarked for bus charging infrastructure, as these funds needed to be allocated to satisfy State requirements. The CMAQ funds in FY 2021 could be used for the cost increase and this would not take away funding from another Metro purpose (procedurally, in order to satisfy grant eligibility requirements, the CMAQ may reimburse previously incurred expenditures). The use of CMAQ is subject to the eligibility requirements related to the existing TIGER grant.

The following table summarizes the potential funding options for the Project cost increase.

**Crenshaw/LAX  
Potential Funding Sources/Cost Reductions  
(\$ in millions)**

<b>Options</b>	<b>Potential Funding</b>	<b>Year Available</b>
Multi-Year Subregional Programs	not eligible	
Subregional Equity Program-South Bay*	\$ 90.0	2021
Subregional Equity Program-Central City Area*	160.0	2021
Measure R Highway Program**	500.0	2021
Local Return	-	2021
Value Capture Financings	-	2025
Scope Reductions/Value Engineering	-	
CMAQ	33.1	
<b>Total</b>	<b>\$ 783.1</b>	

\* Represents "discounted" value of amount that is currently programmed beginning in FY 2043.

\*\* Requires amendment to Measure R ordinance.



## Board Report

File #: 2020-0154, File Type: Project

Agenda Number: 30.

### CONSTRUCTION COMMITTEE APRIL 16, 2020

**SUBJECT: WILLOWBROOK/ROSA PARKS STATION IMPROVEMENT PROJECT**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to increase the Life of Project Budget (LOP) Budget for Willowbrook/Rosa Parks Station Improvement Project (CP 210151) by \$18,998,400 from \$109,350,000 to \$128,348,400.

#### **ISSUE**

The Willowbrook Rosa Parks Project (WRP) Life of Project (LOP) budget requires an increase of \$18,998,400 in order to pay for increased real estate acquisition costs, construction escalation and 3<sup>rd</sup> party coordination to complete the project.

#### **BACKGROUND**

The Willowbrook Rosa Parks Station is situated at the intersection of the A and C Lines in the Willowbrook community, where over 35,000 passengers pass through the station daily by rail and bus and commuters fill the park and ride lot to capacity, making WRP the fourth busiest station in the entire Metro network. Despite this, WRP has had little community presence with a greater portion of the Station hidden behind a privately-owned shopping center and under the 105 Freeway.

The intent of this project has been to create a more substantial community connection and presence along with a more efficient, intuitive and healthier environment for the station users. The project scope includes the following:

- A new Public Plaza with Customer Service, Security and Mobility buildings providing services unavailable in this area and a strong visual connection to the surrounding community;
- An extended A Line platform and mezzanine with new amenities for efficient transfers and service and to push much of the station out from under the 105 Freeway;
- The installation of new bus bays to improve service;

- A redesigned Park and Ride lot with a new drop-off area

To achieve this full scope of work, Metro required acquisition via eminent domain for a portion of the adjacent shopping center property along with easements and full coordination with 3<sup>rd</sup> Party entities. Additional expenses for these two components along with construction escalation costs are the basis for the request to increase the LOP.

## **DISCUSSION**

### **PROJECT SUMMARY:**

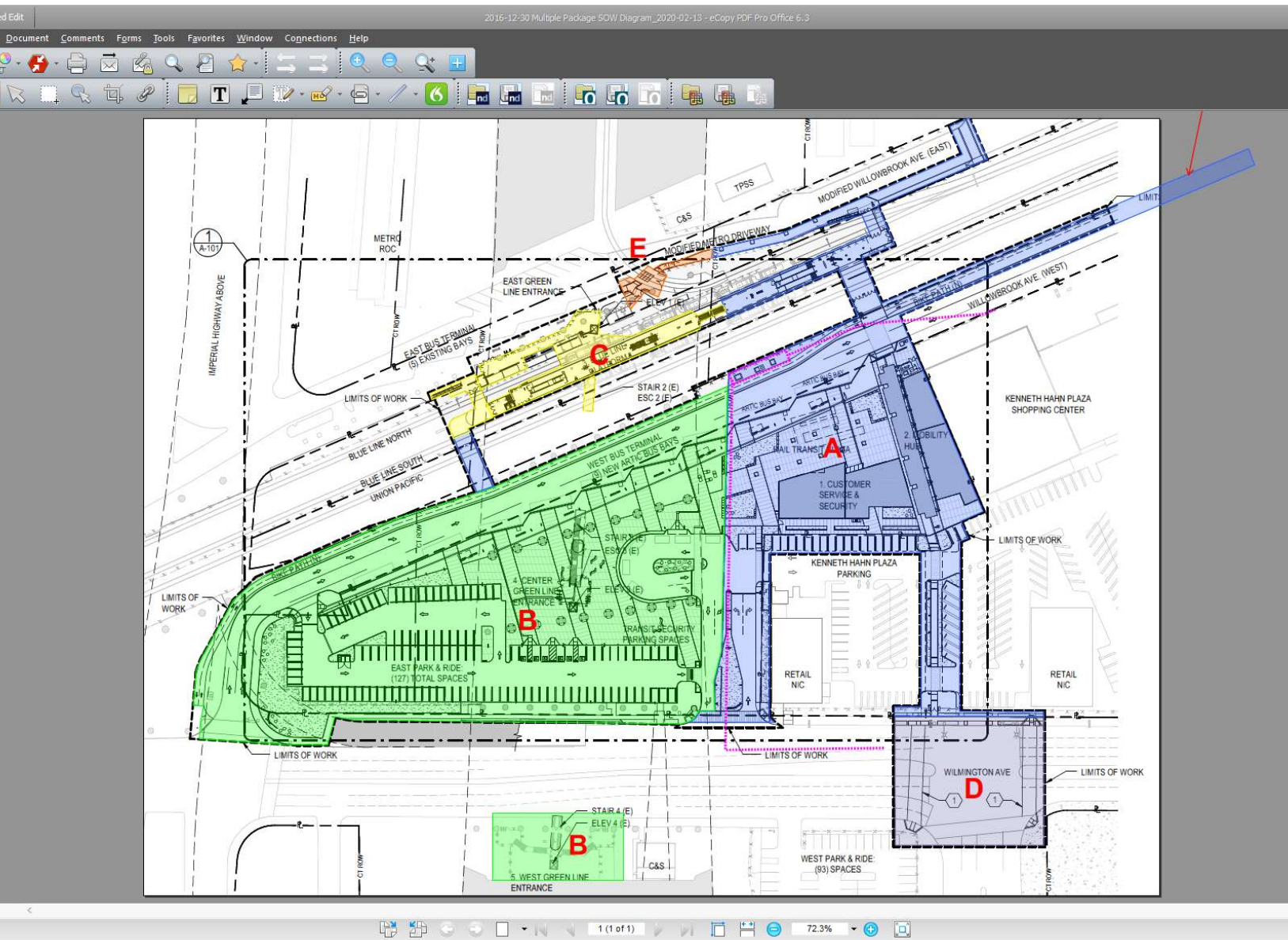
On December 1, 2016 the Board adopted a Resolution of Necessity authorizing the commencement of an eminent domain action to acquire fee and leasehold interests in real property, which consisted of the north section of the existing Kenneth Hahn Shopping Center. The acquisition of the Property was necessary for construction of the Project as it created a prominent area for the public plaza and connected the station to the surrounding community. At the time of this resolution, the appraised fair market value of the property and property interests was estimated at \$3,254,000.

In May 2018, the Board approved the LOP Budget for the Willowbrook Rosa Parks Station Improvement Project (Project) in the amount of \$109,350,000, which included a budget for real estate acquisition of \$6,792,600.

In addition, the design development of the Project was coordinated with several 3<sup>rd</sup> party agencies including Caltrans, County of Los Angeles and Union Pacific Railroad. Moreover, significant funds were secured, including \$10.25 million from the United States Department of Transportation TIGER VI grant requiring the completion of the Project by Summer of 2021.

With these parameters, the Project Team determined that WRP would be delivered most efficiently per the following:

- WRP would be separated into four main Packages to maintain as much safety and efficiency in the public operations of the Station
- Define the scope of the packages based on the most efficient delivery method with regards to the various 3<sup>rd</sup> party requirements and deadlines
- Prioritize the Packages to align with the New Blue schedule and public opening.



Per the keyplan above, following is a summary of the Project Packages:

- Early Start Package (Packages E+D) - Installation of preliminary utility work and freeway crosswalk in preparations for the main Packages of the Project. Package scope defined by grant deadlines and coordination with LA County Street Improvements Work.
- Package A - Includes the Public Plaza, Customer Center/Security Building, Mobility Hub

Building, Pedestrian Promenade connecting the new Station to Wilmington Ave and new southern pedestrian crossing to the renovated A Line Station. Area of Package A was to meet FTA TIGER VI grant requirements and separate the Metro-owned project area from Caltrans ROW.

- Package B - Includes improvements to the Bus Bays, central C Line Plaza, addition of new Drop-Off zone and the redesign of the Park and Ride Lot. Also part of the TIGER VI grant. Separated from the other Packages as it is the only portion of the project within Caltrans ROW and their requirements.
- Package C - Extension of the A Line mezzanine and north end of the A Line platform. Combined with Package A to renovate the A Line platform in one project and to meet the expeditious New Blue schedule.

Construction of the Early Start Package began December 2017 and was completed in time for the start of Package A+C Construction. After an IFB process, the Design/Bid/Build Contract No. C1161 for Packages A+C was awarded to Icon West Inc. (IWI) in June 2018 with construction commencing in August 2018. This Project was expedited to allow for the A Line Station Work to be completed in time for the New Blue Opening. While there was some finish work still ongoing, the WRP A Line Station was opened to the public as scheduled on November 1, 2019 as part of the New Blue.

#### UNANTICIPATED EXPENSES:

UNION PACIFIC RAILROAD COORDINATION: The project team engaged UPRR in 2016 to coordinate their portion of the work for the new at-grade pedestrian crossing. Throughout the design development, consistent correspondence with UPRR was maintained. However, near the end of 2018, UPRR went through internal personnel changes and their project team was completely replaced. The new UPRR team advised Metro that their work would require a restart, pushing the schedule well past the public opening date of the station. Despite efforts to expedite, the expected start of UPRR work was pushed from Fall 2019 to Summer of 2020 at the earliest.

This delay required the installation of a fully accessible temporary pedestrian crossing including a prefabricated ADA ramp, temporary stand-alone validators, temporary signage, and security measures required for public operations. Unplanned design and expedited construction expenses for this temporary work has resulted in current change orders totaling over \$1,000,000. Additional expenses to cover current station operations and the future removal of this temporary crossing are expected once the new pedestrian crossing is open to the public. The totality of this Work is estimated to be \$2,000,000 additional cost to the project.

REAL ESTATE ACQUISITION: The approved LOP real estate budget of \$6,792,600 was based on an appraisal establishing the fair market value of \$5,292,500 for the acquisition of real property

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(originally at \$3,254,000 in 2017 but adjusted to \$5,292,500 by LOP) and property interests in the amount of \$1,500,100 to cover relocation costs and legal fees required to construct and operate the Project.

While the cost of the relocations came in line with the original estimate, the loss of goodwill costs and property acquisition came in \$7,868,400 greater than the original appraisal. With the acquisition of the Property critical for construction of the Project, Metro issued a final offer of compensation at the Mandatory Settlement Conference pursuant to Code of Civil Procedure section 1250.410. As of today, the negotiations with all parties have been amicably settled but the additional cost for Real Estate acquisition and loss of goodwill costs was \$7,868,400 more than budgeted.

**PACKAGE B CONSTRUCTION ESCALATION:** As part of developing the original LOP, a 3<sup>rd</sup> Party Estimate was performed at 100% Design Development for Package B. The estimate had Caltrans related Work at \$3,000,000 and remaining Metro Work at \$4,000,000 for a total of \$7,000,000 for the complete Package. This amount was accounted for in the original LOP.

With grant deadlines as the leading factor and the estimated construction cost less than 15% of the original Package A+C construction contract, it was determined that a contract modification to the original IWI contract would provide the most cost efficient and timely construction for Package B.

However, as the construction progressed with Packages A+C, resolving unanticipated field conditions along with repairing unexpected and hidden deterioration in existing 30+ year old project, components became major added expenses. This understanding carried over to the Package B pricing where IWI submitted a preliminary cost and schedule proposal for the contract modification in the amount of \$12,800,000 (an increase of \$5.8 million) for the Package B Work to account for these conditions. The formal cost and schedule proposal must still be submitted, analyzed, and negotiated. Once the contract modification is negotiated for an agreed fixed price it can be authorized by the CEO within the approved LOP.

While this cost is higher than originally estimated, the additional amount is based on the Lessons Learned from Package A+C regarding unexpected project conditions as well as market escalation. The increase of \$5,800,000 from the original LOP for the construction of Package B Work is part of the budget increase request of this Report.

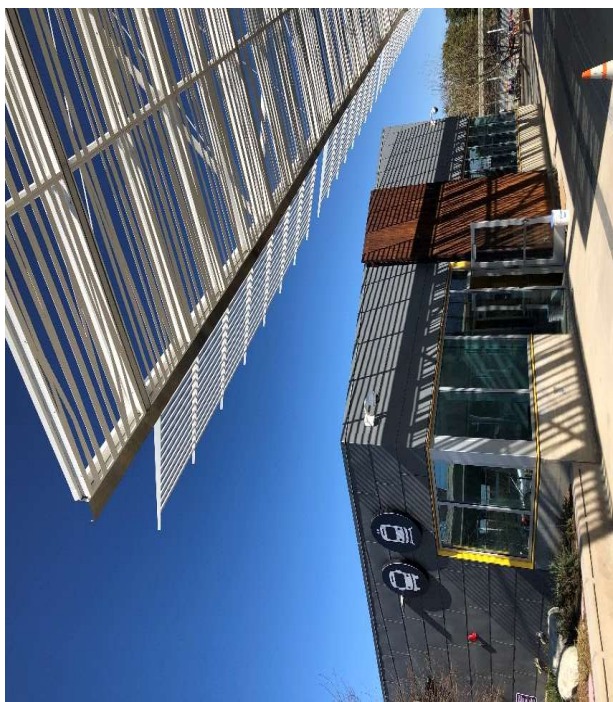
**CALTRANS REQUIREMENT FOR PACKAGE B SOIL REMOVAL:** Original environmental studies performed for the overall project revealed minimum contamination at the Package B portion of the site. However, as the only portion of the project under Caltrans review, additional environmental investigation was required by Caltrans into the soils condition at the Package B site. Results confirmed levels of Aerial Deposited Lead (ADL) that required full removal of any disturbed soil less than 5'-0" from the surface. With the entire site planned for construction, nearly 15,000 tons of soil will be removed and disposed of properly. The estimated cost for this work is \$2,500,000.

As of today, the project is nearly 83% complete with much of the remaining work consisting of Package B and the UPRR pedestrian work. The expected completion of the overall project is scheduled for Summer 2020 pending UPRR coordination.

With this understanding, an increase in the Willowbrook Rosa Parks Project is requested based on the following:

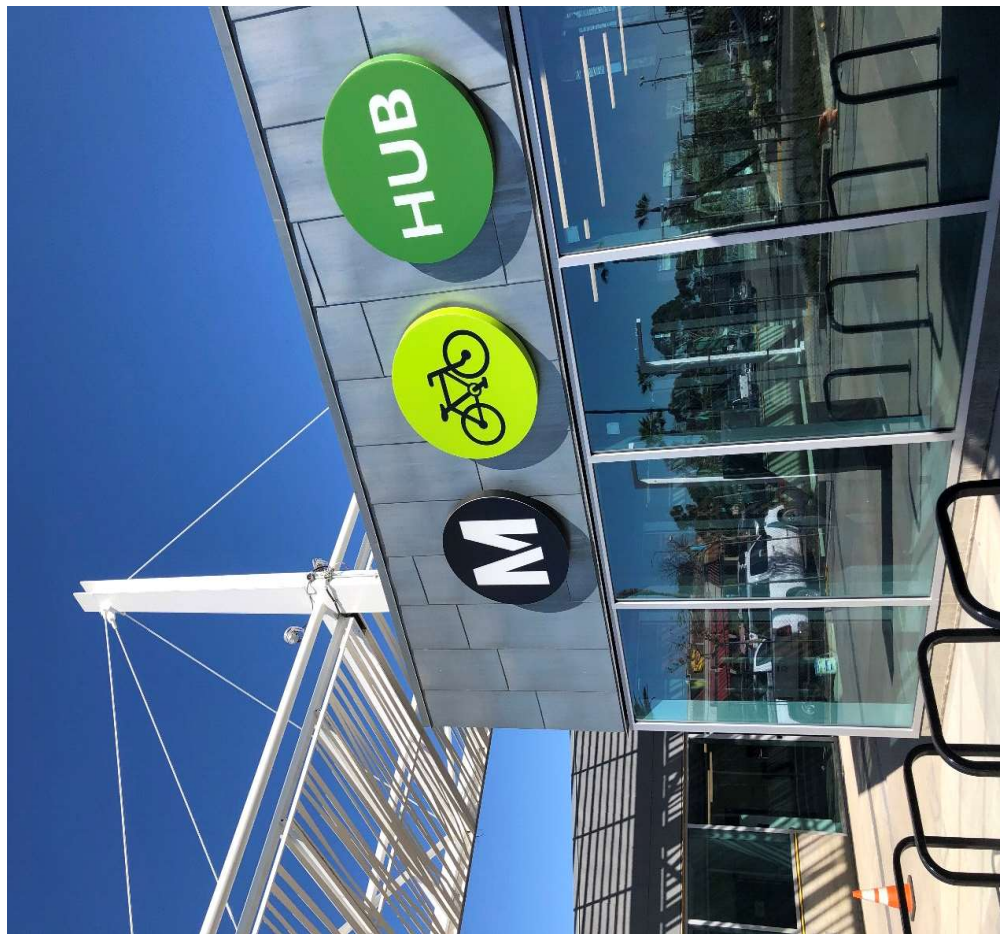
• UPRR Delay Expenses	\$2,000,000
• Additional Property Acquisition Expenses	\$7,868,400
• Package B Escalation	\$5,800,000
• Caltrans required Soil Removal	\$2,500,000
• 10% Contingency for Package B overage	\$830,000
<hr/>	
TOTAL LOP INCREASE	\$18,998,400

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## **DETERMINATION OF SAFETY IMPACT**

The Board action will have a positive impact on the safety of Metro's patrons and employees as the complete installation of the Package B Phase will create an increase in overall safety and security with the following:

- Circulation and accessibility improvements to the bus plaza and central C Line plaza
- Installation of a dedicated vehicle drop off area
- New LED lighting to improve visibility
- The final phase of installing over 150 security cameras throughout Willowbrook Rosa Park Station.

## **FINANCIAL IMPACT**

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Approval of Recommendation will increase the LOP for Project 210151 from \$109,350,000 to \$128,348,400. FY20 cashflow required is within the authorized \$109 million LOP. Since this is a multi-year project, the Project Manager, cost Center manager, and Chief, Program Management Officer will be responsible for budgeting the costs in future fiscal years.

#### Impact to Budget

The additional funds will be from available sales tax, eligible for work associated with this project such as Prop A 35% and Prop C 25%. These sources are eligible for use in bus and rail operations.

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

By supporting the recommendation to increase the LOP budget for the Project, the Board is supporting Metro's Strategic Plan Goals which ensures our transit assets are in a state of good repair and enhances communities and lives through mobility and access to opportunity. With a renovated A Line station, new public plaza and Customer Center, better integration of bus and rail services, and improved pedestrian and bicycle access, the Project seeks to better connect residents to a wider range of regional employment, educational, and cultural opportunities.

### **ALTERNATIVES CONSIDERED**

The Board may choose to not to move forward with increasing the LOP Budget. This is not recommended. Keeping the value of the LOP at its current level will severely limit the scope of Package B scope Metro will be able to complete, including many of the passenger and safety enhancements, and jeopardize TIGER VI funding from the FTA and other grants secured for the Project.

### **NEXT STEPS**

After Board approval, staff will finalize and execute a contract modification with Icon West Inc. to begin construction of the final phase (Package B) of the Project.

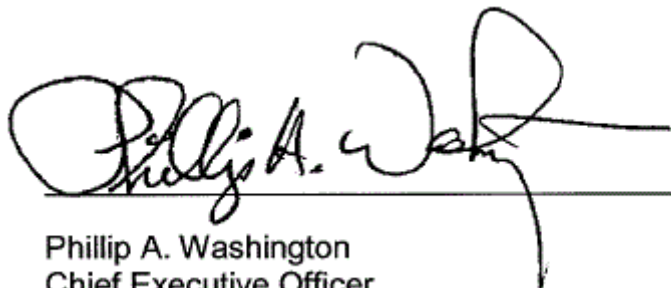
### **ATTACHMENTS**

Attachment A - LOP Expenditure and Funding Plan

Prepared by: Paul Whang, Senior Director, Engineering, Program Management, (213) 922-4705;  
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Reviewed by: Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051;

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



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Phillip A. Washington  
Chief Executive Officer

## EXPENDITURE and FUNDING PLAN

## Willowbrook/Rosa Parks Station Improvements Project

Use of Funds	Inception– FY19	FY20 Anticipated	FY21	FY22+	Total Capital Costs
<b>Design and Property acquisition</b>					
Design Costs/DSDC	8,277,000	-	-	-	8,277,000
Technical reviews	234,000	-	-	-	234,000
3rd Party Agreements (UP/CALTRANS/LAC)	440,000	-	-	-	440,000
Real Estate Acquisition/Appraisals/Acquisitions	5,819,000	6,451,000	-	-	12,270,000
Legal Assistance with Real Estate	346,000	437,000	-	-	783,000
Agency Costs	63,000	-	-	-	63,000
Design Phase Total	15,179,000	6,888,000	-	-	22,067,000
<b>Construction Phase</b>					
Construction Contracts (Packages E / F)	1,107,000	185,000	-	-	1,292,000
Construction Contracts (Packages A / C)	20,277,000	36,623,000	7,000,000	-	63,900,000
Construction Contracts (Package B)	-	3,500,000	12,000,000	-	15,500,000
Cubic work including TVMs and Gates	-	1,000,000	1,800,000	-	2,800,000
WRP Scope in Other Contracts	-	1,907,000	-	-	1,907,000
FF&E (Furniture / Equipment)	-	96,000	2,000,000	-	2,096,000
Special Conditions (3rd Party Agreements)	352,000	882,000	360,000	-	1,594,000
Design Support During Construction	532,000	1,887,000	250,000	-	2,669,000
CMSS and Program Mgmt Consultants	885,000	1,733,000	850,000	-	3,468,000
Other Professional Services (Geotech/ Env/DEOD)	41,000	221,000	300,000	-	562,000
Artwork (Fabrication/Installation/Staff)	71,000	462,000	500,000	-	1,033,000
Agency Costs: Project Control, Procurement Support, Safety, Communications, etc.	1,557,000	2,757,000	2,000,000	-	6,314,000
Unallocated Project Contingency	-	-	-	3,146,400	3,146,400
Construction Phase Total	24,822,000	51,253,000	27,060,000	3,146,400	106,281,400
<b>Total Project Cost</b>	<b>40,001,000</b>	<b>58,141,000</b>	<b>27,060,000</b>	<b>3,146,400</b>	<b>128,348,400</b>
<b>Source of Funds</b>	<b>Inception– FY19</b>	<b>FY20*</b>	<b>FY21*</b>	<b>FY22+*</b>	<b>Totals</b>
Federal - Section 5307 Urbanized Formula	-	-	2,221,778	-	2,221,778
Federal – TIGER VI Grant	8,435,000	1,815,000	-	-	10,250,000
Local - Proposition A 35%	-	-	8,484,050	646,400	9,130,450
Local - Proposition C 25%	22,819,000	14,711,599	10,000,000	-	47,530,599
Local - TDA Article 4	8,747,000	25,431,401	4,820,172	-	38,998,573
State - Active Transportation Program	-	1,375,000	1,534,000	-	2,909,000
State – MSRC (Air Quality Vehicle Registration Fee)	-	-	-	2,500,000	2,500,000
State - SB1 Local Partnership Program	-	14,808,000	-	-	14,808,000
<b>Total Project Funding</b>	<b>40,001,000</b>	<b>58,141,000</b>	<b>27,060,000</b>	<b>3,146,400</b>	<b>128,348,400</b>

\* Local funding sources may change depending on available and eligible funding source.



## Board Report

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**File #:** 2020-0238, **File Type:** Informational Report

**Agenda Number:**

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**CONSTRUCTION COMMITTEE  
APRIL 16, 2020**

**SUBJECT: CRENSHAW/LAX CLOSE OUT PROJECT**

**ACTION: APPROVE RECOMMENDATION**

**RECOMMENDATION**

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

**ISSUE**

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

**BACKGROUND**

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

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

## **DISCUSSION**

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

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

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

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

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

## **DETERMINATION OF SAFETY IMPACT**

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

## **FINANCIAL IMPACT**

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

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

### **Impact to Budget**

Eligible local funds available at the time of expenditure will be utilized to fund this project. These may include operating eligible funding sources. Eligible federal funds will be utilized and supplant operating eligible local funds.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

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

### **ALTERNATIVES CONSIDERED**

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

### **NEXT STEPS**

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

### **ATTACHMENTS**

Attachment A - Funding/Expenditure Plan

Attachment B - Measure R & Measure M Unified Cost Management Policy Analysis

Prepared by:

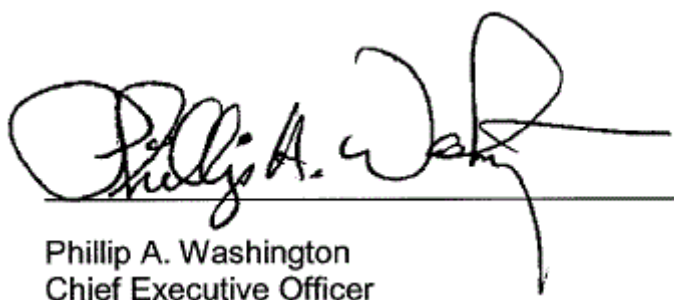
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Phillip A. Washington  
Chief Executive Officer

## ATTACHMENT A

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

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

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

\*\*FY20 is projected.

**Crenshaw/LAX Transit Project**

**Measure R and Measure M Unified Cost Management Policy Analysis**

**Introduction**

The Measure R and Measure M Unified Cost Management Policy (the Policy) was adopted by the Metro Board of Directors in June 2018. The precursor Measure R cost management policy was adopted in March 2011. The intent of the Policy is to inform the Metro Board of Directors regarding cost increases to Measure R- and Measure M-funded projects and the strategies available to close a funding gap. The Crenshaw/LAX Transit Project (the Project) is subject to this policy analysis.

The life-of-project (LOP) budget for the Project was last approved by the Board in June 2013 at \$2,058,000,000. The Project is subject to the Policy analysis now due to a proposed \$90,000,000 increase to the LOP budget. Funding for the cost increase is needed through FY 2023. This analysis recommends trade-offs required by the Policy to identify the funds necessary to meet the cost increase.

The Project has previously recognized cost increases and the Metro Board implemented the Policy in June 2013 to address a \$160,100,000 cost increase to the base project (excluding a \$135,000,000 increase to the LOP for station improvements that were not considered cost increases). The Board approved funding of the cost increase using \$149,910,000 of the countywide share of Proposition C 25% and \$10,090,000 that was taken from the Wilshire Bus Rapid Transit project.

**Measure R and Measure M Unified Cost Management Policy Summary**

The adopted Policy stipulates the following

If a project cost increase occurs, the Metro Board of Directors must approve a plan of action to address the issue prior to taking any action necessary to permit the project to move to the next milestone. Increases will be measured against subsequent actions on cost estimates taken by the Metro Board of Directors, including the determination of the budget. Shortfalls will first be addressed at the project level prior to evaluation for any additional resources using these methods in this order as appropriate:

- 1) Scope reductions;
- 2) New local agency funding resources;
- 3) Value Engineering;
- 4) Other cost reductions within the same transit or highway corridor;
- 5) Other cost reductions within the same sub-region; and finally,
- 6) Countywide transit or highway cost reductions or other funds will be sought using pre-established priorities.

### Scope Reductions

The Project cost increase is attributable to schedule delays and the need for additional Metro project management support services. Any attempt to identify and negotiate agreeable reductions to the scope may result in further delays and potential additional costs. Because of this, we recommend moving to the next step.

### New Local Agency Funding Resources

Local funding resources are considered in the next step as opposed to countywide or regional sources so as not to impact the funding of other Metro Board-approved projects and programs or subregions in the County.

The Project is eligible for both Measure M and Measure R funding and is currently allocated \$1,207,000,000 of funding that is identified in the Measure R sales tax ordinance Expenditure Plan, less \$131,800,000 that the Board reallocated to the Purple Line Extension project (Board item #2015-1630) to address a Regional Connector cost increase.

The Project is located in the South Bay and Central City Area subregions (as defined in the Policy, as amended), with station locations in the cities of Los Angeles and Inglewood. The Project is primarily in the South Bay (59%) with the remainder in the Central City Area (41%) based on distance. Local funding resources from both the subregions and cities could be considered for the cost increase.

### *Subregional Programs and Local Agency Contributions*

Measure M includes funding for a transit-eligible multi-year subregional program (MSP) for the South Bay and Central City Area subregions. The subregion (represented by its Council of Governments) could allocate a portion of the funding for the Project. Measure R includes funding for a "highway program" in the South Bay. Any use of this funding source would require a transfer to the transit fund and an amendment of the Measure R ordinance so that the funds are eligible for a transit use. The Measure R transfer amendment is in progress and expected to be considered by the Metro Board in June 2020.

In the South Bay, the MSP program with transit funding eligible beginning FY 2018 is the Subregional Equity Program (SEP). South Bay has two highway-eligible MSP but these cannot be used on the Project without an amendment to the Measure M ordinance (which cannot occur, per the Measure M ordinance, until July 2026). Metro has assigned \$130.0 million for the SEP in the Long Range Transportation Plan that would be available to the South Bay subregion, funded from Measure M, beginning in FY 2043. The Board has directed (Motion 36.1 #2019-0598) that the SEP is escalated to the year of expenditure. The escalation increases the SEP to \$287.5 million through FY 2057 (the final year of the Long Range Transportation Plan planning horizon) and \$355.0 million in total through FY 2062, if spent in these years. To utilize this funding for the project, the programming of the funds would need to be accelerated. However, the acceleration of the funds results in a funding shortfall as there is other Metro spending planned and to make capacity for the acceleration Metro must prioritize and reduce

funding for other project or programs, or use additional debt financing. In order to mitigate the impact of accelerating the funds on other Metro projects and programs, the SEP funding could be “discounted” or reduced, resulting in approximately \$90 million available now for the Project.

The Central City Area subregion also has a SEP that is transit-eligible. The Measure M Expenditure Plan includes \$235 million for the Central City Area SEP. With escalation, this increases to \$519.8 million through FY 2059 and \$641.8 million through FY 2062, if spent in these years. If accelerated to fund the Project cost increase, the reduced amount that mitigates the impact on other Metro spending is approximately \$160 million.

Measure R includes funding for the "Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay)," also described as the "South Bay Ramp and Interchange Improvements Project." In order that these funds can be programmed for use on the Project, they would need to be transferred to the Measure R transit fund, in accordance with the provisions of the ordinance. A process to amend the Measure R ordinance is underway and could provide funding for the Project. There is approximately \$500 million of funding (subject to verification from the South Bay COG) that has not already been programmed by Metro or otherwise committed for the existing highway program. This notwithstanding, the South Bay COG has identified alternative uses for the planned transfer of Measure R highway program funds.

#### *Local Agency Contributions*

The cities with Project stations have agreed to contribute funding to the Project as part of the 3% local agency funding assumption included in the Measure R ordinance. Metro is front-funding the Los Angeles share of \$89.7 million with the city making payments to Metro through FY 2023. Inglewood has agreed to pay \$12 million, with \$6 million in-kind for future first-last-mile improvements, and \$6 million in payments made over 40 years (with no payments or interest accrued for ten years). The cities are generally not responsible for cost increases to the projects and this restriction is included in the local agency contribution agreements between Metro and the cities.

Measure M, as well as Measure R and Propositions A and C, provide “local return” funding to Los Angeles and Inglewood. The cities will receive an estimated \$3.3 billion of local return (Los Angeles \$3.2 billion, Inglewood \$90 million) over the ten year period FY 2021 to FY 2030 that is eligible for transit use and could contribute a portion to the Project (not adjusted for any negative impact to countywide sales tax due to the current global pandemic). However, prior Board actions relating to the Twenty-Eight by '28 Initiative and funding for the cost increase to Foothill Extension to Pomona did not support use of local return, and it is presumed these funds would not be available for the cost increase to the Project.

#### *State and Federal Funding (Discretionary)*

The State has previously granted the project \$129.1 million through Prop 1B grants and the USDOT has provided funding through a \$13.9 million TIGER grant and \$545.9 million TIFIA loan. Additional State or federal discretionary funding (where Metro would

compete for the funding) is not probable, given the Project has experienced multiple cost increases and the design/build contract is already awarded.

#### Value Engineering

The Project cost increase is attributable to schedule delays and the need for additional Metro project management support services. Any attempt to identify and negotiate agreeable value engineering may result in further delays and potential additional costs. As a result, we recommend moving to the next step.

#### Other Cost Reductions within the Same Transit or Highway Corridor, or within the Same Sub-region

The cities and subregions have existing funding programs that have funding amounts yet to be spent. The potential use of the MSP, SEP, and Measure R highway program are discussed above in section "New Local Agency Funding Resources."

The cities also receive funding through the Call-For-Projects, the competitive grant program that is funded and managed by Metro for the benefit of LA County cities, transit operators, and State highway projects that was last held in 2015. At times the funding for certain projects in the Call-For-Projects is "de-obligated" if not spent within a reasonable timeframe and this can be a funding source for other uses. Currently there is not a meaningful amount of de-obligated funds available, and all other projects are moving through their respective development process.

The Project is within the same corridor as the Airport Metro Connector, the planned Project station intended to be a gateway to LAX. This project is currently in final design and pending a construction bid in mid-2020 to determine the LOP budget. Funding is not yet available from the project.

#### Countywide Cost Reductions and/or Other Funds

If new local agency resources are not allocated to the Project cost increase, regional or countywide funding could be considered. These funds are programmed for other uses in Metro's financial forecast, during the timeframe when funds are needed for the Project cost increase. A reallocation of the funds to the cost increase would divert the funding from other Board-approved uses and or require additional debt financing. Eligible sources of countywide funding include Proposition C 25% (Transit-Related Streets and Highways), Proposition C 40% (Discretionary), and Proposition A 35% (Rail Development).

Through FY 2023, the Proposition C 25% funds are currently planned, from highest to lowest, for debt service on Metro bonds, I-5 South Carpool and Mixed Flow Lanes I-605 to OCL, Freeway Service Patrol, Blue Line Track and System Refurbishment, and the Crenshaw/LAX Locally Funded Activities Project. The Proposition C 40% is planned for Metro bus operations, ADA-paratransit operations, debt service, Metro bus fleet replacement, and the municipal and non-Metro operators. The Proposition A 35% is planned for debt service on Metro bonds, Metro rail operations, Division 20, Heavy Rail Vehicles, and Light Rail Vehicles.

The Project is currently allocated (prior to the proposed LOP increase) \$379.1 million in regional Proposition C 25% and \$4.9 million in regional Proposition A 35% funding.

*State and Federal Funding (Formula)*

Metro receives quasi-formula funding from the State through the Regional Improvement Program (RIP) and Local Partnership Program (LPP). This is considered regional funding as it can be applied countywide to both transit and highway spending. There is currently no capacity in the RIP or LPP through FY 2025. The RIP has been allocated to projects submitted in Metro's 2020 RTIP and the next cycle of the LPP is planned to be used on the \$801 million Division 20 project.

Due to the delay in revenue operation, approximately \$16.1 million from the State Low Carbon Transit Operations Program (LCTOP) and \$31.1 million from the federal Congestion Mitigation & Air Quality Program (CMAQ), which were allocated to operating costs of the Project in FY 2021, will no longer be needed for this purpose if the revenue service date is delayed. The LCTOP funds have already been earmarked for bus charging infrastructure, as these funds needed to be allocated to satisfy State requirements. The CMAQ funds in FY 2021 could be used for the cost increase and this would not take away funding from another Metro purpose (procedurally, in order to satisfy grant eligibility requirements, the CMAQ may reimburse previously incurred expenditures). The use of CMAQ is subject to the eligibility requirements related to the existing TIGER grant.

The following table summarizes the potential funding options for the Project cost increase.

**Crenshaw/LAX  
Potential Funding Sources/Cost Reductions  
(\$ in millions)**

<b>Options</b>	<b>Potential Funding</b>	<b>Year Available</b>
Multi-Year Subregional Programs	not eligible	
Subregional Equity Program-South Bay*	\$ 90.0	2021
Subregional Equity Program-Central City Area*	160.0	2021
Measure R Highway Program**	500.0	2021
Local Return	-	2021
Value Capture Financings	-	2025
Scope Reductions/Value Engineering	-	
CMAQ	33.1	
<b>Total</b>	<b>\$ 783.1</b>	

\* Represents "discounted" value of amount that is currently programmed beginning in FY 2043.

\*\* Requires amendment to Measure R ordinance.