

Metro

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



Metro

Agenda - Final

Thursday, May 16, 2019

10:15 AM

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

Construction Committee

Robert Garcia, Chair

Jacquelyn Dupont-Walker, Vice Chair

Kathryn Barger

Janice Hahn

James Butts

John Bulinski, non-voting member

Phillip A. Washington, Chief Executive Officer

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

PUBLIC INPUT

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

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

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

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

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

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

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

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DISCLOSURE OF CONTRIBUTIONS

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LIMITED ENGLISH PROFICIENCY

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



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TDD line (800) 252-9040

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

CALL TO ORDER**ROLL CALL****APPROVE Consent Calendar Item: 28**CONSENT CALENDAR**28. SUBJECT: SMALL BUSINESS BONDING ASSISTANCE PROGRAM**[2019-0156](#)**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a Contract to Merriwether & Williams Insurance Services (MWIS) for a not to exceed amount of \$2,197,870 for a three-year Bonding Assistance Program, effective June 1, 2019 to May 31, 2022;
- B. ADOPTING a resolution, Attachment A, authorizing the Chief Executive Officer and other Authorized Officers to continue the \$4,000,000 line of credit with Bank of America at a cost of \$18,000 per year, for three years and to execute as needed, individual standby letters of credit at a cost of \$2,000 each or 2% of the value of each letter of credit executed, whichever is greater, for a not-to-exceed amount of \$294,000; and
- (REQUIRES SEPARATE, SIMPLE MAJORITY VOTE OF THE FULL BOARD)
- C. AUTHORIZING the Chief Executive Officer to approve a no cost Memorandum of Understanding (MOU) with the City of Los Angeles (City) for participation in the City's Contractor Development and Bonding Assistance Program.

Attachments: [Attachment A - Board resolution to Execute Line of Credit](#)

NON-CONSENT**29. SUBJECT: PROGRAM MANAGEMENT MAJOR PROJECT STATUS REPORT**[2019-0207](#)**RECOMMENDATION**

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

Attachments: [Attachment A - Program Management Major Project Status Report - May 2019.r](#)

40. SUBJECT: STATUS REPORT ON FINANCIAL FORECAST TO DELIVER TWENTY-EIGHT BY '28 [2019-0224](#)

RECOMMENDATION

RECEIVE AND FILE status report on financial forecast to deliver the Twenty-Eight by '28 Initiative.

Attachments: [Presentation](#)

(ALSO ON EXECUTIVE MANAGEMENT COMMITTEE)

30. SUBJECT: CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR BUS CAPITAL PROJECTS [2019-0187](#)

RECOMMENDATION

AUTHORIZE:

- A. an increase to the total funding for Contract PS26331 with MARRS Services, Inc., for pending and future task orders to provide Construction Management Support Services (CMSS) in an amount not to exceed \$3,000,000, increasing the total value from \$3,000,000 to \$6,000,000;
- B. the Chief Executive Officer to exercise the two one-year options in Contract PS26331; and
- C. the Chief Executive Officer to execute individual Task Orders (TOs) and Contract Modifications within the Board approved contract funding amount.

Attachments: [Attachment A - Procurement Summary](#)
[Attachment B - Contract Modification-Task Order Log](#)
[Attachment C - DEOD Summary](#)

31. SUBJECT: PATSAOURAS BUS PLAZA STATION PROJECT [2019-0195](#)

RECOMMENDATION

INCREASE the Life of Project Budget for Patsaouras Bus Plaza Station Project (CP Number 202317) by \$11,120,000, increasing the Life of Project Budget from \$39,793,000 to \$50,913,000.

Attachments: [Attachment A - PBPS Archaeological Features Location Map](#)
[Attachment B - August 2018 Board Box PBPS Archaeological and Native Ameri](#)
[Attachment C - Procurement Summary.pdf](#)
[Attachment D - Contract Modification/Change Log.pdf](#)
[Attachment E - LOP Funding and Expenditure Plan.pdf](#)

32. SUBJECT: AIRPORT METRO CONNECTOR PROJECT[2019-0221](#)**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No.6 for Contract No. PS298340011486 with Gruen Associates, for design (Phase II) and construction support (Phase III) modifications for Site Work, New Shoofly, Rail Platform Revisions and Design Adjustments in the firm fixed amount of \$2,064,031.93 increasing the total contract value from \$17,954,941 to \$20,018,972.93; and
- B. INCREASE Contract Modification Authority (CMA) specific to Contract No. PS298340011486 with Gruen Associates, in correspondence with the increased contract, in the amount of \$3,607,065 , increasing the total authorized CMA amount from \$3,557,979 to \$7,165,044 and authorize the CEO to execute contract modifications within the approved CMA amount.

Attachments:[Attachment A - Procurement Summary](#)[Attachment B - Contract Modification Change Log](#)[Attachment C - DEOD Summary](#)**33. SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT**[2019-0256](#)**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to award Contract C45161C1152 to Tutor Perini/O&G, JV, for the final design and construction of the Westside Purple Line Extension Section 3 Project Stations, Trackwork, Systems and Testing in the amount of \$1,363,620,000, pursuant to the Federal Transit Administration (FTA) approved Letter of No Prejudice (LONP) instead of a Full Funding Grant Agreement at this time.

SUBJECT: GENERAL PUBLIC COMMENT[2019-0288](#)

RECEIVE General Public Comment

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

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



Board Report

File #: 2019-0156, File Type: Contract

Agenda Number: 28.

CONSTRUCTION COMMITTEE MAY 16, 2019

SUBJECT: SMALL BUSINESS BONDING ASSISTANCE PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award a Contract to Merriwether & Williams Insurance Services (MWIS) for a not to exceed amount of \$2,197,870 for a three-year Bonding Assistance Program, effective June 1, 2019 to May 31, 2022;
- B. ADOPTING a resolution, Attachment A, authorizing the Chief Executive Officer and other Authorized Officers to continue the \$4,000,000 line of credit with Bank of America at a cost of \$18,000 per year, for three years and to execute as needed, individual standby letters of credit at a cost of \$2,000 each or 2% of the value of each letter of credit executed, whichever is greater, for a not-to-exceed amount of \$294,000; and

(REQUIRES SEPARATE, SIMPLE MAJORITY VOTE OF THE FULL BOARD)

- C. AUTHORIZING the Chief Executive Officer to approve a no cost Memorandum of Understanding (MOU) with the City of Los Angeles (City) for participation in the City's Contractor Development and Bonding Assistance Program.

ISSUE

Metro responded to the small business community's request to implement a bonding assistance program that would provide support in obtaining the required bonding for construction companies seeking to participate on Metro construction contracts. The City of Los Angeles also identified bonding as a barrier for small contractors and implemented a citywide bonding assistance program. Metro piggy-backed on the City's contract to implement a Contractor Development and Bonding Assistance Program (CDBAP) for 1-year which was scheduled to end February 28, 2019.

Metro staff again participated in the City's RFP process in November 2018, and is seeking to renew its memorandum of understanding (MOU) with the City, and issue a new contract with Merriwether and Williams (MWIS) to administer Metro's Contractor Development and Bonding Assistance program (CDBAP) for a total of 3 years. As part of this contract, MWIS will subcontract with a certified Small Business Enterprise (SBE) and a Disabled Veteran Business Enterprise (DVBE). MWIS has committed to a 19.06% SBE and 4.33% DVBE commitment.

BACKGROUND

Previously, Metro staff participated in the City's request for proposal (RFP) process in November of 2017 for its Citywide Bonding Assistance Program, and partnered with the City via an MOU to provide contractor development and bonding assistance to contractors interested in construction contracts. The RFP panel selected Merriwether & Williams Insurance Services as the broker for this process, with whom Metro entered into a separate contract to implement its program. The CDBAP Pilot program, which Metro implemented for one year, provided training, business development, education and bonding assistance to many small businesses from March 1, 2018 to February 28, 2019. The contract was extended through April 2019 to allow for renegotiation and renewal of the CDBAP.

Government agencies are required to obtain, from their prime contractors, performance and payment bonds on public works contracts over \$25,000. Payment bonds are required by Public Contracts Code Section 7103 and shall be equal to 100% of the contract price. Public Contract Code Section 6825 requires a design-build entity to provide payment and performance bonds for the project and in no case shall the payment bond be less than the amount of the performance bond. FTA Circular 4220.1f states the Common Grant Rules require performance and payment bonds in the amount of 100% of the contract price for construction contracts. Therefore, Metro construction contracts require its prime contractors to provide Payment and Performance bonds in the amount of 100% of the contract price in the form and format provided by Metro.

Public Contract Code section 4108 states it is the responsibility of each subcontractor submitting bids to a prime contractor to be prepared to submit a faithful performance and payment bond, if so requested by the prime contractor. It should be noted that this same Section requires the prime contractor to state in its written or published request for bids if the expense of the bond(s) is to be borne by the subcontractor.

METRO'S PILOT PROGRAM SUMMARY

Metro established a \$4,000,000 program line of credit with Bank of America, and a \$250,000 maximum or 40% (whichever is lower) per bond transaction cap dollar amount for contractors needing bonding assistance. The City of Los Angeles' program has the same established limits. Metro assembled a bonding Task Force consisting of the Diversity & Economic Opportunity Department, Risk Management, Treasury, Vendor/Contract Management and Project Construction Management.

Merriwether and Williams Insurance Services (MWIS) administered Metro's one-year pilot CDBAP

program from March 1, 2018 through April 30, 2019. MWIS provided bonding education and business development services to contractors through classes held at Metro and at MWIS offices. MWIS participated in outreach events throughout the county to engage with and educate small businesses on Metro’s contractor development and bonding program, and provided technical assistance on preparing businesses to become bondable. A business’ ability to secure a bond demonstrates the financial stability of the business. Therefore, training and business development is a critical component of Metro’s CDBAP program. Some of the services provided by MWIS during the pilot program period are listed below.

Tasks Performed by Merriwether & Williams	Number of times
Conducted assessments or completed work plans for small businesses	123
Conducted enrollment meetings or contractor consultations	57
Referred contractors to resource providers or prime contractors for contracting opportunities	108
Attended or participated in Metro pre-bid conferences	46
Consulted small business owners on bonding/contractor development services	99
Process bond requests	4
Bonds issued	1
Referred small businesses to Metro certification, pre-qualification or vendor portal	59
Provided contract monitoring, project support or contract review for small businesses	22
Completed profiles for small businesses	114
Participated in sponsored events to promote or present Metro’s contractor development and bonding assistance program	318
Participated in Council District workshops to promote the program	11
Referred or encouraged small businesses to pursue contracting opportunities	1549

Over the past year, MWIS met with Metro staff bi-weekly to discuss outreach activities, ensuring small businesses were aware of Metro’s CDBAP program and providing staff with updates on the training and resources that were provided to small businesses. MWIS presented “Bonding101” workshops in several Metro Board Supervisorial districts, at small business events, and other construction outreach events where businesses could potentially require bonding assistance. MWIS presented or hosted informational tables about the CDBAP program at Metro pre-bid meetings, Transportation Business Advisory Council meetings, Meet the Primes, Meet the Buyers and other outreach events.

Although Metro processed 4 bond requests and issued one bond during the pilot period, in comparison, the City implemented their program for three years before issuing their first bond. Metro

staff is encouraged that a bond was issued in the first year and anticipates more bonds will be issued as the CDBAP program gains exposure.

There were five agencies participating in this bonding program during the pilot period. The participating agencies include Los Angeles World Airports, Department of Water and Power, the Port of Los Angeles, SCM Public Works and Metro. It should be noted that the County of Los Angeles has joined this new consortium and is committed to participate in this new agreement.

DISCUSSION

Findings

The bonding program is a definite benefit to DBE, SBE, DVBE and minority owned businesses. In addition to providing bond support, the CDBAP program provides business assessment, business development planning, marketing, financial and proposal writing support for businesses seeking construction contracts. MWIS has worked with 114 businesses during the pilot year at Metro and learned that there are barriers to issuing bonds other than financial resources.

Contract opportunities: Businesses only need assistance with bonding after they have already secured a construction contract opportunity. If a contractor does not have a construction contract opportunity, they have no need for bonding, thus there is no need for Metro's CDBAP program. Staff has worked to ensure MWIS is present at every event possible where potential contracting opportunities are available to increase the exposure of the CDBAP program. Staff and MWIS have worked to present the CDBAP program to prime contractors so they may provide this resource to their subcontractors.

Program Exposure: The bonding assistance outreach events conducted by MWIS and Metro staff revealed that many businesses are not yet aware of Metro's CDBAP program. Staff is working on promoting the CDBAP program to ensure small businesses are aware that the program exists so more businesses may take advantage of the program. Staff recently launched its revamped Metro CDBAP website which includes links to contractors who are attending or who have completed MWIS' contractor development and bonding assistance training program. The website also includes highlights of the bond that was issued to G&F Concrete Cutting, Inc., and the groundbreaking ceremony of the Rosa Parks Station project. The prime contractor who provided the contracting opportunity to G&F Concrete Cutting, Inc. is also spotlighted, and staff intends to highlight other success stories on the CDBAP website.

Set-Aside Program: Metro's successful small business Set-Aside Program was recently revised which may create a greater need for the CDBAP program. Previously, three responsible bids were required to execute an award to a small business on a set-aside solicitation. The revised requirements will allow a contract award to be executed if one responsible bid is received from a small business responding to a set aside solicitation. The set-aside program may generate more construction contracting opportunities that may require bonding assistance.

Staff also believes that more time is needed to promote and implement Metro's CDBAP program. Staff will continue to work with MWIS and the small business community to identify barriers to

securing bonding and developing remedies to eliminate any hindrances.

Metro staff is requesting to continue the bonding program for 3 years. Metro staff is also considering conducting more outreach with internal staff for this program compared to the pilot year.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this item supports Metro's Strategic Goal 5.5: Metro will expand opportunities for businesses and external organizations to work with us. The CDBAP program expands Metro's capability to contract with construction companies on our projects, and also expands small businesses' ability to qualify for larger construction contract opportunities that have increased bonding requirements.

FINANCIAL IMPACT

Staff is requesting to renew the CDBAP program at a not-to-exceed cost of \$2,491,870 for three years. This includes \$2,197,870 for the MWIS contract and \$294,000 for Bank of America services. This cost represents nearly a 40% annual reduction compared to the budget approved for Metro's CDBAP pilot program.

The funding amount is based on the anticipated level of services. Funding for these services is included in the proposed FY20 budget for the various Metro projects. Costs of the program will be paid by the projects for which the contractors are providing services. The project managers and Chief Vendor/Contract Management Officer will be accountable for budgeting the costs in future years.

Impact to Budget

The projects utilizing this program are funded with multiple sources of funds: federal and state grants, federal loans, bonds and local sales taxes, some of which are eligible for bus and rail operations and capital improvements.

ALTERNATIVES CONSIDERED

The Metro Board could choose to not renew the CDBAP program, however, that would not provide small businesses the bonding support they might need to perform on Metro construction projects.

NEXT STEPS

- Upon Board approval, staff will execute a Contract with MWIS for a 3 year term for bonding assistance services.
- Execute a no cost Memorandum of Understanding with the City of Los Angeles for a 3 year term.

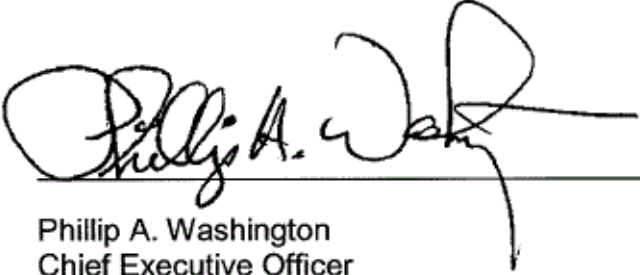
- Report program activity and performance to the Board after 12 months

ATTACHMENTS

Attachment A - Board Resolution to Authorize Line of Credit

Prepared by: Keith A. Compton, Director DEOD, (213) 922-2406
Tashai Smith, DEO DEOD, (213) 922-2128

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



Phillip A. Washington
Chief Executive Officer

BOARD RESOLUTION

RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
AUTHORIZING ENTERING A LINE OF CREDIT FACILITY TO SUPPORT THE BONDING ASSISTANCE PROGRAM

WHEREAS, this Board of Directors deems it desirable and in the best interest of the agency to enter into a Line of Credit with a financial institution to support the Bonding Assistance Program, and

WHEREAS, this Board of Directors has broad authority to establish such Line of Credit indebtedness, and

WHEREAS, the Line of Credit to support the Bonding Assistance Program has a strong transportation and public purpose

NOW, THEREFORE, BE IT RESOLVED, that this agency establish an annually renewable Line of Credit (LOC) up to \$4,000,000.

RESOLVED FURTHER that the Chief Executive Officer, Chief Financial Officer, or Treasurer of this agency are hereby authorized, directed and empowered to execute, for and on behalf of this agency and in its name, any and all documents required in connection with the Line of Credit, including but not limited to any agreements and notes with such changes, thereto as the person executing same shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

RESOLVED, that the officers of this agency are, and each acting alone is, hereby authorized to do and perform any and all such acts, including execution of any and all documents and certificates, as such officers shall deem necessary or advisable, to carry out the purposes and intent of the foregoing resolutions.

RESOLVED FURTHER, that any actions taken by such officers prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed and approved as the acts and deeds of this agency.



Board Report

File #: 2019-0207, File Type: Oral Report / Presentation

Agenda Number: 29.

CONSTRUCTION COMMITTEE MAY 16, 2019

SUBJECT: PROGRAM MANAGEMENT MAJOR PROJECT STATUS REPORT

ACTION: ORAL REPORT

RECOMMENDATION

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

DISCUSSION

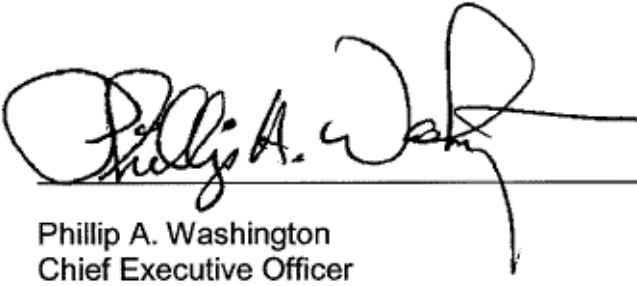
Update report covering the month of May 2019 by the Chief Program Management Officer.

ATTACHMENTS

Attachment A - Program Management Major Project Status Report

Prepared by:

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



Phillip A. Washington
Chief Executive Officer

Program Management Major Project Status Report

Presented By

Richard Clarke

Chief Program Management Officer

May 2019

Construction Committee

Los Angeles County Metropolitan Transportation Authority



PROJECT BUDGET & SCHEDULE STATUS SUMMARY CHART

Project	Cost Performance	Schedule Performance	Comments
Crenshaw/LAX			Project is 92% complete. Metro issued non-compensable time extension to contractor extending Contract Substantial Completion Milestone to December 2019. The forecast revenue service date is Spring/Summer 2020.
Regional Connector			Project is 57% complete and proceeding on schedule and within budget.
Westside Purple Line Extension-Section 1			Project is 47% complete and proceeding on schedule and within budget.
Westside Purple Line Extension-Section 2			Project is 16% complete and proceeding on schedule and within budget.
Westside Purple Line Extension-Section 3			C1151 Tunnels Contract - Issued Notice to Proceed (NTP) to Frontier-Kemper/Tutor Perini, a Joint Venture on January 15, 2019. Metro received FTA's Letter of No Prejudice for the C1152 Stations, Trackwork, Systems, and Testing Contract on April 18, 2019.
Patsaouras Plaza			Project is 65% complete. Metro has been delayed since April 2018 due to archaeological and Native American issues. With anticipated construction delay of 384 calendar days, a LOP budget increase of \$11.12M will be presented to the Board for approval. Project expected to resume construction May 2019.
Willowbrook/Rosa Parks Station			Package A is 35% complete with exterior paneling work progressing on the Customer Service Building. Structural work is nearly complete at the Mobility Hub Building. Blue Line Station and Mezzanine work continues with pile work. Package B 100% bid package being prepared.
Metro Blue Line Projects			Metro Blue Line south segment construction work is proceeding per schedule. Opening of the south side and closure of the north side scheduled for June 1, 2019.
I-210 Barrier Replacement			Finding effective mitigation measures to some of the non-standard freeway features along with mitigation measures to alleviate freeway traffic disruption during construction are delaying the project.
I-5 North: SR 118 to SR 134			Segment 1 & 2 (SR 118 to Buena Vista) are complete and open to traffic. Segment 3 (Empire) is 73% complete. Segment 4 (Magnolia to SR-134) is 90% complete.
I-5 South: Orange County Line to I-605			Segment 2 (Valley View) is 40% complete. Segment 3 (Rosecrans) is open to traffic. Segment 4 (Imperial) is 95% complete. Segment 5 (Florence) is 78% complete.

May 2019



On target



Possible problem



Major issue



Metro 2

Construction Committee

Los Angeles County Metropolitan Transportation Authority

CRENSHAW/LAX TRANSIT PROJECT

BUDGET

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

SCHEDULE

	<u>Current</u>	<u>Forecast</u>
REVENUE OPERATION	Spring/Summer 2020	Spring/Summer 2020

- Overall Project Progress is 92% complete; addressing contractor construction schedule.
- Contractor continues critical construction efforts in the north end underground structures.
- Working with 3rd parties to complete power drops for traction power substations in support of testing systems equipment .
- Contractor addressing open sidewalk and street punch list items along alignment.



Installing electrical conduit in underground tunnel



Ribbon cutting ceremony for Southwestern Yard on April 3

May 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 3

REGIONAL CONNECTOR TRANSIT PROJECT

OK BUDGET

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

OK SCHEDULE

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

- Overall Project Progress is 57% complete.
- Underground:** Began work on Floating Slab Track curbs, and HDPE (waterproofing) installation of Sequential Excavation Method (SEM) Cavern in preparation for final liner concrete.
- Little Tokyo/Arts District Station, WYE and 1st Street:** Excavation and related support of excavation, utility protection continues at WYE and 1st Street; and structural concrete operations on station walls continue.
- Historic Broadway Station:** Structural concrete continues with exterior walls in station entrance and concourse.
- Grand Av Arts/Bunker Hill Station:** Structural concrete walls continue to be erected at multiple levels throughout station.
- Flower Street:** Excavation and utility protection south of 5th continues. Concrete operations between 4th and 5th Streets continue.



HDPE installation at SEM Cavern headwall



Concourse level concrete pour prep at Grand Ave Arts/Bunker Hill Station

May 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 4

WESTSIDE PURPLE LINE EXTENSION – SECTION 1

BUDGET

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

* Includes Board approved LOP budget plus finance costs.

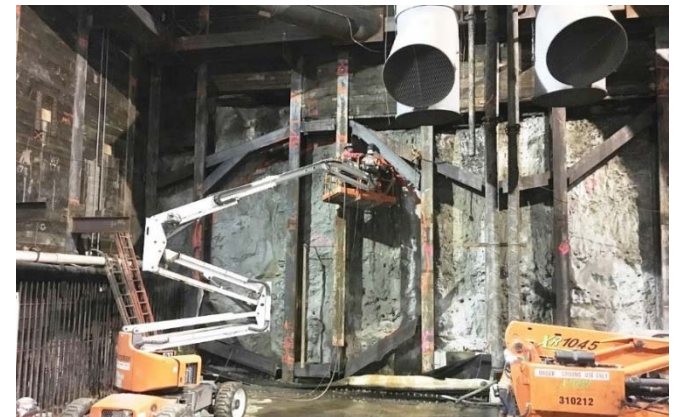
SCHEDULE

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

- Overall Project Progress is 47% complete.
- Wilshire/Western Retrieval Shaft:** Preparation for Tunnel Boring Machine (TBM) arrival in June 2019, including framing installation for tunnel eyes. Gantry crane installation is anticipated in May 2019.
- Wilshire/La Brea Station:** Rebar, embedded conduit and pipe sleeve installation at concourse slab continues with the first placement of concrete scheduled at end of April 2019. Tunnel ring installation for Reach 2 is underway.
- Wilshire/Fairfax Station:** HDPE placement is underway; placement of the protection slab is scheduled in April 2019 with installation of invert rebar to follow.
- Wilshire/La Cienega Station:** Level C strut installation is complete. Level D strut installation is scheduled to start in April 2019. Bottom of excavation is anticipated to be reached in August 2019.
- Reach 1 TBM Progress (W/LB to W/W):** TBM #1 – 6,517 ft. or 67%; TBM #2 – 5,548 ft. or 57% as of April 9, 2019.



Installation of Conduit at Wilshire/La Brea Station



Reach 2 Tunnel Ring Installation at Wilshire/La Brea Station

May 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 5

WESTSIDE PURPLE LINE EXTENSION – SECTION 2



BUDGET

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

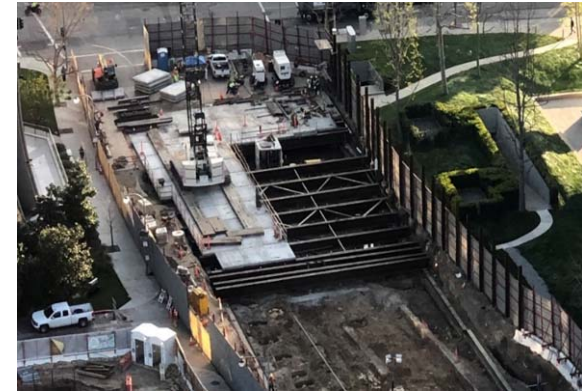
* Includes Board approved LOP budget plus finance costs.



SCHEDULE

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

- Overall Project progress is 16% complete.
- Final design progress is 92% complete.
- **Century City Constellation**
 - Installation of all thirty (30) deck beams for the Tunnel Boring Machine (TBM) launch box have been completed as of April 2, 2019.
 - Installation of the temporary street deck panels for the TBM launch box are ongoing.
 - Excavation of TBM launch box has commenced and is ongoing.
 - Santa Monica bus layover construction is ongoing with an anticipated completion in May 2019.
 - Civil work for LADWP Power and AT&T was completed in December 2018. Cable pulling and splicing for both utilities will continue through November 2019.
- **Wilshire/Rodeo**
 - Potholing for underground utilities by the contractor has commenced and is ongoing.
 - Demolition of north staging yard properties was completed on April 2, 2019.



TBM Launch Box Overview



Installed Deck Beams

May 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 6

WESTSIDE PURPLE LINE EXTENSION – SECTION 3



BUDGET

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

* Includes Board approved LOP budget plus finance costs.



SCHEDULE

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

- C1151 Tunnel Contract – Started detailed design, stakeholder coordination and mobilization planning.
- C1152 Stations, Trackwork, Systems, and Testing Contract – Metro received FTA’s Letter of No Prejudice on April 18, 2019.
- C1153 Advanced Utility Relocations (AUR) Contract – Overall progress is over 90% complete, power work is complete and only water remains.
- Joint trench for combining Verizon and Frontier telecommunications started in February 2019 and is ongoing.



Slurry Backfilling Laterals on Wilshire Blvd.



Water Line Excavation and Potholing

May 2019



On target



Possible problem



Major issue


Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 7

PATSAOURAS PLAZA BUSWAY STATION

 BUDGET		
	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$39.7M	\$50.9M

 SCHEDULE		
	<u>Current</u>	<u>Forecast</u>
SUBSTANTIAL COMPLETION	March 2020	May 2020

- Overall project progress remains at approximately 65% complete.
- Project contractor and construction suspension continues since April 24, 2018 due to archaeological and Native American resource issues.
 - Project team is working diligently to resume construction with FTA and the Consulting Parties in May 2019.
- Archaeological investigation and treatment field work was completed on April 12, 2019.
 - To date, 37 archaeological features including human remains were discovered.
- Construction suspension of 384 calendar day requires Life of Project (LOP) budget increase of \$11,120,000, to be presented in a separate Board item for approval.
 - This LOP budget request includes global settlement negotiations with contractor.



WILLOWBROOK/ROSA PARKS STATION

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

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

- Package A: Customer Service building is moving beyond framing with exterior paneling commencing. Major utility bottleneck has cleared and will work towards May completion. Mobility Hub Building structural work nearing completion.
- Package C: Demolition on Blue Line Platform and Mezzanine in progress while structural pile/column work is in progress.
- Package B: Final coordination of 100% documents in progress.



Exterior sheathing at Customer Service Building



Utility Work



Structural Steel Installation for Mobility Hub



Pile work at Blue Line Platform

May 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



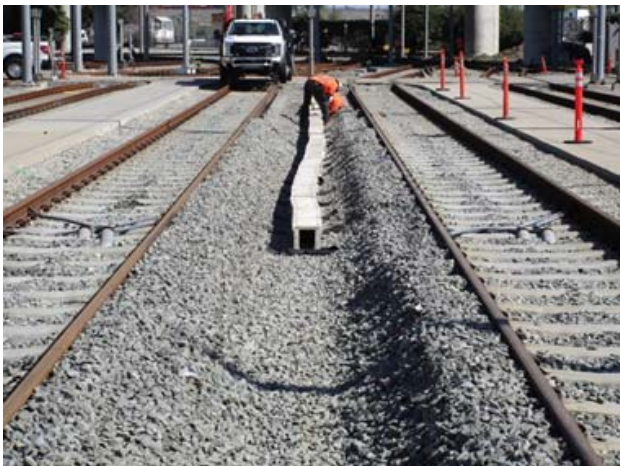
Metro 9

THE NEW BLUE CLOSURE

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

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

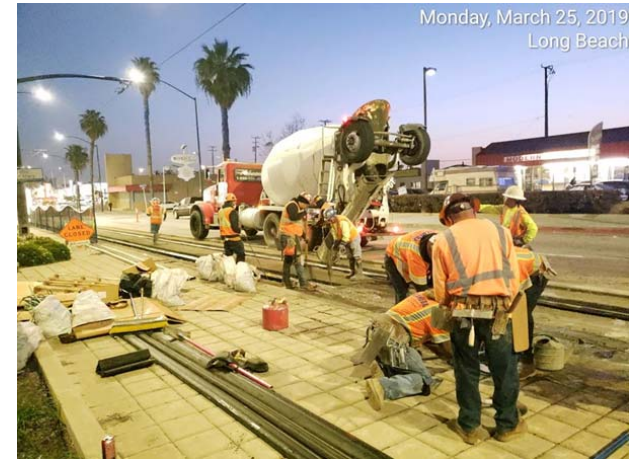
- Rail replacement work is 90% complete, Overhead Catenary System (OCS) work is 80% complete.
- Compton new interlocking Local Field Acceptance Tests (LFAT) is continuing.
- Painting of the OCS and light poles is continuing.
- Train Control work in Division 11 started.
- Re-opening of the south side and closure of the north side scheduled for Saturday, June 1, 2019.



New conduit trough in Division 11



Train Control LFAT continuing



Pouring Concrete for new track construction

May 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



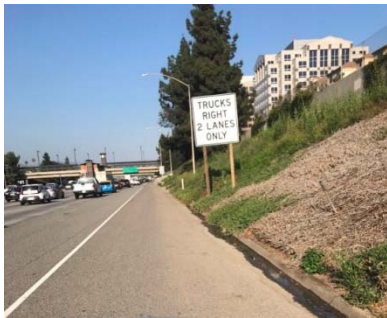
Metro 10

I-210 BARRIER REPLACEMENT PROJECT

BUDGET		
	<u>Current</u>	<u>Forecast</u>
TOTAL COST	\$11.08M	\$22.54M
	Design	Design

SCHEDULE		
	<u>Current</u>	<u>Forecast</u>
Complete Design (Proj 1)	Summer 2019	Summer 2019
Complete Design (Proj 2)	Spring 2020	Spring 2020

- Completed traffic micro-simulation studies to quantify the traffic delays during construction which are expected to be beyond the normal acceptable range and providing for effective mitigation measures.
- Coordinating mitigation measures with Caltrans to address existing non-standard freeway features and other non-standard features caused by this project. Draft document for Project 1 submitted to Caltrans.
- Project 1: Segment from Michillinda to Iconic Bridge – Completed Surveying. Informed the Cities of Pasadena and Arcadia about the project. Continuing environmental studies and final design concurrently.
- Project 2: Segment from west end of the project to Michillinda – Completed traffic micro-simulation studies.



Newly Installed Caltrans Freeway Sign



Incident in 2014



Newly Installed Speed Limit Sign

May 2019



On target



Possible problem



Major issue

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Metro 11

I-5 Construction Projects (By Caltrans)



May 2019
Construction Committee
Los Angeles County Metropolitan Transportation Authority

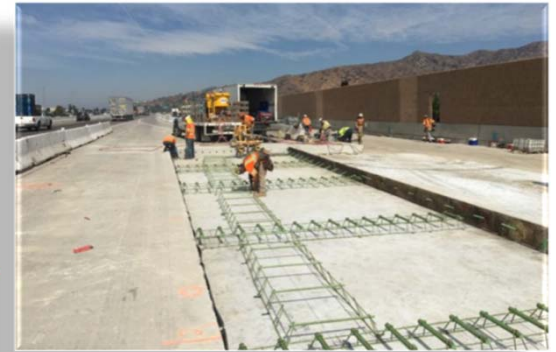
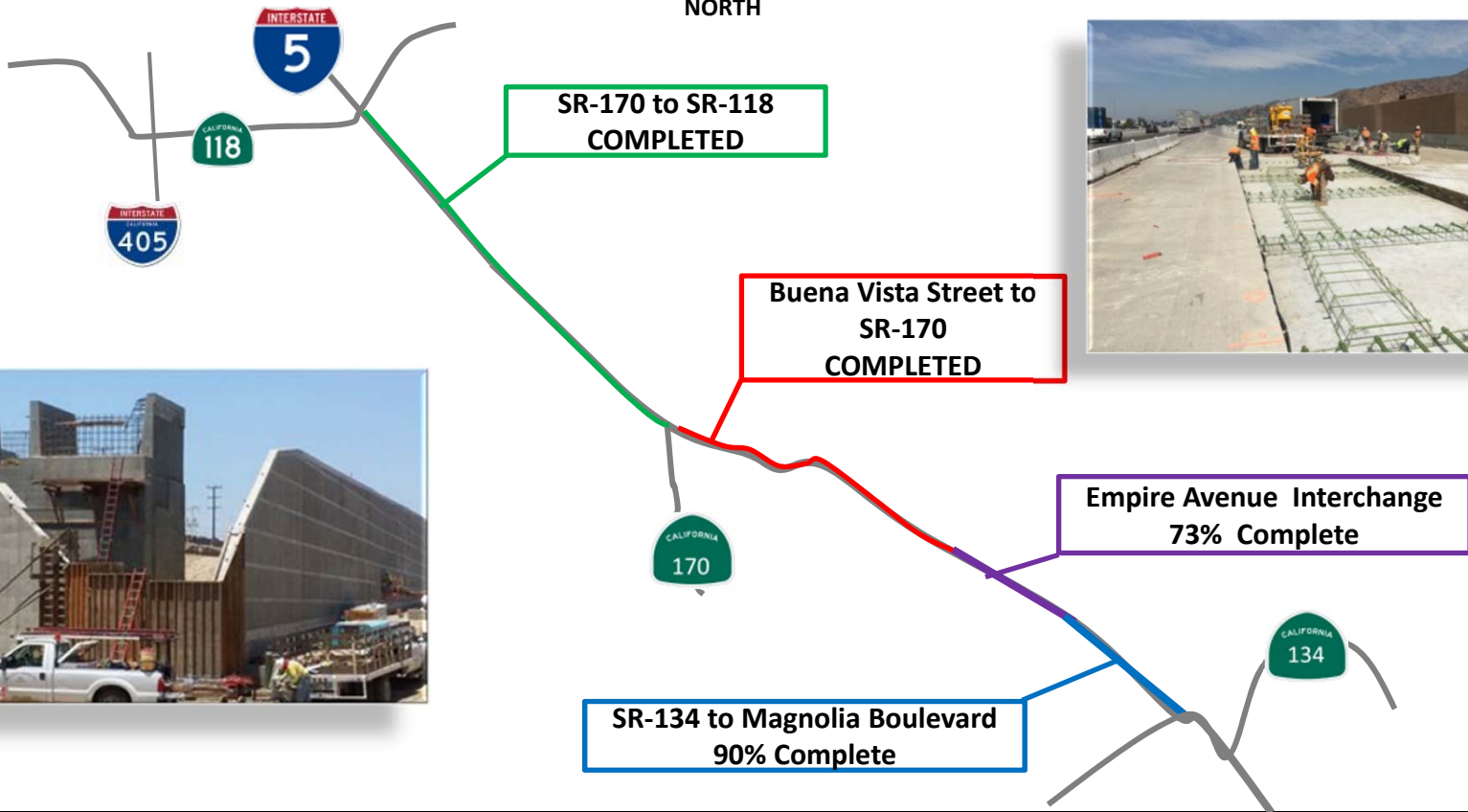


I-5 NORTH: SR 118 TO SR 134



⚠ BUDGET		
TOTAL COST	Current \$880.9M	Forecast TBD

🟡 SCHEDULE		
ANTICIPATED PROJECT COMPLETION	Current Spring 2022	Forecast Summer 2022



May 2019



On target



Possible problem



Major issue



Metro 13

Construction Committee

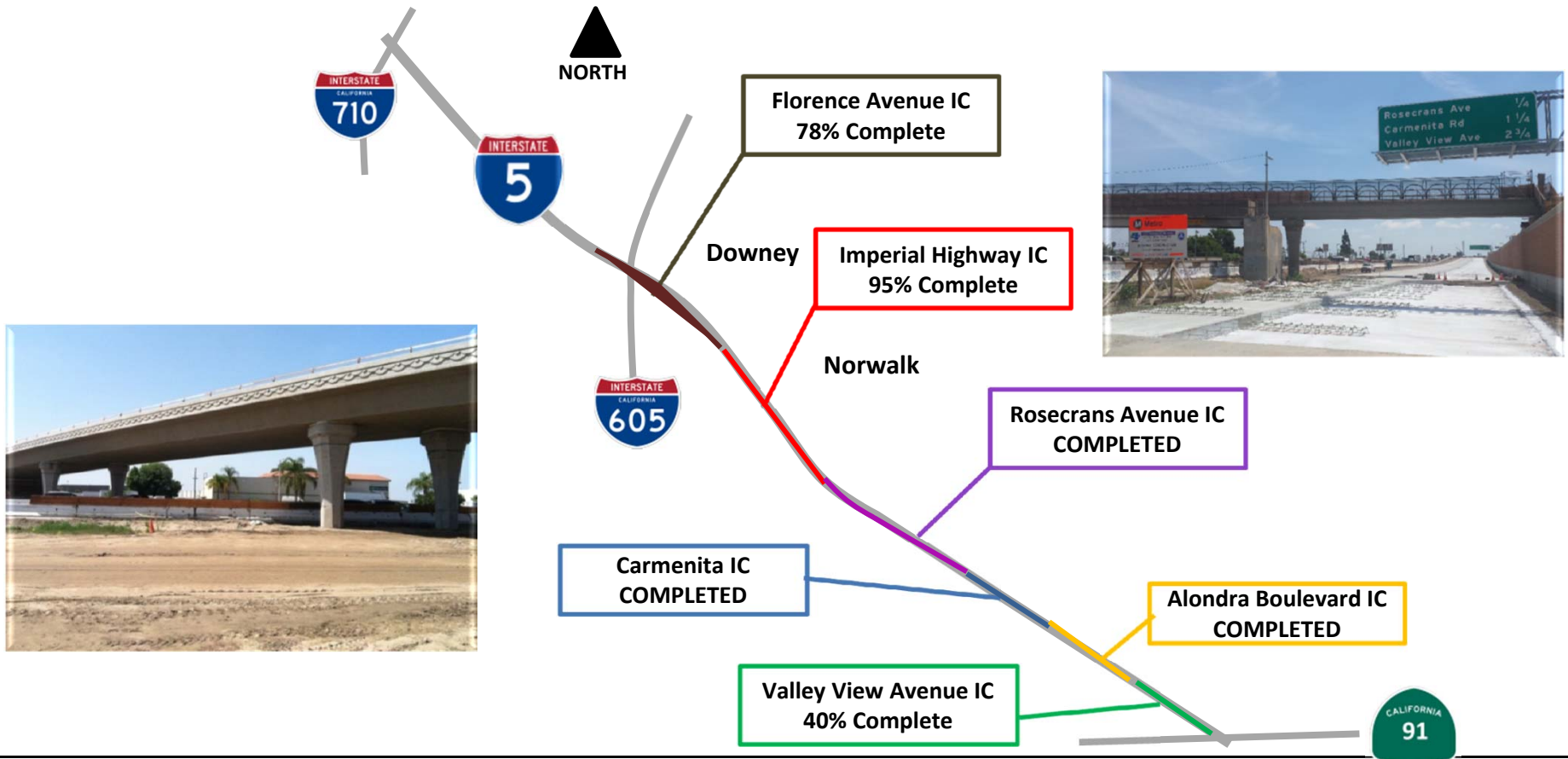
Los Angeles County Metropolitan Transportation Authority

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



OK BUDGET		
	Current	Forecast
TOTAL COST	\$1.888B	TBD

◇ SCHEDULE		
	Current	Forecast
ANTICIPATED PROJECT COMPLETION	Summer 2022	Fall 2022



May 2019

Construction Committee

Los Angeles County Metropolitan Transportation Authority



On target



Possible problem



Major issue

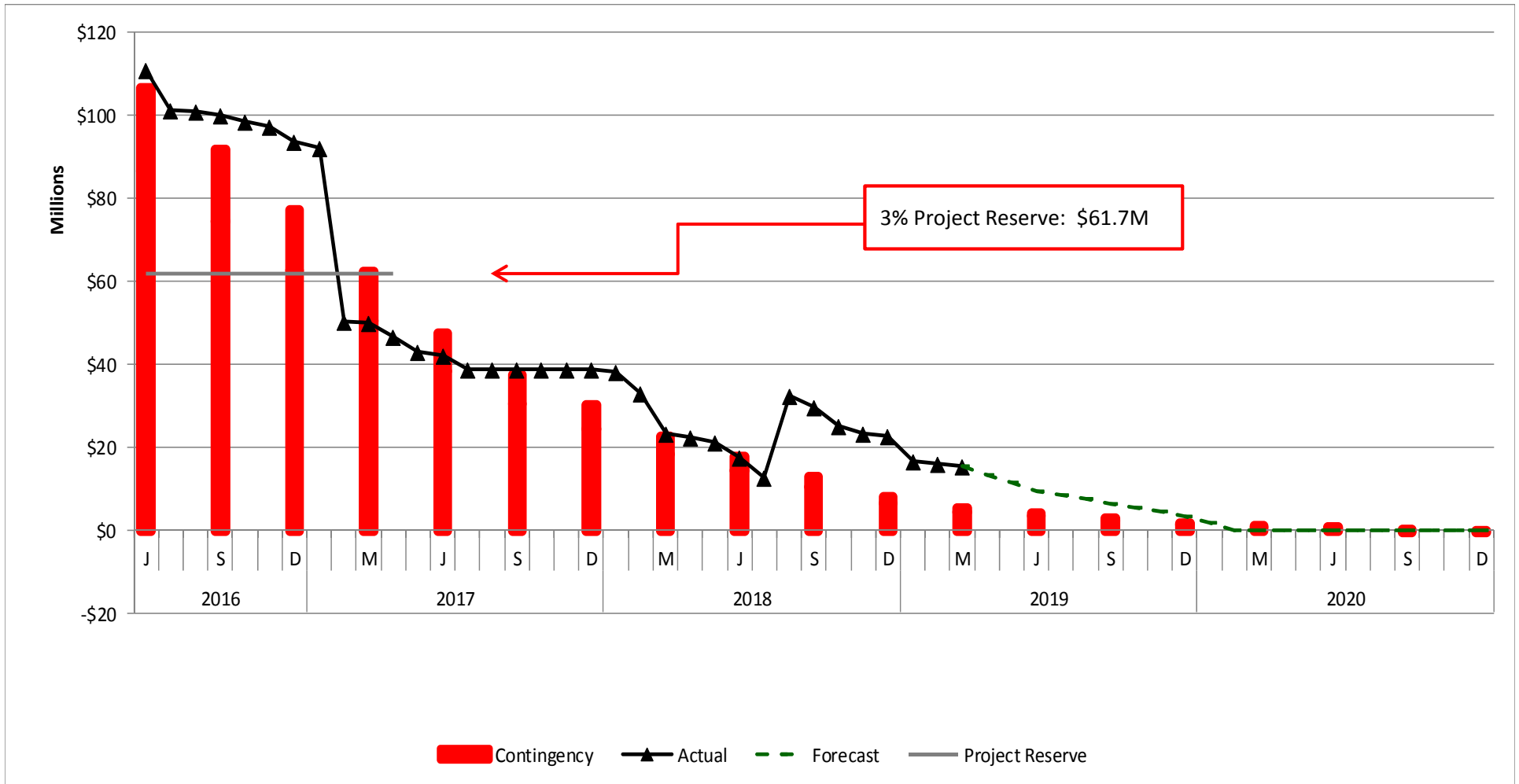


Metro 14

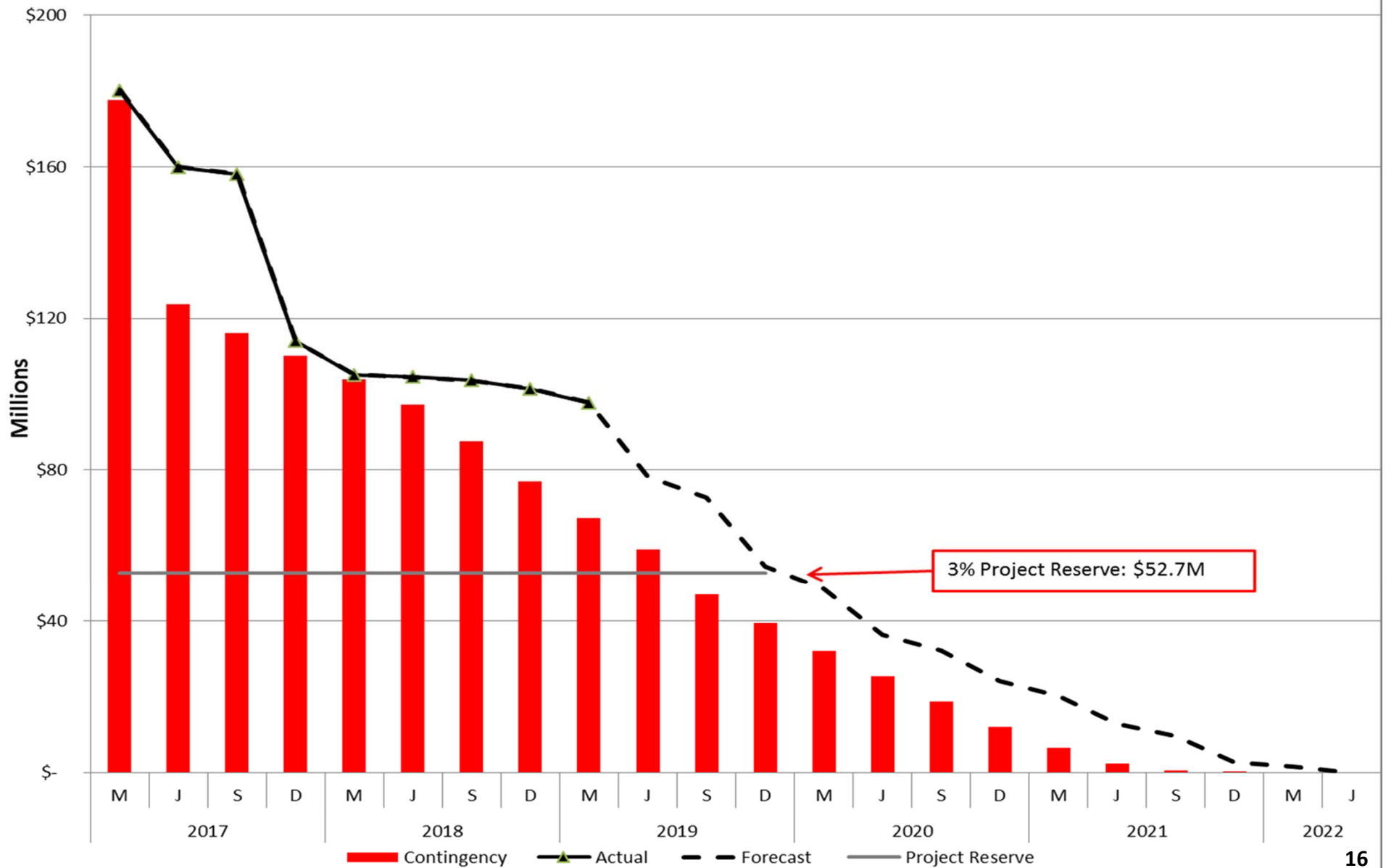
Crenshaw/LAX Transit Project

Project Cost Contingency Drawdown

March 2019



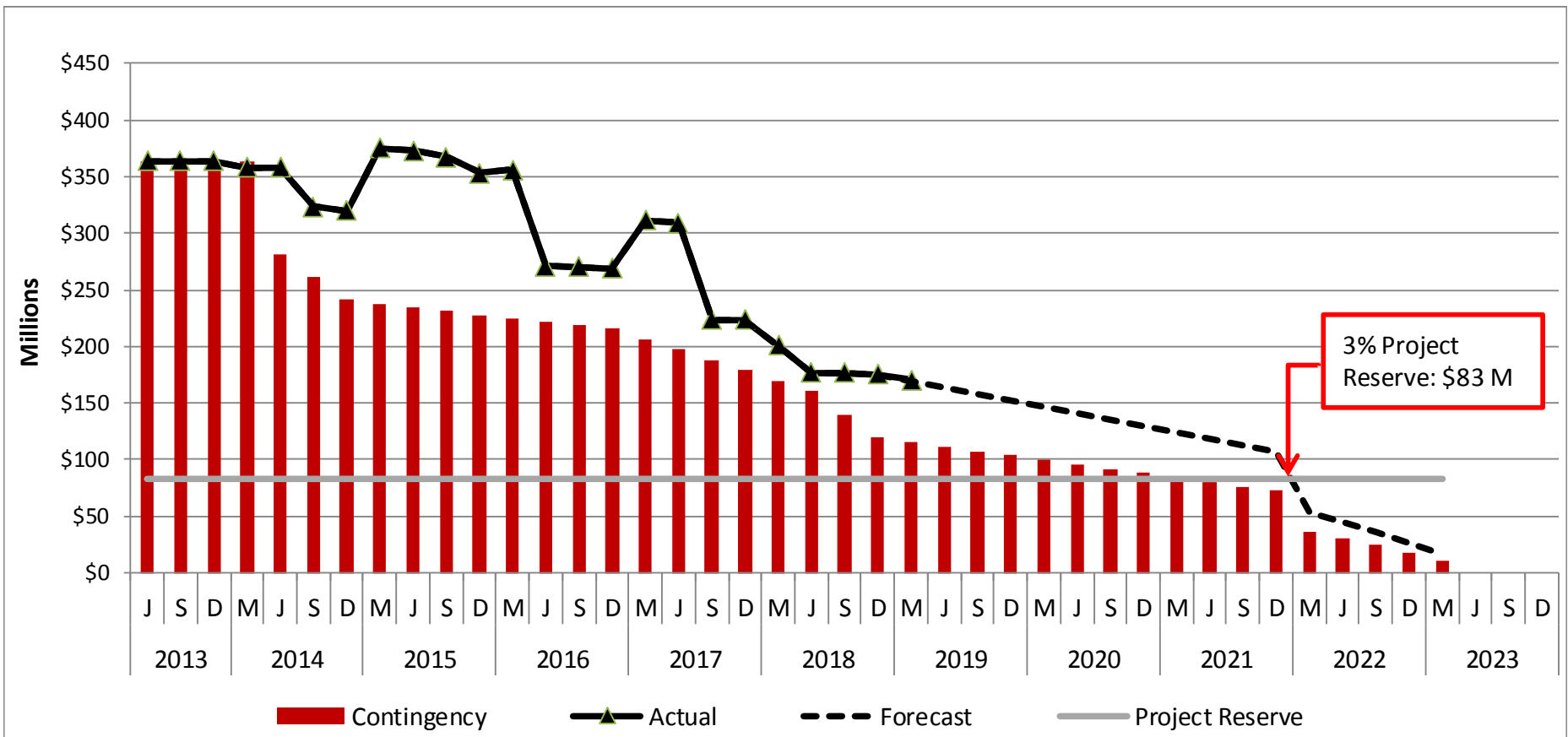
Regional Connector Project Cost Contingency Drawdown



Westside Purple Line Extension – Section 1

Project Cost Contingency Drawdown

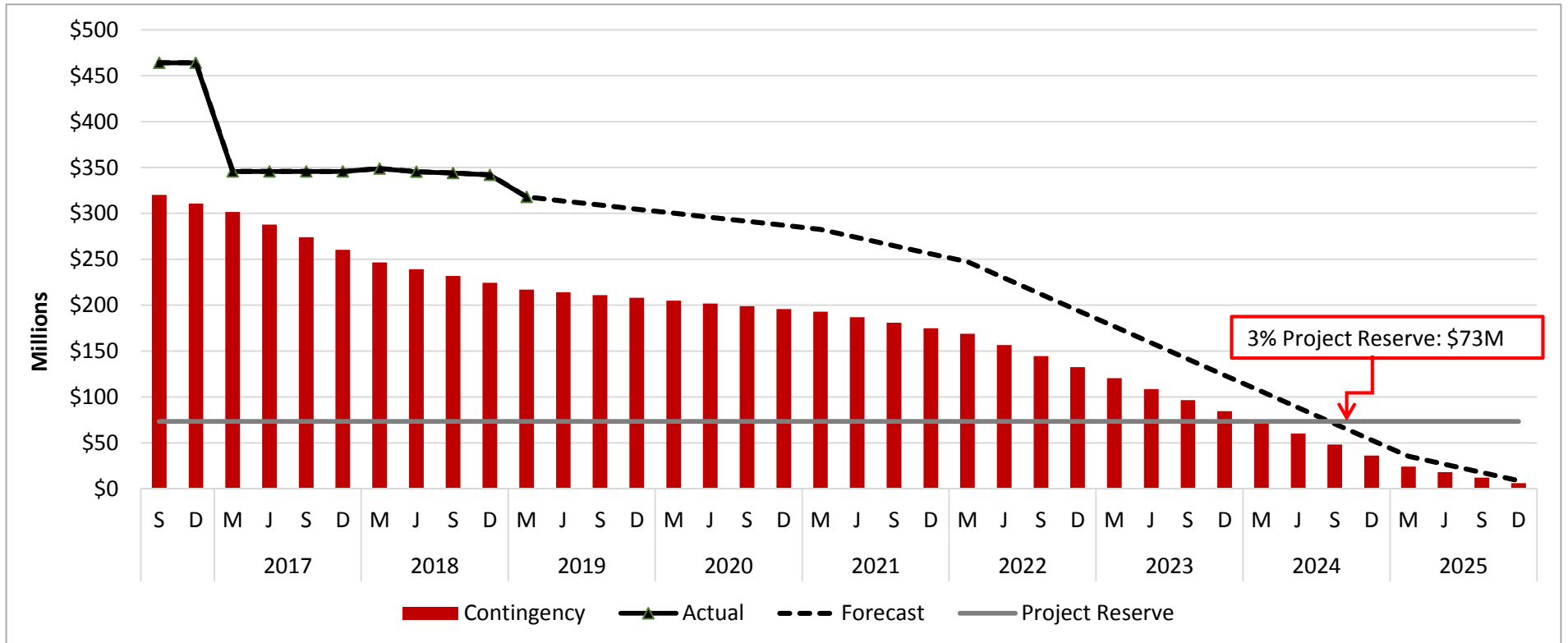
March 2019



Westside Purple Line Extension – Section 2

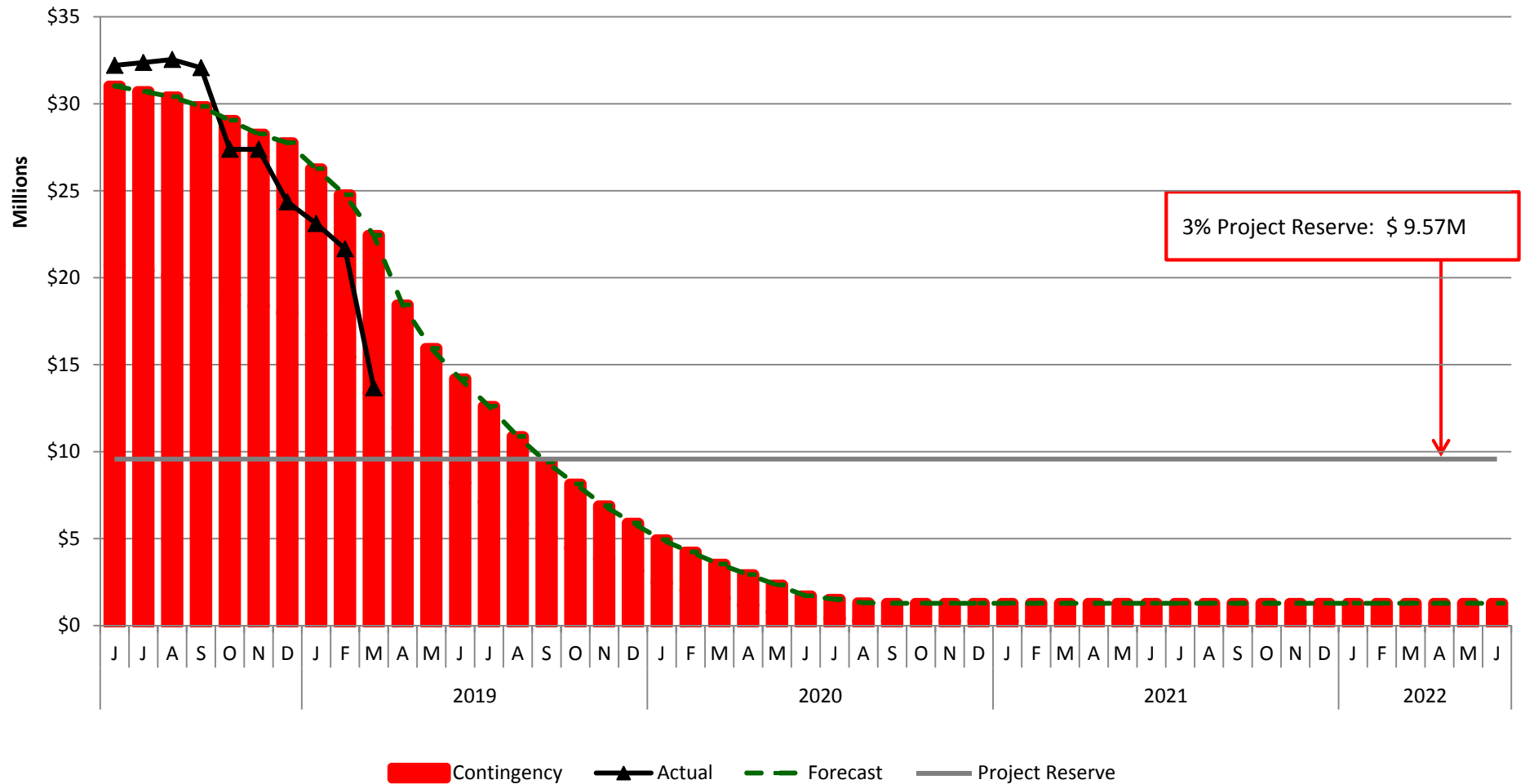
Project Cost Contingency Drawdown

March 2019



New Blue Projects

Project Cost Contingency Drawdown



- Blue Line Signal Rehabilitation
- Blue Line Track and System Refurbishment
- Willowbrook/Rosa Parks Station



Board Report

File #: 2019-0224, File Type: Informational Report

Agenda Number: 40.

**CONSTRUCTION COMMITTEE
EXECUTIVE MANAGEMENT COMMITTEE
MAY 16, 2019**

SUBJECT: STATUS REPORT ON FINANCIAL FORECAST TO DELIVER TWENTY-EIGHT BY '28

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on financial forecast to deliver the Twenty-Eight by '28 Initiative.

ISSUE

This item is a status report in response to a Board request (Motion 32.4, #2019-0108) during the Board meeting on February 2019 regarding the financial forecast, use of alternative public and private financing, and constructability analysis relating to the Twenty-Eight by '28 Initiative. Metro staff has initiated development of the funding plans for the pillar projects identified in Motion 32.4 per Board direction. Based on current funding and financing assumptions the acceleration of the pillar projects will require funding for capital, debt service, and operations much sooner than currently planned and will cause a funding shortfall unless this funding gap is addressed with new revenues, revenues diverted from other Metro uses, or the deferral of projects. The pillar projects could be funded on an accelerated schedule if a significant amount of new sources are implemented, including, but not limited to, new federal funding, tax-credit bonds, and new local revenues like transportation network company (TNC) fees. Metro can facilitate this by seeking the creation of new funding sources that could ultimately accelerate the pillar projects, and be incorporated in future funding plans.

BACKGROUND

Motion 32.4 requests a report on a financial forecast that prioritizes the following four “pillar projects”; assumes public private partnership (P3) efficiencies but not use of local return revenues; public and private financing not in Metro’s existing “toolbox”; and a constructability analysis of the four pillar projects that includes scope, costs, risks, use of alternative modes, and timelines.

Pillar Projects (Measure M Opening Date)

- Gold Line Eastside Extension Phase 2 (FY 2035)
- Green Line Extension to Torrance (FY 2030)

-
- Sepulveda Transit Corridor (FY 2033)
 - West Santa Ana Branch to Downtown LA (FY 2028, FY 2041)

DISCUSSION

Status of Financial Forecast

Metro staff has initiated development of the funding plans based on the provided Board direction. A Pillar Projects Financial Forecast is being prepared that attempts to identify a viable funding plan for the four projects. The Pillar Projects Financial Forecast is being prepared as an alternative to the baseline Metro system-wide, or Long Range Transportation Plan (LRTP) financial forecast, which is the multiyear funding plan for all Metro projects, programs, and services.

Key assumptions being made include: all pillar projects are completed by FY 2028, the cost of each of the pillar projects is the same as initially estimated in the Measure M Expenditure Plan (Metro staff is aware that the preliminary cost estimate for certain project alternatives is higher than the Expenditure Plan, but any such alternative has not yet been approved by the Board), local sales tax funding is limited by the respective Expenditure Plan, the use of funds is consistent with Metro Board policy, and state and federal funding are limited to existing grant programs and estimated availability to Metro.

Metro Board Policies

Board-adopted policies guide the use of Measure R and Measure M funds and may need to be considered in the acceleration of funding. The “**Fiscal Responsibility Policy**” adopted in May 2011, requires among other things, that interest from debt issued for a Measure R project that is accelerated in comparison to its April 2010 LRTP schedule is allocated to the project as a cost. This reduces the amount available for capital spending as the Measure R funding amount for each project in the Expenditure Plan is capped and the allocation of interest takes away from this amount. This policy affects 3 of the 4 pillar projects (Gold Line Eastside Extension Phase 2, Green Line Extension to Torrance, and Sepulveda Transit Corridor) and may reduce the amount of Measure R available for capital costs.

The “**Early Project Delivery Strategy Policy**” approved in November 2017 establishes criteria that are to be applied in determining if a Measure M project can be delivered faster than scheduled in the Expenditure Plan. In general, projects can be accelerated as long as others are not negatively impacted. In addition, the Board is to review multiple criteria, including the use of new revenue, partnering, streamlining of process, and use of innovations, and determine if the project should be accelerated.

Metro staff is evaluating individual pillar project schedules and has identified critical challenges that will require assistance from the Board in order to remain on accelerated schedules. Specifically, Metro will need assistance from the Board to help with expediting typical federal and state review cycles involving multiple iterations lasting many months to a more collaborative process lasting weeks. This is an area wherein changing typical processes can have immediate positive impacts to completing our pillar projects on schedule. Staff will provide the Board with more detailed information to assist with these critical challenges in the coming weeks and provide recommendations at the July 2019 Board.

Some of the pillar projects provide new revenue and innovations. However, the acceleration of all of the projects will likely require a significant increase in debt and a diversion of revenue from other Measure M projects and programs, and may negatively affect the ability to deliver these projects and programs.

Potential Financial Forecast Results

The acceleration of the pillar projects will reduce inflation cost, but also reduce the opportunity to realize state and federal grant funding, as well as Measure M inflation funding. The amount of grant funding that Metro forecasts to be available is based on the estimated total amount statewide and nationwide, with a proportion allocated to Metro. It may not be possible to advance grant funding when needed for the accelerated projects because the total amount available to the granting agencies each year is limited and may be allocated to other eligible grantees (i.e., Metro cannot assume a grant expected to be available 15 years from now will be awarded during the next two or three years). Metro staff will evaluate if a more aggressive proportional allocation of grant funding to Metro is warranted.

The amount of Measure M available for the pillar projects can be increased for inflation. However, if the project is accelerated a portion or all of the inflation may be eliminated, as the Measure M Ordinance provides for inflation only if less than 2/3rds of the funding is spent before FY 2027.

The acceleration of the pillar projects - all new light or heavy rail lines - will result in operating costs that must be paid starting in FY 2028 or FY 2029. This will add \$200 million to \$300 million of additional costs each year, paid 5 to 13 years sooner than in the LRTP financial forecast, and will need to be funded from operating funds. Although some of this cost will be paid from fares, the balance must come from local sales tax, state funding, and federal funding that is eligible for operations (e.g. Proposition A 35% Transit, Proposition C 40% Discretionary, Transportation Development Act, Section 5307, CMAQ). These funds are currently allocated or programmed in the LRTP financial forecast for other uses, including vehicle replacements and midlife overhauls, and the reallocation of funding for operations may result in additional debt financing or deferral of capital expenditures.

The Metro LRTP financial forecast includes all foreseeable and reasonably expected revenues and allocates virtually all of these to Board-approved projects, programs, and services. The acceleration of the pillar projects will require funding for capital, debt service, and operations much sooner than currently planned and will cause a funding shortfall. This funding gap needs to be addressed with new revenues, revenues diverted from other Metro uses, or the deferral of projects. Any new revenues will exclude local return and congestion pricing (and transportation network company fees, as discussed herein), and may require that Metro advocate for additional funding from newly created funding sources.

P3 Efficiencies

Metro staff is continuing to evaluate the potential for efficiencies, or cost savings that may be realized through the use of P3, rather than a design-build model, to deliver any of the pillar projects. Case study and survey information demonstrate that P3s can offer cost savings for capital, operations, and repair and replacement.

As noted in the Twenty-Eight by '28 Financing/Funding White Paper (#2019-0089), however, every infrastructure market and project is different, and there are many variables specific to each market, project, and contract that influence the extent to which project savings are achieved, if at all. To the extent that cost efficiencies are assumed on a specific project, they must be justified by technical engineering analysis.

At this time, staff cannot yet confirm any specific technical concepts for any of the pillar projects that could be achieved through P3 delivery that, if implemented, would result in significantly different costs for any of the pillar projects. This is in large part because the pillar projects identified for P3 delivery are not far enough along in the planning process to have gone through sufficient design to support the development of a detailed cost estimate, which is required to determine any potential cost savings. For the same reason, the baseline costs that would be a reference or benchmark for the P3 efficiencies are still rough, order of magnitude estimates.

Without technically justifiable project-specific P3 efficiencies identified by the July 2019 report to the Board, there is not sufficient certainty to assume cost savings as part of Metro's Pillar Projects Funding Forecast. Doing so would add significant risks to Metro as we may pursue the delivery of a major capital project with an unsupportable cost estimate, or conversely lack of funding, and this could stop or significantly hamper a project's delivery.

New Public and Private Financing

The funding plans will include new revenues that are not currently available to Metro, as described in our January 2019 report (#2019-0011) to the Board on the Re-imaging of LA County Initiative. The new revenues include toll revenues from a future express lanes network and value capture financings. The Board's direction from February 2019 is to exclude congestion pricing revenue from the funding plans for accelerated projects.

Metro staff also recommends excluding revenue from transportation network company (TNC) fees. Such a fee would be assessed on companies like Uber and Lyft to be used for Metro transportation purposes (the state has enacted a statewide TNC fee starting in FY 2020 but the revenue is limited to services for the disabled). Similar to the rationale for excluding other revenues from the Pillar Projects Financial Forecast that do not currently exist or have not yet been enacted, assuming that TNC revenue is available would subject Metro to risks that the revenues are not realized and the project cannot be completed. Prior to assuming TNC fees will accrue to Metro we must have legal authorization and an agreed-upon fee structure.

Metro staff is pursuing the development of additional new revenues or funding sources, including the reconsideration of "Build California Green Bonds," which is a proposed state tax credit bond that could provide Metro with significant debt interest savings. However, the proposed bonds have not been enacted and it is uncertain if they will be available to Metro, and in what amounts they will be supported by investors. Because the bonds and a market for bonds do not currently exist, we do not recommend including these in the Pillar Projects Financial Forecast, which could rely on such financing as soon as three or four years in the future.

There are proposals at the federal level to increase funding for transportation, including a new

infrastructure bill that would award agencies like Metro that have a significant amount of local funding, and a potential alternative to the large “New Starts” program called “Expedited Project Delivery” that would make federal capital funds available more expeditiously. Unfortunately these federal funding sources are either not enacted or reliable, having no federal budget allocation or history of funding projects.

The pillar projects could be funded on an accelerated schedule if a significant amount of new sources are implemented, including new federal funding, tax-credit bonds, and new local revenues like TNC fees. Metro can facilitate this by seeking the creation of new funding sources that could ultimately accelerate the pillar projects, and we may be able to incorporate these in our funding plans in the future.

Constructability Analysis

Metro staff has been advancing constructability of the four pillar projects per item D of the February Board Motion. The project teams are developing scopes, schedules, cost estimates, risk analyses, and P3 status for the respective projects. In order to provide a comprehensive response to the motion, staff is also identifying opportunities, wherever possible, to accelerate these projects to support an opening for revenue service by the end of FY2028.

All four pillar projects are in the planning and environmental phase and scheduled to be environmentally cleared over the next four years and transition into engineering, design and construction. In order for some of these projects to have a chance of completion and revenue operations by 2028, the environmental and engineering work must be accelerated for construction to begin no later than calendar year 2023. Any additional requirement imposed on these projects will have a material effect on realizing this goal. Challenges during the construction phase and interactions with third parties such as multiple cities along the alignment and a shared corridor with other governmental and private entities may also impact the schedule.

Project scopes, schedules, cost estimates and risk analyses for the pillar projects are currently well under way. Staff will come back to the Board in July to provide a detailed status for each project related to the specifics identified in the motion.

In general, the initial critical path for achieving construction start is the environmental clearance, preliminary engineering and procurement processes that lead to award of construction contracts. The Board can help accelerate these initial phases as they are highly dependent on local, state and federal stakeholders to provide timely review and approval of environmental documents, conceptual design, cost estimates and preliminary engineering.

The July Board Report will address the potential for improvement to pillar project schedules based on timely reviews by third parties. Metro has optimized our own internal processes, but we have less control over the timeliness of responses from our partners. Therefore, support from the Board is critical to encourage our federal, state and local partners to reduce review cycle times and work collaboratively with Metro staff to resolve questions or concerns as they arise.

Staff is evaluating the current pillar project schedules to identify potential efficiencies in the design and construction phases. As part of our July Board Report, staff will identify opportunities to reduce

overall duration by working on multiple project phases concurrently. Preliminary engineering could begin earlier in the planning phase and overlap with development of the environmental document, given there are some risks associated with that approach. Utility relocations, resolving geotechnical unknowns and tunneling segments will also be key to completing on time and within budget. In addition, the complexity of the pillar projects may make them candidates for Minimum Operating Segments in order to build as much of the project as possible to meet at least a portion of the mobility goals in time for the Olympics. Minimum Operating Segments are typically prepared as part of the environmental review phase and are disclosed and analyzed for public, stakeholder and Board consideration.

FINANCIAL IMPACT

This is an information item and does not have a direct financial impact on Metro. The implementation of accelerated funding for major capital projects would have a financial impact on Metro, and these impacts will be identified in the event the Board considers approval of the funding plans.

Impact to Budget

This is an information item and does not impact the FY 2019 budget.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

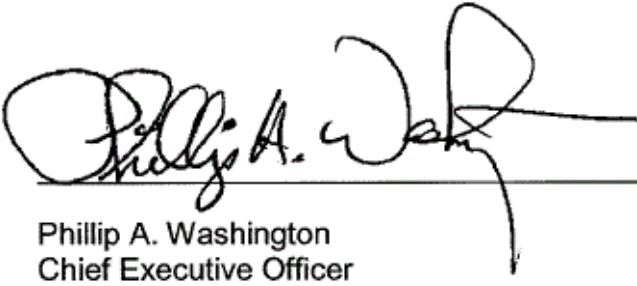
This item helps ensure fiscal responsibility in how funding determinations are made and transparency in the agency's investment decisions (Goal #5).

NEXT STEPS

Metro staff will continue the development of a financial forecast and constructability analysis of the four pillar projects, consistent with Board direction, and report back with a year-by-year potential financial forecast to deliver Twenty-Eight by '28, prioritizing the four pillar projects for the July 2019 Board meeting.

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Phillip A. Washington
Chief Executive Officer



Status Report on Financial Forecast to Deliver Twenty-Eight by '28

*Construction Committee
Executive Management Committee
May 16, 2019*



Metro

Key Assumptions

- Cost of each pillar project as estimated in Measure M Expenditure Plan
- Local sales tax funding limited by respective Expenditure Plan
- Use of funds consistent with Board policy
- State and federal funding limited to existing programs and estimated availability
- New revenues and financing include toll revenues from Express Lanes and value capture
- New revenues exclude local return, congestion pricing, TNC fees, tax credits bonds, and new federal funding that could be incorporated in future funding plans as realized
- No cost savings are assumed as part of the efficiencies of P3 delivery

Metro Board Policies

- **Fiscal Responsibility Policy** (May 2011) – Interest from debt issued for Measure R projects accelerated in comparison to 2010 LRTP schedule is allocated to the project as a cost.
- **Early Project Delivery Strategy Policy** (November 2017) – Measure M projects may be accelerated for delivery before their Expenditure Plan schedule as long as other projects are not negatively impacted. Board is to consider additional criteria including use of new revenues, partnering, and innovation.

Potential Financial Forecast Results

- Acceleration of pillar projects will reduce inflation costs, but also reduce opportunity for state/federal grant funding as well as Measure M inflation adjustment funding.
- Acceleration of pillar projects will result in operating costs starting in FY 2028 and FY 2029 adding \$200 million to \$300 million of additional costs each year paid 5 to 13 years earlier than planned for in the LRTP financial forecast.
- Overall, acceleration of pillar projects will require funding for capital, debt service, and operations much sooner than currently planned and will create a funding shortfall absent new revenues, revenues diverted from other Metro uses or the deferral of projects.

Next Steps – July Board Report

- Initial Pillar Projects Financial Forecast.
- Constructability Analysis.
- Opportunities to reduce project schedules.
- Opportunities to seek the creation of new funding sources for incorporation into future funding plans.



Board Report

File #: 2019-0187, **File Type:** Contract

Agenda Number: 30.

**CONSTRUCTION COMMITTEE
MAY 16, 2019**

SUBJECT: CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR BUS CAPITAL PROJECTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE:

- A. an increase to the total funding for Contract PS26331 with MARRS Services, Inc., for pending and future task orders to provide Construction Management Support Services (CMSS) in an amount not to exceed \$3,000,000, increasing the total value from \$3,000,000 to \$6,000,000;
- B. the Chief Executive Officer to exercise the two one-year options in Contract PS26331; and
- C. the Chief Executive Officer to execute individual Task Orders (TOs) and Contract Modifications within the Board approved contract funding amount.

ISSUE

On October 27, 2016, the Board of Directors awarded Contract No. PS26331 to MARRS Services, Inc. for Construction Management Support Services (CMSS) for Metro Bus Projects, for a base term of three (3) years, plus two one (1) year options, in the not-to-exceed amount of \$3,000,000. Staff has issued task orders to date totaling an amount not to exceed \$2,971,154.24, and \$28,845.76 authorized funds remaining. As a result, the amount of authorized funds remaining is not sufficient to support bus facilities construction contracts that are currently in planning or already under contract. Staff is also unable to execute modifications to existing task orders for projects already under construction. With no other contract for CMSS in support of bus services contracts and ample contract duration available, staff seeks an increase to the authorized funding for the contract.

BACKGROUND

Contract No. PS26331 was executed on January 27, 2017 and Notice to Proceed issued on January 31, 2017. The first Task Order was issued in April 2017.

The primary role of the CMSS consultant is to provide skilled and qualified Construction Management Support Services staff in support of Metro’s bus facilities construction contracts. Both Metro and

CMSS staff, in most cases, work side-by-side in integrated project management offices (IPMOs). The CMSS contract allows Metro to efficiently and effectively augment its Construction Management staff as required, so that the proper resources are available to manage contracts with the necessary technical expertise.

The CMSS contract funds are authorized by issuing separate Task Orders (TOs) for various projects using labor classifications and rates set forth in the contract, and each TO is funded by the individual project funding the construction contract. This method of contracting results in more efficient cost and schedule management, since TOs and modifications to existing TOs are negotiated and issued when necessary or when additional work is identified. Each TO or TO modification requires staff to prepare a scope of work and an estimate of hours, and the Consultant subsequently provides a Cost Schedule Proposal (CSP). If there is a discrepancy, Metro and the Consultant complete fact-finding and negotiate the hours. After an agreement is reached, the task order is issued and the work proceeds.

DISCUSSION

Findings

When Metro Staff went to the Board in October 2016 for authorization to award Contract PS26331 to MARRS Services Inc., it listed several bus capital projects. The initial \$3,000,000 was calculated by assuming staff would issue approximately 30 small to mid-sized TOs primarily for inspectors and night-time oversight of construction work of Board Approved bus-related capital projects. Since then, staff has also used MARRS for Construction Management Support Services for bus related projects funded by other Metro Departments. Examples of projects funded by other departments include the Culver City Bike Hub and the Bus Shelters at Metro Rapid Bus Stations. Staff has also used MARRS for CMSS on Metro's underground storage tank (UST) replacement program, something not originally anticipated when staff sought the original authorization to award Contract PS26331. Staff has issued TO 3 in the amount of \$587,360 and TO 13 in the amount of \$124,259 to support the UST replacement program. Combined, both TOs total over \$711,000 in value and are about a quarter of the original \$3,000,000 award. Staff has also issued TO 8 for QA/QC support services for the Patsaouras Plaza Busway Station in the amount \$661,261. See attachment B for detailed TOs and Modifications log.

Considerations

Several capital projects fund multiple construction contracts. Staff will soon need to modify existing TOs issued for projects still under construction. Staff has considered not using MARRS for construction projects funded by outside departments. However, the notion was dismissed because it is precisely Metro's intent to have MARRS provide resources for projects where sufficient Metro staff in Program Management are not available.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The funding for these services is included in the approved FY19 budget in various bus facilities capital projects. Task Orders will be issued and funded from the associated life-of-project (LOP) budgets. The funding source differs depending on the individual project. These activities will remain within the approved life-of-project budget for each respective project.

Since this is a multi-year contract, the cost center manager, respective project managers, and the Chief Program Management Officer will be accountable for budgeting the cost of the annual work for each fiscal year for the term of the contract, including the options exercised.

Impact to Budget

Funding for this action will come from the individual bus facilities capital projects utilizing this CMSS contract. The planned funding sources for these projects are bus capital eligible local funding source such as TDA Article 4 and Enterprise Fund as well as specific federal grants on the particular projects. Approval of this action will result in use of funding which may also be eligible for Bus and Rail Operations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goal 1: Provide high quality mobility options that enable people to spend less time traveling. This contract amendment will help expand the transportation system with targeted infrastructure and service investments.

ALTERNATIVES CONSIDERED

The Board may elect to discontinue using MARRS Services, Inc., for CMSS services. Staff does not recommend this alternative as the construction projects they are assigned to are in various degrees of completion and the loss of staff would cause these projects to be significantly impacted.

Another alternative would be to hire Metro staff to perform the required services. This alternative is also not recommended since the intent of the CMSS contract is to augment Metro staff in terms of technical expertise and availability of personnel. CMSS are typically required on a periodic basis to accommodate for peak workloads or specific tasks over the life of the projects. Further, for some projects, the specific technical expertise required may not be available within the ranks of Metro staff, whereas the CMSS consultant can provide the technical expertise on an as-needed basis. Staff consistently monitors its workload, availability of appropriate staff, and future project requirements in order to achieve the appropriate balance between staff and consultant resources.

NEXT STEPS

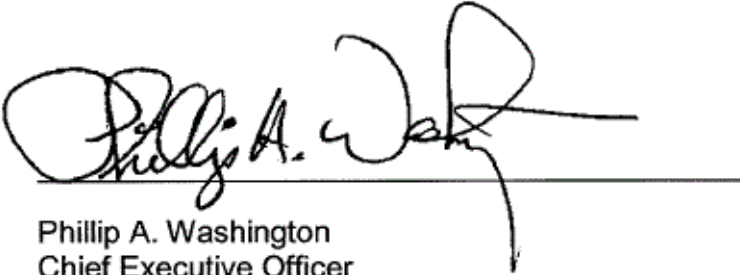
Upon Board approval, staff will issue a contract modification, and issue or modify task orders, as needed.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Task Order/Modification Log
Attachment C - DEOD Summary

Prepared by: Gerardo Alvarez, Senior Director, Project Control, (213) 922-2567
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Reviewed by: Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051
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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR METRO BUS
PROJECTS / CONTRACT NO. PS26331

1.	Contract Number: PS26331		
2.	Contractor: MARRS Services, Inc.		
3.	Mod. Work Description: Increase not-to-exceed funding amount from \$3,000,000 to \$6,000,000 and execute individual Task Orders and Contract Modifications.		
4.	Contract Work Description: Construction Management Support Services		
5.	The following data is current as of: April 4, 2019		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	10/27/16	Contract Award Amount: NTE \$3,000,000
	Notice to Proceed (NTP):	1/31/17	Total Approved and Pending Task Orders and Modifications: \$2,971,154.24
	Original Complete Date:	1/31/22	Proposed Task Orders and Modifications (including this action): \$3,000,000
	Current Est. Complete Date:	1/31/22	Current Contract Value (with this action): \$6,000,000
7.	Contract Administrator: Diana Sogomonyan		Telephone Number: (213) 922-7243
8.	Project Manager: Brad Owen		Telephone Number: (213) 418-3143

A. Procurement Background

On October 27, 2016, the Board of Directors approved award of Contract No. PS26331 to MARRS Services, Inc. in the amount not-to-exceed \$3,000,000, to provide Construction Management Support Services (CMSS) for Metro Bus Projects, for a base term of three (3) years plus two one (1) year options, in support of the design review, construction management, and administration of new and ongoing construction contracts, to ensure that the construction of various projects are administered and completed in compliance with contract requirements and government regulations.

The Contract Scope of Services is comprehensive and describes the anticipated services to be provided by the CMSS. The CMSS provides support and assistance with skilled and qualified individuals to perform the various tasks through individual Task Orders (TOs) issued for specified work on a project. Support services may include Resident Engineering, Inspection Support Services, Quality Engineering,

Third Party Coordination, Construction Safety, Cost Estimating, Project Controls, and other administration services.

Eighteen (18) Task Orders have been issued to MARRS Services, Inc., to date, including twenty-two (22) Task Order modifications. One (1) Contract Modification has been processed on the Contract. One (1) Contract Task Order Modifications is currently in negotiations and fifteen (15) future Task Orders are identified for anticipated Scope of Services. Refer to Attachment B for detailed log of approved and proposed Contract Task Orders/Modifications.

This Board action is to approve an increase to the total authorized funding for Contract No. PS26331, to continue providing Construction Management Support Services. This action will allow staff to execute pending Task Orders and new Task Orders and Modifications as project needs dictate. Contract Modifications and Task Orders will be processed in accordance with Metro's Acquisition Policy. Contract No. PS26331 is a cost plus fixed fee (CPFF) Contract.

B. Cost/Price Analysis

All direct labor rates and the negotiated fixed fee factor for this cost reimbursable plus fixed fee contract remain unchanged from the original contract. A fair and reasonable price for all future Task Orders will be determined based upon fact finding, technical evaluation, cost analysis, and negotiations, before issuing work to the Consultant. Task Orders will be processed in accordance with Procurement Policies and Procedures, within the additional funding requested.

CONTRACT MODIFICATION/TASK ORDER LOG

CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR METRO BUS
PROJECTS / CONTRACT NO. PS26331

Mod./Task Order No.	Description	Status (approved or pending)	Date	\$ Amount
N/A	Initial Authorized Funding	Approved	10/27/16	\$3,000,000
TO 1	CMSS for BOS Funded Phase 2 Bus Facilities Project – Inspection Support Services	Approved	5/30/17	\$99,487.10
TO 1.1	CMSS for BOS Funded Phase 2 Bus Facilities Project – Inspection Support Services – Extend Period of Performance (POP)	Approved	2/12/18	\$0.00
TO 1.2.1	BOS Funded Phase 2 Bus Facilities Project - Inspection Support Services - Additional Funding and Extend POP	Approved	9/24/18	\$103,904
TO 2	CMSS for the Bus Facility Improvements Phase 3 Project - Inspection Support Services	Approved	5/30/17	\$83,064.90
TO 2.1	CMSS for the Bus Facility Improvements Phase 3 Project - Continue Inspection Support Srvc	Approved	4/17/18	\$86,996.95
TO 2.2	CMSS for the Bus Facility Improvements Phase 3 Project - Continued Inspection Support Srvc	Approved	9/24/18	\$86,996.95
TO 3	CMSS for Environmental Programs & Construction Consultant Support	Approved	4/28/17	\$45,030.72
TO 3.1	CMSS for Environmental Programs & Construction Consultant Support	Approved	7/28/17	\$267,846.18
TO 3.2	CMSS Environmental Programs & Construction Support -	Approved	6/29/18	\$60,000

	Continued Support in FY19			
TO 3.3	CMSS Environmental Programs & Construction Support - Continued Support	Approved	1/25/19	\$214,484
TO 4	CMSS for Capital Project 202260, Div 3 Improvements - Inspection Support	Approved	6/27/17	\$32,844.40
TO 4.1	Close-Out Task Order - CMSS for Capital Project 202260, Div 3 Improvements - Inspection Support	Approved	4/9/19	(\$1,113.44)
TO 5	CMSS for Capital Project 202326 BRT Sound Enclosures - Inspection Support	Approved	6/27/17	\$83,064.90
TO 5.1	Close-Out Task Order - CMSS for Capital Project 202326 BRT Sound Enclosures - Inspection Support	Approved	4/9/19	(\$9,913.39)
TO 6	CMSS for Capital Project 208097 Non-Revenue Maint. Building at Vernon Yard	Approved	11/30/17	\$29,998.97
TO 6.1	Close-out Task Order - CMSS for Capital Project 208097 Non-Revenue Maint. Building at Vernon Yard	Approved	4/9/19	(\$2,664.25)
TO 7	CMSS for Capital Project 308012 Culver City Bike Hub Project - Inspection Support	Approved	1/23/18	\$32,762.51
TO 7.1	CMSS for Capital Project 308012 Culver City Bike Hub Project - Inspection Support - Add Additional Hours for Inspection Support	Approved	8/3/18	\$26,395
TO 7.2	CMSS for Capital Project 308012 Culver City Bike Hub Project - Inspection Support - Add Additional Hours for Inspection Support Continued	Approved	1/25/19	\$22,846
TO 8	QA/QC Support Services for Capital Project 202317 Patsaouras Plaza	Approved	1/23/18	\$95,603.61
TO 8.1	QA/QC Support Services for Capital Project 202317 Patsaouras Plaza - Ongoing QA/QC Support	Approved	5/23/18	\$288,082

TO 8.2	QA/QC Support Services for Capital Project 202317 Patsaouras Plaza - Ongoing QA/QC Support	Approved	2/28/19	\$277,576
TO 9	Capital Project 202324 Div 1 Improvements - Inspection Support Services	Approved	1/22/18	\$136,997.79
TO 10	CMSS Support Services for Project 202334 CNG Detection and Alarm Improvements	Approved	3/20/18	\$192,967.17
TO 10.1	Close-Out Task Order - CMSS Support Services for Project 202334 CNG Detection and Alarm Improvements	Approved	4/9/19	(\$45,279.36)
TO 11	CMSS Support Services for Capital Project 201073 Orange Line ZEB Charging Stations	Approved	3/20/18	\$68,285.78
TO 11.1	CMSS Support Services for Capital Project 201073 Orange Line ZEB Charging Stations-Continued Support	Approved	1/17/19	\$164,405
TO 12	CMSS Support Services for Capital Project 202319 Silver Line Improvements HGTC	Approved	5/3/18	\$54,882.25
TO 12.1	Close-Out Task Order - CMSS Support Services for Capital Project 202319 Silver Line Improvements HGTC	Approved	4/9/19	(\$33,053.01)
TO 13	CMSS Support Services for Project 308011 Parking Facilities Refurbishments	Approved	6/6/18	\$73,200.50
TO 13.1	CMSS Support Services for Project 308011 Parking Facilities Refurbishments- Additional RE and Continued Inspection	Approved	2/27/19	\$51,059
TO 14	CMSS Support Services for Project 202212 for the ECSD - Environmental Specialist	Approved	6/4/18	\$143,000
TO 14.1	CMSS Support Services for Project 202212 for the ECSD - Environmental Specialist	Pending	---	\$61,242
TO 15	CMSS for Capital Project 405401 - Field Inspector Support - Metro Rapid Bus Station Improvements	Approved	7/11/18	\$37,703
TO 15.1	Close-Out Task Order - CMSS	Approved	4/9/19	(\$24,831.99)

	for Capital Project 405401 - Field Inspector Support - Metro Rapid Bus Station Improvements			
TO 16	CMSS Support Services for Project 202809 - Field Inspector Support - Permeable Pavement	Approved	7/11/18	\$28,371
TO 16.1	CMSS Support Services for Project 202809 - Continued Permeable Pavement Inspections Support at Division 4	Approved	8/22/18	\$18,266
TO 16.2	CMSS Support Services for Project 202809 - Continued Permeable Pavement Inspections Support at Division 4	Approved	1/17/19	\$3,339
TO 17	CMSS Support Services for Project 204083 - Field Inspector Support Field Inspector Support - LRT Sound Enclosures	Canceled	---	---
TO 18	Field Inspector Support for Chandler Parking Lot	Approved	1/11/19	\$117,307
MOD 1	Economic Price Adjustment for Year 2	Approved	5/23/18	\$0.00
Subtotal Approved and Pending Task Orders and Modifications				\$2,971,154.24
PROPOSED TASK ORDERS AND MODIFICATIONS				
TO 2.3	Bus Facility Improvements Phase 3 Projects FY19	Proposed	---	\$199,184
TO 2.4	Bus Facility Improvements Phase 3 Projects FY20	Proposed	---	\$180,625
TO 2.5	Bus Facility Improvements Phase 3 Projects FY21	Proposed	---	\$110,000
TO 8.3	QA/QC Support for Patsaouras Plaza Busway Station FY20	Proposed	---	\$175,000
TO 9.1	Project 202324, Division 1 Bus Improvements (remaining FY19)	Proposed	---	\$55,000
TO 9.2	Project 202324, Division 1 Bus Improvements FY20	Proposed	---	\$117,500
TO 9.3	Project 202324, Division 1 Bus Improvements FY21	Proposed	---	\$50,000
TO 11.2	Project 201073 Orange Line Charging Stations Division 8 (C1185)	Proposed	---	\$232,691
TO 14.2	Environmental Programs & Construction FY20	Proposed	---	\$500,000
TO 14.3	Environmental Programs &	Proposed	---	\$500,000

	Construction FY21			
TBD	C1185 Orange Line en route Bus Charging Stations	Proposed	---	\$400,000
TBD	Cesar Chavez Station	Proposed	---	\$85,000
TBD	El Monte Stations Exhaust Fans	Proposed	---	\$175,000
TBD	New Roof at Division 5	Proposed	---	\$110,000
TBD	New Roof at Division 8	Proposed	---	\$110,000
Subtotal Proposed Task Orders and Modifications				\$3,000,000
Subtotal Approved Task Orders and Modifications:				\$2,971,154.24
Subtotal Balance of Authorized Funding:				\$ 28,845.76
Subtotal Proposed Task Orders and Modifications:				\$3,000,000
Total:				\$6,000,000

DEOD SUMMARY

CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR METRO BUS PROJECTS / CONTRACT NO. PS26331

A. Small Business Participation

MARRS Services, Inc., (MARRS) a Small Business Enterprise (SBE) Prime, made an overall 75% SBE commitment for this contract. The project is 58% complete. MARRS is exceeding its SBE commitment with a current SBE participation of 76.71%. MARRS has utilized two SBE subcontractors, Ramos Consulting Services, Inc. and Morgner Construction Management (MCM). MCM has confirmed that they have yet to submit an invoice to MARRS for work completed. MARRS indicated that the remaining SBEs will be utilized as task orders are issued in their respective scopes of work.

SMALL BUSINESS SET-ASIDE

	SBE Contractors	% SBE Commitment	Current Participation
1.	MARRS Service, Inc. (Prime)	N/A	72.68%
2.	BASE architecture, Planning & Engineering	N/A	0%
3.	Falcon Engineering Services, Inc.	N/A	0%
4.	Morgner Construction Management	N/A	0%
5.	Ramos Consulting Services, Inc.	N/A	4.03%
6.	Safework, Inc.	N/A	0%
7.	Wagner Engineering, Inc	N/A	0%
Total		75%	76.71%

¹Current Participation – Total Actual Amount Paid-to-Date to SBE Firms / Total Actual Amount Paid-to-Date to Prime

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection, construction management and other support trades.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to

construction contracts that have a construction contract value in excess of \$2.5 million.



Board Report

File #: 2019-0195, **File Type:** Contract

Agenda Number: 31.

**CONSTRUCTION COMMITTEE
MAY 16, 2019**

SUBJECT: PATSAOURAS BUS PLAZA STATION PROJECT

ACTION: APPROVE LIFE-OF-PROJECT BUDGET INCREASE

RECOMMENDATION

INCREASE the Life of Project Budget for Patsaouras Bus Plaza Station Project (CP Number 202317) by \$11,120,000, increasing the Life of Project Budget from \$39,793,000 to \$50,913,000.

ISSUE

The Patsaouras Bus Plaza Station Project (PBPS) Life of Project (LOP) budget requires an increase of \$11,120,000 in order to pay for project staff and consultants during a 384 calendar day construction suspension due to archaeological and Native American issues and compensate the construction contractor for a negotiated settlement regarding such delays and completion of project construction.

BACKGROUND

The PBPS project is among the most complex design, construction and construction management activities undertaken by Metro. It is being built in a small, congested area with ongoing street, freeway and transit operations. This was exacerbated by the fact that PBPS scope, schedule, cost and quality were strongly influenced by historical and archeological discoveries to the extent not experienced in recent memory on a Metro project. Monthly reporting to the Board indicated the potential for impact to the LOP budget and project schedule, which are now being submitted to the Board for approval.

DISCUSSION

As with the design project environment, construction uncertainty and complexity shaped the PBPS project environment leading to significant time and cost overruns due to discovering thirty-seven (37) archaeological features, including numerous human and Native American remains, within the project site (see Attachment A). Some important discoveries are not only within the confines of the PBPS project site but also part of an extension of a significant adjacent archaeological site at Metropolitan

Water District and Union Station (CA-LAN-1575/H). Examples of PBPS discoveries include:

- Masonry foundation that might have been associated with the Aliso Mill, (1830s to 1850s)
- Historic period ground surface exposed, likely from the Spanish-Mexican period (predating the 1850s)
- A segment of one of the Los Angeles Zanja branches from the Spanish-Mexican Period, late 1700s or early 1800s
- Foundations of the Los Angeles Cracker Company, late 19th century
- Foundation of the University Medical College and associated artifacts from the 1880s and 1890s
- Two locations of Human Remains (one location of Native American remains; one location of historic period non-Native American remains associated with University Medical College)

This resulted in a work stoppage of construction at 60% completion status on April 24, 2018, triggered by the various federal, State and Native American consulting party's interests, priorities and objectives responsible for the investigation, evaluation and treatment of these discoveries. Consulting Parties concerns leading to the suspension of construction work included:

- Proximity of construction to discoveries of human remains
- Construction moving ahead without an evaluation/treatment plan
- Manner in which the consultation and notification process was being carried out, including inconsistencies in the notification process
- Considering discoveries as individual resources rather than considering features holistically as part of site CA-LAN-1575/H

This constructive suspension of work by the various stakeholders was simply to investigate, evaluate and protect the discovered archaeological resources and human remains; however, the PBPS project did not have the space for construction to work around. Additionally, there were limited contingency resources to support the consulting parties order to stop work, and contractual time constraints resulting in a Letter of Suspension on August 2, 2018 to the contractor directing suspension of work in accordance with the C0970 Contract, General Condition 39 - Suspension, as was previously communicated to the Board on August 6, 2018 (see Attachment B). This directive subjected Metro to schedule delays, cost overruns, rework and disputes. Therefore, the PBPS project team engaged in proactive conflict management to minimize the negative schedule and budget effects on the project.

The differing site/changed conditions resulting in Metro's action to suspend construction work was the

sole proximate cause of the delay, which at that time was uncertain, but assumed construction would resume January 7, 2019. This delay extended the contract period of performance by a minimum of 258 calendar days and Metro requested that certain contractor staff remain during the suspension period to complete construction related submittals, entitling the contractor to an adjustment to increase the contract time and price.

Per the contract, suspending construction work results in an excusable, compensable delay and entitles the contractor to field and home office overhead costs, not including profit. During settlement negotiations, the contractor provided sufficient evidence to Metro's Vendor Contract Management satisfaction per the contract:

- contractor and subcontractor wage rates
- construction escalation incurred
- global construction contractor and subcontractor impacts and inefficiencies
- construction field, as well as extended home office (as a percentage of costs), overhead directly related to the suspension in the amount of \$9,314 per day

At the time Metro suspended contract work, there were outstanding contractual conflicts, including a preconstruction delay request and thirty-eight (38) construction changes and claims (see Attachments C and D). The PBPS project team initiated a global settlement negotiation and partnered with the contractor to solve all open conflicts rather than at Substantial Completion, focusing on project success for solutions to reach the following negotiated settlement, as shown below.

Metro/Contractor Negotiated Settlement Summary

Contractor's Position - \$7,486,406

Settled - \$5,375,000

Difference - <\$2,111,407>

As a result of the extensive settlement negotiations, Metro and the contractor reached a tentative global settlement agreement in the amount of \$5,375,000, subject to Board approval. Also, it is important to note that Metro maintained a good working relationship with the contractor and the contractor's cooperative position to reach a negotiated settlement that was 28% less than their original request.

Concurrently, the PBPS project team worked with the Federal Transit Administration to complete the investigation, evaluation and treatment of the discovered cultural resource features and human remains. Additional investigation of Feature 27 in early March 2019 resulted in discovering a new

Feature (36), a segment of two parallel stone masonry walls of the Zanja Madre. Although the consulting parties agreed to an expedited process, the investigation, evaluation and treatment extended one-hundred and twenty-six (126) calendar days beyond the original schedule moving construction resumption from early January 2019 to the anticipated date of May 13, 2019.

PBPS Section 106 Process Timeline

April 24, 2018	Order to Stop Construction Work
June 5, 2018	Programmatic Agreement Initiated
November 7, 2018	Programmatic Agreement Approved
November 12, 2018	Archaeological Testing and Treatment Begin
April 12, 2019	Archaeological Testing and Treatment End
May 10, 2019	Forecasted Consulting Parties Concurrence
May 13, 2019	Forecasted Construction Suspension Lifted

Accordingly, this request also includes a project cost/LOP budget increase in the amount of \$5,745,000 to support the completion of the project:

- \$3,875,000 for Metro overhead charges, construction and professional services costs on the project by an additional 729 calendar days (384 calendar days during the suspension and 345 calendar days to complete construction)
- \$870,000 for potential contractor's Request for Change on the additional 87 calendar days delay related to archaeological Features 27 and 36 beyond the negotiated settlement agreement presumed construction resumption date of February 15th, yet to be negotiated
- \$1,000,000 for construction project contingency based on remaining construction expense cost (10%)

The suspension of construction clearly shifted the burden and Metro's position regarding the compensable delay in the settlement negotiation. The PBPS project team worked with the contractor to not only reach a better understanding of their concerns, but their interests in settling to enable Metro to develop mutually beneficial solutions. Based on objective criteria, staff reached a settlement negotiation that was clearly better off than Metro's best alternative to a negotiated agreement. During the extensive negotiation effort, the PBPS project team worked to improve Metro's outcome throughout the settlement negotiations.

Lessons Learned

During construction, the PBPS project team implemented Lessons Learned from past projects, including the following:

- Encouraging the contractor to file change notices and schedule delays to identify potential claims and disputes as early as possible and then focus on an issues resolution in a timely manner.
- Engaging on timely delay notices and acted aggressively to resolve any time extension and delay damages as soon as they occurred.

The PBPS project team also identified the following new Lessons Learned from the PBPS project:

- Establishing and prioritizing an adequate risk factor and probability of occurrence in the Risk Management Plan/Risk Register for subsurface conditions, including cultural resources and human remains.
- Performing detailed cultural resource investigations and entering into a Programmatic Agreement with the appropriate consulting parties prior to construction.
- Obtaining a Cooperative Agreement with Caltrans developed specifically for the Design/Build project delivery method in Caltrans right-of-way prior to the award of a contract.
- Applying the appropriate delivery method for each project by evaluating permitting and regulatory status, land site control, owner priorities, Geotechnical and subsurface analysis, degree of risk and potential for changes.
- Developing an index of issues from Change Orders on previous Metro projects and reviewing during new capital project's design and engineering phases to reduce the need for rework during their construction.
- Evaluating risk transfer in Metro Design/Build bid specifications relative to "Project Definition Documents" and assigning risk to the party best able to control and manage the risk.
- Using independent bidding constructability, operability and claims prevention reviews before issuing bidding documents.
- Reviewing contract document's terms, specifications and conditions for each project and ensuring the proper administration of the contract's terms, specifications and conditions.
- Revising Metro's Contract General Conditions to require a contractor to not only prove any delay to the critical path and extended duration was not their responsibility but that there was

also no concurrent delay during the same period.

These Lessons Learned are not an exhaustive list of factors nor “silver bullets” guaranteeing a project’s success; however, staff believes that when properly implemented by a project team, they will reduce a project’s risk exposure and increase the potential for a project’s success.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Funding for this project is currently in Cost Center 8510 (Construction Contracts/Procurement), Project 202317 - Patsaouras Plaza Busway Station. If the recommendation is approved, the LOP budget for this project would increase from \$39,793,000 to \$50,913,000. Approximately \$2,600,000 remains of the \$6,500,000 FY19 annual budget in Cost Center 8510. If the settlement is executed in FY19, the annual budget will have to be increased by \$2,780,000 to fund the \$5,375,000 settlement payment and pay for construction work performed through the end of June 2019. Since the construction contract and professional services contracts needed to support the PBPS project are multi-year contracts, the Project Manager and the Chief Program Management Officer will be responsible for budgeting in future fiscal years.

Impact to Budget

Construction will resume in May 2019 and the project should complete in May 2020. As a result, funding will be expended in fiscal years FY19 and FY20, and close-out will be in FY21. Project 202317 has been funded with five funding sources: a Bus Livability Section 5309 grant, Federal Section 5307 (CRD) funds, Prop C 40%, Prop C 25% Highway, and an escrow account for the Ramirez Flyover. Four of the five sources have been spent (see Attachment E), Prop C 25% will be used to fund the additional costs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

By supporting the recommendation to increase the LOP budget of the PBPS Project, the Board is supporting Metro’s Strategic Plan Goal 2, “*Deliver outstanding trip experiences for all users of the transportation system.*” The PBPS Project is in line with Goal 2 by improving the transit user experience. The primary objectives of the PBPS Project were to:

- improve safety and security - such that the transit journey on the existing Express Lanes feels safe and secure for all riders
- improve efficiency - by providing a more direct path between the Express Lanes and Union

Station

- improve accessibility - as PBPS Project has an unobstructed path and boarding area for customers of all abilities and the variety of ways in which they travel

ALTERNATIVES CONSIDERED

The Board has the option to reject the LOP increase, which will result in leaving insufficient funds to complete the project. Staff does not recommend this option as it would dismiss the extensive collaborative, negotiated settlement process with the contractor conducted in good faith and definitely evolve the conflict into a legal dispute requiring third-party intervention and resolution. More importantly, rejection of this request will further delay PBPS project's Substantial Completion.

NEXT STEPS

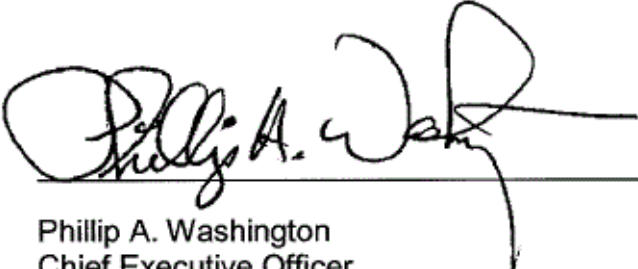
In accordance with the negotiated settlement, Metro will issue a Notice-to-Proceed letter directing the contractor to resume construction and complete Substantial Completion in 345 calendar days with the remaining April 2019 Progress Billing expense balance. Barring the unforeseen, the forecast values for the completion of construction work appear to be achievable with the LOP budget increase presented.

ATTACHMENTS

- Attachment A - PBPS Archaeological Feature Locations Map
- Attachment B - August 2018 Board Box regarding *PBPS Archaeological and Native American Issues*
- Attachment C - Procurement Summary
- Attachment D - Contract Modification/Change Order Log
- Attachment E - LOP Budget and Funding Plan

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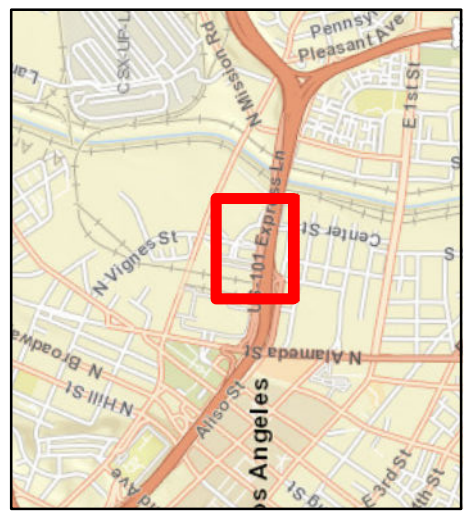


Phillip A. Washington
Chief Executive Officer

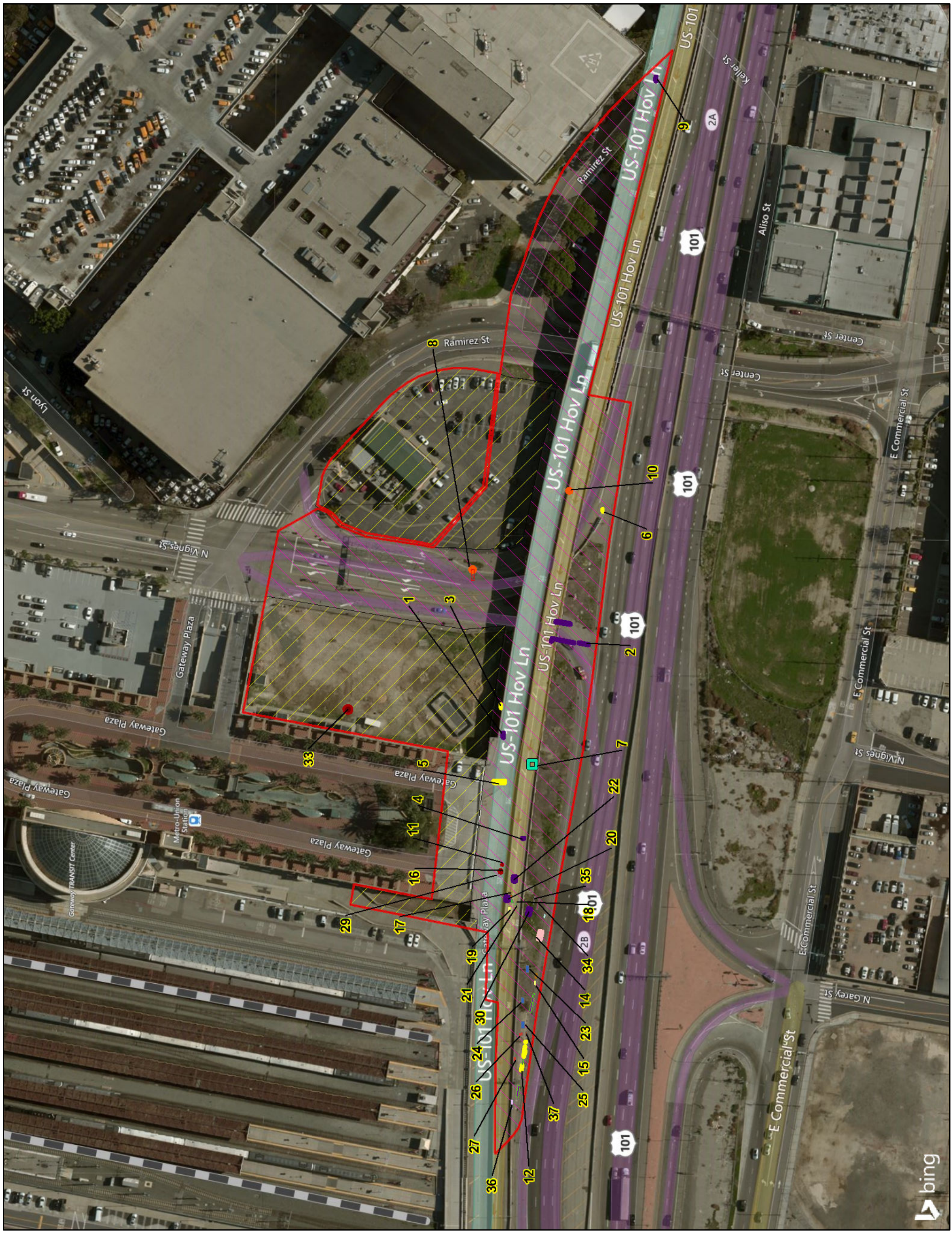
Union Station / Patsaouras Plaza
El Monte Busway Station Project
Feature Locations
3/25/2019

Legend

- Area of Potential Effects
- Land Ownership**
- Caltrans
- LACMTA
- Features**
- Basement Floor
- Bedrock Outcrop
- Cobble / Bitumen
- Cut
- Debris / slumping wall
- Demo Debris
- Footings
- Foundations
- Loose stone
- Manhole
- Masonry Zanja Channel
- Pipe
- Pit - Human Remains
- Pit in Basement Floor
- Refuse Pit
- Stone / Adobe Structure
- Structural Remains
- Vault
- Wall



Date: 3/25/2019



**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net

August 6, 2018

TO: BOARD OF DIRECTORS

THROUGH: PHILIP WASHINGTON *PAW*
CHIEF EXECUTIVE OFFICER

FROM: RICHARD CLARKE *RFC*
CHIEF PROGRAM MANAGEMENT OFFICER

SUBJECT: PATSAOURAS BUS PLAZA STATION ARCHAEOLOGICAL AND
NATIVE AMERICAN ISSUES

ISSUE

This report is to update the Metro Board of Directors on the status of the Patsaouras Bus Plaza Station (PBPS) project. As previously reported to the Board, the project has discovered numerous archaeological features and Native American remains within the project site. It is becoming clear during daily conference calls with Federal Transit Administration (FTA) and the consultants that the current Section 106 process will take additional time delaying construction beyond what was originally anticipated by the project team. As of August 6th, project construction has ceased for 104 calendar days due to these issues, subjecting Metro to overhead costs of \$4,000 per calendar day, at a minimum. The PBPS project is approximately 60% complete as of this writing.

DISCUSSION

Metro performed extensive initial Section 106 consultation in the planning stages with the consulting parties and was commended by the State Office of Historic Preservation (SHPO) in 2012 in their concurrence of the *Cultural Resources Mitigation and Discovery Plan* (CRMDP). However, recent unexpected archaeological and Native American remains discoveries caused the consulting parties to question the adequacy of the CRMDP due to:

- 1) The number of archaeological features and human remains encountered;

- 2) The consulting parties, primarily SHPO and the American Council for Historic Preservation (ACHP), raised concerns about the potential discovery of a historic site and recommended work stop;
- 3) The consulting parties felt that the CRMDP was insufficient to guide the evaluation and treatment of the potential site in accordance with Section 106.

As background, the PBPS project site has been extensively disturbed in the past by the Southern California Gas Company's Manufactured Gas Plant, Caltrans 101 freeway, El Monte Busway Bridge, the Metro Red Line, and Patsaouras Plaza, among others. The previous construction activities mentioned have disturbed or removed intact sediments and the probability of cultural resources being preserved was considered low. The historical disturbance was not only extensive, but intensive within the PBPS site and made discovery of any cultural resources likely to be from previously disturbed contexts and to consist of single isolated items.

It was determined that Metro would discover cultural resources known to occur in the area immediately adjacent to the project, including Native American and both Prehistoric and Historic Period resources. Any impact from this project would be confined to the project foundation locations. Metro included mitigation that any discovery would be protected and the find reported to the FTA. So far, Metro has discovered 13 archaeological features, human remains and Native American remains. Several key actions from other agencies have now severely impacted the project:

- On April 24, the Native American monitor stopped work on micropiles for the pedestrian overcrossing due to the vicinity of Native American remains.
- On May 11, Caltrans taped a major portion of the site off as an "Environmental Sensitive Area" due to concerns expressed by the Native American monitor.
- On May 16, the SHPO and ACHP requested to the FTA that all ground level work be halted until the consulting parties were reengaged and Section 106 (Protection of Historic Properties) process was completed.
- On May 22, the contractor demobilized all field workers from the project site as no more construction work was possible.
- On June 5, the consulting parties recommended entering into a Programmatic Agreement (PA), amending the 2012 CRMDP and preparing an *Archaeological Identification, Evaluation and Treatment Plan* (AIETP) in order to restart construction.
- On July 25, FTA opined that the nature of the PBPS site was unique and considered it one of the most archaeological resource rich sites in Los Angeles County requiring oversight by specialized government agencies and Native American tribes.
- As of August 1, the PA, CRMDP and AIETP are still in draft form and being reviewed by the consulting parties.

Currently, Metro halted construction to consult with parties and formulate new plans and agreements to fulfill the requirements of Section 106 in order to move the project forward. These agreements, consultations, plans, and studies are currently in process,

and it is expected that after investigations, approvals, and reports are complete, construction can re-start in approximately January 2019. In order to avoid further delays and incur further price increases, Metro staff prepared a Technical Memorandum to continue *Construction Activities in Areas of Low Sensitivity for Historic Resources and Activities Not Requiring Excavation*. Based on this, SHPO and ACHP approved Metro proceeding with very limited construction work within non-sensitive areas. This work is not on the critical path for the project, but was started July 16th and expected to be completed by August 31st. After that, there is no possibility of construction proceeding until the plans and investigations referenced above are complete and approved.

The PBPS project LOP budget will be impacted to pay for the archaeological and Native American issues described above and will require an increase. At this time, the additional fee Metro will incur due to this work stoppage is unclear as the length of the delay is unknown. Discussions with the contractor are ongoing. Currently, increased costs are being absorbed by the remaining contingency budget.

NEXT STEPS

Metro suspended the PBPS contractor on August 3rd with a construction resumption date of January 7, 2019. Metro staff will, however, make every reasonable effort to resume construction as soon as possible. Upon completion of the requirements laid out in the Programmatic Agreement, Revised CRMDP and AIETP, Metro staff will tabulate all of the additional direct and indirect costs related to all of the archaeological and Native American issues, including claims related to such by the contractor, to determine the full impact to the PBPS LOP budget. Once the delay to the project is determined, costs for this issue will be negotiated and quantified.

Once we have determined the full extent of these impacts to the schedule and budget, currently expected be on or before December 2018, staff will present to the Board a request for additional LOP budget to cover costs for these issues.

PROCUREMENT SUMMARY

PATSAOURAS BUSWAY PLAZA STATION/CONTRACT C0970

1.	Contract Number: C0970		
2.	Contractor: OHL USA, Inc.		
3.	Mod. Work Description: Settlement negotiated to cover all cost associated with the work stoppage triggered by archaeological findings within the project site		
4.	Contract Work Description: Patsaouras Busway Plaza Station		
5.	The following data is current as of: April 12, 2019		
3	Contract Completion Status:		
6.			
	Bids/Proposals Opened:	4	% Completion \$s: 74%
	Contract Awarded:	2/26/2014	% Completion time: TBD%
	NTP:	3/31/2014	Original Contract Days: 900
	Original Complete Date:	9/16/2016	Change Order Days: 441
	Current Est. Complete Date:	5/24/2020	Suspended Days: 384
	Total Revised Days:		825
7.	Financial Status:		
	Contract Award:	\$19,832,000.00	
	Total Contract Modifications Approved:	\$5,895,819.35	
	Current Contract Value:	\$25,727,819.35	
	Contract Administrator: Helen Gates-Bryant	Telephone Number: 213-922-1269	
8.	Project Manager: Manuel Gurrola	Telephone Number: 213-922-8889	

A. Contract Action Summary

This Board Action is to approve an increase in the Life of Project Budget (LOP) to provide for a Settlement Agreement and other pending Modifications/Changes for the Patsaouras Busway Plaza Station Project.

The Settlement Agreement has been negotiated in accordance with Metro's Acquisition Policy. The contract type is Firm Fixed Price. The award of the Patsaouras Busway Plaza Station (PBPS) was presented to and approved by the Metro Board on January 16, 2014. The PBPS project is a component of the overall Los Angeles Congestion Relief Demonstration (CRD) Project to enhance and expand transit service and create High Occupancy Toll lanes in the I-10 and I-110 freeway corridors. During preliminary engineering it was found that the PBPS would have significant positive impact for Metro patrons and service delivery on the Silver Line system. The PBPS will relocate the patron boarding island currently situated at the corner of North Alameda to the east side of Patsaouas Plaza and will provide a direct connection to Patsaouras Plaza and Union Station for buses running on the EI

Monte Busway. The project includes widening of the existing Caltrans Los Angeles River Busway Bridge and Overhead, providing new vertical and horizontal pedestrian circulation elements (Pedestrian Ramp/Walkway, Pedestrian Overcrossing, elevators, and stairs) and closing all vehicular traffic access between the El Monte Busway and Union Station at Patsaouras Plaza.

The contract was awarded February 26, 2014, to OHL USA, Inc., in the amount of \$19,832,000.00

Refer to Attachment D, Contract Modification/Change Order Log for modifications to date.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon thorough fact-finding, clarifications, cost analysis, price analysis, technical evaluation, and negotiations

Item No.	Changes	Proposal amount	Metro ICE	Negotiated or NTE amount
TBD	Settlement Agreement	\$7,486,406.00	\$4,767,987.96	\$5,375,000.00

**CONTRACT MODIFICATION/CHANGE LOG
PATSAOURAS BUSWAY PLAZA STATION - C0970**

Mod. No.	Description	Status	Contract Value (A)	Mod/CO Value (B)
N/A	Initial Award		\$19,832,000.00	
1	Modify Volume 1: GE Section 01310 – DB, Cost/Schedule Integration System. Appendix A: Schedule Template Guideline	Approved		No Cost
2	Update SP-27 and Section 01200	Approved		No Cost
3	Revised Contract Compliance Manual	Approved		No Cost
4	Development of Supplemental Fact Sheet and PSR/PR	Approved		\$93,450.42
5	Emergency Power to Lightings Fixtures	Approved		\$79,424.00
6	Replace base contract light fixtures with LED fixtures	Approved		\$8,876.65
7	Changes to Electrical Power Source	Approved		\$173,151.00
8	Ramirez Street Realignment Study	Approved		\$60,900.00
9	Reconfigure to 2-Lanes West (Construction)	Approved		\$614,968.07
10	Issues Associated with Construction Costs	Approved		3,505,769.89
11	Reconfigure to 2 Lanes West (Design)	Approved		\$51,570.05
12	Issues Associated with New Design	Approved		\$188,925.60
13	Addition of Tactile Pathway into Patsaouras	Approved		\$57,000.00
14	Protection of Bus Platform	Approved		\$190,000.00
15	New Design Proposed Revised SD Alignment	Approved		\$31,732.68
16	Compensable Delays	Approved		\$547,999.99
17	Denny's Signage	Approved		\$2,846.00
18	Obstructions at Bent 9LT & Bent 8LT	Approved		\$95,217.00
19	Obstructions at Bent 5 Pedestrian Bridge	Approved		\$7,203.00
20	Obstructions at Bent 6	Approved		\$7,620.00

	Pedestrian Bridge			
21	Obstructions at Bent 4 Pedestrian Bridge	Approved		\$9,197.00
22	Additional Obstructions at Bent 4 Pedestrian Bridge	Approved		\$70,952.00
23	Additional Drainage Protection	Approved		\$4,016.00
24	60" Steel Line Relocation	Approved		\$95,000.00
	Subtotal Approved Modifications			\$5,895,819.35
25	Additional Removal at Retaining Wall	Pending		\$45,234.00
26	Concrete Slab & Steel Pipe at SD	Pending		\$11,154.00
27	Frame 2 and 3 FW Certification	Pending		\$17,047.00
28	Falsework Requirements for Frame 1 & 2 L	Pending		\$1,414.00
29	Bent 4, 6, 7, L Obstructions *& Differing Site Conditional B5R	Pending		\$141,545.00
30	Settlement Agreement	Pending		\$5,375,000.00
	Subtotal Pending			\$5,591,394.00
	Subtotal – Pending and Approved Modifications			\$11,487,213.35
	Subtotal Claims			\$0.00
	Total Modifications and Pending Changes/Modifications and Possible Claims			\$11,487,213.35
Total Contract Value (including Approved Modifications)			\$25,727,819.35	
Total Approved Mods and Pending Modifications (including this change)				\$11,487,213.35
Approved Modifications				\$5,895,819.35
Pending Modifications				\$5,591,394.00

ATTACHMENT E - LOP FUNDING AND EXPENDITURE PLAN

Use of Funds	Inception – March 2019	Remaining FY19	FY20	FY21+	Total
Design Consultant through award of C0970	1,250,000	-	-	-	1,250,000
Construction Contract	18,342,000	7,375,000	5,778,000	-	31,495,000
Design Support During Construction	96,000	-	-	-	96,000
Construction Management	2,584,000	350,000	300,000	27,000	3,261,000
Environmental	3,629,000	669,000	482,000	-	4,780,000
Other Professional Services	217,000	42,000	24,000	-	283,000
Special Conditions (3rd Party)	1,117,000	350,000	350,000	100,000	1,917,000
Agency Costs: Project Control, Procurement, Safety, Communications, etc.	4,782,000	600,000	1,194,000	255,000	6,831,000
Contingency	-	-	-	1,000,000	1,000,000
Total	32,017,000	9,386,000	8,128,000	1,382,000	50,913,000
Source of Funds	Inception – March 2019	Remaining FY19	FY20	FY21+	Total
Federal - Bus Livability Section 5309	9,679,000	-	-	-	9,679,000
Federal - Section 5307 (CRD)	1,200,000	-	-	-	1,200,000
Prop C 40%	300,000	-	-	-	300,000
Prop C 25%	17,623,000	9,386,000	8,128,000	1,382,000	36,519,000
Ramirez Flyover (Union Station Escrow)	3,215,000	-	-	-	3,215,000
Total	32,017,000	9,386,000	8,128,000	1,382,000	50,913,000



Board Report

File #: 2019-0221, File Type: Contract

Agenda Number: 32.

CONSTRUCTION COMMITTEE MAY 16, 2019

SUBJECT: AIRPORT METRO CONNECTOR PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No.6 for Contract No. PS298340011486 with Gruen Associates, for design (Phase II) and construction support (Phase III) modifications for Site Work, New Shoofly, Rail Platform Revisions and Design Adjustments in the firm fixed amount of \$2,064,031.93 increasing the total contract value from \$17,954,941 to \$20,018,972.93; and
- B. INCREASE Contract Modification Authority (CMA) specific to Contract No. PS298340011486 with Gruen Associates, in correspondence with the increased contract, in the amount of \$3,607,065 , increasing the total authorized CMA amount from \$3,557,979 to \$7,165,044 and authorize the CEO to execute contract modifications within the approved CMA amount.

ISSUE

During the internal review of the 30% Design Documents for the Airport Metro Connector Project (AMC) and coordination with Los Angeles World Airport's (LAWA) Automated People Mover Project (APM), it was determined that the following additional design work was required:

- Design and Documentation of a Temporary Shoofly

Analysis of constructing a new Rail Station on the Crenshaw Line identified multiple concerns in regards to service interruptions required to build a new ground up light rail station during public rail operations. Constructing the entire rail platform, two above grade pedestrian mezzanine crossings and roofing, would require multiple service interruptions, single tracking, and in many cases, complete shutdown of the Crenshaw Line for extended periods to allow for this construction. As the AMC Work would occur shortly after the scheduled opening of the Crenshaw Line, these disruptions and adjustments to the newly opened rail service would be untenable, costly and inefficient. To mitigate these concerns, the installation of a temporary Shoofly was determined by the Project Team and Metro Operations as the most prudent option to maintain full

service as much as possible to the Crenshaw Line while allowing for full access to the future AMC Rail Station area for uninterrupted and more efficient construction. As this work is completely new scope, both the design work and construction support will be additional scope to the different phases of the original contract per the following:

- Additional Services to Original Contract for Design Development Section (Phase II): The design and documentation of Shoofly from conception through the coordination and production of 100% Construction Documents
- Additional Services to Original Contract for Design Support during Construction: Design support by the design consultant during construction and integration to the Crenshaw Line for the new Shoofly

- Site Work

With the addition of the Shoofly, the site work is now required to take place before the construction of the Shoofly, much sooner than originally scheduled. In coordination with both the new Shoofly installation and the intersecting LAWA APM work, the AMC Station project site work components - demolition, environmental remediation, site grubbing and rough grading - requires separation from the original project documents into the development of its own separate design documents to allow for the now-required early construction of the site work. Both the design coordination and construction support for this site work will be additional scope to the different phases of the original contract per the following:

- Additional Services to Original Contract for Design Development Section (Phase II): Additional design documentation of Site Work from 30% documents with the creation of new and separate 100% Construction Documents
- Additional Services to Original Contract for Design Support during Construction: Design support by the design consultant during construction of the Site Work

- Redesign of Rail Platform

The direction to install the Shoofly provided an opportunity for a more detailed analysis for the rail station platforms at the AMC. The original design, required to fit within the Crenshaw Line alignment, landed on a three platform design - one platform outside of each rail and a central one in between. While the three platform design presented interesting opportunities for passenger circulation, there were numerous shortcomings - narrow platforms and vertical circulation

elements, unclear wayfinding, and code implications. In addition, each individual platform required its own canopies, rail communications equipment and other amenities such as map cases and benches, tripling the amount of platform amenities and more importantly, multiplying the amount of maintenance required. With rail service now designed to be diverted to the Shoofly, the platform area was re-analyzed for passenger use and maintenance and operational efficiencies. A design schematic exercise presented a large single central platform which greatly reduced construction and equipment requirements as well as creating a more straightforward customer experience. This exercise proved to save the project over \$10,000,000 in project costs and exponential maintenance costs for the foreseeable future. This design work was required to start from conception and then fully integrated into the main AMC Station set at 60%.

- Additional Design Revisions

With the overall design intent complete at 30%, several 3rd Party agencies expressed concern for the overall appearance and integration of the design with the future APM Station. In an effort to provide a more significant presence of the station, the design team was directed to re-develop key structural components and exterior façade and roofing systems to meet these concerns. This design work was required to start from conception and then fully integrated into the main AMC Station set at 60%.

BACKGROUND

The main purpose of the additional design work is to create solutions that would allow for timely and uninterrupted construction of the final AMC Station project - which will have a Rail Station component - while minimizing potential stoppages to the operations of the Crenshaw Line. However, by the time a final option of a temporary shoofly was confirmed, schedule limitations of various components outside of the AMC Station Project required expedited design and coordination work of the Site Work and Shoofly. There were three specific components that determined the immediate direction to perform this work:

- Restricted project design timeline - As noted above, during the 30% review with various Metro departments, it was determined that the construction of the new Rail Station at AMC would be logistically difficult and disruptive to the Crenshaw Line service without an alternative service option. The first order of work required a thorough review of options for this alternative service in coordination with the Operations Department and Crenshaw project team.

The redesign of the of the central platform and the additional design revisions noted above were also restricted by the same time restrictions, as this work will need to be completed to allow for procurement and mobilization of the project construction by the time the Shoofly is operational.

- LAWA APM (Los Angeles World Airport's Automated People Mover) - From its inception, the

AMC Station Project has faced critical coordination and schedule integration with the LAWA APM as this rail system will be constructed and eventually, operated within the AMC Station area. By the time Metro made the decision to pursue the Shoofly, the two agencies had already determined that working concurrently on the same site would be unsafe, more costly and inefficient. With the new Shoofly scope, additional coordination was required with LAWA while mitigating delays to both their design and final construction schedules. As the LAWA APM project is also time and cost sensitive, timely direction to proceed was required to minimize Metro's exposure to delays and claims this coordination required.

- Crenshaw Line Coordination - The last component was synchronization with the Crenshaw/LAX Line and Southwest Yard. Initial coordination with the Crenshaw Line team showed potential scheduling conflicts as the original schedule for the Shoofly work coincided with critical testing dates for the main line. With this understanding, both the Project Team and Metro Operations worked to mitigate potential shutdowns and related bus bridging to the Crenshaw Line during the construction and eventual tie-in of the Shoofly. The best method determined was to expedite the completion of the Shoofly design documents to allow for an early start of the Shoofly construction to provide schedule flexibility and slot the Shoofly work into the Crenshaw Line and Southwest Yard at the most reasonable and least disruptive times.

Understanding these conditions, which did not allow for a lengthy procurement process for the design and production of documents, Gruen Associates was directed to proceed immediately with the design work for the Shoofly, Site Work, Platform reconfiguration, and Design upgrades to maintain critical coordination and schedule. This Board action would allow this additional work to be ratified into the contract as additional scope. The design consultant's familiarity with all aspects of the project provided immeasurable time and cost savings and allowed for the design work to coincide and eventually integrate into the main body of the design work on schedule.

DISCUSSION

Direction to Proceed with the Site Work and Shoofly Design

In order to provide these design services and meet critical milestone schedule points, staff seeks a contract modification to augment the design and engineering services with Gruen Associates. Based on the revised construction schedule and design support needs during bidding and construction, staff is recommending the additional services through FY21.

DETERMINATION OF SAFETY IMPACT

The installation of a Shoofly will ensure that the Crenshaw Line service will maintain safe and uninterrupted passage throughout the adjacent construction of the AMC Rail Station. In addition, with full and uninterrupted access to the Crenshaw Line Right-of-Way, the construction means and methods will follow more typical industry standards, requiring less complicated and safer construction

equipment and procedures next to - instead of within - an operating rail line. This Board action will have no impact on established safety standards.

FINANCIAL IMPACT

This project is funded on a fiscal year basis under Project number 860303 Airport Metro Connector Project (AMC), cost center 8510, under various accounts including Professional/Technical Services and ROW acquisitions. The project is authorized to expend up to a cumulative amount of \$116.0 million through the FY19 period. Approval of the recommendations will add funding to the existing design consultant contract through FY21. This is a multi-year project requiring expenditure authorizations in fiscal year increments until a Board Authorized Life of Project Budget is adopted. It is the responsibility of the Project Manager and Chief Program Management Officer to budget for this project in future fiscal years.

Impact to Budget

Through FY19, the sources of funds for the recommended actions are Measure M 35% and Cap & Trade Transit and Intercity Rail Capital Program (TIRCP). There is no impact to Operations eligible funding. No other funds were considered.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This action directly supports the Project which is consistent with Metro's Strategic Plan Goals. The Strategic Plan goal is to enhance communities and lives through mobility and access to opportunity. By increasing capacity at the station, better integrating rail service to the APM, and creating a more intuitive and efficient passenger experience, the Project seeks to better connect residents to a wider range of regional employment, educational, and cultural opportunities.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the contract modifications. This alternative is not recommended as the current design would greatly affect Crenshaw Line Operations shortly after its opening with service interruptions, single tracking and shut downs along with severely extended and costly construction delays to coordinate with these rail service stoppages. In addition, not proceeding with these modifications would further complicate coordination with the APM Project along with unnecessary maintenance service and associated costs for future multiple AMC Station components.

Similarly, not authorizing the Contract Modification for Gruen Associates is also not recommended since rejecting this modification would result in an inadequate design and engineering support during the construction of a very complex project with an aggressive design and construction schedule.

NEXT STEPS

Upon Board approval, staff will execute Modification No. PS298340011486 with Gruen Associates, for additional design, design development, production of documents and construction support for the additional scope of the Shoofly, Site Work, Central Rail Platform and Station Design Revisions.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary

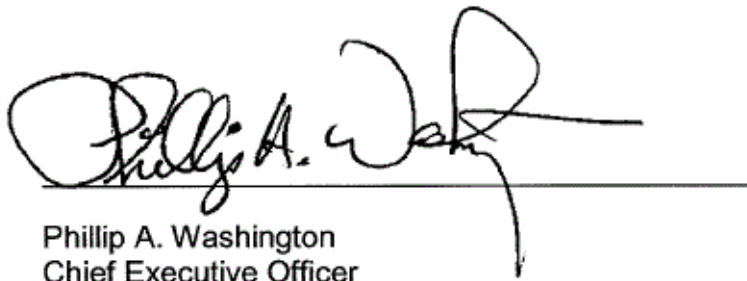
Prepared by:

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Reviewed by:

Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051;
Richard Clarke, Chief Program Management Officer, Transit Project Delivery, (213) 922-7557



Phillip A. Washington
Chief Executive Officer

**PROCUREMENT SUMMARY
AIRPORT METRO CONNECTOR/96TH STREET TRANSIT STATION - CONTRACT
NO. PS298340011486**

1.	Contract Number: PS298340011486		
2.	Contractor: Gruen Associates		
3.	Mod. Work Description: Design (Phase II) and construction support (Phase III) modifications for Site Work, New Shoofly, Rail Platform Revisions and Design Adjustments for the Airport Metro Connector Project (AMC)		
4.	Contract Work Description: Airport Metro Connector/96th Street Transit Station Design		
5.	The following data is current as of: April 29, 2019		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	8/7/2015	Contract Award Amount: \$17,789,897.00
	Notice to Proceed (NTP):	8/7/2015	Total of Modifications Approved: \$ 165,044.00
	Original Complete Date:	8/7/2022	Pending Modifications (including this action): \$9,064,031.93
	Current Est. Complete Date:	8/7/2022	Current Contract Value (with this action): \$27,018,972.93
7.	Contract Administrator: Deneise Glover		Telephone Number: 213-922-7302
8.	Project Manager: Paul Whang		Telephone Number: 213-922-4705

A. Procurement Background

This Board Action is to approve Contract Modification No. 6 for additional design work to create solutions that would allow for timely and uninterrupted construction of the final AMC Station project – which will have a Rail Station component – while minimizing potential stoppages to the operations of the Crenshaw Line. However, by the time a final option of a temporary shoofly was confirmed, schedule limitations of various components outside of the AMC Station Project required expedited design and coordination work of the Site Work and Shoofly.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

On August 7, 2015, Contract No. PS298340011486 was awarded to Gruen Associates, the lowest responsive and responsible bidder, in the amount of

\$17,789,897, for the conceptual engineering and design of the Airport Metro Connector 96th Street Transit Station.

Attachment B – Contract Modification/Change Order Log that shows five (5) modifications that have been issued to date to add work and pending modifications and amounts for changes that are currently in review or process.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon thorough fact-finding, clarifications, independent cost estimates, cost analysis, price analysis, technical evaluation, and negotiations.

The amount below includes the following Modifications which have been negotiated and a Metro ICE prepared:

- Design and Documentation of Temporary Shoofly - Addition to Phase 2 SOW;
- Bid and Construction Support Services of Shoofly - Addition to Phase 3 SOW;
- Design and Documentation of Preliminary Site Work – Addition to Phase 2 SOW; and Construction Support Services of Preliminary Site Work.

Item No.	Changes	Proposal amount	Metro ICE	Negotiated or NTE amount
	MOD 6	\$2,064,031.93	\$2,017,168.35	\$2,064,031.93

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

**AIRPORT METRO CONNECTOR/96TH STREET TRANSIT STATION - CONTRACT
NO. PS298340011486**

Mod. no.	Description	Status	Cost		
			Contract Value	Mods.	Board Approved CMA
N/A	Initial Award		\$17,789,897.00		\$3,557,979.00
1	Adjust Retention per direction from OCEO	Approved	No Cost	\$	\$
2	Add DBE Subcontractor	Approved	\$	\$165,044.00	\$3,392,935.00
3	Reallocation of fees to meet DBE Commitment	Approved	No Cost	\$	\$
4	Reallocation of fees to meet DBE Commitment	Approved	No Cost		
5	Add DBE Subcontractor	Approved	No Cost		
	Subtotal Approved Modifications			\$165,044.00	
6	Design and Documentation of Temporary Shoofly – Addition to Phase 2 SOW	Pending		\$924,629.89	
6	Bid and Construction Support Services of Shoofly – Addition to Phase 3 SOW	Pending		\$329,128.43	
6	Design and Documentation of Preliminary Site Work – Addition to Phase 2 SOW	Pending		\$719,340.76	
6	Construction Support Services of Preliminary Site Work – Addition to Phase 2 SOW	Pending		\$90,932.85	
	Subtotal Pending Modifications			\$2,064,031.93	
TBD	Design and Documentation of Central Platform Design Revisions – Addition to Phase 2 SOW	Pending		\$2,000,000.00	
TBD	Design and Documentation of Station Design Revisions – Addition to Phase 2 SOW	Pending		\$2,500,000.00	
TBE	Design and Documentation of Station Utilities and Design Revisions	Pending		\$2,500,000.00	
	Subtotal			\$7,000,000.00	
	Additional CMA Request – This Action	Pending			\$3,607,065.00

Subtotal – Approved Modifications	\$	\$ 165,044.00	\$
Subtotal – Pending Changes/Modifications	\$	\$9,064,031.93	\$
Subtotal Totals: Mods. + Pending Changes/Modifications	\$	\$9,229,075.93	\$
Subtotal – Pending Claims	\$	\$0.00	\$
Total: Mods + Pending Changes/Mods + Possible Claims	\$	\$9,229,075.93	\$
Total Contact Value (including Approved Modifications)	\$17,954,941.00	\$	\$
Total Approved Modifications and Pending Modifications (including this change)	\$	\$9,229,075.93	\$
Total Board Approved CMA (including this action)	\$	\$	\$7,000,000.00

DEOD SUMMARY

**AIRPORT METRO CONNECTOR/96th STREET
TRANSIT STATION - CONTRACT NO. PS298340011486**

A. Small Business Participation

Gruen Associates (Gruen) made a 22.71% Disadvantaged Business Enterprise (DBE) commitment. The project is 70% complete and the current DBE participation is 18.45%, which represents a 4.25% shortfall. According to Gruen, the shortfall is primarily due to way the project is structured. Phases 1 and 2 were lower in total DBE participation than Phase 3, which is where the highest DBE percent is scheduled to be performed. Gruen expects to meet or exceed their 22.71% DBE commitment by the end of the project.

Notwithstanding, Metro Project Managers and Contract Administrators, will work in conjunction with DEOD to ensure that Gruen is on schedule to meet or exceed its DBE commitment. Metro staff will request that Gruen submit an updated mitigation plan if Gruen is not on track to meet its small business commitment. Additionally, key stakeholders associated with the contract have been provided access to Metro's tracking and monitoring system to ensure that all parties are actively tracking Small Business progress.

Small Business Commitment	DBE 22.71%	Small Business Participation	DBE 18.45%
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	DBE Subcontractors	Ethnicity	% Commitment	Current Participation¹
1.	JC Engineering	Hispanic	2.70%	2.98%
2.	Innovative Engineering Group	Asian Pacific	7.90%	4.34%
3.	BA, Inc	African American	3.20%	4.05%
4.	D R Consultants & Designers	Hispanic	2.20%	2.13%
5.	FLP & Associates	Asian Pacific	1.21%	1.92%
6.	Bobby Knox Architects	African American	0.40%	0.28%
7.	Diaz Yourman Associates	Hispanic	0.70%	0.76%
8.	Coast Survey	Hispanic	0.40%	0.54%
9.	SKA Design	Hispanic	0.40%	0.49%
10.	The Robert Group	African American	1.70%	0.06%
11.	Soteria	Hispanic	1.70%	0.57%
12.	Land Econ Group	Asian Pacific	0.20%	0.33%
	Total Commitment		22.71%	18.45%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this modification.

C. Prevailing Wage Applicability

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

D. Project Labor Agreement/Construction Careers Policy

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