



Metro

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

Agenda - Final

Thursday, April 20, 2023

11:00 AM

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Construction Committee

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Stephanie Wiggins, Chief Executive Officer*

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(ALSO APPLIES TO BOARD COMMITTEES)

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A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

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

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

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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
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The Committee Meeting begins at 11:00 AM Pacific Time on April 20, 2023; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-251-2949 and enter
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Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

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Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting. Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

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Board Administration

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Los Angeles, CA 90012

CALL TO ORDER**ROLL CALL**

APPROVE Consent Calendar Items: 22 and 23.

Consent Calendar items are approved by one vote unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR**22. SUBJECT: CRENSHAW/LAX CLOSE OUT PROJECT**[2022-0509](#)**RECOMMENDATION**

AMEND the Life-of-Project (LOP) Budget by \$10,000,000 for the Crenshaw/LAX Close Out Project (Project), increasing it from \$47,000,000 to \$57,000,000.

Attachments: [Attachment A - Funding Expenditure Plan](#)
[Attachment B - Projected Breakdown of Cost Allocation](#)
[Attachment C - Measure R & Measure M Unified Cost Mgmt Policy Analysis Presentation](#)

23. SUBJECT: SOUNDWALL PACKAGE 11 HIGHWAY PROJECT[2023-0159](#)**RECOMMENDATION**

CONSIDER:

- A. AMENDING the Life of Project Budget (LOP) Budget for Project No. 460324 Soundwall Package 11 Highway Project by an amount of \$8,525,000, increasing the LOP budget from \$102,485,000 to \$111,010,000, consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment B); and
- B. AUTHORIZING the Chief Executive Officer to execute individual Contract Modifications within the Board approved Life of Project budget.

Attachments: [Attachment A - Funding and Expenditure Plan](#)
[Attachment B - Unified Cost Management Policy](#)
[Attachment C - Caltrans Construction Procedures Directives](#)

NON-CONSENT**24. SUBJECT: BUSINESS INTERRUPTION FUND**[2022-0858](#)**RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Pilot Business Interruption Fund (BIF) Assessment;
- B. AUTHORIZING the Chief Executive Officer to expand the Pilot Business Interruption Fund (BIF) to the East San Fernando Valley Light Rail Transit Project; and
- C. APPROVING the Pilot Business Interruption Fund (BIF) program modifications (Attachment D).

Attachments: [Attachment A - BIF Motion 32](#)
[Attachment B - BIF Motion 57](#)
[Attachment C - BIF Metrics and Measures of Effectiveness](#)
[Attachment D - BIF Program Modifications](#)
[Presentation](#)

25. SUBJECT: LINK UNION STATION PROJECT[2023-0009](#)**RECOMMENDATION**

AUTHORIZE The Chief Executive Officer to:

- A. AWARD AND EXECUTE a cost reimbursable fixed fee Contract No. AE83177E0130, to Jacobs Project Management Company, for preconstruction services and construction management support services on the Link US Project;
- B. AUTHORIZE a contract amount not-to-exceed \$16,250,000 through January 2027 to support preconstruction services with an initial Annual Work Plan not to exceed \$3,051,600; and
- C. NEGOTIATE AND EXECUTE contract modifications within the Board approved contract funding amount.

Attachments: [Attachment A - Procurement Summary](#)
[Attachment B - DEOD Summary](#)

26. **SUBJECT: DIVISION 20 PORTAL WIDENING TURNBACK FACILITY
LOP INCREASE**

[2023-0197](#)

RECOMMENDATION

AMENDING the Life-of-Project (LOP) budget by \$80,000,000 for the Division 20 Portal Widening Turnback Facility (Project) from \$876,749,577 to \$956,749,577 using the fund sources as summarized in Attachment A, consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment B).

Attachments: [Attachment A - LOP increase 041423](#)
 [Attachment B Cost Management Policy 041423](#)
 [Attachment C 2023 041423](#)

27. **SUBJECT: PROGRAM MANAGEMENT QUARTERLY CHANGE
REPORT**

[2023-0176](#)

RECOMMENDATION

RECEIVE AND FILE status on Program Management Quarterly Change Report.

Attachments: [Attachment A - Qtly. Change Orders Log Reporting Period of 12/1/22 - 2/28/23](#)
 [Attachment B - OIG CON Change Order Spot Checks CEO Delegated Authority](#)

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

[2023-0111](#)

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General Construction Change Order Spot Check Report for the period December 1 to February 28, 2022.

Attachments: [Attachment A - Change Order Details for Spot Checks](#)
 [Attachment B - Tracking Sheet of OIG Recommendations and Responses
Presentation](#)

29. **SUBJECT: METRO CENTER PROJECT**

[2023-0100](#)

RECOMMENDATION

AMEND the Life of Project (LOP) budget by \$13,000,000 for the Metro Center Project from \$130,688,310 to \$143,688,310.

Attachments: [Attachment A - Projected Breakdown of Cost Alloc. Funding Exp. Plan](#)
 [Attachment B - Funding and Expenditure Plan](#)

30. SUBJECT: PROGRAM MANAGEMENT MAJOR PROJECT STATUS[2023-0177](#)**RECOMMENDATION**

RECEIVE AND FILE Program Management Major Project Status Report.

Attachments: [Presentation](#)**SUBJECT: GENERAL PUBLIC COMMENT**[2023-0234](#)

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 #: 2022-0509, File Type: Budget

Agenda Number: 22.

CONSTRUCTION COMMITTEE APRIL 20, 2023

SUBJECT: CRENSHAW/LAX CLOSE OUT PROJECT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AMEND the Life-of-Project (LOP) Budget by \$10,000,000 for the Crenshaw/LAX Close Out Project (Project), increasing it from \$47,000,000 to \$57,000,000.

ISSUE

The Crenshaw/LAX Close-Out Project LOP budget requires an increase of \$10,000,000 to fund higher than anticipated costs for Catch-All Contract No. 2, newly identified scope of work for Catch-All Contract No. 2, additional legal and claim support due to the five (5) month hearing delay, and additional professional service contracts to support claim preparation and continue management and oversight of the Project necessary for project completion.

BACKGROUND

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

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

As the project neared completion, staff requested a Close Out Project to provide funding for work that could commence after substantial completion of the C/LAX Design-Build Project. Funding and timing for the Close Out Project are separate from the C/LAX Design-Build Project, allowing staff flexibility to close out the Design-Build Project and related administrative elements. The scope of the Close Out

Project includes additional work required for the Crenshaw/LAX Project that, due to timing constraints, was not recommended to be issued to the Design-Builder (DB).

The Metro Board approved on May 28, 2020, a LOP budget of \$30,000,000 for the C/LAX Close Out Project. The approved LOP funding level was based on Substantial Completion forecasted for December 2020, and Revenue Service commencing in 2021. Since the approval of the LOP budget in 2020, the C/LAX Design-Build Project has experienced additional schedule delays, the Design-Builder has submitted its claim, and legal costs to analyze and defend the claim has accrued at a higher rate than anticipated. Furthermore, the bid received for Segments A and B Contract No. 1 Close Out work far exceeded the planned budget.

The Metro Board approved in June 2022, a LOP budget amendment of \$17,000,000 to provide funding for Segment C additional Punch Out construction work at the underground stations, increased legal services required to defend against the design-builder claim, extended Metro staff and professional services required to support completion of the Project through Revenue Service in Fall 2022, and replenishment of project contingency.

DISCUSSION

Since the June 2022 approval of the LOP budget amendment to \$47M, the Design-Builder experienced additional schedule delays, the bid received for the Segments A and B Close Out work far exceeded the planned budget, legal costs to analyze and defend the claim accrued at a higher rate than anticipated, and the claims hearing was postponed by five (5) months.

To address impacts on the Catch-All Contract No. 2, staff recommends a total LOP budget increase of \$10 million. See below for detailed explanation.

- Staff anticipates bids for “Catch-All Contract No. 2” will exceed the current budget amount. Additional funds are required to cover items previously removed from Catch-All Contract No. 1, newly identified scope items, and increasing and continuing inflation costs.
- Due to the volume of material exchanged by the two parties as part of the DB claim, the parties mutually agreed to postpone the hearing by 5 months to allow each party sufficient time to prepare. Additional funds will cover a higher than anticipated burn rate on legal services required to defend against the design-builder claim, plus an additional five (5) months for legal services due to the five (5) month hearing delay.
- Additional professional services and Metro staff time were required during the five (5) month hearing delay to support claim preparation.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Upon Board approval of the recommendation, the LOP budget will increase by \$10,000,000 from \$47,000,000 to \$57,000,000. Funds required in Fiscal Year 2023 are included as part of the FY23 budget adoption. The additional LOP funding will be programmed through FY24 and FY25 in Cost Center 8510, Construction Contracts/ Procurement, under Project 869512.

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

Impact to Budget

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

Multiyear Impact

The sources of funds for the Project are capital funds identified in the recommended Funding/Expenditure Plan as shown in Attachment A. With respect to the \$10,000,000 increase, Attachment C shows the Measure R and Measure M Unified Cost Management Policy (Policy) analysis and funding strategy.

To comply with the Policy of the Metro Board of Directors, Metro staff has evaluated potential offsetting cost reductions, including reductions to other Metro projects in the corridor and subregion, and has determined these are not feasible, and that additional local funding resources (i.e., funding specific to the affected corridor or subregion), which are to be considered prior to Metro's countywide funding, are not available. The Policy analysis identifies available and eligible local funds at the time of expenditure (Countywide Other Funds) as the funding that can address the \$10,000,000 cost increase. Metro staff attempted to identify local funding specific to the Project corridor and affected Central City Area and South Bay subregions, but was not able to identify such funding due to restrictions on the use of those funds.

EQUITY PLATFORM

The Crenshaw/LAX Close Out Project supports the C/LAX Transit Project, which serves the cities of Los Angeles, Inglewood, Hawthorne and El Segundo as well as portions of unincorporated Los Angeles County. All eight stations (100%) are within or adjacent to Equity Focus Communities. Project equity benefits and impacts include:

1. Providing better transit connectivity and increasing light rail transportation service from the Metro Expo Line to the Metro Green Line.

2. Increasing transportation and service frequency, reliability, and access for communities along the 8.5-mile alignment that use the Metro transit system along the Century/Aviation, Westchester/Veteran, Downtown Inglewood, Fairview Heights, Hyde Park, Leimert Park, Martin Luther King and Exposition stations for housing, jobs, educational, medical and entertainment needs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project is consistent with the following Metro Vision 2028 Goals and Objectives:

Goal 1: Providing high-quality mobility options and improving transit efficiency.

Goals 4 and 5: Transforming LA County through regional collaboration with Caltrans and the Corridor Cities by contributing funds and providing resources to assist Caltrans in management and delivery of these projects.

ALTERNATIVES CONSIDERED

The Board may choose to not move forward with amending the LOP Budget. This is not recommended as this choice may limit Metro's flexibility and ability to manage and complete the required scope of work for the C/LAX project in the most timely and cost-effective manner and could jeopardize Metro's ability to provide its best defense against claims submitted by the Design-Builder.

NEXT STEPS

Upon approval by the Board, the LOP Budget will be amended in accordance with the Recommendation.

ATTACHMENTS

Attachment A - Funding/Expenditure Plan

Attachment B - Projected Breakdown of Cost Allocation

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

Prepared by:

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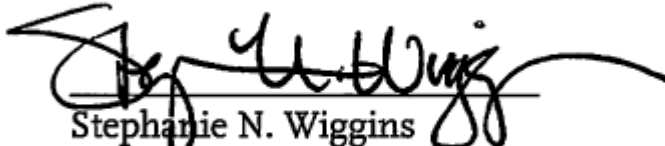
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Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A
(2022-0509)
Crenshaw/LAX Closeout Project
Funding / Expenditure Plan*
(Dollars in Millions)

Capital Project CP869512	FY21	FY22	FY23	FY24	FY25	TOTAL	% Of Total
	Actual	Actual	Forecast	Forecast	Forecast		
Uses of Funds							
Construction	-	-	5.35	8.12	6.90	20.37	35.7%
Prof Services	0.01	13.74	15.26	3.78	1.85	34.63	60.8%
Project Contingency	-	-	1.00	0.50	0.50	2.00	3.5%
Subtotal	0.01	13.74	21.61	12.40	9.25	57.00	100.0%
Total Project Costs:	0.01	13.74	21.61	12.40	9.25	57.00	100%
Sources of Funds							
Local Funding Sources							
Proposition C 25%	0.01	13.74	21.61	11.65	-	47.00	82%
Countywide Other Funds				0.75	9.25	10.00	18%
TOTAL:	0.01	13.74	21.61	12.40	9.25	57.00	100%

*Sources of funds are subject to change. Assumes claims hearing is on schedule for May 2023 and Catch-All Contract #2 Substantial Completion December 2024.

**FY23-FY25 is projected.

ATTACHMENT B

(2022-0509)

C/LAX Close Out Activities Project (CP869512)

Projected Breakdown of Cost Allocation for \$10 million

Amount	Descriptions
\$4,000,000	Construction <ul style="list-style-type: none">o Segment C "Punch-List" Contract (includes testing)
\$3,500,000	Legal Services <ul style="list-style-type: none">o Procured legal services to assist project management with preparing documentation and analysis in support of Metro's defense against claims submitted by the contractor.
\$2,001,763	Professional Services & Misc <ul style="list-style-type: none">o Metro Staff at Gateway and at multiple field offices who perform oversight in various disciplines.o CMSS - STANTEC: Claim preparation support (records reviewing and comments). Construction management support services procured to support Metro staff in oversight of specific areas of project construction disciplines such as field inspectors, resident engineers and other construction support.o Arcadis Inc.: claims support consultant to assist with preparing documentation and analysis in support of Metro's defense against claims submitted by the contractor.o Mott McDonald: Claim preparation support to assist with preparing documentation and analysis in support of Metro's defense against claims submitted by the contractor.o Miscellaneous professional Services support .
\$498,237	Unallocated Contingency <ul style="list-style-type: none">o Amount not yet allocated to a specific line item but is required for anticipated unknown cost increases.
\$10,000,000	Total Increase

Crenshaw/LAX Close Out Project

Measure R and Measure M Unified Cost Management Policy Analysis

Introduction

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

The life-of-project (LOP) budget for the Project was last approved by the Board in June 2022 at \$47,000,000. The Project is subject to the Policy analysis now due to a proposed \$10,000,000 increase to the LOP budget. Funding for the cost increase is needed through FY 2025. This analysis recommends trade-offs required by the Policy to identify the funds necessary to meet the cost increase.

The LOP budget requires an increase of \$10,000,000 to pay for additional schedule delays, the bid for the Close Out work exceeding the planned budget, and legal costs to analyze and defend the claim.

Measure R and Measure M Unified Cost Management Policy Summary

The adopted Policy stipulates the following

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

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

Scope Reductions

The Project cost increase is attributable to schedule delays, higher expected cost for the Close Out, and legal costs due to a five-month hearing delay. Any attempt to identify and negotiate agreeable reductions to the scope may result in further delays and potential additional costs. Because of this, we recommend moving to the next step.

New Local Agency Funding Resources

Local funding resources (i.e., specific to the affected corridor or subregion) are considered in the next step as opposed to countywide or regional sources so as not to impact the funding of other Metro Board-approved projects and programs or subregions in the County. The Project is eligible for Measure R funding but this is entirely allocated to the Crenshaw/LAX Transit project, or subsequently transferred to another project.

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

Subregional Programs and Local Agency Contributions

Measure R, as amended, includes funding for a "South Bay Transit Investments" program and the South Bay subregion (represented by its Council of Governments) could allocate a portion of the funding for the Project. Metro staff will contact the subregion to determine if it would allocate any funding. However, due to the time constraints of this Board item, this funding is not considered available for the Project cost increase.

Measure M includes funding for a transit-eligible multi-year subregional program (MSP) for the South Bay and Central City Area subregions. The MSP is eligible beginning FY 2018 and entitled the Subregional Equity Program (SEP). However, Motion #2021-0435 amends the Policy to "eliminate the Subregional Equity Program from consideration to address project funding shortfalls during construction" and is not considered available for the Project cost increase.

Local Agency Contributions

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

Measure M, as well as Measure R and Propositions A and C, provide "local return" funding to Los Angeles and Inglewood. The cities will receive an estimated \$3.9 billion of local return (Los Angeles \$3.8 billion, Inglewood \$100 million) over the ten-year period FY 2023 to FY 2032 that is eligible for transit use and could contribute a portion to the Project. However, prior Board actions relating to the Twenty-Eight by '28 Initiative and funding for the cost increase to Foothill Extension to Pomona, Crenshaw/LAX Transit, Westside Subway Section 1, and Eastside Access did not support use of local

return, and it is presumed these funds would not be available for the cost increase to the Project.

State and Federal Funding (Discretionary)

The State has previously granted the Crenshaw/LAX Transit project \$129.1 million through Prop 1B grants and the USDOT has provided funding through a \$13.9 million TIGER grant and \$545.9 million TIFIA loan. Additional State or federal discretionary funding (where Metro would compete for the funding) is not probable, given the Crenshaw/LAX Transit project and Crenshaw Close Out Project have experienced multiple cost increases and the project is in operation.

Value Engineering

The Project cost increase is attributable to schedule delays, higher expected cost for the Close Out, and legal costs due to a five-month hearing delay. Any attempt to identify and negotiate agreeable value engineering may result in further delays and potential additional costs. As a result, we recommend moving to the next step.

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

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

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

The Project is within the same corridor as the Airport Metro Connector, which is currently in construction with an LOP budget of \$898,581, approved by the Board in April 2021. This project is not yet completed and does not have cost reductions that could be used for the Project.

Countywide Cost Reductions and/or Other Funds

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

Through FY 2025, the Proposition C 25% funds are currently planned, from highest to lowest, for debt service on Metro bonds, Call For Projects, Microtransit, Freeway Service Patrol, and the Crenshaw/LAX Locally Funded Activities Project. The Proposition C 40% is planned for Metro bus operations, ADA-paratransit operations, rail operations, the municipal and non-Metro operators, and debt service. The Proposition A 35% is planned for Heavy Rail Vehicles, rail operations, debt service on Metro bonds, vehicle midlife, and Light Rail Vehicles.

State and Federal Funding (Formula)

Metro receives quasi-formula funding from the State through the Regional Improvement Program (RIP) and Local Partnership Program (LPP). This is considered regional funding as it can be applied countywide to both transit and highway spending. There is currently no capacity in the RIP or LPP through FY 2027. The RIP has been allocated to projects submitted in Metro's 2022 RTIP and the next cycle of the LPP is planned to be used on the Division 20 project and NextGen.

The Crenshaw/LAX Transit project has previously received federal Surface Transportation Block Grant Program (STBG) and Congestion Mitigation & Air Quality Program (CMAQ) funding and these may be eligible for use on the Project to address the cost increase. However, the funding is currently programmed for other uses in the Long Range Transportation Plan Financial Forecast including Crenshaw/LAX Transit and other Metro rail operating expenses, Metro heavy rail projects, and Call For Projects, and any allocation to the Project would reduce the availability for competing uses.

Recommendation

We recommend that the \$10,000,000 cost increase for the Project is funded with available and eligible local funds at time of expenditure (Countywide Other Funds) as the funding (including debt financing). The Policy analysis has looked at potential cost reductions and these are not feasible given the status of the Project and timing of the funding need. The Policy analysis has also considered local funding from the subregions, including Measure R South Bay Transit Investments, local return, and the defunding of projects in the Call For Project and or cost savings from other projects and has determined that this funding is not available. State and federal formula funding were also evaluated but these are not available as they are programmed for other uses in Metro's financial forecast.

Board Report File #2022-0509

Subject: Crenshaw/LAX Closeout Project

Amend LOP Budget by \$10M from \$47M to \$57M



Board Report File #2022-0509

Subject: Crenshaw/LAX Closeout Project

Amend LOP Budget by \$10M from \$47M to \$57M

- **ACTION: AUTHORIZE LIFE-OF-PROJECT BUDGET INCREASE**
- **Scope**
 - Higher than the anticipated cost for Segment C “Catch-All Contract #2” to be solicited to handle the remaining miscellaneous items previously removed from Contract #1 and newly identified scope items.
 - Additional Legal and claim support services support to defend against claims by the design-builder due to a five (5) month hearing delay.
 - Additional professional services to support claim preparation.

Board Report File #2022-0509

Amend LOP Budget by \$10M from \$47M to \$57M

(2022-0509)

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

Capital Project CP869512	FY21	FY22	FY23	FY24	FY25	TOTAL	% Of Total
	Actual	Actual	Forecast	Forecast	Forecast		
Uses of Funds							
Construction	-	-	5.35	8.12	6.90	20.37	35.7%
Prof Services	0.01	13.74	15.26	3.78	1.85	34.63	60.8%
Project Contingency	-	-	1.00	0.50	0.50	2.00	3.5%
Subtotal	0.01	13.74	21.61	12.40	9.25	57.00	100.0%
Total Project Costs:	0.01	13.74	21.61	12.40	9.25	57.00	100%
Sources of Funds							
Local Funding Sources							
Proposition C 25%	0.01	13.74	21.61	11.65	-	47.00	82%
Countywide Other Funds				0.75	9.25	10.00	18%
TOTAL:	0.01	13.74	21.61	12.40	9.25	57.00	100%

*Sources of funds are subject to change. Assumes claims hearing is on schedule for May 2023 and Catch-All Contract #2 Substantial Completion December 2024.

**FY23-FY25 is projected.



Metro

Board Report File #2022-0509

Subject: Crenshaw/LAX Closeout Project

Amend LOP Budget by \$10M from \$47M to \$57M

C/LAX Closeout Project	\$47M LOP Jun-22	Committed thru Dec-22	Expended thru Dec-22	\$47M LOP Budget Remaining to Commit Dec-22	\$10M LOP Increase REQUESTED	\$57M Revised LOP REQUESTED
June 2022 LOP Increase						
Construction	15,745,251	10,386,735	2,983,860	5,358,516	4,000,000	19,745,251
-Catch All	12,500,000	6,806,695	-			
-Union Equity	3,245,251	3,580,040	2,983,860			
Prof Services (Claim, Admin, CMSS, PMSS, Misc)	12,554,749	6,045,491	3,776,118	6,509,258	2,000,000	14,554,749
Legal Services	16,200,000	15,824,042	15,294,158	1,375,958	3,500,000	19,700,000
Project Contingency	2,500,000			1,000,000	500,000	3,000,000
TOTAL:	47,000,000	32,256,268	22,054,136	14,243,732	10,000,000	57,000,000



Board Report

File #: 2023-0159, File Type: Budget

Agenda Number: 23.

CONSTRUCTION COMMITTEE APRIL 20, 2023

SUBJECT: SOUNDWALL PACKAGE 11 HIGHWAY PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AMENDING the Life of Project Budget (LOP) Budget for Project No. 460324 Soundwall Package 11 Highway Project by an amount of \$8,525,000, increasing the LOP budget from \$102,485,000 to \$111,010,000, consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment B); and
- B. AUTHORIZING the Chief Executive Officer to execute individual Contract Modifications within the Board approved Life of Project budget.

ISSUE

Staff have been working diligently to complete the project within the approved LOP budget; however, the LOP, as established in January 2021, must be increased given certain complexities on the project that were unknown at the time of that action. Staff is seeking the Board's approval to Amend the LOP to close out the project in an amount of \$8,525,000 for a new LOP of \$111,010,000. Construction costs have escalated due to vandalism and the need to clear chronic unhoused encampments in the project areas, as well as design errors and omissions. The project is at 98% completion, and this request will provide enough funding to complete the Project and close out all associated contracts.

BACKGROUND

The Project is a Design/Bid/Build contract that is administered by Metro on behalf of Caltrans. The Project is located entirely within Caltrans right of way and consists of the construction of soundwalls on Route 170 from Route 101/Route 170 interchange to the Sherman Way Overcrossing and on Route 405 from north of Saticoy Street Undercrossing to Roscoe Boulevard Undercrossing. Construction of the soundwalls requires modification and widening of eight existing bridges. In May 2015, the Board approved the initial LOP in the amount of \$89,183,000. In January 2021, an LOP increase was approved in the amount of \$13,303,000 to resolve compensable time impacts and

construction costs related to design errors and third-party design review comments.

The Project has been adversely affected by a large influx of unhoused people and associated encampments and vandalism within the project limits. According to the Greater Los Angeles Homeless Count, approximately 69,144 people in LA County and 1,364 people in Council District 2 (prime project location) are experiencing homelessness, and 1,128 of 1,364 are without shelter. Due to the lack of available shelter space and 24-hour operating shelters County-wide, un-housed individuals have heavily populated many areas within the project limits with encampments. Individuals residing in these encampments have been documented causing vandalism to electrical and landscaping elements throughout the entire project limits, and the vandalism is ongoing. The project endured and is continuing to endure many unanticipated costs due to the frequent repairs required as a result of vandalism and encampments. Additional costs have been incurred for encampment biohazard cleanup and relocation assistance and when necessary, transporting individuals to appropriate resources for those experiencing homelessness. In addition to direct costs associated with this issue, the Project has experienced significant costs related to schedule delays directly attributable to the vandalism.

Metro has previously reported to the Board that staff are also pursuing damages for several design changes as an Errors and Omissions claim with the prime design consultant. The numerous design errors and omissions have caused significant cost and time impacts which are accounted for in this LOP amendment request.

DISCUSSION

Metro and Caltrans have jointly developed a reasonable plan to modify the scope of the contract in order to complete the project and deliver a product that Caltrans will be able to maintain in the future. The scope changes will increase the cost of the work, however, it will also provide a clear path to the completion of the project while also providing a system to Caltrans that will be more resistant to vandalism. After the scope to complete the project is amended into the contract, Metro will analyze the delays to determine if the contractor is entitled to compensation for the delay. The Critical Path Method (CPM) schedule and Time Impact Analysis (TIA) will be utilized to determine the amount of the appropriate compensation. The time-related overhead cost for this project is \$4,000 per day.

During construction, there were several unanticipated costs that occurred for the encampment and vandalism issues described above, in addition to the unforeseen design related reasons. The changes are summarized below:

Unhoused Encampments and Vandalism (\$6.3M)

- The project has encountered numerous delays because of encampments and vandalism within the project limits. The types of delays include 1) repair and rework of areas already constructed and then vandalized, 2) not able to mobilize construction crews to areas with encampments until after coordinating with several agencies to clear the areas, 3) inability of the contractor to schedule work due to the uncertainty when areas will be available, 4) ordering and procuring materials to replace those vandalized, and 5) scheduling coordination with third party agencies to reinspect areas that were vandalized and reworked

- The project has incurred the hard costs of repairing and replacing equipment and materials that were vandalized after installation. Also, the cost of encampment biohazard cleanup after clearing areas was not anticipated prior to the contract award.
- The project has been impacted more by the soft costs of the delays caused by vandalism than by the hard construction costs. The delay impacts have increased the cost of third parties (see below), construction management staff, and the contractor by extending the completion date of the project. These costs are not yet fully realized because the impacts are ongoing.
- Metro is currently working to execute the changes to the landscaping scope of work as agreed with Caltrans to minimize the impacts of vandalism. This will cause an increase in project cost.
- Numerous change orders due to vandalism and encampment biohazard cleanup are pending execution.
- Third Party reimbursable costs have increased due to the additional inspections required after vandalism has occurred on the project, and the work is repaired.
- Soffit lighting within the existing bridge structures and the City Streets was vandalized, and the cost of rebuilding and reconditioning the location was not anticipated by the project. These facilities will be maintained by the City of LA Bureau of Street Lighting.
- Department of Water and Power (DWP), Bureau of Street Lighting (BSL), and Department of Transportation (DOT) final inspection is pending once the vandalized components are repaired. The city will review and approve the as-builts once all the vandalized repairs are completed. The existing work orders have exceeded the initial negotiated values.

Staff have met with Caltrans to develop a path towards project completion and have reached an amenable solution for all parties. The path forward is technical in nature and includes acceptance of the project in stages and incorporates acceptance of work performed regardless of the fact that the work has endured vandalism. The additional costs to move the project to completion are encapsulated within this board action.

Design Changes (pursued as an E&O Claim) (\$2.2M) in addition to the previous LOP Increase

- Due to the delays on the project caused by design errors, K-rails were placed for an extended period of time, and additional traffic control was required. The contractor is pursuing rental costs for the K-rails and traffic control for the additional time it was required to complete the construction work.
- Construction delays and increased costs related to permeation grouting delays; Riverside/Tujunga Bridge Retrofit design discrepancy, BSL work design errors, and several civil, electrical, and irrigation design errors.
- Inefficiencies and escalations as a direct result of the delay.
- The design drawings incorrectly numbered and identified demolition items within the Project limits.

As has been previously reported to the Board, the Design changes listed in this section are being treated as Errors and Omissions, and the Engineer of Record and Metro staff have been evaluating and assessing the path forward to resolve this issue.

DETERMINATION OF SAFETY IMPACT

There is no impact to public safety by approving this recommendation.

FINANCIAL IMPACT

The current LOP budget for the Project is \$102,485,000M, funded by Measure R Highway 20% and Prop C 25%. Upon Board approval, the LOP budget will be increased by \$8,525,000.

This is a multi-year project, therefore, the cost center manager and the Executive Officer, Program Management would be responsible for budgeting project costs in future fiscal years.

IMPACT TO BUDGET

Consistent with the provisions of the Board adopted Measure R and Measure M Unified Cost Management Policy, the source of funds for this recommendation is Measure R (20%) Highway Funds, which are not eligible for bus or rail operations (Attachment B). No other funds were considered.

EQUITY PLATFORM

The project is designed to reduce freeway noise affecting communities that were adversely impacted by the construction of the freeway. The Soundwall program is a response to the noise complaints by residents. Soundwall 11 Project on Route 170 from Route 101/Route 170 interchange to the Sherman Way Overcrossing, and on Route 405 from north of Saticoy Street Undercrossing to Roscoe Boulevard Undercrossing. The Soundwall 11 project is 25% within or adjacent to Equity Focus Communities.

To address safety and project concerns, Caltrans has conducted outreach and relocation services for people experiencing homelessness in the Project Areas, in accordance with Caltrans CPD#21 (Construction Procedures Directives - Attachment C), and with support from the California Highway Patrol. Metro coordinated cleaning of trash and debris from encampment sites in collaboration with these Caltrans services.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project is consistent with the following Metro Vision 2028 Goals and Objectives:

Goal 1: Providing high-quality mobility options and improve transit efficiency;

Goals 4 and 5: Transforming LA County through regional collaboration with Caltrans and the Corridor Cities by contributing funds and providing resources to assist Caltrans in management and delivery of these projects]

ALTERNATIVES CONSIDERED

The Board may choose not to approve this staff recommendation. This alternative is not recommended as Metro would be unable to provide funding to complete the Project according to the current schedule and close out the contracts.

NEXT STEPS

Upon Board approval, the LOP budget will be amended accordingly per the Recommendation, and staff will execute necessary Contract C39033C1101-2 modifications, process DWP bills and issue work orders to the City of Los Angeles for FY23. Anticipated Substantial Completion is Summer 2023 with an anticipated Final Acceptance in Winter 2023.

ATTACHMENTS

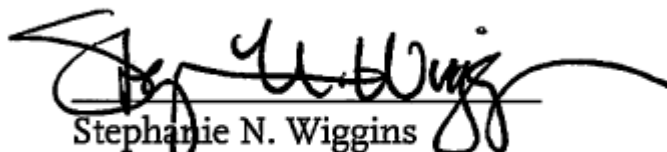
- Attachment A - Funding/Expenditure Plan
- Attachment B - Unified Cost Management Policy Analysis
- Attachment C - Caltrans Construction Procedures Directives

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Stephanie N. Wiggins
Chief Executive Officer

EXPENDITURE and FUNDING PLAN
Soundwall 11 Project 460324

Use of Funds	Inception– FY23	Remaining FY23	FY24	FY25	Total Capital Costs
Design					
Design Costs and Technical Reviews	3,211,000	-	-	-	3,211,000
Design	3,211,000	-	-	-	3,211,000
Construction					
Construction Contracts	76,838,000	5,605,000	1,750,000	-	84,193,000
Special Conditions (3rd Party Agreements)	3,507,000	981,000	482,000	-	4,970,000
Design Support During Construction/CMSS/PMSS	9,283,000	459,000	395,000	-	10,137,000
Other Professional Services (Env/DEOD)	241,000	-	23,000	-	264,000
Legal Fees	-	-	750,000	-	750,000
Agency Costs: Project Control, Procurement Support, Safety, Communications, etc.	6,448,000	357,000	180,000	-	6,985,000
Unallocated Project Contingency	-	-	-	500,000	500,000
Construction Phase Total	96,317,000	7,402,000	3,580,000	500,000	107,799,000
Total Project Cost	99,528,000	7,402,000	3,580,000	500,000	111,010,000
Source of Funds					
	Inception– FY23	Remaining FY23	FY24	FY25	Totals
Measure R 20% / Prop C 25%	99,528,000	7,402,000	3,580,000	500,000	111,010,000
	-	-	-	-	-
Total Project Funding	99,528,000	7,402,000	3,580,000	500,000	111,010,000

ATTACHMENT B

SOUNDWALL PACKAGE 11 HIGHWAY PROJECT

Measure R and Measure M Unified Cost Management Policy Analysis

Introduction

The Measure R and Measure M Unified Cost Management Policy (the Policy) was adopted by the Metro Board of Directors in July 2018. The precursor Measure R cost management policy was adopted in March 2011. The intent of the Policy is to inform the Metro Board of Directors regarding cost increases to Measure R- and Measure M-funded projects and the strategies available to close a funding gap. The Soundwall Package 11 Highway Project (the Project) is subject to this policy analysis.

The life of project (LOP) budget for the Project as approved by the Board is \$102,486,000. The Project is subject to the Policy analysis now due to a proposed \$8,525,000 increase to the LOP budget. Funding for the cost increase is needed through FY 2024. This analysis recommends trade-offs required by the Policy to identify cost reductions or the funds necessary to meet the cost increase.

Measure R and Measure M Unified Cost Management Policy Summary

The adopted Policy stipulates the following.

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

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

Scope Reductions or Value Engineering

The Project has an awarded Design/Bid/Build contract with a FY 2024 estimated completion. Any scope reduction or value engineering would require negotiation and agreement with the contractor that could delay the schedule. Because of this, we recommend moving to the next step.

New Local Agency Funding Resources

Local funding resources (i.e., specific to the affected corridor or subregion) are considered in the next step as opposed to countywide or regional sources so as not to

impact the funding of other Metro Board-approved projects and programs or subregions in the County.

The Project is a component of the broader Metro soundwall program, which consists of the construction of soundwalls throughout the county that meet state eligibility criteria. The program is prioritized into a Phase I (required to be constructed as part of High Occupancy Vehicle Lanes projects but were deferred) and Phase II (all others). Within Phase I, there are three priority lists. Priority 1 projects are completed. Priority 2 projects, which include the Soundwall Package 11 Highway Project, have funding programmed in the Long-Range Transportation Plan (LRTP) financial forecast. All the Priority 2 projects have funded LOP budgets approved by the Board, with the exception of three remaining Package 12, 13, and 14 projects, which are in the project initiation/approval stage. The Priority 3 projects are currently programmed in the LRTP beginning in FY 2035.

The Project is eligible for Measure R funding and is allocated a portion of the \$250,000,000 of funding in the Measure R sales tax ordinance Expenditure Plan from the highway project entitled "Countywide Soundwall Construction." The Measure R funds have been programmed to the Priority 1 and Priority 2 projects, including Package 12, 13, and 14.

As the Package 12, 13, and 14 projects do not have a LOP budget and are still in the project development phase, a portion of the Measure R funding equal to \$8,525,000 can be reprogrammed and allocated to the LOP increase on the Project. This will reduce funding for the Package 12, 13, and 14 projects and may result in a need to seek additional, future State and or federal grant funding, or local funding.

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

The Project is in the same subregion as the I-5 North Capacity Enhancements project. Construction on this project is almost complete and this project has an estimated surplus of Measure R 20% of \$30,000,000 and unused Proposition C 25% "replacement project credits" (that replaced Measure R surplus) of \$223,500,000; however, this surplus may be needed to fund the East San Fernando Valley Light Rail Transit project, which is seeking a federal Expedited Project Delivery grant and the success in getting the grant will depend on the availability of these non-federal funds for the project.

Countywide Cost Reductions and/or Other Funds

If new local agency resources are not allocated to the Project cost increase, regional or countywide funding could be considered. These funds are programmed for other uses in Metro's financial forecast, during the timeframe when funds are needed for the Project cost increase, and additional debt financing of the countywide funds would be needed to provide sufficient cash flow for the Project cost increase. The primary eligible source of countywide funding is Proposition C 25%.

State and Federal Funding (Formula)

Metro receives quasi-formula funding from the State through the Regional Improvement Program (RIP) and Local Partnership Program (LPP). This is considered regional funding as it can be applied countywide to both transit and highway spending. There is currently no capacity in the RIP or LPP through FY 2027. The RIP has been allocated to projects submitted in Metro's 2022 RTIP.

Recommendation

Metro staff recommends the use of \$8,525,000 of Measure R 20% highway funds that are currently programmed to the Priority 2, Package 12, 13, and 14 projects to address the Project LOP budget increase. Funding for the Package 12, 13, and 14 projects will be identified at the time the scope and cost are determined. The amount of Measure R 20% available for the Metro soundwall program increased by \$26,966,306 in September 2021 when Metro was awarded \$48,649,000 of Highway Infrastructure Program grant funding, of which \$21,682,694 was programmed to a Package 10 cost increase.

MAINTENANCE POLICY DIRECTIVE	NUMBER MPD 20-02R7	PAGE 1 OF 1
	DATE ISSUED 01/26/2021	EFFECTIVE DATE 01/01/2021

DAVID AMBUEHL, Acting Chief Division of Maintenance	SIGNATURE <i>David Ambuehl</i>
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- DISTRIBUTION
- | | |
|---|--|
| <input checked="" type="checkbox"/> All District Directors | <input checked="" type="checkbox"/> Chief, Division of Engineering Services |
| <input checked="" type="checkbox"/> All Deputy District Directors - Maintenance | <input checked="" type="checkbox"/> Chief Counsel, Legal Division |
| <input checked="" type="checkbox"/> All Deputy District Directors - Traffic Ops. | <input type="checkbox"/> Publications (California Supplement Website) |
| <input checked="" type="checkbox"/> All Deputy District Directors - Construction | <input checked="" type="checkbox"/> All Division of Maintenance Office Chiefs |
| <input checked="" type="checkbox"/> All Deputy District Directors - Design | <input checked="" type="checkbox"/> All SM&I Office Chiefs |
| <input checked="" type="checkbox"/> All Deputy District Directors - Trans. Planning | <input checked="" type="checkbox"/> Headquarters Division Chiefs for: Construction |

SUBJECT

Direction on Encampments due to the COVID-19 Pandemic. This policy will be revisited and modified as conditions change, no later than December 31, 2021.

DOES THIS DIRECTIVE AFFECT OR SUPERSEDE ANOTHER DOCUMENT? YES NO

IF YES, DESCRIBE

In accordance with Caltrans' Interim Guidance on Encampments and in addition to MPD 10-01 Encampment Removal Policy & Guidelines, the process for removing an encampment.

WILL THIS DIRECTIVE BE INCORPORATED IN THE MAINTENANCE MANUAL? YES NO

IF YES, DESCRIBE

DIRECTIVE

Caltrans' priority is the safety of all people during the COVID-19 pandemic or otherwise. In effect, encampments on Caltrans right of way may only be posted and cleared in coordination with local experts on homelessness and the California Highway Patrol, if approved by Caltrans District Directors for priority level 1 encampments or Caltrans Headquarters for priority level 2 encampments as outlined in Caltrans' Interim Guidance on Encampments.

On December 11, 2020, Caltrans released Interim Guidance on Encampments, developed in partnership with state and local public safety and homeless services partners. This guidance outlines the methodology for prioritizing and addressing encampments on Caltrans right of way. This guidance is to be used in determining priority levels of encampments on State right of way and in seeking approval to remove level 1 or level 2 encampments that pose a potential safety concern to the public. Level 3 and 4 encampments should be monitored and mitigated where possible, as outlined in the guidance, but will not be considered for removal at this time consistent with the [Centers for Disease Control \(CDC\) Interim Guidance on People Experiencing Unsheltered Homelessness and the Coronavirus Disease.](#)

MAINTENANCE POLICY DIRECTIVE

MTCE-03 (REV 3/2015)

Caltrans staff should refer to the Interim Guidance on Encampments for all information needed to assess and address encampments during the COVID-19 Pandemic. Each district has been assigned a task force lead on homelessness. District staff should work with their assigned district task force lead regarding any questions on encampments or this guidance.

Caltrans' role in encampment removals is to: collaborate with partners to help connect people living along California's freeways with critical services and shelter, coordinate cleaning of trash and debris from encampment sites, respond to emergencies at encampments to inspect for potential damage to Caltrans infrastructure, and to restore and protect the right of way after people have been relocated by local governments. While Caltrans is not capable on its own to relocate people into shelters or provide social services, Caltrans is a committed partner in assisting local partners in their efforts to assist people living on state property. The California Highway Patrol (CHP) is the enforcement agency responsible for addressing allegations of criminal activity on state property. Encampment removals without a coordinated relocation effort across state and local agencies will likely result in people returning to the same location, moving to adjacent city or county property, or being dispersed into the community, without resolving the core issues.

In extreme circumstances where encampments pose imminent threats to safety or critical infrastructure and must be immediately resolved upon discovery, such as situations where people are found living in confined spaces of bridge cells or man-made tunnels (priority level 1), authorization has been delegated to Caltrans District Directors. An After Action Report must be submitted to Caltrans Headquarters within 24 hours of the completion of a priority level 1 removal. Headquarters approval is required prior to posting a 72-hour notice at a priority level 2 encampment. The process for addressing and mitigating encampments is outlined in the Interim Guidance on Encampments.

All local partners and constituents must work with Caltrans regarding any challenges related to encampments and shall not clear any people from Caltrans property without Caltrans participation and approval. Where an encampment poses a safety concern necessitating the removal of the encampment, Districts shall coordinate with [County Continuums of Care](#)* or other lead local entity on homelessness and other relevant local partners, focusing on relocation solutions first before requesting approval to post and clear an encampment. If *all people* at an encampment are successfully and *willingly* relocated by local governments into a shelter or housing, Caltrans may clear any remaining trash or debris from the former encampment site without approval from Caltrans Headquarters, so long as no people remain onsite and no people were forced to leave the property.

Social services engagement and connections are always encouraged when possible but should not impede emergency response functions. Approval from Caltrans Headquarters is not required for trash or debris pickup at or near encampments so long as it does not result in the displacement of people. Caltrans districts are encouraged to conduct trash cleanup activities via a hazmat contract where safe and possible near encampments. Further information is available in the Interim Guidance on Encampments.

If the situation at an encampment rises to level of an extreme emergency, consistent with Caltrans emergency management response functions, the District Director should report the issue immediately by calling the Deputy Director of Operations and Maintenance, Cory Binns, at 858-688-1460.

All Caltrans staff conducting encampment site assessments or performing any work near or within an encampment site must wear Personal Protective Equipment and exercise extreme caution, abandoning the work immediately if safety is compromised. Assistance from the CHP is always available to Caltrans staff.

MAINTENANCE POLICY DIRECTIVE

MTCE-03 (REV 3/2015)

Additional safety protocol information and information on the collection of trash near encampments is outlined in the Interim Guidance on Encampments.

This directive shall be revisited to meet changing conditions during the COVID-19 Pandemic, no later than December 31, 2021. Caltrans districts will continue to receive updated guidance and direction as external conditions change and should continue to communicate with Headquarters any unique challenges or circumstances. This directive was written during the COVID-19 pandemic and is subject to modification at any time. Comments or questions should be sent to: HQEncampments@dot.ca.gov.

***County Continuum of Care (CoC):**

The Continuum of Care (CoC) Program, which falls under individual County jurisdiction throughout California, is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

County Continuum of Care Contacts: <https://www.hud.gov/states/california/homeless/continuumcare>

County Public Health Department Contacts: <https://www.cdph.ca.gov/Pages/LocalHealthServicesAndOffices.aspx>

Attachment(s):



MAINTENANCE POLICY DIRECTIVE

MTCE-03 (REV 3/2015)

DEFINITIONS

When used in this Maintenance Policy Directive, the text shall be defined as follows:

- 1) **Standard** - a statement of required, mandatory, or specifically prohibited practice. All standards text appears in **bold** type. The verb **shall** is typically used. Standards are sometimes modified by Options.
- 2) Guidance - a statement of recommended, but not mandatory, practice in typical situations, with deviations allowed if engineering judgement or engineering study indicates the deviation to be appropriate. All Guidance statements text appears in underlined type. The verb should is typically used. Guidance statements are sometimes modified by Options.
- 3) Option - a statement of practice that is a permissive condition and carries no requirement or recommendation. Options may contain allowable modifications to a Standard or Guidance. All Option statements text appears in normal type. The verb may is typically used.
- 4) Support - an informational statement that does not convey any degree of mandate, recommendation, authorization, prohibition, or enforceable condition. Support statements text appears in normal type. The verbs shall, should and may are not used in Support statements.



Board Report

File #: 2022-0858, File Type: Program

Agenda Number: 24.

**CONSTRUCTION COMMITTEE
APRIL 20, 2023**

SUBJECT: BUSINESS INTERRUPTION FUND

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the Pilot Business Interruption Fund (BIF) Assessment;
- B. AUTHORIZING the Chief Executive Officer to expand the Pilot Business Interruption Fund (BIF) to the East San Fernando Valley Light Rail Transit Project; and
- C. APPROVING the Pilot Business Interruption Fund (BIF) program modifications (Attachment D).

ISSUE

At its February 2023 meeting, the Board approved Motion 32 by Directors Krekorian, Najarian, Horvath, Barger, Bass, and Dupont-Walker (Attachment A) that directs staff to assess the Pilot Business Interruption Fund (BIF) and report back with recommendations for how the BIF could be applied to address local business impacts created by the construction of the East San Fernando Valley Light Rail Project.

In accordance with the Board’s Motion, this report provides an assessment of the Pilot Business Interruption Fund, along with lessons learned for improvement and an analysis for the expansion of the BIF to the East San Fernando Valley Light Rail Project (ESFV).

BACKGROUND

Metro is an essential component of the economic infrastructure of Los Angeles County as it connects people to jobs, services, and businesses. Transit rail construction can mean growth opportunities for cities; however, transit construction also can be challenging for small “mom and pop” businesses located along transit corridors, given the multi-year construction periods.

Recognizing the importance of supporting small businesses during construction as vital to ensure the

economic sustainability of communities, at its October 2014 meeting, the Board approved Motion 57 by Directors Molina, Dupont-Walker, Ridley-Thomas, and Garcetti (Attachment B) that authorized the CEO to establish the Pilot Business Interruption Fund (BIF) for small “mom and pop” businesses located along the Crenshaw/LAX Transit Project, the Little Tokyo area of the Regional Connector and Section 1 of the Purple Line Extension. In December 2016, Metro’s Board of Directors authorized the expansion of the BIF to include small “mom and pop” businesses impacted by unprecedented full street closures with a duration greater than six continuous months, such as the 2nd/Broadway segment of the Regional Connector and expanded the program to include Section 2 of the Purple Line Extension. In February 2019, the Board voted to expand the BIF to the Purple Line Extension Section 3.

Through the pilot BIF, Metro provides financial assistance to directly impacted small “mom and pop” businesses through grants to cover certain fixed operating expenses and lost revenue due to direct construction impact. Metro’s goal is to help small businesses continue to thrive throughout construction and post-construction. The BIF is an important part of Metro’s construction mitigation program, which includes the Business Solution Center and Eat Shop Play, which supports communities that Metro expands into.

DISCUSSION

Since Metro’s Board adopted the BIF, Metro has provided financial assistance to 445 small “mom and pop” businesses directly impacted by transit rail construction. As of March 31, 2023, Metro has awarded 1,490 grants for over \$37 million to “mom and pop” businesses throughout the project areas. The successes of the pilot program are demonstrated in the measures of effectiveness, of which 94% of businesses have remained in operation six months post grant award; 88% one-year post grant award; and 77% two-years post grant award. (Attachment C). For the Crenshaw/LAX Line: 74% of small businesses that received a BIF grant were still in operation when the Line opened in 2022 after eight years of construction and a pandemic.

BIF Success Factors

Throughout its eight years of implementation, the BIF has been successful due to various factors, including the types of projects it has been applied to as follows:

- Metro’s transit rail projects with a construction budget over one billion dollars;
- Metro rail transit projects that are multi-year (4 plus years) with significant construction activities and or unprecedented full street closures with a duration greater than six continuous months;
- The authorization of the BIF came from Metro’s Board recognizing the significant impact construction may have on the small “mom and pop” businesses located on corridors. As such, the BIF grants are geared to small businesses that have been directly impacted by Metro’s construction projects;
- In delivering the BIF through defined program eligibility requirements and guidelines, Metro has ensured equitable access to financial resources for businesses in each of the transit rail project corridors; and

- Metro has learned that direct community outreach and in-person engagement by a third-party administrator is the most effective way for building community trust and engaging the community in the programs. This has led to delivering programs that meet the needs of the businesses impacted by construction by providing free technical capacity support in addition to the direct grant.

Potential BIF Expansion to ESFV LRT

Recognizing the potential for small businesses to be impacted by the construction of the East San Fernando Valley (ESFV) Light Rail Transit Project (Project), Staff has coordinated with Metro’s Program Management Department to understand the nature of construction in conjunction with the contracting method to utilize a Progressive Design-Build Contractor (PDB). For the purposes of this BIF Report, staff has assessed the program’s applicability solely for the southern segment and will re-evaluate the project alignment in conjunction with Program Management’s conclusion of the analysis for the northern segment of the ESFV Project.

1. ESFV Project Construction Schedule: The ESFV Project will extend from the Van Nuys Metro G-Line station to the Sylmar/San Fernando Metrolink Station, a total of 9.2 miles with 14 at-grade stations. In February 2023, Metro’s Program Management staff requested the Board to approve the contract for the PDB to begin phased work activities for the Southern Segment of the ESFV Project. The Southern Segment will be 6.7 miles long and include 11 at-grade stations along with a maintenance facility.
2. BIF Program Schedule: The PDB contract for the ESFV project will be delivered in two phases; Phase 1 to include pre-construction services and Phase 2 to include final design, construction, testing, and commissioning for the entirety of the project. Metro staff will ensure the BIF is up and running by the groundbreaking of major construction in compliance with the BIF Administrative Guidelines.

Staff has also researched the number of small “mom and pop” businesses that will fall along the project alignment. For the purposes of the BIF, a small “mom and pop” business is defined as a business with 25 or fewer full-time employees. Through the utilization of the Dun & Bradstreet database as of December 2022, staff has collected geographical data on the small businesses that fall along the collective zip codes that encompass the ESFV project. Furthermore, Metro’s Geographic Information System (GIS) Team has been able to use the longitude and latitude information to determine the placement of each individual small business within a quarter mile buffer of the project alignment. This data analysis reveals that 2,611 small businesses fall within a ¼ mile of the ESFV project alignment.

Project Zip Code’s	Small Business Location Buffer	Small Business* Count	Average Number of Employees	Average Sales Volume
91331, 91402, 91405, 91411, 91401	¼ Mile	2,611	5	\$312,024

Data Source: Dun & Bradstreet

*Small Businesses are defined as 25 or fewer full-time employees

The number of potentially eligible small “mom and pop” businesses located along ESFV (2,611) exceeds the combined total of BIF grants awarded to date and exceeds the 2014 estimated number of potentially eligible businesses on both the Crenshaw LAX Transit Project (CLAX) and the Little Tokyo Area of the Regional Connector (LTRC). In 2014 it was estimated that 843 businesses were located along the CLAX and 267 along LTRC, demonstrating a 58% increase in small businesses that fall along the ESFV Corridor. To date, 239 small businesses along the CLAX have been awarded grants, and 33 small businesses have been awarded grants along the LTRC.

For program continuity and in recognition of the importance of maintaining a fiscally prudent yet efficient program that provides financial assistance to small “mom and pop” businesses. BIF Administrative Guidelines state that participation in the BIF is limited to businesses located immediately adjacent to a rail corridor whose business revenues decrease as a result of construction activities from specified Metro construction projects occurring in front of the business or on the block in which the business is situated.

Key Program Takeaways

The BIF has generally been well received by grantees and serves an important purpose. Contractors also commend the program for reducing complaints about construction activity. Grantees have indicated that the program has supported their financial needs during business disruptions caused by construction. And also important, it has proven to be an effective tool in avoiding the displacement of legacy businesses.

Metro was one of the first agencies in the Nation to create and implement a BIF program and serves as a model for commercial displacement avoidance programs. A peer review of four prominent programs that featured similarities to the BIF program was conducted: the Santa Ana Business Interruption Fund, the Phoenix Valley Metro Fund, Sound Transit’s Rainier Valley Transit Oriented Community Development Fund, and the Houston Fund for Social Justice and Economic Equality.

Out of the aforementioned programs, Metro’s BIF has the highest annual funding cap at \$50,000 in grant funds, with the next highest providing \$30,000 in funds. Notably, one of the four small business grant programs reviewed, the City of Houston’s Fund for Social Justice and Economic Equity, is not specifically tied to construction impacts. The program is capped at \$65,000 over a three-year period with the requirement that funds be allocated towards the purchase of property, equipment, and other tangible assets.

Name of Agency	Program Date	Max Grant per Business	Total Grants Issued	Other Items
City of Santa Ana, CA	Current (2 nd year)	\$10,000	\$1,500,000	Street vendors (\$2,500) Independent Contractors (\$1,300). Grant includes businesses within 350 feet of the impacted street and construction zone.

Valley Metro, Phoenix, AZ	Current (2 nd year)	\$9,000	Granted over \$360,000 to 62 businesses in the first year	Annual Revenue Cap (\$750,000, previously \$500,000)
Sound Transit, Seattle, WA	2002 - 2008	\$25,000 - 30,000 depending on year	\$11,000,000 total over the entire program	
City of Houston, TX	2022	\$65,000	\$20,000,000	Grants are over a three-year period and apply towards the purchase of property, equipment and other tangible assets

According to the Natural Resources Defense Council, transit improvement projects have the potential to accelerate gentrification, leading to displacement of residents and loss of cultural identity in the affected neighborhoods. This often occurs due to an increase in property values and rents, which can make it difficult for small businesses and low-income residents to stay in their neighborhoods. While its primary function is to be a construction mitigation program, BIF has had a direct impact on the preservation of regional cultural identity within the communities that high-capacity transit expands into. BIF’s Measures of Effectiveness state that 88% of businesses have not closed nor moved one-year post-grant award (Attachment C).

Additional key takeaways focus on areas where Metro can further increase BIF support for impacted small “mom and pop” businesses. Metro has an opportunity to support businesses by increasing the maximum grant award from \$50,000 to \$60,000. Increasing the maximum grant award would allow for a greater number of grant awards to fully cover lost revenues. Another area where Metro can further increase BIF support and engage a larger number of potentially eligible small businesses is through the creation of a new grant award, presumptive eligibility. The presumptive eligibility grant application and award would be implemented via an application that allows small “mom and pop” businesses to self-certify their financial documentation and revenue loss as a result of Metro construction disruption. Additional information about each of these takeaways is provided in section B.

B. BIF Program Modifications

Through the BIF program analysis and subsequent stakeholder input, staff recommends the following amendments to the BIF administrative guidelines to allow for increased support for impacted small “mom and pop” businesses. The proposed modifications below would be implemented prospectively program wide (Attachment D).

Increase Maximum Grant Award

Metro staff proposes increasing the maximum annual BIF grant threshold from \$50,000 to \$60,000.

Historically, approximately 25% of grants awarded had revenue losses that exceeded the current annual maximum of \$50,000. Furthermore, approximately half of the aforementioned grants awarded

had revenue losses that would have been fully covered by a grant with an annual maximum of \$60,000.

As stated in Motion 57 (Attachment B), the Board allocated \$10 million of Metro funds on an annual basis to be used for the BIF's implementation on the current Board approved transit rail projects. With the current budgetary allocations and financial forecasting of the BIF's implementation along the current projects and ESFV LRT, staff believes that increasing the annual maximum of the BIF grant threshold from \$50,000 to \$60,000 will be viable and not require any changes to the current fund allocation.

Presumptive Eligibility Grant Application and Award

The BIF eligibility criteria states that a business must be able to produce relevant financial documentation related to the period of Metro construction activity that occurred in front of their business (or on the block in which the business is situated). Financial documentation includes the current year's tax returns and any other records that demonstrate business revenue, including, for example, business bank statements, profit and loss statements, sales reports, etc. These documents are used in the financial analysis performed to determine the BIF grant award.

Throughout the BIF's implementation, there have been a number of small "mom and pop" businesses that have faced difficulty in collecting and producing the necessary financial documentation needed to apply to the BIF.

To mitigate this burden, Metro has implemented a best practice of providing hands-on support for businesses applying to the BIF, which will remain in practice. The BIF Fund Administrator, Pacific Coast Regional (PCR), provides free hands-on assistance to these businesses, including meeting small "mom and pop" business owners at their business location to collect documents in-person, being available via text message, and more. Metro's first-ever Business Solution Center along the Crenshaw/LAX Transit Project (CLAX BSC) provided additional hands-on assistance as well as direct referrals to tax preparers and bookkeepers and convened trainings focused on financial record management, including how to use QuickBooks. The expansion of the BSC to all up-coming light rail and bus rapid transit projects, including the East San Fernando Valley Project, authorized by the Metro Board of Directors in October 2019, will include this hands-on assistance and technical support for small businesses applying to the BIF.

While hands-on support is provided, staff recognize that the process of collecting and producing financial documentation remains a burden and potential barrier for some small "mom and pop" business owners. Anecdotally from PCR staff and the CLAX BSC team, even with hands-on support, many small business owners have often taken several months - and in rare instances years - to collect and provide the required financial documentation. Until all documents are provided, no grant funds can be issued, leaving the small business to shoulder the burden of their lost revenue. To mitigate this challenge, staff proposes implementing a new "Presumptive Eligibility" grant application and award for grants not to exceed \$1,500, as detailed below.

The presumptive eligibility grant application and award would be implemented via an application that allows small “mom and pop” businesses to self-certify their financial documentation and revenue loss as a result of Metro construction disruption. By allowing small businesses to self-certify their financial loss, Metro would reasonably presume that any business adjacent to Metro’s transit rail construction experiences revenue loss as a direct result of construction activity.

The BIF Fund Administrator PCR reports that 23 businesses (18% of total ineligible businesses) have been deemed ineligible for the BIF due to insufficient financial documentation. Additionally, PCR has made a qualitative observation that businesses that do not have sufficient resources to gather necessary documentation or are reluctant to provide their tax returns or other financial records typically do not even initiate the application process and thus are not counted in program data. Metro staff concur with PCR’s qualitative observation, as staff has also addressed concerns and inquiries from small business owners related to program eligibility.

Staff is proposing that the BIF Administrative Guidelines be amended to include Presumptive Eligibility allowing small businesses to apply for a BIF grant by self-certifying their revenue loss due to Metro construction disruption and thereby not providing any financial documentation. Businesses who apply using Presumptive Eligibility would need to meet all BIF Program Eligibility requirements, including but not limited to:

- having 25 or fewer full-time employees
- being located within the eligible geographic area, which means immediately adjacent to a transit rail corridor
- being in operation for two continuous years

Presumptive Eligibility grants would have an annual maximum award of up to \$1,500 (2.5% of the proposed annual maximum BIF grant award of \$60,000). This amount has been deemed reasonable and fiscally prudent and approximately replicates The City of Santa Ana’s Business Interruption Fund grant amount for Independent Contractors. To date, about 2.6% of Metro’s BIF grants have been awarded for a total of up to or less than \$1,500. Lastly, a business that receives a Presumptive Eligibility grant award will not be dissuaded from applying for revenue losses sustained as a result of subsequent months of construction activity. In this case, a business will be able to apply for a full BIF grant provided that they produce all necessary financial documentation. Businesses would be eligible for the annual maximum grant award less than the Presumptive Eligibility amount received.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not impact the safety of Metro’s customers or employees.

FINANCIAL IMPACT

Board approval of this recommendation does not impact the FY23 budget. The expansion of the Pilot BIF program to ESFV alignment will coincide with the commencement of major construction activity, which is projected in FY25. Funding for BIF in future fiscal years will be addressed through the annual budget development process by the BIF Program manager.

Impact to Budget

Each year, Metro has identified funds from Measure R and/or other eligible funding sources to support the implementation of the Pilot BIF program for all applicable transit rail construction projects. Due to the anticipated conclusion of construction of the Crenshaw/LAX Transit Project and the Little Tokyo Area of the Regional Connector, staff is able to work within the current level of annual funding to support the BIF program as it expands to ESFV project.

EQUITY PLATFORM

The BIF will provide financial assistance to the small “mom and pop” businesses impacted by the construction of the ESFV project. Through the collection and analysis of small business data provided by Dun & Bradstreet, staff has noted that 86% of small businesses that are within a ¼ mile buffer of the ESFV Project fall within an Equity Focus Community.

With the implementation of the BIF along the ESFV Project, staff will continue the necessary outreach for small businesses located along the project alignment. Through outreach activities, staff will continue business referrals to collaborative resources such as Metro’s Business Solution Center, Metro’s Eat, Shop, Play program and Metro’s Construction Relations department. Outreach will be inclusive of small “mom and pop” businesses with diverse backgrounds, as exemplified in the BIF marketing materials provided in multiple languages. Lastly, recognizing the direct impact small businesses have on their communities, staff has tracked the number of jobs retained by grantees. To date, over 1,300 jobs have been retained by small businesses that have received financial assistance from the BIF.

Upon Board approval of the Presumptive Eligibility opportunity for potentially eligible small businesses, staff will update the BIF Administrative Guidelines to reflect the changes in the application process. The process will include a requirement that any small business that applies for the BIF would have access to language translations or disability accommodation needs and will include multilingual and ADA accessible trainings and/or resources to ensure that small businesses have equal opportunity to fully understand the self-certification process.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this item aligns to Metro strategic goal 3 - enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with the expansion of the BIF program on the ESFV project. This is not recommended as there are double the number of small businesses along this corridor than the combined previous BIF projects, and given the anticipated duration of construction, there would be an increase in commercial displacement without the BIF.

Staff also considered reducing the two-years in business eligibility requirement to one-year in business, however, this is not recommended as major construction activity for ESFV is not

anticipated for another two years. Further, according to the Small Business Office of Advocacy, about two-thirds of businesses survive after two years, demonstrating that there is volatility in the first two years of a business. Lastly, requiring businesses to be open and operating for two continuous years also ensures that there will be sufficient records to perform the financial analysis required to receive a grant using the existing process.

Staff also considered expanding the geographic eligibility for the grant program. This is not recommended because there is not sufficient data to support the need to expand geographic eligibility. Program data demonstrates that 32% of ineligible applications (41 total) were deemed ineligible due to the business location not being within the geographic eligibility area.

NEXT STEPS

Upon Board approval, staff will begin incorporating the BIF program modifications into the BIF Administrative Guidelines. All amendments to the guidelines will become effective no later than the start of FY2025, which ensures that all modifications are in place prior to the start of heavy construction of the ESFV Project anticipated to begin in 2025. All program modifications will be applied program wide - to all Board approved transit rail projects authorized for the Business Interruption Fund.

ATTACHMENTS

Attachment A - Motion 32 - BIF Analysis & Potential Expansion

Attachment B - Motion 57 - BIF Authorization

Attachment C - BIF Metrics and Measures of Effectiveness

Attachment D - Proposed BIF Program Modifications

Prepared by: Sidney Urmancheev, DEOD Representative, (213) 922-5574

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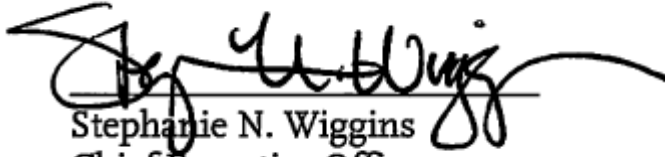
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Stephanie N. Wiggins
Chief Executive Officer

**Board Report**

File #: 2023-0131, **File Type:** Motion / Motion Response**Agenda Number:** 32.

REVISED
REGULAR BOARD MEETING
FEBRUARY 23, 2023

Motion by:**DIRECTORS KREKORIAN, NAJARIAN, HORVATH, BARGER, BASS, AND DUPONT-WALKER****East San Fernando Valley Light Rail Transit Line Pilot Business Interruption Fund**

The East San Fernando Valley - Light Rail Transit Project is a transformative project that will bring the Valley its first light rail line since the discontinuance of the Pacific-Electric Red Cars in 1952. The first phase will feature 11 stops on a 6.7-mile route between the G Line busway and Pacoima. It will connect Valley residents and businesses to more transportation options and relieve the need to travel within the communities along the corridor with a vehicle. Just as important, it will stimulate tremendous economic growth and opportunity for the business community along and near the route.

With early utility work already underway, Metro staff has begun conducting outreach and communicating with the various stakeholders along the corridor. And as the Metro Board is voting to approve and award the Pre-Construction contract, and beginning to build the transit network Measure M promised for the future, we need to also consider and help the businesses and stakeholders along the project corridor today.

One recent tool Metro has used is the Pilot Business Interruption Fund (BIF) program, which has been successful at addressing direct construction impacts to small "mom and pop" businesses along some of our rail corridors. This program is also a demonstration of Metro's commitment to being a trusted community builder, partner and stakeholder.

SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT LINE PILOT BUSINESS INTERRUPTION FUND MOTION**RECOMMENDATION**

APPROVE Motion by Directors Krekorian, Najarian, Horvath, Barger, Bass, and Dupont-Walker that the Board direct Metro to complete a comprehensive assessment of the Pilot Business Interruption Fund program and report back in March with recommendations on how the Pilot BIF could be applied to address local business impacts created by the construction of the East San Fernando Valley Light Rail Transit Line Project.

Amendment to Item 57

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

Business Interruption Fund

September 18, 2014

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

1. Establish a pilot program for a special **Business Interruption Fund** for mom and pop businesses located along the Crenshaw Line, within the Little Tokyo area along the Regional Connector, **and Phase I of the Purple Line Extension** immediately.

2. Define mom and pop businesses as those **meeting the following criteria:**
 - a. Having 25 employees or fewer;
 - b. **A minimal operational history of two years;**
 - c. **Being in good standing with local, state and federal tax requirements; and**
 - d. **Able to produce financial records (i.e. gross receipts, business license information, pay roll taxes and other pertinent financial information) demonstrating the loss of business revenue directly related to the period of construction disruption.**

3. Conduct a baseline survey of all businesses within the project areas.

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

ATTACHMENT C – BIF METRICS AND MEASURES OF EFFECTIVENESS

Table 1.

BIF Grant Activities by Project Area – Reporting as of 3/31/23					
	Crenshaw/LAX Transit Project	Purple Line Extension, Section 1	Purple Line Extension, Section 2	Little Tokyo Area, Regional Connector	2nd/Broadway Segment, Regional Connector*
BIF Applications Submitted	1087	443	179	126	44
BIF Grant Awards	910	284	149	110	36
BIF Applications Pending Completion	86	132	28	4	0
BIF Applications Deemed Ineligible	81	24	1	12	8
BIF Applications Denied	2	0	0	0	0
BIF Grant Amounts Awarded	\$22,222,395.21	\$7,340,554.80	\$4,072,960.49	\$2,364,607.65	\$950,164.03
Business Count	239	96	53	33	23
Businesses Received Multiple Grants	179	66	47	29	10
Average BIF Grant Award	\$24,420.21	\$25,847.02	\$27,335.31	\$21,496.43	\$26,393.45
*Segment eligibility based on full street closure with duration greater than six continuous months. Eligibility ended 6/30/17.					

ATTACHMENT C – BIF METRICS AND MEASURES OF EFFECTIVENESS

Table 2.

BIF Measures of Effectiveness – Reporting as of CY 2022 Q4	Goal	Actual
Number of businesses referred to support services post grant award	75%	100%
Number of completed applications processed within 9 business days	100%	97%
Client satisfaction rating (via survey): <= 30 days after grant award	100%	99%
Number of businesses remaining in business post grant award/support for: 6 months (409 remain open out of 433)	100%	94%
Number of businesses remaining in business post grant award/support for: 12 months (379 remain open out of 432)	100%	88%
Number of businesses remaining in business post grant award/support for: 24 months (320 remain open out of 418)	100%	77%

BIF Program Modifications Proposal

Metro Staff recommend the following amendments to the Business Interruption Fund (BIF) administrative guidelines to allow for increased support for impacted small “mom and pop” businesses impacted by the construction of Metro’s Transit Rail Projects.

The program modifications include increasing the maximum annual BIF Grant Award threshold from \$50,000 to \$60,000. Staff also propose the addition of a Presumptive Eligibility Award for an annual amount of \$1,500, which would allow small businesses that are experiencing direct impacts as a result of construction an option to self-certify their revenue losses.

The proposed modifications below would be implemented prospectively program wide.

1. Increase Maximum BIF Grant Award from \$50,000 to \$60,000

Approximately 25% of grants awarded had revenue losses that exceeded the current annual maximum of \$50,000. Furthermore, approximately half of the aforementioned grants awarded had revenue losses that would have been fully covered by a grant with an annual maximum of \$60,000.

As stated in Motion 57, Metro’s Board of Directors allocated \$10 million of Metro funds on an annual basis to be used for the BIF’s implementation on the current Board approved transit rail projects. With the current budgetary allocations and financial forecasting of the BIF’s implementation along the current projects and ESFV LRT, staff believe that increasing the annual maximum of the BIF grant threshold from \$50,000 to \$60,000 will be viable and not require any changes to the current fund allocation.

The current BIF Administrative Guidelines also state that “each business should be eligible for a maximum of \$50,000 annually, not to exceed 60 percent of their annual business revenue loss.” In the eight years of BIF program implementation, BIF Fund Administrator staff indicate that the financial analysis ensures that no business has received a grant in excess of 60% of their business revenue further stating that no business has received a grant in excess of their revenues nor has any business received a grant that completely replaced their revenues. Businesses only receive a grant award reflecting their revenue loss or up to \$50,000.

The proposed BIF modification would increase the maximum grant award from \$50,000 to \$60,000 allowing businesses to receive a grant reflecting their revenue loss or up to \$60,000,

2. Presumptive Eligibility Grant Application and Award for \$1,500 Annually.

The BIF eligibility criteria states that a business must be able to produce relevant financial documentation related to the period of Metro construction activity that occurred in front of their business (or on the block in which the business is situated). Financial

BIF Program Modifications Proposal

documentation includes the current year's tax returns and any other records that demonstrate business revenue including, for example, business bank statements, profit and loss statements, sales reports, etc. These documents are used in the financial analysis performed to determine the BIF grant award.

Throughout the BIF's implementation, there have been a number of small "mom and pop" businesses who have faced difficulty in collecting and producing the necessary financial documentation needed to apply to the BIF. While hands-on support is provided, staff recognize that the process of collecting and producing financial documentation remains a burden and potential barrier for some small "mom and pop" business owners. Anecdotally from PCR staff and the C/LAX BSC team, even with hands-on support, many small business owners have often taken several months - and in rare instances years - to collect and provide the required financial documentation.

Staff propose implementing a new "Presumptive Eligibility" grant application and award with less restrictive eligibility requirements for grants not to exceed \$1,500, as detailed below.

The presumptive eligibility grant application and award would be implemented via an application that allows small "mom and pop" businesses to self-certify their financial documentation and revenue loss as a result of Metro construction disruption. By allowing small businesses to self-certify their financial loss, Metro would reasonably presume that any business adjacent to Metro's transit rail construction experiences revenue loss as a direct result of construction activity.

The BIF Fund Administrator PCR reports that 23 businesses (18% of total ineligible businesses) have been deemed ineligible for the BIF due to insufficient financial documentation. Additionally, PCR has made a qualitative observation that businesses who do not have sufficient resources to gather necessary documentation or are reluctant to provide their tax returns or other financial records, typically do not even initiate the application process and thus are not counted in program data. Metro staff concur with PCR's qualitative observation, as staff have also addressed concerns and inquiries from small business owners related to program eligibility.

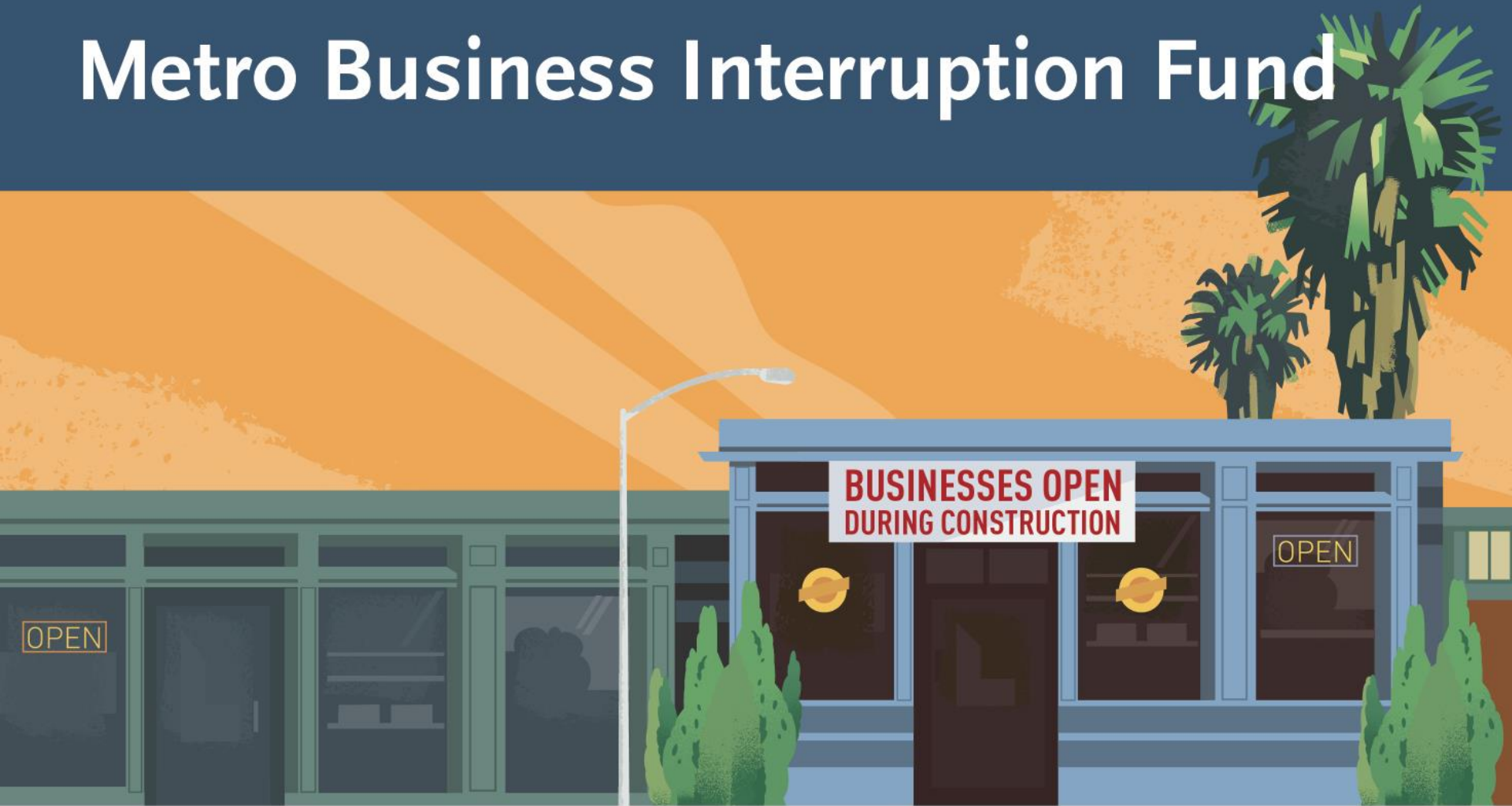
Staff are proposing that the BIF Administrative Guidelines be amended to include Presumptive Eligibility allowing small businesses to apply for a BIF grant by self-certifying their revenue loss due to Metro construction disruption and thereby not provide any financial documentation. Small businesses who apply using Presumptive Eligibility would need to meet all BIF Program Eligibility requirements including but not limited to:

- having 25 or fewer full-time employees
- being located within the eligible geographic area, which means immediately adjacent to a transit rail corridor or project construction storage yard
- being in operation for two continuous years

BIF Program Modifications Proposal

Presumptive Eligibility grants would have an annual maximum award of up to \$1,500 (2.5% of the proposed annual maximum BIF grant award of \$60,000). This amount has been deemed reasonable and fiscally prudent, and approximately replicates the City of Santa Ana's Business Interruption Fund grant amount for Independent Contractors. To date, about 2.6% of Metro BIF grants have been awarded for a total up to or less than \$1,500. Lastly, a business that receives a Presumptive Eligibility grant award will not be dissuaded from applying for revenue losses sustained as a result of subsequent months of construction activity. In this case, a business will be able to apply for a full BIF grant provided that they produce all necessary financial documentation. Businesses would be eligible for the annual maximum grant award less the Presumptive Eligibility amount received.

Metro Business Interruption Fund



Motion 32

- Motion 32, approved February 23, 2023, authorized staff to complete an assessment of the Pilot BIF and report back with recommendations on how the Pilot BIF could be applied to address local business impacts created by the construction of the East San Fernando Valley Light Rail Transit Line Project.

Program Success Factors

The BIF has been successful due to various factors:

- It has been applied to Metro's transit rail projects with a construction budget over one billion dollars;
- It has been applied to Metro rail transit projects that are multi-year (4 plus years) with significant construction activities, and or unprecedented full street closures with a duration greater than six continuous months;
- It provides grants to small businesses that have been directly impacted by Metro's construction projects as authorized by Metro's Board who recognized the significant impact construction may have on the small "mom and pop" businesses located on corridors.
- It has been delivered through defined program eligibility requirements and guidelines, ensuring equitable access to financial resources for businesses in each of the transit rail project corridors; and
- It has been delivered via direct community outreach and in-person engagement by a third-party administrator which has proven to be the most effective way to build community trust and engagement ensuring that the program meet the needs of the businesses impacted by construction.



Potential Expansion to ESFV LRT

- Staff assessed the BIF's applicability solely for the southern segment of the ESFV LRT Project*.
 - The southern segment will be 6.7 miles long and include 11 at-grade stations along with the maintenance facility.

*Staff will re-evaluate the project alignment in conjunction with Program Management's conclusion of the analysis for the northern segment of the ESFV Project.

Potential Expansion to ESFV LRT

- Approximately 2,600 small businesses are located within a ¼ mile of ESFV LRT Project alignment

Project Zip Codes	Small business location Buffer	Small Business* Count	Average Number of Employees	Average Sales Volume
91331, 91402, 91405, 91411, 91401	¼ Mile	2,611	5	\$312,024

Data Source: Dun & Bradstreet

*Small Businesses are defined as having 25 or fewer full-time employees

BIF Program Modifications

- Metro staff propose increasing the maximum annual BIF grant threshold from \$50,000 to \$60,000.
 - Historically, approximately 25% of grants awarded had revenue losses that exceeded the current annual maximum of \$50,000.
 - Staff believe that increasing the annual maximum of the BIF grant threshold from \$50,000 to \$60,000 will be viable and not require any budgetary changes.

BIF Program Modifications

- Metro staff propose implementing a new “Presumptive Eligibility” grant application and award for an annual maximum of up \$1,500.
 - Businesses would be able to self-certify their revenue losses and not provide financial documentation upfront (subject to audit per BIF guidelines).
 - The self-certification process would reduce the burden of gathering and providing financial documentation.
 - 18% of ineligible businesses (23 firms) have been deemed ineligible for the BIF due to insufficient financial documentation.
 - Firms that apply and are awarded a grant under this process continue to be eligible for the full grant amount (up to \$60K) should they apply for and provide required evidence of loss and financial documentation required by the BIF guidelines.



Thank you



Board Report

File #: 2023-0009, File Type: Budget

Agenda Number:

CONSTRUCTION COMMITTEE APRIL 20, 2023

SUBJECT: LINK UNION STATION PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE The Chief Executive Officer to:

- A. AWARD AND EXECUTE a cost reimbursable fixed fee Contract No. AE83177E0130, to Jacobs Project Management Company, for preconstruction services and construction management support services on the Link US Project;
- B. AUTHORIZE a contract amount not-to-exceed \$16,250,000 through January 2027 to support preconstruction services with an initial Annual Work Plan not to exceed \$3,051,600; and
- C. NEGOTIATE AND EXECUTE contract modifications within the Board approved contract funding amount.

ISSUE

Staff is seeking the Board to award a cost reimbursable fixed fee Construction Management Support Services Contract (CMSSC) to Jacobs Project Management Company for the Link US Project. Construction management support services will be needed to support advanced preliminary engineering, final design, pre-construction activities with the Construction Manager/General Contractor (CM/GC) contractor, third party construction, early work construction, main construction, administration of construction contracts, and contract close out during the delivery of the Link US Project.

The CMSSC will provide Metro the flexibility to adjust the necessary resources with staff augmentation on an as needed basis to deliver the Link US Project safely, on-time, and within budget.

BACKGROUND

Metro's construction management support services philosophy envisions that the primary role of the CMSSC is to provide highly skilled and qualified individuals to assist and support Metro in the construction management and administration of construction projects. This role also entails ensuring

that the construction of projects is completed with a high level of quality and safety. The CMSSC staff are fully integrated into the construction project team with Metro staff. CMSSC staff have the specialized technical and administrative expertise to assist and support project delivery and implementation and to perform the necessary project reporting requirements and control procedures established by Metro. In the performance of work, CMSSC staff must adhere to and comply with all Metro policies and procedures.

The Link US Project will transform how the commuter and intercity rail operates in Southern California with run-through capability at Los Angeles Union Station (LAUS) providing one-seat rides from San Luis Obispo to San Diego, increasing commuter and intercity rail services by up to 60%, and accommodating future high-speed rail service. The Link US Project is planned to be implemented in two phases:

1. Phase A would include construction of the full viaduct structure over the US-101 freeway that accommodates up to nine (9) new run-through tracks, track, signal, and communication work in the throat area, run-through platform, quiet zone ready improvements at Main Street grade crossing, active transportation improvements and some preliminary engineering design for Phase B. The Phase A improvements have received funding commitments of \$950.398 million.
2. Phase B would include raising the rail yard up to 15 feet for the run-through track viaduct structure, new platforms, a newly expanded passageway, and access to all platforms that comply with current ADA standards, and a new lead track north of the railyard. Phase B is funded for planning, environmental, and some preliminary engineering, but it is not fully funded for final design and construction.

The CMSSC proposed herein are mainly to assist in the delivery of Link US Phase A; however, the CMSSC may be used to support any preliminary engineering construction management support for Link US Phase B. Optional scope is available for final design and construction of Link US Phase B, within the term of the contract, provided funding is available.

CEQA & NEPA

Under a separate funding agreement with California High Speed Rail Authority (CHSRA), in 2017 LACMTA received American Recovery and Reinvestment Act federal funds for environmental and planning work for the Link US Project. The Link US Project completed California Environmental Quality Act (CEQA) environmental clearance in July 2019 and a CEQA amendment was approved in October 2021. Furthermore, the Link US Project is in the process of completing National Environmental Policy Act (NEPA) environmental clearance with California High Speed Rail Authority (CHSRA) as the NEPA Lead Agency, which will be complete as early as Spring 2024.

DISCUSSION

On June 28, 2022, Metro issued a Request for Proposals (RFP) for a Construction Management

Support Services Contract to support the delivery of the Link US Project.
The CMSSC contract is a cost reimbursable fixed fee contract.

Staff is only seeking contract authorization for Preconstruction Services at this time. The Preconstruction Services will include assistance with CMGC procurement, constructability reviews, estimating, negotiating and early works inspection and management. Staff will issue modifications to incorporate the Construction Support Services portion of the project after the design work and preconstruction services are complete and after the Construction LOP is authorized by the Board. The overall contract is expected to have a final value of approximately \$75 million and a duration of up to 11 years for all services required to construct the LinkUS project, including CMGC Procurement, Preconstruction, Construction, Testing and Commissioning, and Contract Closeout.

Annual Work Plan (AWP)

Since the CMSSC contract is a cost reimbursable fixed fee contract, consultant services will be performed using Annual Work Plans (AWP). Each AWP will include negotiated direct labor rates, indirect cost rates, general and administrative expenses, if any, a fixed fee, and negotiated hours for the level of effort to match the work. The AWP's will be within the Board approved funding amount for the project, which is funded from the current Board approved Preconstruction Budget, or ultimately the Board approved Life of Project Budget. The initial AWP has been negotiated for a total first year AWP amount not-to-exceed \$3,051,600.

Metro shall ensure that strict project controls are in place prior to approving each AWP to closely monitor the CMSSC's budget and AWP schedules. No funds will be obligated until the AWP is approved and confirmed to be within the Board approved funding for the contract.

Metro staff will begin onboarding CMSSC consultants immediately following contract execution and in a level of effort that matches the schedule and pace of the project.

Pre-Construction LOP Budget

On May 26, 2022, the Metro Board approved a Preconstruction Budget of \$297.818 million for the Preconstruction Work of the Link US Phase A Project consisting of remaining planning, environmental, preliminary engineering, final design, all third-party work, early demolition work, real estate acquisitions, and all associated soft costs.

DETERMINATION OF SAFETY IMPACT

The Link US project is being planned and designed in accordance with Metro and Metrolink standards, as well as state and federal requirements. The award of the CMSSC for Phase A of Link US project will have no impact on safety.

FINANCIAL IMPACT

The aforementioned AWP's under this contract will be funded under the Board approved Preconstruction Budget. The Preconstruction Budget is anticipated to fund the project through the Preconstruction period, which includes Final Design and Construction Pricing with the CMGC Contractor. This is a multi-year project and budgeting for future fiscal years will be the responsibility of the Project Manager, Cost Center Manager, and the Chief Program Management Officer.

Impact to Budget

The funding requirement for the first AWP in the amount of \$3,051,600 is included in the approved Preconstruction Budget for cost center 2415 under Link US project, 460089. The funding sources for the authorized Preconstruction Budget in the amount of \$297.818 million is comprised of TIRCP, STIP, and Measure R 3% Regional Rail. These funds are not eligible for Metro bus/rail operating or capital budget expenses.

EQUITY PLATFORM

The Link US Project will provide better transit connectivity and increase rail service capacity by as much as 60%, which will contribute to the estimated 200,000 passengers per weekday by 2028. The improved rail service will provide better access to as the Antelope Valley and San Bernardino lines and make it easier for riders in Equity Focus Communities (EFCs) along the lines to get to jobs, housing, and appointments and access the greater LA Metro public transportation system at Los Angeles Union Station. Annual household income, automobile availability, and employment levels are lowest on the Antelope Valley and San Bernardino Lines. By 2040, the Weekday Trains to these communities are expected to expand from 68 to 96 weekday trains.

For this project a 25% SBE and a 3% DVBE goal was established.

The Link US Project will also result in reduced train and idling times, saving as much as 5 minutes for each ride linking the counties of San Diego, Orange, Riverside, San Bernardino, Ventura, San Luis Obispo and Santa Barbara to Los Angeles Union. The reduced train and idling times will result in fuel savings and emission reductions per train. Further, it is estimated that the Link US Project will generate 4,500 jobs during construction, resulting in over 200 permanent jobs.

The Link US Project will improve equity outcomes by improving the quality of life for low-income residents including those at the William Mead Homes, the first affordable housing project in the City of Los Angeles constructed in the 1950s and located within the Metro Equity Focused Areas. Such improvements include a new sound wall that will be designed to reduce noise externalities from train operations and future increases in train operations. The improvements will also include a Quiet-zone safety improvements at the railroad crossing on N. Main Street to reduce the train horn noise in the area.

The project will also improve accessibility and user experience for passengers at LAUS by replacing all ramps between the passageway and the train platforms with ADA-compliant elevators and modern escalators; including additional transit amenities including restrooms, waiting areas, retail, etc.; and improving wayfinding to allow more seamless transfer of transportation services by including new

static and modern dynamic signage installations within the Project limits to be designed in English and Spanish and other accommodations to assist those with hearing and/or visual impairments.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Link US project supports the following Strategic Goals:

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

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

Strategic Goal 4: Transform LA County through regional collaboration and national leadership. The project requires close collaboration with many local, regional, state, and federal partners including the City of Los Angeles, SCRRA, LOSSAN Authority, Caltrans, CHSRA, CalSTA, FRA, and Amtrak

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with approval to award the contract. This is not recommended because the Preconstruction Budget was approved by the Board and fully funded, and Metro will incur schedule delays and corresponding costs if the project does not move forward. Furthermore, this may impact grant funding agreements with TIRCP and CHSRA.

NEXT STEPS

After Board approval of this CMSSC Contract, the Contracting Officer will issue the notice to proceed in accordance with Metro Procurement Policies and Procedures.

ATTACHMENTS

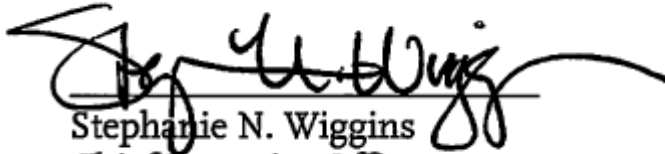
Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by:

Scott McConnell, Executive Officer, Program Management, (213) 922-4980
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Reviewed by: Sameh Ghaly, Interim Chief Program Management Officer (213)418-3369



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES (CMSS) FOR LINK UNION
STATION CM/GC
CONTRACT NO. RFP AE83177E0130**

1.	Contract Number: AE83177E0130	
2.	Recommended Vendor: Jacobs Project Management Company	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: June 28, 2022	
	B. Advertised/Publicized: June 28, 2022	
	C. Pre-Proposal Conference: July 21, 2022	
	D. Proposals Due: September 20, 2022	
	E. Pre-Qualification Completed: November 21, 2022	
	F. Organizational Conflict of Interest Review Completed by Ethics: December 15, 2022	
	G. Protest Period End Date: Est. April, 28, 2023	
5.	Solicitations Picked up/Downloaded: Two hundred fifty-nine (259)	Proposals Received: Six (6)
6.	Contract Administrator: Diana Sogomonyan	Telephone Number: (213) 922 - 7243
7.	Project Manager: Scott McConnell	Telephone Number: (213) 922 - 4980

A. Procurement Background

This Board Action is to approve Contract No. AE83177E0130 to provide Construction Management Support Services (CMSS) for Link Union Station CM/GC.

CMSS Consultant will assist Metro in the management of the Link Union Station (US) Project by providing preconstruction and construction support services for Phase A and preconstruction services for Phase B (Phase B Construction Support Services is an optional scope of services). The Scope of Services for Construction Management Support Services includes services critical to control the design to budget, assist in the negotiation of a construction contract with the Link US Construction Manager/General Contractor (to be selected under a separate procurement), and assist Metro in managing construction of Phase A to ensure completion within budget and on schedule. Work Plans for the CMSS Consultant will be negotiated annually, subject to availability of funds.

Board approval of contract awards are subject to resolution of any properly submitted protest(s).

The procurement, a qualification-based procurement, has been performed in accordance with Los Angeles County Metropolitan Transportation Authority (Metro) Procurement Policies and Procedures, and California Government Code §4525-4529.5 for Architectural and Engineering (A&E) services. Cost was not an evaluation factor. Metro will award a Cost Reimbursable-Plus Fixed Fee (CPFF) type contract. The contract is subject to available funds based on negotiated Annual Work Plans. The first Annual Work Plan covers required CM support services during the remaining Fiscal Year (FY) 2023 and FY2024.

A Letter of Guarantee will be executed for the Project/Construction Manager, Lead Estimator, and Lead Facilitator for Phase A and the Vertical Construction Manager under Phase B, to ensure proposed personnel are actually available to support the project. The Contract includes a Special Provision that subjects the Contractor to Liquidated Damages should the Contractor fail to provide the proposed key personnel.

Metro issued a Request for Proposal (RFP) AE83177E0130, Construction Management Support Services for Link Union Station CM/GC, on June 28, 2022. Metro advertised the RFP in various newspapers in general circulation: LA Watts Times, Asian Week, Los Angeles Daily News, Riverside Press Enterprise, LA Opinion, Dodge Construction News, and Engineering News Record. Notifications were also sent to 3,498 recipients and to an additional 880 SBE Certified firms and 247 DVBE Certified firms listed in Metro's Vendor database that had the applicable NAICS codes.

A virtual pre-proposal conference was held on July 21, 2022, in accordance with California Governor Executive Order N-33-20 related to COVID-19. One hundred and seventy-one (171) individuals including eighty-two (82) different firms attended the pre-proposal conference. Two hundred fifty-nine (259) individuals from various firms downloaded the RFP Package from Metro's Vendor Portal.

Five (5) Amendments were issued during the Solicitation phase of this RFP and included the following summary updates:

Amendment No. 1, issued on July 12, 2022, to revise Section III – Proposal Requirements/Forms as follows:

- Submittal Requirements Section 1.2: revised to refer Proposers to the content summary in Exhibits (Solicitation) Exhibit 17 Submittal Requirements for each Volume of the Proposal Content.
- Exhibits (Solicitation) Exhibit 3 Evaluation Criteria: Other Evaluation Factors updated.
- Exhibits (Solicitation) Exhibit 14 Annual Work Plan Spreadsheet was replaced in its entirety.

Amendment No. 2, issued on July 15, 2022, to revise Section II – Proposal Instructions and Section IV – Contract Documents (Sample) as follows:

- All reference to Local Small Business Enterprise (LSBE) Preference was deleted from DEOD Instructions since it was not adopted at the time: DI-01 – Instructions to Bidders/Proposers AND Exhibit D Diversity & Economic Opportunity Department SBE/DVBE Contract Compliance Manual (Non-Federal); and DI-01 clarified to include reference to CA Department of General Services (DGS).

Amendment No. 3, issued on August 3, 2022, to revise Section I – Letter of Invitation, Section II – Proposal Instructions, Section III – Proposal Requirements/Forms, and Section IV – Contract Documents (Sample) as follows:

- LOI-01 Notice and Invitation: Proposal Due Date was extended for additional two weeks.
- LOI-07 Basis of Award clarified.
- Exhibits (Solicitation) Exhibit 5 Proposal Letter: validity period of Proposals was updated.
- Exhibit A Scope of Services Attachment 1: Description of Positions: position qualifications for two positions were clarified.
- Exhibit J. Construction Safety and Security Manual was replaced for new version - Revision 5.0: January 2022.

Amendment No. 4, issued on August 19, 2022, to revise Section III – Proposal requirements/Forms, and Section IV – Contract Documents (Sample) as follows:

- Exhibit 14 Annual Work Plan: was replaced in its entirety.
- Exhibit A Scope of Services - Attachment 5 Phase A Cost Estimate Templates on an Open Book Basis PDF was replaced in its entirety.

Amendment No. 5, issued on September 2, 2022, to revise Section I – Letter of Invitation, Section III – Proposal Requirements/Forms, and Section IV – Contract Documents (Sample) as follows:

- LOI-01 Notice and Invitation: Period of performance of the Contract was revised to 11 Years and Proposal Due Date was revised to Tuesday, September 20, 2022.
- Submittal Requirements Section 1.1 - 100-page proposal limit clarified.
- Exhibit 13 Staffing Plan PDF Spreadsheet was replaced in its entirety.
- Exhibit 14 Annual Work Plan: Excel and PDF Spreadsheet was replaced in its entirety.
- Exhibit 15 Link US- List of Quantities Based Phase A 35% Design, items 329 thru 337 were deleted.
- Exhibit A Scope of Services Attachment 5 Phase A Cost Estimate Templates on an Open Book Basis – Link Union Station Project Construction Cost Estimate Summary page and Calculations were replaced in its entirety.

A total of six (6) proposals were received on the proposal due date, September 20, 2022, from the following firms listed below in alphabetical order:

1. ABA Global, Inc.
2. Jacobs Project Management Company

3. Lockwood, Andrews, & Newnam, Inc.
4. Parsons / Mott McDonald (Joint Venture)
5. Psomas
6. Stantec Consulting Services Inc.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of Metro staff from Highway Programs, Quality Assurance / Compliance, and Regional Rail departments was convened to conduct a comprehensive evaluation of the proposals received.

The recommendation of the most qualified Proposer is based on the PET's assessment of the written proposals and oral presentations. Pursuant to the RFP, the PET scored the proposals in accordance with the Evaluation Criteria and Points set forth in the RFP. The most qualified Proposer was determined to be the Proposer that submitted the highest scored proposal.

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

I.	EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE A	1000 Points
A.	Proposer's Project Team and CM/GC Experience	300 Points
B.	Project Management Approach to Preconstruction Support Services	105 Points
C.	Successful Negotiation Approach to a Firm Fixed Price Proposal	175 Points
D.	Construction Management	220 Points
E.	Third-Party Coordination and Approval	100 Points
F.	Cost Management and Value Engineering	100 Points
II.	EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE B	350 Points
A.	Proposer's Project Team and CM/GC Experience	140 Points
B.	Successful Negotiation Approach to a Firm Fixed Price Proposal	55 Points
C.	Construction Management	110 Points
D.	Cost/Schedule Management and Value Engineering	45 Points
	Total Available Points (Phase A and B)	1350 Points

The PET scored the proposals and based on the initial scoring determined the Proposal submitted by ABA Global, Inc. was not within the competitive range and eliminated from further consideration. The competitive range included all of the other five proposals.

Metro scheduled Oral Presentations with all five (5) Proposers in the competitive range.

Virtual Oral Presentations were held on January 25, 2023, and January 27, 2023. In general, each proposer's presentation addressed the requirements of the RFP, and experience with all aspects of the required scope for successful oversight of the Link Union Station CMGC contract. The proposing firms had the opportunity to present their key personnel as well as respond to the PET's questions. Each proposing team was asked questions relative to each firm's previous experience performing work of a similar nature to the Scope of Services presented in the RFP.

Qualifications Summary of Recommended Firm:

The evaluation performed by the PET determined, in accordance with the evaluation criteria in the RFP, that the proposal from Jacobs Project Management Company (Jacobs) demonstrated substantial CM/GC and relevant experience on projects that were similar in scope and complexity as the Link US project. Key personnel positions including the Project/Construction Manager, Lead Facilitator and Lead Estimator all have substantial CM/GC delivery method experience. The PET determined the Lead Facilitator to have the most relevant experience in the pre-construction phase and negotiating a price with a CM/GC contractor. The Proposal demonstrated thorough knowledge and understanding of the project and the potential constraints that may adversely impact the project.

The Proposer demonstrated it has successful experience negotiating many significant CM/GC contracts for similar projects. Jacobs proposed a proven negotiation approach to successfully negotiate a Firm Fixed Price (FFP) construction contract for Phase A with the selected CM/GC. The proposal also demonstrated an effective and the best Project Management approach to manage the preconstruction period for phase A construction and proposed worthy Value Engineering (VE) and Constructability opportunities that may potentially provide substantial cost and time savings.

The Jacobs team proposed a comprehensive management approach for the pre-construction phase and a comprehensive, well-thought-out plan to negotiate a Firm Fixed Price (FFP) contract with the CM/GC for Phase A construction. The proposal includes several best practices developed from experience on previous CM/GC projects. A key lesson learned on the Dallas Area Rapid Transit (DART) Green Line project and proposed approach for this project is to de-risk the project prior to negotiating a Firm Fixed Price with the CM/GC. The proposed de-risking approach includes developing a quantitative risk matrix and establishing the framework for a deep dive to identify risks in order to capture risks perceived from every angle and to quantify the cost, schedule, and likelihood of occurrence for potential impacts. De-risking the project prior to negotiating the FFP construction contract will lead to a

more defined project scope and resources needed to complete the project successfully.

Jacobs' proposed key personnel that have extensive experience on projects with similar complexity to the Link Union Station Project. For example, the Project /Construction Manager has 31 years of experience including 15 years as program manager or project manager on transportation projects valued at \$1B. Recent experience includes serving as Program Manager on City of LA's 6th Street Viaduct CM/GC project, Construction Manager on City of LA's Riverside Drive Viaduct project and Project Manager on Metro's LA River Path project. The proposed Lead Facilitator is a national transit and alternative delivery expert with 38 years of experience. Experience includes DART's successful implementation and delivery of 12 CM/GC and Progressive Design Build (PDB) projects, including the \$1.8 Billion 28-mile Green Line Light Rail project in Dallas TX. The Lead Facilitator negotiated and executed Firm Fixed Price/Guaranteed Maximum Price contracts for 7 CM/GC or innovative delivery method projects valued at \$2B.

The PET ranked the proposals and assessed major strengths and weaknesses of the Proposers to determine the most qualified firm. The evaluation performed by the PET determined Jacobs Project Management Company as the most qualified firm to provide Construction Management Support Services for Link Union Station CM/GC.

The results of the final scoring are shown below:

	Firm / Evaluation Factor	Max Factor Weight	Max Points for Criteria	Total Average Score	Rank
1					
2	Jacobs Project Management Company				
3	I. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE A (100% of total 1000 points, which is 74% of TOTAL 1350 Points)	100.00%	1000.00	842.93	
4	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE A) (30.00%)	30.00%	300.00	259.27	
5	B. PROJECT MANAGEMENT APPROACH TO PRECONSTRUCTION SUPPORT SERVICES (PHASE A) (10.50%)	10.50%	105.00	86.15	

6	C. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL (PHASE A) (17.50%)	17.50%	175.00	150.23	
7	D. CONSTRUCTION MANAGEMENT (PHASE A) - (22.00%)	22.00%	220.00	177.85	
8	E. THIRD-PARTY COORDINATION AND APPROVAL (PHASE A) - (10.00%)	10.00%	100.00	85.67	
9	F. COST MANAGEMENT AND VALUE ENGINEERING (PHASE A) - (10.00%)	10.00%	100.00	83.77	
10	II. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE B - (100% of total 350 points, which is 26% of TOTAL 1350 Points)	100.00%	350.00	301.07	
11	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE B) - (40.00%)	40.00%	140.00	122.23	
12	B. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL FOR PHASE B CONSTRUCTION OPTION - (15.71%)	15.71%	55.00	46.42	
13	C. CONSTRUCTION MANAGEMENT (PHASE B OPTIONAL SCOPE) - (31.42%)	31.42%	110.00	95.20	
14	D. COST / SCHEDULE MANAGEMENT AND VALUE ENGINEERING (PHASE B) - (12.86%)	12.86%	45.00	37.22	
15	Total		1350.00	1144.00	1
16	Lockwood, Andrews, & Newnam, Inc.				
17	I. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE A (100% of total 1000 points, which is 74% of TOTAL 1350 Points)	100.00%	1000.00	841.00	
18	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE A) (30.00%)	30.00%	300.00	261.25	
19	B. PROJECT MANAGEMENT APPROACH TO PRECONSTRUCTION SUPPORT SERVICES (PHASE A) (10.50%)	10.50%	105.00	76.17	
20	C. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL (PHASE A) (17.50%)	17.50%	175.00	146.37	
21	D. CONSTRUCTION MANAGEMENT (PHASE A) - (22.00%)	22.00%	220.00	181.72	
22	E. THIRD-PARTY COORDINATION AND APPROVAL (PHASE A) - (10.00%)	10.00%	100.00	90.00	

23	F. COST MANAGEMENT AND VALUE ENGINEERING (PHASE A) - (10.00%)	10.00%	100.00	85.50	
24	II. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE B - (100% of total 350 points, which is 26% of TOTAL 1350 Points)	100.00%	350.00	287.03	
25	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE B) - (40.00%)	40.00%	140.00	119.92	
26	B. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL FOR PHASE B CONSTRUCTION OPTION - (15.71%)	15.71%	55.00	43.08	
27	C. CONSTRUCTION MANAGEMENT (PHASE B OPTIONAL SCOPE) - (31.42%)	31.42%	110.00	90.20	
28	D. COST / SCHEDULE MANAGEMENT AND VALUE ENGINEERING (PHASE B) - (12.86%)	12.86%	45.00	33.83	
29	Total		1350.00	1128.03	2
30	Psomas				
31	I. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE A (100% of total 1000 points, which is 74% of TOTAL 1350 Points)	100.00%	1000.00	771.93	
32	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE A) (30.00%)	30.00%	300.00	238.02	
33	B. PROJECT MANAGEMENT APPROACH TO PRECONSTRUCTION SUPPORT SERVICES (PHASE A) (10.50%)	10.50%	105.00	80.05	
34	C. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL (PHASE A) (17.50%)	17.50%	175.00	140.05	
35	D. CONSTRUCTION MANAGEMENT (PHASE A) - (22.00%)	22.00%	220.00	161.97	
36	E. THIRD-PARTY COORDINATION AND APPROVAL (PHASE A) - (10.00%)	10.00%	100.00	74.45	
37	F. COST MANAGEMENT AND VALUE ENGINEERING (PHASE A) - (10.00%)	10.00%	100.00	77.40	
38	II. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE B - (100% of total 350 points, which is 26% of TOTAL 1350 Points)	100.00%	350.00	266.67	

39	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE B) - (40.00%)	40.00%	140.00	108.33	
40	B. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL FOR PHASE B CONSTRUCTION OPTION - (15.71%)	15.71%	55.00	44.17	
41	C. CONSTRUCTION MANAGEMENT (PHASE B OPTIONAL SCOPE) - (31.42%)	31.42%	110.00	79.67	
42	D. COST / SCHEDULE MANAGEMENT AND VALUE ENGINEERING (PHASE B) - (12.86%)	12.86%	45.00	34.50	
43	Total		1350.00	1038.60	3
44	Parsons / Mott McDonald (Joint Venture)				
45	I. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE A (100% of total 1000 points, which is 74% of TOTAL 1350 Points)	100.00%	1000.00	754.87	
46	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE A) (30.00%)	30.00%	300.00	230.7833	
47	B. PROJECT MANAGEMENT APPROACH TO PRECONSTRUCTION SUPPORT SERVICES (PHASE A) (10.50%)	10.50%	105.00	75.20	
48	C. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL (PHASE A) (17.50%)	17.50%	175.00	141.78	
49	D. CONSTRUCTION MANAGEMENT (PHASE A) - (22.00%)	22.00%	220.00	159.23	
50	E. THIRD-PARTY COORDINATION AND APPROVAL (PHASE A) - (10.00%)	10.00%	100.00	72.30	
51	F. COST MANAGEMENT AND VALUE ENGINEERING (PHASE A) - (10.00%)	10.00%	100.00	75.57	
52	II. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE B - (100% of total 350 points, which is 26% of TOTAL 1350 Points)	100.00%	350.00	267.97	
53	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE B) - (40.00%)	40.00%	140.00	109.42	
54	B. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL FOR PHASE B CONSTRUCTION OPTION - (15.71%)	15.71%	55.00	41.73	

55	C. CONSTRUCTION MANAGEMENT (PHASE B OPTIONAL SCOPE) - (31.42%)	31.42%	110.00	82.57	
56	D. COST / SCHEDULE MANAGEMENT AND VALUE ENGINEERING (PHASE B) - (12.86%)	12.86%	45.00	34.25	
57	Total		1350.00	1022.83	4
58	Stantec Consulting Services Inc.				
59	I. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE A (100% of total 1000 points, which is 74% of TOTAL 1350 Points)	100.00%	1000.00	745.30	
60	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE A) (30.00%)	30.00%	300.00	232.65	
61	B. PROJECT MANAGEMENT APPROACH TO PRECONSTRUCTION SUPPORT SERVICES (PHASE A) (10.50%)	10.50%	105.00	78.92	
62	C. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL (PHASE A) (17.50%)	17.50%	175.00	120.60	
63	D. CONSTRUCTION MANAGEMENT (PHASE A) - (22.00%)	22.00%	220.00	165.12	
64	E. THIRD-PARTY COORDINATION AND APPROVAL (PHASE A) - (10.00%)	10.00%	100.00	74.37	
65	F. COST MANAGEMENT AND VALUE ENGINEERING (PHASE A) - (10.00%)	10.00%	100.00	73.65	
66	II. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE B - (100% of total 350 points, which is 26% of TOTAL 1350 Points)	100.00%	350.00	263.42	
67	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE B) - (40.00%)	40.00%	140.00	106.63	
68	B. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL FOR PHASE B CONSTRUCTION OPTION - (15.71%)	15.71%	55.00	41.53	
69	C. CONSTRUCTION MANAGEMENT (PHASE B OPTIONAL SCOPE) - (31.42%)	31.42%	110.00	81.02	
70	D. COST / SCHEDULE MANAGEMENT AND VALUE ENGINEERING (PHASE B) - (12.86%)	12.86%	45.00	34.23	
71	Total		1350.00	1008.72	5
72	ABA Global, Inc.				

73	I. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE A (100% of total 1000 points, which is 74% of TOTAL 1350 Points)	100.00%	1000.00	206.17	
74	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE A) 300 pts/1000 pts (30.00%)	30.00%	300.00	114.1667	
75	B. PROJECT MANAGEMENT APPROACH TO PRECONSTRUCTION SUPPORT SERVICES (PHASE A) (105 pts of 1000 pts = 10.50%)	10.50%	105.00	11.60	
76	C. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL (PHASE A) (1 75 pts of 1000pts =17.50%)	17.50%	175.00	1.00	
77	D. CONSTRUCTION MANAGEMENT (PHASE A) – (220 pts of 1000pts = 22.00%)	22.00%	220.00	16.33	
78	E. THIRD-PARTY COORDINATION AND APPROVAL (PHASE A) – (100 pts of 1000 pts = 10.00%)	10.00%	100.00	57.13	
79	F. COST MANAGEMENT AND VALUE ENGINEERING (PHASE A) – (100 pts of 1000 pts = 10.00%)	10.00%	100.00	5.93	
80	II. EVALUATION CRITERIA AND SCORING FOR PROJECT PHASE B – (100% of total 350 points, which is 26% of TOTAL 1350 Points)	100.00%	350.00	40.08	
81	A. PROPOSER'S PROJECT TEAM AND CMGC EXPERIENCE (PHASE B) – (140 pts of 350 pts = 40.00%)	40.00%	140.00	37.05	
82	B. SUCCESSFUL NEGOTIATION APPROACH TO A FIRM FIXED PRICE PROPOSAL FOR PHASE B CONSTRUCTION OPTION – (55 pts of 350 pts = 15.71%)	15.71%	55.00	0.00	
83	C. CONSTRUCTION MANAGEMENT (PHASE B OPTIONAL SCOPE) – (100 pts of 350 pts = 31.42%)	31.42%	110.00	3.03	
84	D. COST / SCHEDULE MANAGEMENT AND VALUE ENGINEERING (PHASE B) – (45 pts of 350 pts = 12.86%)	12.86%	45.00	0.00	
85	Total		1350.00	246.25	6

C. Cost/Price Analysis

A cost analysis of the elements of cost including labor rates, indirect rates and other direct costs was completed in accordance with Metro's Procurement Policies and Procedures, including fact-finding, clarification and cost analysis and the cost factors were determined to be fair and reasonable. Metro negotiated and established indirect cost rates and as appropriate provisional indirect (overhead) rates, plus a fixed fee factor to establish a fixed fee amount based on the total estimated cost of performance of the Scope of Services, during the contract term.

The following table reflects the total estimated cost for the first Annual Work Plan.

Proposer Name	Proposal Amount	Metro ICE	Cost Plus Fixed Fee amount
Jacobs Project Management Company	\$3,117,794	\$3,641,046	\$3,051,600

D. Background on Recommended Contractor

The Jacobs Project Management Company (Jacobs) is a global engineering firm providing a full spectrum of professional services including consulting, technical, scientific and project delivery for the government and private sectors. They are headquartered in Dallas Texas and have a local office located in the heart of downtown Los Angeles, at 555 S. Flower Street, Suite 3200 Los Angeles, CA 90071.

Jacobs teamed-up with several local subcontractors, including AECOM, a global infrastructure consulting firm headquartered in Los Angeles, as a major partner. Jacobs and AECOM have a long history of working together delivering complex transportation infrastructure projects, including the Mid-Coast Transit Corridor Project in San Diego and Eastside Transit Corridor Access Improvement Projects in New York.

The Jacobs team has developed a thorough understanding of Metro's and Link Union Station key stakeholders' requirements from recent experience working with Metro on Metro's D Line (Purple) Extension Section 1 Project (Construction Management (CM) services), Caltrans District 7 (D7) CM on-call contract (CM services), and on Metrolink's Southern California Optimized Rail Expansion (SCORE) program.

The Jacobs team has comprehensive excellent experience in providing Construction Management Services to public agencies on complex CM/GC transportation projects. Jacobs team has significant relevant Construction and Program Management experience on complex CM/GC transportation projects, including the completed \$1.5B Mid-Coast Transit Corridor Project in San Diego, the 6th Street Viaduct Project in Los Angeles, and the TexRail Commuter Rail Project in Dallas. Additional experience on large transportation projects include experience as the

designer of the Denver Union Station expansion project, program / construction manager for the Grand Central Terminal modernization project and construction manager for the World Trade Center PATH Hub projects in New York City.

DEOD SUMMARY

CONSTRUCTION MANAGEMENT SUPPORT SERVICES (CMSS) FOR LINK UNION
STATION CM/GC
CONTRACT NO. RFP AE83177E0130

A. Small Business Participation

This procurement is funded in whole or in part with California High Speed Rail funds (CHSR). As such, CHSR's required the use of its Small Business Program goals of 25% Small Business Enterprise (SBE) goal and a 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. The CHSR Small Business Program included Department of General Services certified SB, SB (Micro), and Metro certified SBE firms. Consultant services will be performed using Annual Work Plans (AWP). Jacobs Project Management Co. (JPMC) made a 25% SBE and 3% DVBE commitment for the overall contract. JPMC made a 25.67% SBE commitment and a 4.12% DVBE commitment for the Year 1 work plan.

Firms listed below with commitments have been identified for Year 1 activity. As scope and budget are identified for each annual work plan, JPMC will identify its corresponding commitment to listed firms.

Small Business Goal	25% SBE 3% DVBE	Small Business Commitment (Overall Contract)	25% SBE 3% DVBE
		Small Business Commitment - Year 1	25.67% SBE 4.12% DVBE

	SBE Subcontractors	DGS SB/SB (Micro)	Metro SBE	% Committed
1.	Arellano Associates LLC	X	X	1.08%
2.	Cabrinha, Hearn & Associates	X	X	TBD
3.	Cogstone Resource Management Group Inc.		X	TBD
4.	David Engineering LLP	X	X	TBD
5.	ELLE Consultants		X	4.95%
6.	Historic Resource Group	X		TBD
7.	Kal Krishnan Consulting Services, Inc.	X	X	TBD
8.	MBI Media	X	X	1.04%
9.	MTGL, Inc.	X	X	TBD
10.	Ramos Consulting Services, Inc.	X	X	TBD

11.	Safework, Inc.	X	X	TBD
12.	Suenram & Associates, Inc.	X	X	17.43%
13.	Zephyr Rail, Inc.	X	X	1.17%
Total SBE Commitment				25.67%

	DVBE Subcontractors	% Committed
1.	Casamar Group, LLC	0.68%
2.	MA Engineering	TBD
3.	Overwatch Construction Management	3.44%
Total DVBE Commitment		4.12%

B. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to this CHSR-funded solicitation.

C. Contractor Outreach and Mentoring Plan (COMP)

COMP is not applicable for this A&E contract. In accordance with the California Government Code Section 4525, et seq., Metro shall use qualifications-based competitive procedures for the procurement of architectural and engineering services, as defined in the code. Only a competitor's qualifications to perform the architectural and engineering services are to be evaluated and the most qualified proposing firm to be selected.

D. Living Wage and Service Contract Worker Retention Policy Applicability

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

E. 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).

F. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. This contract is for Construction Management Support Services (CMSS) for Link Union Station CM/GC. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

**Board Report**

File #: 2023-0197, **File Type:** Budget**Agenda Number:** 26.

**CONSTRUCTION COMMITTEE
APRIL 20, 2023****SUBJECT: DIVISION 20 PORTAL WIDENING TURNBACK FACILITY LOP INCREASE****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AMENDING the Life-of-Project (LOP) budget by \$80,000,000 for the Division 20 Portal Widening Turnback Facility (Project) from \$876,749,577 to \$956,749,577 using the fund sources as summarized in Attachment A, consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment B).

ISSUE

A key element of the complexity of the Division 20 Portal Widening Turnback Facility Project is the requirement of maintaining existing service for the B Line and D Lines that necessitates a distinct order of phasing to keep the rails operational while constructing sections of the rail yard improvements. This constraint, combined with a significant number of unknown factors, has contributed to changes and delays to the Project that has consumed much of the budgeted Life of Project (LOP) contingency.

Some of the unknown factors include the expansion of the Division 20 Yard into 20 acres of a previous industrial site with underground conditions and hazardous waste, major structural changes required to the 100-year-old First Street Bridge, unknown utilities encountered within the existing Yard that required relocation or re-design to incorporate into the work, interface with multiple adjoining projects, design deficiencies, and third-party requirements.

On February 17, 2022, a Life of Project Budget increase was approved by the Board in the amount of \$75,000,000. The increase was for the projected funds anticipated for a 12-month duration. Given that the Project was 30% complete, at that time, and had encountered a significant number of design changes, delays, and unforeseen site conditions, it was determined that assessing the full increase of the LOP contingency could better be determined by advancing the Project an additional Fiscal Year, incorporating design changes undertaken, and to better evaluate the range of costs of unforeseen site conditions.

The Project has advanced to 48% complete, with many of the costs associated with the First Street Bridge and the industrial site fully realized. A recently conducted update to the risk analysis and

modeling identified the need for additional LOP given the many challenges of this complex Project, staff is recommending an increase of \$80,000,000 to the LOP.

BACKGROUND

The Division 20 Portal Widening Turnback Facility (Project) enables trains to operate at required headways and increases the storage capacity to support the expansion of the Purple Line Extension (D Line). As part of the Full Funding Grant Agreement (FFGA) from the Federal Transit Administration (FTA) under Purple Line Section 1 (PLE1), the Division 20 Portal Widening Turnback Facility Project will allow trains to turn back quickly to meet the planned service levels and FTA requirements. Achievement of the reduced headways requires significant modifications to the Division 20 Yard which includes portal widening, power relocation and upgrades, First Street Bridge modifications and seismic upgrade, installation of turnback facility and storage tracks, train control, signaling systems installation and integration.

The Metro B/D Line trains currently “turn-back” at Union Station, reversing direction from east to west. The current minimum headway that can be achieved at Union Station is approximately four-minute service for combined B/D Line service (or seven-and-a-half minutes on the branches), but that will become impracticable and less efficient once the Westside Purple Line Extension begins operating and more trains are using the same tracks.

At present, non-revenue Metro B/D Line trains proceed south of Union Station and through the portal just south of the US 101 Freeway before entering a complex set of switches in the Division 20 rail yard. To produce a clear benefit to current and future operations by increasing train speeds and ensuring reliability of the system, the existing tunnel portal must be widened to accommodate additional tracks and switches that diverge to become the turnback and yard leads.

In addition to the turnback facility, the Purple Line 1, Purple Line 2, and Purple Line 3 projects will add train vehicles to the Metro Fleet that will generate a need for increased storage capacity in the B/D Line Yard. Storage tracks are being constructed North and South of the First Street Bridge as part of the Division 20 Project. Complex switching and train movements must be integrated with the turnback facility to enable trains to move from storage onto the main line and into service through the portal.

To install the new turnback facility and new storage for train vehicles, the current power substation for the Yard must be relocated and upgraded to meet the power requirements for the Project turnback facility and added storage. Twelve different construction phases are necessary as geometry and alignments are modified for relocating and upgrading track, power, utilities, and train control systems in different locations in the yard. The Contractor must maintain 24/7 operations with each phase requiring safety testing and formal turnback procedures before trains can be returned for in-service operations.

Finally, construction and pre-revenue testing of the portal widening and turnback facility must be coordinated in accordance with PLE Section 1 schedule for opening for Revenue Service.

On February 25, 2020, Metro issued a conformed contract with a Contract Award of \$431,777,000 for construction of the Division 20 Portal Widening Turnback Facility Project to Tutor Perini Corporation and a Life of Project budget in the amount of \$801,749,577. The Notice To Proceed was issued on April 8, 2020. On February 17, 2022, a Life of Project Budget increase was approved by the Board in the amount of \$75,000,000, adjusting the amount to \$876,749,577.

The costs impact related to the First Street Bridge, design changes, and encountered site conditions have reduced the Project contingency to less than 2% of the current LOP budget. This Board Action requests authorization to replenish contingency and provide sufficient funding for contract changes and base contract activities through the Project completion.

DISCUSSION

The Division 20 Portal Widening Turnback Facility has advanced to 48% overall completion. The Design-Bid-Build (DBB) Project has encountered significant changes and cost impacts related to unknown underground site conditions, third party requirements, and design changes that have directly relate to future costs for schedule delays to the contractor and maintenance of Project oversight staffing.

The additional contract changes that were not anticipated, detailed in the previous Board Report (2021-0765), included significant design changes necessary to reconcile corrections to the design, the old industrial facility that was not under Metro ownership during the design that could not be fully examined to determine actual quantities of hazardous materials or site conditions, and the First Street Bridge deteriorated state and subsequent delays to the Project schedule. The total cost of these impacts continued over the last year and are now nearing completion.

A significant portion of the future contingency expenditures will be for future underground site conditions encountered, delay costs to the contractor, and the extended duration of the Project oversight staffing for the extended schedule. Approximately 25-acres of the 60-acre yard remain in service and will be under reconstruction within the next 18-months with anticipated underground differing site conditions. The Project schedule has increased by 492 days which will result in extended staffing for the Project designer and consultant Construction Management Support Services (CMMS). Additionally, the contractor will have added costs for the extended contract duration.

Since February 2022, the Project has successfully completed a major milestone consisting of structural and seismic upgrades to the First Street Bridge to accommodate the additional track work, primary power utility work to support the new traction power substation, more than 5 miles of new duct bank installation, demolition of westerly portal to support the additional tracks, and installation of one of the train control bungalows.

The completion of much of the First Street Bridge, underground work in the old industrial area, and existing yard, significantly reduces the unknown risks for the Project. Many of the design changes have been attributed to underground changed conditions, conflicts not anticipated during design development, or other design factors. Much of the old industrial area contained old foundations,

utilities, hazardous materials, and industrial piping at depths greater than 20 feet below the existing surface that required mitigation by removal or redesign to avoid clashes. In the existing yard there is a network of numerous underground utilities that support signal, communication, lighting, electrical components that have been added, modified, and abandoned in place over the last 30 years, in which drawing records were not accurately depicted or the drawings were not found that resulted in design changes/additional work. A majority of the Project footprint for underground work has been opened up and existing conditions exposed that should reduce the quantity of changes related to differing site conditions. The project is currently 48% complete.

The Project contingency remaining is currently less than 2%, this Board Action will increase the amount to 8% of the Project's budget for any future anticipated contract changes and related activities through the Project's completion. The increase will amend the LOP budget of \$876,749,577 to \$956,749,577.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Funds required for fiscal year 2024 have been requested through the fiscal year 2024 budget development, to be adopted at the May 2023 Board meeting. Since this is a multi-year capital project, the Chief Program Management Officer and the Project Manager will be responsible for budgeting costs in future fiscal years.

Impact to Budget

The sources of funds for the recommended actions are local and other funds that are eligible and available at the time of expenditure.

Multiyear Impact

The sources of funds for the Project are capital funds identified in the recommended Funding/Expenditure Plan as shown in Attachment A. With respect to the \$80,000,000 increase, Attachment B shows the Measure R and Measure M Unified Cost Management Policy (the Policy) analysis and funding strategy required for cost increases to Measure R and Measure M Projects.

To comply with the Policy of the Metro Board of Directors, Metro staff has evaluated potential offsetting cost reductions, including scope reductions, value engineering, shorter segments. Because the project is so far along, these actions are no longer feasible.

This report identifies additional funding resources consistent with the Policy approved by the

Board in 2018. Attachment B provides a detailed discussion of the Policy. In summary, the Policy was developed in recognition that some projects would need additional funding and the Policy provides a consistent and equitable process to ensure that any financial impacts are limited to the local area where the project is located and not have a region-wide impact.

The source of funds to address the LOP increase are Measure R Transit Capital (35%) for WPLE, made available from additional New Starts funding.

EQUITY PLATFORM

The benefits of this action are to ensure that transit service for disadvantaged communities. Based on the 2019 Customer Survey, the Red and Purple heavy rail lines serve the following ridership:

- 27.7% below the poverty line
- 56.4% had no car available
- Rider Ethnicity: Latino 38.9%; Black 13.1%; White 25.8%; Asian/Pacific Islander 15.2%; Other 6.5%

In addition, areas served include Union Station to Downtown LA, Koreatown (Wilshire/Western), Hollywood, Universal City, and North Hollywood, a majority of which serve people living in Equity Focus Communities.

The Division 20 C1136 Mainline contract will support the Purple and Red Line system by increasing service frequency, reliability and access for communities that use the Metro transit system along both alignments for housing, jobs, educational, medical and entertainment needs. These service upgrades have a positive impact for riders of the system from marginalized communities that travel along Red and Purple Line Corridors, by increasing access, capacity, and reliability to meet these essential travel needs.

The contract has Small Business Enterprise (SBE) commitments of 19.34% and Disabled Veteran Business Enterprise (DVBE) commitments of 3.31%, and the contract modifications requested in this report do not change the level of commitments. Current level of participation is 5.60% SBE and 2.71% DVBE. The majority of the SBE scope is trackwork and the Project must complete the underground heavy civil and utility work first before the trackwork begins. There are three more years left in the contract to achieve the 19.34% SBE and 3.31% DVBE commitments.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports Strategic Plan Goal #1 - Provide high-quality mobility options that enable people to spend less time traveling. Deliver outstanding trip experience for all users of the transportation system. Enhance communities and lives through mobility.

ALTERNATIVES CONSIDERED

The Board may choose to not move forward with amending the LOP budget. This is not recommended as Metro will be unable to provide funding to complete the Project according to the current schedule.

NEXT STEPS

Upon approval by the Board, the LOP budget will be amended accordingly per the recommendation.

ATTACHMENTS

Attachment A - Funding/Expenditure Plan

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

Attachment C - Projected Breakdown of Cost Allocation for \$80 Million

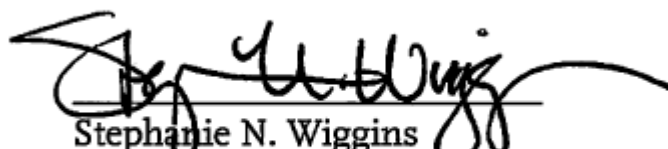
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Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A
DIVISION 20 PORTAL WIDENING TURNBACK FACILITY
LOP INCREASE APRIL 2023
Funding/Expenditure Plan
(Dollars in Millions)

Capital Project No. 865519	Prior LOP	Prior Spent	FY23	FY24	FY25	FY26	TOTAL	% of Total
<i>USES OF FUNDS</i>								
Construction	535.31	328.91	142.15	74.43	30.00	19.62	595.11	62.20%
Right of Way	101.54	101.54	-	-	-	-	101.54	10.61%
Professional Services	164.90	105.10	25.00	25.00	15.00	10.00	180.10	18.82%
Project Contingency	75.00	-	-	40.00	40.00	-	80.00	8.36%
Total Life of Project Cost:	876.75	535.55	167.15	139.43	85.00	29.62	956.75	100.00%
<i>SOURCES OF FUNDS¹</i>								
Measure R - Transit Capital (35%) ²	674.28	512.72	147.15	8.96	56.00	29.62	754.45	78.86%
Transit and Intercity Rail Capital Program (TIRCP)	69.21	22.83	-	46.38	-	-	69.21	7.23%
SB1 - Local Partnership Program	133.26	-	20.00	84.09	29.00	-	133.09	13.91%
Total Life of Project Funding:	876.75	535.55	167.15	139.43	85.00	29.62	956.75	100.00%

1. Funding sources subject to change based on availability and eligibility of funds at the time of expenditure.

2. Measure R amount subject to change based on actual debt interest charged to Westside PLE per the 2011 Fiscal Responsibility Policy.

ATTACHMENT B

Division 20 Portal Widening Project

Measure R and Measure M Unified Cost Management Policy Analysis

Introduction

The Measure R and Measure M Unified Cost Management Policy (the Policy) was adopted by the Metro Board of Directors in July 2018. The precursor Measure R cost management policy was adopted in March 2011. The intent of the Policy is to inform the Metro Board of Directors regarding cost increases to Measure R- and Measure M-funded projects and the strategies available to close a funding gap. The Division 20 Project (the Project) is subject to this policy analysis as it is considered an integral part of the Westside Purple Line Extension (WPLE) Section 1, Section 2, and Section 3 projects, which are Measure R- and Measure M-funded.

The life of project (LOP) budget for the Project was last approved by the Board in February 2022 at \$876,749,577. The Project is subject to the Policy analysis now due to a proposed \$80,000,000 (9.1%) increase to the LOP budget. Funding for the cost increase may be needed through FY 2026. This analysis recommends trade-offs required by the Policy to identify the funds necessary to meet the cost increase.

Measure R and Measure M Unified Cost Management Policy Summary

The adopted Policy stipulates the following.

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

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

Scope Reductions

The Project cost increase is funding depleted contingency that has been needed for additional work and schedule delays due to unknown utilities that required relocation or re-design, interface with multiple adjoining projects, design deficiencies, and third-party requirements. Any attempt to identify and negotiate agreeable reductions to the scope may result in further delays and potential additional costs. Because of this, we recommend moving to the next step.

New Local Agency Funding Resources

Local funding resources (i.e., specific to the affected corridor or subregion) are considered in the next step as opposed to countywide or regional sources so as not to impact the funding of other Metro Board-approved projects and programs or subregions in the County.

The Project is eligible for Measure M and Measure R funding and is currently allocated a portion of the total \$4,074,000,000 of Measure R funding that is identified in the Measure R sales tax ordinance Expenditure Plan for the Westside Subway Extension. Measure R totaling \$415,391,156 has also been transferred from other Metro projects to the Westside Subway Extension to address prior cost increases.

The Project is in the Central City Area but serves the Metro Red and Purple Line which are within both the Central City Area and Westside Cities subregions. Local funding resources from both subregions and cities within the subregions could be considered for the cost increase.

Funding Within the Corridor

No other surplus or otherwise available funding has been identified from other Metro projects on the Metro Red and Purple Line corridors.

Subregional Programs and Local Agency Contributions

Measure M has funding for a transit-eligible Subregional Equity Program (SEP) in the Central City Area and Westside Cities subregions. The Measure M Expenditure Plan includes \$235 million for the Central City Area SEP and \$160 million for the Westside Cities SEP. The Metro Board previously approved funding plans that include SEP funding from the San Gabriel Valley subregion to address a \$126 million cost increase on Gold Line Foothill Extension, South Bay and Central City Area subregions to address a \$90 million cost increase on Crenshaw/LAX Transit, Central City Area and Westside Cities subregions to address a \$150 million cost increase on Westside Purple Line Extension Section 1, and Central City Area subregion to address a \$11.9 million cost increase on Eastside Light Rail Access (Gold Line). However, motion #2021-0435 from June 2021 states that, henceforth, the Policy is amended to eliminate the Subregional Equity Program from consideration to address project funding shortfalls during construction. Because of this motion, the SEP is not considered for the Project cost increase.

Local Agency Contributions

The cities with Project stations are expected to contribute funding to the Project as part of the 3% local agency funding assumption included in the Measure R and Measure M ordinances. The cities are generally not responsible for cost increases to the projects and are not considered as a source of funding for the Project cost increase.

Measure M, as well as Measure R and Propositions A and C, provide “local return” funding to Los Angeles and Beverly Hills. However, prior Board actions relating to the Twenty-Eight by '28 Initiative and funding for the cost increase to Gold Line Foothill

Extension to Pomona did not support use of local return, and it is presumed these funds would not be available for the cost increase to the Project.

State and Federal Funding (Discretionary)

The FTA has previously granted the WSE Section 1, 2, and 3 projects \$669.9 million, \$1.187 billion, and \$1.3 billion respectively through the New Starts program. The March 2021 federal American Rescue Plan Act increased the New Starts grants on Section 1, 2, and 3 by a combined \$218,284,002. The federal FY 2023 budget provides an additional \$59,583,554 for Section 1. In addition, the FY 2023 budget includes advance appropriations and accelerated payments for WSE Section 1, 2, and 3 of \$513,016,299. The increase in New Starts and advance and accelerated amounts can make Measure R funding available that is currently programmed on WSE Section 1, 2, and 3 to address the cost increase on the Project. Additional State or federal discretionary funding (where Metro would compete for the funding) is not probable, given the Project has experienced a cost increase and the design/build contract is already awarded.

Value Engineering

The Project cost increase is funding depleted contingency that has been needed for additional work and schedule delays due to unknown utilities that required relocation or re-design, interface with multiple adjoining projects, design deficiencies, and third-party requirements. Any attempt to identify and negotiate agreeable value engineering may result in further delays and potential additional costs. As a result, we recommend moving to the next step.

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

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

Countywide Cost Reductions and/or Other Funds

If new local agency resources are not allocated to the Project cost increase, regional or countywide funding could be considered. These funds are being programmed for uses in Metro's financial forecast, during the timeframe when funds are needed for the Project cost increase. Eligible sources of countywide funding include Proposition A and C (allocated to the portion of the Project that is not attributable to "new subway"), General Fund, and Lease Revenues.

State and Federal Funding (Formula)

Metro receives quasi-formula funding from the State through the Regional Improvement Program (RIP) and Local Partnership Program (LPP). This is considered regional

funding as it can be applied countywide to both transit and highway spending. The most recent 2022 RIP has zero funding available for new Metro projects. Nevertheless, Metro determined in December 2021 it would request an advance of future RIP shares for mobility improvement projects associated with the I-710 North project. LPP is already programmed for the Project. Future LPP funding is allocated for other projects in Metro's financial forecast.

Metro receives federal formula funding from the Congestion Mitigation and Air Quality (CMAQ) Improvement Program and the Surface Transportation Block Grant Program (STBG). Metro's apportionments from these programs have increased in the 2021 Bipartisan Infrastructure Law (i.e., Infrastructure Investment and Jobs Act), which is a five-year authorization bill. Unfortunately, the Project is not eligible for federal funding because it was not environmentally cleared under the National Environmental Policy Act (NEPA).

Recommendation

Metro staff recommends the use of \$80,000,000 of additional New Starts, which will make available an equal amount of Measure R Transit 35% for the proposed \$80,000,000 LOP budget increase.

ATTACHMENT C
 DIVISION 20 PORTAL WIDENING TURNBACK FACILITY
 LOP INCREASE APRIL 2023
 Projected Breakdown of Cost Allocation

Amount	Description
\$50,000,000	CONSTRUCTION <ul style="list-style-type: none"> ◦ Portal Wall, Ductbanks, Trackwork, Systems and Systems Integration Testing, Third Party requirements, Schedule Impacts
\$30,000,000	PROFESSIONAL SERVICES <ul style="list-style-type: none"> ◦ Metro Staff at Gateway and field offices who perform oversight in various disciplines. ◦ Engineering - Design support during construction (DSDC) <ul style="list-style-type: none"> - TY LIN Contract AEAE66758000: Design and Engineering - SecoTrans Contract AE47810E0128: Systems Engineering ◦ CMSS - ANSER: Construction Management Support Services procured to support Metro staff in oversight of specific areas of project construction disciplines such as field inspectors, resident engineer, engineers and other construction support. ◦ Program Management Support Services (PMSS) - KTJV support services ◦ 3rd Party Coordination <ul style="list-style-type: none"> - City and County of Los Angeles administration and services - Freight and Rail Line coordination adjacent to Division 20 ◦ Claim Support Services - Arcadis Inc.: claims support consultant to assist with preparing documentation and analysis in support of Metro's defense against claims submitted by the contractor. ◦ Labor Compliance Monitoring: Consultant companies monitor the construction contractor compliance with project labor agreement and DBE requirements. ◦ Legal Services: Procured legal services to assist project management. ◦ Auditing Services: Consultant companies conduct labor compliance audits of main professional services and construction contracts. ◦ QA Test Lab Services: Consultant companies provide materials verification testing and inspections services. ◦ Escalation and Inflation cost impacts.
\$80,000,000	Total LOP Increase

Division 20 Board Report 2023-0197

April 2023

DIVISION 20 LOP INCREASE

DIVISION 20 PORTAL WIDENING TURNBACK FACILITY

RECOMMENDATION:

AMENDING the Life of Project (LOP) budget by \$80,000,000

Current LOP: \$876,749,577

Revised LOP:\$956,749,577

BACKGROUND

- Purple Line Full Funding Grant Agreement (FFGA) for PLE1 requires capacity for 5-minute headways.
- Metro's commitment to meet the terms of the FFGA, existing portal must be widened and a turnback track constructed
- PLE 1, 2 and 3 will add vehicles to the Metro Fleet, requiring increased Yard storage
- Original contract includes substantial upgrades to power the new turnback and vehicle storage



DIVISION 20 PORTAL WIDENING TURNBACK FACILITY

ISSUE

- Maintaining the active yard combined with a significant number of site conditions, has contributed to changes and delays to the Project that has consumed much of the budgeted Life of Project (LOP) contingency

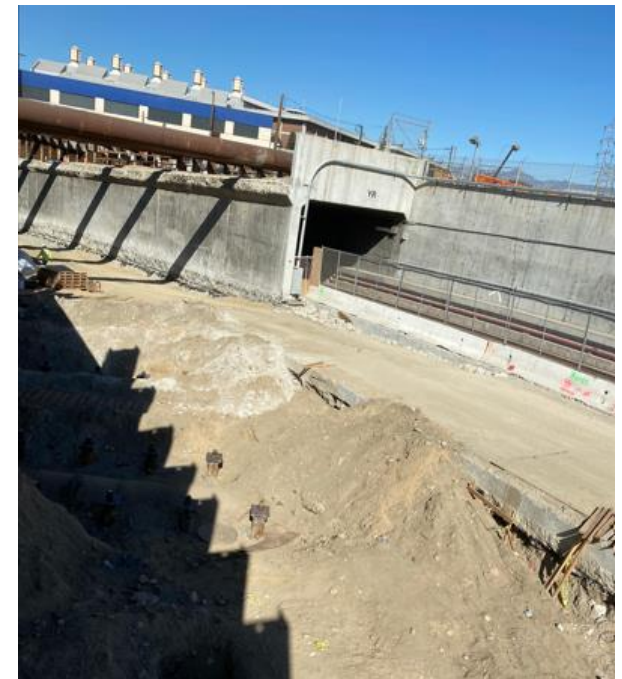
DISCUSSION

- Multiple design issues
- D20 yard is over 30-years old causing repairs and replacement of equipment
- Old industrial site, excessive removal of hazardous materials
- Multiple interfacing projects have caused delays and construction challenges
- 3rd-Parties, City of Los Angeles, Utilities
- First Street Bridge is 100-years old and required unforeseen repairs
- Currently, the project is about 48% complete, less than 2% of the of the Project contingency remaining



FUNDING FOR THIS LOP INCREASE REQUEST

- The use of \$80,000,000 of additional New Starts funding will make available an equal amount of Measure R Transit 35% for this proposed increase
- LOP budget increase actions to address the cost increase are evaluated using the Measure R and Measure M Unified Cost Management Policy
 - The completion of much of the First Street Bridge, underground work in the old industrial area, and existing yard, has reduced unknown risks
 - A majority of the Project footprint for underground work has been opened up and existing conditions exposed that should reduce changes related to differing site conditions



DIVISION 20 PORTAL WIDENING TURNBACK FACILITY

NEXT STEPS:

- Incorporate lessons learned between previously identified differing site conditions and design
- Continue risk assessments to manage remaining schedule and budget risks
- Identify resources to validate constructability, potential schedule conflicts, and contractor oversight coordination





Board Report

File #: 2023-0176, **File Type:** Informational Report

Agenda Number: 27.

**CONSTRUCTION COMMITTEE
APRIL 20, 2023**

SUBJECT: PROGRAM MANAGEMENT QUARTERLY CHANGE REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status on Program Management Quarterly Change Report.

ISSUE

This board report is a receive and file that provides program management quarterly changes from capital projects greater than \$500,000. Greater detail is provided in Attachment A - Quarterly Change Orders Log for Reporting Period of December 1, 2022 - February 28, 2023.

BACKGROUND

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

The pilot program was effective, generated cost savings, and avoided costly construction delays. At the January 26, 2018, Board meeting, the Board approved the continuation and expansion of the delegation of authority within Life of Project (LOP) budget management on all Transit and Regional Rail Capital Projects. Staff was directed to provide quarterly reports to the Board on change orders and modifications above \$500,000. CEO Board delegated authority of changes is very beneficial to expedite contract changes and avoid costly construction delays. Since the program's inception, up to 2,285 concurrent workdays or concurrent 8.9 years, aggregated across the program, have been saved. (For more information, refer to Attachment B entitled OIG Construction Change Order Spot Checks CEO Delegated Authority Total Delays Avoided).

DISCUSSION

The change activities for the reporting period between December 1, 2022, and February 28, 2023, are included in Attachment A.

FINANCIAL IMPACT

The changes in this report are included in the approved life-of-project budget for each project.

EQUITY PLATFORM

The cost and time savings from expanding delegation of authority within Life of Project budget management has allowed Metro to more efficiently implement mobility options, benefiting transit riders and other marginalized communities.

Crenshaw/LAX	Equity - 8 of 8 stations (100%) are within or adjacent to Equity Focus Communities
Regional Connector	Equity - 3 of 3 stations (100%) are within or adjacent to Equity Focus Communities
Westside Purple Line Ext 1	Equity - This project is not located within or adjacent to Equity Focus Communities
Westside Purple Line Ext 2	Equity - This project is not located within or adjacent to Equity Focus Communities
Westside Purple Line Ext 3	Equity - 1 of 2 stations (50%) are within or adjacent to Equity Focus Communities
Division 20	Equity - 100% of the project is within or adjacent to Equity Focus Communities
Airport Metro Connector	Equity - 100% of the project is within or adjacent to Equity Focus Communities
Soundwall Package 11	Equity - 25% of the project is within or adjacent to Equity Focus Communities
Rail to Rail	Equity - 100% of the project is within or adjacent to Equity Focus Communities

Note: This analysis was conducted with the 2022 EFC map.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

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

NEXT STEPS

The next Change Order Log will cover the period of March 1, 2023, through May 31, 2023, and will be presented to the July 2023 Construction Committee.

ATTACHMENTS


Attachment A - Quarterly Change Orders Log for Reporting Period of December 1, 2022 - February 28, 2023.

Attachment B - OIG Construction Change Order Spot Checks CEO Delegated Authority Delays Avoided (April 2023)

- **Crenshaw/LAX** - Sameh Ghaly, Chief Program Management Officer (Interim), (213) 418-3369
- **Regional Connector** - Mathew Antonelli, Deputy Chief Program Management Officer, (213) 893-7114
- **Westside Purple Line Ext 1** - James Cohen, Sr. EO Projects Eng. (Interim), (323) 900-2114
- **Westside Purple Line Ext 2** - Michael McKenna, Sr. EO Projects Eng. (Interim), (424) 551-4447
- **Westside Purple Line Ext 3** - Kimberly Ong, Sr. EO Projects Eng. (Interim), (424) 551-4501
- **Division 20 Portal** - Albert Soliz, Deputy EO Project Mgmt., (213) 922-7917
- **Airport Metro Connector** - Tim Lindholm, Deputy Chief Program Management Officer, (213) 922-7297
- **Soundwall Package 11** - Tim Lindholm, Deputy Chief Program Management Officer, (213) 922-7297
- **Rail to Rail** - Tim Lindholm, Deputy Chief Program Management Officer, (213) 922-7297
- **Report** - Julie Owen, Sr. EO Program Control, (213) 922-7313

Reviewed by:

Sameh Ghaly, Chief Program Management Officer (interim), (213) 418-3369



Stephanie N. Wiggins
Chief Executive Officer

CRENSHAW/LAX TRANSIT PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

Change Types:

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

A. DESIGN BUILD CONTRACT - Contract No. C0988 - WALSH SHEA CORRIDOR CONSTRUCTORS

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

B. PROFESSIONAL SERVICES CONTRACTS

None						
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C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - Contract MC069 - STANTEC CONSULTING, INC.

None						
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)

A) DESIGN BUILD CONTRACT - Contract No. C0988 - WALSH SHEA CORRIDOR CONSTRUCTORS

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

B) PROFESSIONAL SERVICES CONTRACTS

	None		
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACT - Contract MC069 - STANTEC CONSULTING, INC.

MC069-CWO16-MOD-0024	CWO 16 FY23/FY24 CMSS Support: Additional funds are needed to afford the cost of CMSS through June 30, 2023. Support from consultant staff is necessary for the claims and review of the remaining work under contract C0988 (Walsh Shea Corridor Constructors).	5	Between \$1M and \$5M
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CRENSHAW/LAX CLOSE OUT PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

Change Types:

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

A. DESIGN BUILD CONTRACT - Contract No. C1217 - GRIFFITH COMPANY

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

B. PROFESSIONAL SERVICES CONTRACTS

None						
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C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - Contract MC069 - STANTEC CONSULTING, INC.

None						
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)**A) DESIGN BUILD CONTRACT - Contract No. C1217 - GRIFFITH COMPANY**

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

B) PROFESSIONAL SERVICES CONTRACTS

E0117-MOD-00057	Vendor Mott MacDonald: FY23/24 Funding and Extend Period of Performance for C/LAX Catch All Support – Budget award for the design support services related to the scope of the K-Line Paving and Improvement Project. This contract is part of the catch-all portion Crenshaw/LAX to complete work that was deleted from the mainline project.	5	Between \$500K and less than \$1M
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - Contract MC069 - STANTEC CONSULTING, INC.

	None		
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REGIONAL CONNECTOR TRANSIT PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

Change Types:

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

A. DESIGN BUILD CONTRACT - CONTRACT NO. C0980 - REGIONAL CONNECTOR CONSTRUCTORS

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
C0980-MOD-245	10" Sanitary Sewer Relocation at 1st Street and Alameda Street & Upsize of existing 8" Sewer to 12" Along 1st Street: Relocate 10 " sanitary sewer due to direct conflict with the proposed underground station box. Additionally, the existing 8" sanitary sewer on the north side of 1st Street between Hewitt Street and Vignes Street did not have sufficient capacity to accommodate changes and anticipated flows resulting from the Project; therefore, an agreement was reached with the City of LA to relocate and up-size the sewer lines to avoid conflicts.	5	NA	12/16/2022	\$5,040,463	\$3,572,417

B. PROFESSIONAL SERVICES CONTRACTS

None						
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C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

None						
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)**A. DESIGN BUILD CONTRACT - CONTRACT NO. C0980 - REGIONAL CONNECTOR CONSTRUCTORS**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
C0980-CN-00317	Add 'I Roadway Pavement Restorations - Construction: Construct additional asphalt grind & overlay and concrete pavements along the project corridor.	5	Between \$1M and \$5M

B) PROFESSIONAL SERVICES CONTRACTS

None			
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

None			
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WESTSIDE PURPLE LINE EXTENTION SECTION 1

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

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

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

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
CO-22	Fully Guarded Double Crossover Procurement: Preliminary (pre-contractor bid) design and the basis for the C1045 Contract was to include #10 track turnouts at its two crossover points. Metro decided to fully guard the crossovers for the safety of the car/wheel movement at higher speeds. This change provides compensation for the additional materials that are not part of a standard guarded crossover.	5	1/4/2023	1/3/2023	\$1,551,424	\$1,326,004
CO-23	Procurement of CN 113.3 Materials: This change is to avoid potential safety issues related to failures of track circuits due to different equipment manufactures when placed into service. Issuance of this change order is critical to achieve the March 20, 2023 start date of the 2-15 day single tracking efforts associated with the CN 113.3 scope work while negotiations are ongoing.	7	1/23/2023	1/23/2023	N/A	\$500,000
CO-24	Traction Power System second Heat Run Test & Transformer Design Tests: This change addresses Metro Engineering's requirement to perform tests of differing utility power input voltages, specifically 34.5kV and 16.34kV, which are not included in the base contract work.	5	2/27/2023	2/23/2023	\$806,260	\$697,312
CO-9.1	Substantial Completion Milestone Change due to Wilshire/San Vicente Anomaly Impact: Metro has completed its initial overall assessment of the submitted Wilshire/San Vicente Anomaly Time Impact Analyses (TIAs). This Change Order is issued to extend the contract completion milestones by 231 calendar days due to an Excusable Delay. Of the 231 Excusable calendar days, Metro has determined 148 calendar days are compensable.	3	2/10/2023	2/8/2023	N/A	\$10,883,019

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1078 - CLARK CONSTRUCTION GROUP

None						
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B. PROFESSIONAL SERVICES CONTRACTS

None						
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C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

None						
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)

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

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
CN-00237	<u>Rail Surface Grinding per Revised Wheel Wear Profile</u> : This change compensates the contractor for Metro recommended rail surface modifications that were not part of the original C1045 contract.	5	Between \$500K and less than \$1M

A) CONTRACT NO. C1078 - CLARK CONSTRUCTION GROUP

None			
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B) PROFESSIONAL SERVICES CONTRACTS

None			
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

None			
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WESTSIDE PURPLE LINE EXTENTION SECTION 2

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

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

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1120

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
MOD-00168	<u>Addition of Waterline Thrust Restraints at Constellation Century City Station (CCCS) - (Claim 052):</u> This change compensates the C1120 Contractor for the design and installation of additional thrust restraints for the waterline suspended above the CCCS main station box excavation. This change serves as final and complete compensation for Claim 52.	5	1/24/2023	2/2/2023	\$717,460.00	\$717,460.00
CO-00034.3	<u>CCCS Storm Drain and Sanitary Sewer Relocation (Construction of MOD 70):</u> This Change Order (CO) Revision increases the Not-to-Exceed (NTE) value by \$4,000,000 from \$18,000,000 previously authorized, to a total of NTE of \$22,000,000. It covers the construction of the sanitary sewer and storm drain relocation resulting from the West Ancillary and OPE reconfiguration described in CN-00047.1. The Change Order revision was necessary to keep the Work moving while negotiations for a bilateral Mod continue.	5	N/A	12/22/2022	N/A	\$22,000,000.00
CO-00039.1	<u>CCCS Entrance Revisions due to JMB - SOE Construction:</u> This Change Order (CO) Revision increases the Not-to-Exceed (NTE) value by \$125,000 from \$375,0000 previously authorized, to a total of NTE of \$500,000. This change is to install the Support of Excavation at the Century City Constellation Station Entrance. Construction consist of procurement, fabrication, delivery, and installation of additional structural steel depicted in Submittal 1729 CCS Entrance SOE (CO-00029, CN-00110) 100% APDU 2.9. This work is limited to that described as Stage 6 in the Conceptual Construction Sequence, Drawing STCE-045. The Change Order revision was necessary to keep the Work moving while negotiations for a bilateral Mod continue.	2	N/A	12/14/2022	N/A	\$500,000.00
CO-00054	<u>CCCS Excavation Impacts Due to Webcor Sewer Lateral (RFC00138):</u> This Unilateral Change Order No. C1120-CO-00054 cancels and supersedes Change Notice C1120-CN-00167. This change is to compensate the C1120 Contractor for impacts to the CCCS excavation due to work around the unforeseen sewer lateral. The impact period is between May 24, 2021, and September 15, 2021.	2	N/A	12/8/2022	\$3,044,249.00	\$856,542.00
CO-00055.1	<u>MOA Impacts to Work Activities during 2022 Holiday Moratorium:</u> This Change Order (CO) revision increases the Not-to-Exceed (NTE) value by \$312,500 from \$425,000 previously authorized to a revised total NTE of \$737,500. This change is to compensate the C1120 contractor for impacts to the Wilshire/Rodeo station construction activities from work restrictions imposed by the City of Beverly Hills (COBH) Memorandum of Agreement (MOA) from November 24, 2022 to January 1, 2023. The Change Order revision was necessary to keep the Work moving while negotiations for a bilateral Mod continue.	2	N/A	1/10/2023	N/A	\$737,500.00
CO-00056	<u>CCCS Impacts to excavation and decking due to JMB laydown (RFC-0114.1):</u> This Unilateral Change Order No. C1120-CO-00056 cancels and supersedes Change Notice No. C1120-CN-00183 in its entirety. This Change compensates the C1120 Contractor for construction impacts to station excavation and decking east of Avenue of the Stars due to the revision in configuration of Parcel ID W-3801, which required the Contractor move its staging area to within Constellation Boulevard, resulting in impacts to the associated SOE work.	5	N/A	12/21/2022	\$860,715.00	\$614,925.00
CO-00058	<u>Project and Construction Site Delay Impacts (RFC-00100.2):</u> This Unilateral Change Order No. C1120-CO-00058 cancels and supersedes Change Notice No. C1120-CN-00215 in its entirety. RFC 100.2 Project & Construction Site Delay Impacts was submitted by the Contractor to show alleged delays at the three main work areas, namely the Tunnels, Constellation Century City Station and Wilshire/Rodeo Station between the period 4/26/2017 and 1/22/2021. This Change Order compensates the C1120 Contractor for site-specific delay costs incurred for construction at these work areas as described in correspondence related to RFC 100.2. Costs are calculated for days described in Metro Unifier Record Number 01085 dated December 22, 2022, with rates applied from Schedule of Quantities and Prices Form Schedule D - Delay Compensation.	5	N/A	2/8/2023	\$71,625,375.00	\$5,410,856.00

B. PROFESSIONAL SERVICES CONTRACTS

MOD-00083	<u>Continuation of Engineering Support Services During Construction for WPLE Section 2 Project:</u> The overall final design progress for the C1120 Contract is at 99% complete and construction activities are ongoing. This modification was necessary to continue engineering services during construction by the C1120 design-build contractor.	5	N/A	2/28/2023	\$10,953,072.00	\$10,907,190.00
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C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)

A) DESIGN BUILD CONTRACT - CONTRACT NO. C1120

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

B) PROFESSIONAL SERVICES CONTRACTS

	None		
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		
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WESTSIDE PURPLE LINE EXTENSION SECTION 3

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

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

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1151 (FKTP)

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

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

MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
C1152-CO-00090.1	UCLA Station - Additional LADWP Temporary Power Conduits – CONSTRUCTION ONLY - The original and planned corridor alignment for routing temporary conduits within the station box cannot be used for installation of conduits for temporary power source during station construction. The new and revised quantity of conduits and size of ductbank, as requested by LADWP is significantly large and hence original alignment cannot be used for temporary power connection during support of excavation. As a result, temporary conduits need to be designed and installed outside the station box, on the south side of Wilshire Blvd.	2	12/8/2022	1/17/2023	\$2,507,258	\$886,000

B. PROFESSIONAL SERVICES CONTRACTS

EN66937000-TO-004-MOD-00002	Kleinfelder Inc. - PLE3 Environmental Engineering Monitoring Compliance - Continuation of environmental compliance monitoring through February 1, 2024 as an Agency requirement for all Metro construction projects.	5	1/25/2023	2/7/2023	\$636,406	\$636,406
PS43502000-MOD-00084	WSP - Continuation of Engineering Management Services for WPLE Section 3 - Continuation of Engineering support services through December 31, 2024 for PLE 3 Contracts C1151 (Tunnels), C1152 (Stations, Trackwork, Systems and Systems Integration Testing), and C1204 (VA Parking Structure); real estate support to complete real estate easement acquisitions.	5	2/9/2023	2/28/2023	\$13,255,023	\$13,216,319

C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None					
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)

A) DESIGN BUILD CONTRACT - CONTRACT NO. C1151 (FKTP)

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
C1151-MOD-00024	Claim-04, Gravel Seam Impact BR Tunnel Rings 399 to 486 - The Contractor claimed that the extent of the material change with an increase in the content of coarse (sand and gravel) compared to fine materials was not described in the Geotechnical Baseline Report (GBR). After reviewing the reasoning provided in the claim letter, Metro observed that the character of the gravel seam encountered was not similar to those described in the Geotechnical Baseline Report (GBR). Metro observed further additional efforts appeared necessary due to the increased forces on TBM during excavation and Contractor appeared to experience reduced advance rates because of these factors.	3	Between \$500K and less than \$1M

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

C1152-CO-00064.5	UCLA Sta – Additional Adjacent Development Analysis on SOE - DESIGN ONLY - A new adjacent development at Wilshire Blvd and Gayley Avenue, which is close to the Metro Station and Entrance at Lot 36, may be constructed during the duration of the Purple Line Extension Section 3 project. The schedule of the adjacent development and design details were not known at the time when the C1152 bid documents were prepared, and therefore, specific requirements to consider the development are not included in the Contract. Given the potential for the development to take place during the construction of the Westwood/UCLA Station, it is necessary for the C1152 contractor to determine if there are any impacts on the station and entrance structures and support of excavation.	5	Between \$500K and less than \$1M
C1152-MOD-00089	UCLA Station - Additional LADWP Temporary Power Conduits – CONSTRUCTION ONLY - The original and planned corridor alignment for routing temporary conduits within the station box cannot be used for installation of conduits for temporary power source during station construction. The new and revised quantity of conduits and size of ductbank, as requested by LADWP is significantly large and hence original alignment cannot be used for temporary power connection during support of excavation. As a result, temporary conduits need to be designed and installed outside the station box, on the south side of Wilshire Blvd.	2	Between \$1M and \$5M

B) PROFESSIONAL SERVICES CONTRACTS

	None		
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		
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DIVISION 20 PORTAL PROJECT

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

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

A. DESIGN BID BUILD CONTRACT - CONTRACT NO. C1136 - TUTOR PERINI CORPORATION						
MOD/CHANGE #	DESCRIPTION (if the change is a unilateral, explain in BOLD fonts)	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
	None					
A. DESIGN BID BUILD CONTRACT - CONTRACT NO. C1184 - C3M						
	None					
B. PROFESSIONAL SERVICES CONTRACTS - CONTRACT NO. AE66758000 T.Y.LIN INTERNATIONAL						
	None					
C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - CONTRACT NO. MC074 ANSER ADVISORY MANAGEMENT LLC						
	None					

II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)

A) DESIGN BID BUILD CONTRACT - CONTRACT NO. C1136 - TUTOR PERINI CORPORATION

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
CO 47.2(MOD#55)	Temporary Traction Power Negative Returns and Revised Track Demolition Limits: This UCO covers MOD#55. The contractor refused to sign the MOD, wanting Metro to include subcontractor bond costs. Work consists of Installation of 2 – 5" direct bury conduits to provide a negative return path; construct ductbank with minimum 30-inch cover; Install all cabling to provide temporary negative returns; Protect-in-place existing Disconnect Switch Assemblies; Install, terminate, and perform continuity testing of negative return cabling between temporary connection locations; Revise demolition limits of Storage Tracks ST-4 to ST-10; Sequence demolition of 180-feet measured from the existing switch number 501 of Track MR3.	6	Between \$1M and \$5M
CO 14.1(MOD#52)	Install Track Connection for PLE1 CWR transport: This UCO covers MOD#52. The contractor refused to sign the MOD, wanting Metro to include subcontractor bond costs. Work consists of installtion of a Metro furnished No. 8 Turnout (Right Hand) . Installation of a second connection from the OS track, under the First Street bridge into the welding plant area from salvaged material from the Yard and modify traction power, signals and communications as necessary.	5	Between \$500K and less than \$1M

A. DESIGN BID BUILD CONTRACT NO. C1184 - C3M

	None		
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B) PROFESSIONAL SERVICES CONTRACTS - CONTRACT NO. AE66758000 T.Y.LIN INTERNATIONAL

	None		
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS - CONTRACT NO. MCO74 ANSER ADVISORY MANAGEMENT LLC

	None		
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AIRPORT METRO CONNECTOR

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

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

A. DESIGN BID BUILD CONTRACT - CONTRACT NO. C1194 - HPH						
MOD/CHANGE #	DESCRIPTION <small>(if the change is a unilateral, explain in BOLD fonts)</small>	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
None						
A. DESIGN BID BUILD CONTRACT - CONTRACT NO. C1197 - Tutor						
None						
B. PROFESSIONAL SERVICES CONTRACTS						
None						
C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS						
None						

II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)

A. DESIGN BID BUILD CONTRACT - CONTRACT NO. C1194 - HPH

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

A. DESIGN BID BUILD CONTRACT - CONTRACT NO. C1197 - Tutor

Tutor - C1197 Mod 14 CN 19 Bulletin 36	Bulletin 36 – Storm Drain Separator The original IFC set of drawings did not include any filtration systems for the storm water discharging into the cisterns. Bulletin 36 modifies the contract drawings and specifications related to the storm drain system. Seven (7) Hydrodynamic Separators (HDS) have been added to the storm drain system to minimize the amount of oil and sediment particles entering the newly constructed cisterns.	5	Between \$500K and less than \$1M
Tutor - C1197 CO 2	Bus Charging Switchboards The Contractor shall provide Factory Shop Drawings and begin fabrication of Bus Charger Switchboards. This change was necessary to meet Metro's plan of transitioning to a 100% zero emission bus fleet by 2030.	5	Between \$1M and \$5M
Tutor - C1197 Mod 15 CN 23 Bulletin 28	Bulletin 28 – Onsite DWP and Bus Charging The original IFC set of drawings included three (3) bus charging units. After coordination with Metro Bus Operations the number of bus chargers for the AMC site was increased from three (3) to seven (7) bus chargers. This change was necessary to meet Metro's plan of transitioning to a 100% zero emission bus fleet by 2030.	5	Between \$1M and \$5M

B) PROFESSIONAL SERVICES CONTRACTS

	None		
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

	None		
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SOUNDWALL PACKAGE 11

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

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

A. DESIGN BUILD CONTRACT - CONTRACT NO. C1101 Soundwall Package 11 - Powell						
MOD/CHANGE #	DESCRIPTION <small>(if the change is a unilateral, explain in BOLD fonts)</small>	Change Type	Submission Date	Approval Date	Contractor's Proposed Amount	Approved Amount
None						
B. PROFESSIONAL SERVICES CONTRACTS						
None						
C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS						
None						

II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)

A) DESIGN BUILD CONTRACT - CONTRACT NO. C1101 - Powell

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
CN TBD	<u>Time Impact</u> This potential modification is for Time Impacts due to extending the Period of Performance	5	Between \$1M and \$5M
CN TBD	<u>Vandalism Claims</u> This potential modification is for the theft and vandalism on the SW 11 Project	5	Between \$1M and \$5M
CN TBD	<u>Homeless Encampments</u> This potential modification is for the cleanup of homeless encampments on the SW 11 Project	5	Between \$500K and less than \$1M
CN TBD	<u>Martinez Landscaping</u> This potential modification is for an Landscaping due to period of performance extension and vandlaim on the SW 11 Project	5	Between \$500K and less than \$1M

B) PROFESSIONAL SERVICES CONTRACTS

None			
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

None			
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RAIL TO RAIL

I. APPROVED MODIFICATIONS/CHANGES GREATER THAN \$500K IN THIS REPORTING PERIOD (December 1, 2022 - February 28, 2023)

Change Types:

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

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

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

B. PROFESSIONAL SERVICES CONTRACTS

None						
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C. CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

None						
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II. PENDING MODIFICATIONS/CHANGES GREATER THAN \$500K (December 1, 2022 - February 28, 2023)**A) DESIGN BUILD CONTRACT - CONTRACT NO. C1166 - Rail to Rail (Griffith)**

CHANGE NOTICE/ORDER #	DESCRIPTION	Change Type	Rough Order of Magnitude Cost
CO 4 (no CN)	<u>Permanent Pavement Markings</u> Provide labor, equipment, and material to install permanent Pavement Markings, as defined by Greenbook Section 314 Traffic Striping, Curb and Pavement Markings, as reflected on the AFC Volume 2 plans.	5	Between \$1M and \$5M

B) PROFESSIONAL SERVICES CONTRACTS

None			
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C) CONSTRUCTION MANAGEMENT SUPPORT SERVICES CONTRACTS

None			
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Attachment B - OIG Spot Check CEO Delegated Authority Delays Avoided (April 2023)

Project Name	Total Work Days Saved	Years Saved
Crenshaw/LAX	336	1.3
Regional Connector	445	1.7
Purple Line Section 1	668	2.6
Purple Line Section 2	428	1.7
Purple Line Section 3	301	1.2
Division 20	107	0.4
Airport Metro Connector	12	0.0
Total Savings	2285	8.9



Board Report

File #: 2023-0111, File Type: Informational Report

Agenda Number: 28.

CONSTRUCTION COMMITTEE April 20, 2023

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

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General Construction Change Order Spot Check Report for the period December 1 to February 28, 2022.

ISSUE

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

BACKGROUND

The OIG’s Construction Change Order Spot Check Program (“Spot Checks”) focuses on approved change orders and modifications that exceed \$500,000. The four change orders in this report were selected from the Program Management Quarterly Major Project Status, Legistar 2023-0176. The OIG gathers the data, reviews all the change orders over \$500,000 and selects change orders from the major projects. The information for the Spot Checks was collected from the Program Management Information System (PMIS) which is the department’s database system. Also, virtual meetings and telephonic interviews were conducted with Metro Program Management, Project Control, and Procurement staff from each involved project office.

For each Spot Check, we summarize:

- Description of the change order,
- Change order detail,
- Scope of Work,
- Budget,
- Schedule (Time to execute the change order),
- Safety, and
- Recommendations and Lessons Learned.

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

DISCUSSION

Spot Checks Performed in this Quarter

Spot Check #1 - Regional Connector Transit Corridor Project

This OIG Spot Check report concerns the Regional Connector Project (Contract C0980 MOD 0245), 10-inch sanitary sewer relocation at 1st Street and Alameda Street and upsizing the existing 8-inch sewer to 12-Inch along 1st Street (east of Hewitt Street).

Change Order Detail

See Attachment A Spot Check #1 table.

Summary #1

Scope of Work - This change order involves three sanitary sewer lines that needed either relocating or upsizing to accommodate future sewage flows. The work for this change order is out of scope because the sewer relocation was under the advance utility relocation contract and the work has now been assigned to the current Contractor. The existing 10-inch and 15-inch sanitary sewer lines were in direct conflict with the proposed underground station. These two sewer lines were relocated in 2018-2019 and the work is complete.

The third sewer line involves upsizing of the line. Generally, the City of Los Angeles asks Metro to have a sewer line on each side of a track. In this case an 8-inch line already existed on the north side, and one could not be placed on the south side because that would be incompatible with already existing fiber optics cables on the south side. Therefore, Metro and the City agreed that Metro would upsize the 8-inch sewer line to a single 12-inch sewer on the north side in lieu of a south side sewer line.

The upsized sewer work was performed 2020-2021 and is now completed and the street has been restored.

Budget - This change order was negotiated as MOD 0245 for the amount of \$3,572,417. The Contractor's proposal was \$5,040,463 and the ICE was \$3,082,359. The difference in the negotiated price and the Contractor's proposal is \$1,468,046 (29%) lower than the Contractor's proposal. The ICE is \$490,058 (16%) lower than the negotiated amount. Staff stated that funds for this change order are within the Life-of-Project budget.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The Contractor and Metro agreed on the Scope of Work on December 6, 2022. The modification was awarded on December 23, 2022, and was completed in 13 workdays. Under the prior Board approval method for change orders, assuming a January Board meeting date (no December meeting), it would have taken a total of 31 workdays to complete the transaction.

Safety - The Regional Connector Project has 7,778,347 project hours through January 2023 with a Recordable Injury Rate of 0.69 (per the Bureau of Labor Statistics the National Average is 2.4) and a Days Away Rate (DART) of 0.0 (per the Bureau of Labor Statistics National Average is 1.5).

Recommendation/Lessons Learned - Work with the City where construction is going to occur at the earliest possible time to determine their requirements so that those requirements can be negotiated, included in the bidding documents when released with correct information and requirements, and if the requirement change is caused by Metro's increased utilization of the utility or if it amounts to a betterment for which a sharing/contribution should be made.

Spot Check #2 - Purple Line Extension Section 1 Transit Project

This OIG Spot Check report concerns the Purple Line Extension Section 1 Transit Project (Contract C1045 / CO-0022), fully guarded double crossovers.

Change Order Detail

See Attachment A Spot Check #2 table.

Summary #2

Scope of Work - This change order is to procure materials for construction of a fully guarded double rail crossover at the La Brea and La Cienega Stations. This work is out of scope because the contract calls for a normal guarded double crossover, not a higher grade fully guarded crossover. A fully guarded rail has an extended length where the wheels are guarded with protective metals on both sides of the crossover rail. Rail cars traversing through crossovers have a tendency for the wheels to "ride up" above top of rail. The guard rail is installed at the critical point in the crossover where the rail car wheel can derail if not protected when the speed of the train is too high. A normal guard rail can be traveled at 9 mph and a fully guarded rail can travel up to 20 mph. Recent analysis has determined that to keep the minimum headway between the underground Purple line trains, 20 mph is necessary. This change order is to purchase materials required for the additional length of guard rails, plates, and braces to provide the protection necessary to safely travel at the higher speed.

Budget - Metro and the contractor negotiated and agreed upon the scope and price, but the Modification was returned unexecuted because the contractor stated that the scope of work for the participation goals written in the Modification could not be achieved to meet small or disadvantaged business participation goals. Because the contractor refused to sign the modification and the work was critical to the Project, the Project issued this unilateral change order at the final fixed amount of \$1,326,004. Regarding the participation goals, there are alternate paths that the Contractor can take with future modifications and future base contract scope of work to potentially meet their goals as well as providing good faith efforts to Metro to document why the goals could not be met at the conclusion of the contract. The Contractor's proposal is \$1,551,424 and the ICE amount is \$912,522. The difference in the negotiated price and the Contractor's proposal is \$225,420 (14%) lower than the Contractor's proposal. The ICE is \$413,482 (45%) lower than the negotiated price. Staff stated that funds for this change order are within the recently amended Life-of-Project budget.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The Contractor and Metro agreed on the Scope of Work on December 19, 2022. The unilateral change order was awarded on January 4, 2023, and was completed in 11 workdays. Under the prior Board approval method for change orders, assuming a February Board meeting date, it would have taken a total of 45 workdays to complete the transaction.

Safety - The Purple Line Extension 1 Project has 8,152,744 project hours through January 2023 with a Recordable Injury Rate of 1.01 (Bureau of Labor Statistics reports the National Average is 2.4) and Days Away, Restricted or Transferred (DART) of 0.07 (Bureau of Labor Statistics reports the National Average is 1.5). There was one recordable injury, a hairline fractured thumb, on December 9, 2022.

Recommendation/Lessons Learned - The OIG recommends consulting with Operations on the desired headway speeds at the design phase so that these requirements can be added at the earliest possible times. This may be added to the Construction Departments Lessons Learned data base to have fully guarded double crossover rail to keep the minimum headway and protect rail cars to avoid possible derailment in the future in the initial design and specifications and avoid future change orders.

Spot Check #3 - Purple Line Extension Section 2 Transit Project

This OIG Spot Check report concerns the Purple Line Extension Section 2 Transit Project (Stations Contract C1120 CO 0058), project and construction site delay impacts.

Change Order Detail

See Attachment A Spot Check #3 table.

Summary #3

Scope of Work - This change order is to compensate the contractor for significant construction delay impacts without a time extension to the Contract. The contractor submitted a Request for Change (RFC) for construction delay impacts at Constellation Century City Station, Wilshire/Rodeo Station and the bored tunnels between April 26, 2017 to January 22, 2021. While Metro acknowledged certain delays occurred at the site during this time period, the Project team did not find merit in most of the alleged reasons for delay impacts warranting payment to the contractor, and disagreed with costs asserted by contractor in the RFC for the delays.

A few of the delays the Contractor asserted and requested reimbursement which they alleged not to be attributable to the themselves include:

- Delayed access to occupy site
- Delay related to start utility relocation
 - DWP ductbank
 - Differing site conditions
- Delays to begin piling

- Delays for decking
- Holiday moratoriums on construction more than anticipated
- Delay to start mass excavation of the launch box area
- Delays to start station structure
- Tunnel delays at the access shaft

The Project team has utilized Metro's compensation and payment provisions, schedule of quantities and prices, as well as the delay compensation price set forth in the contract to determine what the contractor may be entitled to payments. The Project team has found tunnel delays of 171 days and Wilshire/Rodeo station construction delays of 178 days. Of the 349 days there were 43 days during which the activities overlapped and reduced the delay time to 306 days. For the delays related to the "Notice to Proceed to the start of tunnel excavation", in the contract this amount is \$16,500 per day for which there were 222 days of delay, totaling \$3,663,000. For the "tunnel boring activity" delays, the contract provides for \$20,000 per day which Metro has determined to be 84 days, resulting in a cost of \$1,680,000. An additional \$67,856 for related bond cost has also been included. Because Metro and the Contractor have not reached an agreement, the Project Management issued a unilateral change order to the contractor for compensation of 306 days plus bond cost for the amounts not in dispute.

Budget - A unilateral change order was issued because the Contractor and Metro do not agree upon the cause or eligibility for payment for the alleged delays. The change order amount issued is \$5,410,856. The Contractor's proposal of cost for alleged delays is \$71,625,375 and the ICE is \$5,410,963. The difference in the unilateral change order amount and the Contractor's proposal of costs is \$66,214,519 (92.4%) lower than the Contractor's proposal. The ICE is \$107 greater than the unilateral change order amount. Staff stated that funds for this change order are within the approved budget and there is no cost recovery potential.

Schedule - The CEO Delegation of Authority process was utilized for this change order. The Contractor and Metro do not agree upon the construction delay days and therefore a unilateral change order award was issued. Because there is no agreement on the Scope of Work, the days saved cannot be calculated.

Safety - The Purple Line Extension 2 Project has 3,197,822 project hours through February 2023 with a Recordable Injury Rate of 2.94 (Bureau of Labor Statistics reports the National Average is 2.4) and Days Away, Restricted or Transferred (DART) of 0.69 (Bureau of Labor Statistics reports the National Average is 1.5). There was one recordable injury in January 2023.

Recommendation/Lessons Learned - None.

Spot Check #4 - Purple Line Extension Section 3 Transit Project

This OIG Spot Check report concerns the Purple Line Extension Section 3 Transit Project (Stations Contract C1152, CO-0090.1 and MOD 89), UCLA Station for additional LADWP temporary power

conduits.

Change Order Detail

See Attachment A Spot Check #4 table.

Summary #4

Scope of Work - This change order is for procurement of materials for installation of temporary power for station construction at the UCLA station. The full amount of the modification will cover the construction for the relocated electrical cables in larger diameter conduits incased in steel reinforced concrete (this assembly is called a ductbank). The re-design of the larger ductbank was approved under Modification 0083 for \$196,864 in September 2022.

Los Angeles Department of Water and Power (LADWP) has recently revised the size and quantity of conduits necessary to run power. This work is out of scope from the original contract because the initial corridor alignment to route the ductbanks inside the station box is no longer large enough to satisfy LADWP's increased power requirements. Therefore, the size of the ductbank must be enlarged to accommodate the increased quantity and larger diameter conduits. Consequently, this increase, forced the ductbanks location to move outside the station box on the south side of Wilshire Blvd. at the Westwood/UCLA Station.

Budget -. The modification is negotiated for the amount of \$2,587,000, however at the time of this report the modification was still awaiting signatures. The Contractor's proposal is \$2,638,254 and the ICE is \$2,581,923. The difference in the award is \$51,254 (2%) lower than the Contractor's proposal. The negotiated amount is \$5,077 over the ICE. In the same quarter (December - February) a change order has been issued as a Not to Exceed (NTE) change order for the amount of \$886,000. Issuing an NTE change order allowed the contractor longer lead time to order materials. The \$886,000 will be deducted from the final change order award amount. It should be noted pending the final signatures of the modification, LADWP's increased power requirements has cost Metro \$2,783,864 for design and construction. Staff stated that funds for this change order are within the approved budget and there is no cost recovery potential.

Schedule - The CEO Delegation of Authority process was utilized for the NTE change order and also for the modification which immediately followed. The Contractor and Metro agreed on the Scope of Work on November 3, 2022. The change order with an NTE of \$886,000 was awarded December 26, 2022 and was completed in 51 workdays. Under the prior Board approval method for change orders, assuming a January Board meeting date (no December meeting), it would have taken a total of 58 workdays to complete the transaction. Time saved for the full modification award cannot be calculated (at the time of this report) because it is currently awaiting completion.

Safety - The Purple Line Extension 3 Project has 2,482,416 project hours through February 2023 with a Recordable Injury Rate of 2.84 (Bureau of Labor Statistics reports the National Average is 2.4) and Days Away, Restricted or Transferred (DART) of 0.75 (Bureau of Labor Statistics reports the National Average is 1.5).

Recommendation/Lessons Learned - The OIG recommends:

1. For the Project to submit to the Lessons Learned data base, run by the Quality Assurance group, the events regarding coordination with LADWP (or another third-party utility) which required the increase in size of conduits and forced relocation of the ductbanks. By submitting

information of these changes to the Lessons Learned data base, future projects will be warned that there might be an update to the electrical requirements applicable to their project.

2. The Metro Rail Design Criteria (MRDC) should get periodic updates to include new standards by agencies that review and approve Metro construction so that when future RFPs are issued they comply with those mandatory standards. This will not foreclose Metro seeking a waiver or amendment in the future from that entity on an individual project that might reduce the cost and that will not require a costly change order. Additionally, the MRDC should be updated to encourage early coordination with the third-party utilities to obtain their written agreement to the specifications for a project prior to the RFP issuance.

FINANCIAL IMPACT

This report will have a financial impact on the Agency as described herein.

Impact to Budget

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

Spot Check #1)	\$3,572,417	Regional Connector Transit Corridor Project
Spot Check #2)	\$1,326,004	Purple Line Extension Section 1 Project
Spot Check #3)	\$5,410,856	Purple Line Extension Section 2 Project
Spot Check #4)	\$2,587,000	Purple Line Extension Section 3 Project

EQUITY PLATFORM

In the opinion of the OIG, we considered whether these change orders presented any equity related issues on their face. The OIG did not receive any data concerning community impacts. Each of the contractors are striving to have work performed by Disadvantage Business Enterprises (DBE) typically at 12-15% implementation, for these change orders at these EFC sites. There is a low-income equity-based community in the downtown area where the Regional Connector rail line traverses under the City. The sanitary sewer upgrades in the area of Alameda and 1st streets will benefit the community and the City of Los Angeles with increased sewer capacity. The OIG observed no obvious disparate impacts created by these change orders on small businesses, low-income persons, or by the performance of the work in a manner that impacted a disadvantaged community beyond what is typical and usual when conducting any construction.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Office of Inspector General reviews large change orders over a calendar quarter and makes recommendations as appropriate to support Metro's Strategic Plan Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization and CEO goals to exercise fiscal discipline to ensure financial stability. The OIG mission includes reviewing expenditures for fraud, waste, and abuse in Metro programs, operations, and resources. For each selected change

order reviewed, the OIG evaluates whether there are red flags of fraud, waste, or abuse taking place. We report the details of the significant change orders and make recommendations consistent with the OIG's Construction Best Practices report dated February 29, 2016, more particularly focusing on lessons learned, improving efficiencies, and prudent spending.

NEXT STEPS

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

ATTACHMENTS

Attachment A - Change Order Details for Spot Checks in this report

Attachment B - Tracking Sheet of OIG Recommendations and Responses to last quarter

Prepared by: Prepared by: Suzanna Sterling, Construction Specialist Investigator (213) 244-7368

Reviewed by: Karen Gorman, Inspector General (213) 244-7337



Karen Gorman
Inspector General

Spot Check #1 – Regional Connector Transit Corridor Project - Contract C0980**Change Order Detail**

<u>Description of Modification or Change Order - MOD-0245</u> 10-Inch Sanitary Sewer Relocation at 1st Street & Alameda St. and Upsize Existing 8-Inch Sewer to 12-Inch Along 1st Street (E. Of Hewitt Street) - Construction	
<u>Change Order Dates:</u>	
Scope of Work approved	December 6, 2022
Modification Executed	December 23, 2022
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process	13 workdays
Estimate using former Board approval process Agenda for the <i>January</i> Board	31 workdays
<u>Cost of Change Order:</u>	
Metro independent cost estimate (ICE)	\$3,082,359
Contractor's proposed cost	\$5,040,463
Negotiated amount	\$3,572,417
Percentage of negotiated amount <i>OVER</i> ICE	16%
Amount negotiated less than the Contractor's proposal	\$1,468,046

Spot Check #2 - Purple Line Section 1 Transit Project – Contract C1045**Change Order Detail**

<u>Description of Modification or Change Order – CO-0022</u> Fully Guarded Double Crossovers – Procurement Delta	
<u>Change Order Dates:</u>	
Scope of Work approved	December 19, 2022
Unilateral Issued No Modification Executed	January 4, 2023
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process,	11 workdays
Estimate using former Board approval process Agenda for the <i>February</i> Board	45 workdays
<u>Cost of Change Order:</u>	
Metro independent cost estimate (ICE)	\$912,522
Contractor's proposed cost	\$1,551,424
Negotiated amount	\$1,326,004
Percentage of negotiated amount <i>OVER</i> ICE	45.3%
Amount negotiated less than the Contractor's proposal	\$225,420

Spot Check #3 - Purple Line Section 2 Transit Project – Contract C1120**Change Order Detail**

<u>Description of Modification or Change Order – CO-0058</u> Project and Construction Site Delay Impacts	
<u>Change Order Dates:</u>	
Scope of Work began in May 2021	No agreement
Unilateral Executed	February 10, 2023
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process	N/A
Estimate using former Board approval process Agenda for the March Board	N/A
<u>Cost of Change Order:</u>	
Metro independent cost estimate (ICE)	\$5,410,963
Contractor's proposed cost	\$71,625,375
Unilateral Amount Issued	\$5,410,856
Percentage of Unilateral amount <i>UNDER</i> ICE	0.02%
Unilateral amount less than the Contractor's proposal	\$66,214,519

Spot Check# 4- Purple Line Section 3 Transit Project – Stations Contract C1152**Change Order Detail**

<u>Description of Modification or Change Order – CO-0090.1 and MOD 0089</u> UCLA Station - Additional LADWP Temporary Power Conduits – CONSTRUCTION	
<u>Change Order Dates:</u>	
Scope of Work approved	November 3.,2022
CO - Not to Exceed amount issued	January 17, 2023
<u>Elapsed Time for Executing Change Order:</u>	
Using new delegated process for the NTE	51 workdays
Estimate using former Board approval process Agenda for the <i>January</i> Board	58 workdays
Elapsed Time for Executing MOD cannot be calculated	Not signed
<u>Cost of Modification: MOD 0089</u>	
Metro independent cost estimate (ICE)	\$2,581,923
Contractor's proposed cost	\$2,638,254
Negotiated amount	\$2,587,000
Percentage of negotiated amount <i>OVER</i> ICE	0.2%
Amount negotiated less than the Contractor's proposal	\$51,254

ATTACHMENT B (APRIL 2023)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
April 2023 #1 Contract C0980 MOD-0245 Regional Connector 10-Inch Sanitary Sewer Relocation and upsize Upsize existing 8-Inch Sewer to 12-Inch	The OIG recommends to Work with the City where construction is going to occur at the earliest possible time to determine their requirements so that those requirements can be negotiated, included in the bidding documents when released with correct information and requirements, and if the requirement change is caused by Metro's increased utilization of the utility or if it amounts to a betterment for which a sharing/contribution should be made.		
April 2023 #2 Contract C1045 CO-0022 Purple Line Extension Section 1 Fully Guarded Double Crossovers	The OIG recommends consulting with Operations on the desired headway speeds at the design phase so that these requirements can be added at the earliest possible times. This may be added to the Construction Departments Lessons Learned data base to have fully guarded double crossover rail to keep the minimum headway and protect rail cars to avoid possible derailment in the future in the initial design and specifications and avoid future change orders.		
April 2023 #3 Contract C1120 CO-0058 Purple Line Extension Section 2 Project and Construction Site Delay Impacts	<p align="center">None</p>		
April 2023 #4 Stations Contract C1152 CO-0090.1 & MOD-0089 Purple Line Extension Section 3 UCLA Station - Additional LADWP Temporary Power Conduits	The OIG recommends: 1.For the Project to submit to the Lessons Learned data base, run by the Quality Assurance group, the events regarding coordination with LADWP (or another third-party utility) which required the increase in size of conduits and forced relocation of the ductbanks. By submitting information of these changes to the Lessons Learned data base, future projects will be warned that there might be an update to the electrical requirements applicable to their project. 2.The Metro Rail Design Criteria (MRDC) should get periodic updates to include new standards by agencies that review and approve Metro construction so that when future RFPs are issued they comply with those mandatory standards. This will not foreclose Metro seeking a waiver or amendment in the future from that entity on an individual project that might reduce the cost and that will not require a costly change order. Additionally, the MRDC should be updated to encourage early coordination with the third-party utilities to obtain their written agreement to the specifications for a project prior to the RFP issuance.		

ATTACHMENT B (January 2023)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
January 2023 #1 Contract C1136 CO-0121.1 Division 20 Portal Widening and Turnback Project - Site Improvements for Garfield Yard to Store New Special Trackwork	As was recommended in the prior quarterly construction change orders spot check report, the OIG recommends the issue of liability for sub-contractors bonds and insurance be resolved, and further change orders follow the standard Metro construction practices and procedures.	Recommendation is noted. VCM is seeking a resolution to the sub-contractor bond and insurance for change orders.	
January 2023 #2 Contract C1045 CO-0015 Purple Line Extension Section 1 Station Artwork Architectural Glass	The OIG recommends that a final scope of work and agreed upon total costs be determined as soon as possible.	Metro acknowledges the OIG's recommendations and will work toward resolution of scope & cost disagreements involving the Architectural Art Glass. Negotiations are pending the contractors confirmation on available dates for these negotiations. To avoid these potential impacts for future projects, WPLE 1 is working with the Metro Art department on a lessons learned session to help implement a change in the development of the artwork scope in future contracts. This will impact the contractual and procurement requirements for the artwork (timing, line item allowances, contingency) so that there is less cost discrepancy for the artwork between the time overall Construction Contract is developed and when the artwork is procured.	
January 2023 #3 Contract C1120 CO-0023.2 Purple Line Extension Section 2 Relocated UPE Plenum at Westfield Mall	None.		
January 2023 #4 Tunnels Contract C1151 MOD-0007.2 Purple Line Extension Section 3 Revisions to Southern California Edison (SCE) Power Connection	The OIG recommends that in all future contracts where it is possible to consolidate planned multiple street utility construction works, that a single trench be dug and both temporary and permanent power conduits be installed in the same trench at the same time as to reduce costs and minimize impacts to the neighborhood. The OIG further recommends, that when the Metro management authorize work and exercise their authority under this Delegation Policy, there should be a maximum period after that action that it must be reported in the quarterly program management report, and not wait 3 years to negotiate the modification and report an action to the Board.	PM and V/CM have committed to working together as necessary to analyze the issue and seek resolution. As part of that process, the two departments will work with the Office of the IG to close out the action.	

ATTACHMENT B (October 2022)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>October 2022 #1 Contract C0980 MOD-0239 Regional Connector Transit Corridor Project - Additional AT&T Duct bank Installations at 2nd Street – Construction</p>	<p>The OIG acknowledges the unknown underground site condition of numerous conflicting underground utilities, but the existing AT&T communication vaults that were both too small and in poor condition were known prior to the beginning of contract. It should be noted that AT&T did not initially provide design or informational requests for new vaults and now Metro must create a change order and pay the contractor for an oversight on the utility's behalf.</p> <p>The OIG recommends, as a Lesson Learned, that in project planning for Metro to ask the utility company to acknowledgement that all vaults, duct banks, and utility lines conform to current specifications and are in satisfactory condition. It is prudent for Metro to be aware of the utilities condition before entering into a construction contract.</p>	<p>Agreed. The AT&T infrastructure was not in a condition that could be hung in place safely resulting in the construction of a new system. It would be best to understand the condition of all utilities to the best possible extent prior to start of construction but not always possible.</p>	
<p>October 2022 #2 Contract C1136 CO-0017.4/MOD 0037 Division 20 Portal Widening and Turnback Project - 1st Street Bridge Continuous Monitoring</p>	<p>As was recommended in the prior quarterly construction change orders spot check report, the OIG recommends the issue of liability for sub-contractors claims and bonds be resolved so that it is not necessary to use NTE change order methods, and further change orders follow the standard Metro construction practices and procedures.</p>	<p align="center">Agreed</p>	
<p>October 2022 #3 Contract C1197 MOD-009 Airport Metro Connector Transit Station Bulletin 16 – Light Rail Transit (LRT) Fence Updates</p>	<p>The OIG recommends Metro consider updating Metro's design criteria and necessary specifications to reflect current 2022 California Seismic standards in the MRDC and future requests for proposals to build better and be prepared for future earthquakes. This may be considered a lesson learned.</p>	<p>The OIG recommendation may not completely reflect the issue. The contract MOD for bulletin 16th was the result of design change during the construction. In reviewing of the contractor's submittal, two things became apparent. First, the picket members were very heavy and disproportionate to the size of the horizontal members carrying them which created a structural concern. The second issue was a quality/constructability concern as the design shown on the contract drawings and the shop drawings required each picket to be field welded in place. All welds are required by the original Contract Documents to be ground smooth. The design change addressed both issues. For the structural issue, the thickness of the 4" o.c. pickets were reduced although the depth of the horizontal members was increased. For the constructability issue, the pickets were panelized so that they could be shop fabricated and craned into place. The panels were attached to the horizontals with bolts rather than welds, speeding up the installation time which would reduce crane use and reduce field welding and grinding. None of these issues were related to Metro's design criteria or technical spec.</p>	
<p>October 2022 #4 Contract C1045 MOD 0159 Purple Line Ext. Sect. 1 Track Level Access Openings at Wilshire/Western, Wilshire/La Brea and Wilshire/ La Cienega</p>	<p>None</p>		

ATTACHMENT B (August 2022)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
August 2022 #1 Contract C1136 MOD-0029 Division 20 Portal Widening and Turnback Project - Time Extension for MOD-20 Addl Scope and Addl Requirements for DIV 20	The OIG recommends, that all future construction contracts include a capped amount per day to pay the contractor when Metro stops critical path construction work or contractor incurs significant delays due to unforeseen causes.	Agreed	
August 2022 #2 Contract C1136 CO-0011.3 Division 20 Portal Widening and Turnback Project - 1st Street Viaduct - Crack and Spall Repair	1) The OIG recommends that the scope of work should be agreed upon as soon as possible. 2) The OIG recommends the issue of liability for sub-contractors claims and bonds be resolved, and further change orders follow the standard Metro construction practices and procedures. We further recommend that the language concerning bonds and sub-contractors in the Metro standard forms for modification/change orders be moved to the Metro standard contract terms and conditions.	Agreed	
August 2022 #3 Contract C1120 CO-0041 Purple Line Ext. Sect. 2 Tunneling Suspension Associated with Abandonment of Oil Wells	The OIG recommends Metro consider implementing Unilateral change orders when the contractor is claiming compensation for delays greater than the contract cap permits.	Agreed	
August 2022 #4 Stations Contract C1152 CO-0035.1 Purple Line Ext. Sect. 3 VA Steam Tunnel Size Increase and Redundancy	Now that the cost schedule proposal (CSP) has been received, the OIG recommends that the Contractor's CSP be thoroughly evaluated to finalize the change order to enter into an agreed upon modification to replace working on a NTE basis as soon as possible.	The Contractor has split the CSP into two parts. Part 1 is the heavy civil work. Part 2 is the Mechanical / Electrical / Plumbing work. Metro has finalized their analysis of Part 1 of the Contractor's CSP of the change and should finalize a value with the contractor imminently. Metro has performed an initial round of fact finding and analysis of Part 2 and is engaging in further meetings with the Contractor to resolve the differences.	

ATTACHMENT B (April 2022)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
April 2022 #1 Contract C0988 MOD-0551 Crenshaw/LAX Transit Corridor Project Landscape Changes – Park Mesa	none		
April 2022 #2 Contract C0980 MOD-00230 Regional Connector - Transit Corridor Project Alameda Emergency Stair Exit (ES2)	The OIG recommends in-house plan review be as fully completed as possible before Metro groups sign off on the design plans.	The project team agrees with OIG and does have both project staff and Metro staff provide reviews for all plans. This change originated with the change in FLS requirements within the Wye which was identified after award of contract.	
April 2022 #3 Contract C1045 MOD-0144 Purple Line Extension Sect. 1 Construction LaCienega Station During Mining	none		
April 2022 #4 Contract C1045 MOD-0147 Purple Line Extension Sect. 1 Vapor Extraction Street Restoration	none		

ATTACHMENT B (January 2022)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
January 2022 #1 Contract C0980 MOD-00218 Regional Connector - Transit Corridor Project Metro Eastside Access Improvement Project "Segment 2" Esplanade and other improvements along Alameda Street – Construction Only	none		
January 2022 #2 Contract C1136 CO-00020.2 Division 20 Portal Widening and Turnback Project Differing Site Conditions - Connections to Existing Ductbanks and Unknown Utilities Impacts	The OIG recommends that Metro continue to track the time and materials used by the contractor while negotiating the Contractor's cost and schedule proposal and to bring this change order to a final award amount.	Final award amount for CO-00020.2 has been reached. Negotiations with the Contractor (TPC) consisted of multiple workshops to reach agreement on rates of production, activity duration, labor, materials and equipment required, complexity of the work. Since agreement on these items was challenging, Metro made a business decision to start with the contractor's estimate and deduct items that were not allowed in the contract. A final settlement for CO 20 was reached at \$43.3M, approximately \$10M under the contractor's original estimate. A time delay for changes related to CO 20 in the amount of \$6M, or 6 months at \$1M per month, has also been agreed upon for these changes.	Substantial Completion and commissioning of the turnback track is scheduled for late Fall of 2024 to coincide with Revenue Operations of PLE1. Final project completion could be as much as a year later.
January 2022 #3 Contract C1120 CO-00034 Purple Line Extension Sect. 2 Century City Constellation Station Storm Drain and Sanitary Sewer Relocation Construction of MOD 70 Design	none		
January 2022 #4 Contract C1152 MOD-0007 Purple Line Extension Sect. 3 Replacement Parking at VA Hospital Lot 42 During Station Construction	The OIG recommends that the Contractor be instructed to timely submit cost proposals, enter negotiations, and sign agreements before work is performed so Metro can process the work order close in time to work being performed, not only to pay the contractor but to help ensure the sub-contractors are paid timely.	No comments	

ATTACHMENT B (October 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>October 2021 #1 Contract C0980 MOD-00206 Regional Connector - Transit Corridor Project Add Wye Junction Fan Plant - Construction</p>	<p>Since the Board approved of a budget for this item in 2015 at \$12 mil., the cost has increased to a total of \$21,186,000 (a 77% increase). This Fan System cost has been reported in pieces, as parts were completed, but not as a whole to indicate the cost creep overall over time. We recommend that when LOP information is being periodically provided to the Board that it includes a summary, per project, to show historical cost information over the life of each project. That summary should indicate if they anticipate completing the project within the current LOP and how many LOP increases have occurred so far.</p>	<p>The initial board item in 2015 for the fan plant was an ROM at the time and had yet to be fully designed and estimated for a complete change. As the project progressed the design and went into construction, the team worked through the negotiations for the full scope of the fan plant. As of now, there has only been one LOP increase and the project has anticipated that the project would fall within the LOP to date. Project team will work with Program Management leadership on how information is reported and follow Program Management's direction for any changes on how LOP is reported.</p>	
<p>October 2021 #2 Contract C1136 MOD-00020 Division 20 Portal Widening and Turnback Project Additional Scope and Additional Requirements for the Division 20 Portal Widening and Turnback Project</p>	<p>The OIG recommends: 1. When Metro needs to expedite a project, include Operations in the initial planning phase early, prior to and during design so they can provide constant input during the design. 2. Explore with Operations if they need additional resources to dedicate full time to assist in the intense design, planning, and implementation pre-opening phases of Metro's rail infrastructure/capital projects, or other ways in which Program Management and Operations can work together to approach these projects to maximize cooperation, communication, and assistance. 3. Have the Legal Department review our designer contracts to determine if they are adequate to hold contractors accountable, enforceable, and require use of bonds and proof of adequate insurance to cover errors of this type and resulting in cost of this magnitude.</p>	<p>1. Project alignments were revised during planning phase to accommodate additional storage capacity and technical requirements required for turnback headways. As design progressed, Operations participated in frequent design review meetings. 2. Additional Operations resources during design phases would be beneficial and help produce more comprehensive reviews. 3. Project team is coordinating with County Counsel on review of designer contracts.</p>	
<p>October 2021 #3 Contract C1045 MOD-0 137 Purple Line Extension Sect. 1 Increased Well Maintenance at Western Shaft due to Groundwater Chemistry Impacts</p>	<p>see #4 for recommendation</p>		
<p>October 2021 #4 Contract C1045 MOD-00138 Purple Line Extension Sect. 1 Additional Dewatering Treatment and Discharge Impacts at Western</p>	<p>The OIG recommends that all dewatering change orders for this project should be evaluated or audited. The Geotechnical Baseline Report issued by the consultant to Metro was not accurate for the soil type, ground water, and hydrogen sulfide levels for each segment of Purple Line Section 1 and the consultant might be held liable for some of the costs of differing site conditions not correctly determined by the consultant. Unplanned dewatering site conditions also cost Metro \$15.8 mil. at the La Brea Station and \$16.8 mil. at the La Cienega Station in 2020 and 2019 respectively.</p>	<p>The dewatering MODs for WPLE-1 have been already been evaluated as part of the CN process. In order to minimize the potential for future DSCs on other Projects, consideration should be undertaken to expend more resources during Preliminary Engineering (PE) to more accurately project the actual conditions encountered. The costs of additional PE should be weighed against the increased base bid prices, or future Change Order costs if no additional PE efforts are undertaken. Valid additional costs to Metro, via the base bid or Change Order, will be incurred either way. It is premature at this time to hold the PE Consultant liable for all or a portion of the costs of this MOD.</p>	

ATTACHMENT B (July 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
July 2021 #1 Contract C0980 MOD-00196 Regional Connector - Transit Corridor Project Construct the 2nd & Broadway Station Overbuild Load Transfer System	none		
July 2021 #2 Contract C0980 MOD-00202 Regional Connector - Transit Corridor Project Revise Communications Radio System Scope of Work- Construction	The OIG recommends that after installation of the new radio system that interface with Los Angeles fire, police and sheriff departments be tested and verified for their signal strength and connectivity.	Agreed, all radio systems will be fully tested and verified for signal strength and connectivity	
July 2021 #3 Contract C1045 MOD-0131 Purple Line Extension Sect. 1 Wilshire/Fairfax Station Subgrade Differing Site Conditions	The OIG recommends that after a DRB issues its recommendations that favor the contractor, Metro act swiftly to move forward with a change notice to the contractor and not delay payment to the contractor, less any credits owed to Metro. We understand in this particular case the contractor assigned a lower priority for processing this change notice over many others.	In this case there was no requirement for Metro to issue a Change Notice due to the DRB ruling. The Contractor (STS) chose to delay providing Metro with a cost proposal associated with the DRB ruling due to other higher Contractor priorities. After the eventual receipt of the DRB ruling proposal from the Contractor, the costs were negotiated, and a MOD issued (w/o any Change Notice being created). It should be noted that whether a Change Notice is issued or not, the Contractor has the right to submit a proposal whenever and for whatever they perceive as changed work (via a Request for Change). Section 1 has and continues to issue Change Notices in a timely manner when Metro recognizes merited changed scope of work.	
July 2021 #4 Contract C1152 MOD-0014 Purple Line Extension Sect. 3 Revisions to Westwood/UCLA Station Entrances – Design Only	none		

ATTACHMENT B (April 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>April 2021 #1 Contract C0988 MOD-00253.3 Crenshaw/LAX Transit Corridor Project Landscape Changes – Park Mesa</p>	<p>The OIG recommends that we identify quickly the differences in cost between the new scope of work from the contract and finalize plans and the cost with the prime Contractor.</p>	<p>-Agree and recommendation will be incorporated into C/LAX Project Lessons Learned. -C0988 Contract Team has started to identify the differences in cost between the new scope of work from the contract. Additionally, new scope of work will only be processed if it is a safety related change.</p>	
<p>April 2021 #2 Contract C0980 MOD-00188 Regional Connector - Transit Corridor Project 2nd/Hope Pedestrian Bridge - Construction</p>	<p>no recommendation concerning this change order</p>		
<p>April 2021 #3 Contract C1120 MOD-0095 Purple Line Extension Sect. 2 Station and Bicycle Parking, Architectural Features Design and Construction Changes at Wilshire/Rodeo & Century City Constellation Stations</p>	<p>The OIG recommends that Purple Line, Section 3, be immediately evaluated to determine if the MRDC architectural updates and the Metro bike hub system changes have been incorporated into the Purple Line Extension Section 3 Transit project. This will ensure consistency, compliance with the MRDC, and cost assessments to be determined and negotiated at the earliest possible time.</p>	<p>Purple Line Sect #2 response: Noted. Purple Line Sect #3 response: The WPLE3 contract included the latest MRDC requirements for bike hubs at both stations at time of bid, which minimized changes to the WPLE3 contract.</p>	
<p>April 2021 #4 Contract C1120 MOD-0095 0100 Purple Line Extension Sect. 2 Century City Constellation Main Entrance - Construction</p>	<p>The large cost disparities between the ICE and a Contactor's proposal on high dollar transactions should continue to prompt further technical and commercial evaluation in order to arrive at a fair and reasonable price. The OIG recommends that the ICE be evaluated by the Estimating department to further evaluate the significant differences between the Contractor's proposal and their independent estimate utilizing both technical and commercial evaluation.</p>	<p>ESTIMATING response: Metro Estimating will review the ICE and CSP and work with V/CM and Project Management staff to evaluate the differences. Purple Line Sect #2 response: Project staff will continue to involve Estimating staff in scoping discussions to ensure that they have a full understanding of the scope of work for all Change Work.</p>	

ATTACHMENT B (January 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>January 2021 #1 Contract C0980 MOD-00184 Regional Connector - Transit Corridor Project Expanded Duco Yard and Temple Street Sanitary Sewer Work</p>	<p>The OIG recommends that future contracts with the designer should include verification of sewers identified as abandoned, and to document the verification on the construction drawings if the cost of such verification is minor and the consequences of reliance on erroneous information is significant. Additionally, the OIG recommends that the as-built record drawings at the City be updated.</p>	<p>Planning and engineering need to rely on as-built records for much of their work. However, where key utilities are involved, it is best that their condition and status be validated during the preliminary design phase. This investigation is often expensive and not easily performed without site investigation. The engineer must use his/her judgement to determine which utilities require physical investigation and inspection. Project budget contingency should be set aside for utility discrepancies that may be discovered during construction. Agree that even minor utilities, improperly documented, can have a significant cost and/or schedule impact to a project and should be investigated early, to the extent possible. The City is the best entity to ensure that underground maps are complete.</p>	<p>No further action from Regioinal Connector as project design has already been completed. However, efforts are continually made to perform potholing investigations for verification prior to construction so as to avoid impacts to schedule should discrepancies be found.</p>
<p>January 2021 #2 Contract C1045 MOD-00121 Purple Line Extension Sect. 1 Alternate Soil Disposal</p>	<p>California laws, including Senate Bill 1383 of 2016 set mandatory targets to reduce waste going to landfills. Metro developed a recycling policy (GEN 51) in response to State recycling goals and to support Metro's sustainability goals. The Conditional Use Permit for the Chiquita Canyon Landfill was set to expire and the Landfill operator sought a new permit, which was granted in July, 2017. The new permit requirements limits the rate of tonnage of dumping allowed, hours of operation, and the county set other multiple requirements that Chiquita Canyon must adhere. The OIG recommends:</p> <ol style="list-style-type: none"> 1. Construction waste disposal options are utilized to minimize project costs and to help achieve the reduction goal of a 75% reduction in waste by 2025; 2. Project teams work very closely with the Metro Sustainability Department, State, Los Angeles County, other regulators, landfill owners, and contractor's personnel, to determine options consistent with GEN 51 for the reuse of soils and construction debris in the current or other construction sites; 3. When a Board member has a matter come before them at their respective municipalities that can potentially effect Metro projects, if they would give notice to Metro of the matter, Metro can determine how its projects will be impacted and possibly address the matter with the municipality or 3rd party prior to the matter being approved including possibly negotiate that the terms of a permit not allow price increases or other impacts on Metro projects where contractual commitments have previously been negotiated in reliance on previous conditions; 4. LA Metro evaluate how other LA Metro projects for which a contract was entered may be impacted by the newly imposed landfill mitigations and higher fees. 	<p>Metro acknowledges the recommendations listed and provides the following responses below:</p> <ol style="list-style-type: none"> 1. Per contract, the project must divert/recycle 75% of waste. Purple Line Section 1 has diverted 100% of excavated clean material on the project to be reused as beneficial cover or fill at offsite projects. 2. The Purple Line Section 1 project has a member of the Metro Environmental Compliance and Sustainability Department (ECSD) on staff. This team member updates project management and contractors on opportunities to reduce waste impacts as they become available across the county. 3. Acknowledged 4. ECSD management will review awarded projects and available facilities and make recommendations on where to make changes to disposal practices as needed. 	
<p>January 2021 #3 Contract C1120 MOD-0091 Purple Line Extension Sect. 2 Increase UPS Spare Capacity at Wilshire Rodeo and Century City Constellation Stations</p>	<p>The OIG recommends that immediately prior to sending out an RFP, Metro should insure that the most current MRDC is used.</p>	<p>In this case, the updated MRDC Section 8 was added to the RFP near the end of the solicitation period, but conflicts with other contract documents were not identified because of the late issuance of the update. Staff agree that all future changes to the MRDC should be coordinated by Metro Engineering and issued before future RFPs are released.</p>	

ATTACHMENT B (January 2021)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
January 2021 #4 Contract C1152 CO-0005.1 Purple Line Extension Sect. 3 VA Hospital Replacement Parking for Lot 42 During Station Construction Phase	The OIG recommends that the Project office and Real Estate continue to work closely and aggressively to come to a full resolution with the VA hospital and the contractor on the modified costs.	Agree	

ATTACHMENT B (October 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>October 2020 #1 Contract C0988 MOD-00485 Crenshaw/LAX Transit Corridor Project Case 5 Bedding Required by LABOE</p>	<p>Since the 'Green book' states the support and materials for sewer and storm drain pipe are to be encased in concrete, the OIG recommends that the LA Metro rail standard drawing US-014, be updated to reflect the required City standard and Metro may negotiate with the LABOE to adopt a different standard for specific projects as warranted.</p> <p>We further recommend, as discussed in previous reports, that Metro study the large discrepancies between the Metro ICE and the award amounts to determine if there is a method by which those discrepancies can be narrowed. This recommendation applies to many of the Spot Checks reviewed in this Report, and is based also on a Metro audit completed by the Management Audit Services Department that noted significant discrepancies in these amounts to be a frequent occurrence.</p>	<p>Recommendation will be incorporated into C/LAX project Lessons Learned.</p>	
<p>October 2020 #2 Contract C1045 MOD-00111 Purple Line Extension Sect. 1 Fairfax Paleo Zone Modified Limits</p>	<p>The OIG recommends future GBR's include a more comprehensive underground site assessment to determine a better approximation of the marine and paleo geological layers. In this instance, a robust underground assessment would have avoided the costly change order. However, the additional excavation costs would have been included in the higher base bid value.</p>	<p>Recommendation will be incorporated into PLE1 project Lessons Learned.</p>	
<p>October 2020 #3 Contract C1120 MOD-00080 Purple Line Extension Sect. 2 Demobilization and Remobilization due to COBH Moratorium</p>	<p>The MOA between Metro and COBH imposes additional restrictions on Metro and adds costly change orders to the original contract.</p> <p>The OIG recommends Metro adopts a standardized MOA for use in negotiations with all jurisdictions within Los Angeles County and utilizes this agreement for every construction project going forward in each respective jurisdiction and that budget estimates for projects should be revised as necessary to take into consideration MOAs entered into.</p>	<p>Agreed.</p>	
<p>October 2020 #4 Contract C1151 MOD-0004.1 Purple Line Extension Sect. 3 Increase Ground Water Treatment Plant Capacity at Tail Track Exit Shaft</p>	<p>It is the OIG's understanding that water pump tests and water quality tests were performed, but they were performed at the original location, the Army Reserve site, which is no longer the correct shaft location. Now the site is at the Veterans Administration property. A change in location can greatly affect both the levels and quality of the groundwater, thus increasing the revised dewatering process.</p> <p>It is critical that the Real Estate Department be included at the earliest possible time in negotiating the property requirements for a project. Having to change location plans after a contract award can have significant scheduling and expense consequences.</p>	<p>The location of the Tail Track Exit Shaft had to move from an environmentally cleared site occupied by the Army reserve site to the US Department of Veterans Affairs West Los Angeles campus when it became evident that the US Army Reserve was unwilling to allow the use of this location for either construction laydown or a permanent Metro Facility. Metro Real Estate and Project staff successfully negotiated with the Department of Veterans Affairs to enable relocation of this construction laydown area and permanent facility to their West Los Angeles Campus.</p>	

ATTACHMENT B (October 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>October 2020 #5 Contract C1151 MOD-0005 Purple Line Extension Sect. 3 Addition of Sepulveda Staging Area to Compensate VA Site Reduction</p>	<p>The Purple Line Extension 3 was a 'next decade project' and was accelerated to be completed in the next 5 years with many project processes that had to be compressed to meet the schedule. We also understand that the real estate acquisition process is contingent on the funding being in place.</p> <p>The real estate acquisition process and all other real estate arrangements must be negotiated as early as possible and negotiate those property rights strategically to ensure we have our real estate needs met at the earliest and least expensive manner possible.</p>	<p>The space available for staging at the Tail Track Exit Shaft on the Department of Veterans Affairs Campus is limited; being located in a nationally designated historic district. Metro Real Estate and Project Staff have and are working closely together, in a timely manner to ensure real estate acquisitions are coordinated with project need dates to minimize overall risk and cost to Metro in delivering the project.</p>	

ATTACHMENT B (August 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
August 2020 #1 Contract C1045 MOD-00095 Purple Line Extension Sect. 1 Transit Project: Phase 5 Golder EOR Mitigation Plan Implementation	<p>The OIG is in agreement with applying extra safety precautions that the Metro project office has put forward. Where conditions are relatively unique to the tunneling industry, more prescriptive specifications for means and methods in these zones is warranted.</p> <p>Since the Contractor, Golder Gas, performed the entire mitigation plan including removal and mitigation, the OIG recommends that LA Metro ensure that Golder Gas is held contractually, jointly, and severally liability for any future incident involving gas in the area where the soil vapor extraction wells and the monitoring wells are installed and abandoned. This is the common practice in environmental cases where a "consulting expert" is hired to monitor and mitigate a hazardous substance issue.</p>	<p>The Section 1 Project will review the indemnification text issued to Golder that was required by STS in order for Golder to proceed with the work. This indemnification will determine what Golder's future obligations are.</p>	
August 2020 #2 Contract C1045 MOD-00106 Purple Line Extension Sect. 1 Center Muck Shaft at La Brea (ECI-03)	<p>The OIG recognizes that this type of shaft at the La Brea station can serve a legitimate purpose and that the OIG recommends that use of such methods should be considered and contemplated in future project specifications and a reserve for same should be made when the savings in time, expense, and safety outweigh the cost of such a shaft.</p>	<p>OIG comment received will be included in the lessons learned.</p>	
August 2020 #3 Contract C1045 MOD-00107 Purple Line Extension Sect. 1 Center Muck Shaft at La Brea (ECI-03)	<p>The OIG is concerned that a bid of 40% over an ICE, when you are in a noncompetitive circumstance, may not be a good faith offer or bad communication on specifications. Such behaviors can have the effect of damaging a relationship during an early phase of construction and create distrust that can harm project collaboration in the future. We appreciate a contractor's willingness to proceed on work even without a commitment from Metro in some cases for the payment for that work, but recommend the contractor exercise greater care in formulating its proposals and that Metro be clear and fair but diligent and firm in its ICE calculations and negotiations stance.</p>	<p>OIG comment received. Contractor will be reminded to have appropriate personell attend the fact finding and provide timely complete CSP in order to resolve issues in a collaborative manner.</p>	

ATTACHMENT B (August 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>August 2020 #4 Contract C1120 MOD-00073 Purple Line Extension Sect. 2 Century City Constellation Station Track work Extension</p>	<p>1. The OIG is concerned that a bid is almost 3 times over the ICE, when you are in a noncompetitive circumstance, may not be a good faith offer or bad communication on specifications. Such behaviors can have the effect of damaging a relationship during an early phase of construction and create distrust that can harm project collaboration in the future. We appreciate a contractor's willingness to proceed on work even without a commitment from Metro in some cases for the payment for that work, but recommend the contractor exercise greater care in formulating its proposals and that Metro be clear and fair but diligent and firm in its ICE calculations and negotiations stance.</p> <p>LA Metro is having to absorb the cost of track extension change orders that arose due to errors and omissions on the part of the engineering consultant WSP. The OIG was informed that WSP miscalculated the braking distance in the initial project definition drawings that were supplied to the construction contractor. Metro will have to cover this expense with the contractor, but should look to the design engineering firm for reimbursement to Metro of the costs it would not have had to otherwise incur less amounts saved or mitigations.</p> <p>2. The OIG additionally recommends that Metro review the current Metro Rail Design Criteria (MRDC) compared to the newly released FRA track design standards for accommodating a train entering a stub-end to determine if any modification or update to our MRDC is warranted.</p>	<p>1. If a Cost and Schedule Proposal (CSP) is significantly higher than the Independent Cost Estimate (ICE), Metro's Contract Administrator and the Project Team engages in further meetings with the Contractor to clarify scope in order to determine the source of the discrepancies between the two estimates. These meetings are professional in nature, and often result in favorable resolution on a price that is somewhere between the ICE and the revised CSP. This process ultimately leads to the execution of mutually agreed upon Contract Modifications, and avoids costly disputes related to Changed Work.</p> <p>Related to the cost of the change, if WSP had calculated the braking distance correctly, the Contractor's proposal price would have included the cost for the trackwork that was recently added by Contract Modification. As a result, the awarded contract value would have been slightly higher, and the project contingency slightly lower at Notice to Proceed. The only additional cost that this error by WSP may have created is a theoretical premium for paying for added trackwork in a non-competitive environment, which would be difficult to prove. It should be noted that the difference between the executed Contract Modification price and the ICE was about 17%, or \$171,000. As a result, it is likely that it would be difficult for Metro to determine if it paid a non-competitive premium. That said, the recommendation will be discussed with senior executive management in VCM and Program Management to determine if any action against WSP will take place.</p> <p>2. This recommendation will be referred to Metro Engineering for consideration.</p>	

ATTACHMENT B (April 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>April 2020 #1 C0980 MOD-00161 Regional Connector - Procure Medium Attenuation Fasteners in Lieu of Standard Direct Fixation Rail Fasteners for the 2nd & Broadway Crossover</p>	<p>Regional Connector project is very unique because of all the existing historical buildings above the construction. Noise pollution has become a major concern for urban transit dwellers and authorities. The rule of thumb is a 10decibel technical increase in noise is heard by the human ear as "doubled" in loudness. When constructing underground for tunnels and stations the Environmental Impact Report must remember to always mitigate sound and vibration to protect the potentially impacted fragile surface buildings.</p> <p>The OIG recommends this scenario be written into the Lessons Learned file for future similar situations when constructing under historic or special case existing buildings.</p>	<p>The Regional Connector Project has extensive vibration mitigation elements included in the design where the operating guidway passes nearby sensitive receptors including recording studios, music venues and hotels. The project also requires that noise and vibration monitoring be performed during construction near sensitive facilities.</p> <p>The lesson learned and responded to in the referenced Contract Modification, is that information gathered during construction monitoring should be used to adjust the designed mitigations where field conditions indicate they are necessary.</p>	<p>Completed with issuance of subject contract modification. Equipment to be installed 3rd quarter 2020</p>
<p>April 2020 #2 C1045 MOD-00098 Purple Line Sect. 1 Additional Air Scrubbers at Fairfax Station</p>	<p>The OIG recommends further questioning to Southern California AQMD to determine why on a previous Metro construction contract (at the same location) they set the emission limit at 50 parts per billion, and the published standards are set at an emission limit of 30 parts per billion. On this contract the limits are set at 15 parts per billion. The inconsistency of the emissions limit should be taken under consideration and request in writing from AQMD why the standard emission limit could not be applied to this permit.</p> <p>The OIG further recommends in future construction pre-bid meetings, disclose to all potential contractors that the AQMD permit values necessary for the technical specification, "Temporary Construction Ventilation for Scrubber Units" has varied in the recent past and to verify the amount with an AQMD representative. If possible a commitment needs to be obtained from AQMD by the contractor at the time of submission of a bid amount, that the standard is firm for a defined period.</p>	<p>The emissions limit for equipment was set at the time the Contractor submitted the specific ventilation plan to SCAQMD for permit.</p> <p>The SCAQMD does not have a set standard for hydrogen sulfide, but the states standard is 30 parts per billion. SCAQMD develops their requirements based on specific site conditions. Our EIR states Metro and its contractors will set and maintain work equipment and standards to meet SCAQMD standards.</p> <p>A letter will be sent to SCAQMD for clarification on how SCAQMD can consistently apply emissions regulations for hydrogen sulfide for Metro's future projects.</p>	
<p>April 2020 #3 C1120 MOD-00064 Purple Line Sect. 2 Geotechnical Instrumentation Installation and Monitoring AT&T and Beverly Hills High School</p>	<p>The OIG recommends that the independent estimator visit the field location concerning where the work for this change order will occur. The construction manager should walk the estimator through the scope of the changes for which they are developing a cost estimate. The independent estimate was a 126.7% lower than the negotiated price. Where such significant discrepancies in price estimates exist, either the estimator for Metro, or the estimator for the contractor needs to re-evaluate the scope of the change order.</p>	<p>Agreed. Moving forward the estimating group will endeavor to work even more closely with available subject matter experts to assure a thorough understanding of scope and of the engineering and construction processes involved.</p>	
<p>April 2020 #4 C1151 MOD-00001 Purple Line Sect. 3 Revise the Tail Track Exit Shaft Location from US Army Reserv to Veterans Affairs Property</p>	<p>If the Army Reserve location had been negotiated prior to the contract award, these amounts might have been included in the original bid, although the price then and now might have been the same for this different location.</p> <p>The OIG recommends Real estate arrangements should be negotiated as early as possible.</p>	<p>Metro agrees with the OIG's comment regarding the price of the change. The cost would roughly be the same whether it was negotiated prior to contract award or after award. We agree that real estate arrangements (agreements) should be negotiated as early as possible. The project initiated contact with the property owner for the Exit Shaft property acquisition after the project was identified to be accelerated from the original 2035 Revenue Service Date. Metro did engage in talks with the VA early in the Project but obtaining VA approval to access their property has not been without a few challenges that Metro was able to overcome.</p>	

ATTACHMENT B (January 2020)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
Jan 2020 / #1 C0988-MOD-00437 Crenshaw/LAX UG1 (H2S) Ventilation Fans - Construction	none		
January 2020 #2 C0980 MOD-00154 Regional Connector - Acoustical Treatments for Areas Not on Finish Schedule	none		
January 2020 #3 C1045 MOD-00089 Purple Line Sect. 1 Development and On Site Validation of the Selected Gas Mitigation Option for M13	<p>While the soil at every site is unique, it is possible to create a standard for testing soils for gasses. There is no current rule or technical specification within Metro criteria for extraction of CH₄ or H₂S from the soil.</p> <p>The OIG recommends after the final report is submitted by the contractor, that a technical specification for testing be developed and written into the MDRC to use in the future.</p>	<p>PLE1 Final M13 Mitigation Report will be forwarded to Metro Geotechnical Department for their review and further processing.</p>	
January 2020 #4 C1045 MOD-00090 Purple Line Sect. 1 Oil Well Investigation In Lieu of TBM Probe Ahead	<p>The implementation of the drilling and magnetometer survey from Section 1 has been incorporated into Purple Line Extension Section 2 and 3 contracts.</p> <p>The OIG recommends that the procedures implemented for locating tanks, pipes and other abandoned waste be added to the Lessons Learned database.</p> <p>The OIG further recommends that Metro evaluates whether to pursue recovery for waste removal costs under CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act, also known as Superfund. Passed in 1980). The OIG recommends that Metro's Engineering Program Management provide information on this matter to Metro's Legal department to assist in making this determination and potentially pursuing this recovery.</p>	<p>PLE1 implemented methodologies for locating known tanks, pipes and other abandoned waste will be added to the Lessons Learned database. PLE1 notes that the hazardous waste removal is relatively small/negligible compared with the overall volume of soil removed. After reviewing the potential ROI on pursuing legal actions against any potential responsible parties for cost recovery the current determination based on the available data is that it is not worth the effort and cost at this time. However, it was decided that Metro County Counsel would provide a preliminary review on the issue and it would be revisited in the future.</p>	

ATTACHMENT B (Oct 2019)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>Oct. 2019 / #1 C0988-MOD-00432 Crenshaw/LAX - Update Station Customer Signage, Construction</p>	<p>The Metro RDC was updated with 2010 ADA Standards for Accessible Design later, and after the release and execution of the Crenshaw contract. When new standards are issued all request for proposal specifications pending after that date should be reviewed for correction before release when possible.</p> <p>For request for proposals released between 2010 and 2014,(when we changed the specification and Metro RDC) the OIG recommends immediate evaluation to determine if they were also awarded based on the old pre 2010 standards to determine whether their projects might be similarly impacted.</p>	<p>Agreed</p>	
<p>Oct. 2019 / #3 C1078 MOD-00083 Purple Line Sect. 1 - La Cienega Dewatering DSC</p>	<p>The Geotechnical Baseline Report stated that the ground conditions would permit drainage of water. The OIG questions if the consultant who developed the Geotechnical Baseline Report properly interpreted the boring data. Investigation is warranted to determine if the report accurately reflects the data.</p> <p>The OIG recommends recovering part of the cost, if the investigation demonstrates that the report was erroneous. The OIG further recommends future Geotechnical Baseline Reports should include interpretation of the borings to determine within a 95% confidence level the nature of the underlying soil and the location of the water table.</p>	<p>Project reviewed the GBR and actual field data and concludes this is a DSC. There is no error and omission on the part of the consultant.</p>	
<p>Oct. 2019 / #4 C1078 MOD-00085 Purple Line Sect. 1 - Geotechnical Instrumentation: Revise Geotechnical Contingency Plan and Reporting</p>	<p>The OIG recommends if Metro believes this change order is a betterment, then Metro should complete the new "Potential Notice of Betterment" form, submit a copy to LABOE and retain a copy for negotiations at the end of the contract if not sooner. This means Metro would move forward at LABOE expense. Going forward, this "Potential Notice of Betterment" form should be completed when applicable and submitted to the LABOE prior to agreeing to move forward, thus allowing the LABOE to make the decision if the betterment is truly necessary.</p>	<p>Project concurs and will develop a Potential Notice of Betterment for LABOE.</p>	

ATTACHMENT B (July 2019)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>July 2019 / #1 C0988-MOD-00426 Crenshaw/LAX - Irrigation Water Meters, Park Mesa Medians</p>	<p>The OIG recommends this disagreement between the City of Los Angeles Public Works and LA Metro about the responsibility for the changes should be discussed and resolved.</p>	<p>This item is tied to the tree permit that included adding pavement in areas beyond the project limits, increasing the number of replacement of trees for those cut down, adding landscaped medians (which require the subject irrigation). All of the items above were discussed with City and the two parties agreed to an MOU for which the City would be paid 3.5 million to pave the street (work valued at 7.0 million plus) and that this agreement resolved the other issues mentioned above with Metro installing at its cost (medians, trees...etc)</p>	
<p>July 2019 / #2 C0980 MOD-00141.2 Regional Connector - Impacts to Support of Excavation: Decking, Utilities and Temporary Drainage</p>	<p>The OIG recognizes the age of the buildings at the site and errors of definitive drawings. The OIG recommends to research on the front end, even drawings to confirm accuracy, to preclude issuing an expensive change order after construction has commenced.</p>	<p>There are definitely some lessons to be applied to future projects based on Regional Connector's experience with utilities. The most significant finding is the need to conduct utility condition assessments in areas where cut-and-cover construction is planned. This could be accomplished by a combination of potholing, inspection of maintenance holes/vaults and research with the utility owner. The documented age of the utility and the presence of large masonry vaults/maintenance holes, should serve as guides in the determination of whether facilities should be replaced.</p>	<p>No further action by Regional Connector</p>
<p>July 2019 / #3 C1078 MOD-00025 Purple Line Sect. 1 - Revised Low Impact Development (LID)</p>	<p>The OIG recommends that all upcoming sites where known industrial and railway activity occurred, that a full investigation of soils occurs and is stated in the Environmental Impact Statement. Performing such investigation early may result in additional early costs, but these circumstances will then become known costs of the project and may be prepared with less delay and less costs than waiting.</p>	<p>Site investigation and soil remediation was completed prior to the construction of the site. However, the original plan for the DTSC directed site cleanup was the previous owners responsibility. Due to the nature in how this property was eventually acquired in order to meet the construction schedule (imminent domain) there was no time to cleanup the groundwater issues prior to LID designs. and assess any data gaps that may have existed. Orders from the DTSC to continue remediation efforts of the groundwater, beyond Metro's planned clean up phase, pushed the environmental effort beyond a clear end date which in effect conflicted with the LID design since it would be predicted to pushing an identified contaminated groundwater plume during rain events once completed. In the future, if Metro can anticipate action to be required from outside entities (that can take significant time to develop and execute) beyond the initial environmental phase, it will request contractor to change the design prior to 60% completion to avoid major changes</p>	
<p>July 2019 / #4 MC1120 MOD-00037 Purple Line Sect. 2 - Revision to Avg Depth of Seismic Borings along Wilshire Blvd. on Tunnel Reach 5</p>	<p>The OIG commends the Engineering department for taking supplementary steps to determine additional the location of seismic fault line in relation to the track alignment for improved safety and long term structural integrity.</p>	<p>Noted</p>	<p>N/A</p>

ATTACHMENT B (April 2019)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>April 2019 / #1 C0988 MOD-00402 Crenshaw/LAX - Provisional Payments - Pending Dispute Resolution Fire Rated Cable (multiple) Change Orders</p>	<p>1. The OIG recommends that Metro expeditiously and fairly resolve the litigation with the Contractor. 2. The OIG further recommends that a review team monitor the billings of the Contractor to validate the efficacy of the incentive program as this may become a tool for improving future performance on other projects.</p>	<p>1. Agree, different mechanisms to achieve this being considered. 2. Agree, already being implemented.</p>	<p>1. December 2019 2. Closed</p>
<p>April 2019 / #3 C1045 MOD-00071 Purple Line Sect. 1 - Golder Gas Investigation and Report</p>	<p>The Independent Cost Estimate was not an accurate representation of work stated in the agreed upon scope of work. The OIG recommends that Metro continue to follow through on the plan for mitigation of gas migration utilizing the Contractor's new report of procedures where known high concentrations of hydrogen sulfide and methane gases exist.</p>	<p>Metro is following thru on the plan. Installation of wells for field testing began in 3/19. The mitigation options draft memo, based on the field testing observations, was received 6/25. Design of a selected gas migration mitigation option, i.e. increasing the number of soil vapor extraction wells, is ongoing.</p>	<p>Completion of mitigation recommendation and implementation, is tentatively scheduled for December 31, 2019.</p>
<p>April 2019 / #4 C1045 MOD-00072 Purple Line Sect. 1 - Reach 3 Additional Gas Testing and Assessment</p>	<p>The OIG recommends: 1. In following the new Contractor's report, Work Plan for Exploratory Program to Assess Mitigations for Potential Gas Migration, a. Record all steps that were successful and those that need modification. b. Have information formatted and add to Technical Specifications. c. Have steps and procedures added into Lessons Learned d. Incorporate these finding and procedures into any future bid process where potential gas migration and tunnel boring may occur. 2. Note under Lessons Learned where known high concentrations of hydrogen sulfide and methane gases exist, prior study and geotechnical investigation be completed and included in the bid documents.</p>	<p>1. Metro has the following comments: a. Plan to record this. Modifications to the testing program in field to be made as appropriate b. This is likely a unique area. A Full report on the program and recommendations is included in the work. Pending the outcome, Technical Specifications would be developed for the Project c. Agree, also see b above d. We note that investigation is in progress now to study gas migrations. Pending outcome, future bid process would include results, including incorporation in Geotechnical Investigation and Technical Requirements 2. Agree. In this instance the area was studied and fully identified/described in the bid documents. Also see 'b' above.</p>	<p>12/31/2019</p>

ATTACHMENT B (April 2019)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>April 2019 / #5 C1045 MOD-00074 Purple Line Sect. 1 - Additional Instrumentation (Project Wide) as requested by LABOE and STS EOR</p>	<p>The OIG recommends that instrumentation bought for this project become property of LA Metro, so that future projects (remainder of the Purple Line Extension 2 and 3) will have instrumentation on hand to immediately install when Support of Excavation for those projects begin.</p>	<p>Metro has made several attempts in the past for Purple Line and Regional to salvage and reuse geotechnical instrumentation. However, passing the instruments between projects offer a number of challenges. These include the following:</p> <ul style="list-style-type: none"> • The Design life of instrumentation equipment is limited given the temporary nature of the work. • Given the diminished value of the used instrumentation equipment it is often abandoned in place. An effort to salvage the equipment may result in increased costs. • The means, methods and performance of shoring, instrumentation and monitoring are left with the Design-builder. Dictating the used instruments would interfere with the selection of means and methods and make Metro responsible for warranting the equipment for the life of the project. • The technology associated with the equipment continues to evolve. Metro may then be obligating the contractor to use obsolete equipment. • Timing and turnover of instrumentation. The contract schedules for Regional, Crenshaw and Purple Line Sections 1, 2 and 3 all overlap. As such, the instrumentation for each project is needed at the same time. • Metro would need to inventory and temporary store the instrumentation equipment. There is a risk that Metro may be storing the equipment permanently or Metro may need to make efforts for their disposal. 	<p>Closed</p>

ATTACHMENT B (Jan. 2019)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>Jan 2019 / #1 C0988 MOD 00335.1 Crenshaw - Cable Transmission System Update - Construction</p>	<p>"The OIG recommends: The schedule negotiations with the contractor be expeditiously concluded so the schedule impacts are minimized."</p>	<p>Not sure what this means. CO's were issued prior to MOD that obligated the contract to commence work - this mitigated schedule impacts. Response could stay as-is I suppose (with edits) as it is relatively benign in nature</p>	<p>Closed</p>
<p>Jan 2019 / #3 C1120 MOD-00026 Purple Line Sect. 2 - Santa Monica Blvd. Bus Layover Design and Construction Changes</p>	<p>The OIG recommends: That Operations and LADOT be provided the scope of work after requests are submitted or "no comments" are received to confirm their requests have been added into the scope prior to the release of the RFP.</p>	<p>Because the OIG's recommendation is for actions to be taken prior to the release of RFPs, it has been passed on to Metro Engineering for consideration in revising Policy DSGN01 DB for future projects.</p>	<p>Metro Engineering (Androush Danielians/ Edwardo Cervantes) have been notified. They provided the below comment: A process will be set in place that will be included in future Specs and contract language for the PE Consultant. The process will require the consultant to submit plans to all applicable agencies (including Metro). Upon receiving comments, the Consultant shall address each comment as to the disposition in a matrix/spreadsheet. The spreadsheet / matrix will then be submitted to each of the commenting agencies. That agency will then be requested to accept the project disposition (via an initial). If the agency is not in acceptance of the disposition, the Consultant via the Project shall work with each agency until that comment disposition is accepted. The final signed off matrix shall then be included in the RFP for the DB (contractor) to complete the path forward based on the agreed upon disposition.</p>

ATTACHMENT B (Oct. 2018)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
Oct 2018 / #1 C0988-MOD-00347.2 Crenshaw - UG1 Center Walkway Lighted Handrail	The OIG recommends: Management should note the steps and procedures in Lessons Learned and follow up during management group discussions, on ways to expedite and coordinate future situations involving evaluation of numerous options to quickly reach a best alternative.	Agree noted - this was a unique and complex issue needing evaluation and testing of different option prior to selection and moving forward. Process used now accounts for this.	Closed - Will incorporate the suggested comment into lessons learned to be used in future projects.
Oct 2018 / #2 C1045 MOD-00060 Purple Line Sect. 1 - Accommodate COBH Memorandum of Agreement	The OIG recommends: To start future MOA processes with cities during the planning stages of the Environmental Assessment and identify the concerns/matters relating to the MOA in the Risk Registry.	Agree	Per the PM's comments Planning needs to close this item. Planning (Manjeet Ranu) was informed on 04/05/19 and is supposed to provide comments by the end of April 2019.
Oct 2018 / #3 C1045 MOD-00061 Purple Line Sect. 1 - Addl. SOE design work for LaBrea Station due to deviation request for bldg settlement	The OIG recommends: This matter concerning dewatering and SOE be added to the Lessons Learned files and the separation of dewatering and SOE be updated in the Metro Design Criteria as a special case.	Agree	Closed - Per the PM's comments Project responded to the concern, but Gateway Engineering needs to close this issue. Engineering (Androush Danielians) has been notified and responded that the related MRDC has been previously revised.
Oct 2018 / #4 C1045 MOD-00058 Purple Line Sect. 1 - LaBrea Additional Instrumentation	The Independent Cost Estimate was not an accurate representation of work stated in the agreed upon scope of work. The OIG recommends: The project manager or knowledgeable person from the project team, establishes a coordination meeting both in the field and office for the estimator to see and hear each detail of new scope of work. Hearing and visualization of the scope changes will assist the estimator in preparing a more accurate Independent Cost Estimate.	Agree, The Estimator will continue to be invited to the Fact Finding with the Contractor as identified in CF-14"	Closed - Staff is being invited as stated in the response.
Oct 2018 / #5 C1120-MOD-00015 Purple Line Sect. 2 - Century City Constellation Station Main Entrance Final Design	The OIG understands the real estate transaction between the developer and Metro is not a signed agreement as of the time of this report. The OIG recommends: Metro management and Metro real estate staff work expeditiously with the developer to finalize cost estimates and complete the real estate transaction to minimize the likelihood of additional costs associated with further modifications to the design of the station entrance.	Agree	Closed - Ongoing Process.

ATTACHMENT B (July 2018)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
July 2018 / #1 C0988-MOD-00173.4 Crenshaw - Fire rated conduit and cable for tunnel emergency lighting	The OIG recommendation is to: 1) update the Metro Specifications to list the change in the standards and to include the list of approved alternatives from Metro Fire Life and Safety group 2) continue to follow appropriate process to resolve the Change Order dispute.	1- Agree as appropriate 2- Agree	1- Closed - was updated in next project, Regional Connector. 2- Closed
July 2018 / #2 C0988-CO-00209.1 Crenshaw - Preliminary 45 day acceleration	The OIG recommends Metro continue to explore with the contractor opportunities to accomplish schedule recovery.	Agree	Closed
July 2018 / #3 C0988-MOD-00354 Crenshaw - COLA request to replace concrete street light & signal poles w/steel poles- MLK area	This modification might be considered a 'Betterment' and recommend that consideration of a similar value be negotiated with the City to offset this cost in connection with this project.	Agree - Under consideration	Closed
July 2018 / #5 C0980-MOD-00119 Regional Connector - Addl Special conditions CAL/OSHA Tunnel classification	OIG recommends that during coordination meetings, between project management of Regional Connector and of Westside Purple Line Extensions 1, 2 & 3, communicate Lessons Learned concerning gas emissions monitoring when tunneling in this region to ensure timely notification and coordination with Cal/OSHA once a notifiable event occurs.	Agree - Regional Connector will share lesson learned with respect to gas detection and OSHA notification protocol with Purple Line Projects 1,2 & 3.	Closed - Discussed with Project Managers in the meeting held on Nov 13, 2018.

ATTACHMENT B (July 2018)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>July 2018 / #6 C1120-MOD-00011 Purple Line sect. 2 - Temp K-rail Noise Barrier</p>	<p>1) The OIG recommends for work activities along an open city street (center of roadway) to add the option into future Scopes of Work to consider use of plywood barrier panels set into K-Rail when noise and working hours are extraordinary factors versus chain link fence with screens and sound blankets.</p> <p>2) Plywood panels set into K-Rail enable longer working hours as compared to the standard traffic cones. This form of traffic control can also be set up and left in place during long work periods. The OIG recommends writing into Metro's Standard Specifications, for long duration activities, the option of utilizing plywood barriers set into K-Rail for traffic control plans to maximize the work hours and assist in traffic control.</p> <p>3) The OIG further recommends that, this form of barrier be recorded in Lessons Learned and considered for the Westside Purple Line Extension Section 3. Program Management may consider it in meetings between Section 2 and Section 3 to share Lessons Learned.</p>	<p>(1) The use of traffic control measures is governed by the municipality in which work is occurring. Both K-rail with plywood and chain link fence with screening are already contractually allowed, and considered appropriate installations in the proper application. Future projects will consider the use of each barrier system on a case by case basis, considering actual traffic impacts and the proximity to commercial and residential properties.</p> <p>(2) Work hours in streets are governed by the municipality in which the work is occurring (and often time by the City Councilmember representing the district where the work is being performed). For future applications with long duration activities, and when approved by the municipality having jurisdiction, K-rail with plywood will be considered to maximize work hours.</p> <p>(3) Lessons learned from AUR work on the WPLE2 project will be documented for consideration by future projects. The WPLE3 project considered the use of k-rail barriers for AUR work, but because of the significant traffic during daytime hours, AUR work has been limited to nighttime hours by LADOT (municipal agency having jurisdiction), with a requirement to fully restore travel lanes during daytime hours. A k-rail barrier system cannot be feasibly moved on the street at the start of a shift and removed at the end. Therefore, it was not practical to utilize k-rail barriers.</p>	<p>Lessons learned from AUR work on the WPLE2 project will be documented for consideration by future projects by the end of FY19 .</p>

ATTACHMENT B (July 2018)

OIG REPORT/ SPOT CHECK # MOD #	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>July 2018 / #7 C1120-MOD-00012 Purple Line Sect. 2 - Oil Abatement at launch box CCC Station</p>	<p>This is a potential CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act, also known as Superfund. Passed in 1980) remediation that Metro should evaluate and pursue if appropriate to recover funds from the previous property owners. Metro may be entitled to proceed against the previous line of owners and recover damages for the clean-up of the abandoned oil pipelines that are asbestos lined causing the pollution. The OIG recommends that Metro's Engineering Program Management provide information on this matter to allow Metro's Legal department to assist in making this determination.</p>	<p>The Project is actively coordinating with Kathleen Dougherty from County counsel to determine if Superfund legislation provisions can be used to pursue cost reimbursement for the extra work.</p>	<p>The Project is actively coordinating with Kathleen Dougherty from County counsel to determine if Superfund legislation provisions can be used to pursue cost reimbursement for the extra work.</p>

ATTACHMENT B (May 2018)

OIG REPORT/ SPOT CHECK # MOD # Description	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p align="center">May 2018 / #1 C0988-MOD-00345 Crenshaw - Oil Water Separator at UG Stations</p>	<p>The Metro rail design criteria (MRDC) was updated on October 31, 2017, to reflect the addition of the elevator, escalator pit drain and underground station track drains to be processed through a clarifier to remove oil, grease, and sand. Metro management should:</p> <ol style="list-style-type: none"> 1. Update the "Lessons Learned" files regarding the OWS change to the MRDC and communicate the lesson to other Project Managers working major transit construction projects (This is consistent with recommendation 51 and 89p in the OIG's Construction Management Best Practices Study.). 2. Investigate this change to determine: <ol style="list-style-type: none"> a) If the scope of work of other major transit construction projects require this design update for the OWS. b) If the Regional Connector and the Westside Purple Line Extension sections 1, 2, and 3 should be amended for the same OWS omission to reduce additional change orders and costs. c) When should have the City been provided this information and reviewed construction plans prior to the cement being poured to avoid redesign costs? 	<p>the primary driver to the change is that the Metro criteria does not stipulate the percentage level of contaminants that should be expected to design the OWS system. Since none was provided then the contractor assumed the minimum and therefore designed a system that did not require OWS. since the percentage of contaminants were of the level to need and OWS then this triggered there was a need for a redesign...etc.</p>	<p>Closed - Will incorporate the suggested comments into lessons learned to be used in future projects.</p>
<p align="center">May 2018 / #3 C1078-MOD-00011 Purple Sect 1 - Schdl Impacts from Arcadis Work/change to accommodate const schdl extension from site impacts</p>	<p>All Environmental Site Assessments were performed prior to excavation. No record of underground tanks or buried reinforced concrete slabs were found by the Department of Conservation and Division of Oil, Gas, and Geothermal Resources (DOGGR). However, based on lessons learned from this site, Metro management should:</p> <ol style="list-style-type: none"> 1. Conduct Ultrasonic Soil Examinations at future questionable sites to attempt to avoid unidentified hazards. This is consistent with recommendations (88b, 88c, and 88d) in the OIG's report on Capital Project Construction Management Best Practices Study (February 29, 2016). 2. Perform research to determine who could have installed the tanks and buried reinforced concrete slabs, and provide this information to the LA Metro Legal department for consideration of possible legal action to recover the cost of remediation under the Comprehensive Environmental Response, Compensations and Liability Act of 1980 (CERCLA). 3. Perform an assessment of the schedule to determine if any recovery of time is possible. 	<p>Agree, but please note that as with all major capital construction projects, every effort is made to exercise due diligence and to ensure consistent and comprehensive investigations in identifying underground issues by use of Phase I ESAs, Phase II ESA (if recommended) under the guidance and direction of Metro's Environmental Staff and the use of Ground Penetrating Radar (GPR) in order to attempt to identify these conditions prior to bid. An exhaustive investigation is not cost or schedule prohibitive, however further effort on identifying the existing Oil and Gas Wells through DOGGR may be warranted. Also, to note: COLA does not have design drawings of all underground tanks. There are no as built drawings for the various Tar Collection Sumps located on the Westside of LA.</p>	<p>Closed - Lessons learned are to apply more resources to upfront identification of potential unforeseen underground issues such as DOGGR wells, USTS identified in the initial Phase I ad II, GBR and EDR Reports.</p>

ATTACHMENT B (May 2018)

OIG REPORT/ SPOT CHECK # MOD # Description	RECOMMENDATIONS	MANAGEMENT'S RESPONSES	COMPLETION DATE
<p>May 2018 / #4 C1120-MOD-00002 Purple Sect 2 - Worksite Traffic Control for AUR</p>	<p>Metro management should:</p> <ol style="list-style-type: none"> 1. Establish a single party to serve as a “clearinghouse” for all utilities relocations during construction. The “clearinghouse” could be assumed by the Metro group, Third Party Administration. (This is consistent with recommendations 80, 88, 89, 89j, 89n, and 89v in the OIG’s report on Capital Project Construction Management Best Practices Study.) 2. Utilize the “clearinghouse” process to improve the Advance Utility Relocations. (Consistent with recommendations 79, 83, 87, 89b, 89c, 89d, 89g, 89h, 89s, and 89t in the Best Practices Study.) 3. Create “Lessons Learned” for the establishment of a single clearinghouse in the initial scope of work for the Design Build Contractor to avoid future costly change orders. (This is consistent with recommendation 89p in the Best Practices Study.) 	<p>Point of clarification: 'Worksite Traffic Control for AUR' was CO No. 2, not MOD-002. The unilateral change order was later negotiated and issued as MOD 10 .</p> <p>Response: consistent with OIG's " Capital Project Construction Management Best Practices Study", the WPLE Project established and utilized a single point of contact for advanced utility relocations outside of the scope of the DB contracts. This group is lead by Metro Third Party coordinators, engineering resources, and construction management consultants.</p> <p>Program Management agrees with the recommendations in the Best Practices Study, however this MOD was specific to a project decision on how to handle the implementation of traffic control for two third party utilities that the Project needed to work simultaneously to mitigate a delay caused by the Beverly Hills City Council delaying the start of construction.</p> <p>This Modification to the C-1120 contract is not extra work to the Project. This work was budgeted and originally expected to be performed by the individual AUR companies and reimbursed by the Project. The Project moved this work into the C1120 contract, by Modification, in order to expedite the AUR construction work which was successful. This work was necessary regardless of which entity performed it. Compensating the DB for this work eliminated compensation to the AUR companies for this work, and allowed SCE and the Gas Company to work simultaneously.</p>	<p>Closed</p> <p>Creation of Clearinghouse was already completed for WPLE2. Future projects will address this matter during Preliminary Engineering.</p> <p>Lessons learned from AUR work on the WPLE2 project will be documented for consideration by future projects by the end of FY19 .</p>

Office Of Inspector General Construction Change Order Spot Check Report

Presented By

Karen Gorman
Inspector General

April 2023

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Checks 1 & 2

1 - Regional Connector - 10-Inch Sanitary Sewer Relocation at 1st Street and Alameda St. and Upsize Existing 8-Inch Sewer to 12-Inch Along 1st Street

Recommendation:

Award: **\$3,572,417**

The OIG recommends to Work with the City where construction is going to occur at the earliest possible time to determine their requirements so that those requirements can be negotiated, included in the bidding documents when released with correct information and requirements, and if the requirement change is caused by Metro's increased utilization of the utility or if it amounts to a betterment for which a sharing/contribution should be made.

2 - Purple Line Extension Sect. 1 - Fully Guarded Double Crossovers

Recommendation:

Award: **\$1,326,004**

The OIG recommends consulting with Operations on the desired headway speeds at the design phase so that these requirements can be added at the earliest possible times. This may be added to the Construction Departments Lessons Learned data base to have fully guarded double crossover rail to keep the minimum headway and protect rail cars to avoid possible derailment in the future in the initial design and specifications and avoid future change orders.

April 2023

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Check 3 & 4

3 - Purple Line Extension Sect. 2 - Project and Construction Site Delay Impacts

No Recommendation

Award: **\$5,410,856**

4 - Purple Line Extension Sect. 3 - UCLA Station additional LADWP temporary power conduits

Recommendations:

Award: **\$2,587,000**

1. For the Project to submit to the Lessons Learned data base, run by the Quality Assurance group, the events regarding coordination with LADWP (or another third-party utility) which required the increase in size of conduits and forced relocation of the ductbanks. By submitting information of these changes to the Lessons Learned data base, future projects will be warned that there might be an update to the electrical requirements applicable to their project.
2. The Metro Rail Design Criteria (MRDC) should get periodic updates to include new standards by agencies that review and approve Metro construction so that when future RFPs are issued they comply with those mandatory standards. This will not foreclose Metro seeking a waiver or amendment in the future from that entity on an individual project that might reduce the cost and that will not require a costly change order. Additionally, the MRDC should be updated to encourage early coordination with the third-party utilities to obtain their written agreement to the specifications for a project prior to the RFP issuance.

April 2023

Construction Committee

Los Angeles County Metropolitan Transportation Authority



Spot Check Schedule Comparison

File #
2023-0111

Schedule Comparison: New Delegated Authority process vs. former Board Approval

PROJECT	Title of Change Order	Time Saved Executed date to Board Mtg.	NEW Delegated Process final SOW to Executed date	Former Board Approval Process
REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT	10-Inch Sewer Relocation at 1st Street and Alameda St. and Upsize Existing 8-Inch Sewer to 12-Inch Along 1st Street - Construction	18	13	31
WESTSIDE PURPLE LINE EXT. SECT 1	Fully Guarded Double Crossovers	34	11	45
WESTSIDE PURPLE LINE EXT. SECT 2	Project and Construction Site Delay Impacts	N/A	N/A	N/A
WESTSIDE PURPLE LINE EXT. SECT 3	UCLA Station - Additional LADWP Temporary Power Conduits	7	51	58

April 2023

Construction Committee

Los Angeles County Metropolitan Transportation Authority





Board Report

File #: 2023-0100, File Type: Budget

Agenda Number: 29.

CONSTRUCTION COMMITTEE APRIL 20, 2023

SUBJECT: METRO CENTER PROJECT

ACTION: APPROVE LIFE-OF-PROJECT BUDGET INCREASE

RECOMMENDATION

AMEND the Life of Project (LOP) budget by \$13,000,000 for the Metro Center Project from \$130,688,310 to \$143,688,310.

ISSUE

The Metro Center Project (MCP) Life of Project (LOP) budget requires an increase of \$13,000,000 for additional costs related to design and construction support services and Metro labor costs, unforeseen site conditions, and other professional service contracts to provide management and oversight of the Project through project completion.

BACKGROUND

The Metro Center Project (MCP) comprises the co-location of the Emergency Operations Center (EOC) and a new Security Operations Center (SOC) to enhance Metro's security, disaster, and counter-terrorism response capabilities. Metro's current Emergency Operations Center is operating at capacity and needs to be expanded to accommodate Metro's new rail lines. Metro does not currently have a SOC. Presently, law enforcement coordination goes through the Rail Operation Center (ROC) and Bus Operation Center (BOC), with the Metro Transit Security operations center serving as a dispatch center for responses. As Metro continues to expand its service, the existing system could have a delayed response in coordinating with law enforcement agencies to address threats or hazards on the system.

The new SOC is needed to provide 24/7 security surveillance and situational awareness of Metro's transit system by security professionals with specialized training to improve overall rider safety on Metro's rail and bus lines. The new EOC will enhance coordination and communication with regional partners to prevent, minimize, or respond to, and recover from any major incident, serious hazard, or terrorist attack.

In October 2020, the Metro Board awarded a design/build contract to S.J. Amoroso (SJA)

Construction Co. LLC in the amount of \$81,487,000, which included an option to design and construct the 1st floor to accommodate a future 2nd floor expansion. The Board also approved a LOP budget in the amount of \$130,688,310, inclusive of the design/build contract, public art, design support, and construction support services, third party and street vacation costs, Metro staff costs, and a 13% project contingency. Due to uncertainty of the financial impacts caused by unforeseen conditions, the Board-approved LOP Budget included a minimum contingency of 13% in lieu of a 30% contingency for a typical design-build contract.

DISCUSSION

The LOP budget approved in October 2020 was based on forecasted substantial completion by December 2022 and overall EOC and SOC move-in date by December 2023. In November 2020, Metro exercised the contract option at the price of \$2.1 million drawn from the Project contingency to design and construct the first floor to accommodate the potential future second floor and issued Notice to Proceed (NTP) to the Design/Build contractor.

The Metro Center Project is located on the former Aliso Street manufactured gas plant, dating to the late 1800s, that was later redeveloped for industrial and commercial activities in the 1970s. Many of the deep foundations and utility lines were not anticipated to be encountered to the extent found on the site. Additionally, the extensive amount of rain, residual impacts from labor and supply chain challenges, and Design-Build contractor design delays have extended the construction schedule by more than 11 months.

The recommended revised LOP budget includes cost impacts associated with many of the underground abandoned concrete foundations and infrastructure from the gas plant industrial facilities that have been encountered to date and future impacts. Some of the foundations and pipes extended to depths 20-feet below the surface that required extensive investigations, hazardous substance removal, and redesign to avoid costly remediation or excavations. The result of these impacts has extended the Project schedule that, which includes costs for the professional services contract for construction and project oversight through the extended construction duration. Also included in the contingency is support for the integrated artwork in the building façade.

Attachment A provides the cost allocation of the \$13.0 million in LOP Budget Increase. Attachment B includes the funding and expenditure plan.

DETERMINATION OF SAFETY IMPACT

The Project will be designed and constructed consistent with Metro's design and construction safety standards. The Metro Center Project (MCP) once completed will enhance Metro's security, disaster, and counter-terrorism response capabilities by the following:

- Creating a central location to gather and process all threats/all hazards information and disseminate critical information to Metro staff, ROC, BOC, and security/law enforcement response teams.
- Creating a central location to coordinate with (88) partner cities, federal government, local/state/federal/private emergency service, and private sector stakeholders.

- Establishing a direct line of communication with contract and non-contract law enforcement dispatch centers.
- Reducing response and incident management timeframes for greater effectiveness and early transition back to normal operations.
- Allows for the collocated coordination of regional events/emergencies (National SEAR level events, 7.0 earthquakes, wildfires, floods, etc.).
- Establishes a central hub for Metro employees to contact in the event of a security incident or emergency.

FINANCIAL IMPACT

If the Board approves the action, the LOP budget will be increased by \$13.0 million from \$130.7 million to \$143.7 million. The projected expenditure in FY 2023 is \$26.7 million, which can be accommodated in the FY 2023 budget. Funds required through FY 2024 is addressed through FY24 annual budget development.

Since this is a multi-year project, the Project Manager, Cost Center manager from SSLE, and Chief Safety Officer will be responsible for budgeting the costs in future fiscal years.

Impact to Budget

The source of funds for the LOP increase by \$13.0 million to Project Number 212121 - Metro Center Project is Proposition C 40%, which is eligible for Metro bus and rail operations. Other operating-eligible and available funding sources may be considered. The funding plan for the proposed LOP budget is included as Attachment B.

EQUITY PLATFORM

The Metro Center Project is an essential facility that will support the entire Metro Bus and Rail systems serving communities in 88 cities across Los Angeles County. Since project inception, Metro has engaged the surrounding communities and incorporated their input where feasible into the project, e.g., Metro Art programs during construction, including temporary construction banners reflecting the local community and architecturally integrated public artwork on the building façade, both selected by a community-based panel. Metro has closely coordinated with the adjacent communities to avoid, reduce and mitigate impacts resulting from construction activities. Metro Construction Relations, Art and Project teams has provided in-person updates to the Los Angeles River Artists and Business Association Land Use Committee since 2020, as well as updates to the public through bi-monthly virtual meetings.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. The Project will enhance Metro's ability to plan and respond to special events. The Project also supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the LA Metro organization. The Project is being designed and constructed in close

coordination with the community and third-party stakeholders as well as internal stakeholders within Metro to streamline Metro's systems and processes for efficient operations.

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with amending the LOP budget. This is not recommended as the construction of the MCP cannot be completed within the current LOP budget. In addition, a new EOC and SOC are needed to enhance Metro's security, disaster, and counter-terrorism response capabilities. Metro has already expended more than \$97 million for land acquisition, demolition work, final design, and construction work since 2011.

NEXT STEPS

Upon approval by the Board, the LOP budget will be amended accordingly per the recommendation and staff will be able to complete the construction of the MCP.

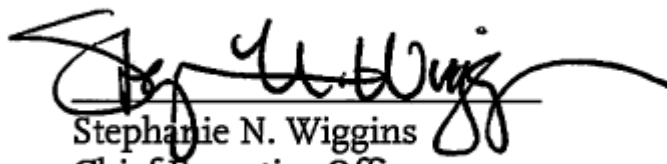
ATTACHMENTS

Attachment A - Projected Breakdown of Cost Allocation Funding/Expenditure Plan

Attachment B - Funding and Expenditure Plan

Prepared by: Vincent Chio, Sr. Director, Project Management, (213) 418-3178
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Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

Metro Center Project

Projected Breakdown of Cost Allocation

Amount	Description
\$2,100,000	<u>Construction</u> Design-Build Contract No. C52151C1169-2
\$50,000	<u>Public Art</u> Metro artist's support for the enhanced artwork integrated with the building façade
\$1,400,000	<u>Professional Services</u> <ul style="list-style-type: none">- Construction Management Support Services: Oversight of specific areas of construction disciplines such as field inspectors, resident engineers, quality management and other construction support.- Project Management Support Services: Project controls, estimating and scheduling, document control.
\$1,300,000	<u>Third Parties/Metro Agency Costs</u> <ul style="list-style-type: none">- Metro staff: Project oversight- City of Los Angeles: Design reviews and approvals
\$8,150,000	<u>Unallocated Project Contingency</u> Amount not yet allocated to a specific line item but is required for anticipated unknown cost increases.
\$13,000,000	Total LOP Increase

ATTACHMENT B - METRO CENTER PROJECT LOP FUNDING AND EXPENDITURE PLAN

Item No.	Description	\$130.7 M LOP Budget (Oct 2020)	Expenditure			\$143.7 M Revised LOP Budget (Apr 2023)
			Actuals thru Jan 2023	Forecast thru End of FY23	Forecast FY24	
1	EXPENDITURE PRIOR TO OCT 2020 LOP BUDGET					
2	Land Acquisition & Street Vacation	\$ 7.4	\$ 7.6			\$ 7.6
3	Preliminary Engineering Design & Engineering Support Services	\$ 7.5	\$ 8.4			\$ 8.4
4	Early demolition and environmental abatement	\$ 7.0	\$ 7.0			\$ 7.0
5	Third Party & Agency Costs	\$ 4.3	\$ 3.3			\$ 3.3
6	Subtotal	\$ 26.2	\$ 26.3			\$ 26.3
7	DESIGN BUILD PROJECT COSTS					
8	Contractor's Design Build Cost	\$ 81.5	\$ 56.4	\$ 15.2	\$ 14.4	\$ 86.0
9	Public Art	\$ 0.3		\$ 0.3	\$ 0.1	\$ 0.4
10	Design Support & Construction Support Consulting Services	\$ 7.6	\$ 10.1	\$ 0.5	\$ 3.8	\$ 14.4
11	Third Party/Street Vacation & Agency Staff Costs	\$ 2.7	\$ 4.7	\$ 1.0	\$ 2.5	\$ 8.2
12	Contingency	\$ 12.0			\$ 8.2	\$ 8.2
13	Design Build Proposal Stipend	\$ 0.2	\$ 0.2			\$ 0.2
14	Prop 1B CTSG fees	\$ 0.2				\$ -
15	Subtotal	\$ 104.5	\$ 71.4	\$ 17.0	\$ 29.0	\$ 117.4
16	TOTAL PROJECT COSTS	\$ 130.7	\$ 97.7	\$ 17.0	\$ 29.0	\$ 143.7
17						
18	GRANT FUNDING					
19	Prop 1B: California Transit Security Grant Program Funds	\$ 113.5	\$ 81.2			\$ 81.2
20	Federal Emergency Management Agency (FEMA) Transit Security Grant Program	\$ 7.3			\$ 7.3	\$ 7.3
21	Subtotal	\$ 120.8	\$ 81.2		\$ 7.3	\$ 88.5
22	LOCAL FUNDS (TDA ART 4, PROP C 5% & PROP C 40%)	\$ 9.9	\$ 16.5	\$ 17.0	\$ 21.7	\$ 55.2
23	Subtotal	\$ 9.9	\$ 16.5	\$ 17.0	\$ 21.7	\$ 55.2
24	TOTAL FUNDING	\$ 130.7	\$ 97.7	\$ 17.0	\$ 29.0	\$ 143.7



Board Report

File #: 2023-0177, File Type: Oral Report / Presentation

Agenda Number: 30.

CONSTRUCTION COMMITTEE
APRIL 20, 2023

SUBJECT: PROGRAM MANAGEMENT MAJOR PROJECT STATUS

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Program Management Major Project Status Report.

ISSUE

Program Management’s major capital status report provides significant highlights regarding several major capital projects that are nearing or under construction.

BACKGROUND

Metro’s mission is to provide a world-class transportation system that enhances the quality of life for all who live, work, and play within LA County. Program Management oversees the construction of major capital projects. The attached project status report provides significant information about the progress of 11 major capital projects (Regional Connector, Westside Purple Line Sections 1, 2, and 3, Division 20 Portal Widening Turnback, East San Fernando Valley Transit Corridor, Airport Metro Connector, G Line BRT Improvements, Gold Line Foothill Ext. Phase 2B, I-5 North County Enhancements, and I-105 Express Lanes).

DISCUSSION

The project status report highlights the 11 aforementioned major projects concerning cost and schedule performance, small business project participation status, safety, risk, and equity. The report highlights construction activities from January to March 2023. The safety data is based on the latest available information, consistent with reporting timelines.

EQUITY PLATFORM

Regional Connector	Equity - 100% (3 of 3 stations) within or adjacent to Equity Focus Communities.
Westside Purple Line Ext 1	Equity - this project is not within or adjacent to Equity Focus Communities.

Gold Line Foothill Ext. Phase 2B	Equity - 100% within or adjacent to Equity Focus Communities.
Westside Purple Line Ext 2	Equity - this project is not within or adjacent to Equity Focus Communities.
Division 20 Portal Widening Turnback	Equity - 100% within or adjacent to Equity Focus Communities.
Westside Purple Line Ext 3	Equity - 50% (1 of 2 stations) within or adjacent to Equity Focus Communities.
Airport Metro Connector	Equity - 100% within or adjacent to Equity Focus Communities.
I-5 North County Enhancements	Equity - this project is not within or adjacent to Equity Focus Communities.
I-105 Express Lanes	Equity - 70% within or adjacent to Equity Focus Communities.
G Line BRT Improvements	Equity - 65% (11 of 17 stations) within or adjacent to Equity Focus Communities.
East San Fernando Valley Transit Corridor	Equity - 100% within or adjacent to Equity Focus Communities.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Strategic plan goal # 1, Metro will expand transportation options, improve the quality of its transit network and assets, and take steps to manage demands on the entire network.

SAFETY

The safety national average rate is 2.4. Below are project’s recordable injury rate as compared to the national average.

	Project Hours	Recordable Injury Rate	Comments
Regional Connector	7,750,064	0.70	Below National Average
Westside Purple Line Ext 1	8,050,082	1.02	Below National Average
Gold Line Foothill Ext. Phase 2B	1,076,685	0.37	Below National Average
Westside Purple Line Ext 2	3,153,252	2.98	Above National Average
Division 20 Portal Widening Turnback	662,502	0.60	Below National Average

Westside Purple Line Ext 3 (C1151)	1,310,241	2.90	Above National Average
Westside Purple Line Ext 3 (C1152)	1,124,006	0	Below National Average
Airport Metro Connector	280,039	2.14	Below National Average
I-5 North County Enhancements	226,353	1.76	Below National Average
I-105 Express Lanes	0	0	Not in construction
G Line BRT Improvements	0	0	Not in construction
East San Fernando Valley Transit Corridor	0	0	Not in construction

The safety data is based on the latest available information, consistent with reporting timelines.

NEXT STEPS

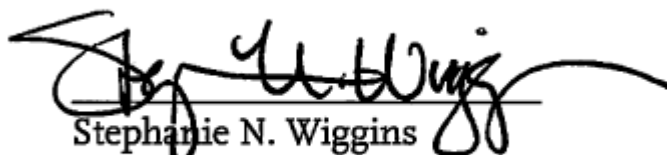
Staff will continue to work toward the completion of major capital projects. The next quarterly Program Management major project status report and updates will be in July 2023.

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Stephanie N. Wiggins
Chief Executive Officer

Program Management

Quarterly Major Project Status Report

Sameh Ghaly

Chief Program Management Officer (Interim)

Construction Committee

April 2023

Project Budget & Schedule Status Summary Chart

Project	Cost Performance		Schedule Performance		Comments
	Variance Approved LOP	Variance Revised Budget	Variance Original	Variance Revised Schedule	
1. Regional Connector					Project is 99.2% complete. Final integrated testing is near completion. Likewise, station finishes, Art Program installations, and street roadway restorations are quickly winding down. The Project Team is partnered with Operations, Safety and Security, and Communications Departments to ready the Project for revenue service. Equity – 100% of the project is within or adjacent to Equity Focus Communities.
2. Westside Purple Line Extension-Section 1					Project is 84% complete. The current forecast Revenue Service Date is Fall 2024. The Project schedule is currently trending behind the target date, which is currently under review. Efforts to minimize schedule risk continue. Equity - This Project is not located within or adjacent to Equity Focus Communities.
3. Gold Line Foothill Extension Phase 2B					Project is approximately 67.5% complete. Construction continues full closure at Garey Ave (Pomona) or utility relocation and construction of grade crossing, station work at Glendora, San Dimas, La Verne and Pomona, OCS and alignment track installment. Equity - 100% of the project is within or adjacent to Equity Focus Communities.
4. Westside Purple Line Extension-Section 2					The Project is approximately 58% complete. Project schedule is currently trending behind the target date, which is currently under review. Project will be seeking a \$105M LOP budget increase in accordance with the APE submitted to the Board in March 2023. Equity - This project is not located within or adjacent to Equity Focus Communities.
5. Division 20 Portal Widening Turnback					Project is 48% complete. Construction continues with the demolition of Bent 13 on the 1 st . Street Bridge, demolition of West Portal Wall, installation of North Storage Yard tracks, South Storage Yard communication duct banks, Emergency Backup Power Supply stem walls. A \$75M increase in Life of Project (LOP) was approved at the February 2022 Regular Board meeting, and a second increase will be presented to the Board in April. Risk Assessment for project budget and schedule currently in development. Equity - 100% of the project is within or adjacent to Equity Focus Communities.
6. Westside Purple Line Extension-Section 3					Project is 46% complete. The Project schedule is currently trending behind with a revised forecast Revenue Service Date of Fall 2027 (previously Spring 2027). As for budget, the Project will be seeking +\$50M LOP increase for Concurrent Non-Full Funding Grant Agreement (Non-FFGA) activities. Equity - 50% of the project is within or adjacent to Equity Focus Communities.
7. Airport Metro Connector					The Project is approximately 55% complete. Steel structure installation is complete within the Rail Station area with the steel at the Metro Hub and Bike Hub area in progress and approximately 25% complete. Concrete for the rail platform is in progress with the installation of utilities in the platform area nearing completion. The installation of underground utilities throughout the site is also ongoing. Equity – (100%) of the project is within or adjacent to Equity Focus Communities.
8. I-5 North County Enhancements					Project is 22% complete. Retaining wall excavation/construction, new Weldon Canyon bridge construction, work on Butte Canyon and Castaic Creek bridges, Aerially Deposited Lead (ADL) removal, roadway excavation and base placement, and drainage/barrier work continues. Equity - This project is not located within or adjacent to Equity Focus Communities.
9. I-105 Express Lanes*					Design is 40% complete overall. Segment 1 design is 95% complete. Segment 3, 35% design has received Caltrans comments. Segment 2, 35% design will be submitted in January 2023. CMGC Phase 1 preconstruction work has initiated. Segment 1, first Opinion of Probable Construction Cost (OPCC) will be based on 95% plans. Equity: 70% of the project is within or adjacent to Equity Focus Communities.
10. G Line BRT Improvements*					Design is 35% complete. Pilot Gate construction and testing are complete. Advanced Utility Relocation (AUR) and property acquisitions are underway. Equity: 65% of the project is within or adjacent to Equity Focus Communities.
11. East San Fernando Valley Transit Corridor*					Design is 30% complete for systems, stations, MSF and utilities and 60% for guideway and civil. Advanced Utility Adjustment (AUA) inaugurals on February 16, 2023. Progressive Design Build (PDB) Contract was awarded in March 2023. Real property acquisitions are underway. Equity – 100% of the project is within or adjacent to Equity Focus Communities.

*Projects without a LOP budget



April 2023 Construction Committee

Los Angeles County Metropolitan Transportation Authority



On target



Possible problem (5-10% variance)



Significant Impact (over 10% variance)



Small Business Project Status Summary Chart (reflective of payments reported through January 2023)

Project	Phase	Goal Type	Contractor Commitment	Current Participation	Status	Variance from Last Reporting +/-	**Adjusted Participation %	% Complete	Comments
1. Regional Connector	Design	DBE	22.63%	24.54%	Exceeding	-.03%		100%	Regional Connector Constructors is exceeding the DBE commitment by 1.91% on Design and 3.18% on Construction.
	Construction	DBE	18.00%	21.18%	Exceeding	+.20%	23.02%	99.2%	
2. Westside Purple Line Extension-Section 1	Design	DBE	20.25%	21.98%	Exceeding	+.25%		93%	Skanska-Traylor-Shea Joint Venture (STS) is exceeding the DBE commitment by 1.73% on Design and has a 0.42% DBE shortfall on Construction. STS has a shortfall mitigation plan on file. STS reported an uptick in DBE participation of 0.98% in Construction for this reporting period.
	Construction	DBE	17.00%	16.58%	Shortfall	+.98%	16.78%	82%	
3. Gold Line/Foothill 2B	Construction	--	--	--	--	--	--	--	Reporting on this contract is handled by the Metro Gold Line Foothill Extension Construction Authority.
4. Westside Purple Line Extension-Section 2	Design	DBE	25.31%	30.07%	Exceeding	+.86%		80%	Tutor Perini/O&G, A Joint Venture (TPOG) is exceeding the DBE commitment on Design by 4.76% and has a 1.63% shortfall on Construction. TPOG has a shortfall mitigation plan on file. TPOG reported an uptick in DBE participation of 0.39% for Construction this reporting period.
	Construction	DBE	17.00%	15.37%	Shortfall	+.39%		60%	
5. Division 20 Portal Widening Turnback	Construction	SBE	19.34%	12.41%	Shortfall	+1.85%	12.65%	65%	Tutor Perini Corporation (TPC) has a 6.93% SBE shortfall and a 0.18% DVBE shortfall. TPC noted delays in the project as the reason for the shortfall. TPC has a shortfall mitigation plan on file. TPC had an uptick in both SBE/DVBE participation of 1.85% and 0.10%, respectively, this reporting period.
		DVBE	3.31%	3.13%	Shortfall	+.10%	3.19%		
6. Westside Purple Line Extension-Section 3 – Tunnels	Design	DBE	11.19%	17.97%	Exceeding	-.18%		95%	Frontier-Kemper/Tutor Perini JV (FKTP) is exceeding the DBE commitment on both Design and Construction.
	Construction	DBE	17.10%	21.70%	Exceeding	+1.11%	21.79%	89%	
6. Westside Purple Line Extension-Section 3 – Stations, Trackwork, Systems and Testing	Design	DBE	19.25%	19.19%	Shortfall	+.45%		82%	Tutor Perini/O&G, A Joint Venture (TPOG) has a 0.06% shortfall on Design and a 13.68% shortfall on Construction. TPOG contends that the Construction shortfall is the result of several scopes of work being performed on the project through substantial completion (3rd quarter 2026). TPOG reported an uptick in DBE participation of 0.45% and 0.37% on both Design and Construction, respectively.
	Construction	DBE	21.00%	7.32%	Shortfall	+.37%		37%	
7. Airport Metro Connector (Station)	Construction	SBE	20.79%	16.60%	Shortfall	-1.22%		36%	Tutor Perini Corporation's (TPC) has a 4.19% SBE shortfall and a 0.27% DVBE shortfall. TPC reported an uptick in DVBE participation of 1.81% this reporting period. An assessment for a shortfall mitigation plan will be performed at 50% completion.
		DVBE	4.96%	4.69%	Shortfall	+1.81%			
8. I-5 North County Enhancements	Construction	DBE	13.01%	7.29%	Shortfall	+1.05%		19%	OHLA USA, Inc.'s current level of DBE participation is 7.29%, representing a shortfall of 5.72%. OHLA had an uptick in DBE participation of 1.05% this reporting period.
9. I-105 Express Lanes*(Phase 1)	CM/GC	DBE	12.40%	1.98%	Shortfall	+1.98%		15%	Flatiron-Myers, A Joint Venture's current level of DBE participation is 1.98%. Flatiron-Meyers had an uptick in DBE participation of 1.98% this reporting period.
10. G Line BRT Improv.* (PDD Phase 1)	PDB	SBE	18.35%	3.54%	Shortfall	+3.54%		11%	Valley Transit Partners' current level of SBE/DVBE participation is 3.54% and 0.00%, respectively. Valley Transit Partners had an uptick in SBE participation of 3.54% this reporting period.
		DVBE	3.73%	0.00%	TBD	N/C			
11. East San Fernando Valley Transit Corridor*	PE/DSDC	SBE	25.29%	19.67%	Shortfall	+0.12		62%	Gannett Fleming, Inc (GFI) has a 5.62% SBE shortfall and is exceeding the DVBE commitment by 0.50%. GFI contends that the SBE shortfall is a result of work starting later than anticipated or put on-hold to accommodate further Metro studies. GFI has a shortfall mitigation plan on file.
		DVBE	5.54%	6.04%	Exceeding	NC			

*Projects without a LOP budget



**Excludes from contract value time delay, claims, settlements, incentives that Contractor contends has no DBE opportunity.

Regional Connector Transit Project

BUDGET	FFGA	Approved LOP*	Previous Period**	Current Forecast**
	\$1,402M	\$1,420M	\$1,755M	\$1,755M
	Variance from Approved LOP:		\$335M (24%)	\$335M (24%) 
	Variance from Revised Budget:			\$0 

*At time of the award of contract – Board Approval April 2014

**Excludes finance costs

SCHEDULE	Revenue Operation			
	Original	Approved Rebaseline**	Previous Period	Current Forecast
	May 2021	Fall 2022	Fall 2022	Spring 2023
	Variance from Original:		+480d (19%)	+662d (25%) 
Variance from Revised Schedule:			+182days*** 	

** Substantial Completion for guideway was achieved in June 2022.

***Computed using the last day of the season.



Regional Connector Transit Project

Safety

Project Hours: 7,750,064; Recordable Injury Rate: 0.70 vs. The National Average: 2.4. Data date is through December 2022.

Updates

- **Overall Project Progress is 99.2% complete.**
- **Little Tokyo/Arts District Station & Surrounding Area:** Final communication systems testing within the station are near complete. Plaza level architectural finishes are wrapping-up with hardscape, landscaping, and station furniture installations as the dominant activities. Fare collection installations are also closing-out.
- **Historic Broadway Station:** Station finishes activities throughout are on high-gear mode. Communication systems testing are also active. Construction of plaza and related canopy features continue. Street restorations on 2nd Street west of Broadway are near complete.
- **Grand Av Arts/Bunker Hill Station:** Art installations dominate underground activities. Completion of the Pedestrian Bridge was achieved in March. Plaza level finishes are near complete. Street restorations continue to progress around the facility.
- **Flower Street and 7th/Metro Center:** 7th/Metro Center radio installations were completed. Only a few pedestrian intersection ramps along Flower Street require final finishes.
- **Systems:** The final push for of systems integrated testing is underway to support Operations' full access to the Project's facilities for rail activation and start-up.

Equity

- 3 of 3 stations (100%) are within or adjacent to Equity Focus Communities.



Little Tokyo/Arts District Station Plaza Level





Art installation at Historic Broadway Station





April 2023 Construction Committee

Westside Purple Line Extension – Section 1

BUDGET				
	FFGA	Approved LOP* **	Previous Period**	Current Forecast**
	\$2,822M	\$2,774M	\$3,129M	\$3,354M
	Variance from Approved LOP:		\$355M (13%)	\$580M (21%) 
	Variance from Revised Budget:			\$0 

*At time of the award of contract – Board Approval July 2014

**Excludes finance costs

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast*
	November 2023	Fall 2024	Fall 2024	Fall 2024
	Variance from Original:		+495d (15%)	+495d (15%) 
	Variance from Revised Schedule:			0d 

*Current Forecast is Contractor's February 2023 Schedule update

* The Project schedule is currently trending behind the target date. Target substantial completion date under review.

Budget and schedule are under review. The results will be reflected in future updates.

Current Forecast reflects \$225 million proposed LOP Budget increase.



Westside Purple Line Extension – Section 1

Safety

Project Hours: 8,050,082; Recordable Injury Rate: 1.02 vs. The National Average: 2.4.

Updates

- **Overall Project Progress is 84% complete.**
- **Western Interface Chamber:** Temporary track between Western tail tracks and PLE1 as well as bridging beam installation is moving forward.
- **Wilshire/La Brea Station:** Entrance structure deck placement started. Track crossover and platform construction continue. Blast relief shaft appendage construction has commenced. Escalator truss placement at the passenger platform-concourse level is complete.
- **Wilshire/Fairfax Station:** Entrance structure construction is ongoing. Platform construction moves forward. Weekend decking removal and street restoration is complete. Architectural and MEP work at the platform and concourse levels moves forward.
- **Wilshire/La Cienega Station:** Above roof electrical ductbank and sanitary sewer installation is underway. Station entrance construction is ongoing. Plenum and masonry work at east and west ends of the Station progresses. Architectural and MEP work continues.
- **Tunneling**
 - **Reach 1:** Electrical and systems installation work is ongoing.
 - **Reach 2:** Track installation in the north tunnel is complete and continues in the south tunnel.
 - **Reach 3 & Tail Track:** Preparing for Reach 3 track layout. Tail track walkways have been completed.

Equity

- This Project is not located within or adjacent to Equity Focus Communities.





Wilshire/Fairfax
Entrance Structure Deck Placement





Reach 3 Tunnel (Fairfax to La Cienega)
Preparation for North Tunnel Track Layout



Gold Line Foothill Extension Phase 2B

BUDGET			
	Approved LOP*	Previous Period	Current Forecast
	\$1,532.8 B	1,532.8 B	\$1,532.8 B
	Variance from Approved LOP:	\$0M (0%)	\$0M (0%) 
	Variance from Revised Budget:		\$0 

* At time of the award of contract – Board Approval (June 2017)

SCHEDULE	Substantial Completion		
	Original	Approved Rebaseline	Current Forecast*
	January 2025	N/A	January 2025
	Variance from Original:	+0d (0%)	-2d (-.10%) 
	Variance from Revised Schedule:		TBD 

* Current Forecast is Contractor's January 2023 Schedule Update.



Gold Line Foothill Extension Phase 2B

Safety

- Project Hours: 1,076,685 Recordable Injury Rate: .37 vs. the National Average: 2.4.

Updates (Metro Gold Line Foothill Extension Authority)

- **Overall Project Progress is 67.5% complete.**
Completed construction of Route 66, 210, and 57 freeway pier protection. Construction continues throughout the alignment on light rail tracks, OCS installation, LRT Train control installation, MSE retaining walls, sound wall fencing, and stations.
- The Contractor Kiewit Parsons Joint Venture (KPJV) completed work at 29 of 37 grade crossings Glendora to Pomona, finished the freight track relocation and completed the structure work on all 4 LRT bridges.
Four new light rail stations are under construction.
CPUC has approved all 49 grade crossings to date.
 - *Grade Crossings approval to Montclair finalized October 2020*
- **Construction Continues as follows:**
 - Glendora, San Dimas, La Verne, and Pomona Stations.
 - Foothill/Grand Ave and Lone Hill LRT Bridges direct track fixations
 - MSE retaining walls throughout the project
 - Light rail shoulder ballast distribution and alignment track
 - LRT train control installation
- The design of the 9-mile, 4 Station extension is progressing.



Equity

- 100% of the project is located within or adjacent to Equity Focus Communities.

Bonita / Cataract – Structure Track Direct fixation





Westside Purple Line Extension – Section 2

BUDGET	FFGA	Approved LOP*	Previous Period**	Current Forecast**
	\$2,499M	\$2,441M	\$2,441M	\$2,546M
	Variance from Approved LOP:		\$0M (0%)	\$105M (4%) 
	Variance from Revised Budget:		\$0M (0%)	\$105M (4%) 

*At time of the award of contract – Board Approval January 2017

**Excludes finance costs. \$105M variance from approved LOP is forecasted in fiscal year 2024.

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast*
	August 2025	N/A	Summer 2025	Fall 2025
	Variance from Original:		+0d (0%)	+114d (3%) 
Variance from Revised Schedule:		+0d (0%)	+114d (3%) 	

*Contract schedule is forecasting a slippage to the contractual milestones.

The project team is identifying opportunities to mitigate and is monitoring potential impacts. Staff will provide periodic updates to the Board.



Westside Purple Line Extension – Section 2

Safety

- Project Hours: 3,153,252; Recordable Injury Rate: 2.98 vs. The National Average: 2.4.

Updates

- **Overall Project Progress is 58% complete.**
- **Century City Constellation Station** (Progress as of March 9, 2023)
 - Station excavation is 85% complete.
 - Storm drain realignment outside the box is 40% complete.
- **Wilshire/Rodeo Station** (Progress as of March 9, 2023)
 - Invert slab and first level walls are 72% complete.
 - Concourse (second) level walls are 15% complete.
 - Installation of roof deck formwork in the Concourse area is complete. Rebar to be placed in March/April 2023.
- **Tunnels** (Progress as of March 9, 2023).
 - TBM tunneling on the project was completed on January 12, 2023.
 - Cross Passage (CP) work started on September 28, 2023. Two of the fourteen CPs have been excavated to date.

Equity

- This Project is not located within or adjacent to Equity Focus Communities.





Century City Constellation Station - Excavation Progress



Wilshire/Rodeo Station - Station Box Roof Deck Form Work





Division 20 Portal Widening Turnback

BUDGET				
		Approved LOP*	Previous Period	Current Forecast
		\$801.7 M	\$876.7 M	\$996.7 M
	Variance from Approved LOP:		\$75M (9%)	\$120M (13.7%)  **
	Variance from Revised Budget:		\$0	\$0 

* At time of the award of contract – Board Approval (February 2020)

** LOP increase request to be presented at April Board meeting and Risk Assessment for project budget and schedule currently in development

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast*
	June 2024	Spring 2025	Summer 2025	Spring 2026
	Variance from Original:		+441d (29%)	+675(43%) 
	Variance from Revised Schedule:			+234 (15%) 

* Current Forecast is Contractor's Schedule Update.



Division 20 Portal Widening Turnback

Safety

Project Hours: Project Hours: 662,502 Recordable Injury Rate: .60 vs. The National Average: 2.4.

Updates

- **Overall Project Progress is 48% complete.**
Portal West demolition, 1st St. Bridge Bent 13 demolition, North Yard storage special tracks and South Yard CS duct banks .
- **C1136 TPC Portal Widening Turnback Contract**
PWT C1136 Contract progress is 49%.
North Yard storage special track install - South Yard communication duct banks Portal demolition commenced - 1st. St. Bridge Bent 13 demolition
Major Change Orders to Date:
Hazardous Material Removal.
1st St Bridge Repairs of Differing Site Conditions.
Completion of early utility Contracts.
3rd Party Interfaces.
Design Revisions (*in progress*).
- **C1184 C3M Traction Power Substation Contract** at 75%
- **Coordination with Adjacent Projects**
Purple Line Extension (PLE1), Regional Connector;
Metro Center Project, HR4000 and A650 Vehicle Delivery.
- **Continued Regular risk assessments to determine budget/schedule**

Equity

- **100% of the project is located within or adjacent to Equity Focus Communities.**

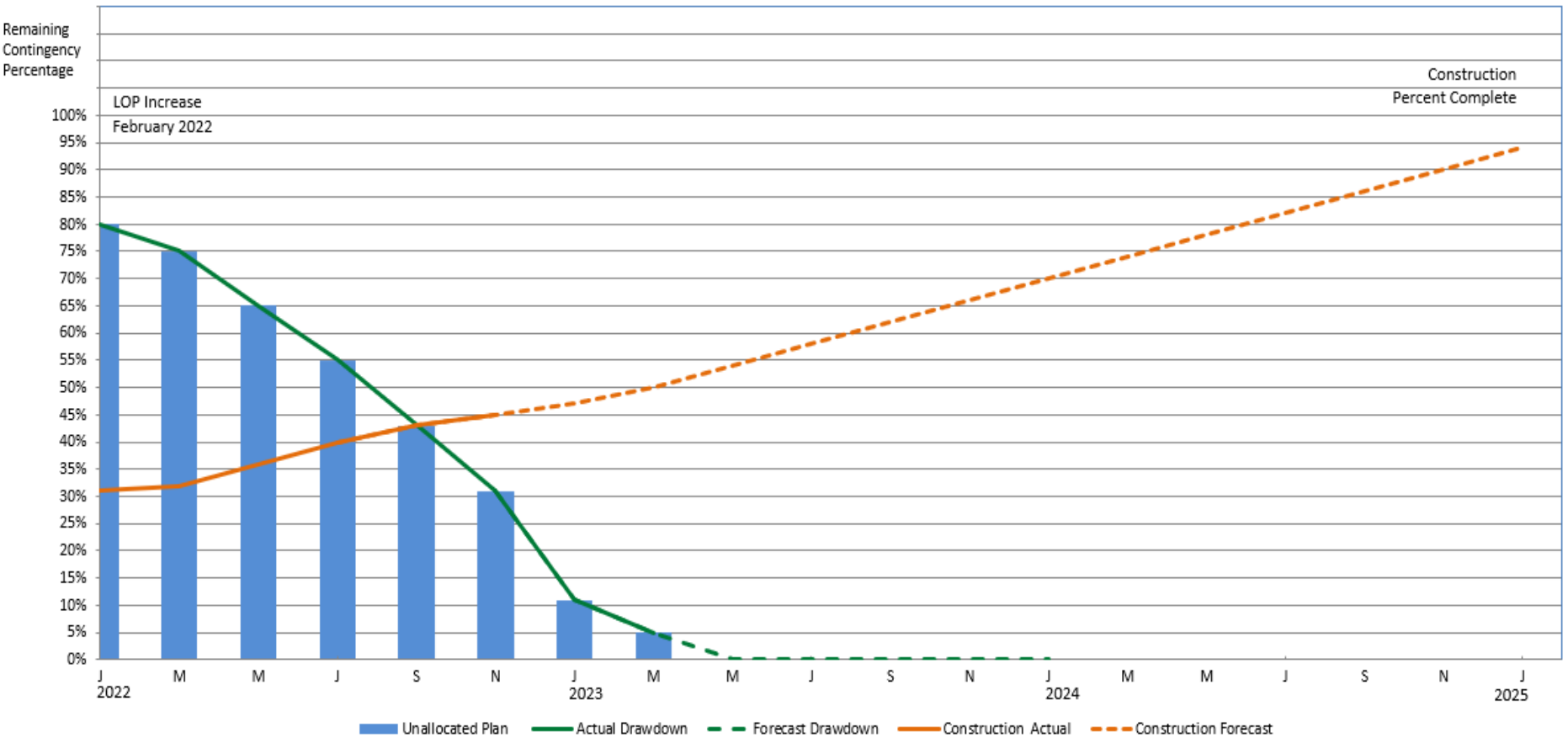


West Portal Wall Demolition





Division 20 Portal Widening Turnback

Unallocated Contingency Drawdown with Construction Percent Complete Comparison





April 2023 Construction Committee

Westside Purple Line Extension – Section 3

BUDGET	FFGA	Approved LOP*	Previous Period**	Current Forecast**
	\$3,599 M	\$3,224 M	\$3,224 M	\$3,274 M
	Variance from Approved LOP:		\$0M (0%)	+\$50M (1.6%) 
	Variance from Revised Budget:			\$0 

* At time of the award of contract – Board Approval February 2019

** Excludes finance costs. Current Forecast +\$50M LOP (Non-FFGA) primarily for VA Parking Structure and addition of hi-rail vehicle storage in the tail track area.

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast*
	March 2027	N/A	Spring 2027	Fall 2027
	Variance from Original:		+0d (0%)	+181d (5.4%) 
Variance from Revised Schedule:			TBD 	

* Contract schedule is forecasting a slippage to the contractual milestones.

The project team is identifying opportunities to mitigate and is monitoring potential impacts. Staff will provide periodic updates to the Board.



Westside Purple Line Extension – Section 3

Safety

Project Hours: 2,434,247; Recordable Injury Rate: 1.56 vs. The National Average: 2.4.

- C1151: Project Hours: 1,310,241; Recordable Injury Rate: 2.90.
- C1152: Project Hours: 1,124,006.; Recordable Injury Rate: 0.0.
- Updates

▪ Overall Project Progress is 46% complete.

▪ Final design progress is 97% complete.

▪ Tunneling

• Both Tunnel Boring Machines (TBMs) continue mining towards Constellation Station east of Century Park West towards the Westfield Mall. Progress as of March 3, 2023, is as follows:

- Iris “BR TBM” (westbound subway tunnel) – Reach 6: 8,729 ft. (91%), overall: 12,707 ft. (94%).
- Aura “BL TBM” (eastbound subway tunnel) – Reach 6: 8,578 ft. (89%), overall: 12,540 ft. (92%).

▪ Westwood/UCLA Station

• Excavation is approximately 16% complete and continues. At the main station entrance and station box, lookouts are being installed in preparation for Level 2 struts.

▪ Westwood/VA Station

- Excavation is approximately 17% complete and continues. Installation of struts continues. At Level 1, 53% of the struts are installed. At Level 2, 23% of the struts are installed.
- The VA steam tunnel relocation work continues; Mechanical, Electrical, and Plumbing fit-out inside the steam tunnel (75% complete).
- Backfilling around the steam tunnel vaults remains at 90%.

Equity

▪ 1 of 2 stations (50%) are within or adjacent to Equity Focus Communities.





Westwood/UCLA Station: Excavation underneath Wilshire Blvd





Westwood/VA Station: Excavating station for Level 2 Bracing



Airport Metro Connector (AMC) Project

BUDGET				
		Approved LOP*	Previous Period	Current Forecast
		\$898.6M	\$898.6M	\$898.6M
	Variance from Approved LOP:		\$0M (0%)	\$0M (0%) 
Variance from Revised Budget:			\$0 	

* Approved April 2021 Board

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast*
	N/A	N/A	Fall 2024	Fall 2024
	Variance from Original:		+0d (0%)	+0d (0%) 
Variance from Revised Schedule:			N/A 	

* Current Forecast is Metro's August 2022 Schedule Update



Airport Metro Connector (AMC) Project

Safety

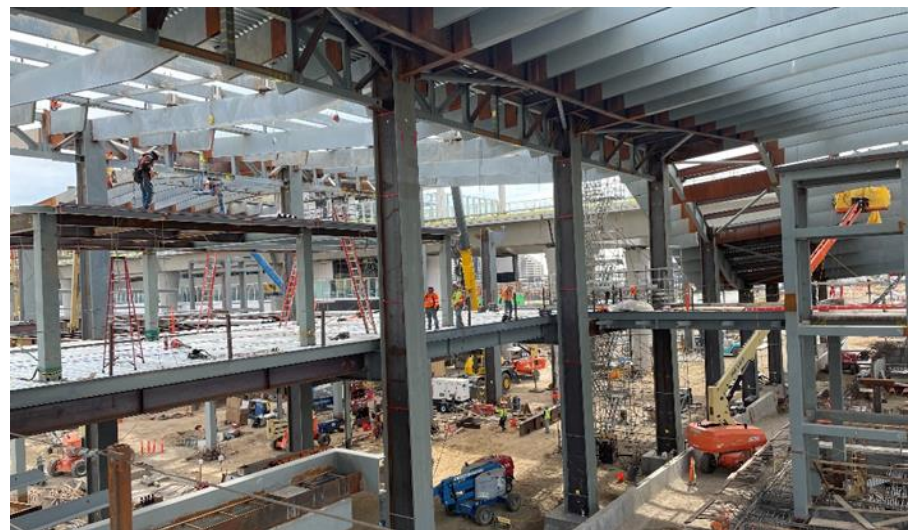
Project Hours: 280,039; Recordable Injury Rate: 2.14 vs. The National Average: 2.4.

Updates



- **Overall project progress is 55% complete.**
- Primary Station Construction at 38% completion
 - Steel structure and metal decking at the Rail Platform is complete with steel work now focused on the main hub and bike hub areas.
 - Rail platform work continues with concrete and utility installations.
 - Light gauge roof framing has begun over the Rail Platform area.
 - LADWP underground infrastructure on Aviation Blvd related to AMC has begun.

Equity



- 100% of the project is located within or adjacent to Equity Focus Communities.



I-5 North County Enhancements

BUDGET					
		Approved LOP*	Previous Period	Current Forecast	
		\$679.3M	\$679.3M	\$679.3M	
	Variance from Approved LOP:		\$0M (0%)	\$0M (0%) 	
Variance from Revised Budget:			\$0 		

* At time of the award of contract - Board Approval (March 2021)

SCHEDULE			Substantial Completion	
	Original	Approved Rebaseline	Previous Period	Current Forecast**
	July 2016	N/A	Summer 2026	Summer 2026
	Variance from Original:		+0d (0%)	+0d (0%) 
Variance from Revised Schedule:			N/A 	

** The Contractor's last Update shows minor slippage, but Metro has not accepted the Critical Path and expects this slippage to be corrected



I-5 North County Enhancements

Safety

Project Hours: 226,353; Recordable Injury Rate: 1.76
vs. The National Average: 2.4.

Updates

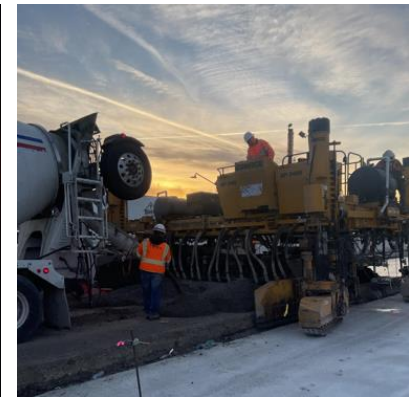
- Overall Project progress is 22% complete.
- Construction Stage 1, Phase 1 & 2:
 - Partial Demolition/Pile Driving/Footing and Abutment/Bent Construction on several bridges.
 - Retaining Walls, Drainage, Barrier/Roadway Demo, Excavation, and Base Placement.
- Project Team continues to coordinate with stakeholders: Caltrans, Federal Highway Administration (FHWA), City of Santa Clarita, Los Angeles County, CHP, NPS, CDFW, and other local stakeholders.

Equity

- This project is not located within or adjacent to Equity Focus Communities.



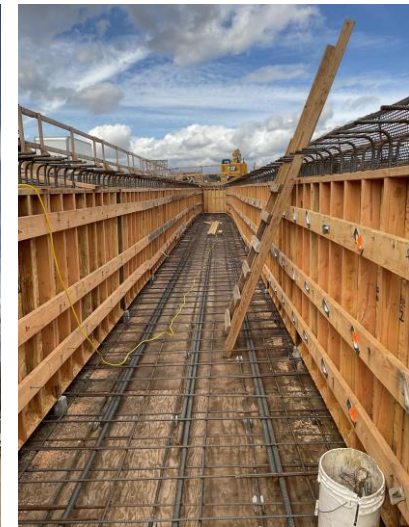
Rain and snow conditions caused closures north and south of project



Paving Lean Concrete Base (LCB) in the Median On-Going



Structural Excavation for RW-2708



Carpentry work at Butte Canyon Bridge






April 2023 Construction Committee



Projects without Life of Project (LOP) Budget

- **105 Express Lanes**
- **G Line BRT Improvements Project**
- **East San Fernando Valley Transit Corridor**



105 Express Lanes

BUDGET	Approved Budget to Date			Previous Period	Current Forecast
	Pre-Construction	\$119.4 M		N/A	\$119.4m
	Project	\$119.4 M		N/A	\$780M - \$1B
	Variance from Approved Pre-Construction Budget:			\$0M (0%)	\$0M (0%) 
	Variance from Approved LOP:			\$0M (0%)	\$0M (0%) 
	Variance from Revised Budget:				N/A 

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast
	N/A	N/A	N/A	Spring 2028
	Variance from Original:		+0d (0%)	+0d (0%) 
	Variance from Revised Schedule:		N/A	N/A 



105 Express Lanes

Safety

Project Construction Hours: 0; Recordable Injury Rate:
N/A vs. The National Average: 2.4.

Updates

- **Design Seg 1 is 95%, Seg 2/3 35% complete.**
- **Progress:**
 - Dominquez Channel existing highway easement and construction permit will be on LA County May '23 Board Meeting
 - Opinion of Probable Cost (OPCC) and Independent Cost Estimate (ICE) was submitted on Seg. 1.
 - ROM for Seg 2/3 has been received from CMGC contractor.
 - Seg. 1 100% design submittal scheduled for April 2023.
 - Workshops between 105 CMGC and WSAB team for construction and schedule coordination are ongoing.
 - Workshops between 105 CMGC and Metro MOW groups to discuss median construction work are ongoing.
 - Draft SB 1 funding allocation request was submitted to Caltrans
 - Staff updating the Traffic and Revenue Study.



Traffic on 105 Freeway Westbound



The Project Map




Equity

- 70% of the project is within or adjacent to Equity Focus Communities.





April 2023 Construction Committee

G Line BRT Improvements Project

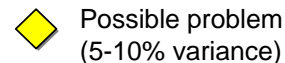
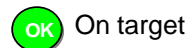
BUDGET	Approved Budget to Date			Previous Period	Current Forecast
	Pre-Construction	\$149.7M		\$149.7M	\$149.7M
	Project	\$149.7M		N/A	\$392-511M
	Variance from Approved Pre-Construction Budget:			\$0M (0%)	\$0M (0%) 
	Variance from Approved LOP:			\$0M (0%)	\$0M (0%) 
	Variance from Revised Budget:				\$0M 

* Project will work within the annual budget constraints until LOP is established.

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast*
	N/A	N/A	N/A	December 2026
	Variance from Original:		+0d (0%)	+0d (0%) 
	Variance from Revised Schedule:			N/A 

* Current Forecast is Metro's Internal Schedule, Baseline schedule is not yet approved at time of update.

** Approved LOP only includes the Pre-Construction Budget. The project will request the remaining LOP budget upon award of the PDB Contract Phase 2.



Significant Impact
(over 10% variance)

G Line BRT Improvements Project

Safety

Project Construction Hours: 0; Recordable Injury Rate:
N/A vs. The National Average: 2.4.

Updates

- **Progressive Design Build Contract**
 - 30% design underway for stormwater capture, grade separations and bike path improvements key elements
 - Technology Evaluation for gated intersections complete and proceeding into Proof of Concept phase with recommended cloud tech solution for gate activation
 - Geotech Investigations and Survey underway
- **Utility Owner-performed AURs**
 - Sepulveda – removal of poles and overhead wires pending PDB contractor installation of new power service.
 - Vesper – DWP crews completed cable pulling in August, Charter construction start pending City permit approval.
 - Sylmar – DWP undergrounding near completion. Charter planning to vacate line.
- **Property Acquisitions**
 - Eight acquisitions underway
 - Offers presented to owners between March 31, 2022, and May 24, 2022.
 - Board adopted the Resolution of Necessity for all properties in August 2022.

Equity




- 11 of 17 stations (65%) are within or adjacent to Equity Focus Communities.





Geotech- percolation testing for stormwater capture scope



East San Fernando Valley Transit Corridor

BUDGET	Approved Budget to Date			
		Approved Budget to Date	Previous Period	Current Forecast
	Pre-Construction	\$496.9M	N/A	\$496.9M
	Proposed FFGA	\$3.57B	N/A	\$3.57B
	Variance from Approved Pre-Construction Budget:		\$0M (0%)	\$0M (0%) 
	Variance from Approved LOP:		\$0M (0%)	\$0M (0%) 
	Variance from Revised Budget:			\$0M 

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast*
	N/A	N/A	N/A	2030
	Variance from Original:		+0d (0%)	+0d (0%) 
	Variance from Revised Schedule:			N/A 

* Current schedule forecast reflects Metro's Draft Baseline Schedule. Approval is pending.



East San Fernando Valley Transit Corridor

Safety

Project Hours*: 0; Recordable Injury Rate: N/A vs. The National Average: 2.4. *AUA inaugurals on February 16, 2023.

Updates

- **Design is 30% complete for systems, stations, MSF and utilities.**
- **Design is 60% complete for guideway and civil.**
- **Construction Management Support Services Contract**
 - Notice to Proceed (NTP) given to Arcadis / Mott MacDonald (AMM) Joint Venture November 4, 2022.
- **Maintenance and Storage Facility (Solar Energy & Storage)**
 - NTP on December 7, 2022 to PCS Energy LLC for the Public-private partnership (P3) Contract.
 - Maximum duration of 15 years, with three phases of work.
- **Advance Utility Adjustment (AUA) Contract DWP Design 1**
 - NTP on December 1, 2022 to W.A. Rasic Construction Company, Inc.
 - Field investigation work began February 16, 2023
- **Progressive Design Build Contract**
 - Progressive Design Build (PDB) Contract proposals received November 2022
 - Notice of Award was sent February 23, 2023
 - Anticipated NTP on April 7, 2023
- **Property Appraisals underway**
 - Appraisal contracts awarded on August 11, 2022.
 - NTP in December 2022 to two real estate property appraisal, and three fixtures appraisal firms.
 - Appraisals commenced in January/February 2023.
 - Acquisition anticipates to commence in July/August 2023.

Equity

- 100% of the project is within or adjacent to Equity Focus Communities.



W.A. Rasic crew saw cutting pavement on Van Nuys Blvd. near Hartland St.



W.A. Rasic crew performing potholing on Van Nuys Blvd.



April 2023 Construction Committee