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

Agenda - Final

Wednesday, April 16, 2025

1:00 PM

Watch online: https://boardagendas.metro.net
Listen by phone: Dial 888-978-8818 and enter Access Code:
5647249# (English) or 7292892# (Español)

To give written or live public comment, please see the top of page 4

Construction Committee

Fernando Dutra, Chair
Ara J. Najarian, Vice Chair
Imelda Padilla
Hilda Solis
Katy Yaroslavsky
Gloria Roberts, non-voting member

Stephanie Wiggins, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA 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 general 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 General 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.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Clerk and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded and is available at https://www.metro.net or on CD's and as MP3's for a nominal charge.

DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding coming before an agency involving a license, permit, or other entitlement for use including all contracts (other than competitively bid contracts that are required by law, agency policy, or agency rule to be awarded pursuant to a competitive process , labor contracts, personal employment contracts, contracts valued under $50,000, contracts where no party receives financial compensation, contracts between two or more agencies, the periodic review or renewal of development agreements unless there is a material modification or amendment proposed to the agreement, the periodic review or renewal of competitively bid contracts unless there are material modifications or amendments proposed to the agreement that are valued at more than 10 percent of the value of the contract or fifty thousand dollars ($50,000), whichever is less, and modifications of or amendments to any of the foregoing contracts, other than competitively bid contracts), shall disclose on the record of the proceeding any contributions in an amount of more than $500 made within the preceding 12 months by the party, or the party's agent, to any officer of the agency. When a closed corporation is party to, or participant in, such a proceeding, the majority shareholder must make the same disclosure. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

ADA REQUIREMENTS

Upon request, sign language interpretation, materials in alternative formats and other accommodations are available to the public for MTA-sponsored meetings and events. All requests for reasonable accommodations must be made at least three working days (72 working hours) in advance of the scheduled meeting date. Please telephone (213) 364-2837 or (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800) 252-9040.
Requests can also be sent to boardclerk@metro.net.

LIMITED ENGLISH PROFICIENCY

A Spanish language interpreter is available at all Committee and Board Meetings. All other languages must be requested 72 hours in advance of the meeting by calling (213) 364-2837 or (213) 922-4600. Live Public Comment Instructions can also be translated if requested 72 hours in advance.

323.466.3876
x2 *Español (Spanish)*
x3 中文 *(Chinese)*
x4 한국어 *(Korean)*
x5 Tiếng Việt *(Vietnamese)*
x6 日本語 *(Japanese)*
x7 русский *(Russian)*
x8 Հայերէն *(Armenian)*

HELPFUL PHONE NUMBERS AND EMAIL

Copies of Agendas/Record of Board Action/Recordings of Meetings - (213) 922-4880 (Records Management Department) - https://records.metro.net
General Information/Rules of the Board - (213) 922-4600
Internet Access to Agendas - https://www.metro.net
TDD line (800) 252-9040
Board Clerk Email - boardclerk@metro.net

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

Live Public Comment Instructions:

Live public comment can be given by telephone or in-person.

The Meeting begins at 1:00 PM Pacific Time on April 16, 2025; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-978-8818 and enter
English Access Code: 5647249#
Spanish Access Code: 7292892#

Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

Instrucciones para comentarios publicos en vivo:

Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 1:00 PM, hora del Pacifico, el 16 de Abril de 2025.
Puedes unirte a la llamada 5 minutos antes del comienso de la junta.

Marque: 888-978-8818 y ingrese el codigo
Codigo de acceso en ingles: 5647249#
Codigo de acceso en espanol: 7292892#

Los comentarios del público se tomaran cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.

Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting.
Please include the Item # in your comment and your position of “FOR,” “AGAINST,” "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."
Email: BoardClerk@metro.net
Post Office Mail:
Board Administration
One Gateway Plaza
MS: 99-3-1
Los Angeles, CA 90012

CALL TO ORDER

ROLL CALL

11. SUBJECT: LINK UNION STATION PROJECT 2025-0094

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed price Contract No. PS120069000 to Flatiron West, Inc., for Phase 1 Preconstruction Services for the Link Union Station Phase A Construction Manager/General Contractor (CM/GC) Project, in the amount of $7,000,000, subject to the resolution of any properly submitted protest(s) if any.

Attachments: Attachment A - Procurement Summary
Attachment B - DEOD Summary
Presentation

12. SUBJECT: CALTRANS QUARTERLY UPDATE 2025-0139

RECOMMENDATION

RECEIVE the quarterly oral report on the status of the Caltrans construction projects.

Attachments: Presentation

13. SUBJECT: FISCAL YEAR 2026 PROGRAM MANAGEMENT ANNUAL PROGRAM EVALUATION 2025-0174

RECOMMENDATION

RECEIVE AND FILE this report summarizing the FY26 Program Management Annual Program Evaluation (Attachment A).

Attachments: Attachment A - FY26 Annual Program Evaluation Presentation
Attachment B - Construction Market Analysis Special Report

14. SUBJECT: PROGRAM MANAGEMENT QUARTERLY CHANGE REPORT 2025-0187

RECOMMENDATION

RECEIVE AND FILE Status Report on Program Management Quarterly Change Report.

Attachments: Attachment A - Quarterly Change Orders Log for Dec. 1, 2024 - Feb. 28, 2025
Attachment B - OIG Con. Change Order Spot Checks (Through Feb. 2025)

15. SUBJECT: OFFICE OF THE INSPECTOR GENERAL CONSTRUCTION CHANGE ORDER SPOT CHECKS 2025-0255

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General Construction Change Order Spot Check Report for the period December 1, 2024, to February 28, 2025.

Attachments: Attachment A - Change Order Details for Spot Checks

Presentation

SUBJECT: GENERAL PUBLIC COMMENT 2025-0249

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

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

File #: 2025-0094, **File Type:** Contract **Agenda Number:** 11.

CONSTRUCTION COMMITTEE
APRIL16, 2025

SUBJECT: LINK UNION STATION PROJECT

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed price Contract No. PS120069000 to Flatiron West, Inc., for Phase 1 Preconstruction Services for the Link Union Station Phase A Construction Manager/General Contractor (CM/GC) Project, in the amount of $7,000,000, subject to the resolution of any properly submitted protest(s) if any.

ISSUE

Staff is seeking the Board's approval to award a firm fixed price Contract No. PS120069000 to Flatiron West, Inc. for Phase 1 Construction Manager/General Contractor Preconstruction Services for the Link Union Station Phase A Project.

BACKGROUND

The Link Union Station (Link US) Project will transform how the commuter and intercity rail operates in Southern California with new run-through capability at Los Angeles Union Station (LAUS) by providing one-seat rides for Northbound and Southbound run through service, doubling the capacity of daily train movements, reducing dwell times by as much as 20 minutes, and accommodating future high-speed rail.

The Link US Project is planned to be implemented in two phases:

1. Phase A - Includes a run-through structure from the stub end of Union Station, over the 101 Freeway, and connects to the mainline tracks on the West Bank of the Los Angeles River. In the initial phase, the run-through structure will provide immediate run-through service for Metrolink and the Pacific Surfliner (LOSSAN) on two tracks that connect to Platform 3. However, the run-through structure will be built to accommodate up to nine run-through tracks for future passenger and intercity rail expansion, including California High-Speed Rail.

2. Phase B - Includes a new rail yard with four new operating platforms and up to nine-run through tracks for Metrolink, LOSSAN and California High Speed Rail, as well as a new

Passenger Tunnel.

The Link US Project Phase A will be delivered utilizing the Construction Manager/General Contractor (CM/GC) project delivery approach that was previously approved by the Board on December 5, 2019. On May 26, 2022, the Metro Board approved a Partial Preconstruction Phase Life of Project Budget (Preconstruction Budget) of $297.818 million for the Preconstruction Work of the Link US Phase A Project consisting of remaining planning, environmental, preliminary engineering, final design, third-party work, early demolition work, real estate acquisitions, and associated soft costs.

CEQA & NEPA

Previously, under a separate funding agreement with California High-Speed Rail Authority (CHSRA), Metro received American Recovery and Reinvestment Act federal funds in 2017 for environmental and planning work for the Link US Project. The Link US Project completed California Environmental Quality Act (CEQA) environmental clearance in July 2019, and a CEQA amendment was approved in October 2021. Furthermore, the Link US Project is in the process of completing the National Environmental Policy Act (NEPA) environmental clearance with an updated forecast Summer 2025, with CHSRA as the NEPA Lead Agency.

DISCUSSION

The goal of CM/GC project delivery method is to engage a General Contractor to act as the "Construction Manager" consultant during the design process to collaborate and partner with Metro and the Architectural/Engineering (A/E) Designer offering constructability, scheduling, pricing, feedback on design options, and minimizing cost and schedule risks related to the project. The CM/GC process provides the ability to effectively integrate benefits from the early engagement of construction experts that will enable Metro to make informed decisions during the design process and provide substantive benefits to the project.

The CM/GC will deliver the Project in two distinct contract phases. Phase 1, the Preconstruction Phase, and Phase 2, the Construction Phase, as described below..

Phase 1 Preconstruction

Once the Notice to Proceed is issued, the CM/GC and Metro's A/E Designer will work side-by-side to review constructability, undertake value engineering, conduct site investigations, assess market conditions, provide current contractor price estimates, risk assessments, and construction schedule at successive prescribed design intervals until the design is finalized. The CM/GC may also construct some Early Works Packages of Phase 2 Work during Phase 1, subject to negotiation and remaining Preconstruction Budget availability.

Throughout, and at predetermined milestones during Phase 1 Preconstruction, the CM/GC will provide Metro with Opinions of Probable Cost (OPC) for the Phase A Project, which are detailed cost estimates that will enable staff to evaluate the projected Project costs against the Project budget and make necessary adjustments to the scope or schedule. If both parties agree to a final OPC, staff will seek Board approval to award Phase 2 Construction to the CM/GC. If not, Metro will have the option to terminate the contract with the Contractor and package the design documents into a separate bid

package. This off-ramp will be available for Metro throughout Phase 1 as staff evaluates each OPC. If a final negotiated OPC is reached, staff will seek Board approval to award all of Phase 2 to the CM/GC as a Phase 2 Supplement.

Throughout Phase 1 Preconstruction negotiations, Metro will maintain the following parameters to mitigate discrepancies and to increase the likelihood of project success:

- CM/GC's Phase 2 Management Lump Sum Fee and Phase 2 Margin Percentage initially proposed, agreed, and contractually committed will be retained in all OPCs;
- CM/GC contract will set out the conditions of the price proposal for Phase 2 Construction and the information that the Contractor is required to submit;
- CM/GC contract will set out a clear governance structure for managing Phase 1 Preconstruction, including the establishment of working groups that include members from Metro, the contractor team, and any relevant third parties; and
- Process for establishing all OPC will employ transparent open-book methods and the use of independent cost estimates to validate pricing.

The CM/GC process enables the contractor and Metro to successfully negotiate a construction contract, at the appropriate level of completion of the design within the available funding. If the contractor's pricing significantly exceeds the available funding, the project delivery method provides flexibility to off-ramp the General Contractor at each design interval or any time for convenience throughout the Phase 1 Preconstruction. Therefore, if the off-ramp is exercised, Metro can benefit from the work already performed by the contractor and pivot to a different project delivery method with competitive construction pricing such as a design-bid-build. Upon Board approval, Metro's commitment to the recommended Contractor at this time would be $7,000,000.

Phase 2 Construction

After the final design of the entire Project has been completed to an appropriate level, staff will return to the Board to request approval for the total Life of Project Budget (LOP) for Phase A. Upon Board approval of the total LOP and if the General Contractor has successfully negotiated a construction contract with Metro, then the General Contractor builds the Phase A project.

As an essential element of the Link US Phase A staff recommends the award of a CM/GC firm fixed price contract for the Link Union Station Project Phase A CM/GC for the Phase 1 - Preconstruction Services.

DETERMINATION OF SAFETY IMPACT

The Link US project is being planned and designed in accordance with Metro, Southern California Regional Rail Authority (SCRRA), California High-Speed Rail (HSR), Caltrans, and City of Los Angeles standards, as well as state and federal requirements. The recommended Board action will have no detrimental safety impact.

FINANCIAL IMPACT

In May of 2022 the Metro Board was advised of the committed funding to date and authorized a

Partial Preconstruction Phase Life of Project Budget, as listed below.

Committed Funding and Approved Partial Preconstruction Phase LOP Budget

Funding Source	Amount ($ in millions)	Partial Preconstruction Phase LOP Budget - Approved in May 2022 ($ in Millions)
State Proposition 1A/High Speed Rail Bonds	$423.3	-
State Transit Intercity Rail Capital Program (TIRCP)	$337.6	$227.42
State Transportation Improvement Program (STIP)	$60.8	-
Metro Measure R 3%	$51.7	$51.67
Other Metro Local funds	$13.3	-
SCRRA JPA Contribution (Non-Metro)	$40.0	-
Other HSR Funds	$18.7	$18.73
LOSSAN/Amtrak	$5.0	-
Total	**$950.4**	**$297.82**

The award of the CM/GC Contract and the Phase 1 Preconstruction services by the CM/GC are fully funded as part of the $297.82 Million previously approved. As of December 2024, $120 Million of this Preconstruction Phase Budget remains. The funding sources for the Partial Preconstruction LOP Budget are not eligible to be used for Metro bus/rail operating or capital budget expenses.

Impact to Budget

Current Fiscal Year

There is no impact on the current Fiscal Year (FY25) budget as the next step in the procurement process is to award the Contract and issue a Notice to Proceed (NTP), and $10.5 million is included in the approved FY25 budget, project 460089. The CM/GC contract will commence with Phase 1 Preconstruction, during the final quarter, April through June, of the current fiscal year. During this period, engineering, cost estimates, risk assessments, construction schedule development and constructability reviews will begin.

Multiyear Impact

Metro is currently estimating the total cost of the project to be $1,597 Million, pending final pricing by the CM/GC Contractor during the Preconstruction Phase. The project proposes to fill the funding gap as listed below.

Plan to Fill Funding Gap ($ in Millions)

Committed Funding	$950.4
FRA FSP Intercity Passenger Rail Grant Application	$200.0
CTC Solutions for Congested Corridors Grant Application	$105.0
TIFIA Loan	$341.4
Total Estimated Project Cost	**$1,596.8**

Metro has submitted the FRA Federal State Partnership (FSP) Intercity Passenger Rail Grant Application and the CTS Solutions for Congested Corridors Grant Application in the Fall of 2024. A Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan is proposed for the final $341.4 Million of the Funding Gap. The TIFIA Loan is proposed to be repaid by Metrolink and LOSSAN Member agencies over 30 years. CalSTA and Caltrans are coordinating an interagency discussion to develop a consensus on how the participating agencies will share the loan repayment.

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.

EQUITY PLATFORM

The Link US Project will improve the quality of life for residents at the LAUS-adjacent William Mead Homes, the first public housing project in the City of Los Angeles constructed in the 1950s and located within a Metro Equity Focus Community. This will be accomplished with the construction of a new sound wall, designed to reduce noise externalities from existing and future increases in train operations, and a proposed quiet-zone safety improvements at the railroad crossing on N. Main Street to reduce the train horn noise in the area.

The increased rail service will make it easier for Metrolink riders to access key destinations, such as jobs, housing, and healthcare appointments, as well as provide access to the greater LA Metro public transportation system at LAUS. The Link US Project will also result in reduced train and idling times-saving as much as 5 minutes for each ride linking the counties of San Diego, Orange, Riverside, San Bernardino, Ventura, San Luis Obispo, and Santa Barbara to LAUS-and fuel savings and emission reductions. Further, it is estimated that the Link US Project will generate 4,500 jobs during construction, resulting in over 200 permanent jobs. In addition, during Early Work and Phase 2 Construction, the Project Labor Agreement (PLA) and the Construction Careers Policy (CCP) will require the CM/GC to hire 40% Targeted Local Workers, 20% Apprentice Workers, and 10% Disadvantaged Workers.

The Diversity and Economic Opportunity Department (DEOD) established a 25% Small Business (with 3% designated for Micro Business (MB)) and a 3% Disabled Veteran Business Enterprise (DVBE) goal, and a separate 10% Disadvantaged Business Enterprise (DBE) goal for Phase 1. The CM/GC met or exceeded the goals by making a 22.43% SB commitment, a 3.09% MB commitment, a 3.66% DVBE commitment, and a 10.37% DBE commitment for Phase 1.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.
*Based on population estimates from the United States Census and VMT estimates from the highway performance monitoring system data between 2001-2019.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through planning and investment activities that will improve and increase rail service, thereby encouraging taking transit, including Metrolink, Amtrak, Metro Rail, High-Speed Rail, Municipal Bus Systems, and High-Speed Ridesharing.

Metro staff has conducted preliminary analysis to show that the net effect of this multi-modal item is to decrease VMT. Using data provided by LOSSAN, SCRRA, and SCAG, it is estimated that this project will result in 299,889,346 additional passenger-miles per year. This will result in annual reduction in VMT of 239,911,477 per year, or a 679,687 daily VMT reduction.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Link US project supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The proposed run-through tracks would increase regional and intercity rail capacity, reduce train idling at LAUS, enable one-seat rides from Santa Barbara County to San Diego County through LAUS, and accommodate a new high-quality transportation option such as the High-Speed Rail in Southern California.

The project also supports Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. The proposed new passenger concourse and the new outdoor plaza (West Plaza) would improve customer experience and satisfaction by enhancing transit and retail amenities at LAUS and improving access to train platforms with new escalators and elevators.

Lastly, the project supports Strategic Goal 4: Transform LA County through regional collaboration and national leadership. The project requires close collaboration with many local, regional, state, and federal partners including the City of Los Angeles, SCRRA, LOSSAN Authority, Caltrans, CHSRA, The California State Transportation Agency (CalSTA), Federal Railroad Administration (FRA), and Amtrak.

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with approval to award the contract. This is not recommended since that would lead to project delays and corresponding cost increases. Any delay may also impact Platform improvements that are scheduled to occur. Furthermore, this would also

impact timelines and cost projections that are proposed in current and future grant funding agreements with TIRCP and CHSRA.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS120069000 for the Link Union Station Project Phase A Construction Manager/General Contractor (CM/GC) contract and issue NTP.

The Project anticipates returning to the Board for a Supplemental CEQA Record of Decision, an increase in the Preconstruction Budget for any additional real estate acquisition and construction of any early works packages in Summer 2025. The Project also anticipates returning to the Board for a Construction Management Support Services Contract (CMSSC) in Summer 2025.

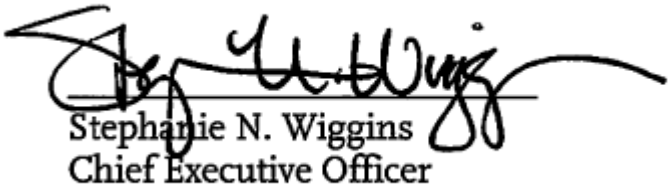
After completion of remaining design and successful negotiation with the CM/GC Contractor, staff will return to the Board for approval of the Life of Project Budget and award of the remaining Phase 2 Construction Work in Fall 2026.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary
Prepared by:

Alice Hsu, Deputy Executive Officer, Regional Rail, (213) 418-3113
Scott McConnell, Executive Officer, Regional Rail, (213) 922-4980
Michael McKenna, Deputy Chief Program Management Officer,(213) 922-4239
Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer
(213) 922-4471

Reviewed by:
Tim Lindholm, Chief Program Management Officer (213) 922- 7297



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

LINK UNION STATION PHASE A
CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC)
CONTRACT NO. PS120069000

1.	**Contract Number**: PS120069000	
2.	**Recommended Vendor**: Flatiron West, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: August 30, 2024	
	B. Advertised/Publicized: August 30, 2024	
	C. Pre-Proposal Conference: September 10, 2024	
	D. Proposals Due: October 29, 2024	
	E. Pre-Qualification Completed: February 20, 2025	
	F. Ethics Declaration Forms submitted to Ethics: October 30, 2024	
	G. Protest Period End Date: March 25, 2025 (Estimated)	
5.	**Solicitations Downloaded**: 174	**Proposals Received**: 3
6.	**Contract Administrator**: Robert Romanowski	**Telephone Number**: (213) 922-2633
7.	**Project Manager**: Scott McConnell	**Telephone Number**: (213) 922-4980

A. Procurement Background

This Board Action is to approve Contract No. PS120069000 issued in support of the Construction Manager/General Contractor (CM/GC) project delivery method for the Link Union Station Phase A CM/GC Project. Board approval of contract awards are subject to resolution of any properly submitted protest(s), if any.

Prior to the release of the solicitation, a hybrid in-person/virtual Metro Connect Industry Forum was conducted on February 16, 2024. The event was attended by 81 registered individuals. This event was held to inform the small business community of the upcoming Link Union Station Phase A contracting opportunities, and to promote increased small business participation.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy, and the contract type is Construction Manager/General Contractor (CM/GC). The Contract is subject to the California High-Speed Rail Authority's Small Business Program Plan (HSR SB Program Plan) which includes Small Business (SB) (inclusive of Micro Business (MB)), Disabled Veteran Business Enterprise (DVBE), and race-neutral Disadvantaged Business Enterprise (DBE) goals and requirements. The

Diversity & Economic Opportunity Department (DEOD) recommended the following goals, all of which apply across the total value for Phase 1 – Pre-Construction Services:

- A SB goal of 25% (with 3% designated for MBs),
- A separate 3% DVBE goal, and
- A separate 10% DBE goal.

The SB/DVBE and DBE goals for Phase 2 Work will be established in accordance with the provisions of the contract, should Phase 2 Work proceed.

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

- Amendment No. 1, issued on October 15, 2024, added two sentences inadvertently omitted from Section 600 of the SB/DVBE/DBE Instructions to Proposers and included minor clarifications to RFP Appendices.
- Amendment No. 2, issued on October 18, 2024, revised Contract Exhibit 4, Regulatory Requirements and also revised Contract Exhibit 5, Subcontracting, to add required contract language that had been made final after the RFP was initially released.

A virtual pre-proposal conference was held on September 10, 2024, and was attended by 116 participants. Three sets of questions and responses were released before the proposal due date.

A total of 174 downloads of the RFP were recorded in the planholders' list. Three proposals were received on the due date of October 29, 2024.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of a representative from Metrolink Project Delivery and staff from Metro's Environmental Services and Regional Rail units within the Program Management Office, Program Control, and Countywide Planning & Development was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following weighted evaluation criteria:

• Capability and Experience	35 Points
• Project Understanding	10 Points
• Project Approach	30 Points
• Cultural Competency	5 Points
• Price	20 Points
	100 Points

Several factors were considered when developing these point values, giving the greatest importance to Capability and Experience. Additionally, a criterion of 5 points was allocated for proposers to demonstrate their approach to Cultural Competency.

In addition, the price evaluation criteria consisted of the following price elements with pre-established parameters to reflect the phases of the project, designed to establish a level playing field and to arrive at one price formula that would be evaluated with the understanding that only the amount listed under Phase 1 Pre-Construction Lump Sum Fee would be used for the awarded Contract Value (subject to clarification and/or negotiations). The price elements stated in the RFP are as follows:

1. Phase 1 Pre-Construction Lump Sum Fee
2. Delay Compensation Rate (daily) for Phase 1 with an assumed estimated quantity of 120 days of Compensable Delay during Phase 1 (for evaluation purposes only)
3. Phase 2 Management Lump Sum Fee, assuming a 60-month period of performance for Phase 2 work (for evaluation purposes only)
4. Phase 2 Margin Percentage, assuming a construction cost of $520,000,000 (for evaluation purposes only)

Of the proposals received, all three were determined to be within the competitive range and are listed below in alphabetical order:

1. Flatiron West, Inc. (Flatiron)
2. Kiewit Infrastructure West Co. (Kiewit)
3. Skanska USA Civil West (Skanska)

During December 2024 and January 2025, the PET reviewed and scored each proposal. Concurrently, DEOD staff requested and received clarifications on the HSR SB Program Plan forms from all Proposers. On January 15, 2025, the PET met and received Oral Presentations from the three Proposers. The Proposers' project managers and key team members were asked to present each team's capability and experience, and their understanding and approach to completing the Project. Each team was asked questions regarding their previous experience working with multiple stakeholders, minimizing impacts, and commitment to partnering with Metro to ensure the success of the Project. Following oral presentations, the PET completed consensus scoring.

Qualifications Summary of Firms within the Competitive Range

Flatiron West, Inc. (Flatiron)

Flatiron West, Inc. (Flatiron) effectively demonstrated extensive experience with similar projects and proposed a highly qualified team with a strong background in

public transportation, and viaduct construction. Flatiron's proposal articulated a comprehensive understanding of the project and their approach to performing the Phase 1 work. Their proposal achieved the top scores across four of the five evaluation criteria, including the highest in Capability and Experience. Flatiron took no exceptions to the terms and conditions of the CM/GC Contract. Furthermore, Flatiron's proposal contained two innovative features:

- Flatiron included their foundation subcontractor on their Phase 1 team, instead of waiting until after award and submittal of the Subcontractor Bidding and Selection Plan to start to identify a foundation subcontractor; and
- Flatiron included an environmental specialist as value added to their Phase 1 personnel, to acknowledge and assist with the sensitivities of adjacent and interfacing Projects.

Flatiron scored the highest in both the technical and price proposal evaluations.

Skanska USA Civil West (Skanska)

Skanska's Proposal demonstrated strong qualifications and experience in their proposal, supported by a highly capable team and a clear understanding of the project requirements. The Proposal presented a solid approach to executing similar projects.

Kiewit Infrastructure West Co. (Kiewit)

Kiewit presented a qualified team with an acceptable understanding of the project's scope and a reasonable approach to the project. Their proposed cost was the highest among the three proposers. This, combined with the lowest technical proposal evaluation, placed Kiewit's proposal score lowest in the competitive range.

After a thorough evaluation review of proposals and the oral presentations, the PET's recommendation in the order of ranking is shown in the table below:

1	Proposer Name	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Flatiron**				
3	Capability and Experience	90.20	35%	31.57	
4	Project Understanding	90.60	10%	9.06	
5	Project Approach	80.92	30%	24.28	
6	Cultural Competency	68.00	5%	3.40	
7	Price	100.00	20%	20.00	
8	**Total**		**100%**	88.31	**1**

9	**Skanska**				
10	Capability and Experience	85.24	35%	29.83	
11	Project Understanding	83.00	10%	8.30	
12	Project Approach	75.80	30%	22.74	
13	Cultural Competency	71.00	5%	3.55	
14	Price	84.40	20%	16.88	
15	**Total**		**100%**	81.30	**2**
16	**Kiewit**				
17	Capability and Experience	76.31	35%	26.71	
18	Project Understanding	72.00	10%	7.20	
19	Project Approach	61.55	30%	18.47	
20	Cultural Competency	66.30	5%	3.32	
21	Price	78.20	20%	15.64	
22	**Total**		**100%**	71.34	**3**

C. Cost/Price Analysis

The recommended Phase 1 Lump Sum Fee and Delay Compensation Rate, and Phase 2 Management Lump Sum Fee and Margin Percentage have all been determined to be fair and reasonable based upon review of an Independent Cost Estimate (ICE), cost analysis, technical evaluation, additional fact finding, and negotiations with the highest ranked Proposer.

Proposer Name	Proposed Amount	Metro ICE	Award Amount
Flatiron West, Inc.	**$7,042,000 (Phase 1 Lump Sum Fee)**	**$10,868,000 (Phase 1 Lump Sum Fee)**	**$7,000,000 (Phase 1 Lump Sum Fee)**
	$10,000/day (Phase 1 Delay Compensation Rate)	**A Minimum of $10,00/day (Phase 1 Delay Compensation Rate)**	**$10,000/day (Phase 1 Delay Compensation Rate)**
	$245,876/month (Phase 2 Management Lump Sum Fee)	**A Range of $160,000 - $450,000 per month**	**$245,876/month (Phase 2 Management Lump Sum Fee)**

	8% (Phase 2 Margin Percentage)	A Range of 8% -12% (Phase 2 Margin Percentage)	8% (Phase 2 Margin Percentage)
Skanska	$9,061,258 (Phase 1 Lump Sum Fee)		
	$10,000/day (Phase 1 Delay Compensation Rate)		
	$336,955/month (Phase 2 Management Lump Sum Fee)		
	8.5% (Phase 2 Margin Percentage)		
Kiewit	$10,300,000 (Phase 1 Lump Sum Fee)		
	$10,000/day (Phase 1 Delay Compensation Rate)		
	$339,400/month (Phase 2 Management Lump Sum Fee)		
	9% (Phase 2 Margin Percentage)		

The price evaluation criteria included in the RFP consisted of price elements with pre-established parameters to reflect the phases of the project. All price proposals received were determined to be within the pre-established parameters.

The final recommended Phase 1 Lump Sum Fee is lower than Metro's ICE due to the following factors:

- The ICE was initially developed with several full-time key personnel allocated to support the Phase 1 effort, in contrast, Flatiron's proposal incorporated part-time staff to support Phase 1 and the associated scope of work, which is considered reasonable.

- Flatiron and their Subcontractors proposed lower overhead rates compared to those included in Metro's ICE.

Staff successfully negotiated a reduction in the Phase 1 Lump Sum Fee for a cost savings of $42,000.

D. Background on Recommended Contractor

Flatiron West, Inc. (Flatiron)

Flatiron West, Inc. (Flatiron) is based in Chino, California and has 75 years of experience in delivering complex civil and transit projects. Flatiron has worked on 745 projects in California since 1991. Of these, 138 are located in the Los Angeles area, including the current G-Line Bus Rapid Transit Improvements and I-105 Express Lanes projects.

Flatiron has demonstrated expertise in the alternative project delivery method of CM/GC and brings innovative solutions to build a successful project.

ATTACHMENT B

DEOD SUMMARY

LINK UNION STATION PHASE A
CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC)
CONTRACT NO. PS120069000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 25% Small Business (with 3% designated for Micro Business) and a 3% Disabled Veteran Business Enterprise goal, and a separate 10% Disadvantaged Business Enterprise goal for Phase 1 of this California High-Speed Rail Authority ("CHSRA") funded procurement. As a condition of funding, Metro was required to implement the CHRSA's Small Business Program, which includes Small Business (SB), Micro Business (MB), Disabled Veteran Business (DVBE), and Disadvantaged Business Enterprise (DBE) firms.

Flatiron West, Inc. met or exceeded the goals by making a 22.43% SB commitment, a 3.09% MB commitment, a 3.66% DVBE commitment, and a 10.37% DBE commitment for Phase 1.

Small Business Goals	**25% SB (including 3% MB) 3% DVBE 10% DBE**	**Small Business Commitment**	**22.43% SB 3.09% MB 3.66% DVBE 10.37%DBE**

	SB Subcontractors	**% Committed**
1.	Chambers Group, Inc.	3.83%
2.	JLM Staffing Solutions dba JLM Strategic Talent Partners	10.88%
3.	Morgner Construction Management	7.72%
	Total SB Commitment	**22.43%**

	MB Subcontractors	**% Committed**
1.	Modern Times, Inc.	3.09%
	Total MB Commitment	**3.09%**

	DVBE Subcontractors	**% Committed**
1.	Fryman Management, Inc.	3.66%
	Total DVBE Commitment	**3.66%**

	DBE Subcontractors	Ethnicity	% Committed
1.	Costin Public Outreach Group, Inc.	Non-Minority Female	1.40%
2.	QN Management Solutions, Inc.	Asian Pacific American Female	5.94%
3.	Steiner Consulting, Inc.	Non-Minority Female	3.03%
	Total DBE Commitment		**10.37%**

Phase 2

The SB/DVBE and DBE goals for Phase 2 Work will be established in accordance with the provisions of the contract. Flatiron West, Inc. will be required to meet or exceed the goals at the time of submission of its Phase 2 Work Price Proposal.

B. Local Small Business Enterprise (LSBE) Preference:

LSBE preference is not applicable to this California High-Speed Rail Authority ("CHSRA") funded procurement.

C. Engagement Outreach Plan (EOP) and Communications Plan

Proposers were required to submit a Small Business Engagement Outreach Plan (EOP) as part of its proposal, evidencing how it will engage and outreach to the small and disadvantaged business community on contracting opportunities for all phases of the contract work. Flatiron West, Inc. met the requirement.

D. Contracting Outreach and Mentoring Plan (COMP)

The Contractor Outreach and Mentoring Plan (COMP) is not applicable to Phase 1. However, Flatiron West, Inc. will be required to mentor SB, DVBE, and DBE firm(s) in connection with the Phase 2 Work (including Early Works Packages) in accordance with the COMP requirements established by Metro pursuant to the provisions of the Contract.

E. Living Wage and Service Contract Worker Retention Policy Applicability

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

F. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to Phase 1 and Phase 2 of this project, including all Early Work Packages. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

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

PLA/CCP is not applicable on Phase 1- Pre-construction/design portion of the contract wherein construction work is very limited. However, PLA/CCP is applicable on Phase 2-Construction portion of this contract to include all Early Work Packages that have contract value more than $2.5 million and above.



LINK US Phase A
Construction Manager/General Contractor (CM/GC)
Contract Award

Metro

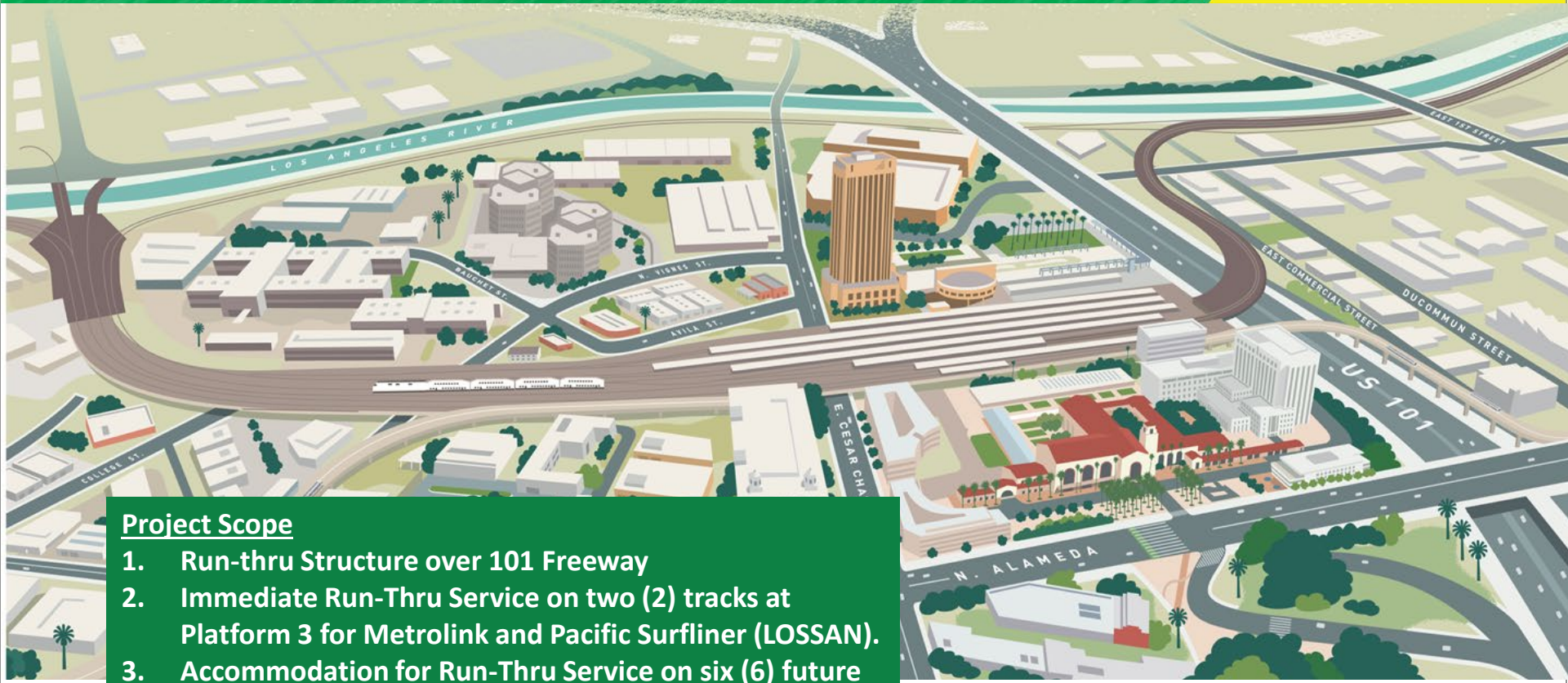
Link US – Phase A

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

AWARD a firm fixed price Contract No. PS120069000 to Flatiron West, Inc., for Phase 1 Preconstruction Services for the Link Union Station Phase A Construction Manager/General Contractor (CM/GC) Project, in the amount of $7,000,000, subject to the resolution of any properly submitted protest(s) if any.

Link US – Phase A



Project Scope

1. Run-thru Structure over 101 Freeway
2. Immediate Run-Thru Service on two (2) tracks at Platform 3 for Metrolink and Pacific Surfliner (LOSSAN).
3. Accommodation for Run-Thru Service on six (6) future tracks for Metrolink, Pacific Surfliner (LOSSAN), and California High Speed Rail (CAHSR).

CM/GC Scope

Phase 1 - *Preconstruction Services*

- Constructability Review
- Value Engineering
- Risk Assessments
- Scheduling
- Estimating and Pricing for Early Works
- Estimating and Pricing for Main Construction

To be performed within the Preconstruction Budget Approved in May 2022

Phase 2 - *Construction*

- Early Works
- Main Construction

To be performed after future Metro Board Action(s)

Procurement Summary

Proposer Name	Weighted Average Score	Flatiron	Skanska	Kiewit
Capability and Experience	35	31.57	29.83	26.71
Project Understanding	10	9.06	8.30	7.20
Project Approach	30	24.28	22.74	18.47
Cultural Competency	5	3.40	3.55	3.32
Price	20	20.00	16.88	15.64
Total	**100**	88.31	81.30	71.34
Phase 1 Lump Sum Fee		$7,042,000	$9,061,258	$10,300,000
Phase 1 Delay Compensation Rate (Daily)		$10,000	$10,000	$10,000
Phase 2 Management Lump Sum Fee (Monthly)		$245,876	$336,955	$339,400
Phase 2 Margin Percentage		8%	8.5%	9%

CA High Speed Rail Authority and Metro Small Business Programs

This Contract is subject to California High Speed Rail Authority's Small Business Program Plan (HSR SB Program Plan).

Based on that plan, Metro's DEOD established the following goals for the Contract, all of which apply across the total value for Phase 1 – Pre-Construction Services:

- A Small Business (SB) goal of 25% (with 3% designated for Micro Business (MBs))
- A separate 3% Disabled Veteran Business Enterprise (DVBE) goal, and
- A separate 10% Disadvantaged Business Enterprise (DBE) goal.

Flatiron met or exceeded the goals in the RFP by making Phase 1 commitments in its Proposal of:

- 22.43% SB,
- 3.09% MB,
- 3.66% DVBE, and
- 10.37% DBE.

The SB/DVBE and DBE goals for Phase 2 Work will be established in accordance with the provisions of the contract, should Phase 2 Work proceed.

Project Funding - Preconstruction

- In May of 2022, the Metro Board Authorized a Preconstruction Budget of $297.82 Million for Preconstruction Services using committed funding.
- The recommended award of $7,000,000 for CM/GC Preconstruction Services is within the Authorized Budget.

Next Steps

- Execute Contract No. PS120069000 for the Link Union Station Project Phase A Construction Manager/General Contractor (CM/GC) contract and issue NTP.
- Return to Board for a Supplemental CEQA Record of Decision in Summer 2025.
- Return to Board for an increase in the Preconstruction Budget for any additional real estate acquisitions related to the environmental clearance of the Malabar Yard and construction of any early works packages in Summer 2025.
- Return to Board for a Construction Management Support Services Contract (CMSSC) in Summer 2025.
- After completion of remaining design and successful negotiation with the CM/GC Contractor, staff will return to the Board for approval of the Life of Project Budget and award of the remaining Phase 2 Construction Work in Fall 2026.

Questions/Comments

THANK YOU

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

File #: 2025-0139, **File Type:** Oral Report / Presentation **Agenda Number:** 12.

CONSTRUCTION COMMITTEE
APRIL 16, 2025

SUBJECT: CALTRANS QUARTERLY UPDATE

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

RECEIVE the quarterly oral report on the status of the Caltrans construction projects.

ISSUE

Caltrans is a Metro funding partner and the lead agency on multiple highway projects under construction in Los Angeles County. These projects include, but are not limited to, safety, mobility, and operational improvements on freeways and state highways that are Measure M-funded.

At the request of Directors Horvath and Hahn, this report includes an update on the status of the Pacific Coast Highway Safety Enhancement Project and the I-105 at Studebaker Safety Enhancement Project, respectively. This will be the last report and presentation on both projects because the I-105 at Studebaker Safety Enhancement Project has been completed, and the Pacific Coast Highway Safety Enhancement Project will be completed before the next quarterly report.

EQUITY PLATFORM

Disadvantaged Business Enterprise (DBE)/ Small Business Enterprise (SBE) Commitments
Projects administered by Caltrans have federal aid and DBE commitment goals based on the contract bid amount for federal aid projects.

- The I-405 Crenshaw Auxiliary Lane Project's DBE goal of 14% has been achieved.
- The SR-71 South Segment Project did not have federal participation, so a DBE goal was not required, however, the Contractor achieved 0.45% in DBE participation.
- The Pacific Coast Highway Safety Enhancement Project was an emergency contract and a Disadvantaged Veteran Business Enterprise (DVBE) participation goal of up to 5% was encouraged.
- The I-105 at Studebaker Road Safety Enhancement Project is a Caltrans Minor B Contract

that is only awarded to SBEs.

Project-Based Equity Considerations
The Pacific Coast Highway (PCH) Safety Enhancement Project and the I-105 at Studebaker Safety Enhancement Project are contracts administered by Caltrans to address unsafe conditions. The proposed safety and operational improvements for the PCH Safety Enhancement Project are intended to reduce speeds and collision rates along the corridor and enhance safety through traffic calming improvements that provide better and safer access for people to walk, roll, cycle, or drive.

The I-105 at Studebaker Road Safety Enhancement Project in Norwalk is located within Equity Focus Communities (EFCs) and the SR-71 South Segment Project is adjacent to EFCs in Pomona. Both cities have communities that have raised safety concerns and stand to benefit from the proposed improvements that address operational deficiencies and unsafe conditions. For the I-105 at Studebaker Road Project, Caltrans will conduct an independent analysis of the before and after conditions after all collision reports are prepared and compiled. Also, in the future, the project partners will convene a workshop to inform all about the planned improvements in the area and the analysis to be conducted.

Community Engagement
Caltrans, in coordination with the local jurisdictions, determined community engagement processes specific to the type of transportation improvement. This coordination is aligned with the Caltrans Race & Equity Action Plan to address systemic racial inequities that exist within the transportation sector.

Throughout the construction phase for the projects noted, outreach efforts consisted of sending press releases to cities, communities, elected officials, and multiple media outlets (talk radio, cable news) and social media platforms (X/Twitter, Instagram) that cover Los Angeles and Ventura Counties. Specific notices regarding construction work and/or detours were made available in multiple languages (English, Spanish, Chinese, etc.) based on the impacted communities. In addition, Caltrans uses fixed and portable changeable message signs to report lane, ramp and/or local road closures; and QuikMap, a digital application, to provide real-time traffic information (including road closures) for motorists traversing to and through project areas impacted by construction activities. Caltrans also provides updates that are posted on Caltrans and Metro websites about active construction sites. Any unintended equity impacts that may arise will be responded to on a case-by-case basis by the appropriate project partners.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While the agency remains committed to reducing VMT through transit and multimodal investments,

some projects may induce or increase personal vehicle travel. However, these individual projects aim to ensure the efficient and safe movement of people and goods.

SR-71 South Segment Phase 1 Project

This project will likely increase VMT in Los Angeles County as it involves a construction project that adds an additional mixed flow lane for approximately 3.1 miles in each direction that encourages driving alone (and also adds one HOV lane that extends north to the I-10 freeway to close the gap in the HOV system, provides mobility options, and promotes increased carpool, vanpool and bus transit usage along the SR-71 corridor).

This safety and mobility improvement project along SR-71 is identified in the voter approved Measure M expenditure plan and was cleared environmentally decades ago, prior to CEQA requiring VMT analyses. The Project has been under construction for almost four years and is scheduled to be opened in July 2025.

I-405/Crenshaw Boulevard Improvements Project

This project will likely increase VMT in Los Angeles County as the ramp improvements will encourage driving alone. The operational improvements will enhance safety and mobility by eliminating the weaving and merging conflicts on I-405 between Western Avenue and Crenshaw Boulevard and provide more ramp storage for vehicles to reduce congestion and prevent excess traffic from backing up and queueing along local arterials (Crenshaw Boulevard and 182nd Street). According to Caltrans, most of the ramp collisions were rear ends followed by sideswipes, hit objects, and overturns. Most of the collisions were caused by speeding, followed by improper lane change, improper turn, failure to yield, improper driving, and the influence of alcohol.

The Project is identified in the voter-approved Measure R expenditure plan and was cleared environmentally in 2016. Construction began in 2021 without conducting a VMT analysis, and the new on- and off-ramps were opened to traffic in May 2024 (southbound) and June 2024 (northbound). With 97 percent of the construction completed to date, only plant establishment work remains.

PCH Safety Enhancement Project

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro’s systemwide strategy to reduce VMT through operational traffic calming activities that will slow traffic, reduce vehicle collisions, and improve safety for people using active transportation modes along the corridor. Metro’s Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

I-I05 at Studebaker Safety Enhancement Project

The Project was completed in August 2024, and it is likely contributing to reduced VMT. Caltrans maintenance crews were dispatched after completion of the Project to install sentry water-filled barriers and flashing red lights at freeway termini from 10pm to 4am to enhance safety. This item

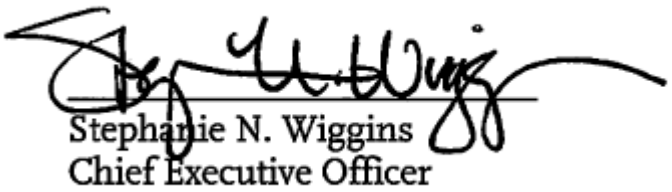
supports Metro's systemwide strategy to reduce VMT through safety improvements (i.e., flashing beacons, rumble strips, reflective back plates, LED flashing sign panels, cable barriers, and high-visibility crosswalk markings) that will slow traffic exiting the freeway, reduce collisions, and improve safety for people using active transportation modes to cross Studebaker Road. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

Although the projects included may not all directly contribute to the achievement of the Board-adopted VMT Reduction Targets, the VMT Targets were developed to account for the cumulative effect of a suite of programs and projects within the Metro region, which individually may induce or increase VMT. Additionally, Metro has a voter-approved mandate to deliver multimodal projects that enhance mobility while ensuring the efficient and safe movement of people and goods.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019

Prepared by: John Yang, Deputy District Director, Caltrans District 7, (213) 761-3255
Michelle E. Smith, Executive Officer, Complete Streets & Highways, (213) 547-4368
Avital Barnea, Senior Executive Officer, Multimodal Integrated Planning, (213) 547-4317
Nicole Ferrara, Deputy Chief Planning Officer, (213) 547-4322

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie N. Wiggins
Chief Executive Officer

Caltrans Projects Status Report

April 2025

Construction Committee
Los Angeles County Metropolitan Transportation Authority

Project Budget & Schedule Status Summary Chart

		Cost Performance		Schedule Performance		
Project	DBE* Goal	Variance Approved LOP**	Variance Revised Budget	Variance Original	Variance Revised Schedule	Comments
1. SR-71 South Segment	N/A	OK	OK	!	OK	Contract progress: 73% complete. Working with Contractor for schedule recovery along with resolving outstanding claims.
2. I-405 Crenshaw Aux Lane	14%	OK	OK	!	OK	Contract progress: 99% complete. Contractor is in plant establishment period.

*Disadvantage Business Enterprise (DBE)
**Life of Project (LOP)

SR-71 South Segment

BUDGET	Funding Agreement	Approved LOP*	Previous Period	Current Forecast
	$124.1M	**$124.1M**	**$124.1M**	**$124.1M**
	Variance from Approved Life Of Project:		$0 (0%)	$0 (0%) OK
	Variance from Revised Budget:			$0 OK

SCHEDULE	Original	Approved Rebaseline	Previous Period	Current Forecast
	Spring 2024	**N/A**	**Spring 2024**	**Summer 2025***
	Variance from Original Working Days (WD):		0 WD (0%)	248 WD (26%)* !
	Variance from Revised Schedule:			N/A OK

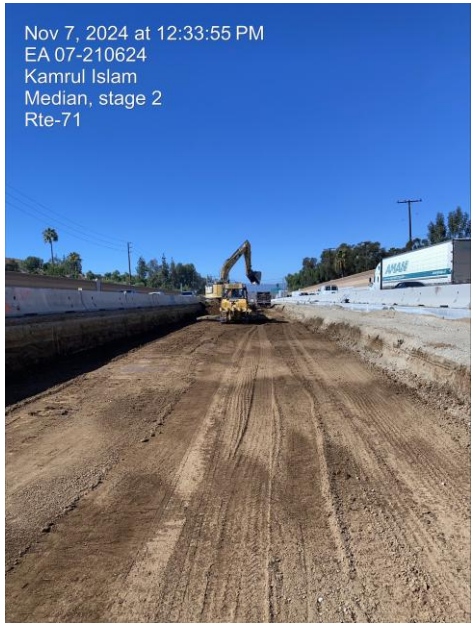
*Pending from time extension approval based on claim resolution

SR-71 South Segment

- Contract progress: 73% complete.
- Soil nail retaining wall (RW) #131 is completed.
- Drainage System (DS) 16-1 reinforced concrete box (RCB) is completed. Currently removing shoring system.
- Stage 2 median work and jointed plane concrete pavement from south to north is underway. Concurrently, southbound (SB) 71 Stage 3 base is significantly completed, and Contractor is paving lean concrete base from north to south.
- Soundwall (SW) 221A concrete masonry unit blocks are being installed along connector from westbound (WB) 60 to south bound (SB) 71.
- Northbound (NB) 71 Rio Rancho on ramp change order work is underway .



NB-71, completed stage 1 roadway.



Stage 2 Median, roadway excavation and grading.

I-405 Crenshaw Aux Lane

BUDGET	**Funding Agreement**	**Approved LOP**	**Previous Period**	**Current Forecast**
	$62.0M	**$62.0M**	**$62.0M**	**$62.0M**
	Variance from Approved LOP:		$0 (0%)	$0 (0%) OK
	Variance from Revised Budget:			$0 OK

SCHEDULE	**Original**	**Approved Rebaseline**	**Previous Period**	**Current Forecast**
	Spring 2024	**N/A**	**Spring 2024**	**Summer 2024**
	Variance from Original WD:		0 WD (0%)	65 WD (11.2%) !
	Variance from Revised Schedule:			0 WD OK

I-405 Crenshaw Aux Lane

- Contract progress: 99% complete.
- The new northbound Crenshaw Boulevard ramp to southbound I-405 was opened to traffic in May 2024.
- The new northbound Crenshaw Boulevard ramp to northbound I-405 was opened to traffic in June 2024.
- The Contractor started the plant establishment period on July 22, 2024.
- The Contractor has met the DBE goal.
- There are no major issues. The Project will be accepted on May 30, 2025.



North side of Crenshaw Blvd UC (Looking South) showing Crenshaw Blvd improvements/auxiliary lane for new NB loop ramp.



South side of Crenshaw Blvd UC (Looking North) showing Crenshaw Blvd improvements/auxiliary lane for realigned SB on ramp and new NB Crenshaw Blvd to SB 405 on ramp

PCH & I-105 at Studebaker
Safety Enhancement Projects

PCH Safety:

- Installation of radar feedback signs

I-105 at Studebaker:

- Project Completed





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

Metro

Board Report

File #: 2025-0174, **File Type:** Informational Report **Agenda Number:** 13.

CONSTRUCTION COMMITTEE
APRIL 16, 2025

SUBJECT: FISCAL YEAR 2026 PROGRAM MANAGEMENT ANNUAL PROGRAM EVALUATION

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE this report summarizing the FY26 Program Management Annual Program Evaluation (Attachment A).

ISSUE

The Annual Program Evaluation (APE) is a priority initiative to provide transparency into the performance of Metro's capital program. A comprehensive review of the risks associated with the costs and schedules of the program is conducted annually. This report summarizes the results of the FY26 APE review performed by Program Management, Program Controls, and Countywide Planning and Development departments, with additional participation from Operations.

BACKGROUND

The Annual Program Evaluation initiative began in 2016 to provide consistent yearly evaluation of Metro's capital program. Metro is responsible for delivery of one of the largest transportation infrastructure programs in the country, and the APE provides current information and transparency into the performance of capital projects. The APE is a project management tool summarizing a variety of initiatives to improve cost and schedule certainty, current trends, and provides the Board with the current status of the various project budgets through completion.

The APE aligns with Program Management's mission statement that "together we build World Class transportation to transform the quality of life in our communities." In support of the mission statement, the APE initiative comprehensively evaluates Metro's capital program, including Transit, Highway, and Regional Rail. Planning projects anticipated to transition to design and construction during fiscal year 2026 are also included. .

DISCUSSION

Findings

powered by Legistar™

The Program Management Department is responsible for a diverse portfolio of transportation infrastructure projects. The APE report is primarily focused on existing projects estimated at $5 million or greater, new projects that will carry-over through FY26, and projects which are anticipated to transition from planning to implementation during FY26. The total value of projects in development and implementation increased from $25.7-$27.2 billion in FY25 to $33.7-$35.9 billion in FY26. In addition, four additional projects are nearing transition from Planning to Implementation phase, which are currently estimated at $11.8-$13.9 billion. Attachment A FY26 Program Management APE presentation includes a complete project listing. The list of projects is grouped into the following categories:

- Major transit projects under construction with a life of project (LOP) budget greater than $1 billion
- Capital projects with a LOP less than $1 billion
- Alternative delivery projects
- Projects in development/shovel ready
- Projects in closeout
- Capital Projects - Planning to Implementation

With the significant number and size of Program Management projects and the accelerated implementation schedule for delivering Metro's capital program, Metro's capability and capacity to deliver multiple complex projects on-time and within budget creates unprecedented challenges to project delivery. These challenges are further exacerbated by risks in the infrastructure marketplace including workforce constraints, cost escalation, and the fluctuating price of construction materials. As summarized in the attached report, Program Management and Program Control have completed and implemented several strategic initiatives to improve planning, consistency, transparency, risk management, and discipline to project delivery. These strategic initiatives are complementary and performed in conjunction with the Early Intervention Team (EIT) to benefit from this proactive agency-wide engagement at significant stages of project development. Key initiatives implemented in FY24 and FY25, which are consistent with the OIG Construction Best Practice report, include contracting strategy and cost containment, best practices, CEO delegated authority, cost and schedule controls processes and contingency level updates, material initiatives, alternative delivery manual, alternative delivery team training, and differing site conditions, geotechnical and environmental program rollout.

In addition, many initiatives have been successfully established and will be continuously implemented to foster improvement, such as:

- Staff consultant ratio - Program Management has established an aspirational consultant to staff ratio and created a tracking system across all projects; however, reaching the 50/50 goal will be an on-going effort for all current and future PM projects.
- New Recruitment Strategies - Improving candidate selection and employment offer timelines, securing new talent to grow our own future PM's, and salary study
- Deliver Progressive Design Build (PDB) and Construction Manager/General Contractor (CM/GC) projects - the alternative delivery process/procedure manuals and training is complete; however, delivering PDB and CMGC projects are progressing and will remain an on-going effort.

- Third Party and Utilities - Master Cooperative Agreements (MCAs) in project corridors, new MCA with City of Los Angeles, Master Utility Cooperative Agreements with utilities in project corridors
- Professional Services Soft Costs - Monitor, control, and reduce professional services costs as a percentage of the construction cost
- EIT - Continue to use the Early Intervention Team framework to ensure proactive agency-wide collaboration, issue resolution and readiness at key stage gates early in the project lifecycle.

Considerations

2025 Construction Market Outlook

Entering 2025, Metro is poised to achieve significant construction milestones, including groundbreakings for the G Line Bus Rapid Transit Improvements, I-105 Express Lanes, and East San Fernando Valley Transit Corridor, as well as ribbon cuttings for the LAX/Metro Transit Center, Foothill Gold Line Extension Phase 2B, and Westside D Line Extension - Section 1. This wave of construction activity coincides with significant local and national volatility. January 2025 witnessed devastating wildfires in Los Angeles County, resulting in the tragic loss of life and widespread property damage, alongside the implementation of sweeping new federal economic policies. These challenges compound existing construction market pressures, including escalating capital costs, inflation, supply chain disruptions, and heightened labor demand since the passage of Measure M in 2016.

To address these dynamic market conditions and their potential impact on Metro's $33.6 billion capital program, a 2025 Construction Market Outlook Special Report (Attachment B) was prepared. This report provides a focused analysis of near- and long-term market drivers, aimed at informing Metro's fiscal management and ensuring the timely delivery of transportation infrastructure for Los Angeles County. Key findings include:

- *Federal Trade Policy Impacts:* New import taxes on steel, aluminum, and other key construction materials from Mexico, Canada, and China are causing market uncertainty. Retaliatory measures and increased steel and aluminum prices pose potential risks to Metro's pipeline of projects, where Metro does not have agreed-upon pricing.
- *Wildfire Recovery Effects:* The wildfires' recovery efforts are expected to generate regional construction materials inflation in Southern California, particularly affecting lumber prices. Short-term impacts include high pricing and limited availability for trucking services and underground cables/conduits. Furthermore, local jurisdictions and utility agencies, prioritizing recovery, may face delays in supporting Metro projects, potentially causing 6- to 12-month delays in design reviews, construction inspections, and permit approvals. Metro should seek streamlined permitting to mitigate this risk.

In response to price uncertainties stemming from tariffs and the extensive reconstruction demands of the Palisades and Eaton wildfires, the report outlines strategic approaches for Metro to successfully

navigate the current complex construction market.

Alternative Delivery Projects Update

The Alternative Delivery Process/Procedure (ADP) Manuals for PDB and CM/GC contracts have been completed, with associated training implemented and ongoing. To date, five alternative delivery contracts have been awarded, with one additional contract in process. Among these, two projects-the G-Line Improvements and I-105 Express Lanes Segment 1 projects-have successfully reached their guaranteed maximum price (GMP) milestones, while three newer projects are actively progressing. Another project is currently under industry review. Additionally, a new procedure for project delivery selection has been adopted and is now utilized for all new project selections. Notably, construction activities for both the G-Line and I-105 Express Lanes projects commenced in February 2025.

The procurement process has yielded positive results, with five contracts successfully awarded, demonstrating strong competition and adherence to schedule. Key areas of improvement include streamlining the execution of Early Work Packages and reducing the time required to reach GMP agreements. Lessons learned throughout the process are being incorporated into Version 2 of the Manual, currently under preparation. Positive trends have emerged, including a Project First mentality, strong partnerships, efficient procurement, competitive bidding, cost transparency, and active executive involvement. Looking ahead to FY26, the focus will be on maintaining partnerships and commitments as projects move further into the construction phase, negotiating favorable contract prices that align with budget objectives for key projects, and continuing to roll out these delivery methods to additional projects and programs.

Potential FY26 Program Management Risks

As described in the 2025 Construction Market Outlook, fiscal year risks include the availability of federal funding, impacts of tariffs, and the effects of wildfires on labor and materials. Additionally, the number of project openings, the size of the program moving forward, and growing agency staffing needs pose significant risks. Coordination with third parties, including assessment of betterment requests and the need to streamline permitting processes is also a risk. Collectively, these items could influence project health and budget planning.

Cost Benefit Analysis for Metro Capital Projects

In February, the Metro Board directed the development of a Cost Benefit Analysis (CBA) framework that may be used to support funding decisions and to inform a more data-driven and transparent decision-making process. A framework for CBA is one of many tools that can be used to support decisions for infrastructure investments. CBAs may be used to assess the viability of a project, evaluate the cost-effectiveness of project investments, identify contributions to economic vitality, strategically position projects for federal and state funding opportunities, and assess reflection of Board priorities and evaluation criteria.

Countywide Planning and Development continues to support the capital program by developing a standardized model and methodology for CBA, including national and other economic data to support Government Relations advocacy programs, state and federal funding programs, stakeholder engagement, and Metro strategic planning. The Cost Benefit Analysis Framework consists of the

following: (1) Identification of Project benefits, which may be quantitative, qualitative, or both, (2) determination of Project costs, using a standardized estimating methodology that includes soft costs, probabilistic risk, cost escalation and accuracy range based on level of design, and normalized to year of expenditure or construction, (3) evaluation and presentation of costs compared to benefits, tailored to the appropriate audience such as federal grant programs, state funding agencies, and/or local stakeholders and communities.

EQUITY PLATFORM

All of the capital projects have project-specific community engagement activities and equity impacts. The projects have been grouped and assessed under six categories of high-level equity impact, as described below.

Major Transit Capital Projects
These major projects support transit access and connectivity through new construction and expansion across Los Angeles County. While specific project areas vary in demographics, land use, and jurisdiction, these projects, such as Crenshaw LAX and Regional Connector which were recently opened for revenue service, all intended to improve access to key opportunities at essential destinations, such as jobs, health care, school, and neighborhood amenities, via high-quality transit. Other potential anticipated equity benefits include a reduction in single occupancy vehicle use and reliance, improved air quality, and a reduction in household transportation costs.

Multi-modal Capital
These projects are anticipated to expand multi-modal options for travelers through a variety of interventions, including light rail, active transportation infrastructure, and high-occupancy vehicle lane improvements. While project types and geographies vary, the shared impact is anticipated to diversify modes and costs of travel choices. Transit and active transportation infrastructure enhancements such as LAX/Metro Transit Center Station and Gold Line Foothill Extension Phase 2B Project, are anticipated to improve safety for people walking and rolling.

Assets Capital
Capital improvements for Metro asset projects will serve Metro employees as well as the public. These projects will update equipment and other assets, which are required to maintain safe working conditions for Metro employees and minimize project and service delivery disruptions for Metro riders. Specifically, the recently completed Metro Training and Innovation Center is an exciting resource for a new generation of potential Metro workforce members to gain skills and connections for future career opportunities.

Infrastructure Capital
Infrastructure maintenance and improvements, such as the Division 20 Portal Widening Turnback and the completed Metro Blue Line Pedestrian Safety Enhancements at Grade Crossing, contribute to safe and accessible conditions for Metro riders and the general public, including soundwall protection, wayfinding, grade and modal separation, and transit station upgrades.

Regional Rail

The projects that fall under the Regional Rail capital program will expand transit and other multi-modal choices for travelers in Los Angeles. Anticipated improvements include improved station access, increased rail capacity, and safer right-of-way improvements between different modes.

Highways
The highway capital projects, such as I-5 North County Enhancement Project and I-105 Express Lanes, will improve safety conditions for travelers and the surrounding project areas of existing highway corridors via soundwall protection, high-occupancy vehicle lane expansion, highway safety design, and some multi-modal infrastructure. These projects are not anticipated to encroach on surrounding communities or further burden neighborhoods adjacent to existing highways.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide. These declining VMT trends are due, in part, to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

The projects in this report have mixed outcomes, but on the whole, most of the projects in this report will likely decrease VMT in Los Angeles County. Within this suite of projects, Metro seeks to reduce single-occupancy vehicle trips, provide a safe transportation system, and increase accessibility to destinations via transit, cycling, walking, and carpooling. Some of the projects within this status report include items that will ease congestion for cars and trucks, or expand vehicle capacity, resulting in the possibility of increased VMT. However, these projects also provide for carpooling infrastructure and reinvestment of funding towards transit projects. In addition, the projects' multi-modal benefits may contribute to offsetting the possible increase in VMT.

While the agency remains committed to reducing VMT through transit and multimodal investments, some projects may induce or increase personal vehicle travel. However, these individual projects aim to ensure the efficient and safe movement of people and goods. Although the Highway projects and Express lanes projects may not directly contribute to the achievement of the Board-adopted VMT Reduction Targets, the VMT Targets were developed to account for the cumulative effect of a suite of programs and projects within the Metro region, which individually may induce or increase VMT. Additionally, Metro has a voter-approved mandate to deliver multimodal projects that enhance mobility while ensuring the efficient and safe movement of people and goods.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Strategic Plan Goal #1 - Provide high-quality mobility options that enable people to spend less time traveling. This will be accomplished by planning and delivering multiple capital projects on time and on budget.

NEXT STEPS

Program Management will request the resources required for project delivery success through the FY26 Budget process for Board approval. Project managers will work to deliver projects safely, on time, and within the Board-approved budgets. Bi-monthly project updates will continue to be provided to the Board throughout the year. Projects identified in this APE requiring LOP adjustments will return to the Board for a request for approval as necessary. In addition, staff will continue to pursue continuous improvement initiatives, implement recommendations from the construction market analysis, and move forward with implementing CBA's for Metro projects.

ATTACHMENTS

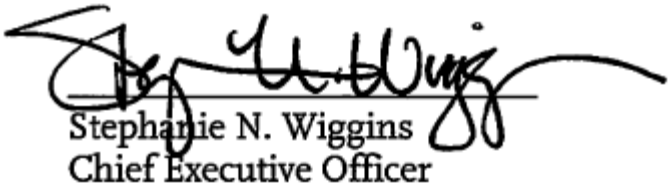
Attachment A - FY26 Annual Program Evaluation Presentation
Attachment B - 2025 Construction Market Outlook Special Report

Prepared by:

Sameh Ghaly, Deputy Chief Program Management Officer, (213) 418-3369
Mat Antonelli, Deputy Chief Program Management Officer, (213) 893-7114
Michael McKenna, Deputy Chief Program Management Officer, (213) 922-4239
Allison Yoh, Executive Officer, Countywide Planning (213) 922-4812
Daniel Estrada, Interim Senior Executive Officer., Project Management Oversight, (213) 893-7130
Ray Sosa, Chief Planning Officer, (213) 547-4274
Conan Cheung, Chief Operations Officer, (213) 418-3034

Reviewed by:

Tim Lindholm, Chief Program Management Officer, (213) 922-7297
Sharon Gookin, Deputy Chief Executive Officer (213) 418-3101



Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

FY26 Annual Program Evaluation Presentation

Document Available Online at:

https://libraryarchives.metro.net/DB_Attachments/2025-0174%20Fiscal%20Year%202026%20Program%20Management%20Annual%20Program%20Evaluation.pdf

Los Angeles County
Metropolitan Transportation Authority



2025 Construction Market Outlook

Special Report: Federal Policies and Los Angeles Wildfires

Metro

MARCH 2025



Metro®

Table of Contents

Introduction 1

- Purpose 1
- Federal Policies 2
- 2025 Wildfire Recovery 3
- Disclaimers 4

Employment 5

- Federal Policy on Immigration 6
- Wildfire Recovery 7
- Employment Data Trends 8

Materials 15

- Federal Policy on Tariffs 15
- Wildfire Recovery 17
- Material Pricing Trends 19

Contractor Bidding 25

- Recent Bid Results Analysis 26
- Escalation 27
- Contract Terms and Conditions 27

Summary and Recommendations 29

- Employment Summary 29
- Materials Pricing Summary 29
- Contractor Bidding Summary 29
- Recommendations 29

Endnotes 31

Appendix A A-1

Appendix Endnotes A-4

Acronyms and Abbreviations

BRT	bus rapid transit
CAL FIRE	California Department of Forestry and Fire Protection
CA CCI	California Construction Cost Index
CM/GC	Construction Management/General Contractor
DBB	design-bid-build
DINS	damage inspection
ENR CCI	Engineering News-Record Construction Cost Index
FEMA	Federal Emergency Management Agency
FTE	full-time employee
HVAC	heating/ventilation/air conditioning
LTRP	long-term recovery plan

Introduction

Purpose

As Metro enters 2025, the agency is poised to achieve significant construction milestones that include ribbon cuttings for the LAX/Metro Transit Center (Airport Metro Connector), Foothill Gold Line Extension Phase 2B – Pomona, and the Westside D Line (Purple Line) Extension – Section 1. At the same time, construction will commence on key projects such as the G Line Bus Rapid Transit (BRT) Improvements, I-105 ExpressLanes, and East San Fernando Valley Transit Corridor.

This wave of construction activity occurs against a backdrop of considerable local and national volatility triggered by a quick succession of dramatic and historical events in January 2025. Major fires in Los Angeles County caused the tragic loss of 29 lives and extensive property damage estimated between $28 billion and $53 billion by the Los Angeles Economic Development Corporation. This will undoubtedly impact the Southern California construction market. Furthermore, the inauguration of a new presidential administration in mid-January 2025 initiated sweeping federal economic policies that will also shape the market.

These new challenges compound the existing market volatility stemming from escalating capital costs, inflation, supply chain disruptions, and increased labor demand since the passage of Measure M in 2016. Recognizing the potential impact of these factors on its $33.6 billion capital program encompassing 36 projects (Figure 1), Metro prepared this 2025 Construction Market Outlook Special Report. This report aims at providing a focused analysis of near- and long-term impacts resulting from these rapidly occurring market drivers to help Metro with effective fiscal management in delivering transportation infrastructure for Los Angeles County:

> Federal tariff policies and wildfire recovery on construction material costs

> Federal immigration policies and wildfire recovery on the construction workforce

> Combined effects of the above on future construction bids

"In an industry that needs long lead times, uncertainty is a major problem for construction."

Peter Tateishi, CEO, Associated General Contractors of California

Figure 1

FY26 Program Summary

36
MEGA MANAGEMENT PROJECTS
in FY26 Annual Program Evaluation

4 CAPITAL PROJECTS *with LOP* **>$1B**

14 CAPITAL PROJECTS *with LOP* **<$1B**

7 ALTERNATIVE DELIVERY PROJECT

9 PROJECTS IN DEVELOPMENT *shovel ready*

2 CLOSEOUT

$31.7-33.6B FY26
$25.7-27.2B FY25
project volume increased from FY25 to FY 26

5 PROJECTS
nearing transition from planning to implementation phase, which currently estimated at
<$10.6 - $16.8B

Source: Metro FY 2026 Annual Program Evaluation[1]

Federal Policies

The new federal administration has initiated a period of economic policy shifts causing significant market uncertainty. Several policy areas, such as tariffs and immigration, are anticipated to substantially impact the construction market.

> **Tariff policies:** The administration has enacted tariffs on imports from Canada, Mexico, and China, with rates of 25% for Canada and Mexico and 10% for China, all of which are significant US trade partners for construction materials. Furthermore, an additional 25% tariffs have been imposed on steel and aluminum, and the administration is considering further tariffs on lumber.

- While Metro's federally funded projects use domestically produced steel in compliance with the Buy America Act, the tariffs will increase demand for US products from other construction sectors, like residential and commercial construction. These sectors have greater purchasing power in sourcing materials, which will likely result in higher prices for US steel products for future Metro projects.

> **Immigration policies:** The implementation of new immigration policies on border security and enhanced vetting of visa applicants will likely reduce legal immigrant and undocumented immigrant populations. This could cause a decline in California's general workforce population.

- Metro's labor compliance procedures verify the identity and employment authorization of the construction workforce. Other construction sectors more reliant on undocumented workers, such as residential construction, could experience a void in workers.

"A tariff...is a tax levied by governments on the value...of imported products."

US Department of Commerce, International Trade Administration[2]



2025 Wildfire Recovery

In January 2025, Los Angeles County experienced two of the most devastating wildfires in California history. Fueled by extremely dry vegetation and gale-force winds, the wildfires destroyed entire neighborhoods, particularly in Altadena and Pasadena (Eaton Fire) and the Pacific Palisades and Malibu (Palisades Fire). The California Department of Forestry and Fire Protection (CAL FIRE) estimates that approximately 16,250 buildings (homes, businesses and community institutions) were burned down in the Eaton and Palisades fires and resulted in 29 deaths.[3,4] Impacts from these fires will be felt across these communities and the rest of Los Angeles County for generations.

Recovery Timeline Scenarios

The large scale and magnitude of the damage caused by the wildfires will take many years to rebuild. The recovery timeline remains uncertain and depends on several key factors. Delays in federal disaster relief funding or insurance payouts could significantly hinder progress. Furthermore, a surge in demand for construction labor and materials within Los Angeles County may lead to shortages and price inflation, creating additional obstacles to timely reconstruction.

The Los Angeles Economic Development Corporation modeled three potential scenarios, each with different timelines, as shown in Figure 2.

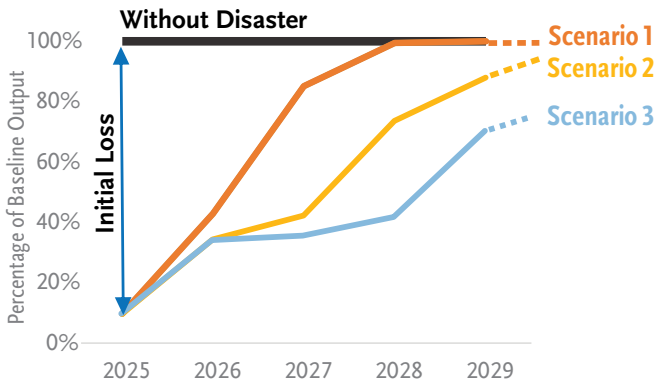
Economic and Construction Impacts

While it is difficult to forecast the construction spending and activity for recovery efforts stemming from the wildfires, the following situations and impacts to Metro have the potential to occur to varying degrees:

> Displaced residents forced to leave Los Angeles County for housing or employment reasons will potentially lower local consumer demand and tax revenue. Residents located in the vicinity of the Palisades and Eaton wildfires generate sizeable amounts of economic activity and personal income tax revenue, having median household incomes of $200,000 and $143,200, respectively.

Figure 2

Recovery Trajectory of Economic Output under Three Scenarios



Source: LAEDC. 2025. Impact of 2025 Los Angeles Wildfires and Comparative Study.[5]

SCENARIO 1

Assumes a recovery period between 2025 and 2028 based on FEMA's building recovery time and extensive construction activity.

SCENARIO 2

Assumes a recovery period between 2025 and 2032 that doubles FEMA's building recovery time to reflect potential challenges such as construction labor shortages, financial constraints, and administrative delays.

SCENARIO 3

Assumes a recovery period between 2025 and 2034 that triples FEMA's building recovery time to reflect substantial delays by logistical and resource challenges. Potential factors include limited disaster funding, lengthy negotiations with insurers, delays in critical infrastructure rebuilding, and regional shortages of construction labor and materials.

- Displaced residents from the Eaton and Palisades fires moving out of Los Angeles County would have minimal impact on the construction workforce with 3% of employed residents affected by the Eaton fire working in construction and less than 1% of employed residents affected by the Palisades fire working in construction.

- Potential reduction of Metro's sales tax revenue, which could create funding constraints on Metro's capital program.

> The wildfire destruction and recovery, and associated publicity and potential misconceptions about the damage, could deter tourists from visiting Los Angeles County, resulting in decreased tourism revenue for the region.

- This would reduce Metro's sales tax revenue, which could create funding constraints on Metro's capital program.

> Increased demand for construction materials and workers in Los Angeles County to support reconstruction efforts from the wildfires could result in scarcities and escalating prices.

- Construction materials slightly differ for residential and infrastructure construction, but common commodities like steel, lumber, aluminum, copper, and glass could result in supply scarcities and escalating prices. This could create schedule delays and increase the cost of building Metro projects.

- Although most construction trades on Metro projects are skilled/specialized (such as tunneling and electrical systems), common trades like carpentry, roofing, plumbing, and heating/ventilation/air conditioning (HVAC) will be in high demand.

- Long-term workforce challenges for specialized transit infrastructure work may be affected if entry-level workers choose more readily available but less-demanding jobs that do not require rigorous certification and training.

- Reduced availability of temporary housing stock could either deter laborers from outside the region from working in the Los Angeles area or could increase the costs of bringing in contract labor from outside the region.

Disclaimers

This analysis was prepared for Metro's Program Controls Department in support of the Fiscal Year 26 Annual Program Evaluation. Metro data, literature, statistical data, and construction industry opinions and feedback were used to prepare this evaluation of the construction market. Based on the data and surveys, trends and forecast conditions were developed for the report. Data appearing in this report were compiled, analyzed and prepared between late February 2025 and mid-March 2025, so may not reflect the latest available data from the above sources. The findings presented are intended for general guidance only; economic forecasting is inherently uncertain, and actual results may differ materially from the time at which the projections were conducted. The forecasts and projections contained in this report are based on various assumptions, methodologies and data sources that may be subject to change.



Employment

The construction industry's labor force is a critical component of its expansion, having reached a record 8.3 million jobs in February 2025. This surge is primarily attributed to the growth of infrastructure and data center megaprojects, even with a slowdown in commercial and residential construction, likely influenced by the Federal Reserve's high interest rate policy.

While the industry faces an aging workforce (workers aged 55 and over nearly doubled in the past two decades), recent trends suggest a potential influx of new talent. Specifically, vocational community college enrollment saw a 16% increase in 2024, the largest since 2018, with construction trades programs experiencing a notable 23% rise in enrollment. This indicates a growing interest in skilled trades, potentially reducing the impact of retirements by members of the aging construction workforce.



Federal Policy on Immigration

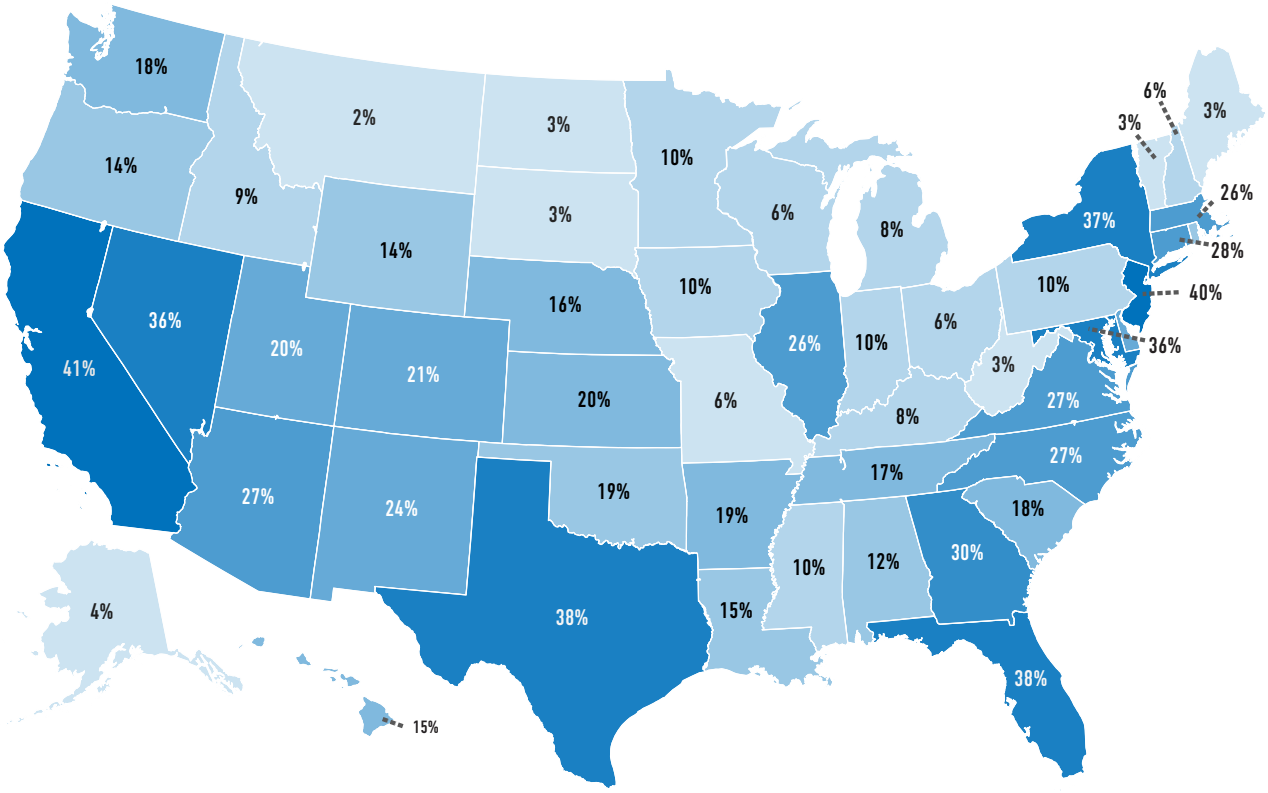
The implementation of new and potential federal immigration policies, designed to bolster border security and enforce stricter vetting of legal permanent residency and work visa applications, introduces a potential risk to the construction sector's labor supply. Although the full labor market implications are still unfolding, a likely consequence is a slowdown in the available construction workforce. US Census data underscores this potential risk, indicating that legal immigrants constitute roughly 20% of the national construction workforce, and California's reliance is much higher at 41%, the highest in the nation, as shown in Figure 3.

The federal government's review of work visa policies, specifically the H-1B program for specialized fields such as engineering, carries substantial implications for the construction sector. With construction demand surging, the need for skilled engineers is critical. A potential decrease in H-1B visa approvals could impede the industry's ability to access essential talent, especially in areas like engineering, which is increasingly vital as owners and contractors adopt alternative delivery approaches.

Federal policies on border security and deportation will have a negligible impact on Metro's program because construction projects are primarily staffed by union and use labor compliance procedures to verify the identity and employment authorization of the construction workforce. Other construction sectors more reliant on undocumented workers, like residential construction, could experience a void in workers.

Figure 3

Immigrant Workers in the Construction Labor Force



Source: US Census Bureau. 2023 American Community Survey.[6]

Wildfire Recovery

The extent to which wildfire reconstruction will affect the labor force is yet to be fully determined. Recovery initiatives will create a surge in demand for specific craft labor, such as carpenters, roofing specialists, plumbers, and HVAC technicians. Metro projects need these trades, but they are not as critical as other specialized trades required for complex infrastructure construction and systems installation.

Several local jurisdictions and utility agencies are redirecting a significant number of their staff to focus on recovery and reconstruction efforts. This reallocation could result in delays for non-wildfire-related projects, specifically in design reviews, construction inspections, and permit approvals. Under typical circumstances, these processes can take a few months. However, recent consultations with these entities indicate potential delays ranging from 6 to 12 months. These extended timelines could substantially affect Metro projects, potentially leading to schedule disruptions and increased project costs.

Case Study – Maui Wildfires

The aftermath of the Eaton Fire and Palisades Fire on the communities in Los Angeles County mirrors the social and economic impacts of a series of wildfires on the island of Maui in the State of Hawai'i in 2023, notably the Lahaina Fire. On August 8, 2023, devasting wind-driven wildfires burned through Lahaina, Kula, Olinda, and Pūlehu. Lahaina was severely impacted by wildfires that caused at least 102 deaths, destroyed more than 2,200 structures, and resulted in approximately $5.5 billion in damages. The Federal Emergency Management Agency (FEMA) published a long-term recovery plan (LTRP) to map the short-, medium- and long-term initiatives to support revitalization of the Lahaina community. These initiatives were identified by county, state and federal partners with input from community members and the general public.

The LTRP included a review of economic conditions in Lahaina before the wildfires and the impacts of the wildfires to illustrate the current challenges to the community. The primary impacts identified by the analysis included the property and excise tax revenues, housing affordability and availability and the impacts to businesses. Having a primarily tourism-based economy, Lahaina businesses are significantly affected by the decline in tourism spending, the displacement of their workforce and the damage of their commercial properties. The Lahaina Fire destroyed 1,898 residential structures representing 45% of the housing supply in the city, presenting the challenge of housing the displaced population while exacerbating the issue of housing affordability on Maui. In the decade preceding the Lahaina Fire, the increase in the median cost of housing was about double the growth in median household income, illustrating the existing cost pressures on housing affordability. The displacement of the resident working population due to affected employment centers and housing affordability resulted in reduced availability of education, healthcare and social assistance services for the remaining residents. Additionally, nearly four in five working residents in Lahaina were employed outside of the city, illustrating the ripple effect of workforce impacts on the economies of surrounding communities.

The scope of recovery efforts is expected to significantly impact construction employment on Maui based on the projected labor demand and the current labor availability. According to the Bureau of Labor Statistics, in 2023, the average construction industry employment in Maui and Kalawao County was 4,652; in September 2024, the construction industry employment was 4,814. The scope of recovery efforts would require doubling the construction labor force on the island of Maui, resulting in up to 20% inflation of labor wages and additional costs for housing off-island workers. Costs for building materials are expected to experience similar inflation due to the remote location and small size of Maui's main port in Kahului. In comparison, during recovery in Puerto Rico following the 2017 hurricanes, FEMA ended up paying 20% to 40% more than initially anticipated for reconstruction; the port of San Juan in Puerto Rico includes 15 piers and is located much closer to the mainland than Maui's port Kahului with only 3 piers. These factors demonstrate the potential impacts on local construction industry employment and cost inflation for construction labor and materials during the recovery efforts.

Employment Data Trends

Number of Jobs

In 2025, the US labor market is showing signs of softening, as indicated by the national unemployment rate's slight increase from 3.8% to 4.1% year-over-year. While the construction sector maintains a record high of 8.3 million jobs nationwide, the rate of employment growth is decelerating. Furthermore, California and Southern California are observing a distinct contraction in construction employment. Table 1 provides a detailed overview of construction employment numbers for the past two years, allowing for a comparative analysis of national, state and regional trends.

Figures 4 and 5 visually represent construction industry employment across the United States. California stands out with the highest number of construction jobs, accounting for 11% of the national total. Notably, California's construction workforce exceeds the combined total of its neighboring states: Washington, Oregon, Idaho, Nevada, Utah, and Arizona. However, California recorded the most significant year-over-year reduction in construction employment, with a loss exceeding 12,000 jobs. Furthermore, Oregon and Arizona also experienced declines in construction employment.

Table 1

Construction Employment Data for the Past Two Years by Geography

GEOGRAPHY	2023	2024
US Construction Employment	7,947,000	8,136,000
US Annual % Change	3.7%	2.4%
California Construction Employment	905,400	933,700
California Annual % Change	1.8%	3.1%
Southern California* Construction Employment	385,200	396,000
Southern California* Annual % Change	1.4%	2.8%

**Includes the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura.*

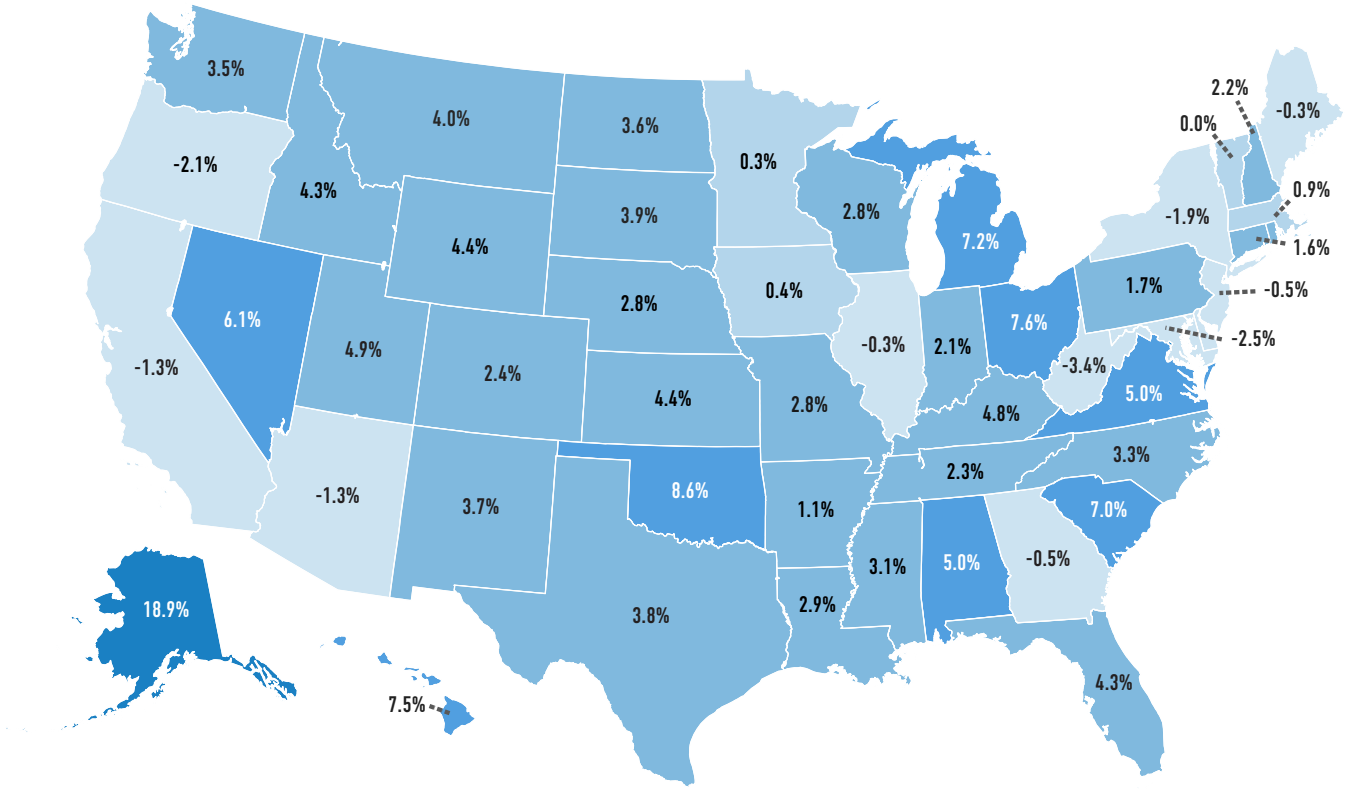
Source: US Bureau of Labor Statistics. 2025. Industries at a Glance. Construction: NAICS 23.[7]



Figure 4

Construction Employment 12-Month Percentage Change

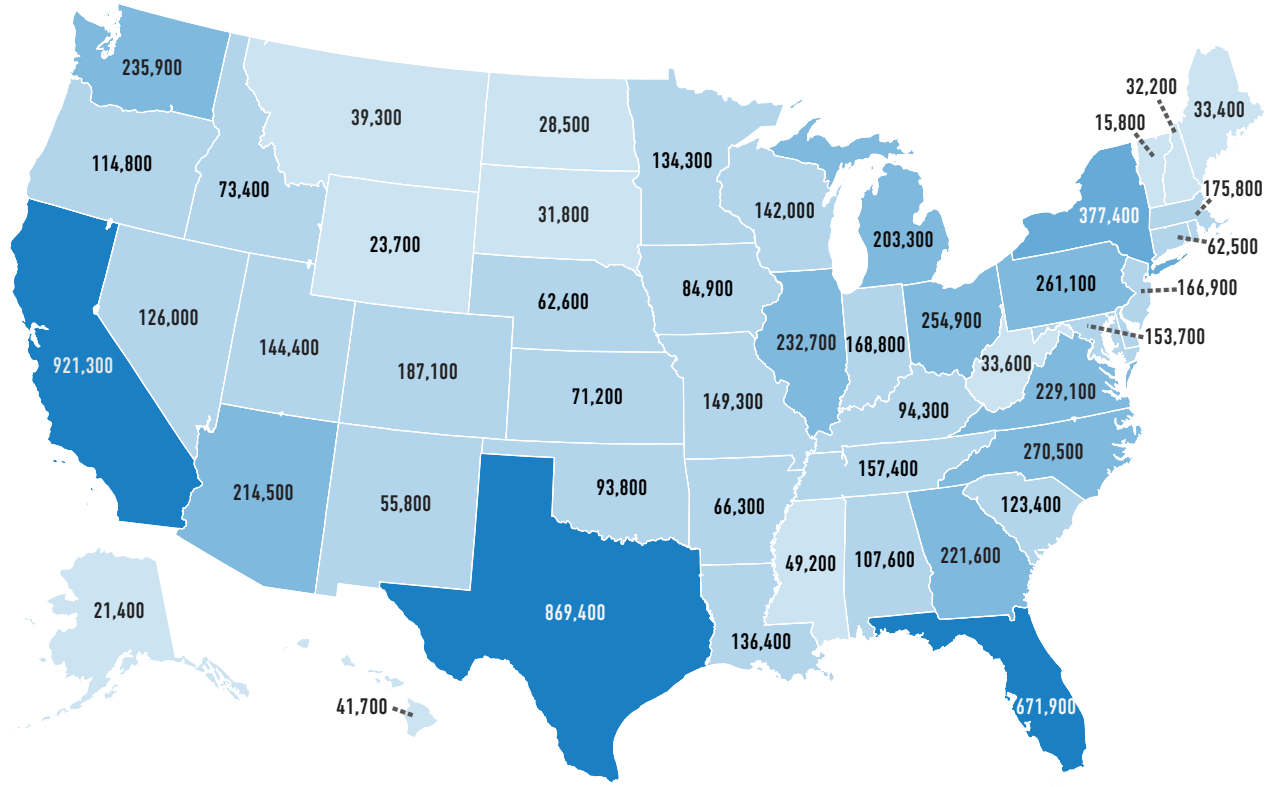
Construction employment is increasing in most states (38 states increased, 10 states decreased and 2 states unchanged)



Source: US Bureau of Labor Statistics. 2025. Industries at a Glance. Construction: NAICS 23.[8]

Figure 5

Total Construction Employment by State



Source: US Bureau of Labor Statistics. 2025. Industries at a Glance. Construction: NAICS 23.[9]



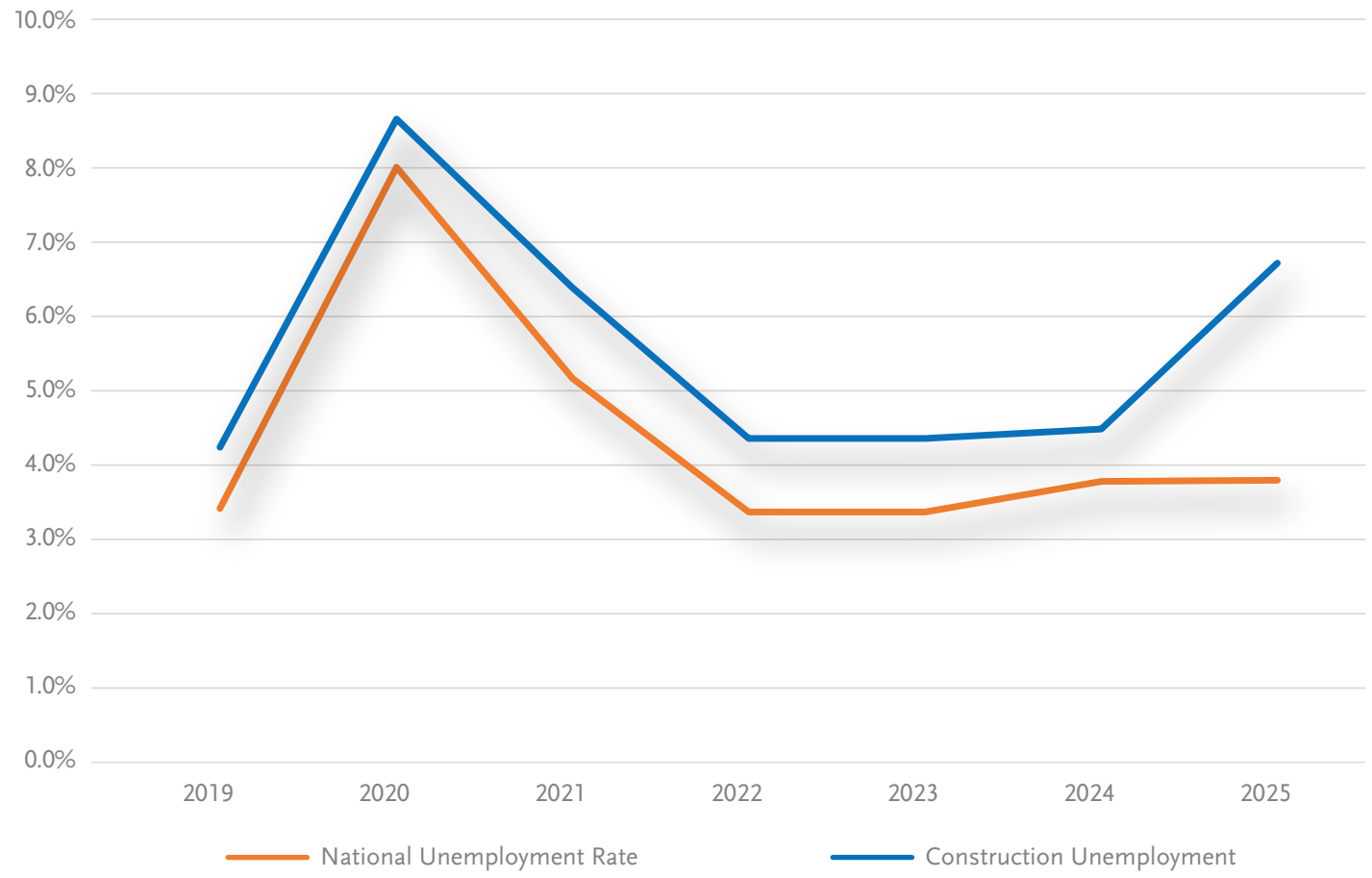
Unemployment Rate

Figure 6 illustrates recent unemployment rate trends for the national economy and the construction market. The national unemployment rate, which had remained consistently within the 3% to 4% range, suggesting a robust economy, has recently shown a gradual increase above 4%, signaling a potential market softening. Historically, the construction industry's unemployment rate has generally been observed to be about one percentage point higher than the national average. The current spike in construction unemployment is likely influenced by seasonal fluctuations and the impact of severe winter weather conditions across the country.



Figure 6

Unemployment Rate



Source: US Bureau of Labor Statistics. 2025. Industries at a Glance. Construction: NAICS 23.[10]

Openings versus Hirings

Figure 7 demonstrates a notable decrease in construction job openings since their 2023 peak, with current figures approaching half of the prior year's levels. In contrast, construction hiring has maintained a steady pace and surpassed job openings in 2024. Although hiring patterns are consistent with pre-COVID norms, job openings continue to trend above historical averages. This divergence suggests a recent softening in the labor market, while the broader historical perspective indicates a persistently tight labor environment.

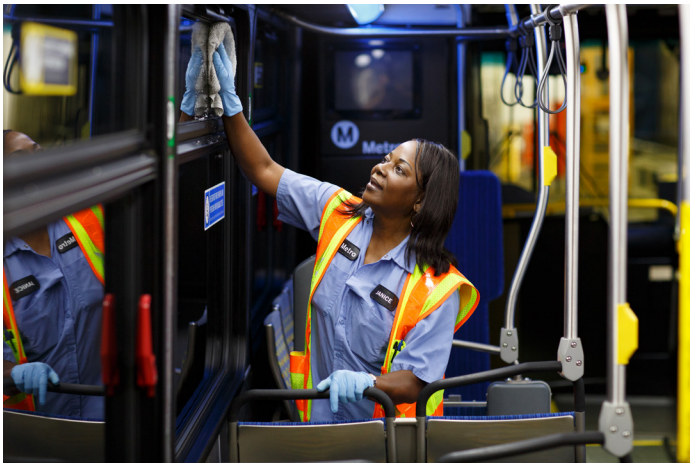
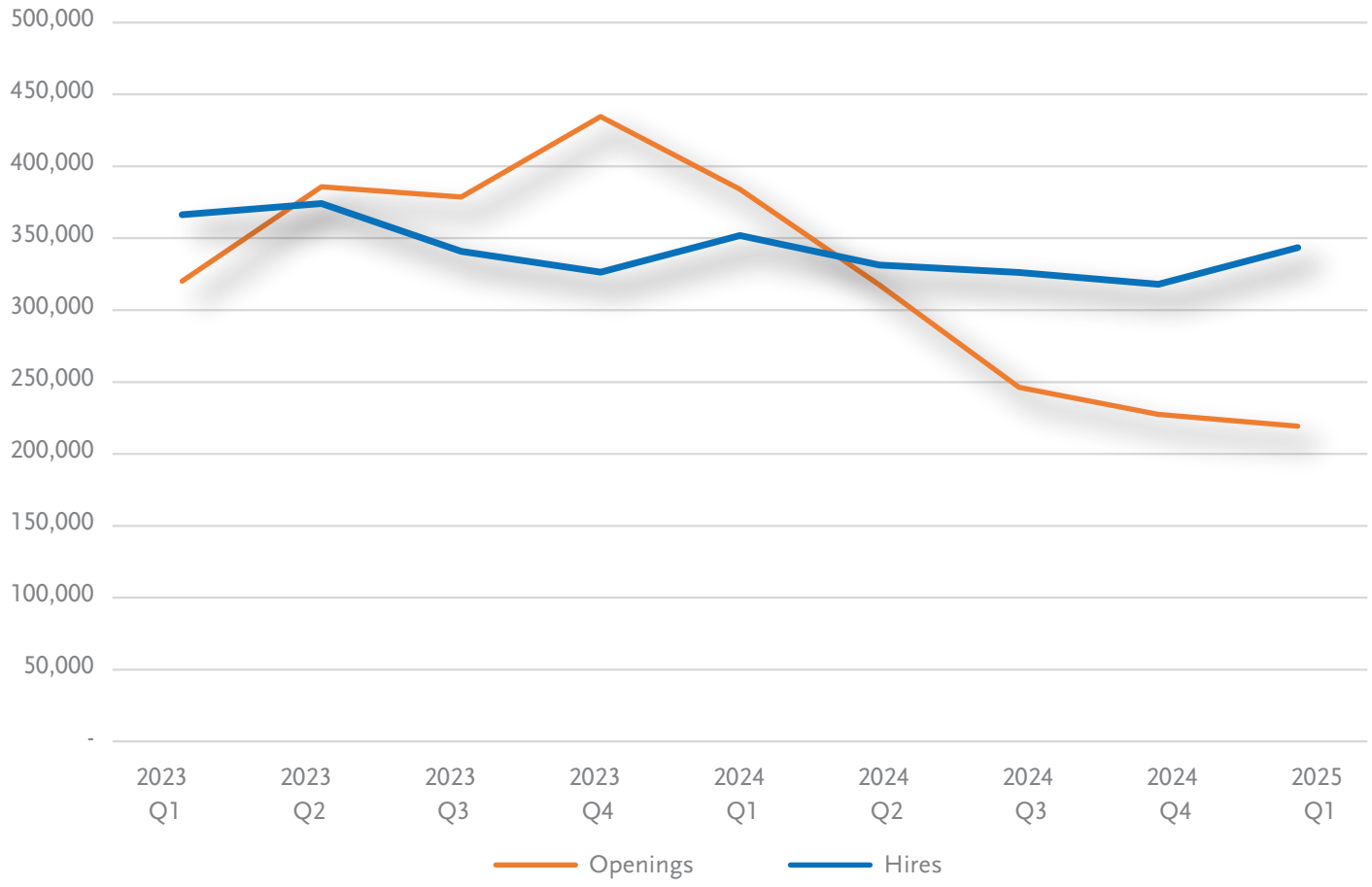


Figure 7

Construction Job Openings versus Hiring



Source: US Bureau of Labor Statistics. 2025. Industries at a Glance. Construction: NAICS 23.[11]

Wages

Contractors are responding to ongoing labor shortages and the sustained impact of high inflation by offering significant wage increases, reflected in both union agreements and rising open-shop compensation. Table 2 details average hourly wages across various construction sectors, including all construction workers, heavy civil construction, and specialty trade contractors provided by the US Bureau of Labor Statistics. Notably, heavy civil construction, the sector most relevant to Metro, is experiencing the most pronounced wage growth.

Data from the Construction Labor Research Council indicates that in 2024, union trades such as operating engineers, pipefitters/plumbers, laborers, sheet metal workers, roofers, electricians, and insulators negotiated agreements with first-year wage increases at or exceeding 5%.[12] This current wave of wage increases is largely a lagged response to the 2022 inflation surge. Given that many union contracts, signed in 2021, predate the inflation spike, contractors are boosting wages through a higher percentage first-year increase to ease inflation concerns, followed by slightly lower-percentage increases in the remaining years.

Table 2

National Average Hourly Earnings for Construction Workers over the Past Three Years

NATIONAL AVERAGE HOURLY EARNINGS BY CONSTRUCTION SECTOR AND YEAR	2023	2024	2025
Construction	$35.63	$37.53	$39.05
Annual % Change	**5.3%**	**4.6%**	**4.0%**
Heavy Civil Construction	$36.44	$39.36	$40.94
Annual % Change	**5.3%**	**8.0%**	**4.0%**
Specialty Trade Contractor	$34.75	$36.19	$37.65
Annual % Change	**5.5%**	**4.1%**	**4.0%**

Source: US Bureau of Labor Statistics. 2025. Table B-3. Average hourly and weekly earnings of all employees on private nonfarm payrolls by industry sector, seasonally adjusted.[13]



Employment Forecast in Southern California

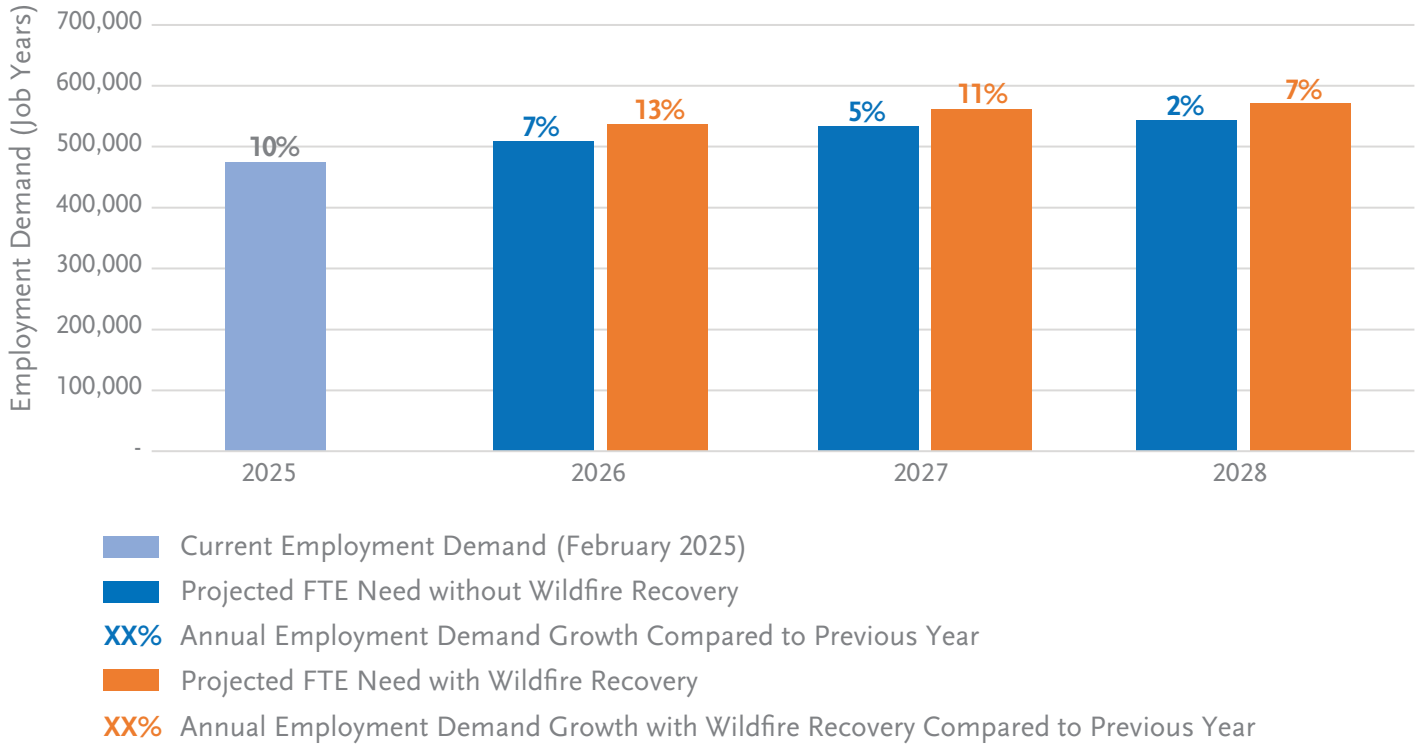
Construction employment demand based on public agency and private sector spending in Los Angeles, Riverside, Orange and San Bernardino Counties is updated through 2027 to illustrate current market conditions in terms of full-time employees (FTE). This is shown as "Projected FTE Need with Wildfire Recovery" in Figure 8. This latest data differs from the 2023 Construction Market Analysis due to several mega projects being delayed (like Brightline), several projects descoped or cancelled (like the LA Convention Center) and tempered residential and commercial construction activity attributed primarily to inflationary pressures and elevated interest rates.

Labor demand related to recovery and rebuilding efforts in the aftermath of the Palisades and Eaton wildfires is considered in the Los Angeles Economic Development Corporation's wildfire recovery analysis[14] using the three scenarios presented previously in Figure 2. Based on Scenario 1, the fastest recovery scenario, the analysis evaluated the job-years of construction labor required to rebuild the areas to their previous condition. The analysis evaluated the characteristics of the structures either destroyed or requiring major repair based on the latest CAL FIRE Damage Inspection (DINS) data. These structures included single-family homes, multifamily residential buildings, non-residential buildings, and infrastructure. Based on the building information, the total labor-hours required to rebuild or restore the structures were calculated for the three recovery scenarios. Considering the impact of the recovery and rebuilding efforts on the regional employment market in the aftermath of the Palisades and Eaton wildfires, the difference in the market's labor demand and available employment would increase by up to approximately 5% to 6% through 2028 (Figure 8).

Based on this analysis, the projected employment demand without wildfire recovery is forecasted to increase by 10% in 2025, 7% in 2026, 5% in 2027, and 2% in 2028 as shown in blue on Figure 8. Assuming the fastest wildfire recovery scenario, which has the greatest impact on employment demand, the estimated potential employment demand jumps to 13% in 2026, 11% in 2027 and 7% in 2028, as shown in orange in Figure 8.

Figure 8

Labor Demand Projection and Annual Growth Percentages



Materials

Despite the stabilization of construction material prices in 2024 following record highs over the previous several years, the outlook for 2025 suggests potential uncertainty and volatility. Several factors are poised to influence national construction pricing, including federal import tariffs and the moderating effect of slowing interest rates on construction expenditure. At the regional level, specifically within Southern California, the reconstruction efforts in Pacific Palisades and Altadena are expected to drive increased demand for construction materials and associated goods and services throughout Los Angeles County.

Federal Policy on Tariffs

The federal government has imposed new import taxes on goods coming from America's three biggest trading partners, Mexico, Canada and China. Consequently, back-and-forth tariff threats and responding retaliation among these nations is causing uncertainty in the markets. The uncertainty has roiled financial markets, lowered consumer confidence, and caused businesses to delay hiring and investment. Figure 9 provides a timeline of the tariff actions in 2025 as of the date of this document. The new taxes on construction materials pose a risk to Metro's pipeline of projects, where Metro does not have agreed-upon pricing.

Figure 10 provides a comprehensive overview of the global steel market, focusing on production, trade and consumption patterns. Utilizing data from the Department of Commerce International Trade Administration and the World Steel Association, the exhibit highlights the US as the fourth-largest steel producer, accounting for 4% of global production, and the third-largest consumer, representing 6% of global consumption. China is the largest producer and user of steel in the world, contributing 54% to global production and 51% to global consumption.

The US is the world's largest steel importer, and Canada and Mexico supply 40% of US imports. Even as the world's largest steel importer, the US has limited steel trade engagement with China, with only 2% of imports and less than 1% of exports.

This data demonstrates US reliance on imported steel. Consequently, steel tariffs are expected to drive price increases, elevating construction costs in the future. Metro can anticipate higher contractor bids on future projects that reflect risk aversion, and significant escalation in cost estimates for projects in design, potentially impacting project viability.

Figure 9

Tariff Timeline

January 20, 2025 — **America First Trade Policy:** Executive Order President Donald Trump signed an Executive Order that signaled he would be enacting additional tariffs.

February 1, 2025 — **Tariffs on Canada, Mexico, and China:** President Donald Trump imposed a 25% additional tariff on imports from Canada and Mexico and a 10% additional tariff on imports from China.

February 10, 2025 — **Steel and Aluminum Imports - Presidential Proclamation:** President Trump imposed tariffs on all steel and aluminum imports into the United States. These tariffs discard all previous deals and exclusions that were given when these tariffs were put in place during President Trump's first term.

February 26, 2025 — **Copper Imports - Executive Order:** President Trump issued an Executive Order to begin investigations into copper imports. The results of the investigation are due in November 2025 and will potentially lead to tariffs being placed on all copper imports.

March 1, 2025 — **Lumber Imports - Executive Order:** President Trump signs Executive Order to begin investigation into the national security implications of lumber and timber imports into the United States. Results of the investigation and any tariffs that might follow are due November 2025.

March 4, 2025 — **Canada, Mexico, and China Tariffs Go into Effect:** The 25% tariffs on imports from Canada and Mexico go into effect, with the exception on Canadian energy being limited to 10%. President Trump also doubles the tariff on all Chinese imports to 20%.

March 6, 2025 — **Tariff postponement of many Mexican imports and some Canadian imports:** Trump postpones 25% tariffs on many imports from Mexico and some imports from Canada for a month. But he still plans to impose "reciprocal" tariffs starting on April 2.

March 12, 2025 — **Steel and Aluminum Tariffs Go into Effect :** The 25% tariff increase on steel and aluminum goes into effect. Canada and European Union take retaliatory trade actions with new duties on US products.

Source: The Associated General Contractors of America, Inc. (AGC). 2025. "Tariff Resource Center for Contractors."[15]

Figure 10

Deep Dive Into Steel

STEEL PRODUCTION (2023)

	Global Rank	% of Market	Millions Tons Produced
UNITED STATES	#4	4%	81
MEXICO	#15	1%	16
CANADA	#16	1%	12
CHINA	#1	54%	1,019
THE REST OF THE WORLD	-	40%	764

STEEL CONSUMPTION (2023)

	Global Rank	% of Market	Millions Tons Consumed
UNITED STATES	#3	6%	98
MEXICO	#8	2%	29
CANADA	#15	1%	13
CHINA	#1	51%	897
THE REST OF THE WORLD	-	41%	1,440

STEEL IMPORT (2023)

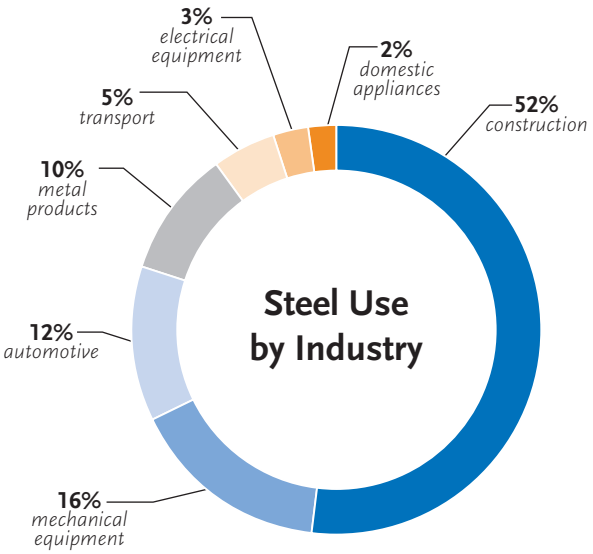
	Global Rank	% of Market	Millions Tons Imported
UNITED STATES	#17	2%	9
MEXICO	N/A	<1%	3
CANADA	N/A	1%	7
CHINA	#1	22%	94
THE REST OF THE WORLD	-	74%	322

STEEL EXPORT (2023)

	Global Rank	% of Market	Millions Tons Exported
UNITED STATES	#1	6%	27
MEXICO	#6	4%	18
CANADA	#18	2%	9
CHINA	#14	3%	11
THE REST OF THE WORLD	-	85%	371

STEEL USE ON METRO PROJECTS

> Rail Tracks
> Stations
> Tunnels
> Elevators
> Train/Bus Vehicles
> Highway/Roadway
> Bridges
> Traffic/Light Poles
> Buildings/Facilities



KEY FINDINGS

> The United States is the world's largest steel importer with nearly 40% coming from Mexico and Canada.

> The volume of steel imports to the United States in 2023 was approximately 8% larger than that of the world's second-largest importer (Germany).

> 90% of the United States' steel exports go to Canada and Mexico.

> The United States exports 10% of what it produces, while it imports 33% of what it uses.

Source: World Steel Association. 2024. World Steel in Figures.[16]

Wildfire Recovery

The extensive damage from the Palisades and Eaton wildfires will require a multi-year reconstruction period. Table 3 identifies previous wildfire recovery efforts and highlights lengthy reconstruction periods. However, the urban and densely populated locations of the Palisades and Eaton wildfires—with an estimated 16,250 buildings destroyed—differentiates them from past events, potentially leading to a different recovery trajectory. Additionally, factors like migration patterns, which influence labor supply and inflationary pressures, make direct comparisons and economic forecasting challenging.

Despite the uncertainty surrounding the region's recovery timeline, the scale of rebuilding will likely generate high demand for construction materials resulting in the potential for increased prices and reduced supply. Given that residential and commercial construction, which are highly dependent on lumber, will constitute the majority of reconstruction, lumber costs are expected to rise. Table 4 identifies specific construction services and materials anticipated to rise in price in response to wildfire recovery and reconstruction demands.



Table 3

Housing Recovery Progress after Major Wildfires

DISASTER/ LOCATION	ESTIMATED DAMAGE AND STRUCTURES DESTROYED	MONTHS FOR DEBRIS CLEANUP	MONTHS SINCE DISASTER	PERCENT OF DAMAGED HOMES RECEIVED BUILDING PERMIT	PERCENT OF DAMAGED HOMES NOW RE-OCCUPIED
Carr Fire, Shasta County, CA	$1.7 billion 1,605 structures destroyed	9 months	79 months	40%	36%
Camp Fire, Paradise, CA	$16.7 billion 18,804 structures destroyed	12 months	77 months	29%	23%
Marshall Fire, Boulder County, CO	$2+ billion 1,084 structures destroyed	Ongoing (97% complete)	37 months	75%	63%
Maui Wildfires, Lahaina, HI	$5.5 billion 2,207 structures destroyed	Ongoing (82% complete)	18 months	14%	0%

Source: Rumbach, Andrew, Sara McTarnaghan, Kameron Lloyd, and Aleszu Bajak. 2025. "When Will Los Angeles Rebuild? Comparing Housing Recovery Timelines after Four Recent Wildfires." Urban Institute.[17]

Table 4

Anticipated Price Increases for Materials and Services in the Near and Long Term Due to Wildfire Recovery and Reconstruction Demand

NEAR TERM		LONG TERM	
MATERIALS/ SERVICE	REASON	MATERIALS/ SERVICE	REASON
Trucking	Logistics of transporting debris from fire-destroyed structures to landfills will require a huge mobilization of trucking.	Residential housing materials (lumber, concrete, steel, and masonry)	Once debris is cleared and infrastructure rebuilt, materials to support residential construction in fire-impacted communities will be in high demand.
Underground cables and conduits	Utility agencies are moving power lines underground to help bring back power to fire-impacted communities and reduce the risk of future wildfires.	Residential housing services (carpentry, roofing, drywall installers, painters, plumbing, HVAC, electricians)	Construction services to support residential building in fire-impacted communities will be in high demand.
Traffic poles and street lights	Replacement of fire-destroyed street infrastructure to restore affected communities will be in high demand.	Storage Spaces/ Real Estate	Once materials become available and shipped, there will be a higher demand on storage space and real estate for staging required due to the significant amount of inventory needed for infrastructure and homes.

Material Pricing Trends

The stability of the construction material pricing in 2024 faces significant threats that could disrupt operations and impact supply chains in 2025. The market is currently adjusting to the newly implemented 25% tariff on steel and aluminum, but uncertainty remains around the possible implementation of tariffs on Mexico and Canada, additional future tariffs, and their potential duration, effects, and retaliatory response.

While it's too early in the recovery process to predict the construction market impacts from the wildfires, it is likely that the effects of wildfire recovery will create regional inflation for the construction market in Southern California, with lumber being especially impacted.

Figures 11 through 24 provide snapshots of pricing trends from the last two years and a forecast of percentage changes up to 2027 for key construction materials. Additional insight is provided on key materials likely to be most affected by the tariffs and other market conditions. Additional pricing trends for other materials and services are provided in Appendix A.



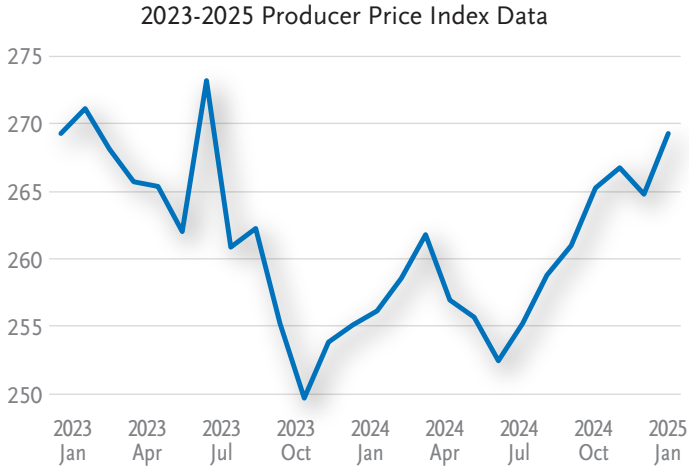
Figure 11

Lumber and Plywood

	2025	2026	2027
PRICE FORECAST	↗	↗	∿



Lumber pricing was generally stable over the past year but started increasing over the past several months. Potential Canadian tariffs would have the largest impact on pricing because Canada is the largest supplier of lumber to the US.



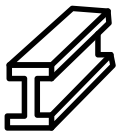
5%	6%	2%
percent change in last 12 months	*percent change in last 6 months*	*percent change in last month*

Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Special Indexes: Lumber and Plywood (WPUSI004011). February.[18]

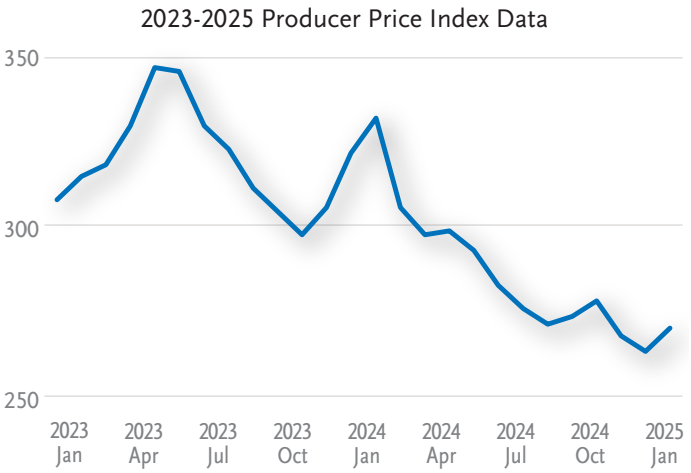
Figure 12

Steel

	2025	2026	2027
PRICE FORECAST	↗	↗	→



Steel has been generally stable over the past year. Data centers and infrastructure projects have driven demand but also have been tempered by the commercial office market. However, the 25% tariff on steel imports and retaliatory tariffs will cause steel prices to rise. This price increase could further weaken future demand.



-19%	-2%	3%
percent change in last 12 months	*percent change in last 6 months*	*percent change in last month*

Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Steel Mill Products (WPU1017) February.[19]

Key Status:

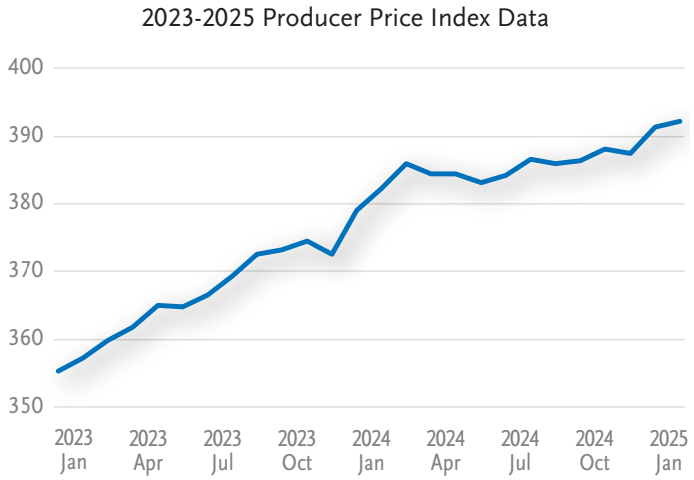
- Trending up significantly (+15% or more)
- Trending up (+5% to +15%)
- Stable consistent (-5 to +5%)
- Fluctuating
- Trending down (-5% or less)

Figure 13

Concrete

	2025	2026	2027
PRICE FORECAST	↗	↗	→

Concrete pricing has been trending up gradually. However, roughly one-third of cement imports into the US originate in Canada and Mexico. Potential tariffs could continue the upward trend into the future.



3% *percent change in last 12 months*

1% *percent change in last 6 months*

0% *percent change in last month*

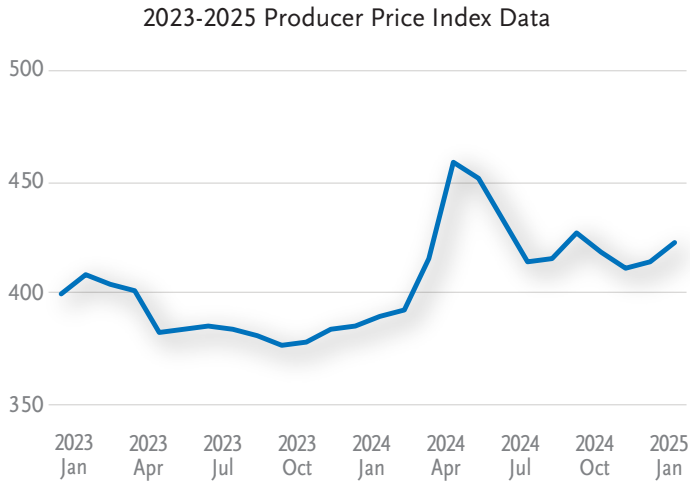
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Nonmetallic Mineral Products: Concrete Products (WPU133). February.[20]

Figure 14

Copper

	2025	2026	2027
PRICE FORECAST	↗	↗	→

Copper prices increased in 2024 due to supply shortages caused by production decreases. Tariffs are expected to impact pricing outlook.



9% *percent change in last 12 months*

2% *percent change in last 6 months*

2% *percent change in last month*

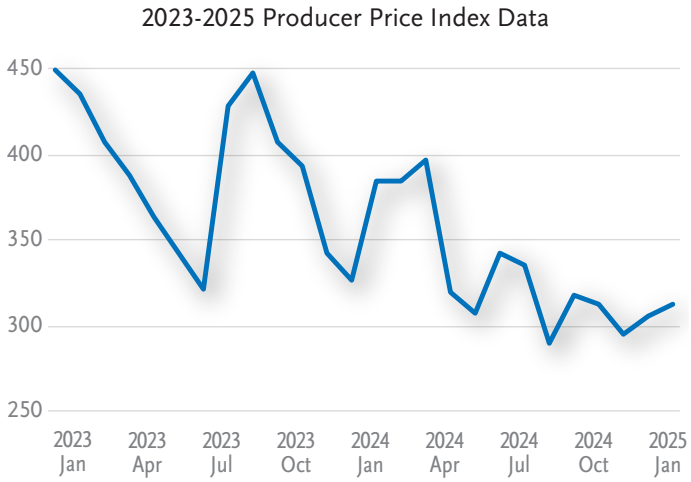
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Copper Wire and Cable (WPU10260314). February.[21]

Figure 15

Fuel

	2025	2026	2027
PRICE FORECAST	~	~	→

Fuel prices have seen a general decline since 2023. California may see fluctuating prices due to lower production resulting from the Phillips 66 refinery closure in 2025, but also less demand from more fuel-efficient fleets. Tariffs on Canadian crude oil are likely to impact prices.



-18% *percent change in last 12 months*

-7% *percent change in last 6 months*

2% *percent change in last month*

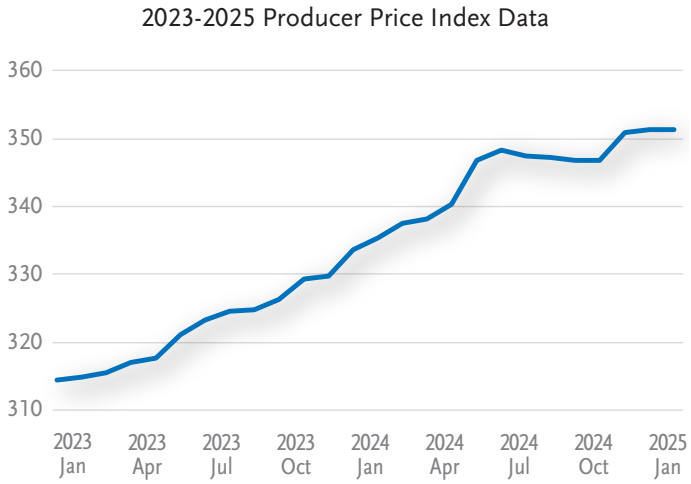
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Fuels and Related Products and Power: No. 2 Diesel Fuel (WPU057303). February.[22]

Figure 16

Switchgear

	2025	2026	2027
PRICE FORECAST	↗	↗	→

The supply chain has been improving and resulting in reduced lead times, which has helped stabilize costs over the past 6 months. However, prices in 2025 may rise significantly due to tariffs on all steel and aluminum imports. Potential tariffs on all Mexican and Canadian imports may add further costs.



5% *percent change in last 12 months*

1% *percent change in last 6 months*

0% *percent change in last month*

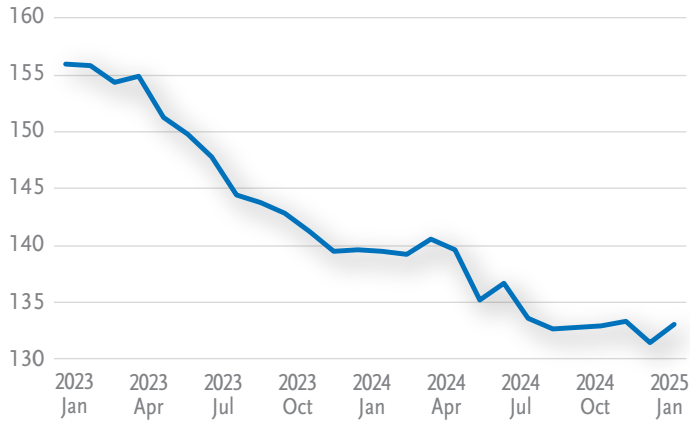
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Machinery and Equipment: Switchgear, Switchboard, Industrial Controls Equipment (WPU1175). February.[23]

Figure 17

Stainless Steel

PRICE FORECAST	2025	2026	2027
	-5% *percent change in last 12 months*	0% *percent change in last 6 months*	1% *percent change in last month*

2023-2025 Producer Price Index Data



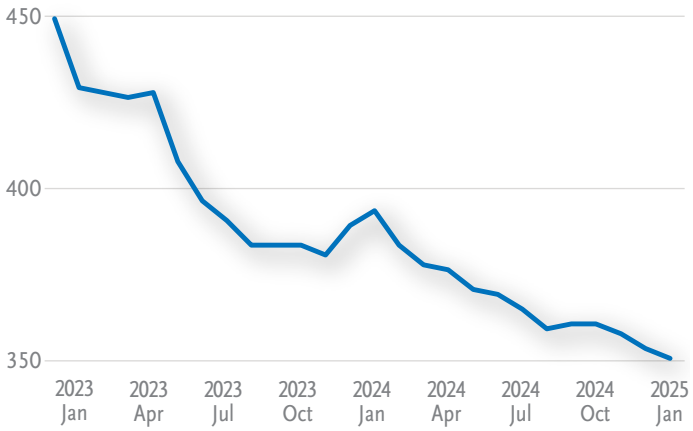
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Steel Pipe and Tube, Stainless Steel (WPU10170674). February.[24]

Figure 18

Steel Pipe

PRICE FORECAST	2025	2026	2027
	-11% *percent change in last 12 months*	-4% *percent change in last 6 months*	-1% *percent change in last month*

2023-2025 Producer Price Index Data



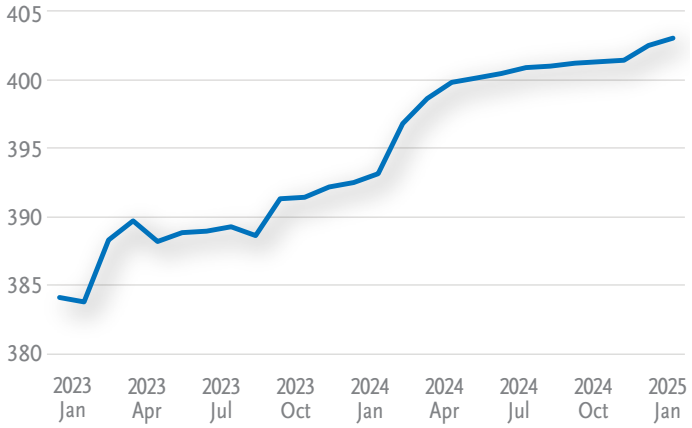
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Steel Pipe and Tube (WPU101706). February.[25]

Figure 19

Heating

PRICE FORECAST	2025	2026	2027
	3% *percent change in last 12 months*	1% *percent change in last 6 months*	0% *percent change in last month*

2023-2025 Producer Price Index Data



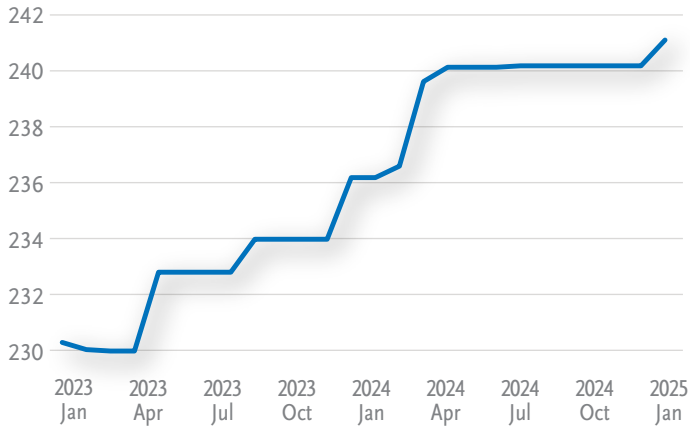
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Heating Equipment (WPU106). February.[26]

Figure 20

Industrial Fans

PRICE FORECAST	2025	2026	2027
	2% *percent change in last 12 months*	0% *percent change in last 6 months*	0% *percent change in last month*

2023-2025 Producer Price Index Data



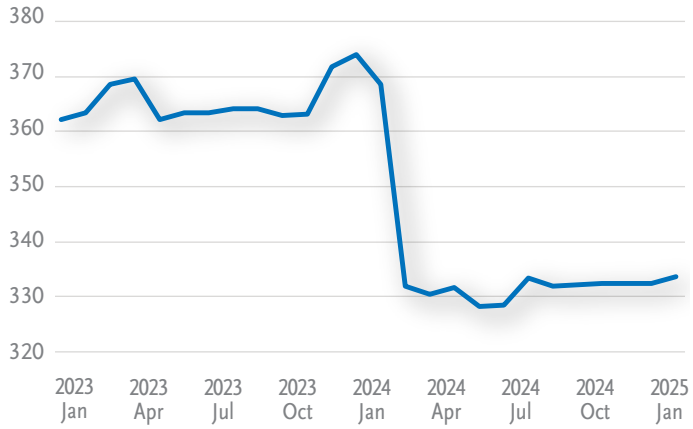
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Machinery and Equipment: Industrial and Commercial Fans and Blowers (WPU11470145). February.[27]

Figure 21

Fabricated Structural Metal

PRICE FORECAST	2025	2026	2027
	↗	↗	→
	-9% *percent change in last 12 months*	0% *percent change in last 6 months*	0% *percent change in last month*

2023-2025 Producer Price Index Data



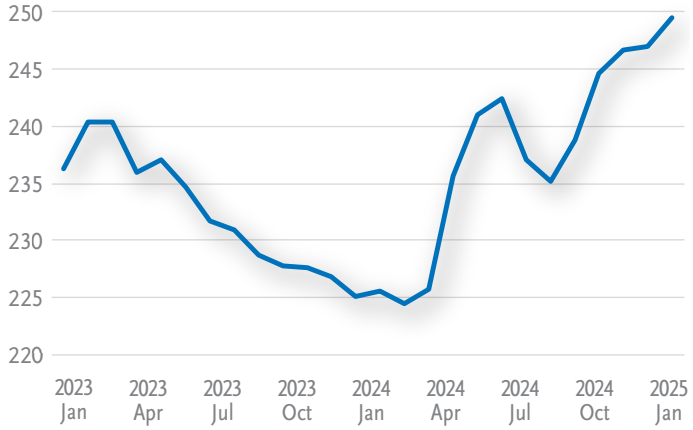
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Fabricated Structural Metal (WPU107405). February.[28]

Figure 22

Aluminum

PRICE FORECAST	2025	2026	2027
	↗	↗	→
	11% *percent change in last 12 months*	5% *percent change in last 6 months*	1% *percent change in last month*

2023-2025 Producer Price Index Data



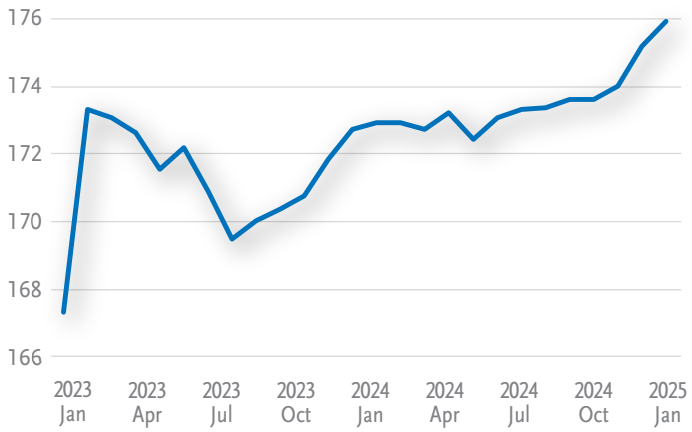
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Aluminum Sheet, Plate, and Foil Manufacturing (WPU 331315331315.) February.[29]

Figure 23

Glass

PRICE FORECAST	2025	2026	2027
	↗	↗	→
	2% *percent change in last 12 months*	1% *percent change in last 6 months*	0% *percent change in last month*

2023-2025 Producer Price Index Data



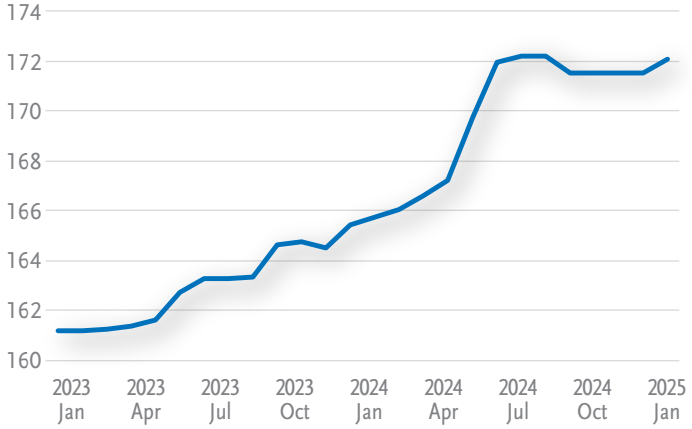
Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Nonmetallic Mineral Products: Flat Glass (WPU1311). February.[30]

Figure 24

Traffic Control Systems

PRICE FORECAST	2025	2026	2027
	↗	↗	→
	4% *percent change in last 12 months*	0% *percent change in last 6 months*	0% *percent change in last month*

2023-2025 Producer Price Index Data



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Machinery and Equipment: Intercommunications, Alarm and Traffic Control Systems (WPU11760303). February.[31]

Contractor Bidding

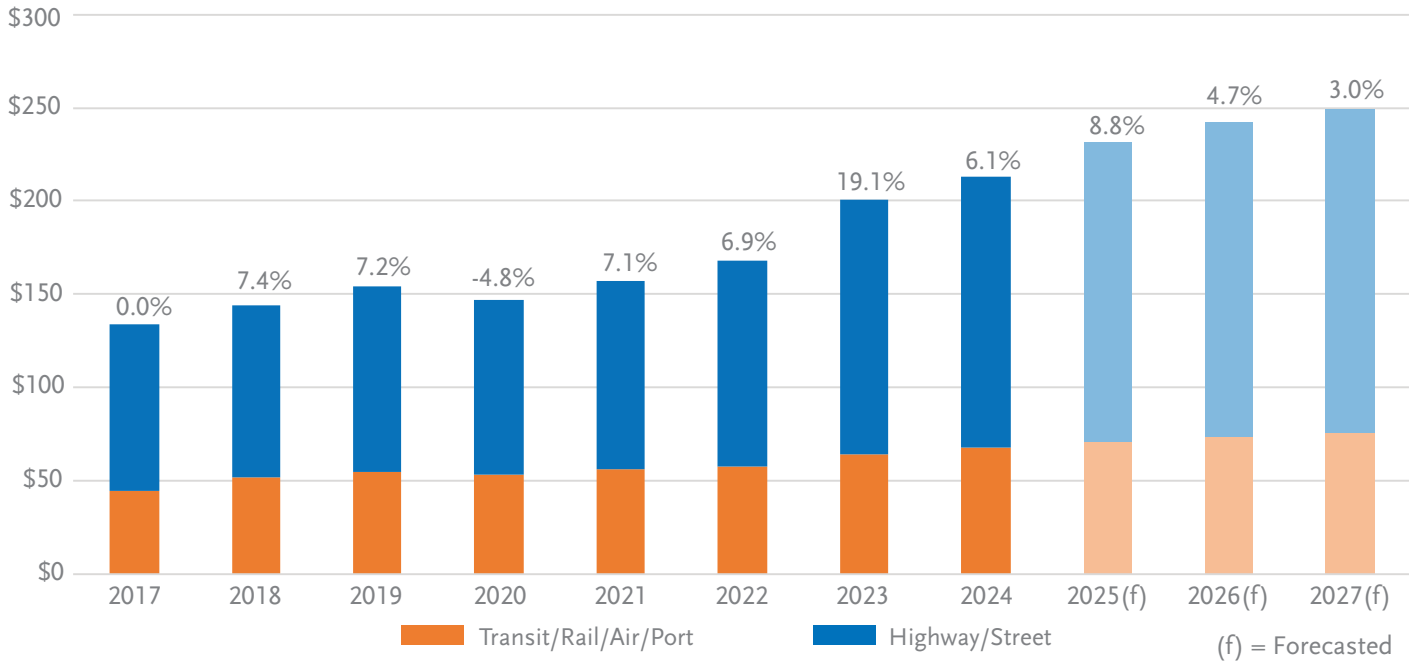
The construction sector has enjoyed sustained growth over the past two years, driven by data center development and substantial infrastructure investment, resulting in a 27% increase in non-residential construction and an 18% rise in transportation construction. It continues to be a contractor's market as demonstrated by the continued spending levels shown in Figure 25 and the comparison of bid prices against the construction costs in Figure 26.

Risks and costs are increasing for megaprojects, and developing accurate bid estimates of the actual costs has been difficult for both contractors and owners. Contractors are sensitive to these risks because many have suffered major losses on megaprojects. Depending on the risk share between the contractor and owner, contractors are pricing the risk exposure into their bids.



Figure 25

National Annual Transportation Construction Spending ($ in Billions), Year-over-Year Percentage Change and Forecast (2025–2027)



Sources: US Census Bureau. 2024. Construction Spending – Methodology. August 1.[32]

ARTBA. 2025 Transportation Construction Market Outlook.[33]

Alisa Zevin. 2024. "2025 Forecast: Rate Cuts Expected to Boost Construction." Engineering News-Record. November 20.[34]

Recent Bid Results Analysis

A review of 25 publicly available bid results for competitive design-bid-build (DBB) transportation infrastructure projects in Los Angeles over the last six months indicates a trend of reduced competition and inflated bid prices. Although the analyzed projects are smaller in scope (averaging $6 million) compared to Metro's projects, they offer valuable insights into prevailing contractor strategies. The observed trends suggest contractors are factoring significant risk into their bids.

While acknowledging the limitations of the sample size and project scale, these findings underscore the prevalence of risk-based pricing among contractors in the current market.

KEY FINDINGS

NUMBER OF BIDS

2 and 3
average number of bidders per project

~25%
projects received only a single bid

5
maximum number of bidders (observed in 16% of the projects)

BID AMOUNTS

>75%
average bid amounts exceeded the independent cost estimates by more than 15%

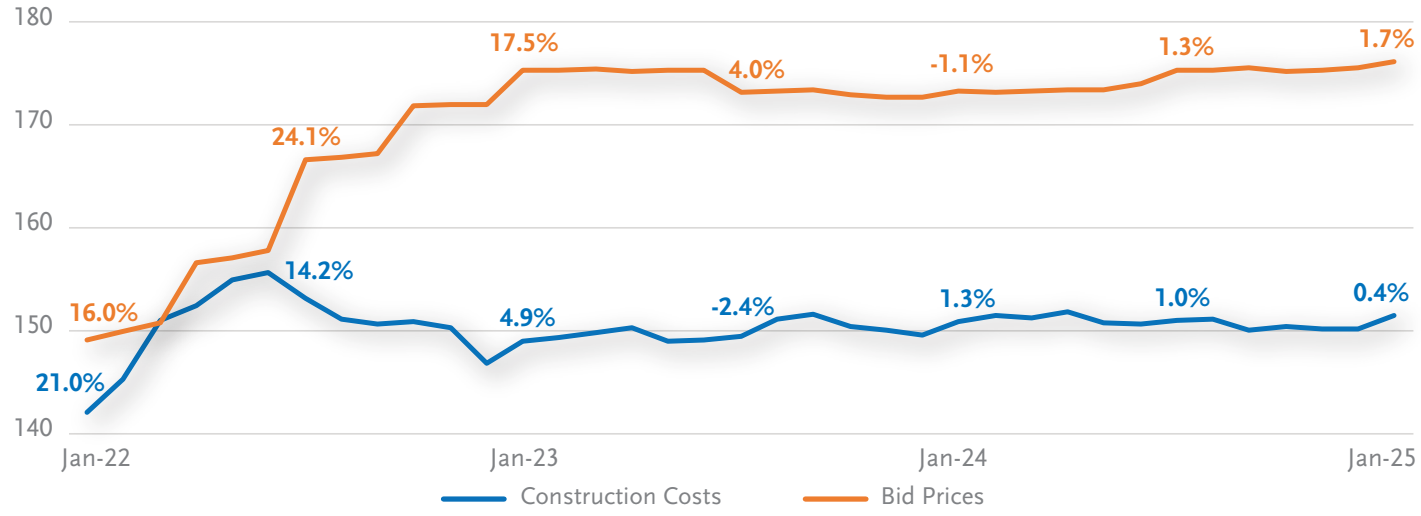
57%
average percentage over the independent cost estimate of the bid amounts

65%
average bid premium over the independent cost estimates for projects with a single bidder

22%
average bid premium over the independent cost estimates for projects with four or more bidders

Figure 26

Construction Costs versus Bid Pricing



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Inputs to New Nonresidential Construction (WPUIP231200) and New Nonresidential Construction (WPU801). February.[35]

Escalation

In construction bidding, "escalation" refers to the practice of factoring in anticipated increases in material, labor, and other project costs over the project's duration. These increases are typically influenced by market conditions, inflationary pressures, and supply chain vulnerabilities. Notably, recent years have witnessed escalation rates exceeding prior projections. To accurately assess current market escalation, the construction industry utilizes several cost indices. Table 5 provides a comparative overview of current escalation rates, specifically from the Engineering News-Record Construction Cost Index (ENR CCI), which represents a national 20-city average of material and labor costs, and the California Department of General Services' California Construction Cost Index (CA CCI),[36,37] which reflects conditions specific to California.

Table 5

Cost Index Escalation Rates for the Past Five Years

COST INDEX	2021	2022	2023	2024
ENR CCI (national average)	5.8%	7.2%	2.7%	1.6%
CA CCI (Los Angeles and San Francisco average)	9.4%	13.7%	8.2%	3.0%

Sources: California Department of General Services (DGS). 2025. "DGS California Construction Cost Index CCCI."

Engineering News-Record. 2025. "Construction Cost Index History – As of April 2025."

Higher-than-anticipated escalation makes it more expensive to build new projects and repair and maintain existing infrastructure. This could lead to a slowdown in construction activity because owners may delay, descope, or cancel projects due to the high cost. This makes it critical to apply accurate escalation when budgeting for construction. Based on the data presented in this report, industry forecasts, and professional judgement from cost estimators and economists, this report recommends that when preparing budgets, Metro implement a 6% escalation rate for 2025, then a 5% rate for 2026, followed by a 4% rate for 2027.

Contract Terms and Conditions

Economic uncertainty stemming from federal policies is heightening contractors' sensitivity to contract language. Consequently, bids, especially for fixed-price DBB projects, will likely reflect increased cost and risk contingencies. Metro's strategic implementation of alternative delivery methods is widely favored by contractors because it facilitates the allocation of risk to the party best positioned to manage it. This approach empowers owners to better control costs, minimize change orders, and establish more certainty at key decision points to support accurate establishment of project budgets.

In response to tariff-related price volatility, contractors may seek to incorporate escalation clauses. These clauses, tied to objective market indices, enable contract price adjustments based on material cost fluctuations. This protects the contractor when material prices go up and benefits the owner when material prices go down. The inclusion of escalation clauses can also benefit the owner by mitigating the inclusion of speculative, inflated risk premiums in contractor bids. It is important to note that by incorporating an escalation clause, the risk associated with price volatility is effectively transferred from the contractor to the owner, requiring careful consideration of the chosen index and its potential fluctuations.




TATTOOS 323-292-2120
CHURCH OF THE ANOINTING
CRENSHAW INK TATTOOS
Yacine's
323-389-8986
4343
AFRICAN FAMILY FASHIONS

Summary and Recommendations

The construction market is navigating a complex landscape marked by both opportunities and challenges. Robust project pipelines make this a contractor's market, and persistent headwinds such as increased labor demand, supply chain vulnerabilities, and economic policy uncertainties demand careful navigation by owners.

Employment Summary

> Due to Metro's stringent labor compliance and reliance on union labor, federal immigration policy changes are expected to have minimal impact on its construction workforce.

> Should the residential and commercial construction sectors see an uptick in construction spending, federal policies or limitations on immigration could stress existing labor constraints in the US, putting additional price pressures within the construction industry.

> Recovery from the Palisades and Eaton wildfires poses a major constraint on the ability of local jurisdictions and utility agencies to engage with and staff Metro projects because they are prioritizing recovery and rebuilding efforts. Metro could experience delays ranging from six to twelve months for these agencies to conduct design reviews, construction inspections, and permit approvals. Metro should seek streamlined permitting to mitigate this.

> In a case study of the Maui wildfires, the scope of the recovery efforts requires doubling the construction labor force on the island of Maui, resulting in an inflation of labor wages of up to 20%, along with additional costs for housing off-island workers.

> Considering the impact of the recovery and rebuilding efforts on the regional employment market in the aftermath of the Palisades and Eaton wildfires, the difference in the market's labor demand and available employment would increase by up to approximately 5% to 7% through 2028.

Materials Pricing Summary

> Tariffs have resulted in uncertainty that has roiled financial markets, lowered consumer confidence, and caused prices to rise.

> Construction accounts for 52% of global steel consumption according to the World Steel Association. Consequently, steel tariffs are expected to drive price increases, elevating construction costs.

> The reconstruction efforts in Pacific Palisades and Altadena are expected to drive increased demand for construction materials throughout Los Angeles County.

> Metro can anticipate higher contractor bids (reflecting risk aversion) and significant escalation in cost estimates for projects in design, potentially impacting project viability.

Contractor Bidding Summary

> Construction spending has continued to grow with activity being driven by non-residential construction (27% increase) and infrastructure (18% increase) over the last two years. This growth has been tempered by sluggish residential and commercial construction spending.

> Observed trends in reviewed bid results for Los Angeles construction projects for public agencies suggests contractors are factoring significant risk into their bids, driven by a perceived abundance of project opportunities and tariffs causing price uncertainty.

> Escalation has ranged higher than anticipated in the past few years, and this report recommends using conservative escalation values such as 6% for 2025, then 5% for 2026, followed by 4% in 2027.

Recommendations

In light of price uncertainties stemming from tariffs, potential workforce impacts due to federal policies, and the extensive reconstruction demands of the Palisades and Eaton wildfires, the following recommendations outline strategic approaches for Metro to successfully navigate the current complex construction market.

Policy

> Seek streamlined permitting to account for local jurisdictions likely diverting their permitting resources from Metro projects to prioritize wildfire recovery efforts.

> Continue to use collaborative delivery methods like Construction Management/General Contractor (CM/GC) and Progressive Design Build to attract bidders.

Cost Estimating and Schedule

> Adjust cost estimates for higher escalation rates and contingencies for labor and materials in future life-of-project budget updates.

> Institute or enable more frequent market pricing checks on cost estimates throughout the project delivery process.

> Consider strategies to mitigate schedule impact from high-demand commodities by assessing long lead items, the timing of purchases, and owner-furnished materials, along with the possible opportunity to leverage purchasing power in collaboration with other agencies.

Bidding and Contracts

> Review upcoming construction contract terms and conditions and consider incorporating an escalation/adjustment clause and specifications based on an objective index to be flexible for price swings in construction materials.

> Develop a list of approved material substitutes that can be used in the event of cost fluctuations of traditional materials.

> In evaluating construction procurements, assess bidders' strategies for risk-based contingency application, including securing long-term agreements with domestic suppliers, and their ability to cultivate strong supplier relationships to effectively manage tariff-related complexities.



Endnotes

[1] Los Angeles County Metropolitan Transportation Authority (Metro). Forthcoming. Fiscal Year 2025 Program Management Annual Program Evaluation. Board Report.

[2] International Trade Administration. n.d. "Import Tariffs Overview and Resources." Global Tariff Finder Tool. Accessed March 27, 2025. https://www.trade.gov/import-tariffs-fees-overview-and-resources.

[3] California Department of Forestry and Fire Prevention (CAL FIRE). "Eaton Fire." https://www.fire.ca.gov/incidents/2025/1/7/eaton-fire.

[4] California Department of Forestry and Fire Prevention (CAL FIRE). "Palisades Fire." https://www.fire.ca.gov/incidents/2025/1/7/palisades-fir.

[5] Los Angeles County Economic Development Corporation (LAEDC). 2025. *Impact of 2025 Los Angeles Wildfires and Comparative Study*. February. https://laedc.org/wpcms/wp-content/uploads/2025/02/LAEDC-2025-LA-Wildfires-Study.pdf.

[6] US Census Bureau. 2023. American Community Survey. https://data.census.gov/.

[7] US Bureau of Labor Statistics. 2025. "Industries at a Glance. Construction: NAICS 23." https://www.bls.gov/iag/tgs/iag23.htm.

[8] US Bureau of Labor Statistics. 2025. "Industries at a Glance. Construction: NAICS 23." https://www.bls.gov/iag/tgs/iag23.htm.

[9] US Bureau of Labor Statistics. 2025. "Industries at a Glance. Construction: NAICS 23." https://www.bls.gov/iag/tgs/iag23.htm.

[10] US Bureau of Labor Statistics. 2025. "Industries at a Glance. Construction: NAICS 23." https://www.bls.gov/iag/tgs/iag23.htm.

[11] US Bureau of Labor Statistics. 2025. "Industries at a Glance. Construction: NAICS 23." https://www.bls.gov/iag/tgs/iag23.htm.

[12] Construction Labor Research Council. 2024. Union Labor Costs In Construction. April 15. Referenced in Buckley, Bruce. 2024. "Pay Hikes for Craftworkers Continue Amid Labor Shortage." 2024 Third Quarterly Cost Report. *Engineering News-Record*. September 30.

[13] US Bureau of Labor Statistics. 2025. Table B-3. Average hourly and weekly earnings of all employees on private nonfarm payrolls by industry sector, seasonally adjusted. March 7. https://www.bls.gov/news.release/empsit.t19.htm.

[14] Los Angeles County Economic Development Corporation (LAEDC). 2025. *Impact of 2025 Los Angeles Wildfires and Comparative Study*. February. https://laedc.org/wpcms/wp-content/uploads/2025/02/LAEDC-2025-LA-Wildfires-Study.pdf.

[15] The Associated General Contractors of America, Inc. (AGC). 2025. "Tariff Resource Center for Contractors." https://www.agc.org/tariff-resources-contractors.

[16] World Steel Association. 2024. *World Steel in Figures*. May 27. https://worldsteel.org/wp-content/uploads/World-Steel-in-Figures-2024.pdf.

[17] Rumbach, Andrew, Sara McTarnaghan, Kameron Lloyd, and Aleszu Bajak. 2025. "When Will Los Angeles Rebuild? Comparing Housing Recovery Timelines after Four Recent Wildfires." Urban Institute. February 19. https://www.urban.org/urban-wire/when-will-los-angeles-rebuild-comparing-housing-recovery-timelines-after-four-recent.

[18] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Special Indexes: Lumber and Plywood (WPUSI004011). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPUSI004011.

[19] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Steel Mill Products (WPU1017). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU1017.

[20] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Nonmetallic Mineral Products: Concrete Products (WPU133). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU133.

[21] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Copper Wire and Cable (WPU10260314). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU10260314.

[22] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Fuels and Related Products and Power: No. 2 Diesel Fuel (WPU057303). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU057303.

[23] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Machinery and Equipment: Switchgear, Switchboard, Industrial Controls Equipment (WPU1175). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU1175.

[24] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Steel Pipe and Tube, Stainless Steel (WPU10170674). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU10170674.

[25] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Steel Pipe and Tube (WPU101706). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU101706.

[26] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Heating Equipment (WPU106). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU106.

[27] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Machinery and Equipment: Industrial and Commercial Fans and Blowers (WPU11470145). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU11470145.

[28] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Metals and Metal Products: Fabricated Structural Metal (WPU107405). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU107405.

[29] US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Aluminum Sheet, Plate, and Foil Manufacturing (WPU 331315331315.) Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/PCU331315331315.

[30] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Nonmetallic Mineral Products: Flat Glass (WPU1311). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU1311.

[31] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Machinery and Equipment: Intercommunications, Alarm and Traffic Control Systems (WPU11760303). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU11760303.

[32] US Census Bureau. 2024. Construction Spending – Methodology. August 1. https://www.census.gov/construction/c30/meth.html.

[33] American Road & Transportation Builders Association (ARTBA). 2025 Transportation Construction Market Outlook. https://connect.artba.org/file/secure/2025marketforecast.pdf.

[34] Alisa Zevin. 2024. "2025 Forecast: Rate Cuts Expected to Boost Construction." *Engineering News-Record*. November 20. https://www.enr.com/articles/59861-2025-forecast-rate-cuts-expected-to-boost-construction.

[35] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Inputs to New Nonresidential Construction (WPUIP231200) and New Nonresidential Construction (WPU801). February.

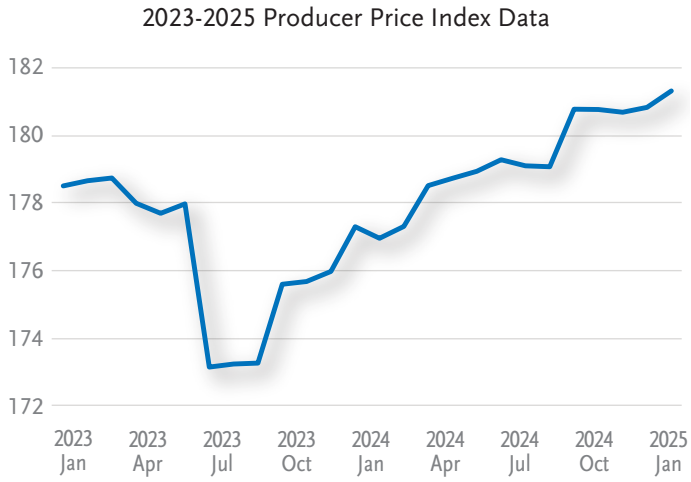
[36] California Department of General Services (DGS). 2025. "DGS California Construction Cost Index CCCI." Real Estate Services Division. https://www.dgs.ca.gov/RESD/Resources/Page-Content/Real-Estate-Services-Division-Resources-List-Folder/DGS-California-Construction-Cost-Index-CCCI.

[37] Engineering News-Record. 2025. "Construction Cost Index History – As of April 2025."

Appendix A

Figure A-1

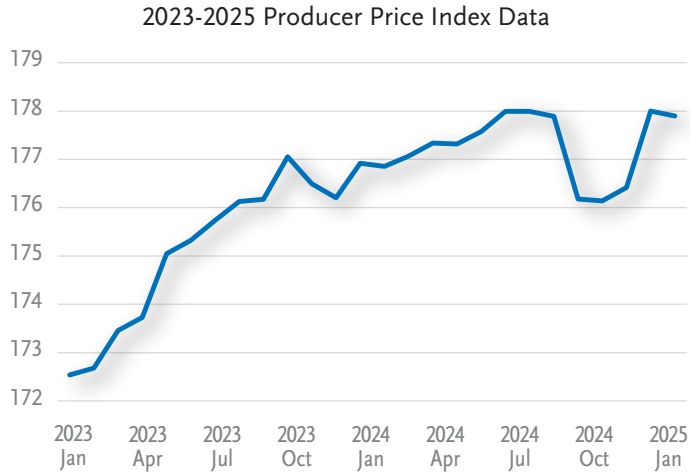
Concrete Subcontractors



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Concrete Contractors, Nonresidential Building Work (PCU23811X23811X). February.[1]

Figure A-2

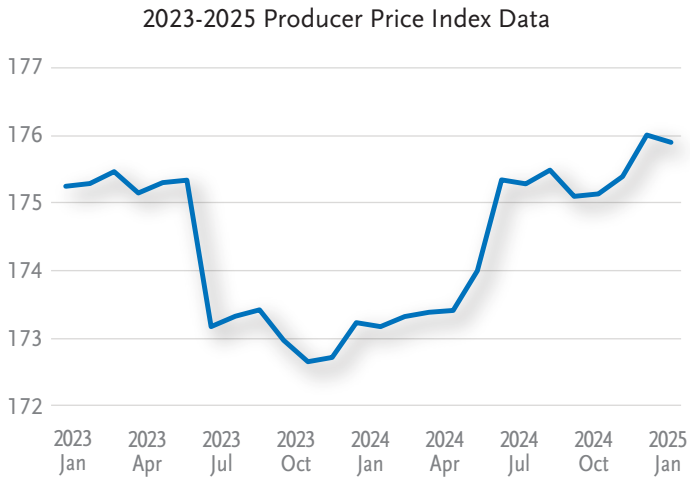
Plumbing & HVAC Subcontractors



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Plumbing, Heating and Air-Conditioning Contractors, Nonresidential Building Work (PCU23822X23822X). February.[2]

Figure A-3

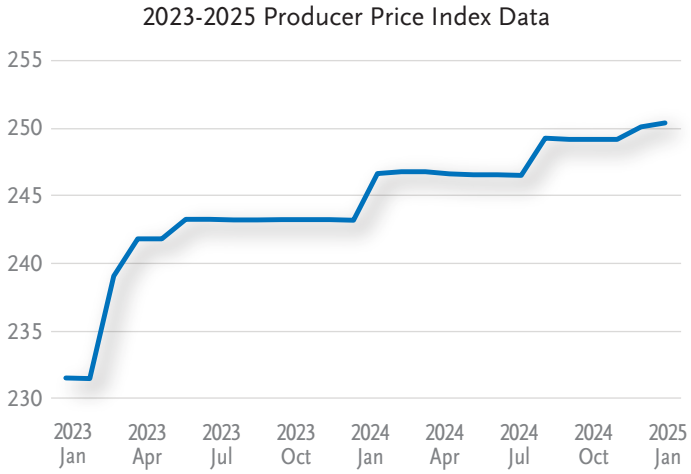
New Non-Residential Building Construction



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Construction (Partial): New Nonresidential Building Construction (WPU801). February.[3]

Figure A-4

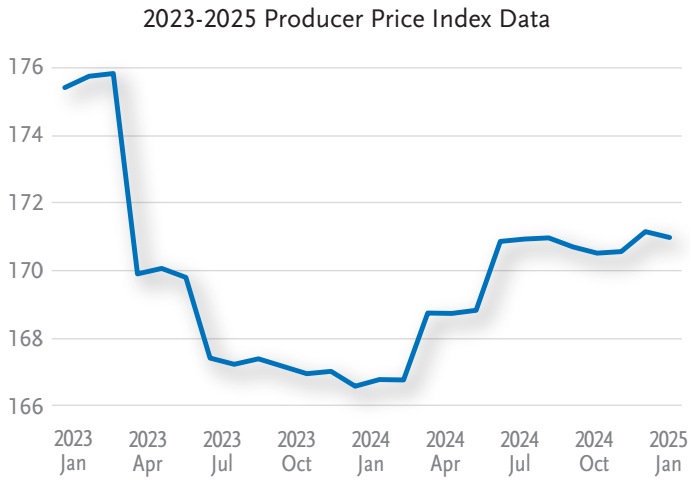
Elevators & Escalators



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Elevator and Moving Stairway Manufacturing (PCU333921333921). February.[4]

Figure A-5

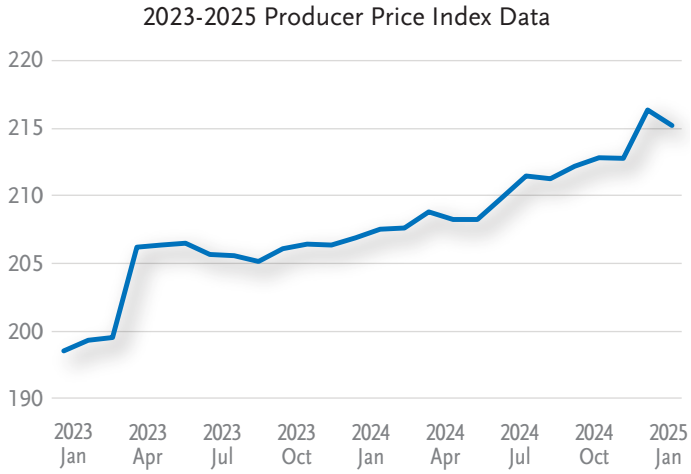
Electric Subcontractors



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Electrical Contractors, Nonresidential Building Work (PCU23821X23821X). February.[5]

Figure A-6

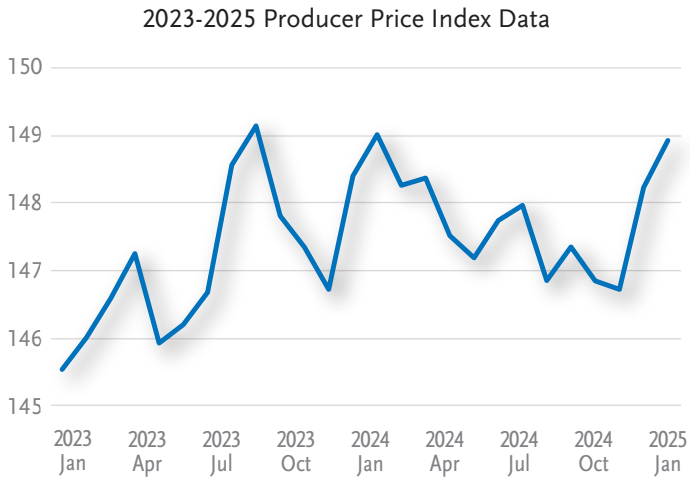
Roofing Subcontractors



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Roofing Contractors, Nonresidential Building Work (PCU23816X23816X). February.[6]

Figure A-7

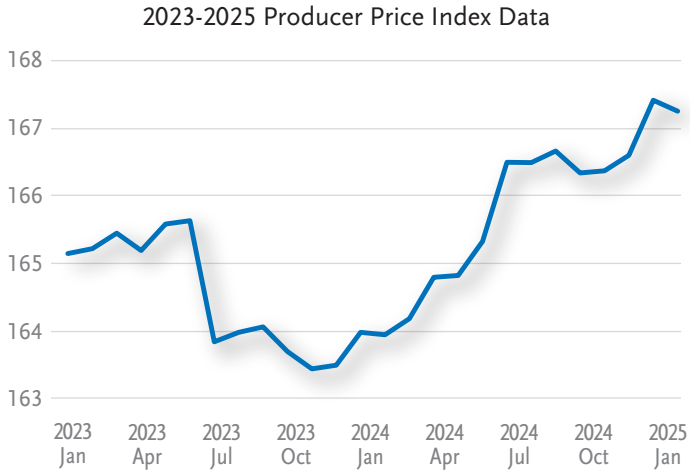
Highway



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Inputs to Industries: Net Inputs to Highways and Streets, Excluding Capital Investment, Labor, and Imports (WPUIP231231). February.[7]

Figure A-8

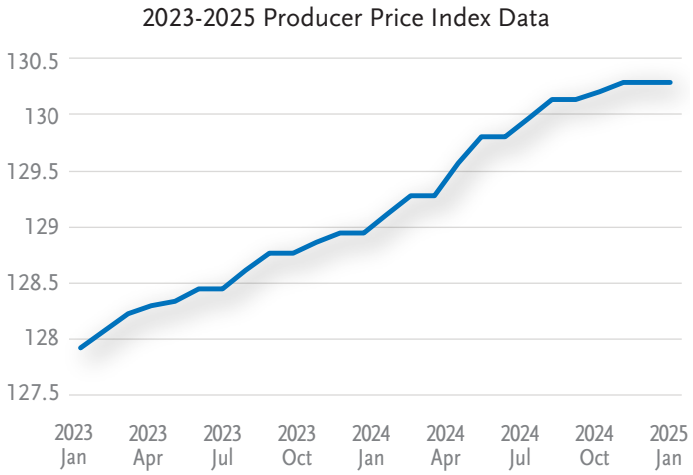
General Construction



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Construction (Partial) (WPU80). February.[8]

Figure A-9

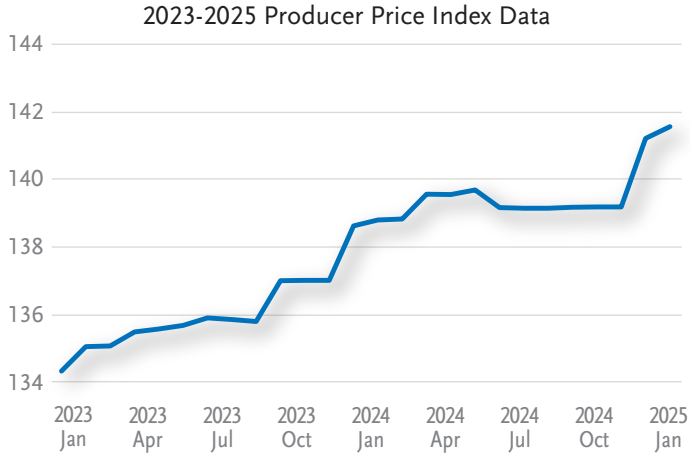
Buses and Firefighting Vehicles



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Transportation Equipment: Buses and Firefighting Vehicles, Complete, Produced on Purchased Chassis (WPU1413027). February.[9]

Figure A-10

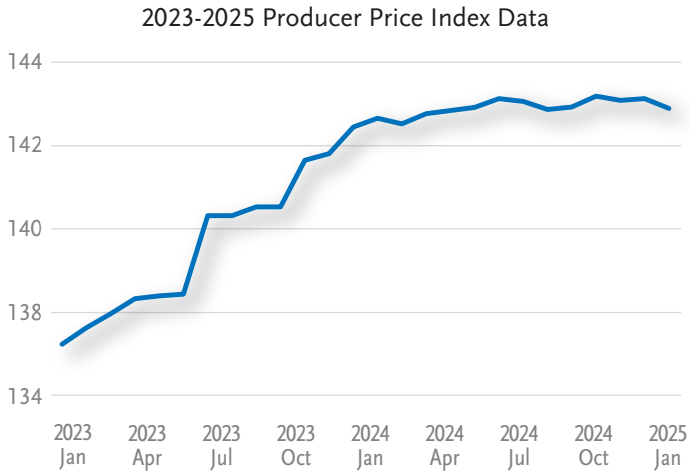
Engineering Services



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Professional Services (Partial): Engineering Services (WPU4532). February.[10]

Figure A-11

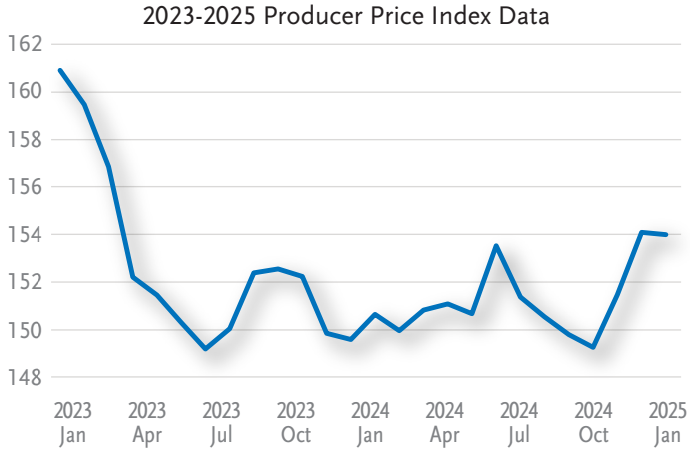
Construction Machinery & Equipment



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Machinery and Equipment: Construction Machinery and Equipment (WPU112). February.[11]

Figure A-12

Trucking Services



Source: US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Transportation Services: Truck Transportation of Freight (WPU3012). February.[12]

Appendix Endnotes

[1] US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Concrete Contractors, Nonresidential Building Work (PCU23811X23811X). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/PCU23811X23811X.

[2] US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Plumbing, Heating and Air-Conditioning Contractors, Nonresidential Building Work (PCU23822X23822X). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/PCU23822X23822X.

[3] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Construction (Partial): New Nonresidential Building Construction (WPU801). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU801.

[4] US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Elevator and Moving Stairway Manufacturing (PCU333921333921). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/PCU333921333921.

[5] US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Electrical Contractors, Nonresidential Building Work (PCU23821X23821X). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/PCU23821X23821X.

[6] US Bureau of Labor Statistics. 2025. Producer Price Index by Industry: Roofing Contractors, Nonresidential Building Work (PCU23816X23816X). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/PCU23816X23816X.

[7] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Inputs to Industries: Net Inputs to Highways and Streets, Excluding Capital Investment, Labor, and Imports (WPUIP231231). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPUIP231231.

[8] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Construction (Partial) (WPU80). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU80.

[9] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Transportation Equipment: Buses and Firefighting Vehicles, Complete, Produced on Purchased Chassis (WPU1413027). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU1413027.

[10] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Professional Services (Partial): Engineering Services (WPU4532). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU4532.

[11] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Machinery and Equipment: Construction Machinery and Equipment (WPU112). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU112.

[12] US Bureau of Labor Statistics. 2025. Producer Price Index by Commodity: Transportation Services: Truck Transportation of Freight (WPU3012). Retrieved from FRED, Federal Reserve Bank of St. Louis. February. https://fred.stlouisfed.org/series/WPU3012.

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.9200 Tel
213.922.5259 Fax

metro.net

Metro®

©2025 LACMTA

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

File #: 2025-0187, **File Type:** Informational Report **Agenda Number:** 14.

CONSTRUCTION COMMITTEE
APRIL 16, 2025

SUBJECT: PROGRAM MANAGEMENT QUARTERLY CHANGE REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Status Report on Program Management Quarterly Change Report.

ISSUE

This report provides a quarterly summary of the use of Board delegated authority to the Chief Executive Officer (CEO) regarding contract changes for transit and regional rail construction projects greater than $500,000.

BACKGROUND

In January 2017, the Board approved a one-year pilot to delegate to the CEO authority to execute project agreements up to the Life-of-Project (LOP) budget for the Crenshaw/LAX, Regional Connector, and Purple Line Extension Section 1 & 2 projects. The purpose of the pilot was to save time and minimize disruption due to the typical contract change administration approval process.

The pilot program was effective, generated cost savings, and avoided costly construction delays. At its January 2018 meeting, the Board approved the continuation and expansion of the delegation of authority within the LOP budget on all Transit and Regional Rail Capital Projects. Staff was directed to provide quarterly reports to the Board on change orders and modifications that are above $500,000 (Attachment A). Board delegated authority to the CEO is very beneficial to expedite contract changes and avoid costly construction delays. Since inception of the program, up to 2,916 concurrent workdays or concurrent 11.3 years, aggregated across the program, have been saved (Attachment B).

DISCUSSION

The change activities for the reporting period between December 1, 2024 - February 28, 2025 are included in Attachment A.

EQUITY PLATFORM

The table below summarizes the percentage of each project within Equity Focus Communities (EFCs). These contract modifications are necessary to complete each capital project, which benefits EFCs.

Project	Percent in Equity Focus Communities
Crenshaw/LAX	8 of 8 stations (100%) are within or adjacent to Equity Focus
Westside Purple Line Ext 1	This project is not located within or adjacent to Equity Focus Communities
Westside Purple Line Ext 2	This project is not located within or adjacent to Equity Focus Communities
Westside Purple Line Ext 3	1 of 2 stations (50%) are within or adjacent to Equity Focus Communities
Division 20	100% of the project is within or adjacent to Equity Focus Communities
Airport Metro Connector	100% of the project is within or adjacent to Equity Focus Communities
Metro Center Project (ESOC)	This project is not located within or adjacent to Equity Focus Communities
Rail to Rail	90% of the project is within or adjacent to Equity Focus Communities
I-5 North County Enhancements	This project is not located within or adjacent to Equity Focus Communities
Metro G Line BRT Improvements	15 of 17 stations (88%) of the project is within or adjacent to Equity Focus Communities
I-105 Express Lanes	92% of the project is within or adjacent to Equity Focus Communities
East San Fernando Valley	100% of the project is within or adjacent to Equity Focus Communities
Link Union Station	100% of the project is within or adjacent to Equity Focus Communities

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

The projects in this report have mixed outcomes, but on the whole, most of the projects in this report will likely decrease VMT in LA County. Within this suite of projects, Metro seeks to reduce single-occupancy vehicle trips, provide a safe transportation system, and increase accessibility to destinations via transit, cycling, walking, and carpooling. Some of the projects within this status report include items that will ease congestion for cars and trucks, or expand vehicle capacity, resulting in the possibility of increased VMT. However, these projects also provide for carpooling infrastructure and reinvestment of funding towards transit projects. In addition, the projects' multi-modal benefits may contribute to offsetting the possible increase in VMT.

While the agency remains committed to reducing VMT through transit and multimodal investments, some projects may induce or increase personal vehicle travel. However, these individual projects aim to ensure the efficient and safe movement of people and goods. Although the three highway projects above may not directly contribute to the achievement of the Board-adopted VMT Reduction Targets, the VMT Targets were developed to account for the cumulative effect of a suite of programs and projects within the Metro region, which individually may induce or increase VMT. Additionally, Metro has a voter-approved mandate to deliver multimodal projects that enhance mobility while ensuring the efficient and safe movement of people and goods.

Project	Increase or Decrease VMT
Crenshaw/LAX	This item has helped to decrease VMT.
Westside Purple Line Ext 1	This item will likely decrease VMT.
Westside Purple Line Ext 2	This item will likely decrease VMT.
Westside Purple Line Ext 3	This item will likely decrease VMT.
Division 20	This item will likely decrease VMT.
Airport Metro Connector	This item will likely decrease VMT.
Metro Center Project (ESOC)	This item will likely decrease VMT.
Rail to Rail	This item will likely decrease VMT.
I-5 North County Enhancements	This item will likely increase VMT.
Metro G Line BRT Improvements	This item will likely decrease VMT.
I-105 Express Lanes	This item will likely increase VMT.
East San Fernandy Valley	This item will likely decrease VMT.
Link Union Station	This item will likely decrease VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal # 5 to provide responsive, accountable, and trustworthy governance within the Metro organization by keeping the Board informed of the Projects' change orders and modifications via submitting the Change Order log on a quarterly basis.

NEXT STEPS

The next Program Management Quarterly Change Report will cover the period of March 1, 2025, through May 31, 2025, and will be presented to the July 2025 Construction Committee.

ATTACHMENTS

Attachment A - Quarterly Change Orders Log for Reporting Period of December 1, 2024 - February 28, 2025.

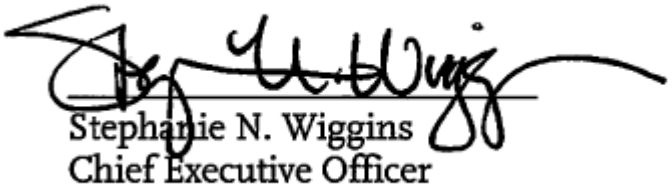
Attachment B - OIG Construction Change Order Spot Checks CEO Delegated Authority Delays Avoided (Through February 2025)

Prepared by:

- **Crenshaw/LAX -** Sameh Ghaly, Deputy Chief Program Management Officer, (213) 418-3369
- **Westside Purple Line Ext 1 -** James Cohen, Senior Executive Officer, Projects Engineering, (323) 900-2114
- **Westside Purple Line Ext 2 -** Zephaniah Varley, Executive Officer, Projects Engineering (interim), (424) 551-4449
- **Westside Purple Line Ext 3 -** Kimberly Ong, Senior Executive Officer, Projects Engineering, (424) 551-4501
- **Division 20 Portal -** Albert Soliz, Deputy Executive Officer, Project Management, (213) 922-4002
- **Airport Metro Connector -** Rafie Zamani, Senior Executive Officer, Projects Engineering (interim), (213) 418-3140
- **Metro Center Project -** Albert Soliz, Deputy Executive Officer, Project Mgmt., (213) 922-4002
- **Rail to Rail -** Rafie Zamani, Senior Executive Officer, Projects Engineering (interim), (213) 418 -3140
- **I-5 North Country Enhancements -** Mathew Antonelli, Deputy Chief Program Management Officer, (213) 893-7114
- **Metro G Line BRT Improvements -** Annalisa Murphy, Deputy Executive Officer, Project Management, (213) 474-6838
- **I-105 Express Lanes -** James Wei, Executive Officer, Program Management, (213) 922-7258
- **East San Fernando Valley Transit Corridor -** Mathew Antonelli, Deputy Chief Program Management Officer, (213) 893-7114
- **Link Union Station -** Michael McKenna, Deputy Chief Program Management Officer, (424) 551-4447
- **Report -** Daniel Estrada, Senior Executive Officer, Program Management (Interim), (213) 418-3076

Reviewed by:

Tim Lindholm, Chief Program Management Officer, (213) 922-7297



Stephanie N. Wiggins
Chief Executive Officer

powered by Legistar™

CRENSHAW/LAX TRANSIT CLOSE OUT PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1221

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
CO-00002.1	Paving for 67th St/Victoria Ave & Martin Luther King Jr Blvd/Arlington Ave: Compensation for costs required to perform civil and pavement restoration including striping at two locations.	5	1/9/2025	1/15/2025	$777,514	$622,000

B. PROFESSIONAL SERVICES CONTRACTS

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO. C1221

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

B) PROFESSIONAL SERVICES CONTRACTS

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

WESTSIDE PURPLE LINE SECTION 1

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1045 - SKANSKA-TRAYLOR-SHEA, A JOINT VENTURE

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
MOD 235	Wilshire/La Cienega Stand-by Generator (Design and Construction): Due to new final design information provided by WPLE2 and WPLE3, WPLE1 must upgrade its standby generators to a larger size to accommodate the increased loads from the Emergency Ventilation Fans, Under Platform Exhaust Fans, and Station UPS units at the Wilshire/La Cienega Station. This change order is being issued to the C1045 contractor to enable the manufacturer to proceed with the procurement and delivery of the generator and load bank for the Wilshire/La Cienega Station.	5	1/15/2025	1/15/2025	$3,342,928	$1,116,083

B. PROFESSIONAL SERVICES CONTRACTS

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO.

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

B) PROFESSIONAL SERVICES CONTRACTS

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

WESTSIDE PURPLE LINE SECTION 2

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1120 - Tutor Perini / O&G, A Joint Venture

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
MOD-00229.1	Additional Project Management, Administration, and Compliance Activities for Changes Issued During Base Design Services (Claim 23, 29, 31, 33, 41, 42, 46 and 61) (CO-63.1): This Change is full and final resolution of Claim 61 and compensates the Contractor for 472 working days of additional Engineering Services comprising Project Management, Administration, and Compliance Activities for Changes issued during Base Design Services which extended the date of the Metro approved (TPOG P6) baseline schedule completion date of October 29, 2018 by 472 working days (2018 – 0 Days; 2019 – 148 Days; 2020 – 215 Days; and 2021 – 109 Days)	5	9/6/2024	1/15/2025	$13,112,680	$6,987,630
MOD-00230.1	Additional Project Management, Administration, and Compliance Activities for Changes Issued During Base Design Services (Claim 58, RFC-00110) (CO-62.2): This Change provides full compensation for and final resolution of Claim 58 (RFC-110) including without limitation, all design work or services, of any nature, rendered or performed from October 1, 2021 to May 31, 2024, including extended design services, and all subcontractor design services and extended design services, from October 1, 2021 to May 31, 2024.	5	10/1/2024	12/30/2024	$2,677,731	$1,475,323
MOD-00234	Upgrade the Spare WRS 16.34kV Rectifier Transformer to Cast Coil: This Change is to upgrade the spare for the 16.34kV Rectifier Transformer from a dry type to a cast coil type.	5	8/23/2024	12/20/2024	$659,277	$659,277
MOD-00236	Non-Metro Standard Fixtures for Art Illumination at Escalator Areas (RFI 311.1): This Change compensates the Contractor to furnish and install light fixture assemblies for the lighting of artwork areas on walls directly adjacent to escalators using non-Metro standard light fixtures to meet Metro artwork lighting requirements, lighting maintenance accessibility requirements, and vandalism prevention requirements.	5	12/20/2024	1/30/2025	$1,579,953	$1,169,914
MOD-00237	Non-Metro Standard Fixtures for Art Illumination at WRS and CCS Excluding Escalator Areas (RFI 311.1 & RFC 169) - Construction: This Change compensates the Contractor to furnish and install light fixtures for artwork lighting areas at Wilshire Rodeo and Century City Stations using non-Metro standard light fixtures to meet Metro artwork lighting requirements.	5	12/30/2024	2/10/2025	$1,059,868	$1,038,391
CO-00079.1	Extended Design Services - June 2024 to December 2025 (RFC-00110): This Change is to compensate the Contractor for additional Project Management, Administration and Contract Compliance for Extended Design Services per GC 32.6.2.E for Contract Modifications (MODs) actively progressing between June 1, 2024 to December 31, 2025 as merited in the response to RFC-00110.	5	N/A	12/31/2024	$0	$680,000
CO-00085	MOA Impacts to Work Activities during 2024 Holiday Moratorium: This Change is to compensate the C1120 Contractor for impacts to the Wilshire/Rodeo station construction activities from work restrictions imposed by the City of Beverly Hills (COBH) Memorandum of Agreement (MOA) during the following period: a. November 28, 2024, through January 1, 2025.	2	N/A	12/30/2024	$0	$682,336
CO-00086.1	BL and BR Tunnels Interface Chamber End Wall Manual Demolition and Additional Cast-In-Place Concrete: This Change is for the additional work required to resolve the differences between the as-built condition left by the C1045 Contractor and the scope of work anticipated in the C1120 Contract Documents (Drawing G-3491) as such to demolish the remaining 30 inches BR and BL tunnel end walls within the PLE1 TBM shields; and complete the additional CIP concrete lining for each tunnel in accordance with Drawing G-3491 Rev 1 including the additional 12 inches between the eastern face of the endwall up to the existing PLE1 CIP lining.	5	N/A	10/31/2024	$0	$733,184
CO-00088	MOA Impacts - Use of Slurry Backfill in Lieu of CMB/Native Soil Backfill: This Change compensates the Contractor for the cost difference for using slurry (100-E-100) backfill in lieu of the base scope Crushed Miscellaneous Base (CMB)/ Native Soil backfill due to the time constraint that has been imposed by COBH MOA which requires deck removal to be conducted over thirteen (13) weekends.	2	N/A	1/7/2025	$0	$2,400,000
CO-00092	**Construction of Special Secondary Lining in Reach 5 BR Tunnel Stationing 664+19 to 669+62 & 682+09 to 687+33 and BL Tunnel Stationing 664+66 to 670+15 & 680+98 to 686+31 (MOD-233, CO-73, & CO-74): This Unilateral Change Notice directs the Contractor to construct the new Special Secondary Liner within the seismic zones of Tunnel Reach 5 to meet additional Lining Performance Criteria.** **Note: The Purple Line Section 2 tunnels cross the Santa Monica fault at two locations. The design has been modified to accommodate more displacement in the event of a Maximum Design Earthquake and to reduce the resulting damage to the tunnels.**	5	N/A	2/14/2025	$0	$72,390,203

B. PROFESSIONAL SERVICES CONTRACTS

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO. C1120 - Tutor Perini / O&G, A Joint Venture

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
CN-00285	MOA Impacts to Work Activities within COBH January 2, 2025, to November 26, 2025 : This Change is to compensate the C1120 contractor for impacts to construction activities from work restrictions imposed by the City of Beverly Hills (COBH) Memorandum of Agreement (MOA) for the Wilshire/Rodeo Station Box and Entrance construction and including work activities at Tunnel Reach 4 between the tunnel interface west of Wilshire/La Cienega Station and Crescent Drive and Tunnel Reach 5 between El Camino Drive and Beverly Hills High School. All work is to be performed during the time period from January 2, 2025, to November 26, 2025.	2	Between $500K and less than $1M

B) PROFESSIONAL SERVICES CONTRACTS

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

WESTSIDE PURPLE LINE SECTION 3

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1152 (TPOG)

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
C1152-CO-00125.2	Hi-Rail Vehicle Storage - CONSTRUCTION ONLY *- The addition of a hi-rail vehicle storage area in the tail track at the west end of the D Line will significantly reduce transit service delays by reducing hi-rail trips back to the B & D Line Yard (Division 20), which is 17 miles away from the tail track area. The storage area will also allow hi-rail vehicles to be turned around to drive back to the yard normally. This will eliminate having to operate hi-rail vehicles abnormally, in reverse for the entire duration back to the yard. In addition, it provides for storage for failed hi-rail vehicles and reduces revenue service disruptions when hirail vehicles need to be deployed to the west end of the Metro D Line.*	5	1/22/2025	2/3/2025	TBD	$1,300,000
C1152-MOD-00142	Westwood/UCLA Station and Westwood/VA Hospital Station - Condenser Unit Relocations - CONSTRUCTION ONLY *- Relocation of the condenser units from the track level corridor to inside the Battery Rooms. By moving the condenser units away from the trainway area, then maintenance will not impact rail operations and will reduce time for maintenance.*	5	2/5/2025	2/27/2025	$749,912	$503,579

B. PROFESSIONAL SERVICES CONTRACTS

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO. C1152 (TPOG)

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
C1152-CO-00135	Reach 6 and Reach 7 – Additional Conduits in Tunnels for Underground Wireless Telecommunications *- Addiontal conduits in the tunnel walkway and cross passages for underground wireless telecommunication. By having the C1152 contractor install these additional conduits while installing base work conduits, this will save time for the follow-on contract that will install underground wireless communications, with the objective to provide wireless service in the tunnels and stations by the Revenue Service Date of WPLE3.*	5	Between $1M and $5M

B) PROFESSIONAL SERVICES CONTRACTS

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

DIVISION 20 PORTAL WIDENING TURNBACK

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO.1136 (TUTOR PERINI CORP)

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
CO-00284	Bungalow A - Civil Site Changes: Contractor to provide all labor, material, and equipment to perform work in accordance to the drawings provided - including the removal and reconstruction of existing Bungalow A and associated infrastructure, permitting, testing and start-up, and communications work.	5	6/28/2024	12/19/2024	$2,274,300	$1,800,000
CO-00294	Schedule B Quantity Increase (Hazardous Soil/Water, Potholing, Fencing, Asbestos Pipe, casings, UG Tanks): The contract change establishes the remaining quantities and unit prices in Schedule B with soil excavation represengin the majority of the increase.	5	9/25/2024	12/19/2024	$2,000,000	$1,940,000

B. PROFESSIONAL SERVICES CONTRACTS

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS (ANSER ADVISORY)

MOD-00011	Continuation of CMSS for Division 20 PWT Project, FY25: This modification provides for continued staffing in accordance with the requested staffing plan for FY25 for six months. This work shall include construction management services as well as a provision for other direct costs associated with supporting the construction staff and services.	5	11/6/2024	12/30/2024	$8,514,140	$7,293,193

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO.1136 (TUTOR PERINI CORP)

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
MOD-00208	Traction Power Substation (TPSS) Civil and Power Changes: This change updates the civil/structural and traction power raceway designs of the tPSS and DWP switchgear site. The contractor shall construct per the revised design drawings.	5	Between $1M and $5M

A. DESIGN BUILD CONTRACT - CONTRACT NO.

MOD-00018	Compensation for Delay Related Costs through Sep 2024: This change reslves all issues concerning extended overhead costs and time delays through September 30, 2024. The equitable adjustment to contract price includes all subcontractors and suppliers for the interruption of schedules and all impacts under the contract.	5	Between $500K and less than $1M

B) PROFESSIONAL SERVICES CONTRACTS

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

AIRPORT METRO CONNECTOR

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BID BUILD CONTRACT - C1197 - Tutor

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
Tutor - C1197 Mod 53 CN 74	Metro Hub and Bike Hub Excessive Deflections The Contractor shall provide all necessary labor, equipment, and materials to complete the work in accordance with the responses provided in the attached RFIs 1458, 1639, 1639R1, 1640, and 1640R1. Work shall include adjustments to miscellaneous steel, framing, glazing, and all other appurtenances that were impacted by the deflected structural steel members.	5	12/24/2024	1/3/2025	$1,105,677	$1,085,414

B. PROFESSIONAL SERVICES CONTRACTS

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BID BUILD CONTRACT - Contract C1197 - Tutor

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
Tutor - C1197 Mod 55 CO 16 CN 75	Design Support During Construction (DSDC) for AMC: Additional design support during construction is needed to support construction contract C1197 through the end of construction.	5	Between $5M and $10M

B) PROFESSIONAL SERVICES CONTRACTS

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

METRO CENTER STREET

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. C52151C1169-2

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B. PROFESSIONAL SERVICES CONTRACTS - ONTRACT NO. AE352790

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - CONCTRACT NO. PS66100MC076001

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO. C52151C1169-2

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
CM# 18005 CN# 00123	Global and Comprehensive Settlement and Release for Project Closeout . Address all remaining open claims, Requests for Information (RFIs), and Change Orders (COs).	3	Between $10M and $15M

B) PROFESSIONAL SERVICES CONTRACTS - CONTRACT NO. AE352790

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - CONCTRACT NO. PS66100MC076001

	None		

RAIL TO RAIL

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1166 Rail to Rail (Griffith)

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
C1166 Mod 107 CO 4.2 CN 18	Permanent Pavement Markings This Modification No. 00107 cancels and supersedes Change Order No.00004.2 in its entirety. Contractor to provide labor, equipment, and material to install permanent Pavement Markings, Curb Markings, Traffic Striping, as defined by Greenbook Section 314 Traffic Striping, Curb and Pavement Markings, as reflected on the AFC Volume 2 plans, and also replacing permanent striping and markings that were affected by the Volume 5 plans.	5 and 7	11/27/2024	1/8/2025	$966,133	$936,000
C1166 Mod 112 CO 30 CN 120	Temporary Traffic Signals and Streetlights Contractor to provide labor, equipment, and material to perform work as shown in the revised plans issued in updated Temporary Traffic Signals and Temporary Street Lighting Plans. Contractor to provide the delta cost associated with the labor, equipment, and materials the contractor originally anticipated for the temporary traffic signal and temporary street lighting work at public right-of-way intersections based on the example case plans provided in the issued for bid documents (Volume 5) versus the approved for construction plans provided to the contractor during construction.	5 and 7	12/17/24	1/17/2025	$1,006,803	$1,006,803
C1166 Mod 113 CO 28 CN 108	SSLE - Bollards Procurement Modification No. 00113, cancels and supersedes Change Order No. 00028 (NTE 352,894) in its entirety. Contractor to procure the following materials as associated with additional scope identified for System Security and Law Enforcement (SSLE) division of Metro: 1. Removable Bollards Qty: 189 2. Non-Removable Bollards Qty: 544 Contractor does not need to provide a material submittal since models are being specified unless Contractor is submitting an equivalent material submittal for review as replacement for what has been specified or if Contractor is noting that specified material does not meet contract specifications (i.e. Buy America, etc.).	5 and 7	12/26/24	1/16/2025	$831,894	$831,894

B. PROFESSIONAL SERVICES CONTRACTS

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO. C1166 - Rail to Rail (Griffith)

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
C1166 Mod 131 CN 125	Design Bulletin (DBul) 125-SSLE Bollards **Installation** Contractor to provide labor, equipment, and material (except actual bollards that were procured separately) to install both removable and non-removable bollards as shown on C1166-DBul-00125-SSLE Bollards along the Metro Right of Way of Rail to Rail project. This will be Mod 131	5 and 7	Between $1M and $5M
C1166 CO 3.3 CN 11 (Mod TBD)	Subsurface Investigation and Demo in Public ROW 1. Contractor is to provide the required labor, material, and equipment necessary to remove any unanticipated obstructions in the way of Rail to Rail permanent work when directed by Metro and in accordance with all appropriate specifications and requirements defined by Metro contract documents and/or Third Party specifications and requirements. This shall include traffic control implementation if needed solely for this change work or portion thereof as needed for this work if combined as appropriate with other base scope of work to which prolongs traffic control needed for such base scope of work. 2. Contractor to provide the required labor, material, and equipment necessary to cut and cap any unanticipated utilities in the way of Rail to Rail permanent work when directed and agreed by Metro that such is a change and in accordance with all appropriate specifications and requirements defined by Metro contract documents and/or Third Party specifications and requirements. This shall include traffic control implementation if needed solely for this change work or portion thereof as needed for this work if combined as appropriate with other base scope of work to which prolongs traffic control needed for such base scope of work. 3. Contractor to provide the required labor, material, and equipment necessary to provide additional investigation such as potholing to determine other possible viable locations for Rail-to-Rail work when directed and agreed by Metro that such is a change in accordance with applicable laws, specifications, etc. This shall include traffic control implementation if needed solely for this change work or portion thereof as needed for this work if combined as appropriate with other base scope of work to which prolongs traffic control needed for such base scope of work.	5	Between $500K and less than $1M

B) PROFESSIONAL SERVICES CONTRACTS

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

I-5 NORTH COUNTY ENHANCEMENTS PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. CONTRACT NO. C70396C1205 - OHL USA, INC.

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B. PROFESSIONAL SERVICES CONTRACTS - CONTRACT NO. AE469080015383 - JACOBS ENGINEERING

MOD 17	POP Extension through July 31, 2027	5	N/A	2/5/2025	$1,993,833	$1,973,441

B. PROFESSIONAL SERVICES CONTRACTS - PO NO. TPAF850460313000

	California Highway Patrol COZEEP	7	N/A	2/19/2025	$1,500,000	$1,500,000

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO. C70396C1205 - OHL USA, INC.

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
MOD 50	Groundwater and BMMO at Gavin Canyon Bents 2 and 3	5	Between $500K and less than $1M
MOD 55	Tamper-Resistant Traffic Pull Box Covers & Boxes	5	Between $1M and $5M

B) PROFESSIONAL SERVICES CONTRACTS

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

METRO G LINE BRT IMPROVEMENTS

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO. PS85661000

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
PS85661000-EWP-MOD-00004	EWP 4: Grade Separations, Station, and Bike Path	5	8/12/2024	12/4/2024	$299,527,006	$299,527,006

B. PROFESSIONAL SERVICES CONTRACTS

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO.

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
TBD	EWP 5: Gated Intersections Design	5	More than $15M

B) PROFESSIONAL SERVICES CONTRACTS

PS54007-TO-014-MOD-00002	Metro Quality Management Consultant (QMC) General Program Development and Execution for Metro G-Line BRT Improvements - FY 2025 & FY 2026	5	Between $500K and less than $1M

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

I-105 EXPRESSLANES

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. CMGC CONTRACT - CONTRACT NO. PS84667000

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B. PROFESSIONAL SERVICES CONTRACTS

	None					

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) CMGC CONTRACT - CONTRACT NO. PS84667000

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	Allowance items including sound blanket, unsuitable soil, underground man-made objects, field design changes, etc. determined in risk register.	5	More than $15M

B) PROFESSIONAL SERVICES CONTRACTS

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

EAST SAN FERNANDO VALLEY

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. PROGRESSIVE DESIGN BUILD CONTRACT - CONTRACT NO. PS89616 SAN FERNANDO TRANSIT CONSTRUCTORS

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B. PROFESSIONAL SERVICES CONTRACTS - CONTRACT NO. AE58083E0129 - GANNETT FLEMING, INC.

PS89856000-CWO-013-MOD-00006 (KKCS/TRIUNITY JV)	**PCSS – ESFV Cost Estimating for PDB** from March 1, 2024, through December 31, 2026. Consultant to 1) Provide additional estimation support to prepare an independent Cost Estimate for Early Works Package (EWP) #07; 2) Continue to provide oversight support and advice on Risk cost development, GMP strategies and trigger points for development of the GMP; Contract language – indemnification & damages, general requirements; and Subcontracting plan review and development of a baseline standard; 3) Develop an independent OPCC based on ESFV plans (60%) provided by Metro; 4) Value Engineering Study participation; 5) Budget Analysis; and 6) Management strategy and progress meetings.	5 - Scope	01/15/25	7/1/2024	$1,979,737	$1,979,737

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) PROGRESSIVE DESIGN BUILD CONTRACT - CONTRACT NO. PS89616 SAN FERNANDO TRANSIT CONSTRUCTORS

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
PS89616000-EWP-CO-00001 (SAN FERNANDO TRANSIT CONSTRUCTORS)	**Procure primary running rail AREMA 115 RE for the full project scope per Metro MRDC**. The procurement and installation of the project wide track rail is currently on the critical path. Due to the projected volitivity of the material goods market, and therefore to secure the best purchase price for the project wide AREMA 115 RE rail, the ESFV Project team will direct SFTC to proceed with the purchase of the rail material.	5 - Scope	Between $5M and $10M

B) PROFESSIONAL SERVICES CONTRACTS - CONTRACTS NO. AE35279 - KKCS/TRIUNITY

	None		

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

LINK UNION STATION

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN $500K IN THIS REPORTING PERIOD (December 1, 2024 - February 28, 2025)

Change Types:
1 - Betterment 2 - Third Party 3 - Differing Site Conditions 4 - Regulatory Requirements 5 - Scope 6 - Value Engineering 7 - Safety

A. DESIGN BUILD CONTRACT - CONTRACT NO.

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in **BOLD** fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					

B. PROFESSIONAL SERVICES CONTRACTS

CW016, Mod 2	Link US - Program Control Support Services (PCSS) - Contract No. PS8985600 - Provide technical resources, knowledge, and expertise to perform cost estimating, scheduling, configuration management and DEOD monitoring services.	5	12/18/24	12/26/2024	$4,659,385	$4,659,385

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN $500K (December 1, 2024 - February 28, 2025)

A) DESIGN BUILD CONTRACT - CONTRACT NO.

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
	None		

B) PROFESSIONAL SERVICES CONTRACTS

AE79441-004-TO-001.2-MOD-00001	ERM - Install structural bracing to temporarily preserve southern wall of Life Storage building as a modified demolition approach due to energized power lines along Commercial St.	5	Between $500K and less than $1M

C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		

Attachment B - OIG Spot Check CEO Delegated Authority Delays Avoided (through February 2025)

Project Name	Total Work Days Saved	Years Saved
Crenshaw/LAX	336	1.3
Regional Connector	463	1.8
Purple Line Section 1	872	3.4
Purple Line Section 2	559	2.2
Purple Line Section 3	486	1.9
Division 20	200	0.8
Airport Metro Connector	169	0.7
Total Savings	**2916**	**11.3**

Program Management
Quarterly Change Report Summary

Tim Lindholm

Chief Program Management Officer

Program Management Quarterly Change Report

- This report summarizes quarterly changes valued at greater than $500,000 for projects managed by Program Management.
- The current Quarterly Change Orders Log is reporting a period from December 1, 2024, through February 28, 2025.
- Changes included in this report are within the approved LOP budget for each project.
- The next Change Order Log will cover the period of March 1, 2025, through May 31, 2025, and will be presented to the July 2025 Construction Committee.

Quarterly Changes
(Dec 1, 2024 – Feb 28, 2025)

Project	# of Approved Changes	Contractor Proposed Amount	Total Approved Amount	Within LOP	# of Pending Changes	Range	Within LOP
Crenshaw/LAX Close-Out	1	$ 777,514	$ 622,000	√	-	-	-
Westside Purple Line Extension Section 1	1	$ 3,342,928	$ 1,116,083	√	-	-	-
Westside Purple Line Extension Section 2*	10	$ 19,089,509	$ 88,216,258	√	1	Between $500K and $1M	√
Westside Purple Line Extension Section 3*	2	$ 749,912	$ 1,803,579	√	1	Between $1M and $5M	√
Division 20 Portal Widening Turnback	3	$ 12,788,440	$ 11,033,193	√	2	Between $500K and $1M, Between $1M and $5M	√
Airport Metro Connector	1	$ 1,105,677	$ 1,085,414	√	1	Between $5M and $10M	√
Metro Center Project	-	-	-	-	1	Between $10M and $15M	√
Rail to Rail	3	$ 2,804,830	$ 2,774,697	√	2	Between $500K and $1M, $1M and $5M	√
I-5 North County Enhancements Project	2	$ 3,493,833	$ 3,473,441	√	2	Between $500K and $1M, $1M and $5M	√
Metro G Line BRT Improvements	1	$ 299,527,006	$ 299,527,006	√	2	Between $500K and $1M, More than $15M	√
I-105 Express Lanes	-	-	-	-	1	More than $15M	√
East San Fernando Valley	1	$ 1,979,737	$ 1,979,737	√	1	Between $5M and $10M	√
Link Union Station	1	$ 4,659,385	$ 4,659,385	√	1	Between $500K and $1M	√

*No contractor proposal, hence the difference between proposed and approved amounts.

OIG Spot Check CEO Delegated Authority Time Saved (Through February 2025)

Project Name	Total Work Days Saved	Years Saved
Crenshaw/LAX	336	1.3
Regional Connector	463	1.8
Purple Line Section 1	872	3.4
Purple Line Section 2	559	2.2
Purple Line Section 3	486	1.9
Division 20	200	0.8
Airport Metro Connector	169	0.7
Total Savings	**2916**	**11.3**

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

Metro

Board Report

File #: 2025-0255, **File Type:** Informational Report **Agenda Number:** 15.

CONSTRUCTION COMMITTEE
APRIL16, 2025

SUBJECT: OFFICE OF THE INSPECTOR GENERAL CONSTRUCTION CHANGE ORDER SPOT CHECKS

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General Construction Change Order Spot Check Report for the period December 1, 2024, to February 28, 2025.

ISSUE

On January 25, 2018, the Metro Board directed the Office of the Inspector General ("OIG") to conduct random spot checks on change orders for the construction projects listed in the quarterly program management report to ensure that the CEO Delegation of Authority to approve Construction Change Orders Policy is performing in the manner desired by the Board of Directors.

BACKGROUND

The OIG's Construction Change Order Spot Check Program ("Spot Checks") focuses on approved change orders and modifications that exceed $500,000. The four change orders in this report were selected from the Program Management Quarterly Major Project Status for the period of December 1, 2024 - February 28, 2025. The OIG gathers data, reviews all the change orders over $500,000 and selects change orders from the major projects. The information for the Spot Checks was collected from the Program Management Information System (PMIS), which is the department's database system. Also, virtual meetings and telephonic interviews were conducted with Metro Program Management, Project Control, and Procurement staff from each involved project office.

For each Spot Check, we summarized:
- Description of the change order,
- Change order detail,
- Scope of Work,
- Budget,
- Schedule (Time to execute the change order),
- Safety, and
- Recommendations (lessons learned are identified starting with this report).

Metro's Program Control department has provided informal responses to this report before its issuance and they are asked to provide written responses to the recommendations in this OIG Spot Checks Report within 30 days after this Report is issued. Included with this report is a spreadsheet with the status of responses concerning previous OIG Spot Check Report recommendations (Attachment B).

DISCUSSION

Spot Checks Performed in this Quarter

Spot Check #1 - The Rail to Rail Active Transport Corridor Project

This OIG Spot Check report concerns the Rail to Rail Active Transport Corridor Project (Contract C1166 MOD 00113), Bollard Procurement.

Change Order Detail

See Attachment A Spot Check #1 table.

Summary #1

Scope of Work - This change order of $831,894 is for MOD 00113. It is related to an increase in the scope of work for the procurement of barricades to mitigate safety concerns on the pedestrian and bicycle paths in various locations of the project. This modification was necessitated by a design change that was recommended by Metro's Systems Security Law Enforcement (SSLE) and supported by the Metro Operations Department.

Budget - This change order for MOD 00113 was approved for $831,894. The Contractor's Proposal (CSP) was $831,894.21, and the Independent Cost Estimate (ICE) was $552,094. The ICE is $279,800 (33.63%) under the CSP. The approved amount was $279,800, which is (33.63%) more than the ICE. The Contractor's Proposal included essential costs that were not accounted for in the ICE, such as storage, touch-up painting, handling and transportation, and anti-graffiti coating. Staff confirmed that funding for this change order is available within the Life-of-Project budget.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The Contractor and Metro agreed on the Scope of Work on December 17, 2024. The modification was awarded on December 26, 2024, and it took the staff six workdays to complete all signature approvals. Under the prior Board approval method for change orders, assuming presentation at the February Board meeting date, it would have taken a total of forty-one workdays to complete the transaction.

Safety - The Rail to Rail Active Transport Corridor Project has 378,019 Project hours through

February 2025 with a Total Recordable Injury Rate (TRIR) of .77 (the Bureau of Labor Statistics National Average is 2.4) and a Days Away Restricted or Transferred (DART) rate of .77 (the Bureau of Labor Statistics National Average is 1.5).

Recommendations/Lessons Learned - The OIG supports the recommendation of SSLE and Metro's ongoing efforts to incorporate safety considerations into public right-of-way management. This approach enhances accessibility and ensures that public spaces are safer and more navigable for all, including pedestrians and cyclists.

Spot Check #2 - The Purple Line Extension Section 2 Transit Project

This OIG Spot Check report concerns the Purple Line Extension 2 (Contract C1120 MOD 00230.1). Additional project staffing, and compliance activities for changes Issued during the base design phase.

Change Order Detail

See Attachment A Spot Check #2 table.

Summary #2

Scope of Work - This unilateral change order of $1,475,323 is for MOD 00230.1. It is related to the Contractor's claim for additional project staffing, compliance, and work performed that was necessitated by design changes from October 1, 2021, to May 31, 2024.

Question to the Purple Line Extension 2 Program Management

The OIG requested an explanation of what caused the need for additional project staffing that the Contractor did not consider and plan during the bidding process.

Response from the Purple Line Extension 2 Program Management

The project underwent significant design changes that exceeded what could have been reasonably anticipated, requiring an increase in project staffing. Examples include reorienting and expanding a station entrance by 90 degrees, a major redesign of the storm drainage system, the impact of a global pandemic, and a change to the final tunnel lining material.

Budget - This unilateral change order for MOD 00230.1 for the amount of $1,475,323. The Contractor's Proposal was $2,677,731, and the Metro Independent Cost Estimate (ICE) was $1,548,617. The ICE is $1,129,114 (42.17%) under the CSP. The unilateral approved amount is $73,294 (4.73%) under the ICE. The staff stated that funds for this change order are within the

recently amended Life-of-Project budget.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The Contractor and Metro agreed on the Scope of Work on November 14, 2024. The modification was awarded on December 20, 2024, and it took the staff twenty-five workdays to complete all signature approvals. Under the prior Board approval method for change orders, assuming presentation at the February Board meeting date, it would have taken a total of sixty-three workdays to complete the transaction.

Safety - The Purple Line Extension 2 Project has 5,515,525 Project hours through February 2025 with a Total Recordable Injury Rate of 2.21 (the Bureau of Labor Statistics National Average is 2.4) and a Days Away Restricted Transferred (DART) rate of .48 (the Bureau of Labor Statistics National Average is 1.5).

Recommendations/Lessons Learned - None.

Spot Check #3 - The Purple Line Extension Section 1 Transit Project

This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045 MOD 00235). The Wilshire/La Cienega Plaza Station Standby Generator, Design and Construction.

Change Order Detail

See Attachment A Spot Check #3 table.

Summary #3

Scope of Work - This change order, in the amount of $1,116,083, pertains to MOD 00235 at the Wilshire/La Cienega Plaza Station. It is related to the design changes and construction improvements that were necessitated to accommodate the larger-capacity standby generator of 2750 kW, as compared to the previous design of 1750 kW. The change order incorporates the Contractor's design, construction, necessary changes to the electrical infrastructure and modifications to the generator enclosure.

Budget - Metro and the Contractor jointly conducted a fact-finding and a technical evaluation to help develop an understanding of the work and establish a mutual agreement for the final amount for MOD 00235 of $1,116,083. The Contractor's Stated Proposal (CSP) was $1,116,083, and the Independent Cost Estimate (ICE) was $1,011,649. The agreed amount is $104,434 (9.36%) over the ICE. The staff stated that funds for this change order are within the Life-of-Project budget.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The Contractor and Metro agreed on the Scope of Work on December 17, 2024. The modification was

awarded on January 02, 2025, and it took the staff eleven workdays to complete all signature approvals. Under the prior Board approval method for change orders, assuming presentation at the February Board meeting date, it would have taken a total of forty-two workdays to complete the transaction.

Safety - The Purple Line Extension 1 Project has 10,762,835 Project hours through January 2025 with a Total Recordable Injury Rate of .82 (the Bureau of Labor Statistics National Average is 2.4) and a Days Away Restricted Transferred (DART) rate of .09 (the Bureau of Labor Statistics National Average is 1.5).

Recommendation/Lessons Learned - I recommend incorporating larger equipment specifications early in the procurement process, which allows for more accurate budgeting and planning. This proactive approach helps establish a consistent set price and reduces the likelihood of unforeseen expenses.

Spot Check #4 - The I-5 North County Enhancement Project

This OIG Spot Check report concerns the I-5 North County Enhancement Project (Contract C70396C1205 MOD 00050), Differing Site Conditions.

Change Order Detail

See Attachment A Spot Check #4 table.

Summary #4

Scope of Work - This change order, in the amount of $535,471.90, pertains to MOD 00050. It is related to differing site conditions on the I-5 North County Enhancement Project Contract C70396C1205. The Contractor was drilling foundations at various depths from July 10, 2023, to September 13, 2023, and encountered groundwater and buried man-made objects (BMMOs) that were not identified in the initial foundation reports submitted during the proposal process. This resulted in additional work and a Request for Change (RFC) by the Contractor.

Question to I-5 North County Enhancement Program Management

The OIG requested an explanation due to the initial vague scope of work and lack of merit documentation provided that is normally required for this type of change order.

Response from I-5 North County Enhancement Program Management

The 2019 Foundations report and the 2017 Boring logs reported soil moisture and density range well below the expectation of encountering groundwater during drilling. The Contractor also encountered concrete that required removal and struck a drain that was not in the As-built drawings that necessitated additional work.

Budget - This change order MOD 00050 was negotiated to $535,471.90. The Contractor's Stated Proposal (CSP) was $535,471.90, and the Independent Cost Estimate (ICE) was $532,200.10. The ICE is $3,271.80 (.61%) under the CSP. The negotiated amount is $3,271.80 (.61%) over the ICE. The staff stated that funds for this change order are within the Life-of-Project budget.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The Contractor and Metro agreed on the Scope of Work on November 25, 2024. The modification was awarded on January 13, 2025. Under the prior Board approval method for change orders, assuming presentation at the February Board meeting date, it would have taken a total of fifty-six workdays to complete the transaction.

Safety - The I-5 North County Enhancement Project has 949,522 Project hours through February 2025 with a Total Recordable Injury Rate (TRIR) of 1.69 (the Bureau of Labor Statistics National Average is 2.4) and a Days Away Restricted or Transferred (DART) rate of .42 (the Bureau of Labor Statistics National Average is 1.5).

Recommendations/Lessons Learned - The project management software "Headlight," which is being used on this project to review the daily reports for the period of the modification, revealed a possible lack of sufficient oversight of documentation and technical input from the Project team and Resident Engineer. There was no record of the modification on Metro's Project Management Information System (PMIS) from the Project team for 19 months. This change order might have been identified a year ago if the project had been more proactive with its modification input on PMIS. This delay of documentation can have an effect on budget management and reserve funds status.

Recommendation 1:

The OIG recommends that the Project team review the Capital Project requirements referred to in the Configuration Management Policies and Procedures in CF01-CF04, CF07, and CF10. Metro's Program Management Information System (PMIS) must be the primary source for document control. Metro's project control procedures require that all modifications be fully documented and supported by technical justification and require the active involvement of the Project team and the Resident Engineer in assessing and recording site conditions and proposed changes.

Recommendation 2:

For best practices of project controls and fostering transparency, modifications should be entered in a

timely manner. The validity of the submitted information is uncertain, and I recommend that the Project team audit the supporting documents for the modification. The documentation input on (PIMS) submitted by the Project team does not align with the dates of the contractor's or inspectors' reporting in the "Headlight," indicating a possible communication disparity between the use of both programs.

Recommendation 3:

The OIG recommends considering negotiating and closing out Contractor claims through early intervention. This theory proactively addresses claims, and helps prevent cost overruns, fosters transparency and cooperation between the Contractor and Project management, and reduces schedule delays, and financial uncertainty; even though some believe it may introduce conflict that could strain the working relationship during the project, the benefits of early engagement often outweigh the risk.

FINANCIAL IMPACT

This report will have no financial impact on the Agency beyond what is described herein.

Impact to Budget

For all of the construction change orders reviewed, Metro stated the funds are within the approved budget and will utilize the contingency funds to cover the cost from the Life-of-Project budget.

- Spot Check #1) $831,894 Rail to Rail Active Transport Corridor Project
- Spot Check #2) $1,475,323 Purple Line Extension Section 2 Transit Project
- Spot Check #3) $1,116,083 Purple Line Extension 1 Transit Project
- Spot Check #4) $535,471.90 I-5 North County Enhancement Project

EQUITY PLATFORM

In the opinion of the OIG, we considered whether these change orders presented any equity-related issues on their face. The OIG did not receive any data concerning community impacts. The OIG observed no obvious disparate impacts created by these change orders on small businesses or low-income persons or by the performance of the work in a manner that impacted a disadvantaged community beyond what is typical and usual when conducting any construction.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality

by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. While this report does not directly encourage taking transit, sharing a ride, or using active transportation. This report is a vital part of Metro's Program Management, Safety in construction, and effective financial management. The Metro Board has adopted an agency-wide Vehicle Miles Traveled (VMT) Reduction Target, and this item generally supports the overall function of the agency therefore this report supports and is consistent with the goals of reducing VMT

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Office of Inspector General reviews large change orders over a calendar quarter and makes recommendations as appropriate to support Metro's Strategic Plan Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization and CEO goals to exercise fiscal discipline to ensure financial stability. The OIG mission includes reviewing expenditures for fraud, waste, and abuse in Metro programs, operations, and resources. For each selected change order reviewed, the OIG evaluates whether there are red flags of fraud, waste, or abuse taking place. We report the details of the significant change orders and make recommendations consistent with the OIG's Construction Best Practices report dated February 29, 2016, and supplemental report in 2023 more particularly focusing on safety, lessons learned, improving efficiencies, and prudent spending.

NEXT STEPS

The OIG shall provide every quarter, an ongoing spreadsheet of recommendations to Program Control and Program Control. Program Control and Program Management agrees to respond to the recommendations of the OIG within 30 days. The OIG continues to meet periodically to discuss reports, recommendations, and the status of implementation of the recommendations with Project Management, and receive updates. The list of OIG recommendations and Metro management responses is an attachment to this OIG report (Attachment B).

ATTACHMENTS

Attachment A - Change Order Details for Spot Checks in this report
Attachment B - OIG Recommendations and Responses Tracking Sheet

Prepared by: Stuart Bermudez, Construction Specialist Investigator, (213) 244-7324
Reviewed by: Karen Gorman, Inspector General, (213) 244-7337



Karen Gorman
Inspector General

Spot Check #1 – The Rail to Rail Active Transport Corridor Project – Contract C1166

Change Order Detail

Description of Modification or Change Order – MOD 00113 Bollard Procurement	
Change Order Dates:	
Scope of Work approved	December 17, 2024
Awarded to the Contractor	December 26, 2024
Elapsed Time for Executing Change Order:	
Using new delegated process	6 workdays
Estimate using former Board approval process Agenda for the February Board	41 workdays
Cost of Change Order:	
Metro independent cost estimate (ICE)	$552,094
Contractor's proposed cost	$831,894.21
Negotiated amount	$831,894
Percentage of negotiated amount *over/under* ICE	33.63%
Amount less than the Contractor's Stated Proposal (CSP)	$279,800

Spot Check #2 – The Purple Line Extension Section 2 Transit Project - Contract C1120

Unilateral Change Order Detail

Description of Modification or Change Order – MOD 00230.1 Additional Project Staffing	
Change Order Dates:	
Scope of Work approved	November 14, 2024
Awarded to the Contractor	December 20, 2024
Elapsed Time for Executing Change Order:	
Using new delegated process,	25 workdays
Estimate using former Board approval process Agenda for the February Board	63 workdays
Cost of Change Order:	
Metro Independent Cost Estimate (ICE)	$1,548,617
Contractor Stated Proposal (CSP)	$2,677,731
Unilateral Approved Amount	$1,475,323
Percentage of negotiated amount *over/under* (ICE)	4.73%
Amount less than the Contractor's Stated Proposal (CSP)	$1,202,408

Spot Check #3 – Purple Line Extension Section 1 Transit Project - Contract C1045

Change Order Detail

Description of Modification or Change Order – MOD 00235 Wilshire/La Cienega Station Plaza Standby Generator, Design and Construction	
Change Order Dates:	
Scope of Work approved	December 17, 2024
Awarded to the Contractor	January 02, 2025
Elapsed Time for Executing Change Order:	
Using new delegated process,	11 workdays
Estimate using former Board approval process Agenda for the February Board	42 workdays
Cost of Change Order:	
Metro Independent Cost Estimate (ICE)	$1,011,649
Contractor Stated Proposal (CSP)	$1,116,083
Negotiated Amount	$1,116,083
Percentage of negotiated amount *over/under* (ICE)	9.36%
Amount less than the Contractor's Stated Proposal (CSP)	$104,434

Spot Check #4 – The I-5 North County Enhancement Project - Contract C70396C1205

Change Order Detail

Description of Modification or Change Order – MOD 00050 Differing Site Conditions	
Change Order Dates:	
Scope of Work approved	November 25, 2024
Awarded to the Contractor	January 13, 2025
Elapsed Time for Executing Change Order:	
Using new delegated process,	31 workdays
Estimate using former Board approval process Agenda for the February Board	56 workdays
Cost of Change Order:	
Metro Independent Cost Estimate (ICE)	$532,200.10
Contractor Stated Proposal (CSP)	$535,471.90
Negotiated Amount	$535,471.90
Percentage of negotiated amount *over/under* (ICE)	.61%
Amount less than the Contractor's Stated Proposal (CSP)	$3,271.80

Attachment B - OIG Spot Check Tracking Log: Fiscal Year Recommendations and Responses Pending Resolution

ATTACHMENT B (APRIL 2025)			
OIG REPORT, SPOT CHECK, # MOD #	**RECOMMENDATIONS**	**MANAGEMENT'S RESPONSES**	**COMPLETION DATE**
#1 The Rail to Rail Active Transport Corridor Project. This OIG Spot Check report concerns the Rail to Rail Active Transport Corridor Project (Contract C1166, MOD 00113) Bollard Procurement.	The OIG requested an explanation to why Metro accepted the contractor's proposal of $831,894.21, which was 33% higher than the Independent Cost Estimate, and what caused such a significant difference between the two amounts? The OIG supports the recommendation of SSLE and Metro's ongoing efforts to incorporate safety considerations into public right-of-way management. This approach enhances accessibility and ensures that public spaces are safer and more navigable for all, including pedestrians and cyclists.	The Project Team accepted the Contractor's proposal due to several factors. To meet the substantial completion date and the scheduled opening in April, the Project incurred additional costs to expedite the procurement process. Consequently, the Contractor included an expediting fee to ensure timely delivery. Additionally, the Contractor's proposal accounted for costs not included in the Independent Cost Estimate but essential for the Project, such as storage, touch-up painting, handling/transportation, and anti-graffiti coating.	March 7, 2025
#2 The Purple Line Extension Section 2 Transit Project. This OIG Spot Check report concerns the Purple Line Extension 2 (Contract C1120, MOD 00230.1). Additional project staffing and compliance activities for changes issued during the base design phase	**Question to the Purple Line Extension 2 Program Management**. The OIG requested an explanation of what caused the need for additional project staffing that the Contractor did not consider and plan during the bidding process. No Recommendations for this spot check on the basis of management's response.	The project underwent significant design changes that exceeded what could have been reasonably anticipated, requiring an increase in project staffing. Examples include reorienting and expanding a station entrance by 90 degrees, a major redesign of the storm drainage system, the impact of a global pandemic, and a change to the final tunnel lining material.	March 13, 2024
#3 The Purple Line Extension Section 1 Transit Project. This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045, MOD 00235) The Wilshire/La Cienega Plaza Station Standby Generator, Design and Construction.	**OIG Recommendations/Lessons Learned** – The OIG recommends incorporating larger equipment specifications early in the procurement process, which allows for more accurate budgeting and planning. This proactive approach helps establish a consistent set price and reduces the likelihood of unforeseen expenses.	This recommendation is pending a response from Management.	
#4 The I-5 North County Enhancement Project. This OIG Spot Check report concerns the I-5 North County Enhancement Project (Contract C70396C1205, MOD 00050) Differing Site Conditions.	**OIG Recommendations/Lessons Learned** – The project management software "Headlight," which is being used on this project to review the daily reports for the period of the modification. There was no record of the modification on Metro's Project Management Information System (PMIS) from the Project team for 19 months. There was no comment by the Resident Engineer about the site conditions concern in the Daily Reports in Headlight. Management indicates that this is because it is in the Risk Register until the change order is complete. The OIG does not currently have access to the database. We request access to that in the future to enable us to better evaluate these types of matters.	Management responded: Management indicated that the information was being tracked on a risk register and was pending merit from the contractor.	April 12, 2025

	Recommendation 1: The OIG recommends that the Project team review the Capital Project requirements referred to in the Configuration Management Policies and Procedures in CF01-CF04, CF07, and CF10. Metro's Program Management Information System (PMIS) must be the primary source for document control, such that a major pending change order has a placeholder noted in PMIS. **Recommendation 2:** For best practices of project controls and fostering transparency, modifications should be entered in a timely manner. The validity of the submitted information is uncertain, and I recommend that the Project team audit the supporting documents for the modification. The documentation input on (PIMS) submitted by the Project team does not align with the dates of the contractor's or inspectors' reporting in "Headlight," indicating a possible communication disparity between the use of both programs, unless the information is contained in the Risk Registry. **Recommendation 3:** The OIG recommends considering negotiating and closing out Contractor claims through early intervention. This theory proactively addresses claims, and helps prevent cost overruns, foster transparency and cooperation between the Contractor and Project management, and reduces schedule delays, and financial uncertainty; even though some believe it may introduce conflict that could strain the working relationship during the project, the benefits of early engagement often outweigh the risk.		

Attachment B - OIG Spot Check Tracking Log: Fiscal Year Recommendations and Responses Pending Resolution

ATTACHMENT B (FEBRUARY 2025)			
OIG REPORT, SPOT CHECK, # MOD #	**RECOMMENDATIONS**	**MANAGEMENT'S RESPONSES**	**COMPLETION DATE**
#1 Airport Metro Connector (AMC) Project. This OIG Spot Check report concerns the Airport Metro Connector (Contract C1197, MOD 00045) LRT Excessive Deflection.	The OIG requested a response from the Project Management team to a series of questions to justify Metro's reasoning for approving the cost. To streamline future adjustments, it is recommended to implement engineering controls and monitoring systems to detect anomalies early in the project lifecycle. Additionally, Metro's quality assurance protocols could benefit from enhancements that balance safety, quality, time, and budget considerations. For instance, ensuring adequate time for structural completion before commencing finishing works could prevent similar change orders in the future.	Response and justification from Management: a) The variation between the ROM, ICE, and final Change Amount resulted from additional RFI details and evolving market and project conditions that increased costs. After contractor negotiations, the increase was deemed justifiable. A cost-benefit analysis weighed deflection corrections against schedule impacts, leading to the most efficient solution. Two in-person negotiation rounds ensured the contractor's proposal was accurate and aligned with field performance. b) Recovery costs were deemed unfeasible for AMC due to complex project conditions, including delegated designs, challenging field scenarios, tight schedules, logistical constraints, and structural steel integration. Lacking evidence of significant design or workmanship issues by the Engineer of Record (EOR) or Contractor, no basis exists to invoke warranties or pursue recovery.	November 13, 2024
#2 WS Purple Line Ext. 2 Project. This OIG Spot Check report concerns the WS Purple Line Extension 2 (Contract C1120, MOD 00227) Storm Drain /Unforeseen Conditions.	I have requested a response from the Project Management team to a series of questions to justify Metro's reasoning. The prime contractor and infrastructure designer did not account for the sewer lateral in their plans because there was no indication in reference documents provided by the Los Angeles Bureau of Engineering (LABOE). The contractor utilized utility location methods (i.e., potholing and GPR) which were unsuccessful. I reviewed the contractor processes and as-build utility records with the Los Angeles Bureau of Engineering (LABOE), which revealed no records of the private sewer lateral and supports the justification of the change order.	The cost for the modification encompassed temporary remediation and repair of the sewer lateral, which was an unforeseen condition not reflected in the city-provided as-built drawings. These unexpected circumstances necessitated immediate corrective action to maintain project continuity and further impact residents. The OIG accepts Management's justification of modification.	November 7, 2024

Attachment B - OIG Spot Check Tracking Log: Fiscal Year Recommendations and Responses Pending Resolution

#4 Airport Metro Connector (AMC) Project. This OIG Spot Check report concerns the Airport Metro Connector 96th St Transit Station (Contract C1197, MOD 00049) Improvements of the north-end perimeter site fencing**.**	The OIG requested Management's justification to the modification and reasoning that necessitated the improvements to north-end perimeter site fencing.	The change includes costs associated with the design, materials, and construction that were necessitated by the increased number of bus chargers and modifications implemented by the LADWP.	October 24, 2024

Attachment B - OIG Spot Check Tracking Log: Fiscal Year Recommendations and Responses Pending Resolution

ATTACHMENT B (JANUARY 2024)			
OIG REPORT, SPOT CHECK, # MOD #	**RECOMMENDATIONS**	**MANAGEMENT'S RESPONSES**	**COMPLETION DATE**
#1 Division 20 Portal Widening Turnback Project. This OIG Spot Check report concerns the Division 20 Portal Widening Turnback Project (Contract C1136, MOD 0109) Lighting Various Civil and Electrical Changes.	The OIG recommends continuing forward with cost recovery from the Designer of Record.	Management concurs with the OIG recommendation and intends to pursue cost recovery for errors and omissions (E&O) from the Design Firm of Record.	November 23, 2023
#2 Airport Metro Connector (AMC) Project. This OIG Spot Check report concerns the Airport Metro Connector (Contract C1197, MOD 00027) Low Voltage Cabling.	The OIG recommends that the project office contacts the Airport monorail construction support team and recommend the they install the Low Smoke Zero Halogen (LSZH) type fiber optic cable also.	The Project will coordinate with LAWA to install Corning's NFPA 130 compliant optical cable type which also meets Low Smoke Zero Halogen (LSZH) classification to be consist with the optical cables on AMC project.	November 17, 2025
#3 The Purple Line Extension Section 1 Transit Project. This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045, CO 0045) SCE and LAWDP Change to Electrical Rooms and Equipment, Construction and Design with minor changes.	The OIG recommends staff work closely with SCE and LADWP to confirm their approvals for the requested work and to update any MRDC standard or specification to ensure that Metro corrects any out of date standards in relations to SCE or LADWP. It is recommended that Management discuss with the Diversity and Economic Development Department if the standard change order language might be revised to indicate a particular SBE/DBE goal for the change order "unless the contractor has already met the SBE/DBE goal for the contract as a whole".	**#3 (Top Half):** The Project will continue to work closely with DWP/SCE. Metro engineering (Gateway) can look into updating the MRDC with some of the more significant changes that DWP/SCE requested but It should be noted that many of the changes that LADWP and SCE request are not in the ESR Manual or any other type of standard but came about due to safety concerns as they progressed through the work in the field. **#3 (Bottom Half):** The Project Manager and DEOD clarified the Contract requirements for achieving the DBE goal for Changed Work in the above attached letter.	November 30, 2025

Attachment B - OIG Spot Check Tracking Log: Fiscal Year Recommendations and Responses Pending Resolution

ATTACHMENT B (OCTOBER 2023)			
OIG REPORT, SPOT CHECK, # MOD #	**RECOMMENDATIONS**	**MANAGEMENT'S RESPONSES**	**COMPLETION DATE**
#1 Division 20 Portal Widening Turnback Project. This OIG Spot Check report concerns the Division 20 Portal Widening Turnback Project (Contract C1136, MOD 0092) Rebar for Contact Rail Encasement.	The OIG recommends an updated ICE reflecting the complete work that should have been requested to aid in the negotiations with the contractor for final settlement. Lessons Learned is to evaluate duct banks in trenches for compliance with applicable city standards and loading requirements for static and dynamic loading demands when installing these. Future design plans should include this as a requirement to check.	This recommendation is pending response from Management	

Attachment B - OIG Spot Check Tracking Log: Fiscal Year Recommendations and Responses Pending Resolution

ATTACHMENT B (JANUARY 2022)			
OIG REPORT, SPOT CHECK, # MOD #	**RECOMMENDATIONS**	**MANAGEMENT'S RESPONSES**	**COMPLETION DATE**
#4 WS Purple Line Extension 3 Project. This OIG Spot Check concerns the Purple Line Extension EXT.3 (Contract C1152 MOD-0007) Replacement Parking at VA Hospital Lot 42During Station Construction.	The OIG recommends that the Contractor be instructed to timely submit cost proposals, enter negotiations, and sign agreements before work is performed so Metro can process the work order close in time to work being performed, not only to pay the contractor but to help ensure the sub-contractors are paid timely.	This recommendation is pending response from Management	

File#
2025-0255

Office of Inspector General Construction Change Order Spot Check Report

Presented By:

Karen Gorman

Inspector General

April 2025
Construction Committee
Los Angeles County Metropolitan Transportation Authority

Metro

Spot Checks 1 & 2

File#
2025-0255

1 – The Rail to Rail Active Transport Corridor Project

Bollard Procurement

Recommendation: ***Award: $831,894***

The OIG supports the recommendation of SSLE and Metro's ongoing efforts to incorporate safety into public right-of-way management.

2 – The Purple Line Extension Section 2 Transit Project

Additional Project Staffing

Recommendation: ***Award: $1,475,323***

None

April 2025
Construction Committee
Los Angeles County Metropolitan Transportation Authority

Metro

Spot Checks 3 & 4

File#
2025-0255

3 – The Purple Line Extension Section 1 Transit Project

Wilshire/La Cienega Standby Generator

Recommendation: ***Award: $1,16,083***

I recommend incorporating larger equipment specifications early in the procurement process, which allows for more accurate budgeting and planning. This proactive approach helps establish a consistent set price and reduces the likelihood of unforeseen expenses.

4 – The I-5 North County Enhancement Project

Differing Site Conditions

Recommendation: ***Award: $535,471***

The recommendations arising from this Spot Check indicate that place holders should be inserted into Metro's Project Management Information System (PMIS) to note when negotiations are occurring concerning a change order, and that the Project Team conduct a comprehensive audit of the supporting documentation associated with the modification in this case.

April 2025
Construction Committee
Los Angeles County Metropolitan Transportation Authority

Metro

Spot Check Schedule Comparison

File#
2025-0255

Project	Title of Change Order	Time Saved Executed Date to Board Mtg.	New Delegated Process Final SOW to Executed Date	Formal Board Approval Process
The Rail to Rail Active Transport Corridor Project	Bollard Procurement	35	6	41
The Westside Purple Line Extension 2 Transit Project	Additional Project Staffing	38	25	63
The Purple Line Extension Section 1	Wilshire /La Cienega Plaza Design and Construction Standby Generator	31	11	42
The I-5 North Country Enhancement Project	Differing Site Conditions	24	32	56

April 2025
Construction Committee
Los Angeles County Metropolitan Transportation Authority

Metro