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Agenda - Final 2nd Revised

Thursday, January 28, 2021

10:00 AM

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Board of Directors - Regular Board Meeting

Eric Garcetti, Chair
Hilda L. Solis, 1st Vice Chair
Ara Najarian, 2nd Vice Chair
Kathryn Barger
Mike Bonin
James Butts
Jacquelyn Dupont-Walker
Robert Garcia
Janice Hahn
Paul Krekorian
Sheila Kuehl
Holly Mitchell
Tim Sandoval
Tony Tavares, non-voting member

Phillip A. Washington, 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.

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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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Los Angeles, CA 90012

CALL TO ORDER

ROLL CALL

1. APPROVE Consent Calendar Items: 2, 5, 6, 9, 12, 13, 14, 16, 18, 19, 20, 21, 22*, 23*, 26, 32, 34, 36, 39, 42, 45, and 49.

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

*Item requires 2/3 vote

CONSENT CALENDAR

2. SUBJECT: MINUTES 2020-0856

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held December 3, 2020.

Attachments: Regular Board Meeting MINUTES - December 3, 2020

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

5. SUBJECT: LOCAL RETURN PROJECT CODING 2020-0827

RECOMMENDATION

APPROVE revised Project Coding Structure for Local Return Projects funded through the Metro administered Proposition A, Proposition C, Measure R, and Measure M Local Return (LR) programs. (ATTACHMENT A)

Attachments: Attachment A - Revised Project Summary for Local Return Projects.

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

6. SUBJECT: SECOND AMENDMENT TO STANDARD COMMERCIAL LEASE AGREEMENT WITH PBONE OSF-C, LLC, FOR THE METRO OFFICE LEASE FOR VARIOUS OPERATING DEPARTMENTS LOCATED AT 100 S. SANTA FE AVENUE, SUITE 100, LOS ANGELES 2020-0759

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to execute a Second Amendment to the Standard Commercial Lease Agreement to make improvements totaling approximately $150,765 and to continue renting 70 parking spaces at a cost of $159,600 annually (total of $798,000 over the option term of 5 years), commencing March 1, 2021 with PBONE OSF-C, LLC ("Lessor") for the Metro Operations and Training office located at 100 S. Santa Fe Avenue, Suite 100, Los Angeles.

Attachments: Attachment A - Lease Location

Attachment B - Deal Points

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

9. SUBJECT: I-105 EXPRESSLANES PROJECT 2020-0824

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

APPROVE the submittal of a Letter of Interest (LOI) to the United States Department of Transportation (USDOT) for a Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loan for the I-105 ExpressLanes

Project and pay related fees and expenses.

Attachments: Presentation

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

12. SUBJECT: MEASURE R HIGHWAY SUBREGIONAL PROGRAM SEMI-ANNUAL UPDATE 2020-0779

RECOMMENDATION

CONSIDER:

A. APPROVING $4,433,000 in additional programming within the capacity of the Measure R Highway Subregional Programs and funding changes via the updated project list as shown in Attachment A for:
   - Highway Operational Improvements in Las Virgenes Malibu
   - I-605 Corridor "Hot Spots" Interchange Improvements in Gateway Cities
   - I-710 South and/or Early action Projects in Gateway Cities
   - Interstate 5/ St. Route 14 Capacity Enhancements

B. APPROVING deobligation of $10,707,000 of previously approved Measure R Highway Subregional Program funds for re-allocation at the request of project sponsors.

C. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for the Board-approved projects.

Attachments: Attachment A - Projects Receiving Measure R Funds

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

13. SUBJECT: MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM - WESTSIDE CITIES SUBREGION 2020-0807

RECOMMENDATION

CONSIDER:

A. APPROVING programming of $26,151,339 in Measure M Multi-Year Subregional Program (MSP) - Active Transportation 1st/Last Mile Connections Program; and

B. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for approved projects.

Attachments: Attachment A - Active Transportation First Last Mile Connections Program Proje

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

14. SUBJECT: CESAR E. CHAVEZ & SOTO JOINT DEVELOPMENT 2020-0778

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute an amendment to an existing Joint Development Agreement ("JDA") with La Veranda, L.P. ("Developer"), an affiliate of Abode Communities, that will extend the term of the JDA for twelve (12) months to January 31, 2022.

Attachments: Attachment A - Site Map
Presentation

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

16. SUBJECT: MEASURE M METRO ACTIVE TRANSPORT, TRANSIT AND FIRST/LAST MILE (MAT) PROGRAM 2020-0562

RECOMMENDATION

CONSIDER:

A. APPROVING project selection and programming of $63,100,000 in Measure M Metro Active Transport, Transit and First/Last Mile program (MAT Program) funding;

B. AUTHORIZING the Chief Executive Officer (CEO) or his designee to negotiate and execute all necessary agreements for approved projects; and

C. APPROVING a wait-list process for all non-awarded eligible projects.

Attachments: Attachment A - MAT Program Cycle 1 - Recommended Program of Projects
Attachment B - MAT Program Cycle 1 - Recommended Program of Projects Ma
Presentation

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

18. SUBJECT: FINAL 2021 LA COUNTY GOODS MOVEMENT STRATEGIC PLAN 2020-0612

RECOMMENDATION

ADOPT the final 2021 LA County Goods Movement Strategic Plan.

Attachments: Attachment A - Final 2021 LA County Goods Movement Strategic Plan for viewi
Attachment B - Public Comment and Support Letters
Attachment C - Webinars

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

19. SUBJECT: DORAN STREET CROSSING GRADE SEPARATION 2020-0263

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 12 to Contract No. PS2415-3046 with HNTB Corporation to provide professional services in order to complete final design for the Doran Street Crossing Grade Separation Project in the amount of $2,390,316 increasing the total contract value from $5,969,654 to $8,359,970.
B. EXECUTE all necessary agreements and task orders with third parties to support this project.

Attachments: Attachment A - Procurement Summary
Attachment B - Contract Modification_Change Order Log
Attachment C - DEOD Summary

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

20. SUBJECT: MEMBERSHIP ON METRO'S SAN FERNANDO VALLEY SERVICE COUNCIL 2020-0679

RECOMMENDATION

APPROVE Erin Nash for membership on Metro's San Fernando Valley Service Council.

Attachments: Attachment A – Nominee's Listing of Qualifications
Attachment B – Nomination Letter

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

21. SUBJECT: GLENDALE BEELINE ROUTE 3 / LADOT DASH 601, DASH 602 AND COMMUTER EXPRESS 422, AND PVPTA LINE 225/226 TRANSIT SERVICE OPERATION AGREEMENTS 2020-0804

RECOMMENDATION

CONSIDER:

A. EXTENDING the Transit Service Operation Agreement between LACMTA and the City of Glendale for the Glendale Beeline Route 3 for a period of two years through June 30, 2023 for an amount up to $1,300,845, which is inclusive of estimated Consumer Price Index (CPI) rates;
B. EXTENDING the Transit Service Operation Agreement between LACMTA and the City of Los Angeles Department of Transportation (LADOT) for Dash Pico Union/Echo Park 601, Dash El Sereno/City Terrace 602, and Commuter Express 422 for a period of two years for an amount up to $8,900,520;
C. EXTENDING the Transit Service Operation Agreement between LACMTA and the Palos Verdes Peninsula Transportation Authority (PVPTA) for operation of the Line 225/226 for period of two years for an amount up to $509,426;
D. AUTHORIZING the Chief Executive Officer, or their designee, to negotiate and execute all necessary agreements between LACMTA and the City of Glendale for funding approval;
E. AUTHORIZING the Chief Executive Officer, or their designee, to negotiate and execute all necessary agreements between LACMTA and the LADOT; and
F. AUTHORIZING the Chief Executive Officer, or their designee, to negotiate and execute all necessary agreements between LACMTA and the PVPTA for funding approval.

Attachments: Attachment A - Map of Glendale Service Area
Attachment B - Map of LADOT Service Area
Attachment C - Map of PVPTA Service Area

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

22. SUBJECT: UNLEADED FUEL 2020-0782

RECOMMENDATION

AUTHORIZE the CEO to:

A. RATIFY expenditures in excess of the total contract award of $3,863,300 for unleaded gasoline from Pinnacle Petroleum for Metro's non-revenue vehicle fleet increasing the Contract No. FY34649000 total contract value from $9,717,450 to $13,580,750.

B. EXECUTE Modification No. 3 in the amount of $6,485,975 to include ratified funding in paragraph A above, and to extend the contract period of performance to June 30, 2021 for an additional $2,622,675,

increasing the total contract value from $13,580,750 to $16,203,425.

Requires Two-Thirds Vote

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

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

23. SUBJECT: DIESEL FUEL 2020-0872

RECOMMENDATION

AUTHORIZE the CEO to:

A. RATIFY expenditures in excess of the total contract award of $2,075,855 for diesel fuel from Southern Counties Oil Company (SC Fuels) for Metro's diesel fuel non-revenue vehicles, major and other miscellaneous equipment, increasing the Contract No. DR4348700 total contract value from $328,959 to $2,404,814.

B. EXECUTE Modification No. 3 to extend the contract period of performance to June 30, 2021 for $252,150 increasing the total contract value from $2,404,814 to $2,656,964.

Requires Two-Thirds Vote

Attachments: Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Mod Log

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

26. SUBJECT: MICROTRANSIT PILOT PROJECT - PART B 2020-0788

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to Execute Amendment No. 7 to Contract No. PS46292001 with RideCo, Inc. to provide an expanded MicroTransit Operations to three additional Service Zones (North Hollywood/Burbank, El Monte and Compton/Artesia) for two years in an amount of $5,970,870 increasing the Total Contract Value from $29,160,732.63 to $35,131,602.63.

Attachments: Attachment A - Procurement Summary
Attachment B - Contract Modification Change Order Log
Attachment C - DEOD Summary
Attachment D - Micro Service Zones
Presentation

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0-1):

32. SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT - FIELD INVESTIGATION OF UTILITIES 2020-0808

RECOMMENDATION

CONSIDER:

a. AUTHORIZING the Chief Executive Officer (CEO) to execute Modifications No. 15 to Contract No. AE58083E0129 with Gannet Fleming, Inc. for the East San Fernando Valley Transit Corridor Project, for field investigation of utility conflicts consisting of potholing and slot trenching along Van Nuys Blvd. for Segments B, (between Covello St. and Novice St.) in the amount of $1,772,143, increasing the total Contract amount from $65,611,218 to $67,383,361.
b. AUTHORIZING the Chief Executive Officer (CEO) to execute Modifications No. 16 to Contract No. AE58083E0129 with Gannet Fleming, Inc. for the East San Fernando Valley Transit Corridor Project, for field investigation of utility conflicts consisting of potholing and slot trenching along Van Nuys Blvd. for Segments C (between Novice St. and Tamarack Ave.), in the amount of $1,565,506, increasing the total Contract amount from $67,383,361 to $68,948,867.
c. AUTHORIZING the Chief Executive Officer (CEO) to execute Modifications No. 17 to Contract No. AE58083E0129 with Gannet Fleming, Inc. for the East San Fernando Valley Transit Corridor Project, for field investigation of utility conflicts consisting of potholing and slot trenching along Van Nuys Blvd. for Segments D (between Tamarack Ave. and San Fernando Rd and then San Fernando Rd and Pinney St.), in the amount of $627,590, increasing the total Contract amount from $68,948,867 to $69,576,457.

Attachments: Attachment A -- Procurement Summary (Segments B-D FINAL)
Attachment B -- Contract Modification & Change Order Log
Attachment C - DEOD Summary

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

34. SUBJECT: REGIONAL CONNECTOR EARLY COMPLETION INCENTIVE AGREEMENT 2020-0805

RECOMMENDATION

CONSIDER:

A. INCREASING the Life of Project (LOP) Budget for the Regional Connector Concurrent Non-FFGA Project Activities, capital project number 861228, by the amount of $12,948,000 from $46,441,168 to $59,389,168 consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy, for the purposes of providing an incentive for Regional Connector Constructors (RCC) to complete transit facilities ten weeks early thereby permitting an earlier Revenue Service Date and mitigating impacts to the community.

Attachments: Attachment A - Funding Plan

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

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

36. SUBJECT: SOUNDWALL PACKAGE 11 HIGHWAY PROJECT 2020-0797

RECOMMENDATION

CONSIDER:

A. AMENDING the Life of Project Budget (LOP) Budget for Soundwall Package 11 Highway Project by $13,303,000 from $89,183,000 to $102,486,000, using the fund sources from the soundwall program as summarized in Attachment D consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment E); and

B. AUTHORIZING the Chief Executive Officer to execute individual Contract Modifications within the Board approved Life of Project budget.

Attachments: Attachment A - Procurement Summary

Attachment B - Contract Modification Change Log

Attachment C - DEOD Summary

Attachment D - Funding & Expenditure

Attachment E - Soundwalls Package 11 Unified Cost Management Policy

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

39. SUBJECT: I-605 HIGHWAY CORRIDOR PROJECTS 2020-0794

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. Execute a 3-year cost-plus fixed fee Contract No. PS68033 with Ghirardelli Associates, Inc. to provide Construction Support Services for I-605 Highway Corridor Projects, in an amount not-to-exceed $4,423,718, and to exercise two (2) one-year options when deemed appropriate, subject to resolution of any properly submitted protest; and

B. Execute individual Contract Work Orders for each project within the approved not-to-exceed contract amount and Contract Modifications within Contract Modification Authority (CMA) at 10% of the approved contract not-to-exceed amount ($442,371.00).

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

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

42. SUBJECT: METRO RIDESHARE/SHARED MOBILITY PROGRAM SUPPORT 2020-0701

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 3 to the Metro Rideshare/Shared Mobility Program Support Contract No. PS42183000 with Innovative TDM Solutions, Inc. (ITS) to exercise the first, one-year option in the amount of $630,555 increasing the total contract value from $1,832,308 to $2,462,863 and extending the period of performance from January 31, 2021 to January 31, 2022.

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

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

45. SUBJECT: METRO SYSTEM ADVERTISING (LICENSE TO SELL AND DISPLAY ADVERTISING ON BUS AND RAIL) 2020-0811

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 4 to Contract No. PS41099B - License to Sell and Display Advertising on Metro Bus System, with Outfront Media Group, LLC, to

1) Extend the temporary replacement of the Minimum Annual Guarantee (MAG) payments to Metro with monthly payments of 55% of actual sales revenues for one year, from January 1, 2021 to December 31, 2021;

2) Allow contractor to submit payments by the 80th day following the close of each month beginning January 1, 2021;

3) Amend ARTICLE VI of the Contract to revise the basis of the Letter of Credit from 50% of the Minimum Annual Guarantee (MAG) to 50% of projected Gross Annual Advertising Revenue Share for calendar year 2021;

B. EXECUTE Modification No. 2 to Contract No. PS41099R - License to Sell and Display Advertising on Metro Rail System, with Intersection Parent, Inc. to

1) Extend the temporary replacement of the Minimum Annual Guarantee (MAG) payments to Metro with monthly payments of 55% of actual sales revenues for one year, from January 1, 2021 to December 31, 2021;

2) Allow contractor to submit payment by the 80th day following the close of each month beginning January 1, 2021;

3) Amend ARTICLE VI of the Contract to revise the basis of the Letter of Credit from 50% of the Minimum Annual Guarantee (MAG) to 50% of projected Gross Annual Advertising Revenue Share for calendar year 2021;

~~4) Contingent on outcome of a Commercial Sponsorship and~~

~~Adoption Policy ("Sponsorship Policy"):~~

~~i. Upon Board adoption of a Sponsorship Policy - Amend Exhibit B Statement of Work, Article 8, Subarticles 8.6.2.2 and 8.6.2.3 to remove the station domination restriction of maximum 90 days occupancy and repeat sponsor for interoperability of a commercial sponsorship program and instead replace it with the timebound elements of the Sponsorship Policy (temporary, short and long-term placements);~~

~~ii. Until such time that the Board adopts the Sponsorship Policy - Apply no change to Exhibit B Statement of Work, Article 8, Subarticles 8.6.2.2 and 8.6.2.3 restricting station domination maximum 90 days occupancy and repeat sponsor, leaving restrictions as-is.~~

Attachments: Attachment A - Procurement Summary

Attachment B - Contract Modification/Change Order Log

Attachment C - DEOD Summary

Attachment D - Fiscal Year 2021 and 2022 Revenue Change

Presentation

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

49. SUBJECT: METRO SMALL-SCALE RETAIL 2020-0910

RECOMMENDATION

APPROVE Motion by Directors Garcetti, Kuehl, Solis, and Krekorian as amended that the Board direct the CEO to:

A. Revisit the findings of the Jones Lang LaSalle Concessions Program Concept for Metro Owned Facilities report dated June 28, 2013 and develop an assessment of needs to establish a small-scale retail program that supports small and disadvantaged businesses, and microentrepreneurs, including context-sensitive community partnerships, in Metro's current portfolio of projects.

Amendment by Dupont-Walker: Include opportunities to complement and partner with the Transit-Oriented Communities Small Business Program, which is currently being updated by Countywide Planning.

B. Form a working group to determine opportunities and next steps for advancing this work.

C. Report back to EMC with an update in 90 days.

NON-CONSENT

3. SUBJECT: REMARKS BY THE CHAIR 2020-0916

RECOMMENDATION

RECEIVE remarks by the **Chair.**

4. SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER 2020-0917

RECOMMENDATION

RECEIVE report by the **Chief Executive Officer.**

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

10. SUBJECT: MID-YEAR FY 20-21 BUDGET EQUITY ASSESSMENT 2020-0817

RECOMMENDATION

RECEIVE AND FILE status report on Mid-Year FY 20-21 Budget Equity Assessment.

Attachments: Attachment A - Metro Budget Equity Assessment Tool
Presentation

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

11. SUBJECT: FISCAL YEAR 2021 (FY21) MID-YEAR BUDGET 2020-0726

RECOMMENDATION

CONSIDER:

A. AMENDING the FY21 Budget by $765 million from $6.23 billion annual consolidated expenditures to $6.99 billion to achieve goals and objectives set forth by the Board adopted Metro Vision 2028 strategic plan; and

B. AMENDING an increase of 5 Non-Represented FTEs from FY21 Adopted Budget authorized levels: 3 for Equity and Race and 2 for Customer Experience

Attachments: Presentation

CONSTRUCTION COMMITTEE FORWARDED THE FOLLOWING WITHOUT RECOMMENDATION:

35. SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR- 118 TO SR-134; SEGMENT 3 2020-0724

RECOMMENDATION

CONSIDER amending the Life-of-Project (LOP) budget with a loan/advance to the California Department of Transportation (Caltrans) in an amount not to exceed $73,200,000 for Segment 3 of I-5 North Capacity Enhancements Project between SR-134 and SR-118 (Project) to fill the funding gap between the approved amended LOP of $880,903,000 and the $954,103,000 anticipated cost to close the Project consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment A).

Attachments: Attachment A - I-5 N HOV Measure R and Measure M Unified Cost Managemer
Attachment B - I-5 Corridor Funding Funding Needs Request Letter dated May
Attachment C I-5 North Segment 3 Final Term Sheet

CONSTRUCTION COMMITTEE FORWARDED THE FOLLOWING DUE TO ABSENCES AND CONFLICTS:

37. SUBJECT: ENERGY AND CLIMATE CONSULTANT SERVICES 2020-0685

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer (CEO) to award and execute a three (3) year base plus two one-year option years contract, Contract No. AE67484, with TRC Energy Services for Energy and Climate Services on Task Orders, inclusive of three base years with an initial amount not-to-exceed $7,618,165.92, and two one-year options (Option Year 1: $2,539,388.66; Option Year 2: $2,539,388.66), staff will return to the Board to authorize the options. This recommendation is subject to the resolution of any properly submitted protest; and

B. AUTHORIZING the CEO to award individual Task Orders and changes up to the authorized Not-to-Exceed contract amount of $7,618,165.92.

C. AUTHORIZING Contract Modification Authority (CMA) in the amount of $1,269,694.32 (10% of the not-to-exceed contract amount) and

authorizing the CEO to award and execute individual task order, changes and/or modifications within the CMA amount.

Attachments: Attachment A - Procurement Summary
Attachment B - Total Value Estimates of Projects – FY21 to FY25
Attachment C - DEOD Summary

CONSTRUCTION COMMITTEE FORWARDED THE FOLLOWING WITHOUT RECOMMENDATION:

38. SUBJECT: SUSTAINABILITY PROGRAM ASSISTANCE SERVICES 2020-0646

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO):

A. To award and execute a five (5) year contract, Contract No. PS66866, with Cumming Management Group Inc. for Sustainability Program Assistance Services on Task Orders for a total amount not-to-exceed $23,800,000 inclusive of three base years (not to exceed $14,000,000) with two one-year options (option year one = $4,850,000 and option year two = $4,950,000.) Staff will return to the Board to approve the two one-year options.

B. To award individual Task Orders and changes up to the Not-to-Exceed contract amount of $14,000,000; and

C. AUTHORIZING Contract Modification Authority (CMA) in the amount of $2,380,000 (10% of the not-to-exceed contract amount) and authorizing the CEO to award and execute individual task order, changes and/or modifications within the CMA amount.

Attachments: Attachment A - Procurement Summary
Attachment B - Estimated SPAS Contract Value - FY21 to FY25
Attachment C - DEOD Summary

50. SUBJECT: UPDATE CRENSHAW/LAX PROJECT 2020-0868

RECOMMENDATION

RECEIVE oral report on Crenshaw/LAX Project.

Attachments: Presentation

51. SUBJECT: ENHANCEMENTS TO METRO'S MEDIUM-SIZE BUSINESS ENTERPRISE PROGRAM AND SMALL BUSINESS 2020-0930

ENTERPRISE PROGRAM

RECOMMENDATION

APPROVE Motion by Directors Dupont-Walker, Hahn, Mitchell, Butts, Najarian, and Solis that the Board direct the Chief Executive Officer to study and recommend MSZ and SBE solutions that embrace Equity considerations, including but not limited to the Disparity Study, impact on historically underutilized businesses, and consistency with industry best practices. These studies should focus on the following:

A. Review requirements for contracting opportunities with SBEs, including but not limited to:

    1. Determining feasibility of achieving certification reciprocity with agencies at the state, county, and local levels that have similar baseline standards as Metro

    2. Exploring strategies to ensure that only legitimate SBEs and MSZs may compete for Metro contracts

    3. Reviewing certification standards, ownership, owner credentials, and other costs associated with competing for contracts, and recommending steps to streamline the process, ensuring integrity while making it more user-friendly and less costly

B. Review procurement requirements and identify potential ways to increase contracting opportunities for MSZs, including but not limited to:

    1. Reviewing eligibility requirements for participation in the MSZ program to identify strategies to increase the number of businesses that qualify for the program

    2. Ensuring that recommendations consider equity, historically underutilized businesses, and key elements of the Disparity Study (current or proposed, if within the next 12 months)

    3. Defining strategies to create incentives for prime contractors to utilize MSZs that no longer meet SBE criteria; and

C. Report back on all the above at the April 2021 Board cycle.

52. SUBJECT: FACE COVERINGS REQUIRED ON METRO BUSES AND TRAINS 2020-0929

RECOMMENDATION

APPROVE Motion by Directors Hahn, Butts, Mitchell, Barger, and Solis that the Board of Directors direct the Chief Executive Officer to:

A. Reiterate for both the public and staff that face coverings are mandatory

B. Report back in 14 days on the following:

a. Recommendations on how to strengthen efforts to ensure compliance with mandatory face coverings, including but not limited to fines

b. Recommendations for alternative transportation options for patrons instructed not to wear a face covering by a medical provider

53. SUBJECT: COUNCILMEMBER TOM LABONGE STATION DEDICATION 2020-0926

RECOMMENDATION

APPROVE Motion by Directors Garcetti, Kuehl, Hahn, and Solis that the Board direct the CEO to:

A. Prepare a plan dedicating the Purple Line Extension Wilshire/La Brea Station in honor of the late Councilmember and Metro Board Director Tom LaBonge; and

B. Report back on the above at the April 2021 Executive Management Committee meeting.

54. SUBJECT: CREATION OF FEDERAL RESERVE STATE & LOCAL AGENCY LENDING FACILITY 2020-0927

RECOMMENDATION

APPROVE Motion by Directors Bonin, Hahn, Butts, Najarian, and Solis that the Board direct the CEO to add the following to Metro's 2021 Federal Legislative Program:

- Support the expansion of the Municipal Liquidity Facility and/or the creation of a new Federal Reserve program to underwrite a permanent low or no-cost loan program for state and local governments, including the issuance of new debt and the refinancing of existing debt.

55. SUBJECT: METRO STREET SAFETY POLICY 2020-0928

RECOMMENDATION

APPROVE Motion by Directors Garcetti, Solis, Mitchell, and Bonin that the Board of Directors direct the CEO, in consultation with the Executive Officer for Equity and Race, to report back on:

A. Developing a Street Safety Policy addressing the points discussed above;

B. Creating a countywide data collection program, working in partnership with SCAG, L.A. County Department of Public Health, RIITS, and any other local, state, or federal partners, to design a program to document and analyze serious injuries and fatalities from transportation; and

C. Assessing internal risk and liability to safety of all Metro-provided public transportation services.

END OF NON-CONSENT ITEMS

56. SUBJECT: CLOSED SESSION 2020-0925

A. Conference with Labor Negotiator - G.C. 54957.6
MTA Representative: Joanne Peterson
Employee Organizations: SMART, ATU, TCU, AFSCME, Teamsters

SUBJECT: GENERAL PUBLIC COMMENT 2020-0918

RECEIVE General Public Comment

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

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

Adjournment

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

Metro

Board Report

File #: 2020-0856, **File Type:** Minutes **Agenda Number:** 2.

REGULAR BOARD MEETING
JANUARY 28, 2021

SUBJECT: MINUTES

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held December 3, 2020.

Metro

MINUTES

Thursday, December 3, 2020

10:00 AM

Board of Directors - Regular Board Meeting

DIRECTORS PRESENT:

Eric Garcetti, Chair
Hilda L. Solis, 1st Vice Chair
Ara Najarian, 2nd Vice Chair
Kathryn Barger
Mike Bonin
James Butts
Jacquelyn Dupont-Walker
John Fasana
Robert Garcia
Janice Hahn
Paul Krekorian
Sheila Kuehl
Mark Ridley-Thomas
Tony Tavares, non-voting member

Phillip A. Washington, Chief Executive Officer

CALLED TO ORDER: 10:15 A.M.

ROLL CALL

1. APPROVED Consent Calendar Items: 2, 5, 8, 11, 12, 14, 16, 17, 25, 26, 27, 28, ~~32~~, 38, 39, and 40.

Consent Calendar items were approved by one vote except for item 32 which was held by a Director for discussion and/or separate action.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y

2. SUBJECT: MINUTES **2020-0786**

APPROVED ON CONSENT CALENDAR Minutes of the Regular Board Meeting held October 22, 2020.

3. SUBJECT: REMARKS BY THE CHAIR **2020-0789**

RECEIVED remarks by the **Chair.**

- Presentations in honor of Director Ridley-Thomas and Director Fasana

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
P	P	P	P	P	P	P	P	P	P	P	P	P

4. SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER **2020-0790**

RECEIVED report by the **Chief Executive Officer.**

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
P	P	P	P	P	P	P	P	P	P	P	P	P

****

PK = P. Krekorian	HS = H. Solis	KB = K. Barger	RG = R. Garcia
JF = J. Fasana	JB = J. Butts	JDW = J. Dupont-Walker	
JH = J. Hahn	EG = E. Garcetti	MRT = M. Ridley-Thomas	
MB = M. Bonin	SK = S. Kuehl	AN = A. Najarian	

LEGEND: Y = YES, N = NO, C = HARD CONFLICT, S = SOFT CONFLICT ABS = ABSTAIN, A = ABSENT, P = PRESENT

5. SUBJECT:LEASE AGREEMENT FOR METRO OPERATOR LAYOVER OFFICE, 8305 HINDRY AVENUE, LOS ANGELES **2020-0670**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to execute a three (3)-year lease agreement with two (2) one-year options commencing December 1, 2020 with Priceless Westchester Investment, LLC ("Lessor"), for the LA Metro rail operator layover space located at 8305 Hindry Avenue in Los Angeles at a rate of $4,810.00 per month with escalations of three percent (3%) annually and approximately $500,000 in tenant improvements for a total of $906,627.39 over the initial term and options, if needed (see Attachment B - Deal Points).

8. SUBJECT: MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM UPDATE - ARROYO VERDUGO SUBREGION **2020-0671**

A. APPROVED ON CONSENT CALENDAR:

1. Programming of additional $1,214,476 within the capacity of Measure M Multi-Year Subregional Program (MSP) - Modal Connectivity and Complete Streets Program, as shown in Attachment A;

2. Programming of additional $3,951,366 within the capacity of Measure M MSP - Transit Program, as shown in Attachment B;

3. Inter-program borrowing and programming of additional $1,820,407 from the Subregion's Measure M MSP - Modal Connectivity and Complete Streets Program to the Measure M MSP - Active Transportation Program, as shown in Attachment C;

4. Deobligating of $1,140,000 previously approved Measure M MSP - Highway Efficiency, Noise Mitigation and Arterial Program, as shown in Attachment D; and

B. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements and/or amendments for approved projects.

10. SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT FINAL ENVIRONMENTAL IMPACT REPORT **2020-0024**

APPROVED:

A. the East San Fernando Valley Transit Corridor Project (Project), an at-grade light rail transit (LRT) line with 14 stations;

(Continued on next page)

(Item 10 – continued from previous page)

B. Certifying, in accordance with the California Environmental Quality Act, the Final Environmental Impact Report, which includes an option to construct the Project in phases;

C. Adopting, in accordance with CEQA, the:
   1. Findings of Fact and Statement of Overriding Considerations, and
   2. Mitigation Monitoring and Reporting Plan;

D. Authorizing the Chief Executive Officer to file a Notice of Determination with the Los Angeles County Clerk and the State of California Clearinghouse; and

E. Instructing staff, in coordination with the FTA, to work with the Southern California Regional Rail Authority (SCRRA) and the City of San Fernando to address new issues raised along the 2.5-mile shared railroad ROW.
   - Report back to the Board on any supplemental environmental clearance, design evaluations and associated traffic analysis needed. This will be done prior to proceeding with any construction activities on this section of the alignment.

F. Instructing staff, in coordination with the City of Los Angeles to identify a preferred First/Last Mile parallel bike route to replace the existing bike lanes on Van Nuys Boulevard which would be displaced by the LRT project in the Panorama City and Pacoima communities.
   - Report back to the Board with a plan to provide the interim replacement bike lanes during the construction period and permanent replacement bike lanes by the time of the opening of the East SFV Transit Project.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
A	A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y

10.1. SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT FINAL ENVIRONMENTAL IMPACT REPORT **2020-0780**

APPROVED Motion by Directors Najarian and Kuehl that the CEO direct staff to develop a plan to complete the necessary studies as expeditiously as possible. The plan should include an analysis of data and a path forward for all parties, including Metrolink, with mitigative options, which may or may not include grade separations, be brought back to the Planning and Programming Committee in February 2021.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
A	A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y

11. SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT FIRST/LAST MILE PLAN **2019-0431**

ADOPTED ON CONSENT CALENDAR:

1. East San Fernando Valley Light Rail Transit First/Last Mile Plan (Attachment A); and
2. DIRECTING staff to return to the Board with implementation recommendations following completion of the First/Last Mile Guidelines.

12. SUBJECT: MARIACHI PLAZA JOINT DEVELOPMENT **2020-0660**

AUTHORIZED ON CONSENT CALENDAR:

A. the Chief Executive Officer to execute an amendment to an existing Exclusive Negotiation Agreement and Planning Document ("ENA") with East LA Community Corporation ("ELACC"), that extends the term of the ENA six (6) months to June 15, 2021 and provides for three additional six (6) month extensions;

B. DIRECTING staff to establish key milestones in the amended ENA for community outreach and cultural preservation; and

C. DIRECTING staff to report back to the Board prior to the exercise of any of the three options to extend.

12.1. SUBJECT: CULTURAL PRESERVATION AT MARIACHI PLAZA **2020-0816**

APPROVED Motion by Directors Solis and Dupont-Walker that the Board direct the Chief Executive Officer to report back at the May 2021 Planning and Programming Committee meeting with:

A. Recommendations to streamline the management of Mariachi Plaza as it relates to event programming and maintenance. Metro should collaborate with the City of Los Angeles and Boyle Heights stakeholders to identify potential management frameworks.

B. A cultural preservation strategy for Mariachi Plaza developed in partnership with the City of Los Angeles, and local Boyle Heights stakeholders. The strategy should consider data on the use of the plaza, including the number of artists and musicians that utilize the plaza for performances, in order to ensure that the history and cultural significance of Mariachi Plaza is preserved, celebrated and uplifted.

(Continued on next page)

(Item 12.1 – continued from previous page)

AND FURTHER that the Board direct the Chief Executive Officer to collaborate with the East Los Angeles Community Corporation to explore strategies to meet the housing needs of the immediate neighborhood, especially people experiencing homelessness, and to report back at the May 2021 Planning and Programming Committee prior to execution of any further extension options.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
Y	A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

13. SUBJECT: 1ST & SOTO JOINT DEVELOPMENT **2020-0645**

AUTHORIZED the Chief Executive Officer to execute an amendment to an existing Exclusive Negotiation Agreement and Planning Document with a joint venture between Bridge Housing Corporation - Southern California and East LA Community Corporation extending the term for twelve (12) months to December 30, 2021 and providing for up to an additional twelve-month term extension, if deemed necessary or prudent, to allow for the continued pursuit of a joint development of Metro-owned property at 1st and Soto Streets in Boyle Heights.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
C	A	Y	Y	Y	S	Y	Y	C	Y	Y	C	Y

14. SUBJECT: SEPULVEDA TRANSIT CORRIDOR COMMUNITY PARTICIPATION PROGRAM **2020-0689**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer (CEO) to award and execute a 54-month, firm fixed price Contract No. PS68039000 to Arellano Associates LLC, for the Sepulveda Transit Corridor Community Participation Program, in the total amount of $4,861,759 (inclusive of four optional tasks: Task 3.1.1 for Copywriting and Mailing Support in the amount of $81,417, Task 4.1.1 for Printing in the amount of $25,167, Task 5.2 for Video Production in the amount of $167,234, and Task 11 for the expansion of the program to include the Westside-LAX area in the amount of $1,073,011), subject to the resolution of protest(s), if any.

16. SUBJECT: ELECTRICAL HARNESS KITS **2020-0648**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award a four-year, indefinite delivery, indefinite quantity Contract No. SD69847000 to DSM&T Company Inc., the lowest responsive and responsible bidder for electrical harness kits. The Contract two-year base amount is $696,420 inclusive of sales tax with a one-year option amount of $435,263, inclusive of sales tax and a second-year option amount of $435,262, for a total contract amount of $1,566,945, subject to resolution of protest(s), if any.

17. SUBJECT: PARTS WASHER SERVICES FOR METRO BUS AND RAIL MAINTENANCE FACILITIES **2020-0703**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to execute Modification No. 5 to Contract No. PS193893601 with FRS Environmental, Inc., to provide parts washer leasing, maintenance and repair services to increase contract value by $100,000 from $1,346,202 to a total not-to-exceed contract amount of $1,446,202 and extending the period of performance from January 31, 2021 to April 30, 2021.

20. SUBJECT: 2020 CUSTOMER EXPERIENCE PLAN **2020-0683**

ADOPTED the 2020 Customer Experience Plan.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
Y	A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	A

25. SUBJECT: NEAR ZERO NATURAL GAS FUELED ENGINES **2020-0261**

AUTHORIZED ON CONSENT CALENAR the Chief Executive Officer to award a five-year, indefinite delivery/indefinite quantity Contract No. MA67067000 for Near Zero Emission Natural Gas Fueled Heavy Duty Engines to Cummins Pacific, LLC for a not-to-exceed amount of $55,716,263, inclusive of sales tax.

26. SUBJECT: FY20 TRANSIT SECURITY GRANT PROGRAM AWARD FOR FACILITIES HARDENING, VIDEO MANAGEMENT SYSTEM/SECURITY INTELLIGENCE AND CYBER-SECURITY **2020-0725**

ESTABLISHED ON CONSENT CALENDAR the Life-of-Project for the following capital projects:

A. **INCREASE the Life-of-Project for Facilities Hardening by $2,168,027.80 to $3,298,827.80.** The project was awarded FY20 Transit Security Grant Program (TSGP) funds of $3,500,000, and $1,331,972.20 (38%) was aligned with the Metro Center Street Project LOP approved in October 2020.

B. **APPROVE the Life-of-Project for Video Management System/Security Intelligence for $632,189.40.** The project was awarded Transit Security Grant Program (TSGP) funds of $5,268,245, and $4,636,055.60 (88%) was aligned with the Metro Center Street Project LOP approved in October 2020.

(Continued on next page)

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C. **APPROVE the Life-of-Project for Cyber Security Architecture Assessments for $2,079,807.80.** The project was awarded Transit Security Grant Program (TSGP) funds of $3,411,780, and $1,331,972.20 (39%) was aligned with the Metro Center Street Project LOP approved in October 2020.

D. **Amend the FY21 Budget** to include the FY20 TSGP grant award of $4,880,025.00.

27. SUBJECT: I-5 SOUTH CAPACITY ENHANCEMENTS FROM ORANGE COUNTY LINE TO I-605; SEGMENT 2 (Valley View) **2020-0561**

AUTHORIZED ON CONSENT CALENDAR Contract Modification No. 11 Supplemental 3 (CCO 11S3) by the California Department of Transportation (Caltrans) for the construction contract of Segment 2 (Valley View) of the I-5 South Capacity Enhancements Project from Orange County Line to I-605 (Project) under Funding Agreement No. MOU.P0004292, Amendment No. 4, in the amount of up to $500,000 within the overall corridor Life of Project (LOP) budget.

28. SUBJECT: I-5 SOUTH CAPACITY ENHANCEMENTS FROM ORANGE COUNTY LINE TO I-605; SEGMENT 4 (Imperial) **2020-0723**

AUTHORIZED ON CONSENT CALENDAR Contract Modification No. 141 (CCO 141) by the California Department of Transportation (Caltrans) for the construction contract of Segment 4 (Imperial Highway) of the I-5 South Capacity Enhancements Project from Orange County Line to I-605 (Project) under Funding Agreement No. MOU.P0004292, Amendment No. 4, in the amount of up to **$1,230,002.97** ~~1,230,003.23~~ within the overall corridor Life of Project (LOP) budget.

32. SUBJECT: ROSECRANS/MARQUARDT GRADE SEPARATION **2020-0610**

AUTHORIZED:

A. The Chief Executive Officer to execute a cost-plus fixed fee Contract No. PS66383MC077 with PreScience Corporation to provide construction support services for the Rosecrans/Marquadt Grade Separation Project, at the negotiated contract amount not-to-exceed $4,397,321.49 for 4 years plus a 1-year option at $838,462, staff will return to the Board to approve the exercise the option should it be necessary; and

B. Contract Modification Authority in the amount of $439,732 or 10% of the total contract not-to-exceed amount and authorize the CEO to execute individual Contract Modifications within the Board approved Contract Modification Authority.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
C	C	Y	Y	C	C	Y	Y	C	C	Y	Y	Y

35. SUBJECT:2021 LEGISLATIVE PROGRAM **2020-0734**

RECEIVED the State and Federal Legislative Report and:

A. ADOPTED the proposed 2021 Federal Legislative Program as outlined in Attachment A; and

B. ADOPTED the proposed 2021 State Legislative Program as outlined in Attachment B.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
Y	A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	A

35.1. SUBJECT: LEGISLATIVE & FUNDING PRIORITIES FOR NEW RAIL VEHICLE TECHNOLOGIES **2020-0814**

APPROVED Motion by Directors Barger, Najarian, Garcetti, Krekorian, and Hahn that the 2021 Federal and State Legislative Program Goals be amended to include the following:

Support legislation and funding programs that promote the accelerated certification of new rail vehicle technologies, prioritizing zero emission propulsion, and pilot programs which test their viability, and pursue funding opportunities to deploy such technology whenever and wherever they become available.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
Y	A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	A

38. SUBJECT: RAIL STATION NAMES **2020-0653**

ADOPTED ON CONSENT CALENDAR Station names for Purple (D Line) Extension Section 1. Adopt the following official and operational station names for the three (3) stations that comprise Metro Rail's Purple (D Line) Extension Section 1:

	Official Station Name	Operational Station Name
1.	Wilshire / La Brea	Wilshire / La Brea
2.	Wilshire / Fairfax	Wilshire / Fairfax
3.	Wilshire / La Cienega	Wilshire / La Cienega

39. SUBJECT: RECOVERY TASK FORCE DRAFT FINAL RECOMMENDATIONS **2020-0739**

RECEIVED ON CONSENT CALENDAR oral report on Recovery Task Force Draft Final Recommendations.

40. SUBJECT: ELECTRIFICATION OF THE SILVER LINE AND METRO'S FLEET **2020-0781**

APPROVED ON CONSENT CALENDAR Motion by Directors Hahn, Garcetti, Solis, Butts, and Bonin that the Board direct the CEO to:

A. Meet with the County of Los Angeles, City of Los Angeles, the Ports of Long Beach and Los Angeles, and neighboring transit agencies to discuss potential private property, joint-use, and public right of way opportunities for charging stations that could serve the Harbor Area, beginning with the Silver Line

B. Provide recommendations on how to fully electrify the Silver Line in the Zero Emission Bus Implementation Master Plan due before the Board in Spring of 2021

C. Continue Silver Line service to San Pedro until the Board discusses and chooses a recommendation on how to move forward

41. SUBJECT: UPDATE CRENSHAW/LAX PROJECT **2020-0669**

RECEIVED oral report on Crenshaw/LAX Project.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
P	P	P	P	P	P	P	P	P	P	P	P	P

42. SUBJECT: 2028 MOBILITY CONCEPT PLAN **2020-0815**

APPROVED Motion by Directors Garcetti, Solis, Hahn, Kuehl, Butts, and Garcia that the Board direct the CEO to:

A. In consultation with LA28, the cities of Los Angeles, Inglewood, Carson, and Long Beach, Caltrans, Metrolink, and other relevant jurisdictions, prepare a mobility concept plan of permanent transit and transit-supportive projects and programs that can help serve the 2028 Olympic and Paralympic Games, including but not limited to:

1. Core Transportation Modes
   i. 28 by '28 projects;
   ii. NextGen bus-only lanes and bus priority infrastructure (e.g., ATMS);
   iii. Metro Rail service optimization and reliability improvements (e.g., Flower St. Wye, Centinela Grade Separation);

(Continued on next page)

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iv. Zero Emission Buses and charging infrastructure;
v. Regional rail improvements;
vi. Regionally-significant active transportation corridors and connections;

2. First-Last Mile Connectivity
   i. Station and bus stop area sidewalk and bicycle improvements;
   ii. Slow streets, open streets, and other local activations;
   iii. Partnerships on street furniture and shade/tree cover detailed in the Customer Experience Plan;
   iv. Microtransit and micromobility;

3. Additional Projects and Programs
   i. Transportation Demand Management;
   ii. Congestion Pricing;
   iii. ExpressLanes;
   iv. Inglewood Transit Connector to L.A. Stadium;
   v. Fare capping and regional fare integration;
   vi. Connected Corridors, RIITS, and other innovative regional traffic management solutions;
   vii. Logistics and goods movement, including policy and

B. Identify an interdisciplinary Metro task force to pursue the above mobility concept plan and integrate that plan into LA28's ongoing studies and the Mobility Working Group's overall 2028 Mobility Strategy;

C. Develop, with LA28, an Olympic Games-related federal engagement strategy and funding priority proposal, including 28 by '28 projects and projects/programs identified under the above mobility concept plan;

D. Initiate conversations with other Southern California county transportation agencies on regional transportation priorities and cross-county investments in support of the 2028 Olympic and Paralympic Games, such as federal advocacy, Metrolink, and ExpressLanes;

E. Report on all the above to the Executive Management Committee at the March 2021 Board cycle; and

F. Report bi-annually to the Board thereafter on the mobility concept plan, LA28 Mobility Working Group status, funding advocacy, and any other relevant LA28 preparedness efforts.

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
Y	A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	A

43. SUBJECT: BUSES WITH OPTIONAL LEFT-SIDE BOARDING **2020-0813**

APPROVED Motion by Directors Bonin, Solis, Najarian, Krekorian, and Kuehl that the Board direct the CEO to report back to the Planning & Programming Committee in February 2021 with the following information:

A. Which projects could benefit from the additional street design flexibility created by left-side bus boarding? Can community-supported amenities, such as street trees, medians, and bike lanes be added/retained if left-side boarding is introduced?

B. What tradeoffs are there for passenger capacity and/or customer experience, if any?

C. How did other U.S. transit agencies procure their buses with boarding on both sides and are those procurement options available to Metro?

D. How many buses would need to have this feature if left-side boarding were pursued on BRT projects currently under development? What would be the marginal capital and/or operational/maintenance costs, if any?

E. Would existing BRT lines, such as the Silver Line, operationally benefit from the introduction of left-side boarding?

F. How could buses with boarding on both sides be incorporated into upcoming purchases of electric buses?

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
Y	A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	A

44. SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT **2020-0746**

AUTHORIZED BY A 2/3 VOTE:

A. Holding a public hearing on the proposed Resolution of Necessity.

B. Adopting the Resolution of Necessity authorizing the commencement of an eminent domain action to acquire Subsurface Tunnel Easements in the parcels identified on Attachment "A". The parcels listed above are herein referred to as "the Property."

KB	MRT	JF	JDW	MB	EG	HS	AN	RG	JB	PK	JH	SK
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

ADJOURNED AT 3:03 P.M.

Prepared by: Jessica Vasquez Gamez
Administrative Analyst, Board Administration

Michele Jackson

Michele Jackson, Board Secretary

###

File #: 2020-0827, **File Type:** Informational Report **Agenda Number:** 5.

FINANCE, BUDGET, AND AUDIT COMMITTEE
JANUARY 20, 2021

SUBJECT: LOCAL RETURN PROJECT CODING

ACTION: APPROVE REVISED PROJECT CODING FOR LOCAL RETURN PROJECTS

RECOMMENDATION

APPROVE revised Project Coding Structure for Local Return Projects funded through the Metro administered Proposition A, Proposition C, Measure R, and Measure M Local Return (LR) programs. (ATTACHMENT A)

ISSUE

Metro has recently developed and implemented a significantly upgraded, cloud-based database, Local Return Management System (LRMS) to collect, approve, administer, audit, and report on Local Return activities of the 88 cities and Los Angeles County.

To provide for efficiency of use, consistency of application, and minimize user complexity, staff is seeking Board approval of a unified Project Coding structure across all Local Return (LR) programs.

Current LR guidelines approved by the Board include inconsistent project coding among the different taxes. Staff requires Board approval for the revised project structure.

This report does not revise the definitions of project eligibility but rather seeks to provide a more efficient process to manage and report LR activities.

BACKGROUND

According to LR Guidelines, Metro staff is responsible to ensure that local jurisdictions comply with Board project eligibility guidelines for each of the four locally imposed sales tax Measures (A, C, R, M).

For the past two decades, this process included jurisdictions submitting paper forms that Metro staff was subsequently required to manually input into multiple Microsoft Access databases. These databases have reached the end of their useful life, are undependable for reporting purposes, and are subject to frequent crashes and do not provide the necessary information to provide the Board and staff with a timely and comprehensive understanding of the uses to which Local Return Funds

are applied.

DISCUSSION

Currently, there are three different Project Coding structures in place for the LR programs. One set of project coding for Propositions A & C, another set for Measure R, and final set for Measure M.

As indicated below, each of the voter approved and Metro administered sales tax measures includes a Local Return component ranging from a high of 25% for Proposition A to a low of 15% for Measure R.

Sales Tax Measure	Approved	Effective Collection Date	Tax Rate	Rate of Net Revenue Distribution (3)
Proposition A	1980	July 1, 1982	½%	25%
Proposition C	1990	April 1, 1991	½%	20%
Measure R	2008	July 1, 2009	½%	15%
Measure M (1)	2016	July 1, 2017	½%	17%
Measure M (2)	2016	July 1, 2039	1%	20%

1) Measure M distributes 16% of Net Revenues plus 1% Supplemental Funds transferred from 1.5% ordinance defined as Administrative Funds for a total of 17%.
2) Per Measure M ordinance, Measure M Local Return share increase to 1% July 1, 2039 upon the expiration of Measure R and the allocation of Local Return shall increase by 3% to total 20%.
3) LR funds are allocated and distributed monthly to cities and the County of Los Angeles (JURISDICTIONS) on a "per capita" basis by the Los Angeles County Metropolitan Transportation Authority.

In total, approximately 20% of the transportation sales taxes approved by the voters of Los Angeles County go to support locally based, community supportive programs and projects.

The newly implemented and cloud-based LRMS is designed to include:

- A new intuitive interface that mirrors electronically what city staff are already doing with minimal disruption including the on-line submittal of any necessary supplemental information as required by individual ordinance guidelines;
- The elimination of unnecessary duplicative effort by Metro staff;
- A consolidated chart of accounts for project coding that is consistent across funding sources; *(the subject of this recommendation)*
- Enhanced reporting features that will allow both staff at the cities to provide reports to their management as well as allow Metro staff to keep the Metro Board better informed and up to date on local return activities;
- Individualized dashboards for specific cities and the County as well as Metro oriented program wide dashboards to track agency progress towards various objectives;
- A secure electronic workflow system that the user can monitor from any internet accessible location.

The LRMS is designed to recognize and distinguish between funding sources as well as across project categories and seeks to simplify city staff input through a singular comprehensive structure of project categories and coding. This newly improved system would also afford Metro staff the ability to quickly and easily query information without the need to differentiate, at the point of inquiry, among funding sources and project categories.

All project definitions and eligibility requirements remain unchanged from the Board approved guidelines. These guidelines were developed subsequent to the adoption of the ordinances through extensive outreach, stakeholder input, Metro staff, and Board review.

DETERMINATION OF SAFETY IMPACT

There would be no impact on system safety should the Board adopt staff recommendation.

FINANCIAL IMPACT

Adoption of staff recommendations would improve staff ability to provide significantly increased visibility into the applications of Local Return funds throughout the county.

Impact to Budget

Adoption of staff recommendations would have no impact on the LACMTA Budget as Local Return funds are disbursed directly to the cities and are included in the Metro Board approved budget

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports Metro's Strategic Plan Goal #5 by providing responsive, accountable, and trustworthy governance within the Metro organization and the region.

ALTERNATIVES CONSIDERED

Should the Board choose not to approve the implementation of a revised system of Local Return Project coding, which staff does not recommend, staff will be required to maintain an inconsistent and inefficient project reporting structure that limits our ability to provide timely and comprehensive information on the Local Return program.

NEXT STEPS

Should the Board approve the recommendation, staff will update the Local Return Guidelines to incorporate the approved project coding structure changes.

ATTACHMENTS

Attachment A - Revised Project Summary for Local Return Projects.

Prepared by: Drew Phillips, Senior Director, Finance, (213) 922-2109

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

Revised Local Return Project Coding Guidelines

Propositions A & C; Measures R & M

Public Transit Services (Operations)

105 - New/existing fixed route service
106 - Paratransit
107 - Dial-a-Ride
108 - TNC or other Flexible Destination Service
109 - Vanpool and/or vanpool incentive programs
110 - Extension or augmentation of existing bus route
115 - Contracted Transportation Services from within LA County
116 - Contracted Transportation Services from outside LA County
120 - Operating subsidy to existing bus operator
125 - Service enhancements related to bus/rail interface
130 - Shuttle service between activity centers
135 - Fare subsidy, subsidized taxi service
140 - Taxi coupon programs
145 - ADA related improvements
150 - Transit security
155 - Recreational transit
160 - Rail Operations
170 - Bus stop, transit station, park and ride lot maintenance
175 - Vehicle maintenance
179 - Training
180 - Planning, engineering for transit operations
181 - Capital Reserves for transit operations
190 - Other Public Transit Services

Public Transit Capital

205 - Bus Stop, Stations
210 - Vehicles - new, replacement
215 - Transit Facilities
220 - Transportation Enhancements
225 - Right of Way Improvements
230 - Farebox systems
231 - Transit Access Pass ("TAP")
232 - Universal Fare System (UFS), ITS
240 - Transportation technical systems
245 - Transit Security
250 - Light Rail Capital
251 - Commuter Rail Capital
260 - vehicle equipment, improvements
261 - Electric vehicle charging stations
270 - Park and Ride Lots
274 - preferential turning lanes for transit
275 - Reserved bus lanes on surface arterials
276 - Contra-flow lanes
277 - Traffic Signal Priority for Buses
278 - Ramp meter bypass for buses
280 - Planning, engineering for transit capital projects
281 - Capital Reserve for Transit Capital
290 - Other Public Transit Capital

Traffic Control Measures

301 - Traffic Signal - New
302 - Traffic signal upgrades or improvements
303 - Traffic signal sync
304 - Traffic Signal - Repairs and Maintenance
312 - Community-based shuttles for employees
313 - Parking management incentive programs
314 - Employer or citizen ride-matching programs and subsidies
315 - Transportation Management Organization's (¿TMO¿) insurance costs
317 - Car sharing programs
320 - Congestion pricing, toll roads
323 - Ramp meter by-pass
324 - Other TDM-Eligible projects
340 - Other TSM-Eligible projects
350 - Intelligent Transportation System (ITS)
380 - Planning, engineering for Traffic Control Measures projects
381 - Capital Reserve for Traffic Control Measures
390 - Other Traffic Control Measures

Local Funding Contributions

410 - Fund exchange for Prop A
420 - Fund exchange for Measure M (For like transportation funds only)
430 - Fund exchange for Measure R (For like transportation funds only)
440 - Measure R Ordinance ¿ ¿Attachment A¿ required 3% local funding contribution
450 - Matching funds for LR-eligible projects
460 - Local Return Gifting
470 - Start-up cost, dues, advocacy for LR eligible proj.
490 - Other

Transportation Marketing

510 - Transit publications, brochures, pamphlets, etc.
520 - Online, smartphone app transportation marketing
530 - Transportation user subsidy programs marketing
540 - Promotions & events transportation marketing
570 - Service changes marketing
580 - Planning, engineering for transportation marketing
581 - Capital reserves for transportation marketing
590 - Other Transportation marketing

Transportation Administration

610 - Admin Prop A
620 - Admin Prop C
630 - Admin Measure R
640 - Admin Measure M

Revised Local Return Project Coding Guidelines

Proposition C and Measures R & M Only

Streets and Roads

705 - Street Repair, resurfacing, maintenance, striping
710 - Capacity Enhancements
715 - Street improvements
720 - Roadway safety improvements
725 - ADA Related Street Improvements
730 - Complete Streets
730 - Freeways
740 - Intersection improvements
750 - Soundwalls
755 - Medians, Landscaping
760 - Signage
765 - PMS
780 - Planning, engineering for Streets and Roads project
781 - Capital Reserves for Streets and Roads project

Active Transportation

805 - Bike/Pedestrian Facilities, Construction
806 - Bike/pedestrian path or facility maintenance
810 - Signage, Information
815 - Bike and pedestrian safety features, education
816 - Bike signals, detection
820 - ADA Impvts, streetscapes, crossings, curb cuts
825 - Bike Sharing
840 - Bike Lanes
850 - Bike parking, valet, storage
880 - Planning, engineering for active transportation project
881 - Capital Reserves for active transportation project
890 - Other Bike and Pedestrian Projects

Measure M Only

Transit Oriented Community Investment

910 - Transit Oriented Community Investment (TOC)
990 - Other
980 - Planning, Engineering for TOC
981 - Capital Reserves for TOC

Los Angeles County
Metropolitan Transportation
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3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2020-0759, **File Type:** Agreement **Agenda Number:** 6.

FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 20, 2021

SUBJECT: SECOND AMENDMENT TO STANDARD COMMERCIAL LEASE AGREEMENT WITH PBONE OSF-C, LLC, FOR THE METRO OFFICE LEASE FOR VARIOUS OPERATING DEPARTMENTS LOCATED AT 100 S. SANTA FE AVENUE, SUITE 100, LOS ANGELES

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to execute a Second Amendment to the Standard Commercial Lease Agreement to make improvements totaling approximately $150,765 and to continue renting 70 parking spaces at a cost of $159,600 annually (total of $798,000 over the option term of 5 years), commencing March 1, 2021 with PBONE OSF-C, LLC ("Lessor") for the Metro Operations and Training office located at 100 S. Santa Fe Avenue, Suite 100, Los Angeles.

ISSUE

The office lease at 100 S. Santa Fe Avenue, Suite 100, Los Angeles ("One Santa Fe"), which provides essential office space for system maintenance services and safety training for Metro vendors and other Metro departments, includes leasing 70 parking spaces. Currently Metro is actively using all 70 existing parking spaces for staff and equipment parking. The parking space lease will terminate on February 28, 2021 if not amended. In addition, repair work to the ventilation, alarm and lighting systems that serve the premises is required.

BACKGROUND

Metro exercised its first option to extend the lease at One Santa Fe for an additional five (5) years from March 1, 2021 to February 28, 2026 ("Option Term"). This option included predetermined rental rates for the office space but did not include a predetermined rental rate for the 70 parking spaces which requires separate negotiation to lock in a new rental rate for the period of the Option Term.

In addition, the office space at One Santa Fe has had longstanding issues with the ventilation in certain areas of the premises, the volume of the alarm system, and lighting in certain areas which need to be remedied.

DISCUSSION

The newly exercised Option Term allows for the Lessor to revise the rate up to prevailing rates for similar parking in the area. The parking at One Santa Fe is used for Metro vehicles for emergency responses and maintenance issues and for on-site employee parking.

This Second Amendment documents the negotiated portion of the rent for the parking spaces during the exercised Option Term. The parking rent will increase from $9,100 per month up to $13,300 per month for a total amount of $798,000 over the Option Term.

Metro Real Estate staff is taking this opportunity to memorialize other processes, impose stricter maintenance obligations, and make some repairs to portions of the ventilation, alarm and lighting systems. The estimated one-time cost of these repairs is $150,765.

Findings

The lease allows the Lessor to raise the rental rate for the parking spaces to prevailing rates for similar parking spaces during the Option Period. Metro Real Estate staff was provided prevailing parking data from the Transportation Demand Management (TDM) staff to assist in negotiating the new parking space rental rate. The newly negotiated parking rate resulted in a rate lower than prevailing rates. This savings will offset the cost of the repairs the Lessor will begin making after the amendment is executed.

Considerations

The onsite, secured and gated parking spaces at One Santa Fe is the safest and most secure option for Metro vehicles which have expensive service equipment stored inside. Other available parking spaces are not as secure and are integrated with non-Metro public parking at locations which are farther away and may slow down emergency response times.

Equity Platform

This project addresses Metro's equity platform by assuring consistent quality of operations throughout the system in underserved communities and that all vendors receive uniform training for access to Metro rail properties.

DETERMINATION OF SAFETY IMPACT

The departments located at One Santa Fe provide essential safety training for employees and vendors needing access to Metro rail property. The repairs to the lighting, ventilation and alarm system will improve the health and safety for One Santa Fe employees and visitors.

FINANCIAL IMPACT

Approval of the lease amendment with PBONE OSF-C, LLC, for parking space rent as well as proposed repairs is estimated to be a total of $948,765 over the five (5)-year Option Term. The rental

rate is within market rate for similar parking spaces in the area.

Impact to Budget

Rental costs for One Santa Fe are included annually in the Real Estate budget 0651.300040.01.01.51201 Rent Property/Facilities. Future rental obligations will be requested in the annual budget process. Funds used are eligible for rail operating expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports strategic plan goal #5: “Responsive, accountable, and trustworthy Metro within the organization.”

ALTERNATIVES CONSIDERED

The alternative would be to lease parking spaces at an alternate off-site location for staff and Metro vehicles that would be more expensive, less secure and increase staff travel time between locations.

NEXT STEPS

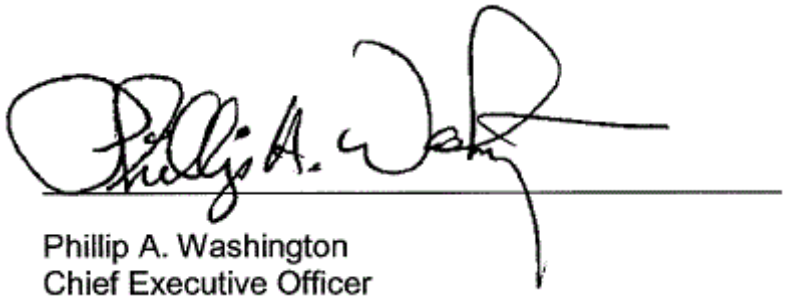
If approved by the Board, the Metro CEO will execute the lease amendment with PBONE OSF-C, LLC.

ATTACHMENTS

Attachment A - Lease Location
Attachment B - Deal Points

Prepared by: John Beck, Principal Real Estate Officer, Countywide Planning & Development, (213) 922-4435
John Potts, Executive Officer, Countywide Planning & Development, (213) 928-3397
Holly Rockwell, SEO - Real Estate, Transit Oriented Communities and Transportation Demand Management, (213) 922-5585

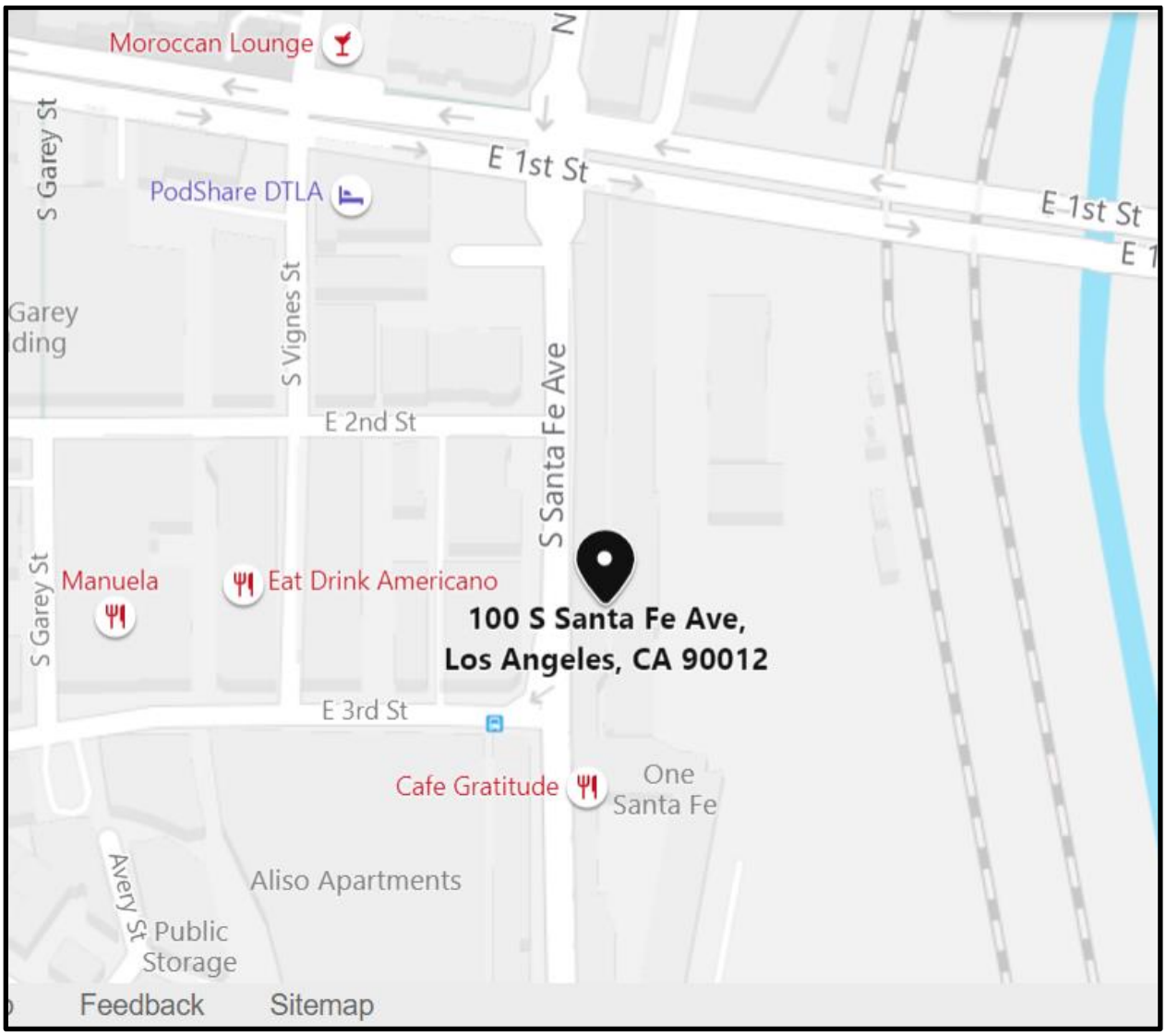
Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer

Attachment A –Lease Location

Location Map



Attachment B – Deal Points

New or renewal	2nd Amendment to Lease
Landlord/Owner	PBONE OSF-C, LLC
Location	One Santa Fe Avenue, Suite 100, Los Angeles
Premises	70 Parking Spaces
Purpose	Continued use for Metro Transportation Operations, Maintenance of Way, and Rail Fleet.
Commencement and Duration (note any extensions)	Five (5) additional years commencing approximately March 1, 2021.
Total Cost	The total lease amendment value is approximately $948,765 over the additional five (5)-year term including parking and tenant improvement (TI) costs.
Early Termination Clauses	None.
Determination of Lease Value	Metro Real Estate was provided prevailing parking data from Metro Transportation Demand Management.
Background with this Landlord	This underlying lease is with this landlord, PBONE OSF-C, LLC.
Special Provisions	The TI's are estimated to cost about $150,765. The work will be performed by the landlord and Metro will reimburse after the work is completed.

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

File #: 2020-0824, **File Type:** Plan **Agenda Number:** 9.

FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 20, 2021

SUBJECT: I-105 EXPRESSLANES PROJECT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

APPROVE the submittal of a Letter of Interest (LOI) to the United States Department of Transportation (USDOT) for a Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loan for the I-105 ExpressLanes Project and pay related fees and expenses.

ISSUE

The I-105 ExpressLanes Project (105 Project) is the next ExpressLanes project in line to be constructed in Los Angeles County. The project is also part of the 2017 LACMTA Countywide ExpressLanes Strategic Plan (ELSP) which has it included as a Tier 1 Project. The cost to construct dual ExpressLanes on I-105 is estimated to be $676 million. The 105 Project currently has $175 million in Measure M funding and was recently awarded $150 million from the Solutions for Congested Corridor Program (SCCP), which leaves a funding gap of $351 million. As a result, staff is looking at options to fill this funding gap including applying for a TIFIA loan. The first step towards obtaining a commitment of TIFIA credit assistance is the submittal of a LOI to the USDOT. The TIFIA loan will be secured by toll revenues from the 105 Project without any additional support from Measure M or other Metro sales taxes.

BACKGROUND

Staff is currently working to prepare the financing plan for 105 Project. Metro staff recommends submission of a LOI for TIFIA credit assistance to fill a portion of the funding gap for the 105 Project. Metro released the draft Environmental Impact Report/Environmental Assessment (EIR/EA) for the 105 Project in May 2020. The EIR/EA is expected to be finalized in early 2021. While construction for the 105 Project is not expected to begin until 2023, the financing process for TIFIA can take 18-24 months.

DISCUSSION

Metro and Caltrans are currently in the environmental phase of the 105 Project. As part of this phase, cost estimates have been prepared that estimate the cost to construct the 105 Project to be $676 million if constructed by 2026. Measure M provides $175 million, SCCP provides $150 million, which results in a funding gap of $351 million.

Concurrent with the preparation of the draft EIR/EA, Metro also prepared an Investment Grade Traffic and Revenue (T&R) Study for the 105 Project. The Investment Grade T&R estimates potential toll revenue and is the most thorough, detailed type of T&R that can be prepared. An Investment Grade T&R is generally required by rating agencies and investors in order to evaluate the financial performance of a project. Based on Metro staff review of the T&R and meetings with Metro's financial advisor Sperry Capital, staff believes that the projected toll revenue generated by the 105 Project are sufficient to secure debt necessary to fill the $351 million funding gap.

The amount of Federal TIFIA credit assistance typically does not exceed 33 percent of total reasonably anticipated eligible project costs. Preliminary project costs identified in the environmental document total $676 million. The exact terms for the loan are negotiated between the USDOT and the borrower, based on the project economics, the cost and revenue profile of the project, and any other relevant factors.

If the USDOT confirms the 105 Project's eligibility and the LOI, and approves the loan application and final terms, staff will return to the Metro Board of Directors for final approval to execute the loan agreement.

Key activities in pursuing a TIFIA loan for the 105 Project include:
- Drafting and submitting a LOI
- Obtaining a preliminary credit rating opinion letter
- Developing a TIFIA-specific and project-specific financial model
- Making an oral presentation to TIFIA
- Submitting a TIFIA application, if invited to do so by TIFIA
- Negotiating terms of the credit agreement with TIFIA

If TIFIA financing is secured, the remaining 105 Project funding gap will be financed through toll revenue-backed bonds to be sold in the tax-exempt municipal bond market. If TIFIA financing is not secured, Metro will be required to issue additional toll revenue-backed obligations with less desirable payment terms and rates.

DETERMINATION OF SAFETY IMPACT

This action will have no impact on safety for Metro.

FINANCIAL IMPACT

The TIFIA LOI is the first step towards securing a TIFIA loan. Loans under the TIFIA program remain attractive relative to tax-exempt municipal bonds due to current market conditions and flexible

financing terms. TIFIA loans bear an interest rate which tracks long-term U.S. Treasury rates irrespective of the credit rating. Staff expects this loan to be paid from toll revenues and to have a subordinate position, consistent with Metro's prior TIFIA financings, for repayment of the loans after Metro's planned senior toll revenue-backed transaction, making the TIFIA loan rate comparatively more attractive. TIFIA loans also provide more flexibility on how the funds are used compared to traditional tax-exempt municipal bonds. TIFIA loans can be structured with financing terms which include allowing interest to be capitalized (accrued and added to the loan balance) until after project substantial completion, an interest-only early payment period, and deferred principal repayment, among other favorable terms.

Since 2012, Metro has closed four TIFIA loans, which were all repayable from Measure R 35% funds: $545.9 million for the Crenshaw/LAX Transit Corridor project, $160.0 million for the Regional Connector project, and $856.0 million for the Westside Purple Line Extension Phase I and $307.0 million for Phase II. Metro completed an early repayment of its TIFIA obligations in August 2020 through the issuance of the Measure R Junior Subordinate Sales Tax Revenue Refunding Bonds, Series 2020-A.

After submitting the LOI, Metro may be invited to continue in the TIFIA process. If Metro decides to continue in the TIFIA process, Metro will need to reimburse the USDOT for the costs of the outside advisors who advise TIFIA on the transaction on determining a project's eligibility, credit analysis and loan negotiations. USDOT typically requests a preliminary fee of $250,000 to initiate review of Metro's application. Funding of the $250,000 preliminary fee is included in the FY21 Budget and will use eligible Measure M funds to pay the TIFIA fees.

IMPACT TO BUDGET

Eligible Measure M funding for the I-105 ExpressLanes will pay the preliminary TIFIA fees.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Metro Vision 2028 Strategic Plan identifies five goals to guide Metro's work and initiatives. This Board action supports the following goals.

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.
The purpose of the 105 Project, as well as the existing I-110 and I-10 ExpressLanes and other projects identified in the ELSP, is to actively manage traffic through dynamic pricing of roadway capacity to optimize traffic flow and provide faster, more reliable trips. A TIFIA loan will allow the project to proceed with low interest rates, flexible repayment terms, option to defer loan draws and interest payments, and no obligation upon Metro to draw any of or all of the loan at any given time.

Goal 2: Deliver outstanding trip experiences for all users of the transportation system.
A key benefit of Metro's ExpressLanes is improved corridor performance through a reduction in recurring peak period congestion and travel times, as well as an increase in average speeds, throughput, and reliability for freight shipments and travelers.

Goal 5. Provide responsive, accountable, and trustworthy governance within the Metro organization.

TIFIA has been shown to achieve more flexible financing terms and better costs, supporting Goal 5.2 to exercise good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

The Board could delay submission of the TIFIA LOI. This is not recommended as the TIFIA process requires 18-24 months or more and loans are provided on a first come-first served basis. Delaying submission of the TIFIA LOI could result in a delay in securing funding for construction of the project increasing the cost and delaying a valuable mobility option.

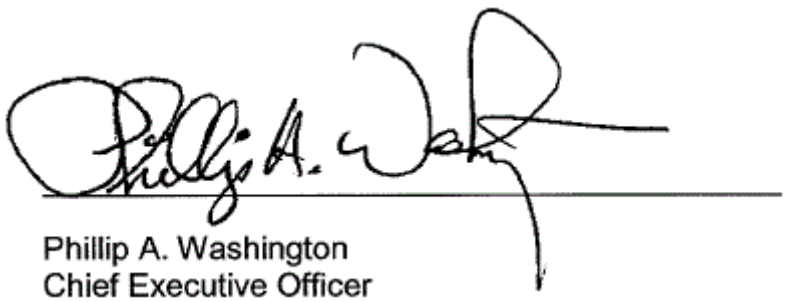
The Board could decide not to approve submitting the TIFIA LOI. This is not recommended because, in the current market environment, access to the TIFIA Loan may provide Metro with a lower cost alternative to tax-exempt municipal bonds as well as more flexible financing terms. Should market conditions change, the Metro Board of Directors can change course later in the TIFIA loan process.

NEXT STEPS

Staff will prepare and submit a TIFIA Letter of Interest for the I-105 Project to USDOT and will keep the Board apprised of subsequent steps. Staff is also working to determine the next steps of the 105 Project including the preparation of final design and construction delivery method. Staff expects to return to the Board in May 2021 with additional details.

Prepared by: Mark Linsenmayer, DEO Congestion Reduction, (213) 922-5569

Reviewed by: Shahrzad Amiri, EO Congestion Reduction, (213) 922-3061



Phillip A. Washington
Chief Executive Officer

Item 9

I-105 ExpressLanes TIFIA Letter of Interest (LOI)

Wednesday, January 20, 2021

Metro

Action

- APPROVE PURSUIT OF A TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT LOAN FOR THE I-105 EXPRESSLANES PROJECT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

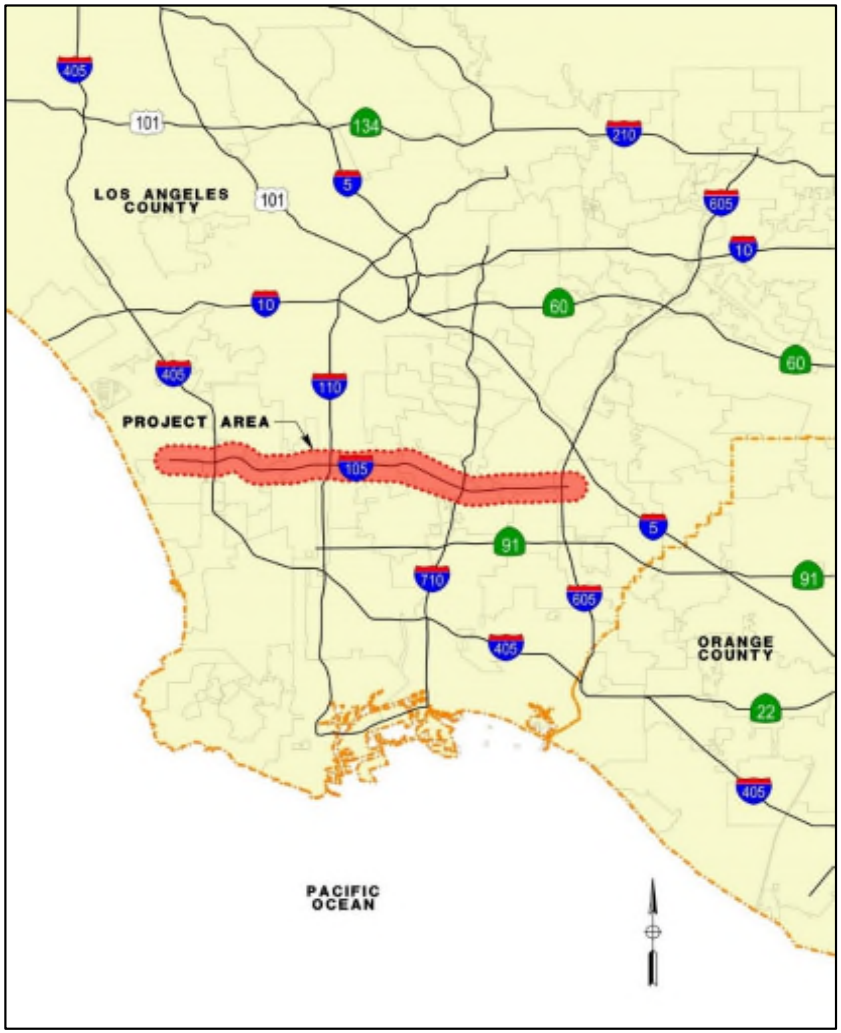
APPROVE the submittal of a Letter of Interest (LOI) to the United States Department of Transportation (USDOT) for a Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loan for the I-105 ExpressLanes Project and pay related fees and expenses.

Metro

Project Area and Overview

- I-105 from the 405 to 605

- Environmental Draft is Complete
- Working with Treasury, Government Relations, Program Management, and Stakeholders on next steps

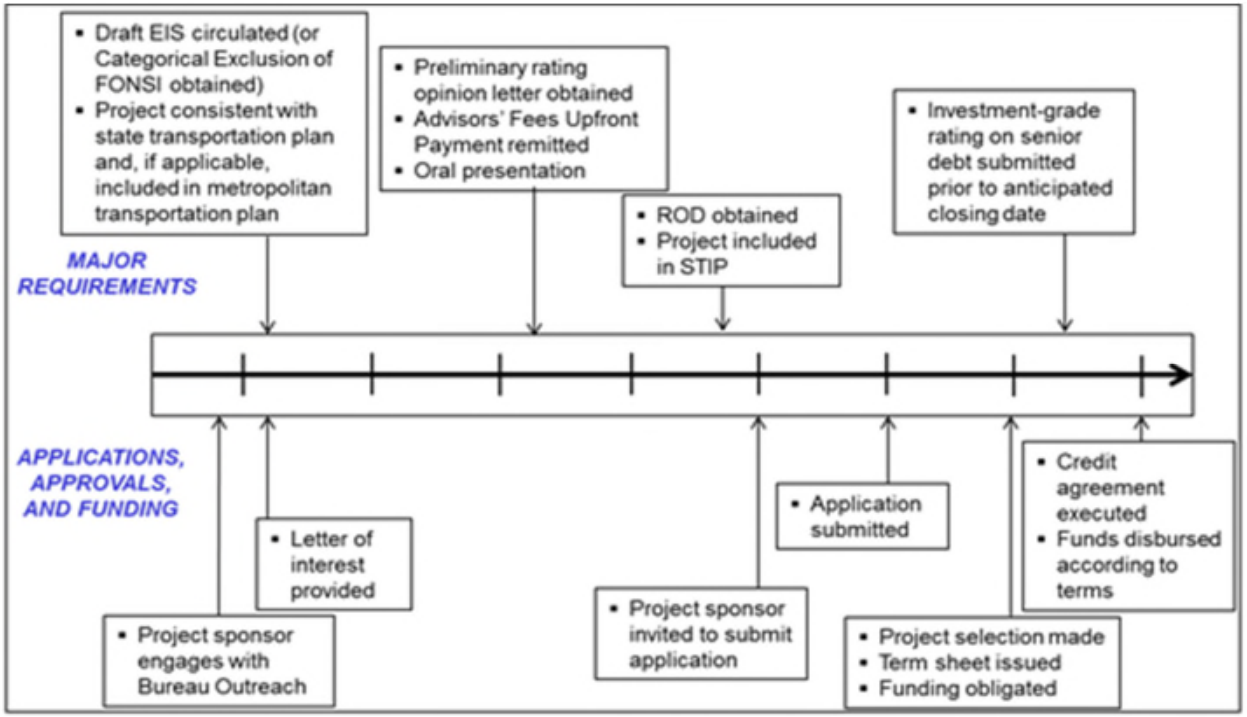


Metro

TIFIA Process

Key activities in pursuing a TIFIA loan for the 105 Project include:

- Drafting and submitting a LOI
- Obtaining a preliminary credit rating opinion letter
- Developing a TIFIA-specific and project-specific financial model
- Making an oral presentation to TIFIA
- Submitting a TIFIA application, if invited to do so by TIFIA
- Negotiating terms of the credit agreement with TIFIA



Metro

Proposed Funding

Preliminary Project Cost:	$676 million
Sources:	
Measure M:	$175 million
SCCP (SB1):	$150 million
Toll Revenue Backed Loans (TIFIA):	$351 million ($223 million TIFIA)
Total Sources	$676 million

Next Steps:

- Finalize Environmental – April 2021
- Submit LOI – May 2021

Will return to the Board with updates

Metro

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

File #: 2020-0779, **File Type:** Program **Agenda Number:** 12.

PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2021

SUBJECT: MEASURE R HIGHWAY SUBREGIONAL PROGRAM SEMI-ANNUAL UPDATE

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. APPROVING $4,433,000 in additional programming within the capacity of the Measure R Highway Subregional Programs and funding changes via the updated project list as shown in Attachment A for:
- Highway Operational Improvements in Las Virgenes Malibu
- I-605 Corridor “Hot Spots” Interchange Improvements in Gateway Cities
- I-710 South and/or Early action Projects in Gateway Cities
- Interstate 5/ St. Route 14 Capacity Enhancements

B. APPROVING deobligation of $10,707,000 of previously approved Measure R Highway Subregional Program funds for re-allocation at the request of project sponsors.

C. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for the Board-approved projects.

ISSUE

The Measure R Highway Subregional Program update allows the Metro Highway Program and each subregion or lead agency to revise delivery priorities and amend project budgets for the implementation of the Measure R Highway subregional projects. The attached updated project lists include projects which have received prior Board approval, as well as proposed changes related to schedules, scope, funding allocation and the addition or removal of projects. The Board’s approval is required as the updated project lists serve as the basis for Metro to enter into agreements with the respective implementing agencies

BACKGROUND

Lines 31, 32, 33, 35, 37, 38 of the 2008 Measure R Expenditure Plan address Highway Operational Improvement subfunds. The Highway Department in Program Management lead or assist the

development and implementation of highway and arterial projects with these subfunds. Highway Department staff also manage grants to jurisdictions and works with each of the subregions and eligible grant recipients to deliver projects. To be eligible for funding, projects must improve traffic flow in an existing State Highway corridor by reducing congestion and operational deficiencies. Project sponsors may use board approved funds in all project phases.

This report has incorporated Line 26 of the Measure R Expenditure Plan, consolidating the subfund program created after the Board certified the completion of the I-5/SR-14 Direct Connector project in 2017 via report (2017-0384) and authorized distribution of the project savings to local projects in North County. Two programming actions have taken place since the completion of the project, the first on May 24, 2018 (2018-0172) and the second on October 17, 2018 (2018-0529).

Updates on progress in development and implementation of the subregional highway projects and programs are presented to the Board semi-annually and on as-needed basis.

DISCUSSION

The Subregional Highway capital projects are not individually defined in the Measure R Expenditure Plan. Eligible projects are identified by project sponsors and validated/approved by Metro Highway Program staff for funding.

The changes in this update include $4,433,000 in additional programming for projects in the Gateway Cities subregion- as detailed in Attachment A.

A nexus determination has been completed for each new project. All projects on the attached project lists are expected to provide highway operational benefits and meet the Highway Operational and Ramp/Interchange improvement definition approved by the Board.

Highway Operational Improvements in Arroyo Verdugo

To date, $95,188,400 has been programmed for projects. This update includes no new programming or funding adjustments for the subregion.

Highway Operational Improvements in Las Virgenes-Malibu Subregion

To date, $156,901,000 has been programmed for projects. This update includes a funding adjustment to 1 existing project and no new programming for the subregion.

Reprogram $1,000,000 for MR311.27 - PCH Intersection Improvements. The funds are being reprogrammed to later fiscal years to match design and construction timeframes.

I-405, I-110, I-105 and SR-91 Ramp and Interchange Improvements (South Bay)

To date, $412,265,900 has been programmed for projects. This update includes no new

programming or funding adjustments for the subregion.

I-605 Corridor "Hot Spots" Interchanges
To date, $274,534,800 has been programmed for projects. This update includes $3,125,000 in new programming for 1 new project and funding adjustments to 2 existing projects as follows:

Artesia

Program $625,000 for MR315.25 - Pioneer Blvd at Arkansas St. Improvements. The funds will be used to construct traffic signal, median and curb improvements.

Measure R NEXUS to Highway Operational Definition: This project is an eligible traffic signal and intersection improvement project.

LA County

Program an additional $2,000,000 for MR315.07 - Painter/Mulberry Intersection Improvements. The additional funds will be used for construction.

Lakewood

Program an additional $500,000 for MR315.04 - Lakewood/Del Amo Intersection Improvements. The additional funds will be used for construction.

I-710 South and/or Early Action Projects
To date, $262,197,900 has been programmed for projects. This update includes $1,308,000 in new programming for 2 projects and funding adjustments to 2 existing projects as follows:

Caltrans

Program $150,000 for MR306.21- 710 Integrated Corridor Management (Independent Quality Assurance). The funds are required for Caltrans reviews of the Project Initiation Document (PID).

Metro

Program an additional $1,158,000 for PS189100 - 710 Soundwall Package 2 (Design and ROW). The additional funds will match the contract award amount and fully fund Design and ROW.

Program an additional $1,938,000 for PS4720-3330 - 710 Soundwall Package 3 Design and ROW. The additional funds will match the contract award amount and fully fund PSE and ROW.

Deobligate $1,938,000 from MR306.04 - 710 Soundwall Package 3 Construction. The funds are being deobligated to match the current construction estimate.

State Route 138 Capacity Enhancements

To date, $200,000,000 has been programmed for projects. This update includes no new programming or funding adjustments for the subregion.

Interstate 5/State Route 14 Capacity Enhancements

To date, $85,094 has been programmed for projects. This update includes a programming of funds for 1 new project and a funding adjustment to 1 existing project and as follows:

Lancaster

Program $8,769,168 for MR330.04 - SR-138 (SR-14) Ave J Interchange Improvements. This project is in final design and is also funded with Measure R SR-138 Highway funds. The additional 5/14 funds will fully fund construction of the SR-14 on/off ramp improvements.

Deobligate $8,769,168 from MR330.06 - SR-138 (SR-14) Ave M Interchange Improvements. This project is fully funded through construction and the City of Lancaster is allocating the deobligated project funds to Ave J.

DETERMINATION OF SAFETY IMPACT

The recertification of the project list and funding allocations will have no adverse impact on the safety of Metro's patrons and employees and the users of the reference transportation facilities.

FINANCIAL IMPACT

Approval of Recommendation A will not require an FY21 Budget amendment at this time. Highway Programs' project management staff will monitor the projects and adjust funding as required to meet project needs within the Adopted FY21 Highway budget subject to availability of funds.

Funding for the highway projects is from the Measure R 20% Highway Capital subfund earmarked for the subregions. FY21 funds are allocated for Arroyo Verdugo (Project No.460310), Las Virgenes Malibu (Project No. 460311), and South Bay (Project No. 460312) subregions in approved FY21 budgets. These three programs are budgeted under Cost Center 0442 in Account 54001 (Subsidies to Others).

The remaining funds are distributed from the Measure R 20% Highway Capital Subfund via funding agreements to Caltrans, and the cities of Palmdale and Lancaster under Cost Center 0442 in Project No. 460330, Account 54001 (Subsidies to Others).
Funding for the I-605 Corridor "Hot Spots" Projects, is allocated to Project No. 460314, Cost Centers 4720, 4730 & 0442, Account 54001 (Subsidies to Others) and account 50316 (Professional Services); 461314, Task 5.2.100; 462314, Task 5.3.100; 463314, Task 5.2.100; 460345, Task 5.3.100; 460346, Tasks 5.3.100; 460348 and 5.3.100; 460349, Task 5.3.100; 460350, Task 5.2.100; 460351, Task 5.3.100 ; and for I-710 Early Action Projects, in Project No. 460316 in Cost Center 0442, Account 54001 (Subsidies to Others) and also under 462316, Task 5.2.100; 463316, Task 5.3.100; 463416, Task 5.3.100; and 463516, Task 5.3.100 in Account 50316 (Professional Services) in Cost Center 4720 are all included in the FY21 budget.

Staff will work within the adopted FY21 budget subject to available funds.

For the North County Operational Improvement Projects (I-5/SR-14 Direct Connector Line #26), FY21 funds are included in Project No. 465501, Cost Center 0442, Account 54001 (Subsidies to Others).

Moreover, programmed funds are based on estimated revenues. Since each MRHSP is a multi-year program with various projects, the Project Managers, the Cost Center Manager and the Senior Executive Officer, Program Management, Highway Program will be responsible for budgeting the costs in current and future years.

Impact to Budget

Upon Approval of recommendations, staff will rebalance the approved FY21 to fund the identified priorities. Should additional funds be required for the FY21 period, staff will revisit the budgetary needs using the quarterly and mid-year adjustment processes subject to the availability of funds.

The source of funds for these projects is Measure R 20% Highway Funds. This fund source is not eligible for Bus and rail Operations or Capital expenses.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed projects are consistent with the following goals of the Metro Vision 2028 Strategic Plan:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling by alleviating the current operational deficiencies and improving mobility along the State highways and eligible local arterials.

Goal 4: Transform LA county through regional collaboration by partnering with the various subregions to identify the needed improvements and development and implement mobility improvement projects.

ALTERNATIVES CONSIDERED

The Board may choose to not approve the revised project lists and funding allocations. However, this option is not recommended as it will delay development of the needed improvements.

NEXT STEPS

Metro Highway Programs Staff will continue to work with the subregions to identify and deliver projects. As work progresses, updates will be provided to the Board on semi-annual and as-needed basis.

ATTACHMENTS

Attachment A - Projects Receiving Measure R Funds

Prepared by: Isidro Panuco, Sr Mgr. Transportation Planning, (213) 418-3208
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Reviewed by: Richard F Clarke, Chief Program Management Officer, (213) 922-7557



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

Measure R Highway Operational Improvements Projects

(Dollars in Thousands)

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
		HIGHWAY OPS IMP GRAND TOTAL		1,481,725	4,433	1,486,158	1,089,085	145,994	103,657	56,165	50,595
Arroyo Verdugo Operational Improvements				**95,188.4**	**(0.0)**	**95,188.4**	**72,374.4**	**15,424.0**	**5,590.0**	**1,800.0**	**0.0**
Burbank	MR310.06	San Fernando Blvd. / Burbank Blvd. Intersection		2,325.0	0.0	2,325.0	2,325.0				
Burbank	MR310.07	Widen Magnolia Blvd / I-5 Bridge for center-turn lane		3,967.0	0.0	3,967.0	250.0	3,717.0			
Burbank	MR310.08	I-5 Corridor Arterial Signal Improvements **(Completed)**		2,600.0	0.0	2,600.0	2,600.0				
Burbank	MR310.09	SR-134 Corridor Arterial Signal Improvements **(Completed)**		2,975.0	0.0	2,975.0	2,975.0				
Burbank	MR310.10	Widen Olive Ave / I-5 Bridge for center-turn lane		3,897.0	0.0	3,897.0	250	3,647.0			
Burbank	MR310.11	Olive Ave. / Verdugo Ave. Intersection Improvement		3,600.0	0.0	3,600.0	3,600.0				
Burbank	MR310.23	Chandler Bikeway Extension **(call match) F7506**		659.8	0.0	659.8	659.8				
Burbank	MR310.31	SR-134 Corridor Arterial Signal Improvements - Phase 2		2,000.0	0.0	2,000.0	2,000.0				
Burbank	MR310.33	Media District Traffic Signal Improvments		1,400.0	0.0	1,400.0	1,400.0				
Burbank	MR310.38	I-5 Corridor Arterial Signal Improvements - Phase 2		1,150.0	0.0	1,150.0	1,150.0				
Burbank	MR310.46	Glenoaks Blvd Arterial and First St Signal Improvements		3,200.0	0.0	3,200.0	3,200.0				
Burbank	MR310.50	I-5 Downtown Soundwall Project - Orange Grove Ave to Magnolia		1,000.0	0.0	1,000.0	1,000.0				
Burbank	MR310.51	Alameda Ave Signal Synchronization Glenoaks Blvd to Riverside Dr.		250.0	0.0	250.0	250.0				
Burbank	MR310.55	I-5 Corridor Arterial Signal Improvements - Phase 3		1,400.0	0.0	1,400.0		200.0	1,200.0		
Burbank	MR310.56	Victory Blvd/N Victory Pl and Buena Vista St Signal Sync		250.0	0.0	250.0		250.0			
Burbank	MR310.57	Olive Ave and Glenoaks Blvd Signal Synchronization		350.0	0.0	350.0			350.0		
Burbank	MR310.58	Downtown Burbank Signal Synchronization		250.0	0.0	250.0				250.0	
Burbank	MR310.59	Burbank LA River Bicycle Bridge at Bob Hope Drive		2,000.0	0.0	2,000.0	500.0	1,500.0			
		TOTAL BURBANK		33,273.8	0.0	33,273.8	22,159.8	9,314.0	1,550.0	250.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Glendale	MR310.01	Fairmont Ave. Grade Separation at San Fernando Rd. (Construction) **(Completed)**		1,658.7	0.0	1,658.7	1,658.7				
Glendale	MR310.02	Fairmont Ave. Grade Sep. at San Fernando -- Design **(FA canceled and funds previously moved to MR310.01)**		0.0	0.0	0.0	0.0				
Glendale	MR310.04	San Fernando/Grandview At-Grade Rail Crossing Imp. **(Completed)**		1,850.0	0.0	1,850.0	1,850.0				
Glendale	MR310.05	Central Ave Improvements / Broadway to SR-134 EB Offramp **(Completed)**		3,250.0	0.0	3,250.0	3,250.0				
Glendale	MR310.13	Glendale Narrows Bikeway Culvert		1,246.5	0.0	1,246.5	1,246.5				
Glendale	MR310.14	Verdugo Road Signal Upgrades **(Completed)**		557.0	0.0	557.0	557.0				
Glendale	MR310.16	SR-134 / Glendale Ave. Interchange Modification **(Completed)**		1,585.5	0.0	1,585.5	1,585.5				
Glendale	MR310.17	Ocean View Blvd. Traffic Signals Installation and Modification **(Completed)**		1,000.0	0.0	1,000.0	1,000.0				
Glendale	MR310.18	Sonora Avenue At-Grade Rail Crossing Safety Upgrade **(Completed)**		2,700.0	0.0	2,700.0	2,700.0				
Glendale	MR310.19	Traffic Signal Sync Brand / Colorado-San Fernando / Glendale-Verdugo **(Completed)**		340.9	0.0	340.9	340.9				
Glendale	MR310.20	Verdugo Rd / Honolulu Ave / Verdugo Blvd Intersection Modification **(Completed)**		397.3	0.0	397.3	397.3				
Glendale	MR310.21	Colorado St. Widening between Brand Blvd. and East of Brand Blvd. **(Completed)**		350.0	0.0	350.0	350.0				
Glendale	MR310.22	Glendale Narrows Riverwalk Bridge		600.0	0.0	600.0	600.0				
Glendale	MR310.24	Construction of Bicycle Facilities		244.3	0.0	244.3	244.3				
Glendale	MR310.25	210 Soundwalls Project		4,520.0	0.0	4,520.0	1,520.0	3,000.0			
Glendale	MR310.26	Bicycle Facilities, Phase 2 (Class III Bike Routes)		225.0	0.0	225.0	225.0				
Glendale	MR310.28	Pennsylvania Ave Signal at I-210 On/Off-Ramps		500.0	0.0	500.0	500.0				

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Glendale	MR310.32	Regional Arterial Performance Measures **(Call Match) F7321**		100.0	0.0	100.0	100.0				
Glendale	MR310.34	Regional Bike Stations **(Call Match) F7709**		332.2	0.0	332.2	332.2				
Glendale	MR310.35	Signal Installations at Various Locations **(Completed)**		1,500.0	0.0	1,500.0	1,500.0				
Glendale	MR310.36	Signalizations of SR-2 Fwy Ramps @ Holly		600.0	0.0	600.0	0.0		100.0	500.0	
Glendale	MR310.37	Verdugo Boulevard Traffic Signal Modification at Vahili Way and SR-2		1,450.0	0.0	1,450.0	1,450.0				
Glendale	MR310.39	Widening of SR-2 Fwy Ramps @ Mountain		1,200.0	0.0	1,200.0	0.0		150.0	1,050.0	
Glendale	MR310.40	Pacific Ave: Colorado to Glenoaks & Burchett St: Pacific To Central Street Improvements **(Completed)**		3,315.0	0.0	3,315.0	3,315.0				
Glendale	MR310.41	Doran St. (From Brand Blvd. to Adams St.)		1,450.0	0.0	1,450.0	1,450.0				
Glendale	MR310.42	Arden Ave. (From Highland Ave. to Kenilworth St.) **(Completed)**		623.2	0.0	623.2	623.2				
Glendale	MR310.43	Verdugo Rd. Street Improvements Project (Traffic Signal Modification)		1,650.0	0.0	1,650.0	0.0	585.0	1,065.0		
Glendale	MR310.47	Traffic Signals on Glenwood Rd. and Modificaitons on La Crescenta and Central Ave.		2,025.0	0.0	2,025.0	2,025.0				
Glendale	MR310.48	San Frenando Rd and Los Angeles Street Traffic Signal Installation & Intersection Modification		400.0	0.0	400.0	400.0				
Glendale	MR310.49	Traffic Signal Modification & Upgrades on Honolulu Ave		3,000.0	0.0	3,000.0	3,000.0				
Glendale	MR310.52	Traffic Signal Improvements at Chevy Chase Dr/California Ave/		2,500.0	0.0	2,500.0	2,500.0				
Glendale	MR310.54	Signal Mod on La Crescenta Ave and San Fernando Rd.		1,650.0	0.0	1,650.0	1,650.0				
Glendale	MR310.60	N. Verdugo Rd Signal Modifications (Glendale Community College to Menlo Dr at Canada Blvd)		1,100.0	0.0	1,100.0		1,100.0			
Glendale	MR310.61	Broadway Traffic Signal Modifications		1,650.0	0.0	1,650.0		625.0	1,025.0		
Glendale	MR310.62	Downtown Glendale Signal Synchronization Project		2,500.0	0.0	2,500.0		800.0	1,700.0		
		TOTAL GLENDALE		48,070.6	0.0	48,070.6	36,370.6	6,110.0	4,040.0	1,550.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
La Canada Flintridge	MR310.03	Soundwalls on Interstate I-210 **(Completed)**		4,588.0	0.0	4,588.0	4,588.0				
La Canada Flintridge	MR310.45	Soundwalls on Interstate I-210 in La Canada-Flintridge (phase 2)		1,800.0	0.0	1,800.0	1,800.0				
La Canada Flintridge	MR310.53	Soundwall on I-210 (Phase 3)		3,712.0	0.0	3,712.0	3,712.0				
		TOTAL LA CANADA FLINTRIDGE		10,100.0	0.0	10,100.0	10,100.0	0.0	0.0	0.0	0.0
LA County	MR310.44	Soudwalls on Interstate I-210 in LA Crescenta-Montrose		3,044.0	0.0	3,044.0	3,044.0				
		TOTAL LA COUNTY		3,044.0	0.0	3,044.0	3,044.0	0.0	0.0	0.0	0.0
Metro/Caltrans	MR310.29	NBSSR on I-210 frm Pennsylvania Ave. to West of SR-2		700.0	0.0	700.0	700.0				
		TOTAL METRO		700.0	0.0	700.0	700.0	0.0	0.0	0.0	0.0
		TOTAL ARROYO VERDUGO OPS IMPS		**95,188.4**	**(0.0)**	**95,188.4**	**72,374.4**	**15,424.0**	**5,590.0**	**1,800.0**	**0.0**

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Las Virgenes/Malibu Operational Improvements				**156,901.0**	**0.0**	**156,901.0**	**154,351.0**	**330.0**	**1,930.0**	**290.0**	**0.0**
Westlake Village	MR311.01	Lindero Canyon Road Interchange, Phase 3A Design		443.7	0.0	443.7	443.7				
Westlake Village	MR311.02	Highway 101 Park and Ride Lot **(Design Completed)**		243.7	0.0	243.7	243.7				
Westlake Village	MR311.10	Rte 101/ Lindero Cyn. Rd. Interchange Improvements, Phase 3B,4B Construction **(Completed)**		3,251.0	0.0	3,251.0	3,251.0				
Westlake Village	MR311.18	Rte 101/ Lindero Cyn. Rd. Interchange Improvements, Phase 3A Construction		9,669.0	0.0	9,669.0	9,419.0	250.0			
Westlake Village	MR311.19	Highway 101 Park and Ride Lot **(Completed)**		4,943.6	0.0	4,943.6	4,943.6				
		TOTAL WESTLAKE VILLAGE		18,551.0	0.0	18,551.0	18,301.0	250.0	0.0	0.0	0.0
Agoura Hills	MR311.03	Palo Comado Interchange		10,450.0	0.0	10,450.0	10,450.0				
Agoura Hills	MR311.04	Aguora Road/Kanan Road Intersection Improvements		1,150.0	0.0	1,150.0	1,150.0				
Agoura Hills	MR311.05	Agoura Road Widening		36,700.0	0.0	36,700.0	36,700.0				
Agoura Hills	MR311.14	Kanan Road Corridor from Thousand Oaks Blvd to Cornell Road PSR		700.0	0.0	700.0	700.0				
Agoura Hills	MR311.15	Agoura Hills Multi-Modal Center		100.0	0.0	100.0	100.0				
		TOTAL AGOURA HILLS		49,100.0	0.0	49,100.0	49,100.0	0.0	0.0	0.0	0.0
Calabasas	MR311.06	Lost Hills Overpass and Interchange		35,500.0	0.0	35,500.0	35,500.0				
Calabasas	MR311.07	Mulholland Highway Scenic Corridor Completion **(Completed)**		4,389.8	0.0	4,389.8	4,389.8				
Calabasas	MR311.08	Las Virgenes Scenic Corridor Widening **(Completed)**		5,746.2	0.0	5,746.2	5,746.2				
Calabasas	MR311.09	Parkway Calabasas/US 101 SB Offramp **(Completed)**		214.0	0.0	214.0	214.0				
Calabasas	MR311.20	Off-Ramp for US 101 at Las Virgenes Road **(Cancelled)**		0.0	0.0	0.0	0.0				
Calabasas	MR311.33	Park and Ride Lot on or about 23577 Calabasas Road (near Route 101) **(Completed)**		3,700.0	0.0	3,700.0	3,700.0				
		TOTAL CALABASAS		49,550.0	0.0	49,550.0	49,550.0	0.0	0.0	0.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Malibu	MR311.11	PCH Signal System Improvements from John Tyler Drive to Topanga Canyon Blvd		14,600.0	0.0	14,600.0	13,700.0		900.0		
Malibu	MR311.24	Malibu/Civic Center Way Widening		5,600.0	0.0	5,600.0	5,200.0		400.0		
Malibu	MR311.26	PCH-Raised Median and Channelization from Webb Way to Corral Canyon Road		6,950.0	0.0	6,950.0	6,950.0				
Malibu	MR311.27	PCH Intersections Improvements	CHG	1,000.0	0.0	1,000.0		80.0	630.0	290.0	
Malibu	MR311.28	Kanan Dume Road Arrestor Bed Improvements and Intersection with PCH Construction **(Completed)**		900.0	0.0	900.0	900.0				
Malibu	MR311.29	PCH Regional Traffic Message System (CMS)		0.0	0.0	0.0					
Malibu	MR311.30	PCH Roadway and Bike Route Improvements fr. Busch Dr. to Western City Limits **(Completed)**		500.0	0.0	500.0	500.0				
Malibu	MR311.32	PCH and Big Rock Dr. Intersection and at La Costa Area Pedestrian Improvements		950.0	0.0	950.0	950.0				
Malibu	MR311.35	Park and Ride Lot on Civic Center Way and/or PCH		3,500.0	0.0	3,500.0	3,500.0				
		TOTAL MALIBU		34,000.0	0.0	34,000.0	31,700.0	80.0	1,930.0	290.0	0.0
Hidden Hills	MR311.34	Long Valley Road/Valley Circle/US-101 On-Ramp Improvements		5,700.0	0.0	5,700.0	5,700.0				
		TOTAL HIDDEN HILLS		5,700.0	0.0	5,700.0	5,700.0	0.0	0.0	0.0	0.0
		TOTAL LAS VIRGENES/MALIBU OPS IMPS		**156,901.0**	**0.0**	**156,901.0**	**154,351.0**	**330.0**	**1,930.0**	**290.0**	**0.0**

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
South Bay I-405, I-110, I-105, & SR-91 Ramp / Interchange Imps				**412,265.9**	**(0.0)**	**412,265.9**	**227,611.9**	**53,764.0**	**48,695.0**	**31,600.0**	**50,595.0**
SBCCOG	MR312.01	South Bay Cities COG Program Development & Oversight and Program Administration ***(Project Development Budget Included)***		13,375.0	0.0	13,375.0	13,375.0				
		TOTAL SBCCOG		13,375.0	0.0	13,375.0	13,375.0	0.0	0.0	0.0	0.0
Caltrans	MR312.11	ITS: I-405, I-110, I-105, SR-91 at Freeway Ramp/Arterial Signalized Intersections		5,357.0	(0.0)	5,357.0	5,357.0				
Caltrans	MR312.24	I-110 Aux lane from SR-91 to Torrance Blvd Aux lane & I-405/I-110 Connector **(Completed)**		8,120.0	0.0	8,120.0	8,120.0				
Caltrans	MR312.25	I-405 at 182nd St. / Crenshaw Blvd Improvements		86,400.0	0.0	86,400.0	24,400.0	25,000.0	20,000.0	11,000.0	6,000.0
Caltrans	MR312.29	ITS: Pacific Coast Highway and Parallel Arterials From I-105 to I-110		9,000.0	0.0	9,000.0	9,000.0				
Caltrans	MR312.45	PAED Integrated Corridor Management System (ICMS) on I-110 from Artesia Blvd and I-405		1,000.0	0.0	1,000.0	1,000.0				
Caltrans	MR312.77	I-405 IQA Review for PSR (El Segundo to Artesia Blvd) **(Completed)**		150.0	0.0	150.0	150.0				
Caltrans	MR312.78	I-405 IQA Review for PSR (Main St to Wilmington)		150.0	0.0	150.0	150.0				
Caltrans	MR312.82	PCH (I-105 to I-110) Turn Lanes and Pockets		8,400.0	0.0	8,400.0			4,400.0	4,000.0	
		TOTAL CALTRANS		118,577.0	(0.0)	118,577.0	48,177.0	25,000.0	24,400.0	15,000.0	6,000.0
Carson/Metro	MR312.41	Traffic Signal Upgrades at 10 Intersections		1,400.0	0.0	1,400.0	1,400.0				
Carson/Metro	MR312.46	Upgrade Traffic Control Signals at the Intersection of Figueroa St and 234th St. and Figueroa and 228th st.		150.0	0.0	150.0	150.0				
Carson	MR312.80	223rd st Widening		1,000.0	0.0	1,000.0	1,000.0				
		TOTAL CARSON		2,550.0	0.0	2,550.0	2,550.0	0.0	0.0	0.0	0.0
El Segundo	MR312.22	Maple Ave Improvements from Sepulveda Blvd to Parkview Ave. **(Completed)**		2,500.0	0.0	2,500.0	2,500.0				
El Segundo	MR312.27	PCH Improvements from Imperial Highway to El Segundo Boulevard		400.0	0.0	400.0	400.0				
El Segundo	MR312.57	Park Place Roadway Extension and Railroad Grade Separation Project		5,350.0	0.0	5,350.0	350.0	600.0	3,200.0	1,200.0	
		TOTAL EL SEGUNDO		8,250.0	0.0	8,250.0	3,250.0	600.0	3,200.0	1,200.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Gardena	MR312.02	Traffic Signal Reconstruction on Vermont at Redondo Beach Blvd and at Rosecrans Ave.		1,500.0	0.0	1,500.0	1,500.0				
Gardena	MR312.09	Artesia Blvd Arterial Improvements from Western Ave to Vermont Ave		2,523.0	0.0	2,523.0	2,523.0				
Gardena	MR312.17	Rosecrans Ave Improvements from Vermont Ave to Crenshaw Blvd **(Completed)**		4,967.0	0.0	4,967.0	4,967.0				
Gardena	MR312.19	Artesia Blvd at Western Ave Intersection Improvements (Westbound left turn lanes) **(Completed)**		393.0	0.0	393.0	393.0				
Gardena	MR312.21	Vermont Ave Improvements from Rosecrans Ave to 182nd Street **(Completed)**		2,090.3	0.0	2,090.3	2,090.3				
Gardena	MR312.79	Traffic Signal Install at Vermont Ave. and Magnolia Ave		144.0	0.0	144.0	144.0				
		TOTAL GARDENA		11,617.3	0.0	11,617.3	11,617.3	0.0	0.0	0.0	0.0
Hawthorne	MR312.03	Rosecrans Ave Widening from I-405 SB off ramp to Isis Ave **(Completed)**		2,100.0	0.0	2,100.0	2,100.0				
Hawthorne	MR312.33	Aviation Blvd at Marine Ave Intersection Improvements (Westbound right turn lane) **(Completed)**		3,600.0	0.0	3,600.0	3,600.0				
Hawthorne	MR312.44	Hawthorne Blvd Improvements from El Segundo Blvd to Rosecrans Ave **(Completed)**		7,551.0	0.0	7,551.0	7,551.0				
Hawthorne	MR312.47	Signal Improvements on Prairie Ave from 118th St. to Marine Ave.		1,237.0	0.0	1,237.0	1,237.0				
Hawthorne	MR312.54	Intersection Widening & Traffic Signal Modifications on Inglewood Ave at El Segundo Blvd; on Crenshaw Blvd At Rocket Road; on Crenshaw at Jack Northop; and on 120th St		2,000.0	0.0	2,000.0	2,000.0				
Hawthorne	MR312.61	Hawthorne Blvd Arterial Improvements, from 126th St to 111th St. **(Completed)**		4,400.0	0.0	4,400.0	4,400.0				
Hawthorne	MR312.66	Imperial Ave Signal Improvements and Intersection Capacity Project		1,995.0	0.0	1,995.0	900.0	600.0	495.0		
Hawthorne	MR312.67	Rosecrans Ave Signal Improvements and Intersection Capacity Enhancements.		3,200.0	0.0	3,200.0	1,500.0	1,200.0	500.0		
Hawthorne	MR312.68	El Segundo Blvd Improvements Project Phase I		2,000.0	0.0	2,000.0	800.0	500.0	700.0		
Hawthorne	MR312.69	El Segundo Blvd Improvements Project Phase II		600.0	0.0	600.0	400.0	200.0			
Hawthorne	MR312.81	120th St Improvements -- Crenshaw Blvd to Felton Ave		600.0	0.0	600.0	600.0				
		TOTAL HAWTHORNE		29,283.0	0.0	29,283.0	25,088.0	2,500.0	1,695.0	0.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Hermosa Beach	MR312.05	PCH (SR-1/PCH) Improvements between Anita St. and Artesia Boulevard		574.7	0.0	574.7	574.7				
		TOTAL HERMOSA BEACH		574.7	0.0	574.7	574.7	0.0	0.0	0.0	0.0
Inglewood	MR312.12	Intelligent Transportation System (ITS) Phase IV		3,500.0	0.0	3,500.0	3,500.0				
Inglewood	MR312.50	ITS: Phase V - Communication Gap Closure on Various Locations, ITS Upgrade and Arterial Detection		0.0	0.0	0.0					
Inglewood	MR312.70	Prairie Ave Signal Synchronization Project		205.0	0.0	205.0	205.0				
Inglewood	MR312.71	La Cienega Blvd Synchronization Project		80.0	0.0	80.0	80.0				
Inglewood	MR312.72	Arbor Vitae Synchronization Project		130.0	0.0	130.0	130.0				
Inglewood	MR312.73	Florence Ave Synchronization Project		255.0	0.0	255.0	255.0				
		TOTAL INGLEWOOD		4,170.0	0.0	4,170.0	4,170.0	0.0	0.0	0.0	0.0
LA City	MR312.48	Alameda St. (South) Widening frm. Anaheim St. to Harry Bridges Blvd		2,875.0	0.0	2,875.0	2,875.0				
LA City	MR312.51	Improve Anaheim St. from Farragut Ave. to Dominguez Channel **(Call Match)** ***F7207***		1,313.0	(0.0)	1,313.0	1,313.0				
LA City	MR312.56	Del Amo Blvd Improvements from Western Ave to Vermont Ave Project Oversight		100.0	0.0	100.0	100.0				
LA City	MR312.74	Alameda St. (East) Widening Project		3,580.0	0.0	3,580.0	2,000.0	1,580.0			
		TOTAL LA CITY		7,868.0	(0.0)	7,868.0	6,288.0	1,580.0	0.0	0.0	0.0
LA County	MR312.16	Del Amo Blvd improvements from Western Ave to Vermont Ave **(Completed)**		307.0	0.0	307.0	307.0				
LA County	MR312.52	ITS: Improvements on South Bay Arterials **(Call Match) F7310**		1,021.0	0.0	1,021.0	1,021.0				
LA County	MR312.64	South Bay Arterial System Detection Project		2,000.0	0.0	2,000.0		600.0	1,400.0		
		TOTAL LA COUNTY		3,328.0	0.0	3,328.0	1,328.0	600.0	1,400.0	0.0	0.0
Lawndale	MR312.15	Inglewood Ave Widening from 156th Street to I-405 Southbound on-ramp **(Completed)**		43.0	0.0	43.0	43.0				
Lawndale	MR312.31	Manhattan Bch Blvd at Hawthorne Blvd Left Turn Signal Improvements		508.0	0.0	508.0	508.0				
Lawndale	MR312.36	ITS: City of Lawndale Citywide Improvements **(Completed)**		878.3	0.0	878.3	878.3				
Lawndale	MR312.49	Redondo Beach Blvd Mobility Improvements from Prairie to Artesia **(Call Match)** *F9101*		1,039.3	0.0	1,039.3	1,039.3				
		TOTAL LAWNDALE		2,468.6	0.0	2,468.6	2,468.6	0.0	0.0	0.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Lomita	MR312.43	Intersection Improvements at Western/Palos Verdes Dr and PCH/Walnut **(Complete)**		1,585.0	0.0	1,585.0	1,585.0				
		TOTAL LOMITA		1,585.0	0.0	1,585.0	1,585.0	0.0	0.0	0.0	0.0
Manhattan Beach	MR312.04	Sepulveda Blvd at Marine Ave Intersection Improvements (West Bound left turn lanes) **(Completed)**		346.5	0.0	346.5	346.5				
Manhattan Beach	MR312.28	Seismic retrofit of widened Bridge 53-62 from Sepulveda Blvd from 33rd Street to south of Rosecrans Ave		9,100.0	0.0	9,100.0	9,100.0				
Manhattan Beach	MR312.34	Aviation Blvd at Artesia Blvd Intersection Improvements (Southbound right turn lane)		1,500.0	0.0	1,500.0	1,500.0				
Manhattan Beach	MR312.35	Sepulveda Blvd at Manhattan Beach Blvd Intersection Improvements (NB, WB, EB left turn lanes and SB right turn lane)		980.0	0.0	980.0	980.0				
Manhattan Beach	MR312.62	Marine Ave at Cedar Ave Intersection Improvements		900.0	0.0	900.0		900.0			
		TOTAL MANHATTAN BEACH		12,826.5	0.0	12,826.5	11,926.5	900.0	0.0	0.0	0.0
Metro	MR312.30	I-405 Improvements from I-105 to Artesia Blvd		17,381.0	0.0	17,381.0	4,181.0	10,000.0	3,200.0		
Metro	MR312.55	I-405 Improvements from I-110 to Wilmington		17,400.0	0.0	17,400.0	4,200.0	10,000.0	3,200.0		
Metro	~~3000002053/P3 4010 2540 01 10~~	South Bay Arterial Baseline Conditions Analysis **(Completed)**		250.0	0.0	250.0	250.0				
Metro	MR312.83	Inglewood Transit Center at Florence/La Brea		1,500.0	0.0	1,500.0	1,500.0				
Metro	MR312.84	I-105 Integrated Corridor Management		20,000.0	0.0	20,000.0		600.0	2,000.0	2,400.0	15,000.0
Metro	MR312.85	I-405 N/B Aux Lane (Imperial Hwy to El Segundo)		14,000.0	0.0	14,000.0		800.0	1,000.0	3,000.0	9,200.0
		TOTAL METRO		70,531.0	0.0	70,531.0	10,131.0	21,400.0	9,400.0	5,400.0	24,200.0
Rancho Palos Verdes	MR312.39	Western Ave. (SR-213) from Palos Verdes Drive North to 25th street -- PSR		90.0	0.0	90.0	90.0				
		TOTAL RANCHO PALOS VERDES		90.0	0.0	90.0	90.0	0.0	0.0	0.0	0.0
POLA	MR312.32	SR-47/Vincent Thomas Bridge on/off ramp Improvements at Harbor Blvd		41,225.0	0.0	41,225.0	3,830.0		7,000.0	10,000.0	20,395.0
		PORT OF LOS ANGELES		41,225.0	0.0	41,225.0	3,830.0	0.0	7,000.0	10,000.0	20,395.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Redondo Beach	MR312.06	Pacific Coast Highway improvements from Anita Street to Palos Verdes Blvd		1,400.0	0.0	1,400.0	1,400.0				
Redondo Beach	MR312.07	Pacific Coast Highway at Torrance Blvd intersection improvements (Northbound right turn lane)		936.0	0.0	936.0	936.0				
Redondo Beach	MR312.08	Pacific Coast Highway at Palos Verdes Blvd intersection improvements (WB right turn lane) **(Completed)**		389.0	0.0	389.0	389.0				
Redondo Beach	MR312.13	Aviation Blvd at Artesia Blvd intersection improvements **(Completed)** (Eastbound right turn lane)		22.0	0.0	22.0	22.0				
Redondo Beach	MR312.14	Inglewood Ave at Manhattan Beach Blvd intersection improvements (Eastbound right turn lane) **(Completed)**		30.0	0.0	30.0	30.0				
Redondo Beach	MR312.20	Aviation Blvd at Artesia Blvd intersection improvements (Northbound right turn lane)		847.0	0.0	847.0	847.0				
Redondo Beach	MR312.38	PCH at Anita St Improv (left and right turn lane)		2,400.0	0.0	2,400.0	300.0	500.0	1,600.0		
Redondo Beach	MR312.42	Inglewood Ave at Manhattan Beach Blvd intersection improvements (Southbound right turn lane)		5,175.0	0.0	5,175.0	5,175.0				
Redondo Beach	MR312.75	Kingsdale Ave at Artesia Blvd Intersection Improvements		992.0	0.0	992.0	992.0				
		TOTAL REDONDO BEACH		12,191.0	0.0	12,191.0	10,091.0	500.0	1,600.0	0.0	0.0
Torrance	MR312.10	Pacific Coast Highway at Hawthorne Blvd intersection improvements		19,600.0	0.0	19,600.0	19,600.0				
Torrance	MR312.18	Maple Ave at Sepulveda Blvd Intersection Improvements **(Completed)** (Southbound right turn lane)		319.9	0.0	319.9	319.9				
Torrance	MR312.23	Torrance Transit Park and Ride Regional Terminal Project 465 Crenshaw Blvd		25,700.0	0.0	25,700.0	25,700.0				
Torrance	MR312.26	I-405 at 182nd St. / Crenshaw Blvd Operational Improvements		15,300.0	0.0	15,300.0	15,300.0				
Torrance	MR312.40	Pacific Coast Highway at Vista Montana/Anza Ave Intersection Improvements		2,900.0	0.0	2,900.0	2,900.0				
Torrance	MR312.58	Pacific Coast Highway from Calle Mayor to Janet Lane Safety Improvements		852.0	0.0	852.0	852.0				
Torrance	MR312.59	Pacific Coast Highway at Madison Ave Signal upgrades to provide left-turn phasing **(Completed)**		500.0	0.0	500.0	500.0				
Torrance	MR312.60	Crenshaw from Del Amo to Dominguez - 3 SB turn lanes at Del Amo Blvd, 208th St., Transit Center Entrance, Signal Improvements at 2 new signal at Transit Center		3,300.0	0.0	3,300.0	3,300.0				
Torrance	MR312.63	PCH at Crenshaw Blvd Intersection Imp		500.0	0.0	500.0	500.0				
Torrance	MR312.76	Plaza Del Amo at Western Ave (SR-213) Improvements		2,784.0	0.0	2,784.0	2,100.0	684.0			
		TOTAL TORRANCE		71,755.9	0.0	71,755.9	71,071.9	684.0	0.0	0.0	0.0
		TOTAL SOUTH BAY		**412,265.9**	**(0.0)**	**412,265.9**	**227,611.9**	**53,764.0**	**48,695.0**	**31,600.0**	**50,595.0**

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Gateway Cities: I-605/SR-91/I-405 Corridors "Hot Spots"				**271,384.8**	**3,125.0**	**274,509.8**	**237,152.7**	**19,932.1**	**11,225.0**	**6,200.0**	**0.0**
GCCOG	MOU.306.03	GCCOG Engineering Support Services		1,550.0	0.0	1,550.0	1,550.0				
GCCOG	TBD	Gateway Cities Third Party Support		100.0	0.0	100.0	100.0				
		TOTAL GCCOG		1,650.0	0.0	1,650.0	1,650.0	0.0	0.0	0.0	0.0
Metro	AE25081	Cerritos: PS&E for Carmenita/South and Bloomfield/Artesia Inters Improv **(Completed)**		342.2	0.0	342.2	342.2				
Metro	AE25083	La Mirada/Santa Fe Springs: PS&E for Valley View/Rosecrans & Valley View/Alondra **(Completed)**		365.4	0.0	365.4	365.4				
Metro	AE5204200	Professional Services for 605/60 PA/ED		38,899.0	0.0	38,899.0	34,000.0	4,899.0			
Metro	AE322940011372	Professional Services for 710/91 PSR/PDS **(Completed)**		2,340.0	0.0	2,340.0	2,340.0				
Metro	AE333410011375	Professional Services for the I-605/I-5 PA/ED		28,724.0	0.0	28,724.0	28,724.0				
Metro	AE38849000	I-605 off-ramp at South Street Improvements Project (PR & PS&E)		4,452.3	0.0	4,452.3	4,452.3				
Metro	AE39064000	I-605 Beverly Interchange Improvements (PR & PS&E)		3,229.3	0.0	3,229.3	3,229.3				
Metro	AE476110012334	Professional Services for WB SR-91 Improvements PA/ED **(Completed)**		7,763.0	0.0	7,763.0	7,763.0				
Metro	PS4603-2582	Professional Services for I-605 Feasibility Study **(Completed)**		6,170.0	0.0	6,170.0	6,170.0				
Metro	MR315.02	I-605 South St Improvements Construction		20,000.0	0.0	20,000.0	0.0	5,000.0	10,000.0	5,000.0	
Metro	MR315.35	SR-91 Atlantic to Cherry EB Aux Lane (PAED/PS&E)		7,500.0	0.0	7,500.0	7,500.0				
Metro	MR315.37	SR-91 Central to Acacia Improvements PAED		5,006.0	0.0	5,006.0	5,006.0				

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Metro	TBD	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development (Gateway Cities, SCE, LA County)		300.0	0.0	300.0	300.0				
Metro	MR315.63	SR-60 at 7th St Interch (PAED, PSE, ROW)		2,250.0	0.0	2,250.0	2,250.0				
Metro	MR315.73	I-605 at Valley Blvd Interch (PAED, PSE, ROW)		2,209.9	0.0	2,209.9	2,209.9				
Metro	MR315.72	Whittier Intersection Improvements (PSE, ROW)		2,308.1	0.0	2,308.1	2,308.1				
Metro	MR315.74	WB SR-91 Alondra Blvd to Shoemaker Ave (PSE,ROW)		11,475.0	0.0	11,475.0	11,475.0				
Metro	PS4603-2582	Professional Services for PSR/PDS: I-5/I-605 and I-605/SR-91 **(Completed)**		3,121.0	0.0	3,121.0	3,121.0				
Metro	PS47203004	Professional Services for the Gateway Cities Strategic Transportation Plan **(Completed)**		10,429.5	(0.0)	10,429.5	10,429.5				
Metro	PS4720-3250	Arterial Hot Spots in the Cities of Long Beach, Bellflower, and Paramount: PAED for Lakewood/Alondra, Lakewood/Spring, and Bellflower Spring Intersection & PS&E for Lakewood/Alondra Intersection Improvements Improvements		572.7	0.0	572.7	572.7				
Metro	PS4720-3251	Arterial Hot Spots in the Cities of Cerritos, La Mirada, and Santa Fe Springs: PAED for Valley View/Rosecrans, Valley View/Alondra, Carmenita/South, and Bloomfield/Artesia Intersection Improvements **(Completed)**		560.7	0.0	560.7	560.7				
Metro	PS4720-3252	I-605 Arterial Hot Spots in the City of Whittier: PAED for Santa Fe Springs/ Whittier, Painter/Whittier, & Colima Whittier Intersection Improvements **(Completed)**		680.0	0.0	680.0	680.0				
Metro	PS4720-3334	Program/Project Management Support of Measure R Funds		200.0	0.0	200.0	200.0				
Metro	PS4720-3235	Professional Services for 605/60 PSR/PDS **(Completed)**		3,040.0	0.0	3,040.0	3,040.0				
		TOTAL METRO		161,938.1	(0.0)	161,938.1	137,039.1	9,899.0	10,000.0	5,000.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Caltrans	MR315.08	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605/SR-91 PA/ED		776.3	0.0	776.3	776.3				
Caltrans	MR315.29	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-710/SR-91 PSR-PDS		234.0	0.0	234.0	234.0				
Caltrans	MR315.24	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605/I-5 PA/ED		2,069.8	0.0	2,069.8	2,069.8				
Caltrans	MR315.28	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605/SR-60 PSR-PDS **(Completed)**		260.0	0.0	260.0	260.0				
Caltrans	MR315.30	I-605 Beverly Interchange Improvements (Env. Doc.)		500.0	0.0	500.0	500.0				
Caltrans	MR315.31	I-605 from SR-91 to South Street Improvements Project (Env. Doc.)		500.0	0.0	500.0	500.0				
Caltrans	MR315.47	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605/SR-60 PA/ED		3,650.0	0.0	3,650.0	3,650.0				
Caltrans	MR315.48	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605 Intersection Improvements		60.0	0.0	60.0	60.0				
		TOTAL CALTRANS		8,050.1	0.0	8,050.1	8,050.1	0.0	0.0	0.0	0.0
Artesia	MR315.25	Pioneer Blvd at Arkansas St Intersection Imp	ADD	0.0	625.0	625.0	0.0	200.0	425.0		
		TOTAL ARTESIA		0.0	625.0	625.0	0.0	200.0	425.0	0.0	0.0
Bellflower	MR315.16	Bellflower Blvd- Artesia Blvd Intersection Improvement Project		8,442.8	0.0	8,442.8	8,442.8				
Bellflower	MR315.33	Lakewood - Alondra Intersection Improvements: Construction		1,002.0	0.0	1,002.0	1,002.0				
		TOTAL BELLFLOWER		9,444.8	0.0	9,444.8	9,444.8	0.0	0.0	0.0	0.0
Cerritos	MR315.38	Carmenita - South Intersection Improvements, Construction		414.2	0.0	414.2	414.2				
Cerritos	MR315.39	Bloomfield - Artesia Intersection Improvements, ROW & Construction		1,544.2	0.0	1,544.2	1,544.2				
		TOTAL CERRITOS		1,958.4	0.0	1,958.4	1,958.4	0.0	0.0	0.0	0.0
Downey	MR315.03	Lakewood - Telegraph Intersection Improvements **(Completed)**		2,120.0	0.0	2,120.0	2,120.0				
Downey	MR315.14	Lakewood - Imperial Intersection Improvements		4,060.0	0.0	4,060.0	4,060.0				
Downey	MR315.18	Bellflower - Imperial Highway Intersection Improvements **(Completed)**		2,740.4	0.0	2,740.4	2,740.4				
Downey	MR315.27	Lakewood - Florence Intersection Improvements		4,925.0	0.0	4,925.0	4,925.0				
Downey	MR315.66	Lakewood Blvd at Firestone Blvd Intersection Improvm.		1,300.0	0.0	1,300.0	1,300.0				
		TOTAL DOWNEY		15,145.4	0.0	15,145.4	15,145.4	0.0	0.0	0.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
LA County	MR306.01	Whittier Blvd (Indiana Street to Paramount Blvd) Corridor Project (Call Match) F9304		700.0	0.0	700.0		700.0			
LA County	MR315.07	Painter - Mulberry Intersection Improvements	CHG	2,410.0	2,000.0	4,410.0	2,410.0		800.0	1,200.0	
LA County	MR315.11	Valley View - Imperial Intersection Improvements		1,640.0	0.0	1,640.0	1,640.0				
LA County	MR315.15	Norwalk-Whittier Intersection Improvements		2,830.0	0.0	2,830.0	2,830.0				
LA County	MR315.22	Norwalk-Washington Intersection Improvements **(Completed)**		550.0	0.0	550.0	550.0				
LA County	MR315.23	Carmenita - Telegraph Intersection Improvements		1,400.0	0.0	1,400.0	1,400.0				
LA County	MR315.64	South Whittier Bikeway Access Improvements **(Call Match) F9511**		800.0	0.0	800.0	800.0				
		TOTAL LA COUNTY		10,330.0	2,000.0	12,330.0	9,630.0	700.0	800.0	1,200.0	0.0
Lakewood	MR315.01	Lakewood Boulevard at Hardwick Street Traffic Signal Improvements		0.0	0.0	0.0	0.0				
Lakewood	MR315.04	Lakewood - Del Amo Intersection Improvements	CHG	5,504.3	500.0	6,004.3	5,504.3	500.0			
Lakewood	MR315.36	Lakewood Blvd Regional Capacity Enhancement		3,900.0	0.0	3,900.0	3,600.0	300.0			
		TOTAL LAKEWOOD		9,404.3	500.0	9,904.3	9,104.3	800.0	0.0	0.0	0.0
Long Beach	MR315.60	Soundwall on NB I-605 near Spring Street		3,169.0	0.0	3,169.0	350.0	2,819.0			
Long Beach	MR315.61	Lakewood - Spring Intersection Improvements, PSE and Construction		454.3	0.0	454.3	454.3				
Long Beach	MR315.62	Bellflower - Spring Intersection Improvements, PSE and Construction		492.8	0.0	492.8	492.8				
Long Beach	MR315.67	2015 CFP - Artesia Complete Blvd **(Call Match) F9130**		900.0	0.0	900.0	0.0	900.0			
Long Beach	MR315.68	2015 CFP - Atherton Bridge & Campus Connection **(Call Match) F9532**		0.0	0.0	0.0	0.0				
Long Beach	MR315.69	Park or Ride **(Call Match) F9808**		212.6	(0.0)	212.6	198.5	14.1			
Long Beach	MR315.70	Artesia Boulevard Imrprovements		1,450.0	0.0	1,450.0	1,450.0				
		TOTAL LONG BEACH		6,678.7	(0.0)	6,678.7	2,945.6	3,733.1	0.0	0.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Norwalk	MR315.06	Studebaker - Rosecrans Intersection Improvements		1,670.0	0.0	1,670.0	1,670.0				
Norwalk	MR315.10	Bloomfield - Imperial Intersection Improvements		920.0	0.0	920.0	920.0				
Norwalk	MR315.17	Pioneer - Imperial Intersection Improvements		1,509.0	0.0	1,509.0	1,509.0				
Norwalk	MR315.26	Studebaker - Alondra Intersection Improvements		480.0	0.0	480.0	480.0				
Norwalk	MR315.43	Imperial Highway ITS Project, from San Gabriel River to Shoemaker Rd. (PAED, PS&E, CON)		3,380.4	0.0	3,380.4	3,380.4				
Norwalk	MR315.71	Firestone Blvd Widening Project		2,000.0	0.0	2,000.0	2,000.0				
		TOTAL NORWALK		9,959.4	0.0	9,959.4	9,959.4	0.0	0.0	0.0	0.0
Paramount	MR315.20	Alondra Boulevard Improvments		4,600.0	0.0	4,600.0	0.0	4,600.0			
		TOTAL PARAMOUNT		4,600.0	0.0	4,600.0	0.0	4,600.0	0.0	0.0	0.0
Pico Rivera	MR315.05	Rosemead - Beverly Intersection Improvements		13,479.0	0.0	13,479.0	13,479.0				
Pico Rivera	MR315.09	Rosemead - Whittier Intersection Improvements		1,821.5	0.0	1,821.5	1,821.5				
Pico Rivera	MR315.19	Rosemead - Slauson Intersection Improvements		2,901.0	0.0	2,901.0	2,901.0				
Pico Rivera	MR315.21	Rosemead - Washington Intersection Improvements		53.0	0.0	53.0	53.0				
		TOTAL PICO RIVERA		18,254.5	0.0	18,254.5	18,254.5	0.0	0.0	0.0	0.0
Santa Fe Springs	MR315.40	Valley View - Rosecrans Intersection Improvements, Construction		824.0	0.0	824.0	824.0				
Santa Fe Springs	MR315.41	Valley View - Alondra Intersection Improvements, ROW & Construction		2,667.0	0.0	2,667.0	2,667.0				
Santa Fe Springs	MR315.42	Florence Avenue Widening Project, from Orr & Day to Pioneer Blvd (PAED, PSE, ROW)		3,800.0	0.0	3,800.0	3,800.0				
		TOTAL SANTA FE SPRINGS		7,291.0	0.0	7,291.0	7,291.0	0.0	0.0	0.0	0.0
Whittier	MR315.44	Santa Fe Springs Whittier Intersection Improvements: PSE, ROW, Construction		1,585.9	0.0	1,585.9	1,585.9				
Whittier	MR315.45	Painter Ave - Whittier Intersection Improvements: PSE, ROW, Construction		2,750.0	0.0	2,750.0	2,750.0				
Whittier	MR315.46	Colima Ave - Whittier Intersection Improvements: PSE, ROW, Construction		2,344.1	0.0	2,344.1	2,344.1				
		TOTAL WHITTIER		6,680.0	0.0	6,680.0	6,680.0	0.0	0.0	0.0	0.0
		TOTAL I-605/SR-91/I-405 "HOT SPOTS"		**271,384.8**	**3,125.0**	**274,509.8**	**237,152.7**	**19,932.1**	**11,225.0**	**6,200.0**	**0.0**

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Gateway Cities: INTERSTATE 710 SOUTH EARLY ACTION PROJECT				**260,889.9**	**1,308.0**	**262,197.9**	**198,458.9**	**25,077.0**	**0.0**	**0.0**	**0.0**
GCCOG	MOU.306.03	GCCOG Engineering Support Services		1,550.0	0.0	1,550.0	1,550.0				
		TOTAL GCCOG		1,550.0	0.0	1,550.0	1,550.0	0.0	0.0	0.0	0.0
Metro	AE3722900	I-710 Soundwall Design Package 1 (PSE & ROW)		2,161.9	0.0	2,161.9	2,161.9				
Metro	Bucket	I-710 ITS/Air Quality Early Action **(Grant Match)**		3,760.0	0.0	3,760.0	3,760.0				
Metro	PS2198100	I-710 Soundwall Package 2 (PSE&ROW)	CHG	2,551.6	1,158.0	3,709.6	2,551.6	1,158.0			
Metro	PS-4010-2540-02-17	I-710/I-5 Interchange Project Development		600.0	0.0	600.0	600.0				
Metro	PS4340-1939	I-710 Corridor Project (PA/ED) EIR/EIS		40,495.9	0.0	40,495.9	40,495.9				
Metro	PS-4710-2744	I-710 Soundwall Feasibility & Project Development		3,509.0	0.0	3,509.0	3,509.0				
Metro	PS4720-3330	I-710 Soundwall PSE & ROW Package 3	CHG	5,271.6	1,938.0	7,209.6	5,271.6	1,938.0			
Metro	PS4720-3334	Program/Project Management Support of Measure R Funds		200.0	0.0	200.0	200.0				
Metro	MOU.Calstart2010	Professional Services contract for development of zero emission technology report		150.0	0.0	150.0	150.0				
Metro	MR306.02	I-710 Soundwall Package 2 Construction		4,948.0	0.0	4,948.0	1,000.0	3,448.0	500.0		
Metro	MR306.04	I-710 Soundwall Package 3 Construction	DEO	45,000.0	(1,938.0)	43,062.0	5,000.0	10,000.0	28,062.0		
Metro	MR306.38	Sustainable Transportation Planning Grant **(Grant Match)**		64.8	0.0	64.8	64.8				
Metro	MR306.41	FRATIS Modernization **(Grant Match)**		3,000.0	0.0	3,000.0	3,000.0				
Metro	MR306.59	Imperial Hwy Capacity Enhancements Project		865.0	0.0	865.0	865.0				
Metro	various	Professional Services contracts for I-710 Utility Studies (North, Central, South)		25,046.0	0.0	25,046.0	25,046.0				
Metro	MR306.05	I-710 Integrated Corridor Management (ICM) Project		5,000.0	0.0	5,000.0		1,000.0	3,000.0	1,000.0	
		TOTAL METRO		142,623.9	1,158.0	143,781.9	93,675.9	17,544.0	31,562.0	1,000.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
POLA	MR306.40	I-710 Eco-FRATIS Drayage Truck Efficiency Project **(Grant Match)**		240.0	0.0	240.0	240.0				
		TOTAL POLA		240.0	0.0	240.0	240.0	0.0	0.0	0.0	0.0
Metro	13.01/~~USACE~~	Third Party Support Services for I-710 Corridor Project (US Army Corp of Eng)		100.0	0.0	100.0	100.0				
		TOTAL USACE		100.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0
Metro	MR306.39	I-710 Soundwall Project - SCE Utility Relocation Engineering Advance		75.0	0.0	75.0	75.0				
Metro	MR306.48	SCE design support I-710 Soundwall Package 3		400.0	0.0	400.0	400.0				
Metro	MR306.5B	Third Party Support Services for I-710 Corridor Project (So Cal Edison)		1,623.0	0.0	1,623.0	1,623.0				
		TOTAL SCE		2,098.0	0.0	2,098.0	2,098.0	0.0	0.0	0.0	0.0
Caltrans	MR306.24	Reconfiguration of Firestone Blvd On-Ramp to I-710 S/B Freeway		1,450.0	0.0	1,450.0	1,450.0				
Caltrans	MR306.27	Third Party Support for I-710 Corridor Project EIR/EIS Enhanced IQA		3,500.0	0.0	3,500.0	3,500.0				
Caltrans	MR306.29	I-710 Early Action Project - Soundwall PA/ED Phase - Noise Study Only		100.0	0.0	100.0	100.0				
Caltrans	MR306.21	I-710 Integrated Corridor Management (ICM) CT **IQA**	ADD	0.0	150.0	150.0	0.0	150.0			
		TOTAL CALTRANS		5,050.0	150.0	5,200.0	5,050.0	150.0	0.0	0.0	0.0
LA County	MR306.01	Whittier Blvd (Indiana Street to Paramount Blvd) Corridor Project (Call Match) F9304		700.0	0.0	700.0	300.0	400.0			
LA County	MR306.16	Staff Support for the Review of the Draft I-710 South EIR/EIS		157.0	0.0	157.0	157.0				
		TOTAL LA COUNTY		857.0	0.0	857.0	457.0	400.0	0.0	0.0	0.0
Bell	MR306.07	Staff Support for the Review of the Draft I-710 South EIR/EIS		136.0	0.0	136.0	136.0				
Bell	MR306.37	Eastern at Bandini Rickenbacker Project **(Call Match)** *F9200*		178.6	(0.0)	178.6	178.6				
Bell	MR306.44	Gage Ave Bridge Replacement Project		66.8	0.0	66.8	66.8				
		TOTAL BELL		381.4	0.0	381.4	381.4	0.0	0.0	0.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Bell Gardens	MR306.08	Staff Support for the Review of the Draft I-710 South EIR/EIS		152.3	0.0	152.3	152.3				
Bell Gardens	MR306.30	Florence Ave/Eastern Ave Intersection Widening ***(Call Match)*** *F7120*		1,184.7	0.0	1,184.7	1,184.7				
Bell Gardens	MR306.35	Florence/Jaboneria Intersection Project ***(Call Match)*** *F9111*		283.4	(0.0)	283.4	100.4	183.0			
Bell Gardens	MR306.52	Garfield Ave & Eastern Ave Intersection Improvements		4,635.0	0.0	4,635.0	4,635.0				
		TOTAL BELL GARDENS		6,255.4	(0.0)	6,255.4	6,072.4	183.0	0.0	0.0	0.0
Commerce	MR306.09	Staff Support for the Review of the Draft I-710 South EIR/EIS		75.0	0.0	75.0	75.0				
Commerce	MR306.23	Washington Blvd Widening and Reconstruction Project **(Completed)**		13,500.0	0.0	13,500.0	13,500.0				
Commerce	MR306.45	Atlantic Blvd. Improvements Project		1,500.0	0.0	1,500.0	1,500.0				
		TOTAL COMMERCE		15,075.0	0.0	15,075.0	15,075.0	0.0	0.0	0.0	0.0
Compton	MR306.10	Staff Support for the Review of the Draft I-710 South EIR/EIS		35.3	0.0	35.3	35.3				
		TOTAL COMPTON		35.3	0.0	35.3	35.3	0.0	0.0	0.0	0.0
Downey	MR306.18	Staff Support for the Review of the Draft I-710 South EIR/EIS		120.0	0.0	120.0	120.0				
Downey	MR306.20	Paramount Blvd/Firestone Intersection Improvements **(Complete)**		3,069.0	0.0	3,069.0	3,069.0				
Downey	MR306.31	Lakewood Blvd Improvement Project **(Completed)**		6,000.0	0.0	6,000.0	6,000.0				
Downey	MR306.42	Firestone Blvd Improvement Project (Old River Rd. to West City Limits)		323.0	0.0	323.0	323.0				
Downey	MR306.49	Paramount Blvd at Imperial Highway Intersection Improvement Project		3,185.0	0.0	3,185.0	3,185.0				
		TOTAL DOWNEY		12,697.0	0.0	12,697.0	12,697.0	0.0	0.0	0.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Huntington Park	MR306.36	Staff Support for the Review of the Draft I-710 South EIR/EIS		15.0	0.0	15.0	15.0				
Huntington Park	MR306.53	Slauson Ave Congestion Relief Improvements		700.0	0.0	700.0	700.0				
		TOTAL HUNTINGTON PARK		715.0	0.0	715.0	715.0	0.0	0.0	0.0	0.0
Long Beach	MR306.11	Staff Support for the Review of the Draft I-710 South EIR/EIS		146.0	0.0	146.0	146.0				
Long Beach	MR306.19	Shoemaker Bridge Replacement Project		23,900.0	0.0	23,900.0	11,000.0	6,000.0	6,900.0		
Long Beach	MR306.22	Atlantic Ave/Willow St Intersection Improvements **(Completed)**		300.0	0.0	300.0	300.0				
Long Beach	MR306.60	Shoreline Drive Realignment Project		2,800.0	0.0	2,800.0	2,800.0				
		TOTAL LONG BEACH		27,146.0	0.0	27,146.0	14,246.0	6,000.0	6,900.0	0.0	0.0
Lynwood	MR306.46	Staff Support for the Review of the Draft I-710 South EIR/EIS		20.0	0.0	20.0	20.0				
Lynwood	MR306.54	Imperial Highway Corridor Congestion Relief Improvements		0.0	0.0	0.0					
		TOTAL LYNWOOD		20.0	0.0	20.0	20.0	0.0	0.0	0.0	0.0
Maywood	MR306.12	Staff Support for the Review of the Draft I-710 South EIR/EIS		65.0	0.0	65.0	65.0				
Maywood	MR306.56	Slauson Ave and Atlantic Congestion Relief Improvements		445.0	0.0	445.0	445.0				
		TOTAL MAYWOOD		510.0	0.0	510.0	510.0	0.0	0.0	0.0	0.0
Paramount	MR306.13	Staff Support for the Review of the Draft I-710 South EIR/EIS		130.0	0.0	130.0	130.0				
Paramount	MR306.32	Garfield Ave Improvements		2,825.0	0.0	2,825.0	2,825.0				
Paramount	MR306.06	Rosecrans Bridge Retrofit Project		800.0	0.0	800.0	800.0	800.0			
		TOTAL PARAMOUNT		3,755.0	0.0	3,755.0	3,755.0	800.0	0.0	0.0	0.0
POLB	MR306.55	Pier B Street Freight Corridor Reconstruciton		10,000.0	0.0	10,000.0	10,000.0				

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
		TOTAL PORT OF LONG BEACH		10,000.0	0.0	10,000.0	10,000.0	0.0	0.0		
South Gate	MR306.14	Staff Support for the Review of the Draft I-710 South EIR/EIS		184.5	0.0	184.5	184.5				
South Gate	MR306.17	Atlantic Ave/Firestone Blvd Intersection Improvements **(Complete)**		12,400.0	0.0	12,400.0	12,400.0				
South Gate	MR306.33	Firestone Blvd Regional Corridor Capacity Enhancement Project **(Completed)**		6,000.0	0.0	6,000.0	6,000.0				
South Gate	MR306.50	I-710 Soundwall Project - Package 1 Construction Phase		8,900.0	0.0	8,900.0	8,900.0				
South Gate	MR306.57	Imperial Highway Improvements Project		1,456.2	0.0	1,456.2	1,456.2				
South Gate	MR306.58	Firestone Blvd at Otis St Improvements		700.0	0.0	700.0	700.0				
		TOTAL SOUTH GATE		29,640.7	0.0	29,640.7	29,640.7	0.0	0.0	0.0	0.0
Vernon	MR306.15	Staff Support for the Review of the Draft I-710 South EIR/EIS		70.2	0.0	70.2	70.2				
Vernon	MR306.25	Atlantic Blvd Bridge Widening and Rehabilitation		2,070.0	0.0	2,070.0	2,070.0				
		TOTAL VERNON		2,140.2	0.0	2,140.2	2,140.2	0.0	0.0	0.0	0.0
		TOTAL I-710 SOUTH & EARLY ACTION PROJ		**260,889.9**	**1,308.0**	**262,197.9**	**198,458.9**	**25,077.0**	**38,462.0**	**1,000.0**	**0.0**

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
North County: SR-138 Capacity Enhancements				**200,000.0**		**200,000.0**	**183,385.1**		**12,340.0**	**2,274.9**	**0.0**
Metro	MR330.01	SR-138 (AvenueD) PA/ED (I-5 to SR-14)		19,400.0	0.0	19,400.0	19,400.0				
Metro/ Caltrans	MR330.12	SR 138 Segment 6 Construction		5,600.0	0.0	5,600.0	5,600.0				
		TOTAL METRO		**25,000.0**	**0.0**	**25,000.0**	**25,000.0**	**0.0**	**0.0**	**0.0**	**0.0**
Lancaster	MR330.02	SR-138 (SR-14) Avenue K Interchange		20,340.0	(0.0)	20,340.0	15,000.0	1,000.0	4,340.0		
Lancaster	MR330.03	SR-138 (SR-14) Avenue G Interchange		1,875.1	(0.0)	1,875.1	1,875.1				
Lancaster	MR330.04	SR-138 (SR-14) Avenue J Interchange		21,274.9	0.0	21,274.9	10,000.0	1,000.0	8,000.0	2,274.9	
Lancaster	MR330.05	SR-138 (SR-14) Avenue L Interchange		1,510.0	0.0	1,510.0	1,510.0				
Lancaster	MR330.06	SR-138 (SR-14) Avenue M Interchange		20,000.0	0.0	20,000.0	20,000.0				
		TOTAL LANCASTER		**65,000.0**	**0.0**	**65,000.0**	**48,385.1**	**2,000.0**	**12,340.0**	**2,274.9**	**0.0**
Palmdale	MR330.07	SR-138 Palmdale Blvd. (SR-138) 5th to 10th St. East		25,000.0	0.0	25,000.0	25,000.0				
Palmdale	MR330.08	SR-138 Palmdale Blvd. SB 14 Ramps		25,000.0	0.0	25,000.0	25,000.0				
Palmdale	MR330.09	SR-138 10th St. West Interchange		15,000.0	0.0	15,000.0	15,000.0				
Palmdale	MR330.10	SR-138 (SR-14) Widening Rancho Vista Blvd. to Palmdale Blvd		25,000.0	0.0	25,000.0	25,000.0				
Palmdale	MR330.11	SR-138 Avenue N Overcrossing		20,000.0	0.0	20,000.0	20,000.0				
		TOTAL PALMDALE		**110,000.0**	**0.0**	**110,000.0**	**110,000.0**	**0.0**	**0.0**	**0.0**	**0.0**
		TOTAL SR-138 CAPACITY ENH		**200,000.0**		**200,000.0**	**183,385.1**	**2,000.0**	**12,340.0**	**2,274.9**	**0.0**

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
North County: I-5/SR-14 HOV SURPLUS				**85,094.9**		**85,094.9**	**15,751.2**	**31,466.7**	**23,877.0**	**14,000.0**	**0.0**
Lancaster	MR330.02	SR-138 (SR-14) Avenue K Interchange		9,297.5	0.0	9,297.5	4,000.0	5,297.5			
Lancaster	MR330.04	SR-138 (SR-14) Avenue J Interchange	ADD	0.0	8,769.2	8,769.2		569.2	6,000.0	2,200.0	
Lancaster	MR330.06	SR-138 (SR-14) Avenue M Interchange	DEOB	12,446.2	(8,769.2)	3,677.0	0.0		2,877.0	800.0	
		TOTAL LANCASTER		**21,743.7**	**(0.0)**	**21,743.7**	**4,000.0**	**5,866.7**	**8,877.0**	**3,000.0**	**0.0**
LA County	MR501.01	The Old Road - Magic Mountain Prkwy to Turnberry Ln		25,000.0	0.0	25,000.0	1,000.0	6,000.0	7,000.0	11,000.0	
		TOTAL LA COUNTY		**25,000.0**	**0.0**	**25,000.0**	**1,000.0**	**6,000.0**	**7,000.0**	**11,000.0**	**0.0**
Palmdale	MR330.08	SR-138 Palmdale Blvd SB 14 Ramps		1,186.2	0.0	1,186.2	1,186.2				
Palmdale	MR330.09	SR-138 10th St. West Interchange		12,600.0	0.0	12,600.0	3,000.0	9,600.0			
		TOTAL PALMDALE		**13,786.2**	**0.0**	**13,786.2**	**4,186.2**	**9,600.0**	**0.0**	**0.0**	**0.0**
Santa Clarita	MR501.02	Sierra Highway Traffi Signal Improvements		565.0	0.0	565.0	565.0				
Santa Clarita	MR501.03	Vista Canyon Road Bridge at Los Canyon Road		20,000.0	0.0	20,000.0	4,000.0	8,000.0	8,000.0		
Santa Clarita	MR501.04	Vista Canyon Metrolink Station		4,000.0	0.0	4,000.0	2,000.0	2,000.0			
		TOTAL SANTA CLARITA		**24,565.0**	**0.0**	**24,565.0**	**6,565.0**	**10,000.0**	**8,000.0**	**0.0**	**0.0**
		TOTAL I-5/SR-14 CAPACITY ENH		**85,094.9**		**85,094.9**	**15,751.2**	**31,466.7**	**23,877.0**	**14,000.0**	**0.0**
		Total Measure R Spent Inception to Date		**1,481,725**	**4,433**	**1,486,158**	**1,089,085**	**147,994**	**142,119**	**57,165**	**50,595**

Definitions:

Lead Agency is the primary project manager for the administration of scope and use of funds

Funding Agreement (FA): references the agreement number on file with Metro

Project Location: Describes the general scope and parameters of the project

Project Phase identifies which lifecycle phase the project is in at the time of reporting noted as follows:

PI - Project Initiation / PE - Preliminary Engineering / EA - Environmental Analysis / FD - Final Design / ROW - Right of Way Acq / CON - Construction

Notes: Provide a quick reference to reported change for the period such as:

Add - Addition of a new project / REP - Reprogram of funds / SCAD - Scope Addition / BAD - Budget Adjustment / DEL - Deletion

Prior Allocation identifies the reported project allocation reported in the previous report

Alloc Change denotes the amount of change occurring in the current reporting period.

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File #: 2020-0807, **File Type:** Program **Agenda Number:** 13.

PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2021

SUBJECT: MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM - WESTSIDE CITIES SUBREGION

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. APPROVING programming of $26,151,339 in Measure M Multi-Year Subregional Program (MSP) - Active Transportation 1st/Last Mile Connections Program; and

B. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for approved projects.

ISSUE

Measure M MSPs are included in the Measure M Expenditure Plan. All MSP funds are limited to capital projects. Each subregion is required to develop an MSP five-year plan (Plan) and project list. Based on the amount provided in the Measure M Expenditure Plan, a total of $27,303,860 was forecasted to be available for programming, from Fiscal Years (FY) 2017-18 to FY 2023-24, to the Westside Cities Subregion (Subregion) in the Active Transportation 1st/Last Mile Connection Program (expenditure line 51).

The Board's approval is required to program funds to these projects which serve as the basis for Metro to enter into funding agreements with the respective implementing agencies.

DISCUSSION

In June 2017, the Metro Board of Directors approved the adoption of the Measure M Master Guidelines (Guidelines) with two amendments and five approved motions. Subsequently, the Administrative Procedures for Measure M MSP was signed by the CEO on February 2, 2018.

The Subregion includes the cities of Beverly Hills, Culver City, Santa Monica, West Hollywood, the City of Los Angeles (Districts 5 and 11) and the County of Los Angeles (Districts 2, 3, and 4). On July 16, 2018, a Funding Agreement was executed between Metro and the Westside Cities Council of

Governments (WCCOG) for the Planning Activities (Plan development and updates) for the MSP. The WCCOG and its consultants led the Plan development process, which included working with the member agencies along with the public participation process. The WCCOG Governing Board also adopted Subregional Qualitative Performance Measures including Mobility, Economic Vitality, Accessibility, Safety and Sustainability & Quality of Life, per the Administrative Procedures.

In the last few months, Metro staff worked closely with WCCOG, its consultant and the implementing agencies on project eligibility reviews of the proposed projects for this update. Metro required, during staff review, a detailed project scope of work to confirm eligibility - and establish the program nexus, i.e., project location and limits, length, elements, phase(s), total expenses and funding request, schedule, etc. This level of detail will ensure timeliness of the execution of the project Funding Agreements once the Metro Board approves the projects. For those proposed projects that will have programming of funds in FY 2022-23 and beyond, Metro accepted high level (but focused and relevant) project scope of work during the review process. Metro staff will work on the details with the WCCOG and the implementing agencies through a future annual update process. Those projects will receive conditional approval as part of this approval process. However, final approval of funds for those projects shall be contingent upon the implementing agency demonstrating the eligibility of each project as required in the Measure M Master Guidelines.

Equity Platform

Consistent with Metro's Equity Platform, the MSP outreach effort recognizes and acknowledges the need to establish comprehensive, multiple forums to meaningfully engage the community to comment on the proposed projects under all programs. The WCCOG along with member agencies undertook an extensive outreach effort and invited the general public to a series of public workshops and meetings. Metro will continue to work with the Subregion to seek opportunities to reach out to a broader constituency of stakeholders.

DETERMINATION OF SAFETY IMPACT

Programming of Measure M MSP funds to the Subregion projects will not have any adverse safety impacts on Metro's employees or patrons.

FINANCIAL IMPACT

In FY 2020-21, $4.07 million is budgeted in Cost Center 0441 (subsidies budget - Planning) for the Active Transportation Program (Project #474401). Upon approval of this action, staff will reallocate necessary funds to appropriate projects within Cost Centers 0441. Since these are multi-year projects, Cost Center 0441 will be responsible for budgeting the cost in future years.

Impact to Budget

The sources of funds for these projects are Measure M Highway Construction 17%. These fund sources are not eligible for Metro bus and rail operating and capital expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports the following goals of the Metro Vision 2028 Strategic Plan:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling by alleviating the current operational deficiencies and improving mobility along the projects.

Goal 4: Transform LA County through regional collaboration by partnering with the Council of Governments and the local jurisdictions to identify the needed improvements and take the lead in development and implementation of their projects.

ALTERNATIVES CONSIDERED

The Board could elect not to approve the additional programming of funds for the Measure M MSP projects for the Subregion. This is not recommended as the proposed projects were developed by the Subregion in accordance with the Measure M Ordinance, Guidelines and the Administrative Procedures.

NEXT STEPS

Upon Board approval, respective implementing agencies will be notified, and Funding Agreements will be executed with those who have funds programmed in FY 2020-21. Staff will continue to work with the WCCOG and the implementing agencies to identify and implement projects. Program/Project updates will be provided to the Board on an annual basis.

ATTACHMENTS

Attachment A - Active Transportation 1st/Last Mile Connection Program Project List

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Phillip A. Washington
Chief Executive Officer

Westside Cities Subregion
Measure M Multi-Year Subregional Plan - Active Transportation First/Last Mile Connection Program (Expenditure Line 51)

	Agency	Project ID No.	Project/Location	Funding Phases	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Total Program
1	Beverly Hills	MM4801.02	La Cienega Blvd Bus Stop Improvements	PS&E Construction	$ -	$ 405,000	$ -	$ -	$ 405,000
2	Beverly Hills	MM4801.03	Pedestrian and Wayfinding FLM Improvements - La Cienega Purple Line Station	PS&E Construction	-	723,158	-	-	723,158
3	Beverly Hills	MM4801.04	Wilshire Blvd Bus Stop Improvements	PS&E Construction	-	486,000	-	-	486,000
4	Culver City	MM4801.05	Overland Class II and IV with Pedestrian Improvements	PS&E Construction	750,000	92,496	-	-	842,496
5	Culver City	MM4801.06	Microtransit/First Last Mile Service Program	Equipment/Vehicle	-	100,000	-	-	100,000
6	Culver City	MM4801.07	Washington Transit/Mobility Lanes + Circulator/First-Last Mile Service Program	PS&E Equipment/Vehicle Construction	742,495	-	-	-	742,495
7	LA City	MM4801.08	Brentwood Walkability Enhancements (San Vicente Blvd: Bundy to Bringham) *	PS&E Construction	-	-	-	2,561,297	2,561,297
8	LA City	MM4801.09	Connect Del Rey Stress-Free Bicycle Enhanced Corridor *	PS&E Construction			4,393,838		4,393,838
9	LA City	MM4801.10	Expo Bike Path Gap Closure	Construction	-	3,168,000	-	-	3,168,000
10	LA City	MM4801.11	Santa Monica to Westwood Stress-Free Bicycle Enhanced Corridor *	PS&E Construction	-	-	8,406,584	-	8,406,584
11	Santa Monica	MM4801.12	Broadway Protected Bikeway: 5th Streeet - 26th Street	PS&E Construction	-	550,000	-	161,471	711,471

	Agency	Project ID No.	Project/Location	Funding Phases	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Total Program
12	Santa Monica	MM4801.13	Colorado Protected Bikeway: 5th Street - 17th Street	PS&E Construction	-	-	150,000	350,000	500,000
13	Santa Monica	MM4801.14	Stewart & Pennsylvania Safety Enhancement Project	Construction	-	804,000	-	-	804,000
14	Santa Monica	MM4801.15	Wilshire Active Transportation Safety Project	PS&E Construction	-	128,000	-	968,000	1,096,000
15	West Hollywood	MM4801.16	Willoughby, Vista, Gardner Greenways *	Construction	-	-	1,211,000	-	1,211,000
			Total Programming Amount		**$ 1,492,495**	**$ 6,456,654**	**$ 14,161,422**	**$ 4,040,768**	**$ 26,151,339**

* Conditional programming approval as only high level scope of work was developed and reviewed. Future annual update process will reconfirm the programming.

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Los Angeles, CA

File #: 2020-0778, **File Type:** Agreement **Agenda Number:** 14.

PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2021

SUBJECT: CESAR E. CHAVEZ & SOTO JOINT DEVELOPMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute an amendment to an existing Joint Development Agreement ("JDA") with La Veranda, L.P. ("Developer"), an affiliate of Abode Communities, that will extend the term of the JDA for twelve (12) months to January 31, 2022.

ISSUE

Metro and the Developer are parties to the JDA, which provides for the development of a mixed-use project that includes income-restricted affordable housing and commercial space on Metro-owned property situated near the corner of Cesar E. Chavez Avenue and Soto Street in the community of Boyle Heights. The JDA is set to expire on January 31, 2021 and an amendment to the JDA is needed to extend its term. The extended term will provide the time necessary to complete predevelopment activities for the project and satisfy the JDA's conditions precedent to execution of a ground lease.

DISCUSSION

Background

Metro and the Developer executed the JDA in January 2018 in accordance with Board authorization in December 2017. Prior to execution of the JDA, Metro and the Developer were parties to an Exclusive Negotiation Agreement and Planning Document ("ENA") which allowed the parties to explore the feasibility of the project and conduct developer-led community engagement. Under the JDA, the Developer has secured funding commitments from all public financing sources needed to construct the project, including an allocation of Low-Income Housing Tax Credits from the California Tax Credit Allocation Committee. They have also advanced the project's design to near completion and have received all needed entitlements from the City of Los Angeles, as well as project clearance under the California Environmental Quality Act.

Among other things, the requested extension will provide the time necessary for the Developer to work with third parties to satisfy two key conditions to ground lease execution: (1) obtaining final

building permit approvals from the City of Los Angeles and (2) securing private sector financing commitments necessary to construct and operate the project. The Developer is now in the process of securing the needed private sector financing which includes construction loan and tax credit equity commitments from the banking community. They are also satisfying City of Los Angeles entitlement-related contingencies for building permit issuance and finalizing the project's design. In addition, Metro and the Developer are finalizing the ground lease for the project, the form of which will be in accordance with the authority provided by the Board in December 2017. Staff anticipates that the activities described in this paragraph will be completed by March 2021, placing the parties in a position to execute the ground lease. Nevertheless, staff is requesting a one-year extension of the JDA just in case unforeseen circumstances result in delay.

Site Overview
The development site totals approximately 1.96 acres of Metro-owned property bounded by Cesar E. Chavez Avenue to the north, Soto Street to the west, Mathews Street to the east, and a residential neighborhood to the south (see Attachment A - Site Map). The Metro L Line (Gold) Soto station is located about one-quarter mile south of the site. This property was originally purchased for extension of the Metro Red/Purple Line subway into Boyle Heights, but with the construction of the Metro L Line's Eastside Extension, it was no longer needed for this purpose.

Project Description
The project, known as La Veranda, contemplates 76 income-restricted affordable apartments, one unrestricted property manager's apartment, approximately 8,000 square feet of commercial space, and associated parking. The proposed apartments will provide two- and three-bedroom units. Thirty-eight of the project's income-restricted affordable apartments are planned for homeless families earning up to 30% of the Area Median Income. The other thirty-eight income-restricted affordable apartments are slated for families earning between 30% and 50% of the Area Median Income.

Outreach
The recommended actions follow extensive project-related outreach by Metro and the Developer. This effort started under a Short Term ENA which was executed by the parties in March 2015 for the sole purpose of conducting project-specific community outreach. Outreach continued throughout the term of the full ENA which was executed in December 2015. Collectively, these efforts resulted in approvals from the Boyle Heights Neighborhood Council ("BHNC") Planning and Land Use Committee ("PLUC") and the BHNC in October 2015, and approval of the project design by Metro's Boyle Heights Design Review Advisory Committee ("DRAC") in June 2016. Outreach also resulted in the Developer agreeing to deepen the project's affordability levels in exchange for Metro's agreement to provide a larger ground lease rent discount. This agreement was approved by the Board in December 2017. Dialogue with the community via the BHNC PLUC continues (Developer presentations occurred in July and September 2020) and updates to the DRAC and the full BHNC are expected in early 2021.

EQUITY PLATFORM

Consistent with the Equity Platform pillar "listen and learn," the project has undergone a robust community engagement process as noted above. In addition, the project provides an opportunity to "focus and deliver" by adding much needed transit-accessible, income-restricted affordable housing

stock to the community, along with commercial space along a main commercial corridor.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety as it only seeks an amendment of the JDA to extend its term. Appropriate construction oversight will be included under the ground lease for the project as part of any construction work to ensure that such work does not adversely impact Metro property, improvements or service, or the continued safety of Metro staff, contractors and the public.

FINANCIAL IMPACT

Funding for joint development activities related to the project is included in the adopted FY21 budget under Cost Center 2210, Project 401003. Metro costs related to the proposed project that are not reimbursed by the Developer will be funded from General Funds, which are eligible for bus and rail operating and capital expenses.

Impact to Budget

There is no impact to the adopted FY21 budget, which includes the cost to negotiate the JDA amendment, ground lease and other project-related documents, review the design and support outreach efforts. No new capital investment or operating expenses are anticipated to implement the project, and revenues from a developer deposit offset certain staff and project-related professional services costs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended action supports the Strategic Plan Goal to “enhance communities and lives through mobility and access to opportunity.” By advancing the project, which includes delivery of critical transit-accessible, income-restricted affordable housing to the Boyle Heights community, as well as commercial space along a main commercial corridor, the recommended action will specifically implement Initiative 3.2, which states “Metro will leverage its transit investments to catalyze transit-oriented communities and help stabilize neighborhoods where these investments are made.”

ALTERNATIVES CONSIDERED

The Board could choose not to authorize the JDA amendment, in which case the JDA would expire on January 31, 2021. At that time, staff would stop working with the the Developer to develop the project. Metro could then choose to solicit new proposals for development of the site from the development community. Staff does not recommend this alternative as proceeding with the proposed project is the quickest and surest way to bring much needed transit-accessible, income-restricted affordable housing to the community, as well as commercial space along a main commercial corridor, each of which is in alignment with Metro’s Strategic Plan and Equity Platform. The Developer’s longstanding commitment to this project, including its financial investment to date, provides further reason not to choose this alternative.

NEXT STEPS

Upon approval of the recommended action, Metro and the Developer will execute an amendment to the JDA, extending the JDA term in accordance with the recommended action. Under the extended JDA, the Developer will continue working to (a) secure all financing for the project, including a construction loan and tax credit equity, (b) satisfy City of Los Angeles entitlement-related contingencies for building permit issuance, and (c) secure a building permit. In addition, design refinements will be finalized, concluding in a Metro-approved set of construction drawings. Developer-led community engagement will continue with project updates to the BHNC PLUC, BHNC and the DRAC. Ultimately, the parties anticipate execution of a ground lease in March 2021 in accordance with the Board's December 2017 authority. Construction of the project is expected to commence promptly thereafter and should be completed two years hence.

ATTACHMENTS

Attachment A - Site Map

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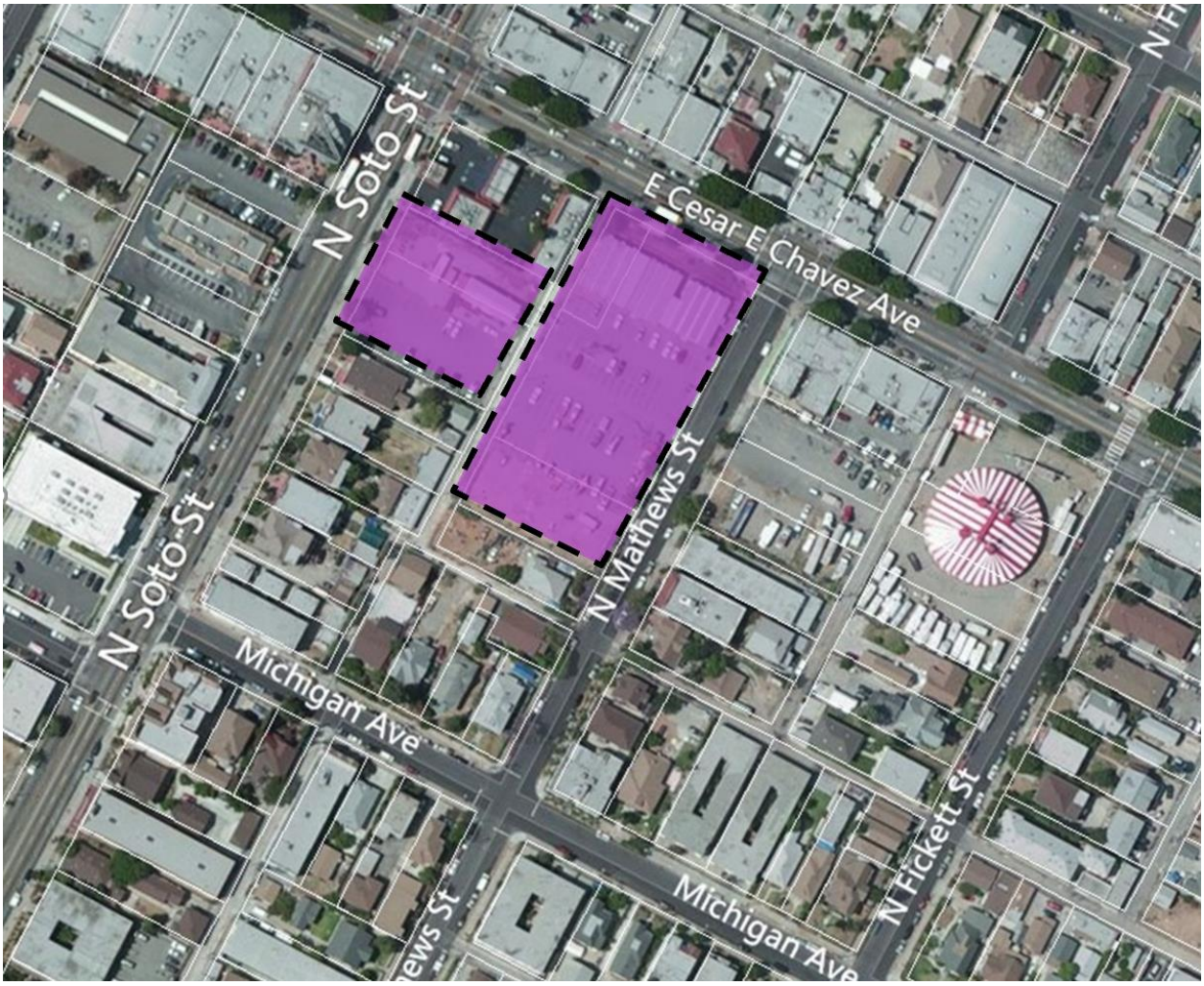
Reviewed by: Jim de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

SITE MAP





Next stop: vibrant communities.

Cesar E. Chavez & Soto Joint Development

Planning & Programming Committee
January 20, 2021
Legistar File: 2020-0778



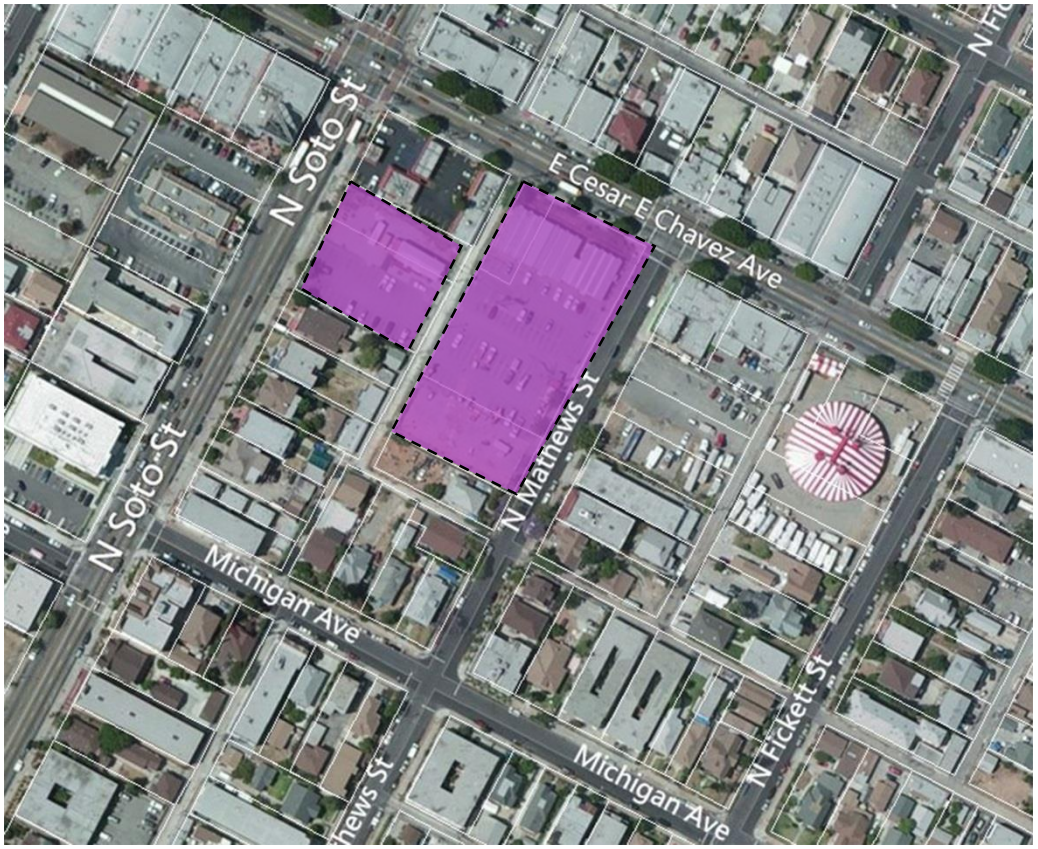
Metro

Recommendation

AUTHORIZE the Chief Executive Officer to execute an amendment to an existing Joint Development Agreement ("JDA") with La Veranda, L.P. ("Developer"), an affiliate of Abode Communities, that will extend the term of the JDA twelve (12) months to January 31, 2022.

Joint Development Site

- Site:
  - 1.96 acres of vacant Metro land
  - 0.25 miles from Metro L Line (Gold) Soto station
  - Purchased for extension of the Red Line Subway into Boyle Heights



Metro

Project Overview

- Board approval of JDA and Ground Lease terms in Dec 2017
- JDA executed in January 2018; Set to expire January 31, 2021
- Proposed project
  - 77 apartments
    - 38 affordable, supportive housing units for formerly homeless families earning up to 30% of AMI
    - 38 for families earning 30% to 50% of AMI
    - 1 unit at market-rate for a manager
  - Approx. 8,000 square feet of ground floor commercial space
- Proposed project is fully entitled and CEQA cleared
- Proposed project has secured all needed public financing, including an allocation of Low-Income Housing Tax Credits
- Design of the proposed project is nearly complete

Outreach

- Developer-led outreach began in March 2015
- Outreach efforts to date have led to:
  - Design approval by the Boyle Heights Neighborhood Council, BHNC Planning & Land Use Committee and Metro-established Design Review Advisory Committee in June 2016
  - Deeper affordability levels for the Project, which were approved by the Board in December 2017
- Further dialogue with BHNC PLUC has continued with updates in July 2020, Sept. 2020 and Jan. 2021
- Updates to the BHNC and the DRAC are anticipated in early 2021

Next Steps

- Developer will:
  - Secure private sector financing (construction loan/permanent loan and tax credit equity)
  - Satisfy entitlement-related contingencies in order to obtain a building permit
- Metro and developer will:
  - Finalize design refinements/approvals
  - Finalize a ground lease for the project in accordance with the Board's Dec 2017 authority
  - Execute the ground lease (anticipated in spring 2021)
    - Project construction will start promptly thereafter and is anticipated to take 2 years to complete

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File #: 2020-0562, **File Type:** Program **Agenda Number:** 16.

PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2021

SUBJECT: MEASURE M METRO ACTIVE TRANSPORT, TRANSIT AND FIRST/LAST MILE (MAT) PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. APPROVING project selection and programming of $63,100,000 in Measure M Metro Active Transport, Transit and First/Last Mile program (MAT Program) funding;

B. AUTHORIZING the Chief Executive Officer (CEO) or his designee to negotiate and execute all necessary agreements for approved projects; and

C. APPROVING a wait list process for all non-awarded eligible projects.

ISSUE

The MAT Program is included in the Measure M Expenditure Plan and allocates $857 million (2015 dollars) for investment in active transportation infrastructure over 40 years. On January 23, 2020, the Board of Directors approved the first funding cycle for this program and authorized a project selection process.

Staff has solicited, received, and evaluated project submittals and is recommending projects for award. The first funding cycle includes Fiscal Years (FY) 2021-2025. Staff recommends a total of 16 project awards as described in this report, with the remaining eligible submittals (8 projects) recommended to be established on a waiting list.

The solicitation as approved by the Board anticipated awarding a total of $75 million for this funding cycle based on cash flow estimates at that time. In light of reduced sales tax revenue, staff is recommending awards of $63.1 million, consistent with cash flow adjustments for comparable Measure M programs. The Board can approve revised Cycle 1 programming amounts in future annual updates should funding availability improve.

BACKGROUND

Project Selection

The MAT Program as approved in January 2020 called for a streamlined Letter of Interest submittal available to a predetermined list of project locations in two program categories. Program categories, Active Transportation Corridors (ATC) and First/Last Mile (FLM), are based on Metro's vision for active transportation investment established in the adopted Active Transportation Strategic Plan (ATSP, April 2016). A total of 163 (25 ATC and 138 FLM) project locations across 51 jurisdictions were eligible to apply.

Twenty-eight Letters of Interest (LOI) were submitted on April 30, 2020, noting time extensions granted in light of local agency limitations caused by the COVID-19 pandemic. Metro assembled an evaluation team composed of 14 agency staff from multiple departments and two representatives from the Policy Advisory Council. Each LOI was scored by three independent evaluators assigned at random. The evaluators' average score was combined with a predetermined need-based quantitative analysis score to arrive at a total. Funding recommendations are based on the order of total score and limited by the amount of available funds (Attachment A). Sixteen LOIs comprise the recommended award lists and 8 LOIs exceed available funding and comprise the waitlist. As part of the evaluation process, LOIs were screened to ensure eligibility requirements were met. As a result of this screening, three ATC applications and one FLM application were found not to meet various eligibility requirements. Agencies proposing these projects have been notified.

Programming

MAT submittals did not require prior planning effort, as is typical in other competitive funding programs. As such, most projects will require an initial scoping phase to arrive at reliable funding amounts for the full project. The programming table included as Attachment A reflects the best not-to-exceed estimates and are subject to further refinement. Staff intend to return to the Board annually to seek approval on program funding amendments as project scopes are developed and refined and to allow for other adjustments in programming. Pending approval, staff will program funds for each fiscal year as shown in Attachment A.

The LOIs are listed in rank order in Attachment A with the highest-scoring proposals constituting the award list. The remainder of proposals are recommended as a waitlist of potential projects eligible for award contingent on future fund availability. This may include funds made available from awarded projects becoming de-obligated or funded at lower amounts. Should funding become available, projects on the waitlist will be programmed according to rank order except in instances where there is not sufficient funding to accommodate the highest-ranked project, but a smaller, lower-ranked project can be awarded. Pending approval, staff will assume this process for programming funds to waitlisted projects accordingly.

Project Roles

The MAT Program allows flexibility for projects to be treated as direct grants, for Metro to retain awarded funds and lead work, or combinations of Metro-led and local-led work depending on project phase. As such, the funding table indicates a project be led either for specified phases or over the entirety of the project. Note that Cycle 1, as adopted in January, calls for projects led by Metro to be programmed with Metro as the recipient. For projects led by Metro, staff will prepare and execute

Cooperative Agreements with project sponsors while projects led locally will require Funding Agreements.

Project roles as shown in Attachment A are preliminary and subject to change. Any change in project roles from what is shown will require written concurrence from all project partners.

Equity Platform

The MAT Program of projects will support implementation of the Equity Platform pillars.

- Define and Measure - Eligible projects were invited to apply for the MAT program based on a screening and ranking process intended to target high need locations based on indexes of socio-economic and environmental disadvantage. Projects within Equity Focus Communities (EFCs) were assigned additional points as part of the evaluation process.

- Listen and Learn -The MAT program was developed with substantial guidance from the Policy Advisory Council (PAC). The overarching goal of MAT is to implement the ATSP which was based on an inclusive outreach process. Furthermore, project selection was based on the level of community support for the projects. MAT projects will be required to prepare a Public Participation Plan to ensure meaningful stakeholder engagement throughout all phases of project development.

- Focus and Deliver - The proposed program of projects will be subject to timely use of funds to ensure efficient use of Measure M funds for affordable and sustainable transportation, and were evaluated for process assurances and reasonableness of schedule.

- Train and Grow - MAT projects are required to perform a project evaluation which will include equity considerations alongside other program objectives. Further, staff is conducting evaluation of the need-based program setup and resultant project selection. This evaluation is pilot testing tools and approaches being developed by the Executive Officer, Equity and Race and will be used to guide the development of future program cycles

DETERMINATION OF SAFETY IMPACT

There is no direct safety impact associated with the recommended action. Note that the implementation of projects subsequent to this action is intended to improve safety conditions for pedestrians, people using bicycles and other rolling modes, and transit riders. Subsequent action related to specific projects will prompt further assessment of any potential safety impacts.

FINANCIAL IMPACT

In FY21, $4,237,500 is budgeted in Cost Center 0441, Project #473001 (Metro Active Transportation Program) for reimbursement payments to MAT Projects being implemented by local jurisdictions. Additionally, $1,128,414 is budgeted in Cost Center 4360 and $100,000 in Center 4340 for the initial project phases of MAT projects that will be completed by Metro staff. Since these are multi-year projects, the Cost Center managers, and Chief Planning Officer will be responsible for budgeting in future years.

Impact to Budget

The source of funds for these projects is Measure M Active Transportation 2%. This fund source is not eligible for Metro bus and rail operating and capital expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The program advances several Strategic Plan Goals including:

- *Goal #1*: High-quality mobility options - advances new active transportation corridors and a full suite of first/last mile interventions at selected stations.
- *Goal #2:* Outstanding trip experiences for all - will develop and advance key station access improvements including traveler/transfer information, improved signage and wayfinding among others.
- *Goal #3:* Enhancing communities and lives - includes a clear focus on targeting investment to places that need it most due to safety, socio-economic and other factors.
- *Goal #4:* Transform LA County through collaboration and leadership - prompts new partnership models with agencies to deliver projects.

ALTERNATIVES CONSIDERED

The Board could elect not to approve selected projects and the programming of funds; however, this is not recommended as the MAT Program is a funding commitment in the Measure M Expenditure Plan. Without approval and programming of funds for elected projects under the MAT Program, advancement of key corridors and connections to transit that have been prioritized as part of the ATSP would be impeded. This is not recommended as the proposed projects were selected according to Board-adopted criteria.

NEXT STEPS

Upon Board approval, respective implementing agencies will be notified, and Funding and/or Cooperative Agreements will be executed. Staff will continue to work with the selected projects as described in this report. Annual updates will be provided to the Board.

ATTACHMENTS

Attachment A - MAT Program Cycle 1 - Recommended Program of Projects
Attachment B - MAT Program Cycle 1 - Recommended Program of Projects Map

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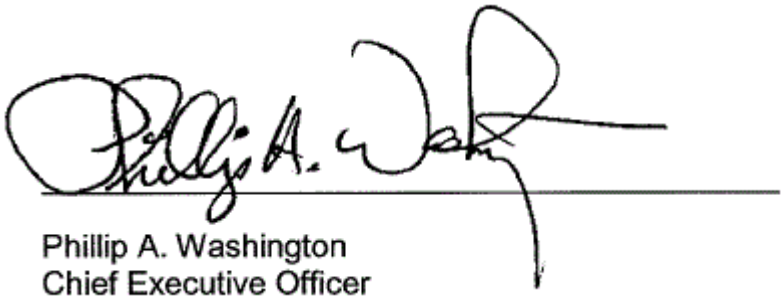
Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer

Recommended Program of Projects

Attachment A

MAT Program Cycle 1

Program Category	Number of Submitted	Applications Funded	Total Project Requests	AMOUNT RECOMMENDED
Active Transportation Corridors	9	5	$ 53,604,075	$ 31,550,000
First/Last Mile Locations	19	11	$ 49,126,131	$ 31,549,999
Total Funding Mark			**$ 102,730,206**	**$ 63,099,999**

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Recommended Program of Projects - Active Transportation Corridors

Attachment A

MAT Program Cycle 1

Award List

Rank	Sponsor	Co-Sponsor	Corridor	FY21	FY22	FY23	FY24	FY25	Total
						Funding Up To Stated Amount			
1	Los Angeles	-	Avalon/MLK/Gage		$284,000	$1,011,000	$2,264,362	$2,264,362	$ 5,823,724
	The proposed project would connect South LA residents to jobs and transit through the implementation of safe walking and biking infrastructure on Gage Ave, MLK Blvd, and Avalon Blvd. This pedestrian and bicycle-friendly network of streets would connect one of the City's largest employment hubs, the Goodyear Tract, with Metro's E and J Lines near USC.								
2	Commerce	Huntington Park, Bell, LACPW	Randolph		$150,838	$301,675	$6,251,378	$ -	$ 6,703,891
	The Randolph Corridor AT Project provides high quality mobility improvements to the residents and businesses of disadvantaged communities within unincorporated Florence-Firestone and the Cities of Commerce, Bell, Huntington Park (HP) and Maywood. The project provides a health benefit via the bicycle lane/trail for 7.03 miles, connecting to the LA River and other destinations. This project will provide improvements via an equitable planning process. The features that are technically & politically feasible, which will be prioritized, and quantified to design and construct, via this funding request.								
3	Redondo Beach	LACPW, Lawndale	Redondo Beach Blvd		$33,000	$507,000	$2,850,000	$3,210,000	$ 6,600,000
	The Cities of Redondo Beach and Lawndale along with the Los Angeles County Public Works propose to install improved and new Bike and Pedestrian Facilities along Redondo Beach Boulevard/Ripley Avenue from Flagler Lane on the west to the Dominguez Channel Greenway on the east. The total length of this segment is 3.3 miles. The improvements will include a series of access, safety, and infrastructure enhancements for walking and biking. This project will provide a cohesive network that will encourage active transportation modes and allow users to connect to transit facilities, educational facilities, parks, retail stores, job centers and residential neighborhoods. The project supports the goals of the Active Transportation Strategic Plan and will enhance safety by implementing pedestrian improvements by removing barriers to access and correct unsafe conditions by reconstructing curb ramps and sidewalks to meet ADA requirements.								
4	Monterey Park	Montebello, LACPW, Rosemead	1st-Riggin-Portrero Grande		$405,480	$5,397,525	$563,220	$ -	$ 6,366,225
	The proposed project proposes to expand alternative modes of travel by increasing existing bicycle transportation network and enhancing pedestrian facilities. These measures will increase connectivity between homes, jobs, public transit, schools and recreational resources for a variety of road users in unincorporated South San Gabriel, Cities of Monterey Park, Montebello, and Rosemead. The proposed bike facilities will extend and provide continuity and a connection to the existing bicycle facilities along Riggin St and to the future bicycle lanes along 1st St in East Los Angeles part of the Metro Gold Line Eastside Access Phase II project. This project will provide greater accessibility and mobility for pedestrians, cyclists, and transit users providing safe, productive alternative modes of travel.								
5	South Pasadena	-	Huntington-Main/Fremont		$912,600	$4,977,660	$165,900	$ -	$ 6,056,160
	The proposed project will improve overall circulation for vehicle, pedestrian, bus, and bicycle traffic along two major, high volume corridors, within the City. It will focus efforts on a broad range of individuals, thereby impacting the most diverse array of user groups, to improve overall equity, safety, and mobility, in City transportation solutions. The Huntington-Main Corridor is the focus of this project to improve 1.5 miles of this corridor, along with the connecting, Fremont corridor from Alhambra Road to Columbia Street. The proposed project seeks to upgrade both corridors to better serve the community and eliminate existing and potential conflict areas by; upgrading ADA paths of travel, implementing master-plan bicycle concepts, improving intersection functionality, and providing a safe transition between corridors.								
			TOTAL	**$ -**	**$ 1,785,918**	**$ 12,194,860**	**$ 12,094,860**	**$ 5,474,362**	**$ 31,550,000**

Waitlist

Rank	Sponsor	Co-Sponsor	Corridor	FY21	FY22	FY23	FY24	FY25	Total
6	Los Angeles	-	Slauson		$ 40,000	$ 560,000	$ 7,400,000		$ 8,000,000
	The Slauson Corridor Project will address crucial gaps in infrastructure not currently met by existing projects. Funding the Slauson Corridor Project will leverage improvements from the R2R project that will enhance safety, mobility, and connectivity for jobs, transit, schools, retail and parks providing opportunities for upward mobility in a historically underserved community.								
			TOTAL	**$ -**	**$ 40,000**	**$ 560,000**	**$ 7,400,000**	**$ -**	**$ 8,000,000**

Ineligible Projects

-	Lancaster	-	Sierra Highway
-	Los Angeles	-	Broadway/Manchester/Vermont
-	Paramount	-	WSAB Phase 3

NOTES:

All projects will be led by local sponsors; any changes in project roles will require written concurrence from all project partners.

Annual programmed amounts for projects are estimated and may be revised depending upon individual project needs and Measure M funding availability, without changing total programmed amounts for projects.

Recommended Program of Projects - First/Last Mile

Attachment A

MAT Program Cycle 1

Award List

Rank	Sponsor	Co-Sponsor	Project Location	FY21	FY22	FY23	FY24	FY25	Total
						Funding Up To Stated Amount			
1	City of Los Angeles	-	Hollywood/Highland	$ 529,476	$ 824,625	$ 2,193,600	$ 50,000	$ -	$ 3,597,701
	Phase Lead			*City of LA*	*City of LA*	*City of LA*	*City of LA*		
	This project aims to improve pedestrian and bicycling connections to the Hollywood/Highland B Line Stations in Hollywood. The project proposes improvements to the Hollywood Walk of Fame, one of the world's most well-known and frequented destinations, into a more vibrant, pleasant, and pedestrian-friendly boulevard that provides for better connectivity and a safer experience for all users. Potential treatments include bus shelters, wayfinding, raised crosswalks, streets furniture, and more near the Highland station. The project will also fund design development for a larger portion of the Hollywood Walk of Fame Concept Plan.								
2	City of Los Angeles	-	Hollywood/Vine	$ 529,476	$ 824,625	$ 2,193,600	$ 50,000	$ -	$ 3,597,701
	Phase Lead			*City of LA*	*City of LA*	*City of LA*	*City of LA*		
	Same project description as above, for the Hollywood/Vine B Line station area.								
3	Los Angeles County	-	East LA Civic Center	$ 4,600	$ 181,150	$ 112,500	$ 176,875	$ 426,875	$ 902,000
	Phase Lead			*LA County*	*LA County*	*LA County*	*LA County*	*LA County*	
	This project will improve access for pedestrians and cyclists to the L Line East Los Angeles Civic Center station. The project includes designing and implementing pedestrian and bicycle facility enhancements within a half mile of the station.								
4	City of Los Angeles	-	LAX-Aviation	$ 4,797	$ 53,820	$ 493,291	$ 1,453,838	$ 1,575,943	$ 3,581,689
	Phase Lead			*Metro*	*Metro*	*City of LA*	*City of LA*	*City of LA*	
	LAX/Aviation MAT projects will improve pedestrian and wheeled access to the C Line (Green) and future LAX/Crenshaw Line transfer station. These improvements will include possible projects such as enhanced crosswalks, bulb-outs, wayfinding, and bicycle facilities.								
5	Santa Monica	-	Olympic/26th	$ 99,000	$ 794,510	$ -	$ -	$ -	$ 893,510
	Phase Lead			*Santa Monica*	*Santa Monica*	*Santa Monica*			
	This project, located at the intersection adjacent to and the blocks immediately north of the 26th St/Bergamot Station on the E Line (Expo), will improve missing crosswalk facilities for riders traveling to and from the station. In addition, the project will add and enhance a partial bike route to the station that will connect to a key east-west bicycling corridor.								
6	City of Los Angeles	-	Sepulveda OL	$ 4,797	$ 53,820	$ 493,291	$ 1,453,838	$ 1,575,943	$ 3,581,689
	Phase Lead			*Metro*	*Metro*	*City of LA*	*City of LA*	*City of LA*	
	This project will improve safety, access, and mobility to the Sepulveda station on the G Line (Orange). Potential improvements may include but are not limited to, the sidewalk, crosswalks, curb ramps, curb extensions, street trees, bike facility, bike signal, bike parking, bus shelter, safety lighting, and wayfinding.								
7	Los Angeles County	-	Slauson		$ 293,845	$ 408,637	$ 1,949,995	$ 1,857,521	$ 4,509,998
	Phase Lead			*LA County*	*LA County*	*LA County*	*LA County*	*LA County*	
	This project will construct access, safety, and infrastructure enhancements for pedestrians within a half mile of the A Line Slauson Station based on Metro's Blue Line First/Last Mile Plan: A Community-Based Process and Plan (March 2018). The goal of this project is to improve pedestrian access to and from the station and to encourage active modes of transportation and the use of public transit.								
8	City of Los Angeles	-	Western/Slauson	$ 4,797	$ 53,820	$ 496,944	$ 1,463,823	$ 1,586,659	$ 3,606,043
	Phase Lead			*Metro*	*Metro*	*City of LA*	*City of LA*	*City of LA*	
	This project will improve safety and access to bus stops at the intersection of Western Ave. and Slauson Ave. Improvements may include, but are not limited to, crosswalks, curb ramps, sidewalk extensions and bulbouts, street trees, lighting, wayfinding, and bicycle facilities. The project site overlaps with part of the Active Transportation Rail to River Corridor, providing an opportunity to also safely connect more riders to active transportation options.								
9	Culver City	Los Angeles	Culver City	$ 65,000	$ 1,825,000	$ 231,529	$ 160,000	$ -	$ 2,281,529
	Phase Lead			*CC, Metro*	*CC, Metro*	*City of LA*	*City of LA*		
	This project, jointly developed with Culver City and the City of Los Angeles, will improve pedestrian and bicycle access to the Culver City E line station. Elements include a physically separated cycle track and pedestrian improvements along Washington Blvd, and other facilities along Venice, Robertson, and National Blvds.								
10	Long Beach	-	Downtown LB (6th Street)	$ 80,998	$ 1,094,000	$ 3,335,000	$ -	$ -	$ 4,509,998
	Phase Lead			*Long Beach*	*Long Beach*				
	The 6 St project will reconfigure an existing through street to add a protected bike lane and pedestrian safety features, such as cross walks and bulb-outs. The project extent leads directly to the 5th Street Station on the A Line (Blue), and is blocks from the nearby Pacific Station.								
11	West Hollywood	-	Santa Monica/La Brea	$ 40,000	$ 448,141	$ -	$ -	$ -	$ 488,141
	Phase Lead			*City of WH*	*City of WH*				
	This project will improve pedestrian safety and access to bus stops near the intersection of Santa Monica Blvd and La Brea Avenue. Some elements include pedestrian-level lighting, bulbouts, median islands, crosswalk enhancements, and in-road warning lights.								
			TOTAL	**$ 1,362,941**	**$ 6,447,356**	**$ 9,958,392**	**$ 6,758,369**	**$ 7,022,941**	**$ 31,549,999**

Recommended Program of Projects - First/Last Mile

Attachment A

MAT Program Cycle 1

Waitlist

12	Los Angeles County	-	Florence					$	5,000,000
	This project would improve pedestrian access and safety within a half mile of the A Line Florence Station, implemeting improvements based on Metro's Blue Line First/Last Mile Plan: A Community-Based Process and Plan (March 2018).								
13	Los Angeles		Van Nuys/Vanowen					$	4,000,000
	The project proposes first/last mile imrpovements such as crosswalks, curb ramps, curb extensions, and bicycle facilities to enhance connections to bus stops at Van Nuys and Vanowen Blvds, as well as the Van Nuys Metrolink rail station. The project would also look to improve safety for riders connecting to the G Line (Orange) at Van Nuys Blvd.								
14	West Hollywood		Fountain (Hayworth-Harper)					$	750,000
	This project would improve pedestrian safety on Fountain Ave. between Hayworth Ave. and Harper Ave. Treatments include bulb-outs, medians, and crosswalks with in-road warning lights.								
15	West Hollywood		Santa Monica Bl-Greenacre					$	750,000
	This project would improve pedestrian safety by installing in-road warning lights at the intersection of Santa Monica Bl and Greenacre Ave.								
16	West Hollywood		Fairfax					$	750,000
	The project would address safety by implementing pedestrian-scale lighting, leading pedestrian intervals at intersections, in-road warning lights, crosswalks, and improved bicycle amenities.								
17	West Hollywood		Santa Monica Bl-Poinsettia					$	750,000
	This project would improve pedestrian safety by installing in-road warning lights at the intersection of Santa Monica Bl and Poinsettia Place.								
18	West Hollywood		Santa Monica Bl-Hayworth					$	750,000
	This project would improve pedestrian safety by installing in-road warning lights at the intersection of Santa Monica Bl and Hayworth Ave.								
			TOTAL					**$**	**8,000,000**

Ineligible Projects

-	Los Angeles	-	Lincoln/Cypress

NOTES:
Annual programmed amounts for projects are estimated and may be revised depending upon individual project needs and Measure M funding availability, without changing total programmed amounts for projects.
Phase Lead as indicated are tentative and subject to change. Any change from what is shown requires written concurrence from all project partners.

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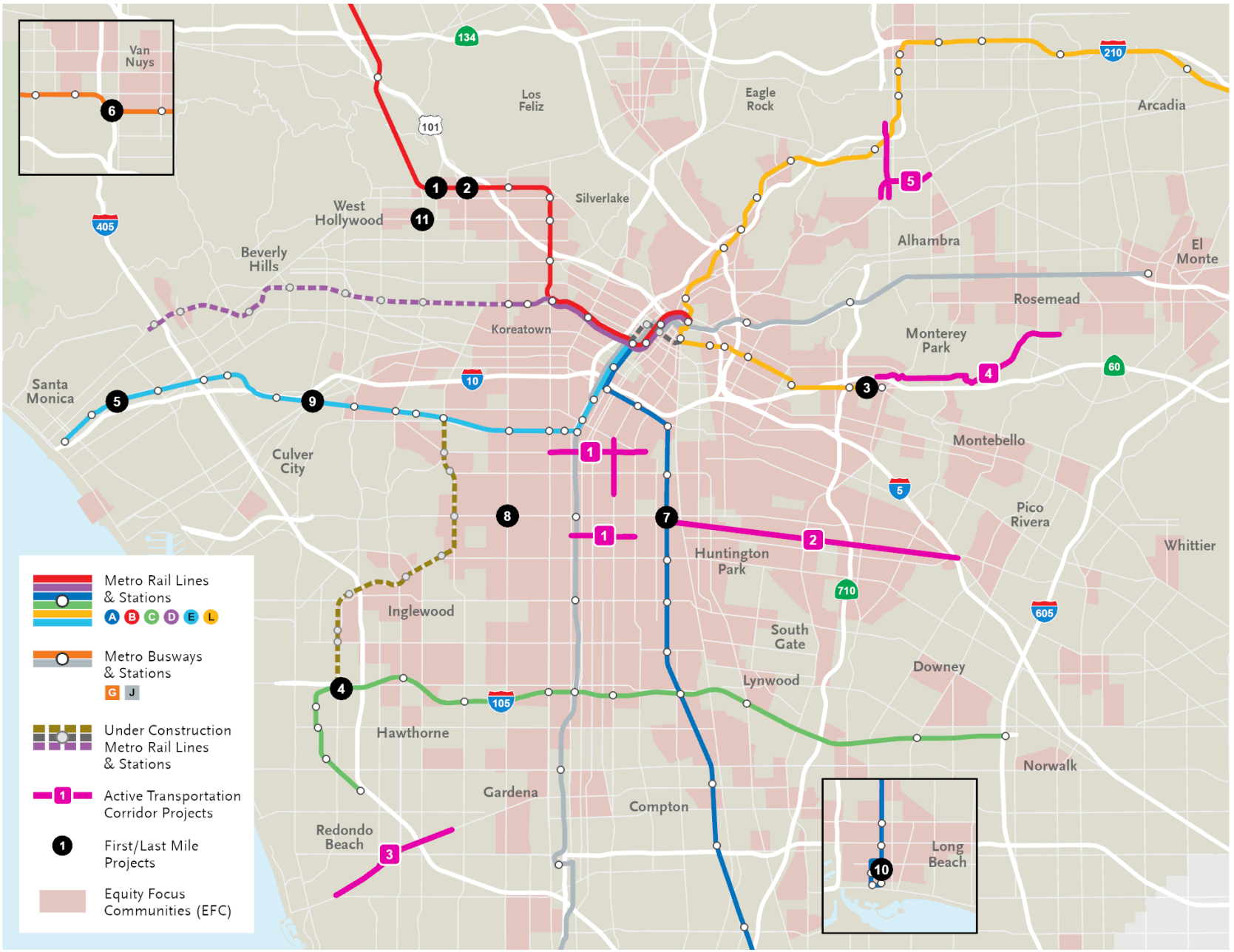
Recommended Program of Projects Map

MAT Program Cycle 1

Attachment B



Active Transportation Corridor Projects

1. Avalon-MLK-Gage
   City of Los Angeles
2. Randolph
   City of Commerce
3. Redondo Beach Blvd
   City of Redondo Beach
4. 1st-Riggin-Potrero Grande
   City of Monterey Park
5. Huntington-Main/Fremont
   City of South Pasadena

First/Last Mile Projects

1. Hollywood/Highland
   City of Los Angeles
2. Hollywood/Vine
   City of Los Angeles
3. East LA Civic Center
   Los Angeles County
4. LAX/Aviation
   City of Los Angeles
5. Olympic/26th
   City of Santa Monica
6. Sepulveda OL
   City of Los Angeles
7. Slauson Station
   Los Angeles County
8. Western/Slauson
   City of Los Angeles
9. Culver City
   City of Culver City
10. Downtown LB (6th St)
    City of Long Beach
11. Santa Monica/La Brea
    City of West Hollywood



Next stop: access to opportunity.

Metro Active Transport (MAT) Program

Planning and Programming Committee

Legistar 2020-0562

January 20, 2021



Metro

Recommended Action

- APPROVE project selection and programming of $63,100,000 in Measure M Metro Active Transport, Transit and First/Last Mile program (MAT Program) funding;

- AUTHORIZE the Chief Executive Officer (CEO) or his designee to negotiate and execute all necessary agreements for approved projects; and

- AUTHORIZE a wait-list process for all non-awarded, eligible projects.

Background

- *January 2020:* Board approves criteria/process for Cycle 1 (FY21-25)
  - Screened/Ranked project locations based on: Equity, Safety, Mobility/Connectivity
  - Invitation to Apply
  - Streamlined Letter of Interest application process
- Discretionary, competitive program created by Measure M
- $857m over 40 years
- Dedicated funding for active modes

Cycle 1 Overview

- 28 total submittals ($102.7M)
- Selection process complete per Board-approved process
  - Qualitative evaluation PLUS points for equity-based ranking and Equity-Focused Communities (EFCs)
- 16 projects recommended for award ($63.1M)
  - 5 Active Transportation Corridors
  - 11 First/Last Mile
- 8 recommended for wait list ($16M)
- COVID-19 Impacts

Cycle 1 Projects Map



Active Transportation Corridor Projects

1. Avalon-MLK-Gage
   City of Los Angeles
2. Randolph
   City of Commerce
3. Redondo Beach Blvd
   City of Redondo Beach
4. 1st-Riggin-Potrero Grande
   City of Monterey Park
5. Huntington-Main/Fremont
   City of South Pasadena

First/Last Mile Projects

1. Hollywood/Highland
   City of Los Angeles
2. Hollywood/Vine
   City of Los Angeles
3. East LA Civic Center
   Los Angeles County
4. LAX/Aviation
   City of Los Angeles
5. Olympic/26th
   City of Santa Monica
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   City of Los Angeles
7. Slauson Station
   Los Angeles County
8. Western/Slauson
   City of Los Angeles
9. Culver City
   City of Culver City
10. Downtown LB (6th St)
    City of Long Beach
11. Santa Monica/La Brea
    City of West Hollywood

Next Steps

- Execute agreements
- Initiate projects
- Annual updates to adjust programming as needed

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

File #: 2020-0612, **File Type:** Plan **Agenda Number:** 18.

PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2021

SUBJECT: FINAL 2021 LA COUNTY GOODS MOVEMENT STRATEGIC PLAN

ACTION: ADOPT PLAN

RECOMMENDATION

ADOPT the final 2021 LA County Goods Movement Strategic Plan.

ISSUE

Staff developed the 2021 Los Angeles County Goods Movement Strategic Plan (Plan) in partnership with a wide range of regional goods movement stakeholders at the public, private and community level. The Plan (Attachment A) reflects input, core values, priorities and strategies elicited from these stakeholders and supports Metro Board positions and planning efforts, particularly Vision 2028, the Long Range Transportation Plan (LRTP) and the Equity Platform.

The Plan presents the vision, priorities, Sustainable Freight Competitiveness Framework and Early Action Initiatives that were developed through ongoing stakeholder engagement over the past two years, along with an implementation strategy and equity considerations for these items. Our stakeholders agreed that the Plan should be founded on the values of equity and sustainability - values that are elevated and infused within the priorities, strategies and initiatives developed through the Plan to help create a more inclusive and sustainable economic growth and shared prosperity for LA County.

Following the presentation of the draft Plan to the Board in June 2020, staff initiated a 60-day public comment period, conducted additional stakeholder outreach and hosted a Telephone Town Hall meeting at the request of the Board to allow for more comprehensive input to be received and incorporated within the final Plan.

Staff now returns to the Board to present the final Plan and seeks adoption of the Plan and its priorities, strategies and Early Action Initiatives for Metro's goods movement planning team to pursue and implement over the next five years.

BACKGROUND

As the nation's most populous county with the country's busiest seaport complex, LA County reaps tremendous economic and employment benefits from - yet suffers impacts to local communities, mobility and public health due to - the tremendous volume of containers moved annually through the San Pedro Bay Ports, the thousands of trucks and trains that distribute goods daily throughout the region and the facilities that support the region's vibrant goods movement industry.

Existing conflicts and looming problems threaten LA County's economic competitiveness. These factors include high costs of conducting business, recurrent congestion, local to national policies and regulations that create uncertainty over benefits of operating business through the county and intensifying competition from East Coast, Gulf Coast and Canadian ports. Most recently in 2019 LA County's preeminence in attracting discretionary cargo bound for the United States was endangered as the laden container volume at the Port of Long Beach dropped from second to third place in national container port rankings behind the Port of New York and New Jersey.

As LA County fends off increasing efforts by rival ports and trade gateways to siphon away economic and employment opportunities, we also find ourselves reckoning with the legacy of long-standing sustainability and equity challenges associated with moving goods, particularly in regard to air quality. Air pollutant emissions from goods movement sources - in particular from ships, trucks, train locomotives, cranes and other equipment that moves goods - are major sources of regional air pollution that affect both public health and climate. Much of LA County (excluding the Antelope Valley) falls within the South Coast Air Basin (SoCAB), which exceeds federal Clean Air Act standards for ozone and particulate matter ($PM_{2.5}$). Reduction of nitrogen oxides (NOx), a major component of ozone, will require a focus on goods movement sources which constitute approximately 52% of the total NOx emissions for the SoCAB region within the past five years - of these sources heavy-duty trucks and locomotives generated 58% and 7%, respectively, of these goods movement-related NOx emissions.

The public health impacts of goods movement-related air pollution have particularly affected disadvantaged and minority communities located adjacent to major freight corridors and facilities. Residents of disadvantaged, equity-focused communities are more susceptible to respiratory and cardiovascular illnesses and higher death rates associated with exposure to diesel pollution. COVID-19 preyed on these existing preconditions and exposed these existing racial and economic inequities in goods movement-affected communities - home to many essential workers in logistics and other industries - as demonstrated by higher mortality rates linked to health impacts caused by long-term exposure to freight emissions.
These challenges to LA County's economic competitiveness, environmental sustainability and social equity - heightened by the COVID-19 pandemic - have only intensified since Metro last convened regional freight stakeholders and developed the Multi-County Goods Movement Action Plan (2008) with partner agencies in Southern California. Since that time three major developments of great importance to LA County have emerged in the world of goods movement:

- First, the level of funding for goods movement projects has reached its highest level ever, thanks in large part to LA County's passage of two transportation sales taxes in 2008 (Measure R) and 2016 (Measure M), the State's passage of the Road Repair and

Accountability Act (Senate Bill 1) of 2017 - and its component discretionary grant programs - and the federal passage of the Fixing America's Surface Transportation Act of 2015 (FAST Act) and its new freight-focused grant programs.

- Second, the state and federal governments have recently released new freight plans (the California Freight Mobility Plan 2020 and the National Strategic Freight Plan, respectively) meant to guide policy and investment decisions that will ultimately affect LA County.

- Third, the long-standing concerns raised by equity-focused communities regarding the impacts of goods movement on their vulnerable residents - coupled with the overlapping goal to improve air quality through reducing harmful emissions attributed to freight - have crystallized into aggressive action by state agencies and the Governor in the form of new regulations, mandates and executive orders affecting aspects of goods movement planning and investment priorities.

The 2021 LA County Goods Movement Strategic Plan represents the results of Metro's leadership in bringing together myriad stakeholders from the community, private and public sectors to develop a forward-looking, shared vision for how the county should work together over the next five years to assert itself at the state and federal level and advance common goals. Central to the equity-focused Plan is the Sustainable Freight Competitiveness Framework developed collaboratively with stakeholders to achieve inclusive growth that supports the county's economic competitiveness, environmentally sustainability and social equity goals.

DISCUSSION

The 2021 LA County Goods Movement Strategic Plan is Metro's response to the many freight-related transportation planning challenges that undermine our county's efforts to be economically competitive, environmentally sustainable and socially equitable. Metro neither controls, operates nor maintains many aspects of the regional goods movement system; therefore, to develop this Plan, staff convened an unprecedented array of leaders and stakeholders involved with or impacted by the goods movement system to ensure the Plan reflects and meets the needs of the various public and private agencies, community groups and entities that plan, operate, use, depend on and live near our essential countywide goods movement system.

Developed in consultation with these stakeholders, the Plan is founded on the values of equity and sustainability and sets a direction for Metro as a leader and partner in shaping a more competitive and equitable LA County by serving as:

- **A national leader and regional partner** in implementing a modern, responsive, coordinated and effective freight transportation system through policies, programs and projects that support a competitive global economy; and

- **A steward of equitable and sustainable investments and technological innovation** that will increase regional economic competitiveness, advance environmental goals and provide access to opportunity for county residents.

From this vision emerged four guiding priorities and correlated questions identified by the Plan's stakeholders that helped create the Sustainable Freight Competitiveness framework:

1. **A Strong Labor Force:**
    - Do existing policies and programs position the local labor force of today to support the goods movement industry of tomorrow?
    - What education and skill gaps need to be addressed and what opportunities exist to partner across industries and regions to address these gaps?
    - Does the regional transportation system provide adequate mobility options to connect existing and future workers to these jobs and industries?

2. **A Safe and Efficient Multimodal System:**
    - As the population grows how can we ensure the shared-use system safely meets future demand for capacity?
    - Will the multimodal system be able to respond to changes in the way people and goods move?

3. **Strong Markets and Reliable Supply Chains:**
    - Do we have a strong, articulated and coherent economic strategy to develop a tactical mix of businesses and policies to foster a vibrant and inclusive economy?
    - Are we aware of and protecting against external threats that can disrupt our markets and supply chain?

4. **A Culture of Investment and Innovation:**
    - Is the mix of regional leadership, policy environment and available capital sufficient to support investments in infrastructure and technology?
    - How do we balance our unique regulatory and policy environment with the need for private sector investment?

Metro will implement the Plan's vision and advance its four guiding priorities over the next five years by undertaking a series of Early Action Initiatives that will allow the region to preserve and enhance LA County's competitiveness in an equitable and sustainable manner. The package of recommendations (Table 1) presents an opportunity for Metro to take a leadership role in addressing goods movement issues in the county, working with local, regional, state and national partners as appropriate. Each of these focus areas (Attachment A, pages 80-99) will be supported by specific implementation steps.

Table 1

Strategic Goods Movement Early Action Initiatives

Initiatives	Description
1. Equity for Goods Movement	Initiate a recurrent goods movement-focused task force comprising equity-focused stakeholders as a forum to give and receive input to guide Metro's planning efforts on goods movement-related issues.
2. LA Metro Countywide Clean Truck Initiative	Develop a Countywide Clean Truck Initiative to accelerate the deployment of near-zero and zero-emission trucks in the region to address air quality and public health concerns, particularly for our most vulnerable communities along major freight highway corridors.
3. Southern California Rail Investment Partnership	Craft a public-private framework for a collaborative freight rail investment partnership focused on improving the region's shared-use freight rail corridors.
4. Urban Freight Delivery	Mainstream urban delivery and curbside demand issues across other planning efforts within Metro and LA County jurisdictions to achieve coordinated solutions to address these challenges.
5. Logistics Workforce and Competency	Ensure that LA County has a strong labor pool to support its economy and fill the jobs of tomorrow through research and initiatives to identify and address workforce skillset gaps and investment need.

Building Equity as a Foundation

As staff developed the Plan and engaged community stakeholders, the role of equity in the Plan transformed from a component to a core value around which its priorities, strategies and initiatives are centered. The timing of the Plan's finalization allowed staff to capitalize on the treatment of equity within the LRTP, the creation of the Office of Equity and Race and the development of Metro's Equity Platform. In August 2020 the Metro Board adopted an agency-wide definition of equity to guide Metro's work around equity and create project-specific equitable outcomes. The Plan recognizes that disparities and challenges exist in our current goods movement system throughout LA County, and they will persist if we do not intentionally work to eliminate them.

Staff has collaborated with the Executive Officer for Equity and Race to engage various stakeholders from community advocacy, environmental justice, public health and equity fields - with the goal of better understanding equity risk factors that are strongly correlated to goods movement activities to ground the Plan's priorities and strategies in equity considerations. These gatherings were highlighted by the dedicated townhall meeting on Equity and Goods Movement that staff hosted on May 20, 2020 to present the Plan and its context within Metro's overall work on equity. The townhall featured a presentation by the USC Program for Environmental and Regional Equity (PERE) and discussion with stakeholders from throughout the county. Feedback from these meetings was very informative but also emphasized the need for more frequent discussions with these groups to ground -truth future goods movement planning work and to provide more opportunities for Metro to discuss equity-related issues with a larger array of equity-focused stakeholders.

The Plan recognizes that Metro must continue to develop stronger and more comprehensive opportunities for ongoing dialogue with communities on goods movement issues - partly to gain knowledge and partly to improve trust. The Early Action Initiative to create an equity-focused goods movement working group will help develop the institutional framework for this important discussion to broaden and enrich the dialogue between Metro and our communities on how goods movement planning can help reduce disparities, improve public health and increase opportunities for members of goods-movement impacted communities to share in an inclusive LA County economy.

Stakeholder Engagement

Over the course of developing the Plan, staff made significant outreach to members of the goods movement industry, regulatory agencies, academic institutions, community-based organizations, technology and equipment manufacturers and workforce development programs. Staff created and hosted four Freight Working Group meetings to develop the elements of the Plan. Additionally, staff supplemented these large meetings with targeted, smaller meetings with various groups for more in-depth discussion on the Plan overall and its Early Action Initiatives. Staff also presented the Plan at multiple meetings for Councils of Governments, economic groups and Metro's Policy Advisory Committee.

The emergence of COVID-19 eliminated the use of in-person meetings starting in March 2020. Staff pivoted to hosting its meetings online and added more opportunities for discussion and stakeholder input through initiative-focused webinars that solicited over 50 participants each. In addition to these webinars and the Equity and Goods Movement townhall, staff also hosted a Telephone Town Hall meeting designed to provide an expanded opportunity for residents most affected by goods movement issues to participate and provide input into the Plan.

The use of online and telephone-focused outreach and conversation proved to be an effective supplement to and alternative for the traditional in-person meetings Metro hosts for its planning work. In particular the Telephone Town Hall meeting, requested by the Board at the June 2020 meeting, proved to be a successful new front for Metro outreach on goods movement issues. On September 22, 2020 Metro made calls to 100,000 home residences for the event - half directed to neighborhoods adjacent to key freight corridors (I-710, I-605, I-5 and SR-60) and half made to other residents throughout the county. The event attracted approximately 3,500 listeners, including 266 Spanish-language participants. Metro Board members Hahn and Dupont-Walker offered opening remarks, while staff from goods movement planning, equity and race and transit operations answered many questions over the course of the hour-long session. The format also allowed for staff to conduct polls which identified several important outcomes, primarily that reducing air pollution associated with goods movement is a strong priority for the participants. Even after the effects of the pandemic subsides, Metro should incorporate more of these types of outreach events as part of the lessons learned from COVID-19 and best practices going forward.

Goods Movement and COVID-19

COVID-19 has brought the essential nature of the region's goods movement network and the effectiveness of its resilient supply chains to the fore. While much of the Plan discusses the importance of improving LA County's economic competitiveness by building upon and improving our

multimodal goods movement network, what the pandemic has shown us is that without a strong goods movement system our society will break down in the face of external crisis and supply chain disruptions.

As we respond to COVID-19, the pandemic crisis poses challenges to local, state and federal governments to review and adapt goods movement planning processes of the past as we discover what the "new normal" will be going forward. In particular we must understand how the disparities in the impacts of COVID-19 on the county's minority and disadvantaged populations - especially those compromised by air quality impacts - must lead to and support the county's renewed commitment to address equity and sustainability needs head-on.

Metro has an opportunity to guide the county's recovery from COVID-19 across all of its work. For the goods movement industry, Metro should seek ways to support the freight infrastructure development needed to maintain and increase national market share, to strengthen the regional logistics workforce and competency and to deliver on sustainability and equity goals to lift up communities burdened with a long history of poor investment and ongoing freight industry impacts. Through the strategies and recommendations presented in the final Plan, staff aims to provide the Board with a stakeholder-guided, consensus-based roadmap to deal with these many challenges over the next five years.

Internal Next Steps

Metro began the development of the Plan by meeting with representatives from across Countywide Planning and Development planning divisions and other Metro departments to determine (1) the goods movement impacts and opportunities that affected their work and (2) how the Plan could help them meet their respective goals.

What became clear during these discussions is that - given the shared use nature of our multimodal transportation system - goods movement issues do affect many aspects of Metro's day-to-day work, including the safe operation of buses; development of complete streets and active transportation plans and programs; implementation of workforce development, sustainability and equity goals; and construction of Measure R and M transit and highway projects.

Metro staff remained engaged throughout the development of the Plan by participating in the Freight Working Group meetings, providing input and helping craft the Plan's Vision, Goals and Early Action Initiatives. In concert with the implementation of the Plan's Priorities and Early Action Initiatives, staff will take additional steps to mainstream goods movement planning within Metro through various activities such as the following:

- convening regular meetings for staff across departments to discuss current issues related to goods movement;
- working with the Office of Equity and Race to advance Metro's Equity Platform;
- supporting multimodal planning efforts;
- identifying freight-related projects to be developed for future grant applications;
- exploring freight-related technologies and applications;

- hosting a cross-disciplinary curbside mobility working group; and
- updating existing and future planning documents with additional goods movement-related planning goals and needs.

Equity Platform

The LA County Goods Movement Strategic Plan supports three of the four Equity Platform Pillars I (Define and Measure), II (Listen and Learn) and III (Focus and Deliver).

Pillar I (Define and Measure): By focusing on Equity and Sustainability as the core element of the Plan, working with stakeholders to receive input on equity concerns and creating inclusive conversations on goods movement issues, the Plan calls for developing measurable objectives around goods movement issues to guide Metro's advancement of equity goals for LA County.

Pillar II (Listen and Learn): Staff held targeted meetings with key equity-focused communities and representatives to gain an understanding of equity needs for the region. Staff also coordinated with the Executive Officer for Equity and Race to develop opportunities for input via webinar and telephone town hall. To build on this foundational relationship, staff will establish an ongoing working group tailored specifically to goods movement equity-focused organizations and develop forums for discussion to inform Metro's goods movement planning and help achieve desirable outcomes for LA County.

Pillar III (Focus and Deliver): The Plan, through input from our stakeholders, identifies where Metro can lead and where Metro can partner in implementing equity-conscious policies and programs to improve health, sustainability and access to opportunities, promote inclusive economic growth and ameliorate the quality of life for those most impacted by freight externalities in LA County.

DETERMINATION OF SAFETY IMPACT

This item does not have a direct safety impact for Metro, but it does address Metro's commitment to safety and supports collaboration with other goods movement stakeholders to develop a safer multimodal goods movement system and improve public health.

FINANCIAL IMPACT

Adoption of the final 2021 LA County Goods Movement Strategic Plan will not have any financial impact to the agency.

Impact to Budget

No impact to the budget is anticipated as a result of this item.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The 2021 LA County Goods Movement Strategic Plan supports implementation of the following

Strategic Plan Goals:

1. **Provide high-quality mobility options that enable people to spend less time traveling**
   - The Plan includes efforts to improve the efficiency of goods movement on the county's shared multimodal transportation system, as well as calls for investment to support added capacity for regional rail transit opportunities.
   - Inclusion of goods movement planning in existing Metro planning efforts, such as Complete Streets and curbside management, will help reduce congestion and impacts to mobility at the local community level.

3. **Enhance communities and lives through mobility and access to opportunity**
   - The Plan calls for providing more transit connectivity for logistics workforce members to jobs currently difficult to reach by transit.
   - Developing equity and logistics workforce development initiatives will support local access to opportunity, especially for some of the more disadvantaged, freight-impacted communities in LA County.

4. **Transform LA County through regional collaboration and national leadership.**
   - The Plan identifies priorities and policies generated through regional collaboration and stakeholder engagement to drive funding and policymaking decisions at the state and federal level in support of LA County goals.

ALTERNATIVES CONSIDERED

The Metro Board can choose to delay adoption of the 2021 LA County Goods Movement Strategic Plan. Delay in adopting the plan will hinder Metro's ability to mainstream the importance of goods movement planning within the agency and to implement the five Early Action Initiatives that seek to provide improvements to equity, air quality, workforce development, local curbside management and strategic investment in our multimodal freight system.

NEXT STEPS

Upon Board approval of the final 2021 LA County Goods Movement Strategic Plan, staff will further develop and begin implementation for each of the Early Action Initiatives. Staff will subsequently report to the Board every quarter with an update on goods movement planning activities.

ATTACHMENTS

Attachment A - Final 2021 LA County Goods Movement Strategic Plan
Attachment B - Public Comment and Support Letters
Attachment C - Webinars

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Phillip A. Washington
Chief Executive Officer



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Metro®

We're planning a better way to move goods.

2021 LA County Goods Movement Strategic Plan

In Memory

LA Metro honors the memory and legacy of Connie Rivera, the Public Affairs Director for the Alameda Corridor Transportation Authority, who for many years provided tremendous insight, wisdom, leadership and her trademark great sense of humor in many LA County goods movement forums and discussions.

A product of Southern California, Connie resided in Long Beach, attended local schools and earned her bachelor's degree from Cal State University, Long Beach. She was passionate about her family and serving her community through the YMCA and Rotary Club. She will be remembered fondly by her many colleagues, especially the Ladies of Logistics, an informal group of women in non-traditional jobs leading and serving the logistics industry in Southern California.

Connie led with humility and graced Metro as a member of the Freight Working Group – her voice is embedded within the vision, principles and priorities of the LA County Goods Movement Strategic Plan. Metro dedicates this plan to Connie's memory and her unwavering belief that through hard work, collaboration and kindness people can come together to lift up and improve the quality of life for all LA County residents, families and communities.

In Tribute

LA County owes a deep debt of gratitude to the truck drivers, warehouse workers and all essential members of the logistics sector for keeping our homes, businesses and hospitals supplied with food, medicine and other necessities during the COVID-19 crisis. Your dedication and bravery ensured our families would be fed and have access to necessary goods at a critical time in our history. We honor those members of this vital industry that lost their lives during the pandemic and support your future efforts to distribute life-saving vaccines and treatments to all in need. Thank you.

In Thanks

LA Metro extends its deepest appreciation and thanks to the many community members, elected officials, agency staff members and executive leaders that came together over many meetings – in person and virtually – to develop the vision, mission and initiatives for the 2021 LA County Goods Movement Strategic Plan. Metro seeks to reflect within this plan the many hours of input you contributed and the collective vision you helped create to improve the goods movement system and the quality of life for all of LA County's residents, businesses and future generations.

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LA County's goods movement system is the backbone of our regional economy. It supports our current standard of living.

Our vibrant system continues to evolve through emerging industries and technologies, generating billions of dollars and thousands of jobs.

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Source: Performance Team

Global supply chains are changing and rival ports are expanding, shifting dollars and jobs away from LA County. Growing demand for goods has increased vehicular traffic and decreased air quality, threatening our region's health, mobility and competitiveness.

Worse, a legacy of inequitable policies, displacements and investments has placed freight-related burdens primarily on low-income communities of color.

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Source: Jae C. Hong/Associated Press

In response to these local and global challenges, we have a plan that will make LA County more resilient and efficient.

Our transformative plan is economically competitive, environmentally sustainable and socially equitable for our friends and neighbors. ***It's a shared vision, a path to better health and prosperity for everyone.***

DRAFT



Source: Port of Long Beach

Letter from the CEO

Dear Friends,

The LA County Goods Movement Strategic Plan sets forth a bold and timely course of action for Metro to lead and partner with our regional stakeholders to create a future LA County that is economically competitive, environmentally sustainable and socially equitable.

The timing of the plan could not be better – as our nation shut down in response to COVID-19, we saw clearly how our goods movement industry is vital to keep our families fed, our businesses open and our hospitals fully stocked. We also saw how pre-existing inequities and poor health caused by the movement of freight are further exacerbated by the deadly health and economic impacts of this devastating global pandemic.

This strategic plan is a call to action for LA County stakeholders and our state and federal partners to work together today on behalf of our 10.3 million residents to respond to the many freight-related challenges that will constrain our inclusive, sustainable shared prosperity of tomorrow.

The national and regional importance of the Ports of Long Beach and LA cannot be understated – an estimated 40% of waterborne cargo entering the United States flows through the San Pedro Bay Ports and one-third of all jobs in the region are dependent upon the goods movement industry. Our goods movement system is the lifeblood of an LA County economy that would be the 18th largest in the world if we were considered a nation.

LA County's position as the nation's pre-eminent trade gateway, thanks in large part to our proximity to Pacific Rim markets, faces strong competition from other regions in the country that have invested in their ports and landside infrastructure to siphon discretionary cargo – and the jobs, tax revenues and opportunities for upward social mobility that come with it – from Southern California.

Metro must take an active leadership role working with our goods movement stakeholders to reverse this trend. To do so we must invest in our shared use multimodal transportation system that moves people and goods to produce the requisite efficiencies and capacity that will create an infrastructure inheritance for future generations of Angelenos to enjoy greater mobility, cleaner air, economic prosperity and equitable opportunity. We will seek funding and supportive policies from our state and federal partners that rely so heavily on the economic activity generated by our LA County ports.

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With this looming crisis in mind, Metro convened an unprecedented array of leaders from local communities, the goods movement industry, public agencies and the private sector to help us develop a plan that reflects the current concerns, priorities and goals of LA County as a whole. Our stakeholders confirmed Metro's view that increasing our economic competitiveness must include a commitment to environmental sustainability and regional equity. Metro believes these goals are complementary, not mutually exclusive. With this in mind our colleagues came to a consensus that Metro should promote a sustainable freight competitiveness framework that is **centered on equity**.

From this framework emerged five early action initiatives our partners identified as near-term equity-conscious strategies to implement the plan's vision: (1) creating a formal, recurring equity freight working group; (2) deploying cleaner truck technology to displace diesel operations on freight-intense highway corridors; (3) forming a high-level freight rail partnership to drive investment into the LA County; (4) leading a countywide discussion on the role of goods movement needs in curbside management planning and policies; and (5) partnering across the region to foster workforce development programs that support the freight labor needs of tomorrow.

The goods movement challenges facing LA County require Metro and our partners to work together with urgency and take bold leadership to implement this inclusive, sustainable and equitable strategic plan to engender robust economic growth and shared prosperity. We thank our regional partners and Metro staff for their tireless support to create this dynamic, transformative plan that will guide Metro's goods movement planning activities over the next five years and to achieve together what we cannot accomplish alone.

Delivering the strategies within this plan will position LA County to provide outstanding passenger and freight transportation to the world when we host the 2026 World Cup and 2028 LA Summer Olympic Games, and to make good on our promises to our residents that entrusted us with implementing Measure R (2008) and Measure M (2016).

We have much work to do before then, so let's get moving.

Sincerely,



Phillip A. Washington
Chief Executive Officer

Metro's Call to Action

The 2021 LA County Goods Movement Strategic Plan is Metro's response to the many freight-related transportation planning challenges that undermine our county's efforts to be economically competitive, environmentally sustainable and socially equitable. As the nation's most populous county with the country's busiest seaport complex, LA County reaps tremendous economic and employment benefits from – yet suffers impacts to local communities, mobility and public health due to – the tremendous volume of containers moved through the San Pedro Bay Ports annually, the thousands of trucks and trains that distribute goods daily throughout the region and the facilities that support the region's goods movement industry.

These challenges have only intensified since Metro last convened regional freight stakeholders and developed the Multi-County Goods Movement Action Plan (2008) with partner agencies in Southern California. Since that time three major developments have emerged in the world of goods movement of great importance to LA County.

> First, the level of funding for goods movement projects has reached its highest level ever, thanks in large part to LA County's passage of two transportation sales taxes in 2008 (Measure R) and 2016 (Measure M), the state's passage of the Road Repair and Accountability Act of 2017 (Senate Bill 1) – and its component discretionary grant programs – and the federal passage of the Fixing America's Surface Transportation Act of 2015 (FAST Act) and its new freight-focused grant programs.

> Second, the state and federal governments have recently released new freight plans (the California Freight Mobility Plan 2020 and the National Strategic Freight Plan, respectively) meant to guide policy and investment decisions that will ultimately affect LA County.

> Third, the long-standing concerns raised by equity-focused communities regarding the impacts of goods movement on their vulnerable residents – coupled with the overlapping goal to improve air quality through reducing harmful emissions attributed to freight – have crystallized into aggressive action by state agencies and the Governor in the form of new regulations, mandates and executive orders affecting aspects of goods movement planning.

The 2021 LA County Goods Movement Strategic Plan represents the results of Metro's leadership in bringing together myriad of stakeholders from the community, private and public sectors to develop a shared vision for how the county should work together over the next five years to advance common goals and assert itself at the state and federal level. Central to the plan is the strategic framework developed collaboratively with stakeholders to achieve inclusive growth that supports the county's economic competitiveness, environmental sustainability and social equity goals.

This plan aligns with Metro's Vision 2020 Strategic Plan and 2028 Long Range Transportation Plan and sets forth the early action initiatives and priorities for Metro's goods movement planning activities over the next five years.

DRAFT



Source: Performance Team

Goods Movement Vision

Metro endeavors to serve LA County as:

> A **national leader** and **regional partner** in implementing a modern, responsive, coordinated and effective freight transportation system through policies, programs and projects that support a competitive global economy; and as

> A steward of **equitable and sustainable investments** and **technological innovation** that will increase regional economic competitiveness, advance environmental goals and provide access to opportunity for county residents.

Guiding Values

Equity and Sustainability: The Goods Movement Strategic Plan is founded on the values of equity and sustainability. The strategies and initiatives developed through the plan seek to elevate and engrain these values into its priorities and early action initiatives.

Guiding Priorities

A Strong Labor Force: Do existing policies and programs position the local labor force of today to support the goods movement industry of tomorrow? What are the education and skill gaps that need to be addressed? Where are the opportunities to partner across industries and regions to enhance the labor force? Does the regional transportation system provide adequate mobility options to connect existing and future workers to these jobs and industries?

A Safe and Efficient Multimodal System: As the population grows how can we ensure the shared use system safely meets future demand for capacity? Will the multimodal system be able to respond to changes in the way people and goods move? Are mitigations and improvements scheduled to be implemented to reduce impacts associated with greater use of the system?

Strong Markets and Reliable Supply Chains: Do we have a strong, articulated and coherent economic strategy to develop a vital mix of businesses and policies to foster a vibrant and inclusive economy? Are we aware of and protecting against external threats that can disrupt our markets and supply chain?

A Culture of Investment and Innovation: Is the mix of regional leadership, policy environment and available capital sufficient to support investments in infrastructure and technology? How do we balance our unique regulatory and policy environment with the need for private sector investment?

Strategic Goods Movement Early Action Initiatives

Metro developed the following early action initiatives and strategies to operationalize the plan's guiding values and priorities. These initiatives reflect input and feedback Metro received from goods movement stakeholders and partners, presenting an opportunity for Metro to take a leadership role addressing LA County goods movement issues, while partnering and collaborating with local, regional, state and federal partners.

Figure 1

Strategic Goods Movement Early Action Initiatives

Initiatives	Strategies
1. Equity for Goods Movement Initiate a recurrent goods movement-focused task force comprising equity-focused stakeholders as a forum to give and receive input to guide Metro's planning efforts on goods movement related issues.	1.1 Engage in meaningful, ongoing dialogue with equity-focused stakeholders and experts to develop a deeper understanding of equity issues, risk factors and disparities so that equity considerations are mainstreamed in Metro's Goods Movement planning efforts. 1.2 Develop a list of equity risk factors that are most affected by goods movement activities and create performance measures to track progress and link Metro's equity promises and accountability. 1.3 Develop an information clearinghouse on goods movement equity strategies and programs in partnership with other departments within Metro in support of an agencywide Equity Program.
2. LA Metro Countywide Clean Truck Initiative Develop a Countywide Clean Truck Initiative to accelerate the deployment of near-zero and zero emission trucks in the region to address air quality and public health concerns, particularly for our most vulnerable communities along major freight highway corridors.	2.1 Establish a formal, recurring Countywide Clean Truck Initiative Working Group consisting of representatives from community groups, local/state/federal agencies, the trucking industry, air quality regulators, the ports, utilities, Caltrans, researchers and manufacturers. 2.2 Develop an information clearinghouse in partnership with other agencies for Countywide Clean Truck Initiative programs. 2.3 Establish revenue streams to fund the Countywide Clean Truck Initiative. 2.4 Develop scope, funding eligibility, funding methods, evaluation processes, performance metrics and performance monitoring mechanisms for programs developed through the Countywide Clean Truck Initiative. 2.5 Develop and implement the 710 Clean Truck Program on the I-710 corridor.
3. Southern California Rail Investment Partnership Craft a public-private framework for a collaborative freight rail investment partnership focused on improving the region's shared use freight rail corridors.	3.1 Develop a freight rail investment partnership for LA County. 3.2 Assess and implement opportunities to realize equity and sustainability goals. 3.3 Develop an LA County Freight Rail Investment Legislative Platform. 3.4 Support regional mobility goals through the improvement of shared use transportation infrastructure.
4. Urban Freight Delivery Mainstream urban delivery and curbside demand issues across other planning efforts within Metro and LA County jurisdictions to achieve coordinated solutions to address these challenges.	4.1 Understand the scope and magnitude of issues surrounding urban delivery issues across the county. 4.2 Continue the curbside mobility forum as a recurring event. 4.3 Develop Metro's Curbside Mobility Policy platform. 4.4 Create a countywide data portal for curbside demand management. 4.5 Pursue pilot projects to test findings from all the aforementioned efforts.
5. Logistics Workforce and Competency Ensure that LA County has a strong labor pool to support its economy through research and initiatives to identify and address workforce skillset gaps and investment needs.	5.1 Partner with academic and research institutions to pursue applied research to understand gaps in skills and competencies of the region's logistics workforce that are sought after by employers. 5.2 Expand Metro's partnership with trade schools, community colleges and major employers to offer opportunities to experiment and validate existing workforce development programs. 5.3 Expand Metro's local and targeted hiring policies to benefit historically disadvantaged community members. 5.4 Expand Metro's current training programs with the foresight to train the workforce of the future to ensure it will be equipped to respond to changing technologies in the transportation and transit industry. 5.5 Advocate for regional, state and federal funding programs for building and enhancing workforce development and competency to ensure that workers in LA County will be able to capitalize on employment opportunities. 5.6 Improve the countywide transit service network offered by Metro and regional partners to meet the needs of the goods movement workforce and enhance its ability to access desirable jobs and training sites.

DRAFT

Goods movement is the lifeblood of our regional economy.

LA County's extensive goods movement transportation network, which includes deep water ports, airports, railways and freeways, has positioned the region as one of the most dynamic and competitive markets in the entire world. We are the gateway of choice for international trade and our system supports the everyday need of local residents and the economies of California and the United States.

DRAFT

Where goods flow, the economy grows.

Successful societies across the history of civilization share similar hallmarks – in particular, their economic competitiveness and quality of life depend greatly on a strong transportation system that allows for the efficient movement and delivery of goods. This flow of goods serves as a physical manifestation of the millions of consumer economic choices and production activities that fuel our daily lives.

Unsurprisingly, the rise of LA County as the 18th largest economy in the world (2020)[1] – and as a regional, national and international economic, industrial and manufacturing powerhouse – traces its genesis directly to the development of its regional, multimodal freight system. The arrival of the Santa Fe Railroad in 1885, the founding of the Port of Los Angeles in 1907 and the Port of Long Beach in 1911 and the post-war development of the region's extensive freeway system connected local and regional industries to national and global markets. These developments fostered the county's growth in economic opportunity, attracted westward migration and improved the quality of life for all Southern Californians. This symbiotic relationship remains true today, even as the LA County freight network has expanded into a sophisticated system of marine terminals, railroads, highway corridors and air cargo facilities, while the industries supported by this system have evolved beyond dairy, citrus and oil production to include aerospace and defense, bio-science, technology and logistics.

Today, LA County's goods movement system is the backbone of the regional and national economy. This "system of systems" is the lifeblood for industries that contribute billions to the regional economy and provide thousands of jobs nationwide. This system has helped the county become the gateway of choice for international trade and is key to the attraction, retention and growth of county businesses and their attendant employment opportunities. At the local level this multimodal network facilitates a robust and convenient urban quality of life by allowing residents and businesses to access goods from across town or around the world, all delivered to their doorsteps, sometimes in a matter of hours.

Existing conflicts and looming problems threaten LA County's economic competitiveness. These factors include high costs of conducting business, recurrent congestion, local to national policies and regulations that create uncertainty over benefits of operating business through the county and intensifying competition from East Coast, Gulf Coast and Canadian ports. Most recently in 2019 LA County's preeminence in attracting discretionary international cargo into the United States was endangered as the laden container volume at the Port of Long Beach dropped from second to third place in national container port rankings[2].

While the productivity and efficiency improvements in a healthy goods movement system materialize, such as lower prices of goods and product availability, the prosperity brought by robust economic activities has been shared unevenly across communities, thus resulting in a series of challenges that increasingly threaten the county's ability to ensure quality of life for everyone. Historically underserved communities, particularly those near goods movement corridors and facilities, lose community cohesiveness and suffer displacement due to freeway construction, bear disproportionate exposure to pollutant emissions and their associated health impacts and lack sufficient means to realize upward mobility as a result of long-standing adversarial public policy and investment decisions.



Source: Performance Team

We find ourselves at an important juncture in LA County's history. Rival North American trade gateways have invested heavily to vie for discretionary cargo and gain market share, leading to the siphoning away of our region's economic prosperity. To fend off these competitors, LA County must also invest in its multimodal freight system – an effort to be conducted within the policy parameters of achieving future mobility goals and air quality mandates, while acknowledging and addressing past inequitable policies and investment decisions. LA County must rise to meet these challenges and steer a course toward economic prosperity and opportunity that is built on equity, inclusion and sustainability. This 2021 LA County Goods Movement Strategic Plan (the plan) will help guide that course. Through the development and implementation of this plan, Metro has an opportunity to lead the region in identifying and addressing goods movement challenges and to partner with myriad regional goods movement stakeholders to allow the nation's most populous county to make progress toward its economic, mobility, environmental and equity goals.

LA County's goods movement system is the lifeblood for industries that contribute billions to the regional economy and provide millions of jobs nationwide.

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LA County Goods Movement at a Glance

In 2018, the San Pedro Bay Ports together ranked as the largest container port complex in the United States and the **9th largest in the world**[3].

In 2018, LAX was ranked the **4th busiest cargo airport** in the United States and **10th in the world**[4].

In 2018, **29.5% of intermodal containers** flowing through the ports were moved by BNSF Railway and Union Pacific Railroad[5].

In 2019, LA County housed nearly **495 million square feet** of manufacturing space and nearly **568 million square feet** of warehouse space[6].

The multimodal freight system serves the goods movement and mobility needs of the nation's most populous county – with **over 10 million residents** – and an estimated **50 million visitors** annually.

In 2019, the LA region, the nation's top-ranked customs district, registered **$486 billion worth of exports** and imports transported through the San Pedro Bay Ports and the Los Angeles International Airport (LAX)[7].

LA County is the "food capital" of the United States, serving as the core of the nation's food supply chain. In 2012, LA County **ranked 1st** (by county) in both food outflow and inflow, **shipping 33% and receiving 78% more tons of food** than the #2 county[8].

DRAFT





Image to come

Source: Los Angeles World Airports

This plan is a new strategic direction.

Metro's mission is to provide a world-class transportation system that enhances quality of life for all who live, work and play within LA County. How Metro will achieve this broad mission over the next 10 years is guided by two key planning initiatives.

Vision 2028

Adopted by the Metro Board in June 2018, this is the agency's big picture plan for improving mobility across LA County. As outlined in the *Vision 2028 Strategic Plan*, Metro's visionary outcome is to double the share of transportation modes other than solo driving. Its five goals underpin all of Metro's activities, including this Goods Movement Strategic Plan:

1. **Provide high-quality mobility options that enable people to spend less time traveling**
2. **Deliver outstanding trip experiences for all users of the transportation system**
3. **Enhance communities and lives through mobility and access to opportunity**
4. **Transform LA County through regional collaboration and national leadership**
5. **Provide responsive, accountable, and trustworthy governance within the Metro organization**

Long Range Transportation Plan (LRTP)

This plan serves as the blueprint for how Metro will spend anticipated revenues in the coming decades to operate and maintain both our existing and planned system[9]. This blueprint will be informed by a variety of other Metro plans, including this Goods Movement Strategic Plan.

This Goods Movement Strategic Plan is Metro's response to the many freight-related challenges we face. It defines the vision of Metro and the goods movement stakeholders, and aligns that vision with Metro's overall mission and goals. The plan describes how Metro should work with local, regional, state and national partners to improve LA County's competitiveness in an equitable and sustainable manner, delineating which initiatives Metro should lead, partner and support. Altogether, this plan provides a strategic framework to guide Metro's goods movement-related planning activities, investments, partnerships and decision-making over the next five to seven years.

Our Goods Movement Vision

Metro's Goods Movement vision is that the implementation of this plan will allow Metro to become:

> A **national leader** and **regional partner** in implementing a modern, responsive, coordinated and effective freight transportation system through policies, programs and projects that support a competitive global economy; and

> A steward of **equitable and sustainable investments** and **technological innovations** that will increase regional economic competitiveness, advance environmental goals and provide access to opportunity for county residents.

Metro's Goods Movement vision fits squarely within these existing frameworks.

Access to Opportunity

Well-planned goods movement activities foster sustainable economic competitiveness and create job opportunities that offer access to upward mobility.

Complete Streets

Integrating urban goods movement needs into complete streets planning helps create safe and thriving communities by reducing conflicts between people and freight activities.

Less Congestion

Efficient freight movements on shared use rail and highway corridors reduce congestion, create additional opportunities for transit and support the timely movement of goods.

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Figure 2

Metro's Framework for Improving Mobility in LA County

We're guided by our *Strategic Plan* goals.

Vision 2028 Strategic Plan

We're creating

1 *Faster Travel Options* **2 *Better Trips*** **3 *Thriving Communities***

Better Transit	***Less Congestion***	***Complete Streets***	***Access to Opportunity***
Providing more transit options with improved quality and service	Managing the transportation system to reduce the amount of time spent in traffic	Making streets and sidewalks safe and convenient for everyone, to support healthy neighborhoods	Investing in communities to expand access to jobs, housing and mobility options
Transit Projects	*Roadway Improvements*	*Bike and Pedestrian Projects*	*Workforce Initiatives*
Bus Improvements	*Congestion Management*	*Local Street Improvements*	*Support for Local Businesses*
New Mobility Options	*Improved and Efficient Goods Movement*	*Station and Stop Access Enhancements*	*Transit Oriented Communities*

Long Range Transportation Plan

We're committed to

4 *Leadership* **5 *Accountability***

Collaboration · Continuous Improvement · Customer Focus · Innovation · Inspired and Inclusive Workforce · Safety

Customer Experience Plan · *COVID-19 Recovery Plan*

We're intentionally focused on *eliminating racial and socioeconomic disparities* and *advancing sustainable practices* in everything we do.

Equity · Sustainability

Equity Plan · *Moving Beyond Sustainability Plan*

Metro can't do it alone.

The movement of goods within and through LA County depends upon, impacts and supports many communities, businesses, organizations, public agencies and private companies. Numerous agencies plan, fund and regulate the "economy in motion" at the local, regional, state and federal levels. Metro must rely on a robust and diverse network of these vital stakeholders to develop a Goods Movement Strategic Plan that is relevant, impactful and forward-looking. The plan was established on the principle of equity, and focuses on implementing priorities to advance LA County's sustainable freight competitiveness that aligns with regional, state and federal planning efforts. Accordingly, Metro cannot implement and advance sustainable freight competitiveness priorities alone. To be successful Metro must foster a strong collaboration and partnership with our partner communities, agencies and organizations.

Metro must rely on a robust and diverse network of these vital stakeholders to develop a Goods Movement Strategic Plan that is relevant, impactful and forward-looking.

Policy and Institutional Framework

Metro's LA County Goods Movement Strategic Plan must be responsive to planning efforts developed by many agencies at the county, regional, state and federal levels. As more funding opportunities and regulatory requirements are established for the goods movement sector, these planning efforts will need to intersect and support each other in a coordinated manner. Convening stakeholders, engaging in dialogue and developing areas of overlapping priorities will be vital to ensuring that Metro's plan is coordinated with and funded by the many stakeholder agencies involved with advancing goods movement policy and projects.

Figure 3 lists local stakeholders who contributed to the development of the plan. Figure 4 documents the coordination efforts and corresponding plans and funding programs offered at the regional, state and federal level.

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Figure 3

LA County Stakeholders

Category	Organization
California Transportation Commission (CTC)	Commissioners Fran Inman, Hilary Norton and Dr. Joseph Lyou
Community-based Organizations	BREATHE California of Los Angeles County Coalition for Environmental Health and Justice (CEHAJ) Communities for a Better Environment East Yard Communities for Environmental Justice Long Beach Alliance for Children with Asthma
Delivery Service	FedEx United Parcel Service (UPS)
Economic and Workforce Development	Bizfed International Brotherhood of Electrical Workers, Local 11; National Electrical Contractors Association, Los Angeles; LMCC International Brotherhood of Teamsters, Local Union 848 Labor For Sustainability Los Angeles Area Chamber of Commerce Los Angeles County Economic Development Corporation
Equity, Health and Environmental Advocacy	California Endowment Coalition for Clean Air Environmental Defense Fund Natural Resources Defense Council (NRDC)
Freight Industry	FuturePorts LA Customs Brokers & Freight Forwarders Association, Inc.
Freight Railroads – Class I	BNSF Railway Union Pacfic Railroad (UP)
Freight Railroads – Class III (Short Line)	Los Angeles Junction Railway (LAJ) Pacific Harbor Line (PHL)
Highway/Auto Policy	Automobile Club of Southern California (AAA)
Local Jurisdictions and Councils of Governments (COGs)	City of Long Beach City of Los Angeles City of Palmdale County of Los Angeles (Department of Public Works) County of Los Angeles, Supervisorial Districts 1, 4 and 5 Gateway Cities Council of Governments North Los Angeles County Transportation Coalition San Gabriel Valley Council of Governments South Bay Cities Council of Governments
Marine Terminals	APM Terminals Pier 400 Los Angeles Long Beach Container Terminal Pacific Merchant Shipping Association (PMSA) TraPac West Basin Container Terminal (WBCT), Yang Ming (America) Corp.
Original Equipment Manufacturers (OEMs)	BYD Motors Cummins Westport Toyota Motor Company US Hybrid
Ports	Los Angeles World Airports (LAWA) Port of Long Beach Port of Los Angeles
Public Utilities Commission	California Public Utilities Commission
Real Estate Industry	Majestic Realty, Inc. The Commercial Real Estate Development Association (NAIOP) Watson Land Company
Regulatory Agency	California Air Resources Board (CARB) South Coast Air Quality Management District (SCAQMD) U.S. Environmental Protection Agency Region 9
Research/Academic	Calstart CSULB Center for International Trade & Transportation (CiTT) METRANS Transportation Center (USC/CSULB) UCLA Luskin Center for Innovation USC Program for Environmental and Regional Equity (PERE)/Equity Research Institute (ERI): Data and Analysis to Power Social Change
Technology	Clean Energy Fuels Los Angeles Cleantech Incubator
Transportation and Planning Agencies	Alameda Corridor Transportation Authority (ACTA) Caltrans District 7 Los Angeles Department of Transportation (LADOT) Metrolink (Southern California Regional Rail Authority) Southern California Association of Governments (SCAG)
Trucking Industry	California Fleet Solutions/Velocity Vehicle Group California Trucking Association Harbor Trucking Association NEXT Trucking
Utilities	Los Angeles Department of Water and Power (LADWP) Southern California Edison Southern California Gas

Figure 4

Regional, State and Federal Relationships

	Agency	Plans	Funding Programs
Regional	LA Department of Water and Power, Southern California Edison		Charge Ready Transport Program
	Metrolink (Southern California Regional Rail Authority)	Southern California Optimized Rail Expansion (SCORE) Program	
	Mobile Source Air Pollution Reduction Review Committee (MSRC)		Regional Goods Movement Program
	Orange, Riverside, San Bernardino and Ventura Counties		
	Southern California Association of Governments (SCAG)	Regional Transportation Plan/ Sustainable Communities Strategies (RTP/SCS)	
	South Coast Air Quality Management District (SCAQMD)	Air Quality Management Plan (AQMP)	Goods Movement Emission Reduction Projects (Proposition 1B Program)
State	California Air Resources Board (CARB)	California Sustainable Freight Action Plan	Carl Moyer Memorial Air Quality Standards Attainment Program
		The Climate Change Scoping Plan	Clean Off-Road Equipment (CORE) Voucher Incentive Program
		The State Implementation Plan	Hybrid & Zero-Emission Truck & Bus Voucher Incentive Project (HVIP) AB617-Community Air Protection Funds
			Truck Loan Assistance Program
			Volkswagen Environmental Mitigation Trust
	California Department of Transportation (Caltrans)	California State Rail Plan	State Highway Operation and Protection Program (SHOPP)
		Southern California Freight Strategy	
	California Energy Commission (CEC)	Integrated Energy Policy Report (IEPR)	Electric Program Investment Charge (EPIC) Program
			Natural Gas Program
			The Clean Transportation Program
	California Public Utilities Commission (CPUC)		Section 130 Grade Crossing Hazard Elimination Program
			Section 190 Grade Separation Program
	California State Transportation Agency (CalSTA)	California Freight Mobility Plan (CFMP)	Transit & Intercity Rail Capital Program (TIRCP)
		Climate Action Plan on Transportation Infrastructure (CAPTI)	
	California Transportation Commission (CTC)		Senate Bill 1 Solutions for Congested Corridors Program (SCCP)
			Senate Bill 1 Trade Corridor Enhacement Program (TCEP)
Federal	United States Department of Energy (DOE)		Office of Energy Efficiency and Renewable Energy (EERE)
	United States Department of Transportation (USDOT)		Better Utilizing Investments to Leverage Development (BUILD) Grant Program
			Infrastructure for Rebuilding America (INFRA) Grant Program
	Federal Aviation Administration (FAA)		
	Federal Highway Administration (FHWA)		Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Grant Program
			National Highway Freight Program
	Federal Maritime Administraton (MARAD)	National Maritime Strategy	Port Infrastructure Development Program (PIDP)
	Federal Railroad Administration (FRA)		Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program
			Railroad Rehabilitation and Improvement Financing (RRIF) Program
	United States Environmental Protection Agency (EPA)		Diesel Emission Reduction Act (DERA) Program
			Targeted Airshed Program

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Our multimodal network drives a global powerhouse.

LA County's robust, multimodal goods movement network drives and sustains the region's status as a global economic powerhouse. This extensive transportation network – comprising deepwater ports, airports, railways and myriad freeways (Figure 5) – fuels the region's standing as one of the most dynamic and competitive markets in the entire world. LA County serves as a national and international goods movement hub, connecting producers and consumers around the globe. Absent trade war tariffs and COVID-19 impacts, nearly 115 million tons of imports and exports worth $375 billion moved through the San Pedro Bay Ports (the SPB Ports) in 2019[10]. This sum represents nearly three-quarters of the overall west coast containerized import/export market and nearly one-third of the nation's total throughput. Similarly, the Los Angeles International Airport (LAX) handled two million tons of air cargo in 2019, with the value of these exports and imports worth nearly $121 billion[11].

LA County's arterial and local street networks provide vital first and last mile access to all types of businesses and residential units. These networks are highly developed so that trucks can make deliveries to fulfill demand from ever-growing population and business activities. More than 29,000 retail establishments, 24,000 businesses providing accommodation and food services and residential neighborhoods generate demands for truck deliveries on daily basis[12]. These roads are also shared with other travel modes, including buses, passenger cars, active transportation users and transportation network companies such as Lyft and Uber. The impacts of trucks traveling on shared use corridors, operational conflicts between trucks and passenger and transit vehicles and pedestrian and bicyclist safety on these local streets cannot be underestimated.

Much of the county's freight rail network is also a shared mobility corridor with passenger and commuter rail services. Accommodating growth in both freight rail and passenger rail volumes within limited system capacity to support a global powerhouse while ensuring personal mobility and accessibility is a challenging task. Across the county a significant portion of our multimodal goods movement network is a shared system that offers mobility and accessibility to residents and businesses. Accordingly, the performance of our shared multimodal network influences the global competitiveness of our goods movement system at the same time that it impacts personal mobility.

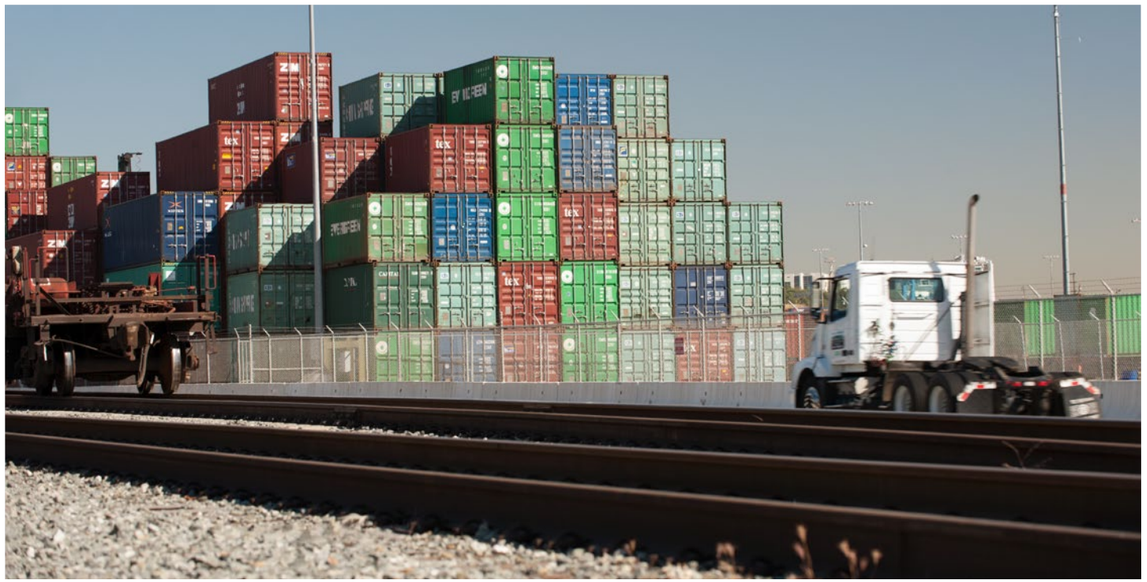

Figure 5

LA COUNTY'S MULTIMODAL GOODS MOVEMENT NETWORK



LA County's extensive landside freight network consists of roadways, the Alameda Corridor, and two Class I railroads, BNSF Railway (BNSF) and Union Pacific Railroad (UP). Crisscrossing the county are 314 miles of interstate highways, 201 miles of other highways and expressways, and nearly 47,000 miles of arterial roads. The Alameda Corridor is a dedicated freight rail corridor that connects the SPB Ports to the major intermodal railyards operated by both BNSF and UP about 20 miles north of the SPB Port Complex, near downtown Los Angeles. BNSF and UP are Class I freight railroads that together operate six intermodal railyards in the county and provide vital connections between the SPB Ports and inland markets.

Freight rail is an efficient and effective way of moving a large volume of goods over long distances. In 2018, 29.5% of containerized consumer goods imported from the SPB Ports was moved by rail[13].

Across the county in 2019, nearly 495 million square feet of manufacturing space and nearly 568 million square feet of warehouse space supported production activities and the flow of goods to meet consumer demand throughout the greater LA region and the nation[14]. Together with the seaports and airports, these industrial spaces and intermodal hubs are connected through the vast network of roadways to form one of the nation's most developed freight transportation systems.

Figure 6

VOLUMES ON THE NATIONAL HIGHWAY FREIGHT NETWORK

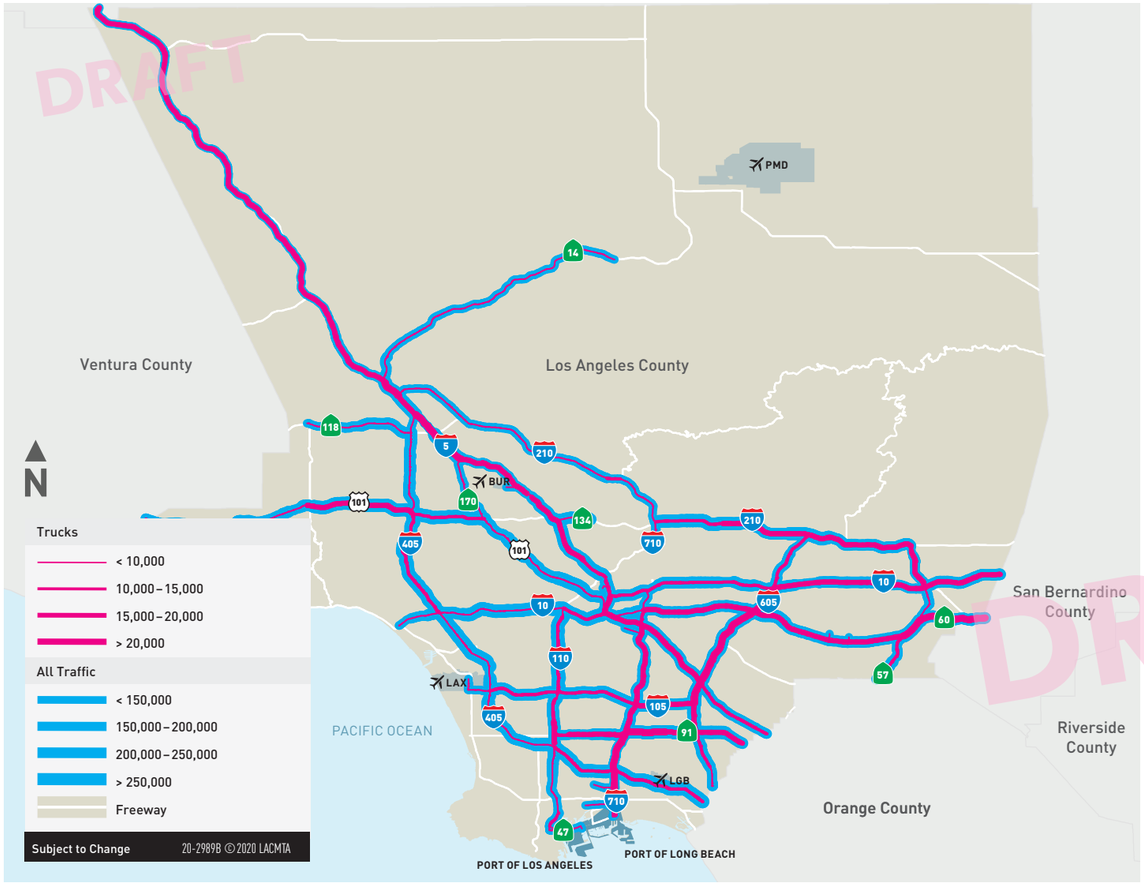

Figure 7

LA COUNTY MAINLINE RAIL NETWORK



LA County is known for its expansive highway system that serves the goods movement and personal mobility needs of over 10 million county residents[15]. This system is also a shared regional, state and national freight resource, connecting adjacent counties, states and national markets to the SPB Ports and local freight facilities – 485.15 miles of LA County's system is designed as part of the National Highway Freight Network, representing nearly 14% of the designated miles in California.

Several freeways (I-710, I-605, SR-60 and SR-91) carry upwards of 25,000 trucks a day on some segments – with SR-60 carrying more than 51,000 daily trucks during its peak traffic hours. Other highway corridors (I-5, I-10, I-15 and I-210) carry on a daily basis more than 20,000 trucks (Figure 6).

These freeways also serve as key commute corridors, handling volumes of up to half a million vehicles per day in some locations[16]. These constrained corridors will only see increased demand from trucks and vehicles as LA County's population, goods consumption and port-related container traffic increase in the coming years.

In LA County BNSF and UP provide freight rail services that connect the SPB Ports to places east of the Rocky Mountains, including many Midwest states and Chicago. Goods moved by rail include imported consumer goods through the SPB Ports and exported items like recycled materials, petroleum products and agricultural products from the Midwest.

LA County's freight rail connectivity is critical in supporting agricultural exports from the Midwest as those exports are directly impacted by delays and service disruptions on the rail system and at the SPB Ports.

At the SPB Ports the Pacific Harbor Line (PHL) provides on-dock rail service to both BNSF and UP traffic that travels through the Alameda Corridor to access primary intermodal railyards near downtown Los Angeles. The Los Angeles Junction Railway, located near the LA River in the City of Vernon, provides manifest train service to industrial and merchandise customers that are located in the vicinity.

Within LA County Metrolink (the regional commuter rail operator) and Amtrak also operate over the same rail corridors shared by BNSF and UP. Nearly 40,000 Metrolink passengers board each weekday, while Amtrak's Pacific Surfliner serves five million passengers annually[17]. Over the next 25 years, the LA region's rail traffic is expected to grow significantly in support of the regional and national economy, as well as rail passenger mobility[18]. Without capacity improvements on the shared use system, efforts to accommodate the expected growth in rail ridership and intermodal/domestic freight will be considerably impacted. One opportunity to address this capacity challenge is to form a strategic partnership among the key freight rail stakeholders to identify and secure investment in the rail system, similar to how Chicago and other regions have addressed their capacity problems in the past.

Freight is our economy in motion.

Freight movements are often described as the "economy in motion." The LA County multimodal freight system not only moves the local economy, but also sustains the vitality of Southern California and the nation. Collectively, the trade and logistics industry in the greater LA County area generates nearly $225 billion in economic output annually, supported by direct spending of $132 billion, which includes $44 billion in labor income paid to its employees in 2016[19].

LA County's unparalleled strength in international trade benefits not just large, multi-national companies, but also underpins the success of the more than 244,000 small and mid-sized businesses in LA County – particularly those that rely on an efficient goods movement system, like restaurants, construction, manufacturing and markets[20].

LA County is one of the top manufacturing hubs in the nation. In fact, if LA County were a state, it would be the ninth largest manufacturing state in the nation by the number of firms in 2018, following the state of Michigan with close to 11,500 manufacturing firms (Figure 8). The top five manufacturing sectors are in 1) fabricated metal product, 2) apparel, 3) food, 4) printing, and 5) miscellaneous product[21]. Roughly one quarter of all cargo coming through the SPB ports are intermediary goods that feed into manufacturing processes.

Grouping all industries nationwide into four sectors of 1) manufacturing, 2) retail, 3) service, and 4) merchant wholesale trade, then analyzing the value of these shipments, sales and revenues, provides a better understanding of the role of manufacturing in our economy. At the national level the total value of manufacturing shipments in 2018 was $5,954 billion, following service ($16,196 billion) and merchant wholesale trade ($8,192 billion); however, the manufacturing sector's share of e-commerce shipment value is the highest among the four sectors at 67.3% (Figure 9)[22]. Compared to the retail sector that oftentimes receives a great amount of attention associated with delivery demand, the manufacturing sector actually generates a significantly higher value in e-commerce shipments – a value that increased at an average annual growth rate of 10.27% between 2000 and 2018. While this growth rate was statistically smaller than that of the retail sector (17.95%), the sheer magnitude of the manufacturing sector's growth in the value of these shipments and sales merits noting (Figure 10). Although it is premature to link the value of shipments to the demand for delivery trucks, assuming this national trend can be similarly observed in LA County, the role of manufacturing and its contribution to the local economy and associated impact on local delivery demand is quite significant.

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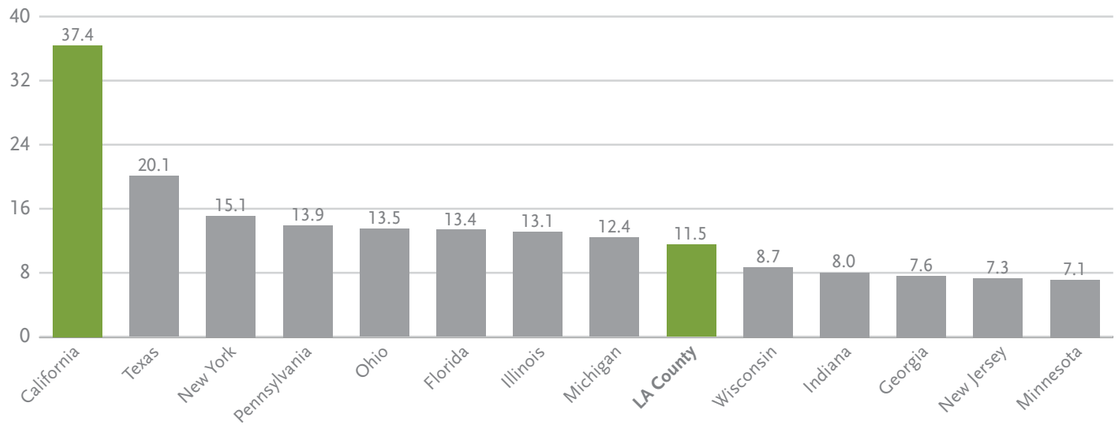
Figure 8

Top 13 U.S. States by Number of Manufacturing Firms, 2018 (in thousands)



Source: U.S. Census, County Business Pattern, 2018

Figure 9

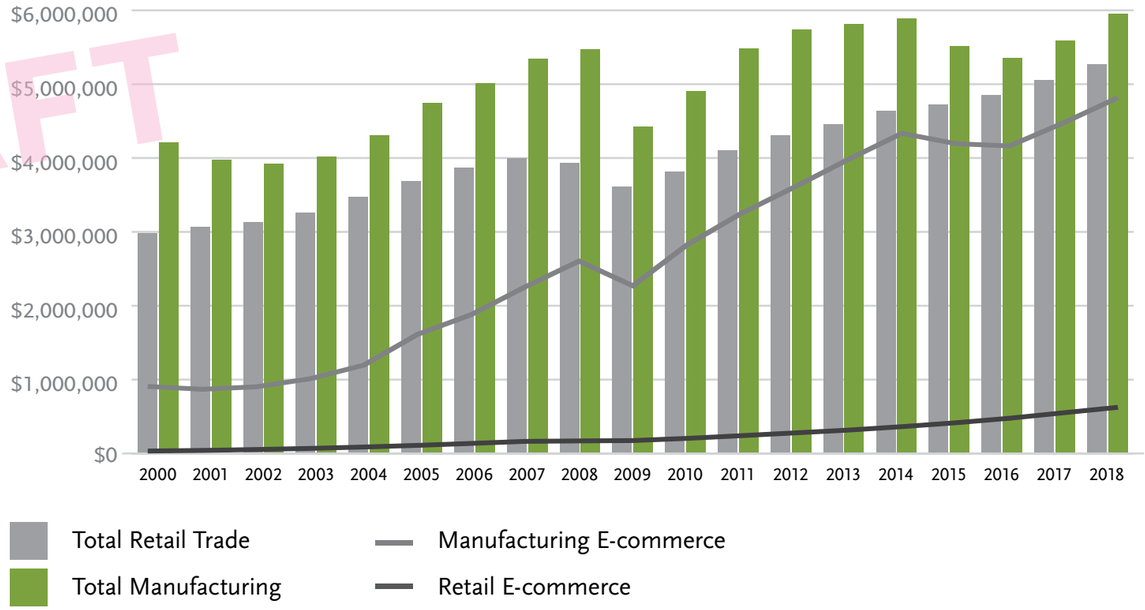
Total U.S. Value of Shipments/Sales/Revenues and E-commerce Share (2018) ($ in millions)

Industry Category	Total	E-commerce or Revenue from Electronic Sources	Share Of E-commerce/ Electronic Sources
Total for Service Industries	$16,195,954	$1,151,736	7.1%
Total Merchant Wholesale Trade	$8,192,344	$2,642,374	32.3%
Total Manufacturing	$5,954,927	$4,010,570	67.3%
Total Retail Trade	$5,269,468	$519,635	9.9%

Source: U.S. Census, 2018 E-commerce Multi-Sector Data Tables

Figure 10

Total U.S. Value of Shipments/Sales and E-commerce Share Trend (2000-2018) ($ in millions)



Source: U.S. Census, E-commerce Multisector Data Tables

In LA County, some manufacturers receive their shipments via trucks and others via rail with direct rail spurs serving their facilities, highlighting the important role that the freight transportation system – across all modes – plays in keeping our economy in motion.

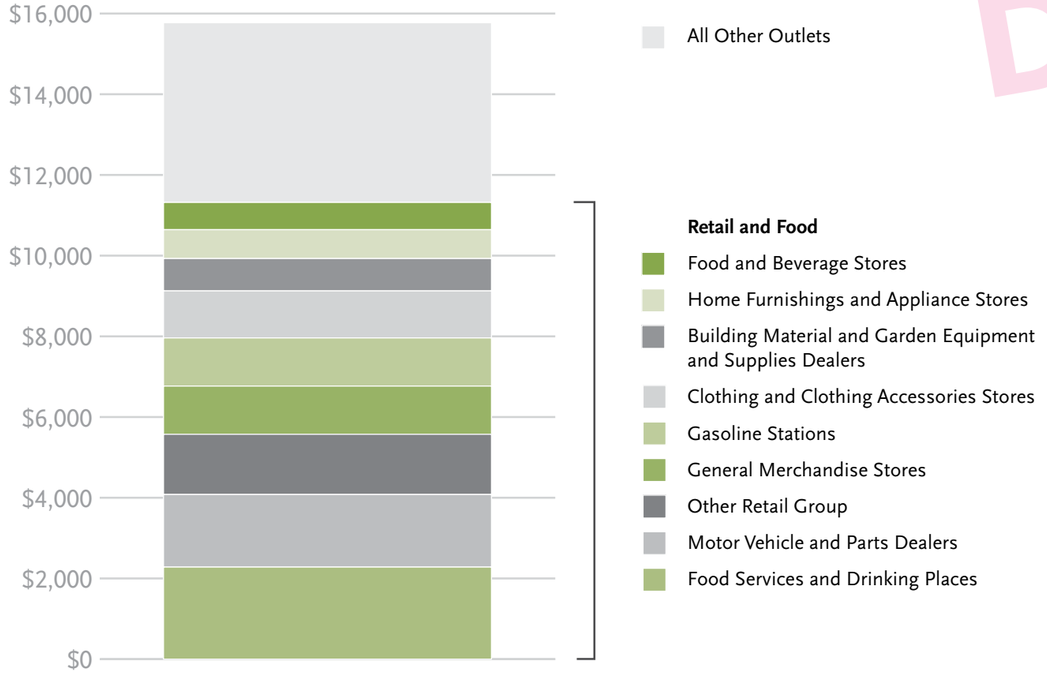
Collectively, businesses in LA County – along with their customers and employees – help drive property and sales tax revenue, which is used to support critical needs across the county like law enforcement, fire protection, transportation and education.

In 2018, LA County recorded taxable sales transactions over $166 billion. Using the lowest sales tax rate in LA County (9.5%) as the standard, these transactions generate a minimum of $15.8 billion in sales taxes for the county. Although the sales tax amount generated by the trade and logistics sector is low because of its nature as a service provider, it provides essential support to the retail and food service sectors whose contribution to sales tax revenue is tremendous (Figure 11). These industries rely on consistent, safe and efficient deliveries of goods to sustain their operations and maintain their own competitiveness. Altogether, these retail and food sectors generated approximately $11.3 billion in sales taxes for LA County[23].

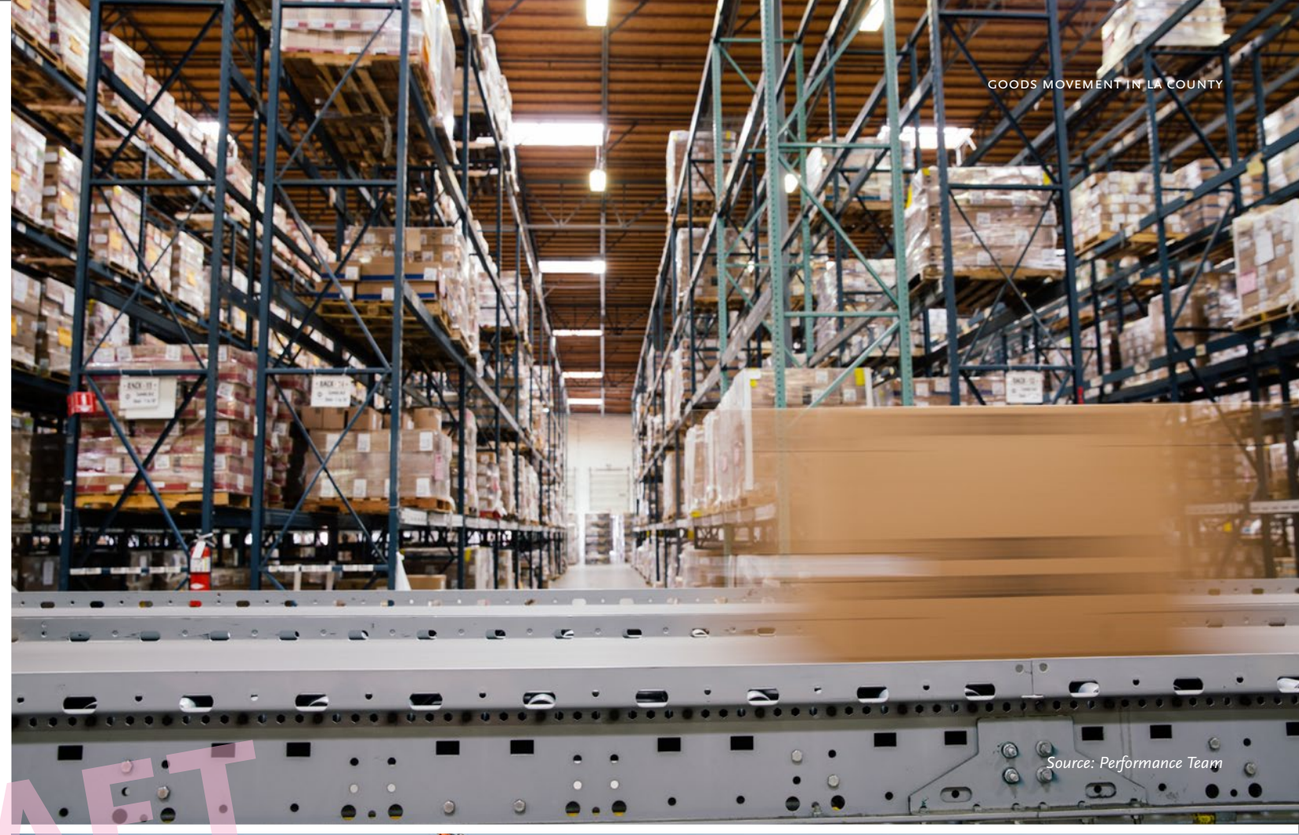
LA County's goods movement sector plays an oversized role in supporting and driving the local economy – especially for Metro, whose annual budget depends heavily on the sales tax receipts generated through the county's four ½-cent sales tax measures. Metro's core services – building the county's transit system and operating bus and rail service – are funded primarily through the sales taxes generated by LA County's robust economy and goods movement industry.

Figure 11

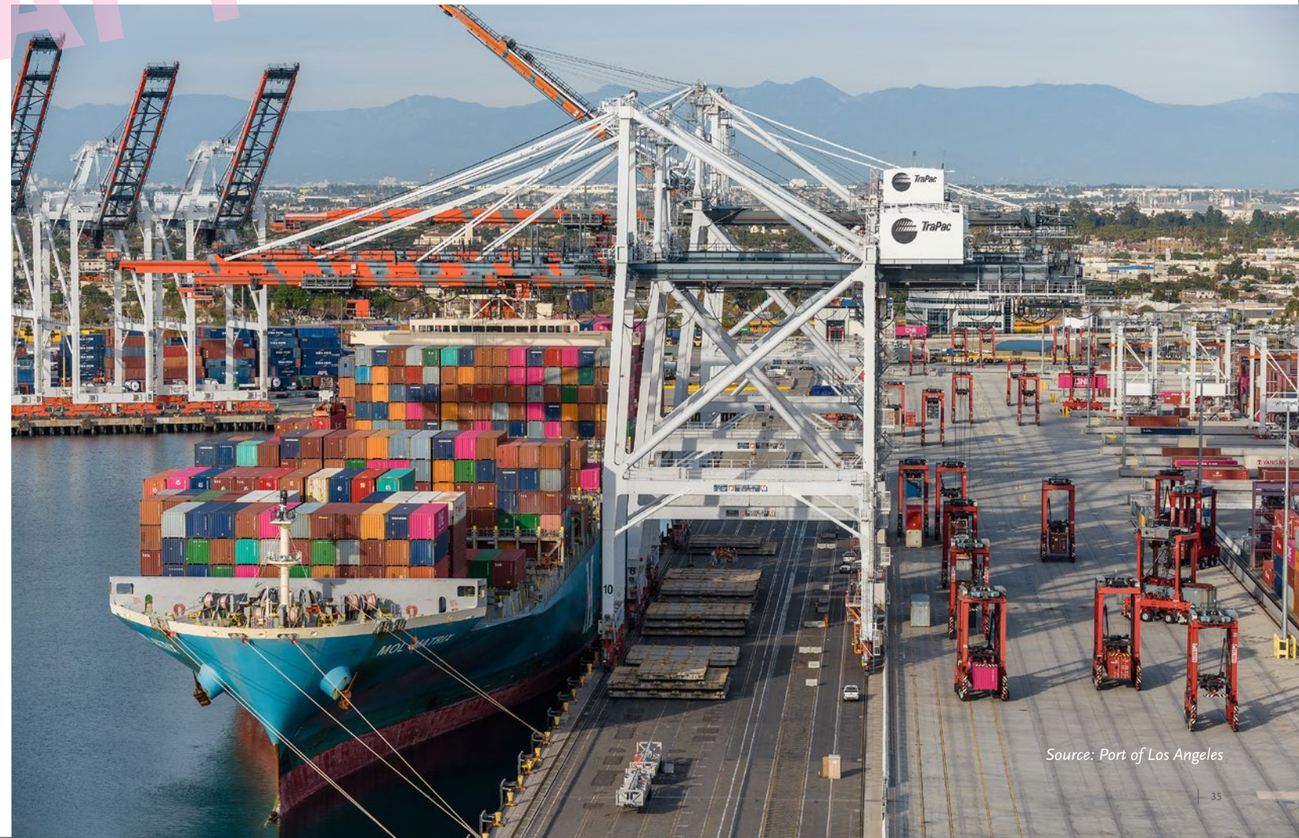
LA County Sales Taxes Generated by Business Type, 2018 ($ in millions)



Source: California Department of Tax and Fee Administration



Source: Performance Team



Source: Port of Los Angeles

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Goods movement drives our quality of life.

A reliable and responsive goods movement system is essential to maintaining the region's collective quality of life, not only allowing access to basic items, such as fresh food, medicine and jobs; but also supporting the events, activities and destinations that make Southern California an attractive place to live, work and visit. By connecting producers and consumers, supplying power plants, hospitals and gas stations and providing a wide range of employment opportunities, the freight system contributes to our quality of life in LA County in a number of ways. Here are a few examples:

Food Supply Chain Ecosystem

For local food manufacturers like Farmer John – famous for their Dodger Dogs sold at Dodger Stadium – or Huy Fong Foods, the maker of the Sriracha Hot Chili Sauce, LA County is an epicenter for the food production industry. Food processing and manufacturing employed over 36,800 employees in LA County in June 2020 and as recently as 2012 created more than $16 billion of economic output[24/25]. The local industry thrives because of a large concentration of suppliers, distributors, access to an abundance of fresh produce and ingredients, national distribution centers and a transportation and logistics infrastructure that serves regional, national and international markets. These producers offer an incredible variety of products to customers around the country and the globe[26].

Supplying an Island Getaway

Just 22 miles off the coast of Southern California, Catalina Island is a tourist hotspot known for its natural beauty, outdoor activities and seaside charm. With an estimated one million visitors every year and 3,500 yearly residents, the island relies on daily overnight deliveries such as food, fuel, raw materials and consumer goods to support its way of life. For small businesses such as Abe's Liquor Store, which has been supplying groceries for the island since 1933, business would not exist without the supply shipment that runs almost daily between the Port of Los Angeles and the island[27].

Supporting International Events

LA County is preparing to host the 2028 Summer Olympic and Paralympic Games and anticipates the arrival of hundreds of thousands of fans that will watch over 10,000 athletes compete in about 300 events taking place throughout the region. The U.S. is also a co-host for the 2026 World Cup, with the LA region likely to play host to multiple games during that event. LA County's success in hosting the athletes and visitors for these major sporting events will rely heavily on efficient transportation and logistics to transport tons of goods to sites and venues scattered across the region. Leading up to the Games, massive amounts of equipment to support athletes, coaches and game operations from around the world will be shipped, stored, delivered and returned. For the 2012 Summer Olympic Games in London, 30 million items were moved in and out of the city[28]. A reliable goods movement system will allow the Olympic Games to increase the prestige of the region and bring an enjoyable event to LA County residents and visitors.

Responding to a Global Pandemic

The outbreak of the novel coronavirus and the disease it causes (COVID-19) first began as a regional crisis in Wuhan, China, but quickly became a worldwide threat to health, travel and commerce due to the virus' highly contagious nature. Throughout much of 2020, with the entire nation under "shelter in place" orders, the global pandemic created sweeping impacts on manufacturing and production, consumer demand and supply chains. The effects of COVID-19 have rippled through global distribution networks and reduced the volume of goods, with direct impacts on LA County. At the SPB Ports, pandemic effects created an erratic trade flow. At the end of July 2020, the container volumes for the calendar year 2020 at the Port of Los Angeles and the Port of Long Beach were 15% and 3%, respectively, lower than the same period in calendar year 2019. However, the monthly container volumes at the Port of Long Beach in July and at the Port of Los Angeles in August both surpassed those from the same month in the prior calendar year. For both ports combined the container volumes for July, August and September 2020 increased year-over-year by 5%, 10% and 13%, respectively. This level of unpredictability in trade volumes requires flexibility in operational capacity, modernized equipment, landside capacity outside of the ports and a competent workforce.



Source: Ergin Yalcin/iStock/Getty Images Plus

In the midst of this crisis, the logistics industry has provided critical, life-saving services to LA County and the rest of the country by delivering essential supplies, such as food, paper products, personal protective equipment (PPE) and sanitation supplies. In March 2020 the City of Los Angeles and the Port of Los Angeles implemented a medical supply chain program to procure and provide equipment to the medical field and first responders. The program, entitled Logistics Victory Los Angeles (LoVLA)[29], was initiated by City of Los Angeles Mayor Eric Garcetti and is being managed and led by the Port of Los Angeles executive director Gene Seroka. The LoVLA effort has enlisted the aid of the entire supply chain, including PPE manufacturers, the hospital community and logistics service providers, and formed a working group comprising many key supply chain stakeholders, including California Transportation Commissioner Fran Inman. These efforts have helped to raise the public awareness about – and appreciation of – the importance of efficient supply chain and distribution operations, and the workers that run the logistics system, especially amidst a disruptive pandemic.

During the pandemic, goods movement by air proved to be critical in transporting PPE, particularly those that were imported from overseas. While passenger traffic volumes declined by 80 to 90% across the 10 busiest U.S. cargo airports following March 2020, some airports recorded growth in air cargo volumes despite the economic downturn. Typically, air cargo volumes are directly correlated to GDP and goods trade growth, but in this case the increase in overall air cargo volumes during pandemic highlighted the dramatic increase in e-commerce activities and the need for PPE[30].

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Goods movement sectors provide pathways to sustainable employment.

The health of the region's goods movement industry reflects and drives the health of its overall economy. Nearly one-third of jobs in LA County are in goods-producing and freight-dependent industries[31]. The SPB Port Complex alone accounts for one in every 12 jobs in Los Angeles and Long Beach, nearly one million jobs in the six-county Southern California Association of Governments (SCAG) region and almost three million jobs throughout the United States[32]. In total, the trade and logistics industry (which includes wholesale trade, transportation and warehousing) accounts for nearly 600,000 jobs in LA County – and the industry continues to expand. Between 2008 and 2017, LA County's employment in the transportation and warehousing sectors increased by more than 300,000 workers, reflecting a growth rate of 38%, the highest growth rate of any industry during this time period[33].

The goods movement industry serves as a stable employment base for low- and middle-skill workers with limited education attainment, offering opportunities for advancement and social mobility. The industry includes several opportunity occupations, which are defined as employment accessible to workers without a bachelor's degree and typically paying above the national annual median wage. These occupations include heavy and tractor-trailer truck drivers, general and operations managers, sales representatives, wholesale and manufacturing[34]. Since most of the entry-level positions in this sector provide the workforce on-the-job training, these jobs are the most advantageous to candidates with low educational attainment with a high school diploma or high school equivalency diplomas obtained through General Educational Development (GED) or High School Equivalency Test (HiSET) exams.

Furthermore, the five-year outlook of the transportation and warehousing sector from 2015 to 2020 forecasted that about 42% of the jobs would require a high school diploma without job experience, approximately 26% could be occupied by applicants without a high school diploma and 16% of the jobs would be filled by applicants with a bachelor's degree[35]. Given the small to medium sizes of many logistics firms, many opportunities exist to advance from technician to supervisor through training or to become a small business owner.

Figure 12

Jobs Generated through the San Pedro Bay Port Complex



1 in 12 Jobs in Los Angeles/Long Beach

190,000 total jobs



1 in 9 Jobs in Five-County Region

992,000 total jobs



Jobs Throughout United States

2,800,000 total jobs

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Whereas disparities and negative impacts of goods movement activities commonly affect disproportionately low-income and non-white communities, jobs in this sector have historically required relatively few specialized skillsets, providing ladders of opportunities to a broad segment of the population with lower to middle levels of education. In considering sustainable employment and equitable opportunities, worker safety, worker protections and living wages also need to be included in our discussions around economic competitiveness and sharing benefits.

Like many sectors in the economy, the goods movement industry is also experiencing significant change and disruption largely due to widespread adoption of technology and changes in supply chain operations. As a result, workers with current technical credentials will continue to need on-the-job training and professional development to adapt to and use new systems[36].

Recognizing the all-important need to build and maintain a skilled workforce pipeline, Metro established the Workforce Initiative Now-Los Angeles (WIN-LA), a workforce development program focused on careers in all sectors of the transportation industry[37]. The WIN-LA program aims to promote diversity and inclusion in LA County, provide access to education and training programs to increase the participants' workforce readiness and contribute to the development of their transportation career pathways in construction and non-construction careers, such as operations, maintenance and professional services. The program's priorities – which align with Metro's diversity, equity and inclusion initiatives – is to accept program participants from historically underrepresented communities, including single parents, veterans, homeless and unemployed residents of the county. The program also targets college students and women in its goal of promoting diversity and inclusion. Since its launch in 2017, the program has registered 117 participants in total of which 31 participants have successfully secured jobs within the transportation industry[38]. Other public sector entities in the transportation and logistics industries have also taken active roles in building and strengthening the local labor pool. The Port of Los Angeles and the Port of Long Beach have formed partnerships with local high schools to cultivate an interest in the trade and logistics sectors and to build connections between the classroom and the port terminal. For incumbent workers the International Longshore and Warehouse Union and the Pacific Maritime Association use the High Road Training Partnership offered through the California Workforce Development Board to upskill, reskill and transition longshore workers. Similarly, the Professional Designation Program for Global Logistics Professional (GLP) certification provides conceptual learning and skillset development on international trade and supply chain management. This program, offered online and in person, was established in partnership with the Center for International Trade and Transportation (CITT) and the California State University – Long Beach (CSULB) College of Professional and International Education (CPIE).



Source: Performance Team

We have challenges to solve.

LA County's current goods movement system creates challenges and hurdles for LA County residents. Growing demand has increased congestion and worsened air quality. A history of inequitable investment has placed the impacts of freight-related burdens disproportionately on low-income communities of color.

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We have compounding challenges.

The short- and long-term economic competitiveness of LA County relies on the level of productivity of its multimodal system, access to a skilled and competent labor force, freight infrastructure that can adapt to fast-changing supply chain strategies and logistics networks and collaborative institutional partnerships. Several key issues and challenges face the region's goods movement system that could threaten its overall competitiveness as a premier gateway for freight traffic.

In 2018 LA County moved over 740 million tons of goods on its multimodal freight system[39]. Trucks, including single-unit and combination trucks, carried the vast majority of this traffic – over 500 million tons with a combined value of over $1 trillion (Figure 13 and 14). These trucks operate on a system that is already incredibly congested. The Los Angeles metro area has the second slowest average truck speeds in the U.S. (second only to the San Francisco Bay Area) and LA County is home to two of the nation's top 10 worst truck bottlenecks[40]. Truck congestion in urban areas within the SCAG region resulted in approximately $2.6 billion in costs due to wasted labor hours and fuel in 2010[41].

The region's freight rail system is equally strained, as much of the freight rail system shares tracks with passenger rail. Close to 30% of intermodal containers at the SPB Ports utilize the same regional rail corridors to deliver goods to their next destination, while Metrolink moves nearly 40,000 passengers each weekday[42].

Combined, the Ports of Los Angeles and Long Beach are the two largest container ports in the U.S. – and the 9th largest in the world. Although market share has declined in the past two years due to trade war tariffs and more recently with the COVID-19 pandemic, the ports handled a combined 17 million 20-foot equivalent units (TEU) in 2018 (Figure 19)[43].

Air cargo volumes at LAX – already the nation's fourth largest cargo airport – have been dropping slightly, but have increased recently in the wake of COVID-19. LAX recorded moderate decreases in air cargo volumes from January to April of 2020 compared to the same period in 2019. The air cargo volumes in LAX then surpassed the 2019 volumes in May and June with a 13% increase in July, compared to 2019, yielding more than one million total air cargo tonnage for the first seven months of 2020 while only 0.2% down from the same period in 2019 (Figure 15)[44].

Figure 13

Total Flow of Goods by Trucks and All Modes (in million tons)

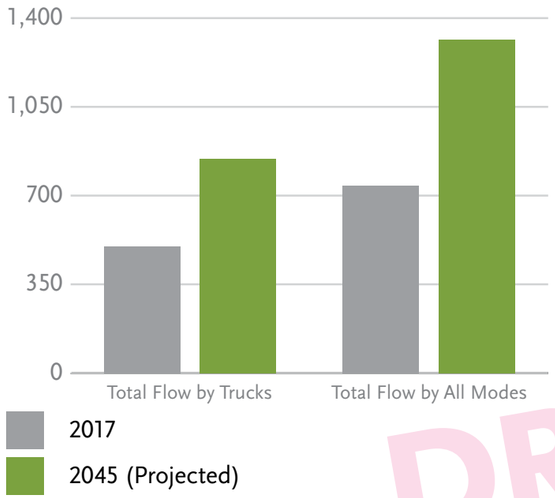
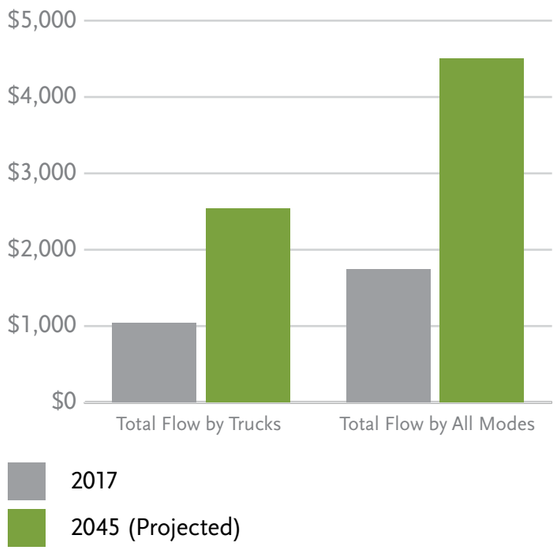


Figure 14

Value of Goods Movement by Mode in the LA Region ($ in billions)



In addition to the recent volatilities of air cargo volumes due to the pandemic, LAX also suffers from congestion on and around the airport caused by its decades-old cargo handling facilities that cannot accommodate today's larger aircraft and that have only one entrance/exit area[45].

These existing issues will be magnified by expected growth in freight traffic. By 2045, an estimated 1.3 billion tons of goods (Figure 13) valued at $4.5 trillion (Figure 14) are projected to be moved by all modes through the Southern California region annually, representing an increase of 78% by weight and 159% by value. Trucks are estimated to be moving 846 million tons of goods valued at $2.5 trillion in 2045 (Figure 13 and 14)[46]. Further, more than one and a half million people will be added over the next 25 years to the six-county Southern California region[47]. Combined, the vast increase in freight movement and regional population growth will exacerbate existing congestion on key local trade corridors and arterials that already rank among the most congested in the nation.

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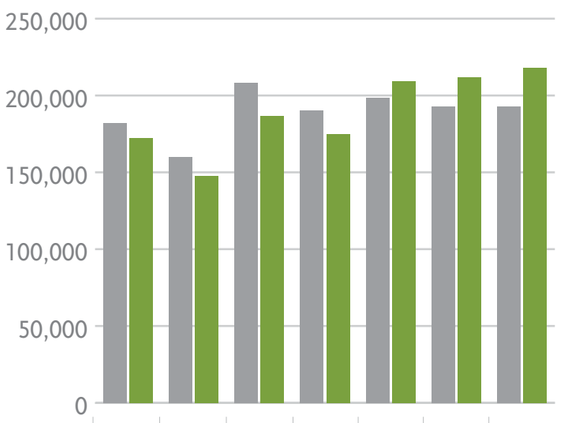
Figure 15

LA International (LAX) Airport Air Cargo (in tons, Freight and Mail Cargo)



	JAN	FEB	MAR	APR	MAY	JUN	JUL
2019	181,943	160,035	208,253	190,291	198,746	193,135	193,003
2020	172,434	147,572	186,921	174,785	209,182	211,698	218,258

Source: Los Angeles World Airports (LAWA), Traffic Comparison (TCOM)

Summary of Our Challenges

> Volumes are increasing and supply chains are changing but the shared use infrastructure capacity remains the same. Both trucks and freight rail are competing for the strained capacity against other users.

> LA County serves as the gateway for national commerce – while the benefits are broadly distributed through the regional and national economy, the impacts and externalities disproportionately affect local communities. A history of inequitable policies and investments have worsened these issues.

> The goods movement industry provides jobs to a range of demographics and skill levels, but prospective employers' needs are changing rapidly as they strive to keep up with industry practices and trends. This trend means that there will need to be a closer coordination amongst employers and skills and job training institutions to ensure investments are placed in the manner that closes the gap in skills and competency of our workforce and employer needs.

> The South Coast Air Basin has a major challenge in meeting the federal Clean Air Act standards for ozone and particulate matter. Promising vehicle technologies to help the region meet the standards are emerging, but their implications on goods movement operators and our region's competitiveness within global supply chains make this challenge even harder to address.

> Competing investment priorities severely impact constrained resources for investment, both nationally and locally.

> All of these above challenges, separately and combined, undermine LA County's economic competitiveness, ability to attract an optimal share of discretionary cargo and capacity to support the efficient movement of goods throughout the region.

Anticipated Growth Will Affect Every Mode

Freeways

Freeways link goods movement facilities to destinations both within and outside of the county along the interstate highways. Trucks can be largely categorized into those that serve either domestic markets or international markets. Contrary to popular perception the majority of trucks that operate in and through the county are serving domestic markets, including manufacturing, warehousing, retail, food services, local delivery and construction. In LA County, 90.7% of truck trips are associated with the movement of domestic markets, and the remaining 9.3% of truck trips are associated with international markets, including the trips to the ports and intermodal facilities.

Of the trucks that serve domestic markets, a significant portion (92.0%) operate within the county, meaning their trips originate and end within the county. The remainder (8.0%) either start or end their trips outside of the county.

Trucks serving the international markets include drayage trucks that either originate or end their trips at the SPB Ports or international air cargo facilities. These trucks take international cargo to and from the SPB Ports or LAX and bring it to or from intermodal rail yards, transloading facilities, import warehouses, regional distribution centers or points of productions. Drayage trucks constitute a 7.4% share of all trucks in the county, while intermodal truck trips account for a share of 0.8%. One percent of the trucks in the county are considered secondary port trips, representing the movement of international cargo that was moved by drayage trucks, but are now moved by domestic trucks after going through transloading processes[48].

The growing commerce associated with population growth and the dynamic nature of logistics practices will lead to increased truck traffic in the county. Truck volumes on some interstate segments are expected to increase by up to 60% by 2045, which translates to more than 50,000 trucks per day[49]. Heavy duty truck hours of delay will more than double to 223 hours of delay annually (Figure 16).

With a growing demand for goods, truck traffic is expected to grow at a much higher rate than passenger auto growth. This trend means that the increased truck traffic on the county's highway network will further deteriorate the system performance that is already under strain (Figure 17). Out of 57 high priority heavy-duty truck bottlenecks identified by SCAG, 43 of them were in LA County, or partially in LA County. Top 10 heavy-duty truck bottlenecks from the list, all of which are located in LA County, accounted for close to 25% of all truck congestion in the SCAG region in 2016[50]. Delays and congestion experienced by trucks will result in an increase in transportation costs, which will be reflected in the price of goods that consumers purchase, as well as exacerbate congestion experienced by commuters who share the road.

Figure 16

Daily Heavy-duty Truck Hours of Delay

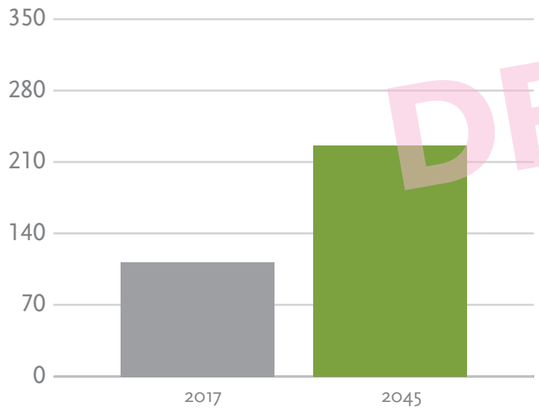
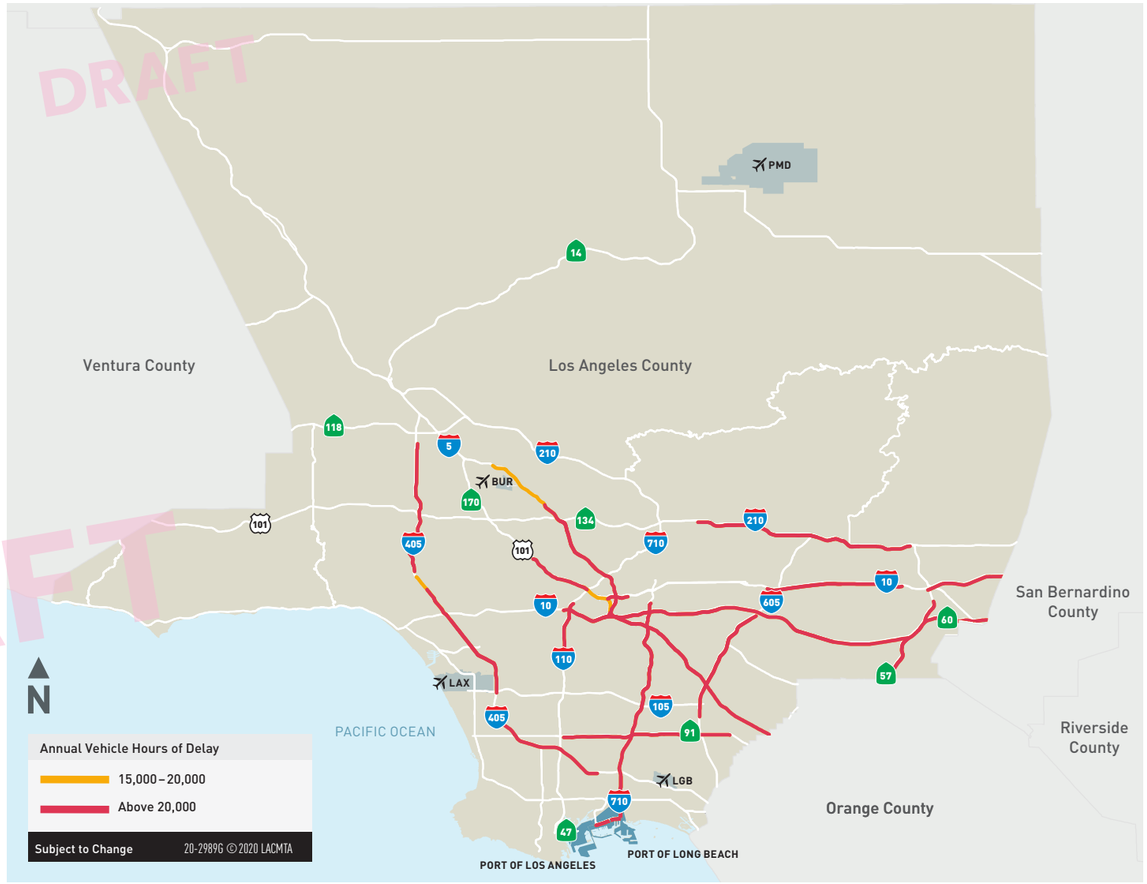


Figure 17

TRUCK SPEED DELAY LOCATIONS



Source: Southern California Association of Governments

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Ports

The SPB Ports forecast container volume demand to double or more before 2045, indicating that additional capacity will be required to accommodate this expected demand that is generated in Southern California and throughout the U.S. Such capacity will need to be provided by a combination of physical improvements within the existing footprint of the ports and efficiency improvements supported by technology or in the end-to-end supply chain outside of the ports' physical periphery. Efficiency improvements supported by technology and modernization, combined with port expansion projects, could help accommodate forecasted growth. The global trend towards using larger container ships further compounds the demand and infrastructure capacity challenge. With larger container ships higher volumes of goods arrive at once, straining the handling capacity of port infrastructure, labor and the surrounding road and rail infrastructure. These challenges further highlight the need for coordinated planning and real-time information sharing enabled by digital infrastructure.

Addressing infrastructure capacity challenges is not an easy task. Similar to many areas across the county, the SPB Ports are landlocked by residential communities, leaving very little land available to expand. Many of the surrounding communities are low-income communities of color that continue to experience negative impacts of goods movement activities more severely than other parts of the county. These circumstances pose challenges in accommodating the ports' cargo growth through physical expansion in a sustainable and equitable manner. For example, BNSF proposed to build a near-dock facility, the Southern California International Gateway (SCIG), four miles north of the Port of Los Angeles to enhance its Southern California operation. However, given the project's proximity to residential communities and anticipated impacts from its operation, safety concerns from the trucks that would serve the facility, and air pollution concerns from the truck and rail operations, the project has received a number of challenges during the environmental impact report review. Upon completion the SCIG is projected to eliminate approximately 1.3 million truck trips annually on I-710 that would otherwise dray ocean containers between the SPB Ports and intermodal rail yards nearly 20 miles away near downtown Los Angeles[51].

Rail

The anticipated growth in all freight rail traffic, combined with a projected increase in Metrolink passengers by as much as 95% by 2025, will constrain rail system capacity, causing bottlenecks and increased delays on the shared system[52]. This is particularly true on the UP Alhambra and Los Angeles subdivisions, which will have up to 110 freight trains daily by 2040, and the BNSF segment from Los Angeles to San Bernardino, which could have as many as 125 freight trains by 2040. Without operational and physical capacity improvements, rail mainline capacity will be severely oversubscribed, reducing overall freight and passenger mobility countywide. Strategic investment partnerships with the freight and passenger rail operators – such as Metrolink's SCORE program – will be important to address these constraints[53].

Streets

Local streets serve various accessibility and mobility functions, including transit service, bicycles and pedestrian mobility, parking, passenger loading and unloading, and last mile delivery and emergency vehicle access. Trucks that use local streets fulfill the delivery needs of many industries and individuals, ranging from local retail, food services, manufacturing, hospitality, construction, waste collection to home deliveries. Without access to local streets to complete delivery, the logistics system does not function, and our economy will disintegrate. These streets – whether local, residential streets or major arterials – can be a contested venue for various travel modes and uses all vying for the limited space available. The level of competition is generally more intense in the urban core, particularly in high-density, vibrant mixed use areas that offer various destinations and attract many street users.

Since the year 2000, total U.S. retail trade value has been steadily increasing, except during the Great Recession (2008-2009). Between 2000 and 2018, the e-commerce portion of the total U.S. retail trade value grew at an average annual growth rate of 17.95%. In 2018, the e-commerce share of the total U.S. retail trade value was 9.9%, or $519.6 billion of the total $5,269.5 billion in retail trade value[54].

The majority of e-commerce retail sales is associated with home deliveries, and the steady increase in e-commerce trade value is a reasonable indication that the demand for delivery trucks also increased in a similar manner. As noted earlier (Figure 8) LA County would be the ninth largest manufacturing hub in the country, if we were a state. Local manufacturing firms depend on receiving material for their production and shipping finished goods via trucks that travel on local streets. Neither the long-term economic impact of COVID-19 on purchasing power nor the resulting demand for home delivery and overall manufacturing are yet to be determined. Assuming the economy follows a similar recovery path as it did after the Great Recession, the demand on local street capacity by delivery trucks and the need to accommodate mobility and accessibility of all modes will continue to be an important transportation topic.

Before the COVID-19 pandemic, only 3.7% of grocery shopping was conducted online in the U.S. By the end of May 2020, the share of online grocery shopping had increased to 21.2%, representing a 570% growth rate[55].

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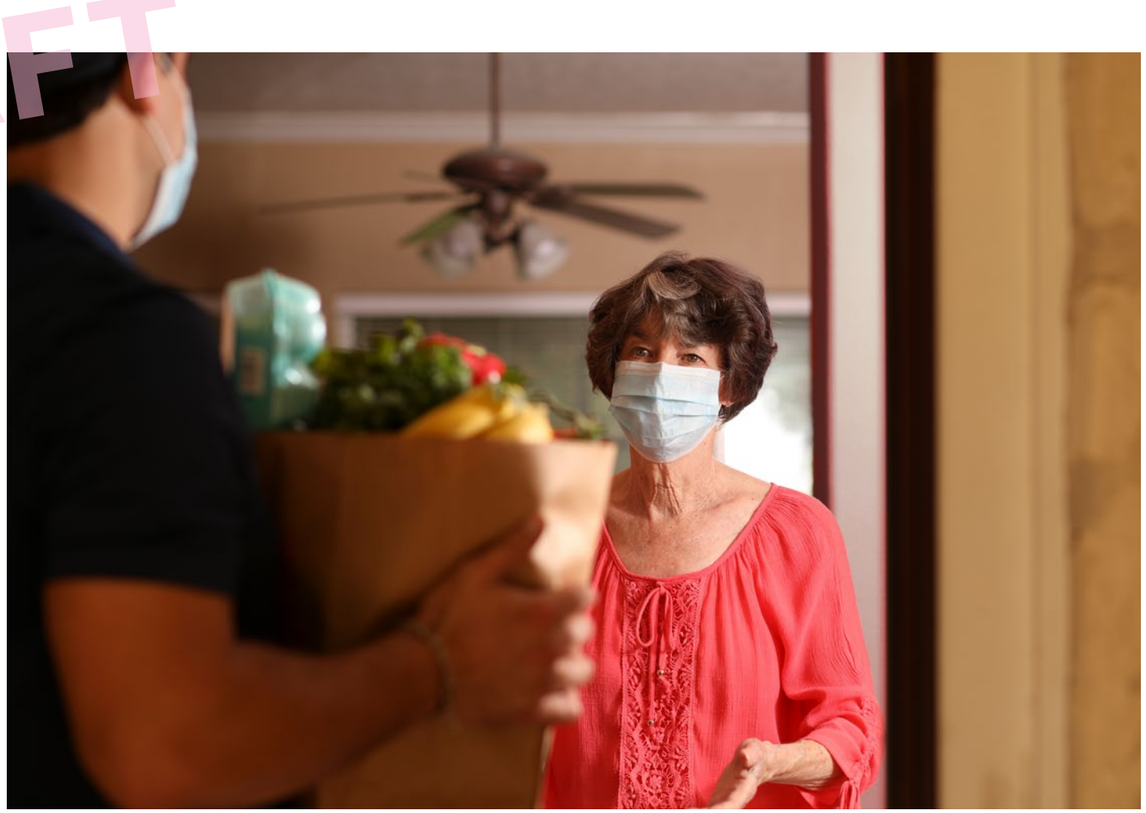


Source: fstop123/E+/Getty Images

Losing National Market Share

LA County's standing as the nation's trade gateway of preference cannot be taken for granted. Ranked as the top two busiest ports in the United States for several decades, the Ports of Long Beach and Los Angeles are suffering steady erosion of national market share despite moving more cargo than before – as the nation grows economically and international trade continues to burgeon, LA County risks exclusion from the prosperity, employment and economic benefits associated with capturing new discretionary cargo destined for the rest of the country.

Rival gateways in Canada, the East Coast and the Gulf Coast have invested heavily in their infrastructure to capitalize on the widening of the Panama Canal and international trade trends to attract more port cargo traffic, national market share and the resulting economic and employment benefits – all at the great expense of LA County[56/57].

From 2006 to 2019 the SPB Ports' growth has sputtered at only 8% in total container volumes (Figure 18), while rival ports have grown at rates of 47% (New York/New Jersey), 86% (Houston), 102% (Canada's West Coast ports) and 113% (Savannah). Many of these ports enjoy a strong vision for growth and prosperity supported by the entire state – from the Governor down to the local level – to implement cohesive plans to deepen ports, build on-dock rail and improve the surrounding surface transportation system to attract bigger ships and move more cargo at a faster pace. This unified support also generates federal investment through focused advocacy.

The eroding market share does not mean that LA County is doing nothing to improve the productivity of its freight transportation system. The SPB Ports have been heavily investing in on-dock rail and rail access projects, including the $2.4 billion investment to build the Alameda Corridor. In just the last 10 years alone, the Port of Los Angeles has invested more than $500 million in railway-roadway grade separations, roadway, and rail system projects to reduce truck trips, roadway delays and optimize the flow of cargo. To keep cargo flowing efficiently, the Port of Los Angeles and GE Transportation launched the Port Optimizer, which enhances supply chain performance through real-time, data-driven insights in a single portal.



Source: Port of Long Beach

Figure 18

Port Cargo Growth (2006 – 2019)

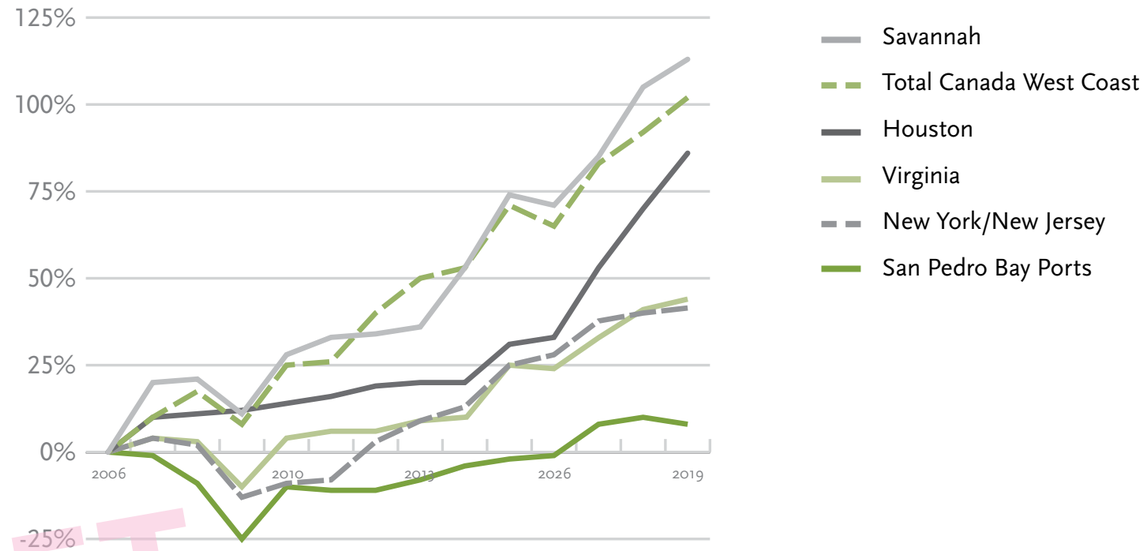
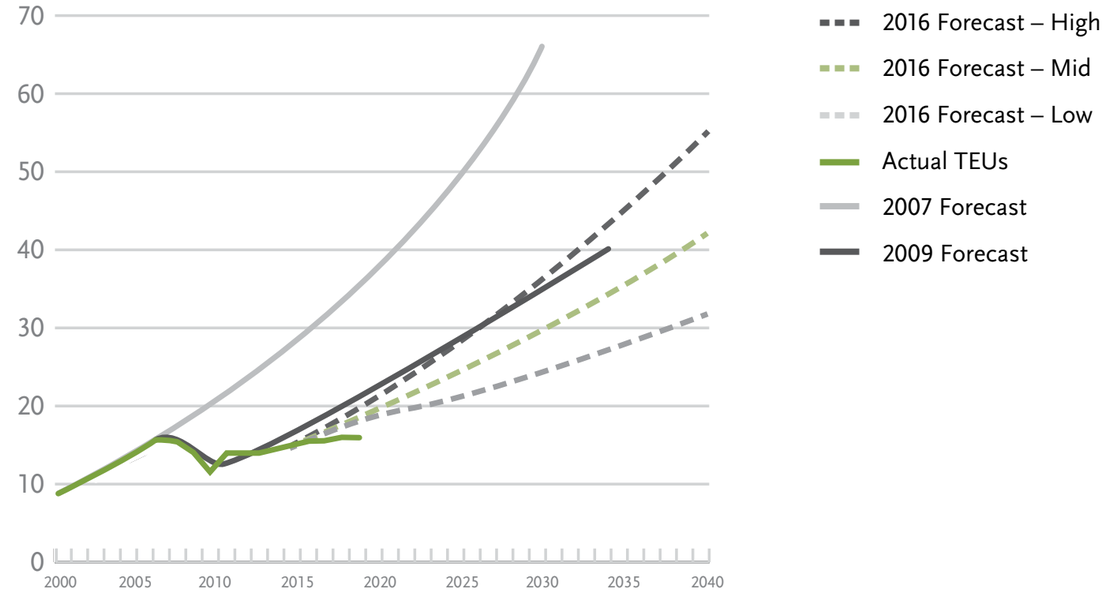


Figure 19

TEU Container Forecasts for San Pedro Bay Ports (in millions)



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The Port of Long Beach has made a similar, if not larger, level of investment to improve the efficiency and productivity of the operations inside and outside of the port periphery, including the $1.56 billion investment to replace the Gerald Desmond Bridge. All these projects are located on the most important highway and rail line segments of the federally designated National Multimodal Freight Network (NMFN), including the Primary Highway Freight System (PHFS).

Many landside variables can impact the productivity of our freight transportation system. These factors include gate hours (i.e. PierPass), chassis dislocations, chronic freeway congestion across the entire county, truck driver shortages, hours of service restrictions, freight rail mainline capacity, shortage of cargo-handling space near the ports and potential operational disruptions over labor agreements. Various studies also found that port demand elasticity can change quickly, particularly on discretionary cargo that is consumed outside of the greater Los Angeles region. The cost of rail shipping and drayage due to fees and regulations can influence importers' decisions on diverting discretionary cargo to other ports to minimize the overall transportation cost[58].

In addition, other macroeconomic trends pose challenges to the LA County's ability to acquire national market share. These externalities include trade tariff wars with China, recent trends of federal freight investment that have favored rural and developing ports, emerging U.S. agriculture export routes that involve Latin America, shifting global manufacturing activities towards locations west of India and global consumption patterns due to a transition of previously emerging economies into developed, more consumption-based economies.

Cargo Race to Chicago

Chicago is North America's trade crossroads – over 80% of rail container traffic moving across the U.S. moves through the "Windy City." The total transit time spent moving a container from the port of origin to Chicago by sea and land is one of the decision variables for nationwide importers to determine which North American port to use to import cargo. The SPB Ports' primary advantages for capturing the majority of Asian imports are 1) their proximity to Asia and the resulting shorter ocean transit time and 2) the large population base in the southwest U.S. where the SPB Ports serve as the closest container ports. For imports destined to Chicago, the ocean transit time to arrive at other West Coast ports is shorter, and the transit time by rail from other West Coast ports to Chicago is either the same or shorter than via the SPB Ports. Although the ocean transit time to East Coast ports takes longer, the land transit time by rail to Chicago takes two full days shorter than that from the SPB Ports (Figure 20).

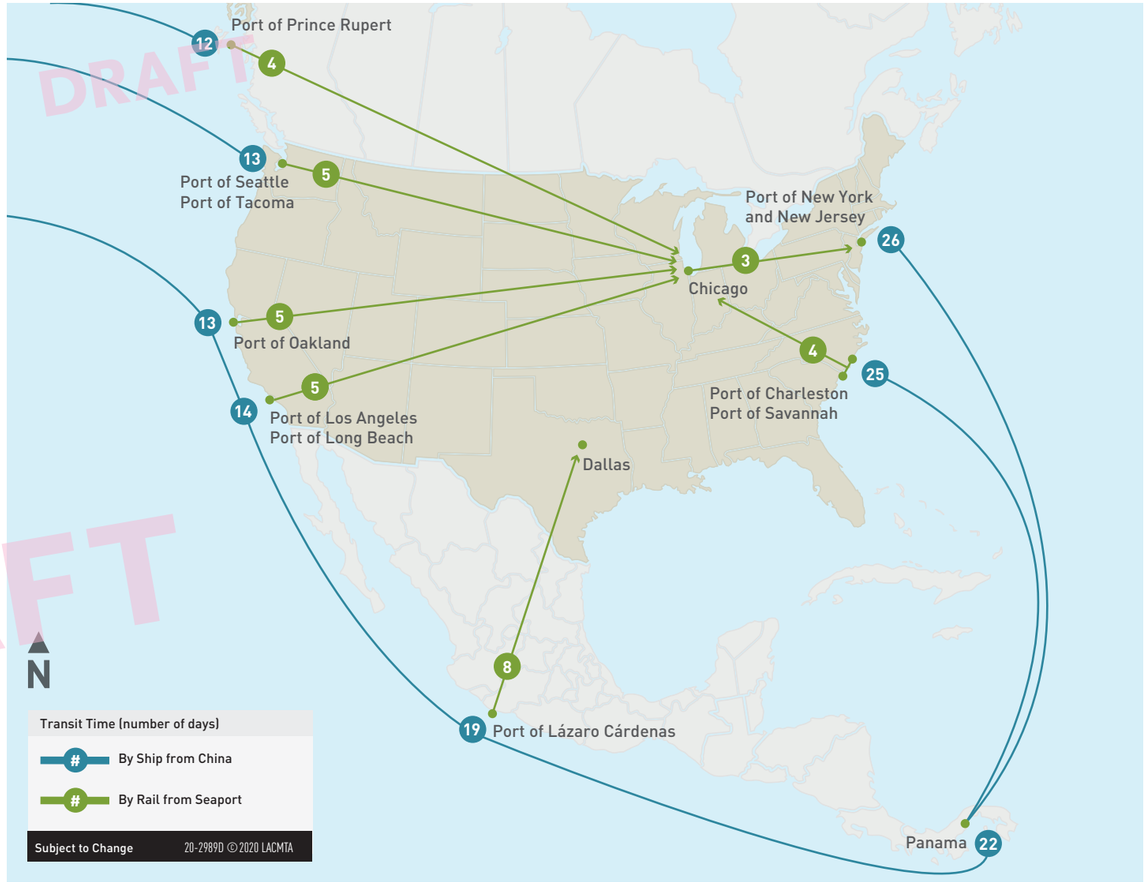
Meanwhile, the widening of the Panama Canal in 2016 allowed larger ships to transit through the canal to East Coast ports, thus improving the economy of scale of connecting directly to the East Coast and Gulf Coast ports. Other container ports on both coasts have made significant investments in capacity and efficiency enhancements, thus gaining a competitive edge over the SPB Ports by offering an improved operational productivity of moving Asian imports.

To remain economically competitive in securing discretionary cargo, LA County stakeholders must work together to accelerate the movement of cargo through the Ports of LA and Long Beach by making strategic investment in on-dock and off-dock freight rail capacity, optimizing data sharing, implementing operational improvement measures and increasing terminal efficiency. Investments at the ports – especially in rail infrastructure – pay off at the regional level, supporting the regional economy and employment in numerous goods movement industries and protecting LA County's position as the preeminent national freight gateway.

The total transit time spent moving a container from the port of origin to Chicago by sea and land oftentimes determines which North American port will receive this discretionary cargo.

Figure 20

NORTH AMERICA TRADE GATEWAY: CHICAGO



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Major Safety Concerns

Roadway Safety

Robust goods movement activities can heavily impact roadway safety. During the five-year period between January 1, 2014, and December 31, 2018, there were 9,612 truck involved collisions on roadways in LA County. Of these, 287 individuals were killed, and 12,971 reported injury. The three most common reasons for accidents were unsafe speed (35.35%), unsafe lane changes (17.3%) and improper turning (14.39%). A majority of these collisions resulted in rear-end (3,899) or sideswipe (2,677) impacts[59].

Truck involved collisions are concentrated on major freeways with heavy truck traffic. These hotspots include the SR-57/-60 confluence, SR-60 between I-605 and SR-57, I-605, I-710 and I-5 near downtown Los Angeles (Figure 21)[60]. Based on the most recent traffic count information available from Caltrans (2014-2017), I-710 at the SR-91 interchange and the SR-57/-60 confluence consistently ranked as having the heaviest truck volumes in Southern California[61].

An increasing number of delivery trucks is using local streets to serve last mile delivery needs for residential, business and manufacturing purposes alike. The lack of consideration for last mile delivery vehicle needs in the planning, design and implementation of complete streets has resulted in unintended consequences and safety hazards for vulnerable roadway users and truck operators. By integrating freight vehicle considerations into all aspects of planning, designing and executing local road improvements, these conflicts can be avoided or mitigated more easily.



Source: San Gabriel Valley Council of Governments

Rail Safety – Grade Separations

At-grade crossings (where freight rail lines and roadways cross at grade) have consistently ranked as a major safety concern for communities adjacent to freight rail corridors. In LA County the majority of the UP Railroad mainline travels through dense urban areas of the San Gabriel Valley. This line carries imported containerized cargo, domestic cargo, exports to be shipped out of the SPB Ports and commuter rail traffic. The freight trains are generally longer in length and travel slower than commuter trains, resulting in longer gate downtime at the crossings, that cause traffic delays and congestion at these locations. Some of the at-grade crossings were highly-ranked nationally for the severity of collisions between trains and automobiles. Longer gate downtime is also a concern for limiting emergency vehicle access and response time. To address these issues the San Gabriel Valley Council of Governments established the Alameda Corridor-East (ACE) Construction Authority in 1998 to develop and implement a series of grade separations and at-grade crossing improvements to eliminate collisions and mitigate vehicle delays and emissions caused by at-grade train/vehicle conflicts.

As of 2020 the ACE Project has completed safety improvements at 40 at-grade crossings and constructed 14 rail-roadway grade separations. Four more grade separation projects are under construction with three more in the design phase. Two of the grade separation projects currently underway, Montebello Boulevard Grade Separation Project and Turnbull Canyon Road Grade Separation Projects, are included in the California Public Utilities Commission's Fund Priority List for the fiscal year 2020-2021. Metro supports the ACE Project with funding raised through its local sales tax measures.

Figure 21

HIGHWAY TRUCK COLLISIONS (JANUARY 2014 – DECEMBER 2018)



Evolving Workforce Needs

Nearly one-third of jobs in LA County are in goods-producing and freight-dependent industries. The opportunities for employment in the goods movement sector are diverse – ranging from trucking to rail transportation, stocking to crane operation, waste material collection and moving to transportation supervision. These jobs were previously believed to provide above average wages with low barriers of entry for workers with low to middle level skills; however, that conventional wisdom has shifted in recent years. For example, the typical annual salary in 2019 for transportation and material moving occupations in the Los Angeles area was $31,328 – this income is below the living wage for one adult, and not sufficient to support a household with two adults (one working) without children in the same area (Figure 22)[62].

While the Los Angeles area offers an abundance of transportation and material moving jobs as indicated by the location quotient – the ratios of regional concentration of jobs in a given industry as compared to the national average for the industry – only certain goods movement jobs provide above a living wage income to meet one's basic needs. These jobs are also more scarce, with the ratio of less than one, as indicated by the location quotient (Figures 23 and 24)[63], and they have historically relied on experience and knowledge gained in the workplace or in apprenticeship programs.

In recent years the logistics industry across the board is transforming its operations in pursuit of higher efficiency and productivity to remain competitive amidst growing consumer demand and changing supply chain practices. Increasingly, employers in this industry are citing skill gaps and a need for expanded, multidisciplinary training among mid-level technicians that juggle new supervisory responsibilities, technical requirements, compliance and contracting issues. To address the wage versus the cost of living issue and to stay abreast of evolving skillset needs, regional stakeholders should develop comprehensive policies and target investments necessary to ensure workforce competency and employee career pathways that form the foundation of a sustainable economic competitive framework.

The growing demand for skilled workers will create pressures for logistics companies to ramp up their recruitment and hiring pipelines as they respond to another challenge: a growing number of retirees. Like many other parts of the economy, the goods movement sector is confronting a "silver tsunami" of upcoming retirements. For example, to meet the nation's freight demand, the industry will need to hire 1.1 million new truck drivers over the next decade – an average of 110,000 per year – to replace retiring drivers[64].

The global demand for goods has also transformed the industry into a 24-hour sector, with workers needed to fill orders and process shipments around the clock. This schedule creates a need for continual access to these employment locations, many of which are outside of LA County in the Inland Empire, where land is more affordable and suitable parcels can be larger and adjacent to mainline highway and rail corridors. These shifting dynamics stretch out the jobs/housing balance for freight-related industries and create a number of mobility and workforce-related challenges.

Increased Interest In Advanced Technology

The "fourth industrial revolution," which emphasizes modernization of equipment and processes and data exchange, the "internet of things," cloud computing, robotics and artificial intelligence, is already reshaping and restructuring supply chains, logistics practices and jobs. While these trends can improve the efficiency, security and transparency of supply chain networks, they also will require new skills in the workforce, such as data interpretation and visualization, forecasting, programming and compliance. Further, various initiatives in California that aspire to accelerate fleet and equipment transitions to zero-emission technologies are creating an increasing demand for entry and mid-level technicians to have at least some foundational understanding of energy systems.

Mobility Concerns

LA County's increasing housing costs are pushing the logistics workforce farther away from the county's employment centers toward the outer reaches of the region. In LA County the average commute time has increased every year since 2013, with an average commute of 31 minutes in 2017[65]. Mobility for the logistics workforce is particularly challenging – only 3.3% of goods movement jobs are accessible within a one-hour transit trip[66].

Equity Impacts

The combination of the growing jobs/housing imbalance and the lack of mobility options can create significant equity impacts by preventing some county residents from accessing the jobs and resulting ladders of opportunity that the goods movement sector provides. Further, worker safety, worker protections, living wages, local hiring policies and strengthening pipelines to increase accessibility to stable and sustainable jobs and career pathways are important considerations for bringing goods movement benefits to the most impacted communities.

Figure 22

Annual Median Earnings and Annual Living Wage, 2019



Figure 23

Annual Average Wage by Goods Movement Jobs, 2019

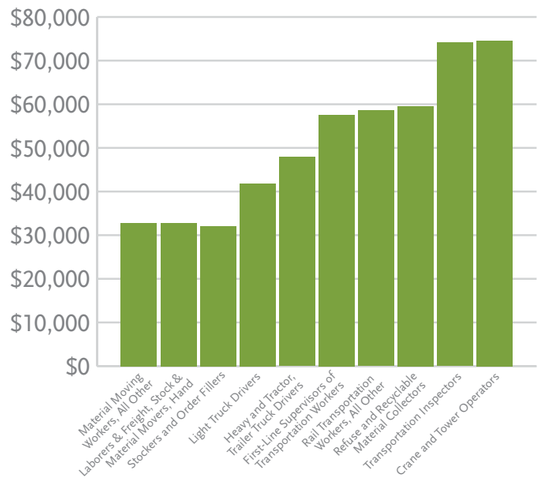

Figure 24

Location Quotient by Goods Movement Jobs, 2019

Jobs	Location Quotient
Material Moving Workers, All Other	3.84
Laborers and Freight, Stock, and Material Movers, Hand	1.23
Stockers and Order Fillers	0.96
Light Truck Drivers	1.04
Heavy and Tractor-Trailer Truck Drivers	0.59
Rail Transportation Workers, All Other	2.27
Refuse and Recyclable Material Collectors	0.83
Transportation Inspectors	0.78
Crane and Tower Operators	0.81
First-Line Supervisors of Transportation Workers, Except Aircraft Cargo Handling Supervisors	0.96

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Air Quality Challenges and Implications

Air pollutant emissions from goods movement sources – in particular from ships, trucks, train locomotives, cranes and other equipment that moves goods – are major sources of regional air pollution. Much of LA County (except for the Antelope Valley) falls within the South Coast Air Basin (SoCAB), which exceeds federal Clean Air Act standards for ozone and particulate matter (PM2.5). If the SoCAB region fails to demonstrate air quality conformity by target attainment dates for criteria pollutants, federal sanctions may be imposed, jeopardizing transportation funds and making the permitting of stationary facilities more burdensome. The federal government may also take over local air quality regulation if state plans are not adequate to meet federal standards.

Along with San Joaquin Valley in Central California, the SoCAB region is currently one of only two areas in the nation classified as "extreme" nonattainment for the 1997, 2008 and 2015 eight-hour ozone standards. The target attainment dates to meet these standards are June 2024, July 2032 and August 2038 – by those years, the SoCAB region must reduce ozone concentrations to 80 parts per billion (ppb), 75 ppb and 70 ppb, respectively. Ozone is formed when volatile organic compounds (VOC) and nitrogen oxides (NOx) react in the presence of ultraviolet sunlight, thus making the reduction of NOx the key strategy to meet ozone standards.

NOx emissions from goods movement sources constituted approximately 52% of the total NOx emissions for the SoCAB region in 2016. Heavy-duty trucks contributed 58% of these goods movement-related NOx emissions, or 30% of total NOx emissions in the SoCAB region. Locomotives also played a role in generating NOx emissions, with 7% of goods movement-related NOx emissions and 3.6% of total NOx emissions in the SoCAB region. To meet the 1997 and 2008 eight-hour ozone standards by target attainment dates, the SoCAB region needs to reduce NOx emissions by 45% above and beyond the existing regulations by 2023, and 55% by 2031 – a daunting task for the region.

The SoCAB is also a serious nonattainment area for the 2012 Annual $PM_{2.5}$ standards, with an attainment deadline of December 2025. However, in scenarios run by the South Coast Air Quality Management District (SCAQMD), the basin is expected to meet this deadline by 2025.

To meet the National Ambient Air Quality Standards for the eight-hour ozone, we need to significantly reduce NOx emissions from all sources, with a focus on the large share of NOx emissions generated by the goods movement industry.

California state law requires a substantial reduction in greenhouse gas (GHG) emissions – 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050 – through Executive Order B-30-15 and Executive Order B-16-12. Many criteria pollutants, such as NOx, sulfur oxides (SOx) and particulate matter ($PM_{2.5}$ and PM_{10}) are precursors to the formation of GHGs. Reducing criteria pollutants from goods movement sources to meet the federal Clean Air Act standards also helps in reducing GHGs[67/68].

Air pollution – particularly NOx, diesel particulate matter and GHGs – is known to impair human health. These negative health impacts are felt by our residents in the following ways:

> reduced visibility

> increased episodes of respiratory infections and other illnesses

> increased number of days of discomfort

> absent days from work and school

> increased symptoms related to respiratory disease, including asthma

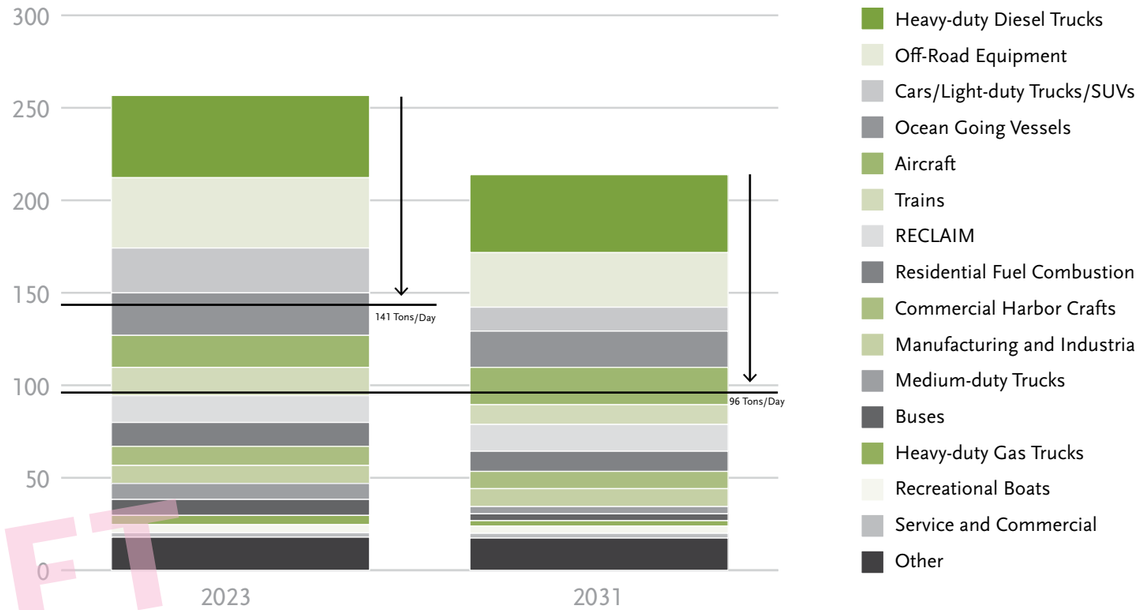
> slowed lung function growth and increased asthma risk in children

> heart disease

> shortened life spans[69]

Figure 25

NOx Reduction Amount Needed to Demonstrate the Eight-Hour Ozone Standards Attainment (Tons/Day)



Source: 2016 AQMP Appendix iii, Attachment A, Annual Average Emissions by Source Category in South Coast Air Basin

One of the tragedies of the COVID-19 pandemic is that many people suffering from these health conditions associated with highway and freight-related emissions were also made vulnerable to being at a higher risk of death and serious health effects caused by COVID-19, according to a study by the Harvard School of Public Health[70]. In particular the study found that "long-term exposure to PM2.5 is associated with higher COVID-19 mortality rates". The urgency to act to reduce these harmful emissions for the sake of public health could not have been made more clear during the pandemic.

In addition to the aforementioned Executive Orders, a number of near- and long-term technological solutions solutions prospectively could reduce GHG and other emissions reduce GHG emissions in the South Coast Air Basin. Although most environmental policies foresee the deployment of near-zero and zero-emission trucks as a long-term solution to reduce emissions, other near-term improvements – including cleaner-fuel trucks, hybrid-electric trucks and combustion engine improvements – are currently available commercially to help the region meet the attainment deadline by 2025[71].

Meeting the federal Clean Air Act standards and reducing particulate matter, NOx and GHGs will require substantial reduction in criteria pollutants. These challenges call for the creation of regional partnerships and collaboration to identify effective strategies and secure funding for implementation. Fortunately, LA County has a precedent for such leadership. The SPB Ports have led the way by implementing the Clean Air Action Plan, the latest version of which set forth aggressive goals to reduce particulate matter, NOx, SOx and GHG from port-related emissions and sources at levels that far exceed volumes and schedules found in existing state and federal regulations.

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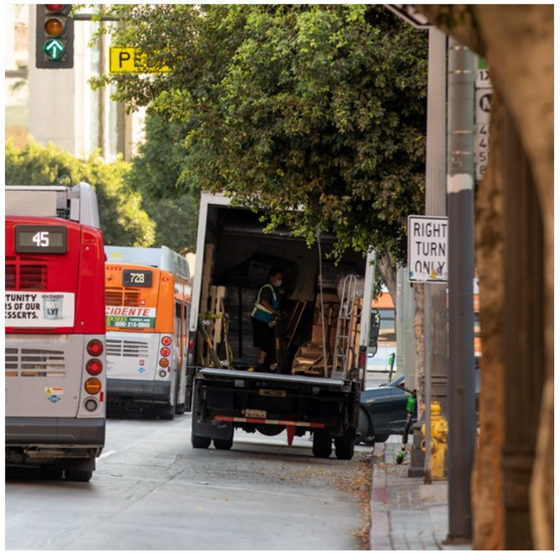
Congestion at the Curb

An "urban renaissance" has shaped the goods movement space for urban areas like those throughout LA County. Moving and delivering goods efficiently, safely and reliably becomes increasingly more challenging as more people and businesses move back into cities, creating a denser and more vertical environment. Consumer-generated activities – such as dining at restaurants and shopping for groceries and clothing – generate the need for goods to be brought in and out of urban areas, otherwise known as urban freight. Further fueling urban freight is the advent of online shopping, leading retailers to strive to provide quick and on-time delivery, resulting in an increase in freight movements in urban areas. These deliveries are increasingly being made by a variety of smaller vehicles, including vans, pickup trucks, passenger vehicles and bicycles, with autonomous vehicles and drones starting to emerge as viable delivery options. These new vehicles have smaller payload capacity, so more vehicles are required to handle an increasing volume of deliveries.



All these urban freight trends converge at the curb, which is at the heart of urban freight and mobility issues. From parking to bus stops and loading zones to bike lanes (and now outdoor and on-street dining during the COVID-19 pandemic), curbside assets play many roles within a city. Yet, curb space "real estate" has not historically received as much attention from transportation planners as the roads and highways on which vehicles travel, even though congestion or lack of space at the curb impacts freight movements and deliveries, leading to roadway congestion. Spillover impacts, such as double parking and other forms of illegal parking, also negatively impact safety, accessibility and mobility for many users. Particularly, small business owners without adequate off-street parking near their businesses experience these impacts more severely as they rely on foot traffic and on-street parking for business.

With 88 individual cities and over 100 unincorporated communities, LA County faces a daunting task to achieve coordinated delivery practices, maintain infrastructure and manage curbside parking across the multitude of jurisdictions. As demand increases and diversifies, and as urban landscapes densify, managing curbside assets in ways that allow space for vital economic activities, protect sensitive users like bikes and pedestrians from trucks and vehicles and encourage mobility and traffic flow throughout urban areas will become even more vital. Public planners are demonstrating an increasing interest to understand factors that affect driver decisions, including where to park on the block, whether to park at loading bays or how long to drive around the block in search of a desirable parking space before moving on. These inquiries could yield a benefit to the overall roadway performance and safety in support of economic activities and personal mobility. The "final 50 feet" of urban deliveries will continue to grow as a focus for researchers and innovators alike[72].

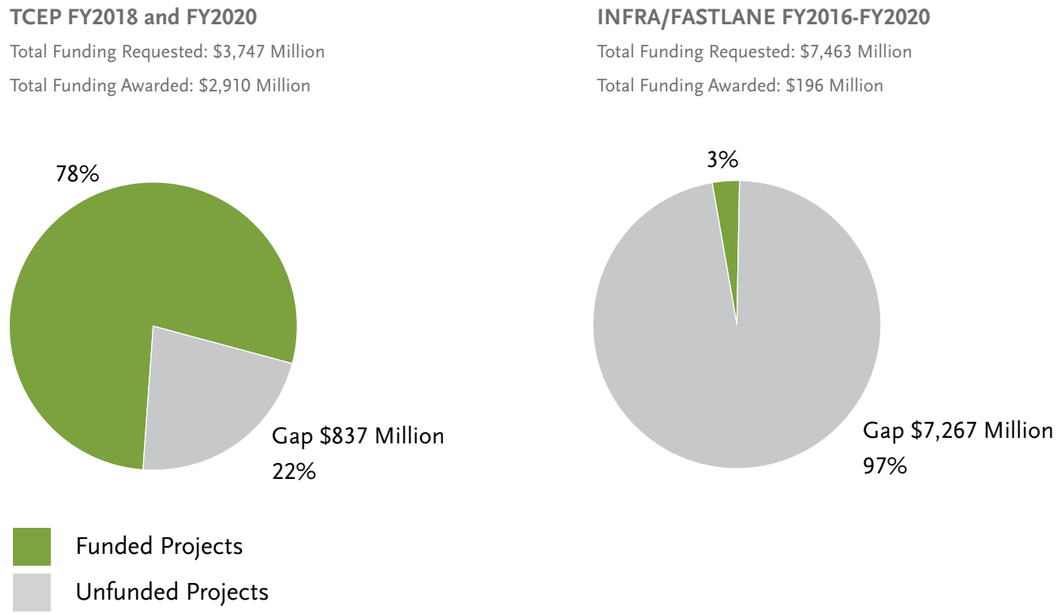
> Moving and delivering goods efficiently, safely and reliably becomes increasingly more challenging as more people and businesses move back into cities, creating a denser and more vertical environment.

Competing Investment Priorities and Funding Challenges

Substantial investment in the multimodal freight system is needed to ensure that goods move efficiently and in a socially responsible manner. Unfortunately, the amount of available funding across local, state and federal sources to allow the region to continue investing effectively in the shared use system is limited (Figure 26). The 2020 SCAG Connect SoCal – 2020-2045 Regional Transportation Plan and Sustainable Communities Strategies estimates the costs of all regional transportation projects from FY2020-21 to FY2044-45 to be $638.9 billion, compared with reasonably available resources estimated at only $493.1 billion[73]. The constrained nature of transportation funding places considerable weight on project priorities and benefits in making investment decisions. While LA County generates locally-controlled transportation investment funds through proceeds from four sales taxes (for a combined 2%), the vast majority of those funds is dedicated through expenditure plans and categorical limits to support transit capital and operational improvements, with very little funding expressly dedicated to goods movement-related projects. State and federal grant programs provide some amount of funding for freight projects, but the competition for these funds is intense and subject to political influence. From 2010-2020, federal funding for East Coast and Gulf Coast gateways combined outstripped investment in West Coast gateways at a rate of 10 to 1. For example, USDOT received 173 applications for funding from across the country in the FY2020 cycle for federal INFRA grants, yet only 20 awards were made. For the five-year INFRA/FASTLANE program inaugurated in the Fast Act, only four California project applications received funding out of the 148 submitted. The Ports of Long Beach and Los Angeles did not receive a single dollar of the $500 million set aside for port and intermodal infrastructure projects, despite submitting quality applications for important improvements. With limited funding to meet transportation needs, identification of priorities and strategic investment decisions are needed to improve the freight transportation system while advancing equity, sustainability and mobility goals.

Figure 26

State and Federal Funding Requested and Awarded for California Freight Infrastructure Projects



Sources: California Transportation Commission (CTC) and U.S. Department of Transportation (USDOT)

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Case Study: What it Takes to Deliver an Infrastructure Mega-Project

Delivering major freight infrastructure projects requires strong partnerships, time, a mix of funding sources and leadership. The opening of the Gerald Desmond Bridge Replacement Project to traffic on October 5, 2020, culminated over a decade of work to realize this important project.

The Gerald Desmond Bridge at the Port of Long Beach is one of the most freight-critical pieces of infrastructure in the nation, as 15% of the nation's imported waterborne cargo travels over the towering span by truck. The bridge also serves as an important access route that connects the Port of Long Beach to downtown Long Beach and surrounding communities. Built in the 1960s the original bridge was neither designed to accommodate the level of truck volume that has increased steadily over the past decades, nor the larger ships that require higher clearance over the channel to pass under.

Although first considered in the 1990s, the bridge replacement project did not begin until the Long Beach Harbor Commission allocated $26.4 million to develop replacement plans in May 2009. The initial cost estimate in 2008 for the replacement was $950 million.

The final environmental impact report was adopted in August 2010, with a groundbreaking in January 2013. Nearly eight years later, the Gerald Desmond Bridge Replacement Project celebrated its completion with a Grand Opening on October 2, 2020 (Figure 27).

Securing enough funding to deliver this major capital project was a tremendous task. Since its inception the Port of Long Beach leadership worked tirelessly to secure funding from various sources, including Transportation Infrastructure Finance & Innovation Act (TIFIA) loans, federal and state grants and local funds including Metro's contribution from the Proposition C County sales tax revenue funds for transportation projects. The bridge replacement project, which arrived at a final cost of $1.561 billion, was paid for with $1.042 billion in federal sources, $170 million in state sources and $349 million in local sources (Figure 28). Since the time the Harbor Commission allocated the initial funding to develop the bridge replacement plan in 2009, it took over 11 years to fully fund and deliver this nationally significant project.



Source: Port of Long Beach

Figure 27

Gerald Desmond Bridge Replacement Project Major Milestones

May 2009	Long Beach Board of Harbor Commissioners allocated $26.4 million to develop a plan for the bridge replacement project
February 2010	Port of Long Beach released the draft environmental impact report (EIR)
August 2010	Final EIR adopted by the Long Beach Board of Harbor Commissioners
July 2012	Design-build contract awarded
January 2013	Official groundbreaking ceremony
October 2014	Construction starts on the bridge project foundations
December 2017	Completion of the two 515-foot-high towers, the tallest structures on the bridge project
October 2, 2020	Grand opening
October 5, 2020	The bridge opened to traffic

Sources: Port of Long Beach, About the Bridge, Bridge History newgdbridge.com/about-the-bridge/bridge-history/ and FHWA Approved

Figure 28

Gerald Desmond Bridge Replacement Project Funding by Sources ($ in Thousands)

	Preliminary Engineering	Right-of-Way	Construction	Total
Federal				
Highway Bridge Replacement and Rehabilitation-Local (HBRR-L)	$10,000	$40,000	$161,800	$211,800
Project of National and Regional Significance (SAFETEA-LU PNRS)	$22,078	$64,715	$4,207	$91,000
Surface Transportation Program (STP)	$5,782			5,782
STP-Local Regional (STPL-R)			$11,315	11,315
SHOPP/Federal			$97,500	97,500
TCIF/Federal			$299,800	299,800
Transportation Infrastructure Finance & Innovation Act (TIFIA)	$1,834	$190,665	$132,501	$325,000
State				
Corridor Mobility Improvement Account (CMIA)			$153,600	153,600
State Cash			$16,207	16,207
Local				
Port Funds, Includes Capitalized Interest	$11,880	$14,640	$305,580	$332,100
Metro Contribution			$17,306	17,306
Total Programmed	**$51,574**	**$310,020**	**$1,199,816**	**$1,561,410**

Source: FHWA Approved Gerald Desmond Bridge 2019 Financial Plan Annual Update Port of Long Beach

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We must remedy negative impacts.

While LA County's role as a global trade gateway contributes significantly to the national and regional economy, goods movement activities that support this international trade directly impact local communities. Freight-related activities negatively impact the region's quality of life, generating air pollutants that threaten public health, as well as traffic, noise pavement deterioration and "visual pollution" or blight.

Economic Disparities

The economic benefits associated with goods movement jobs are not distributed equally across the communities of LA County, particularly not for those most affected by freight activity. The goods movement sector offers many jobs for both skilled and unskilled workers, which may or may not include benefits, such as health insurance, retirement packages or pensions. These jobs tend to be located near cargo distribution centers. However, since these employees live all over the area, the region's economy benefits from these jobs. Money spent by employees on housing, food and day-to-day living supports jobs for others and generates further revenues for local communities. As a result, some communities may bear the brunt of goods movement environmental impacts without fully experiencing the economic benefits of jobs associated with freight[74].

Air Quality Impacts

According to the National Ambient Air Quality Standards, LA County is classified as an extreme non-attainment area for pollutants, of which goods movement sources are significant contributors[75]. Residents of LA County are exposed to 60% more vehicle pollution than the state average, with the lowest-income households exposed to more than those with the highest incomes (Figure 29). Exposure to tailpipe emission leads to increased risk of premature death, lung cancer, heart and lung diseases and asthma. This public health crisis is particularly true for disadvantaged communities located next to highway and rail corridors where the impacts of poor air quality are disproportionately experienced.

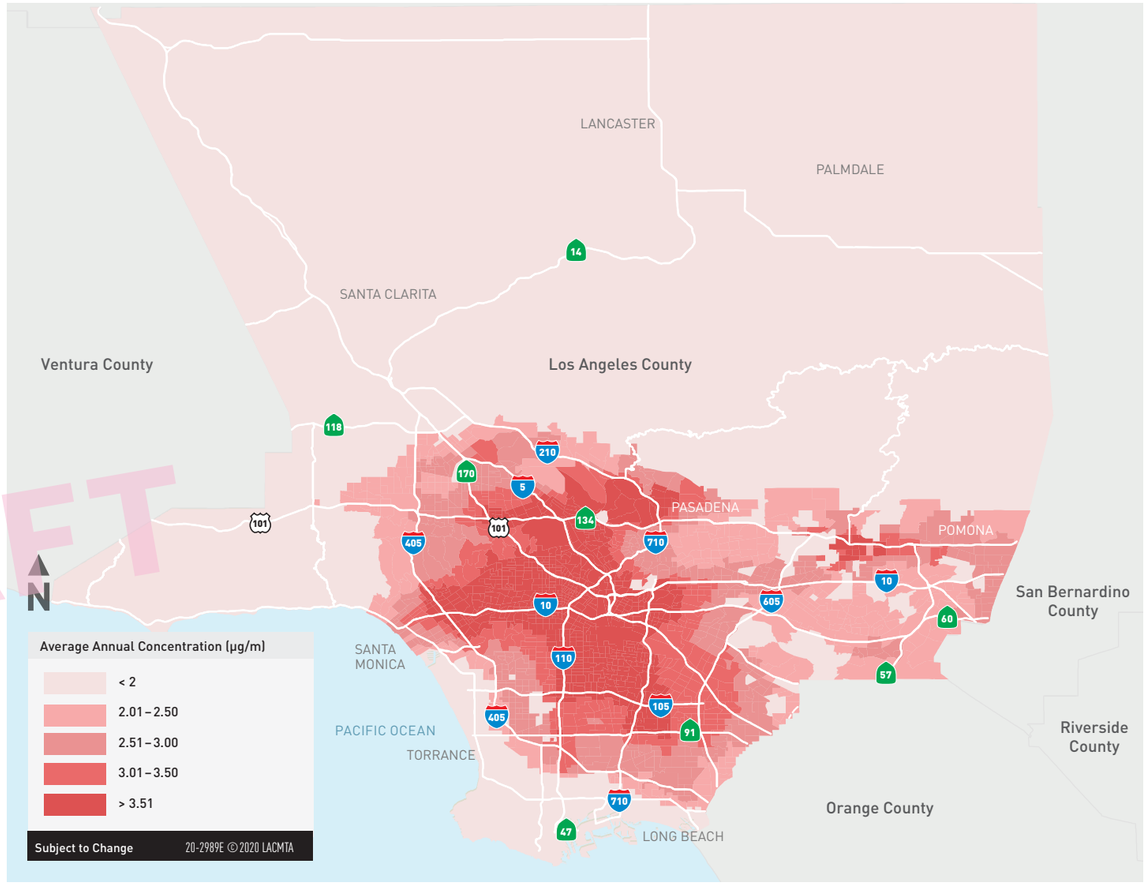


Source: Shtrunts/iStock/Getty Images Plus

LA County is also a majority-minority county, with nearly one-half of residents being Hispanic or Latino. Pollutant emissions have a pronounced impact on air quality, the health of residents living near freight routes and facilities, livability and the environment, often impacting underserved or minority communities located close to emission sources more so than others. Negative health and community impacts on families and neighborhoods include asthma, missed days of school, trips to the hospital, families dying of cancer and other illnesses related to air pollution, including greater risk of death caused by COVID-19. Additionally, the proximity to highways and rail corridors also bring with it exposure to daily noise and disruption caused by trucks and trains.

Figure 29

EXPOSURE TO AIR POLLUTION FROM ALL VEHICLES IN LA COUNTY



Source: ucsusa.org/resources/inequitable-exposure-air-pollution-vehicles-california-2019

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Traffic and Safety Impacts

The freight transportation network is a shared system with other users. Truck travel on local streets to access ports, warehouses and railyards affects pedestrians and bicyclists that share these same roads. Shared use, multimodal streets – particularly those with complete streets treatments – can create unintended consequences that pose challenges for trucks to operate safely in the urban environment. For example, trucks have difficulty navigating restricted turns, narrow lanes and curved or circular travel paths. A high risk for dangerous collisions occurs in areas where pedestrians and bicycles have a higher propensity to travel in truck drivers' blind spots. Often, lane reduction and installation of dedicated infrastructure for pedestrians, bicyclists and transit can result in reduced capacity, loss of redundancy or changes in directionality on shared or even designated freight routes, often with limited alternative routes available[76]. The magnitude of impacts on truck operations from complete streets treatments and resulting traffic and safety impacts in LA County is not yet well understood, but this area of inquiry merits future analysis and understanding.

Freight rail and highway crossings are another major safety concern stemming from goods movement activities. At-grade crossings pose risks for collisions with freight rail and other modes, typically resulting in fatalities and severe damages. In comparison to commuter trains, freight trains are usually longer and travel more slowly; consequently, a mile-long train rumbling through an at-grade crossing will close the highway crossing for longer times, resulting in longer time delays and increased emissions as drivers are idling as they wait for the train to clear. A long train blocking multiple parallel roadways in the same city for an extended period of time also poses a public safety problem as these closures impede emergency vehicle access. While LA County can count the Alameda Corridor project and Alameda Corridor-East program as major efforts to invest in safety improvements and grade separations at high priority rail/highway crossings, many more will require improvement in future years.

Noise Impacts

Noise coming from trucks, locomotives and loading/unloading activities can negatively affect local residents. The greatest noise impacts come from roads and rail lines, which often run through or adjacent to residential neighborhoods that predominately represent minority and low-income communities. Excess noise can be a health risk for nearby residents, possibly leading to hearing impairment. Most ports, railyards and cargo distribution centers are intentionally located in industrial areas, where their noise has less impact. Yet even the fringes of industrial areas can have impacts where they meet the edges of residential areas if the land uses are not compatible.

Aesthetic Impacts

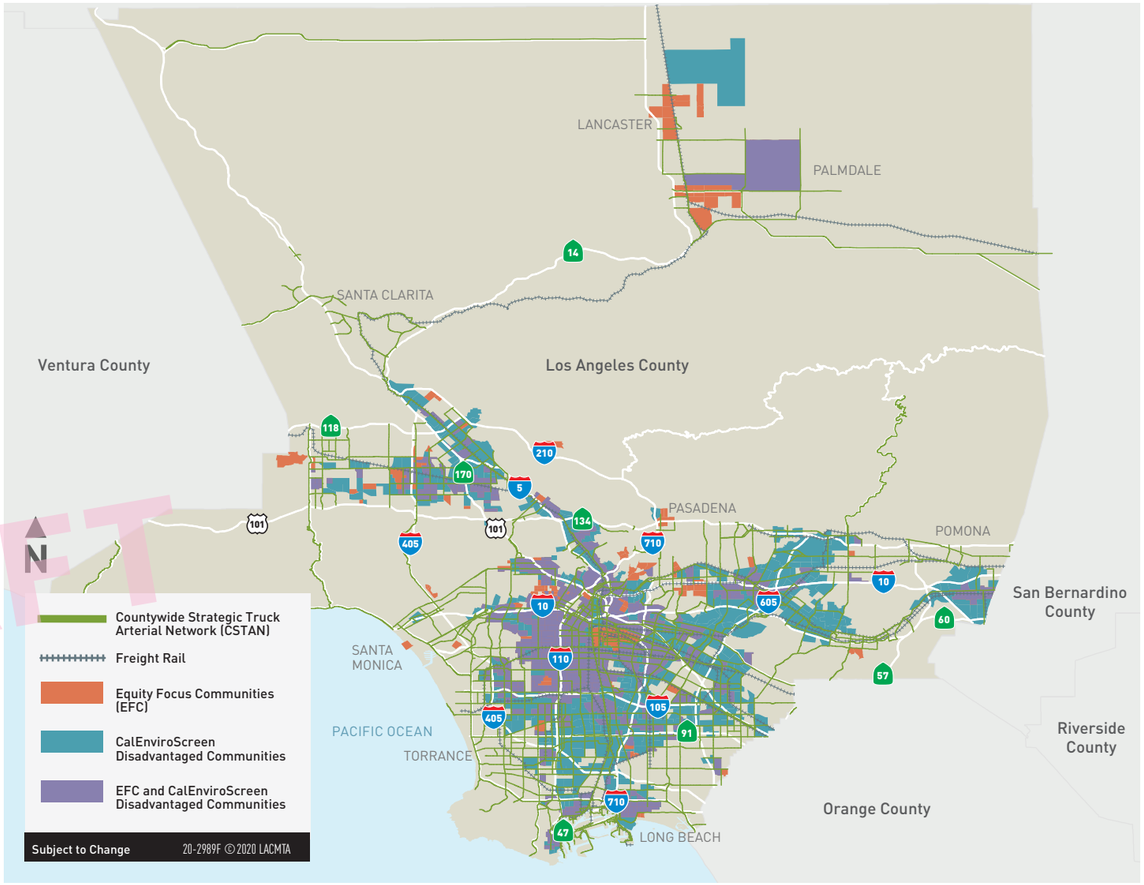
Depending upon the location, local conditions and facility design, goods movement facilities can have varying aesthetic impacts on communities. Some facilities may be the result of redevelopment and provide an improved use for the local community, replacing blight or other undesirable uses with attractive architecture, building design and landscaping. However, goods movement facilities can also cause aesthetic or visual impacts during and after construction, including degrading the appearance of an area, restricting views, illuminating neighborhoods with excess light and glare, or featuring building and landscape designs that are not well-suited to a surrounding community's design.

All of the aforementioned impacts above fall predominantly on low-income communities and communities of color; they generally can be traced to racial discrimination in housing, its impact on the design and growth patterns of Los Angeles and the inequitable distribution of improvement funds throughout the region.

Members of disadvantaged communities – through which many truck and rail corridors traverse – describe past local transportation investments and proposed mitigations as non-responsive to their needs. The many impacts of goods movement on these communities is an important issue to address and correct moving forward.

Figure 30

INEQUITABLE IMPACTS



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We acknowledge past wrongdoings.

Redlining

Nearly a century of residential racial segregation practiced and enforced by law and public policy impacted tremendously the site and alignment selections of many of the freeways on which goods are moved today. These public policies also resulted in the degradation of service qualities and limited access to financing mechanisms, open space and basic needs such as food, safety and transportation. Over time the impacts of such government policies and actions have created severe, enduring effects on equity, and the gap in disparities continues to widen[77]. Many of the negative impacts from goods movement activities that harm LA County's residents are tied to locations of communities and their proximity to freeways and goods movement facilities. Metro has established equity and inclusion as an agency-wide goal; for us to improve the future quality of life for all, we must understand the past and its impacts still felt today.

Racial discrimination in housing was legal until 1968 in the United States. Legally-sanctioned redlining policies created inequitable impacts on the patterns of development, financial investment, infrastructure and social dynamics in LA County communities.

The legacy and ongoing ripple effects of these discriminatory policies constitute an integral part of any discussion about transportation and the county's goods movement system. Redlined communities across the county struggled to receive federally-backed home loans due to such policies, which made home ownership a challenge. These policies also made loans for home improvement difficult for homeowners in these communities. "Neighborhoods fell into a circle of decline: the inability to access capital led to disrepair and the physical decline of a community's housing stock, which in turn reinforced the redline designation."[78]

Freeway Construction and Displacement

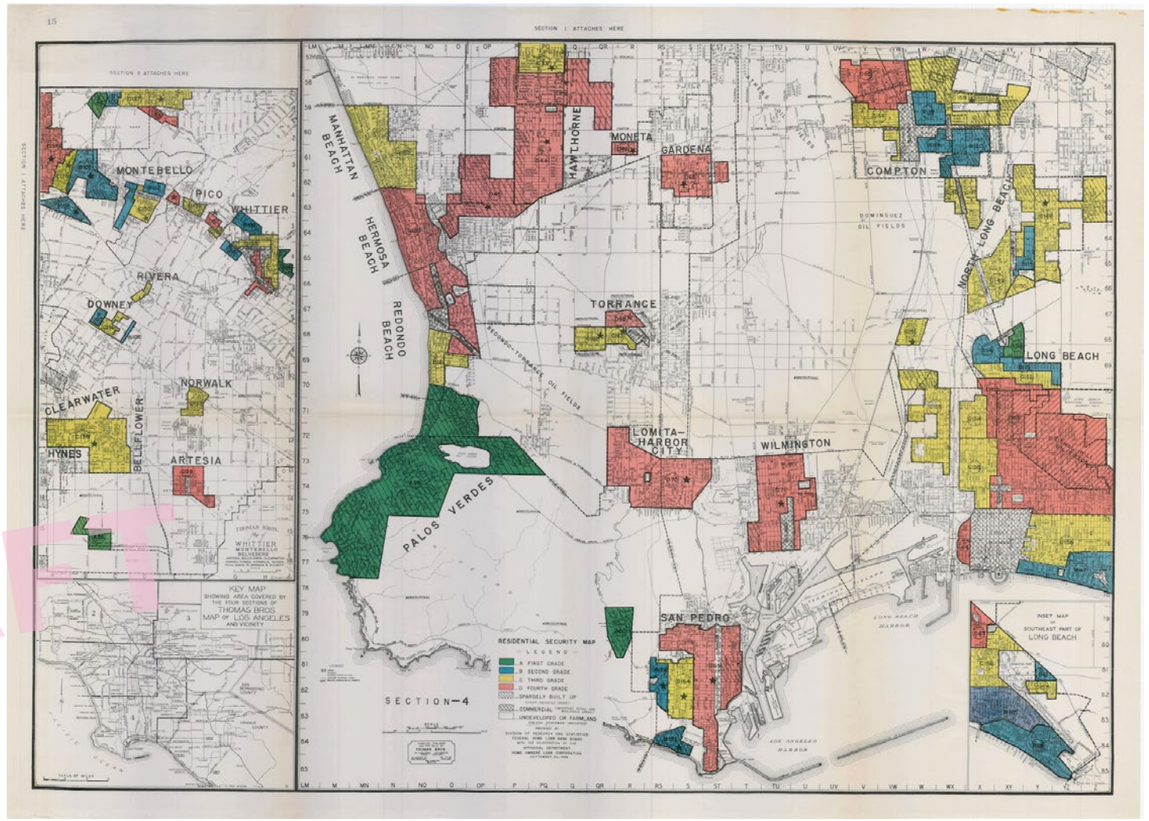
The federal Home Ownership Loan Corporation (HOLC), a government-sponsored corporation created as part of President Franklin D. Roosevelt's New Deal, created a rating system to assess mortgage risk for various communities, with an A rating reserved for communities representing the best investments and a D-rating identifying communities deemed "hazardous". These ratings then in turn led to neighborhoods assigned a D-rating to be designated as an area through which to construct new freeway projects, creating greater community impacts.



Source: John Humble. Construction of I-105 on-ramp in Lennox neighborhood of LA County.

Figure 31

HISTORICALLY REDLINED COMMUNITIES IN SOUTH LA



Source: kcet.org/shows/lost-la/segregation-in-the-city-of-angels-a-1939-map-of-housing-inequality-in-la

In Boyle Heights, for example, proposed freeway projects were approved leading to the neighborhoods on the Eastside being bisected and disrupted by six freeways, displacing 10,000 people and destroying the cohesive nature of the community.

The residual influence of redlining, officially brought to an end by the Fair Housing Act of 1968, could still be felt in LA County with the construction of the 105 Freeway between Norwalk and El Segundo. By the time the $2.2 billion freeway opened on October 15, 1993, approximately 25,500 people were displaced, and 8,000 structures were destroyed or removed along a wide swath that cut through predominantly minority communities adjacent to Imperial Highway.

Unlike previous freeway projects, the final 105 Freeway project received multiple mitigations as the result of a lawsuit and a preliminary injunction that halted freeway construction in 1972, leading to a federal consent decree that included "a housing program, jobs program, jobs training program, affirmative action program" and, eventually, the Metro C Line (Green)[79].

As Metro seeks to implement Measures R and M – and as we work with our partners to improve LA County's goods movement system – we must remain conscious of these historical inequities, engage in dialogue with impacted communities and work toward addressing these issues through our policies, programs and projects.

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What is COVID-19 teaching us about goods movement?

When LA County Supervisor Kathryn Barger (in concert with City of Los Angeles Mayor Eric Garcetti, City of Long Beach Mayor Robert Garcia and City of Pasadena Mayor Terry Tornek) announced the Safer-at-Home Public Health Order on March 19, 2020, in response to the rapidly growing COVID-19 pandemic, daily life changed dramatically for LA County's over 10 million residents.

As the nation's largest county grappled with an unprecedented "black swan" event that shut down the economy and imperiled the health of its residents, our goods movement system strained but did not break in the critical effort to connect people to fundamental needs such as food, medicine and supplies.

The vital importance of simultaneously moving goods and people attracted national attention during the COVID-19 pandemic, illustrated by the Trump Administration identifying transportation and logistics workers as essential critical infrastructure workers in guidance issued by the Cyber & Infrastructure Security Agency on March 19, 2020[80]. Once vaccines and new treatments are developed and mass produced, the logistics industry will play a crucial role in ensuring fast and efficient national distribution.

When the supply chain flows the movement of goods can seem "invisible" and easily be taken for granted. In contrast, COVID-19 demonstrated that a resilient, reliable and flexible supply chain can help society remain stable in the face of global disruption. As the pandemic continues to impact transportation planning and supply chain management, we anticipate policymakers will need to consider and adapt to new goods movement trends and challenges going forward.

Online Shopping – from Trend to Necessity

COVID-19 established as a necessity the growing trend for consumers to shop using e-commerce. Millions of LA County residents began or expanded their use of online shopping – a shift reflected nationally as U.S. consumers spent $347.26 billion via online shopping over the first six months of 2020, a 30.1% increase over the same period in 2019 ($266.84 billion), despite the pandemic not taking hold until mid-March of 2020[81].Similarly, nationwide grocery online shopping volume increased by 570% over the first few months of the pandemic[82].

Large and small businesses alike have struggled to stay open, with many closing permanently, contracting their number of stores, or filing for bankruptcy – as 21 major North American retailers did over the first five months of the pandemic[83]. With customer traffic at brick-and-mortar locations drying up, businesses – particularly restaurants – suddenly found themselves needing to adapt by accommodating or expanding online pickup and delivery options.

The opportunity to acquire goods through online shopping not only helped businesses stay afloat and prevent additional job losses, but also provided a safe and secure method to acquire groceries, meals, medical supplies and PPE for some of our most vulnerable residents unable to drive or risk public exposure to COVID-19.

Integration of Goods Movement Needs into First/Last Mile, Sidewalk and Curbside Planning

Experts predict that the current level of online shopping will likely remain even after vaccines become available and people begin to work in offices again – a "new normal" that will drive more home deliveries and curbside pickups, creating new public policy decisions for local jurisdictions. Many cities have adapted to COVID-19 by temporarily replacing parking spaces with loading zones and allowing outdoor sidewalk and on-street dining (such as Los Angeles City's "L.A. Al Fresco program[84]) to support commercial activity, create safer dining environments and meet the public's desire to acquire goods in a contactless manner. The continued surge in home deliveries – aided by companies like Amazon, UPS, Uber Eats and DoorDash – will lead to increasing truck traffic on residential streets as more purchases and goods will be delivered to the doorstep.

Too often city and regional planners have developed plans overseeing curbside mobility, sidewalk usage and first-last mile connectivity without adequate consideration for the needs of residents acquiring goods at home or at the curb. COVID-19 has illustrated quite clearly that transportation planning is strongest when it integrates and balances the movement of people and goods to support vital commercial activity, public health, personal mobility and quality of life needs.

Supply Chain Management Practices

COVID-19 exposed as vulnerabilities the efficiencies that allowed companies to reduce costs through just-in-time delivery and leaner inventories, leading to delivery delays and depleted store inventories that created shortages of food, medical supplies and PPE.

U.S. farmers especially had a challenging time getting their fresh produce to market, due to the design of the pre-pandemic distribution network to move 40% of food to restaurants and fast food establishments for consumption[85]. These shortages and supply chain breakdowns, coupled with abnormal consumer behaviors like panic buying and hoarding early on in the pandemic, created indelible images of half-empty stores being picked over as people snapped up essential items such as toilet paper, hand sanitizer, bottled water, beef and eggs. Additionally, person-to-person interactions within the supply chain led to outbreaks of COVID-19, such as those that shut down major meat suppliers like JBS and Tyson Foods Inc[86].

To protect better against disruptions to the global supply chain caused by future pandemics, businesses may need to consider storing more inventory and sourcing items more locally to protect against future shortages. The logistics industry may also move to reduce person-to-person contact within supply chain interactions and facilities, such as filling out forms when entering a port complex, through technology and automation.

We Must Keep Equity in Mind

As communities adapt to life during and after the pandemic, we must remain vigilant to recognize and mitigate unanticipated impacts to vulnerable communities caused by changes in the supply chain or new barriers to accessing goods. COVID-19 has exposed existing racial and economic inequities in goods movement-affected communities – home to many essential logistics workers – as demonstrated by higher mortality rates linked to health impacts caused by long-term exposure to freight emissions[87]. Metro, as a leader in reducing disparities and improving equity throughout LA County, must also develop policies and funding strategies to respond to existing and new goods movement equity problems created or exacerbated by COVID-19.



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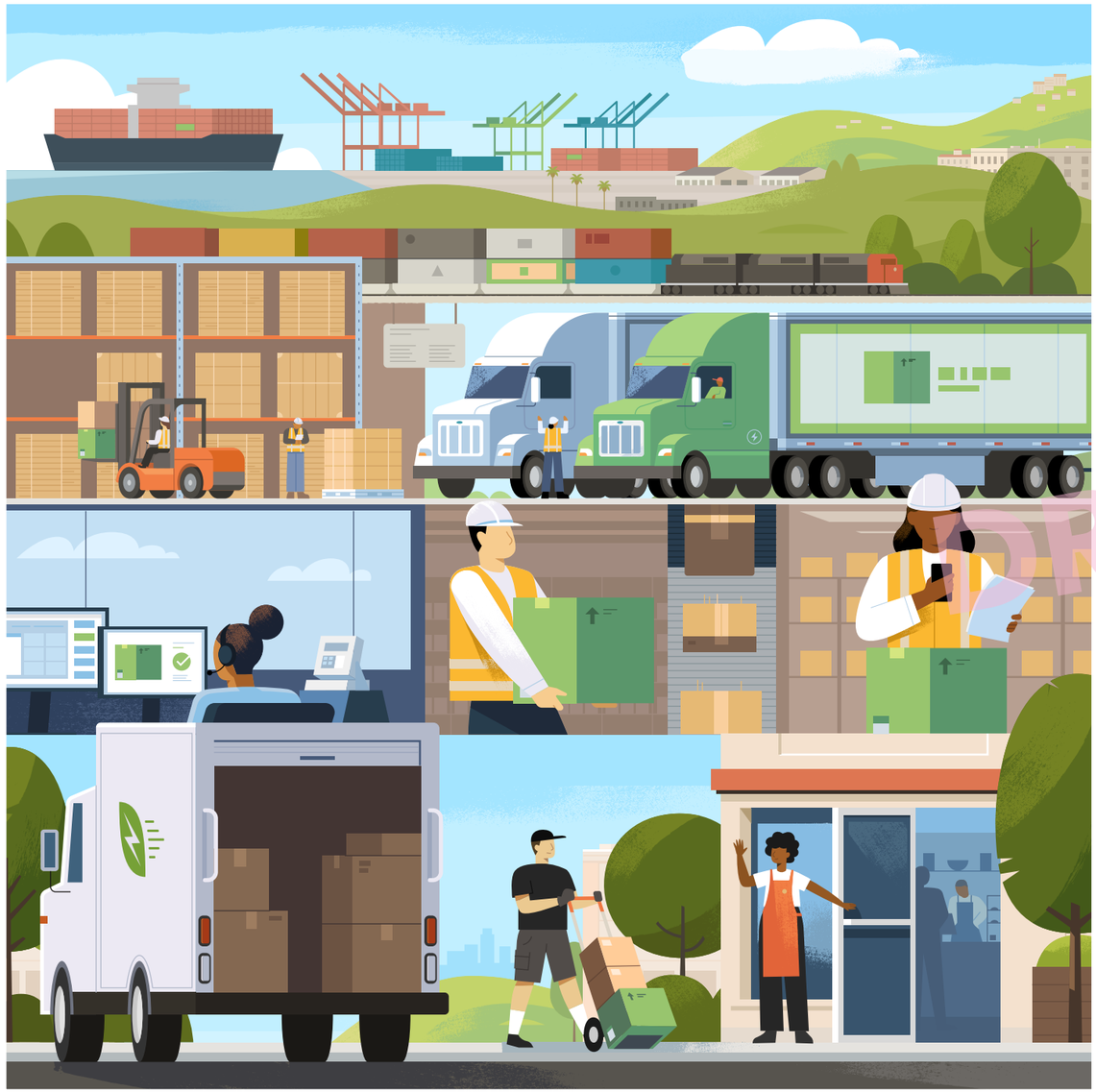
LA County's competitiveness is at risk.



All of these trends – a history of inequitable investments and impacts, increasing freight demand on a congested shared use highway and rail system, rapidly evolving industry and workforce needs and competing demands for limited funding sources – will, if left unabated, undermine the competitiveness of LA County as a place that offers a skilled and knowledgeable workforce, safe and healthy living and a strong multimodal transportation network that collectively position our county as the nation's gateway of choice.

The region's commitment to and success in enhancing our county's economic competitiveness in a sustainable and equitable fashion will empower Metro and its partners to achieve LA County's much-needed and long-awaited economic, mobility, environmental and public health goals.

To pursue comprehensive and holistic approaches to addressing these interconnected challenges, the goods movement stakeholders and Metro worked collaboratively to identify challenges and opportunities facing LA County that should inform the purpose of the plan. Metro convened a Freight Working Group – comprising representatives from public agencies, the private sector and community groups – to guide our planning process and ensure that a broad range of perspectives was reflected therein[88]. Metro neither controls, operates nor maintains many aspects of the regional goods movement system. Convening and seeking input from myriad leaders and stakeholders involved with or impacted by this vast "system of systems" helped to ensure the plan reflects and meets the needs of the various public and private agencies, community groups and entities that plan, operate, use, depend on, are affected by and live near our essential countywide goods movement system.

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What is economic competitiveness?

The World Economic Forum (WEF) defines economic competitiveness as "the set of institutions, policies and factors that determine the level of productivity of a country" and tracks 114 performance indicators to evaluate a nation's productivity. If LA County were a nation, its Gross Domestic Product of $867 million would rank 18th in the world[89/90].

Why is it important?

Sustained economic growth remains a critical pathway out of poverty, a core driver of human development and a crucial catalyst for improving living standards.

Can we achieve economic competitiveness, equity and sustainability concurrently?

Decades of focus on economic growth without equal focus on inclusion and environmental impacts have resulted in uneven, inequitable consequences that impact society at the local and global level. Growth and shared prosperity started to decouple in most of the world's advanced economies in the 1970s. Over the last 50 years, this trend has been accelerated by factors such as globalization, technology, increased market concentration, a decline in public and private productivity-enhancing investments, an inequality of opportunities that limit social mobility and hysteresis effects of economic downturns that disproportionately affect the poor. All of these factors have created forms of inequality that we experience today.

As further elucidated by the effects of COVID-19 exacerbating existing equity fault lines, achieving economic competitiveness, equity and sustainability simultaneously becomes less a question and more a necessity. These goals must be merged into a single sustainable and inclusive economic growth agenda. The WEF's 2019 Global Competitiveness Report explores the relationship between competitiveness, shared prosperity and environmental sustainability and demonstrates how no inherent trade-off exists among building competitiveness, creating more equitable societies, providing opportunity for all and transitioning to environmentally sustainable systems[91].

We're creating an economically competitive LA County by moving goods in a sustainable way.

Figure 32
Our Framework





Metro asked goods movement stakeholders to describe the most critical challenges facing LA County and identify priority areas to address the challenges. Through workshops, focus groups and one-on-one interviews, these stakeholders emphasized that LA County's economic competitiveness is at risk, and shaped values and priorities that should serve to improve our competitiveness. These values and priorities transformed into the elements of a Sustainable Freight Competitiveness Framework.

Guiding values:

- Equity
- Sustainability

Guiding priorities:

- A Strong Labor Force
- A Safe and Efficient Multimodal System
- Strong Markets and Reliable Supply Chains
- A Culture of Investment and Innovation

This framework (*Figure 32*) provides a structure through which to evaluate and make improvements to LA's freight competitiveness in a sustainable way that is consistent with the priorities and values of Metro and the regional stakeholders. These elements will serve as the framework for Metro's goods movement planning activities as we pursue integrated and holistic approaches to improve mobility, accessibility, safety and quality of life, while supporting economic sustainability, equity and prosperity.

We embed our guiding values into everything we do.

Equity and Sustainability

How can we achieve competitiveness that is founded on equity and sustainability?

This question – and challenge – is the foundation of the Sustainable Goods Movement Framework. It reflects Metro's commitment to correct inequity within the county, while balancing environmental, economic and social goals.
As core values, equity and sustainability must permeate the four priorities of the Sustainable Goods Movement framework and create observable impacts on their development. This plan recognizes that countywide prosperity needs to be based on equity and inclusion. To do so both equity and sustainability need to be considered as a starting point and foundation for any goods movement planning activities and resulting policies, strategies and project concept development. Each of the framework's priorities, described next, will consider and incorporate equity.

Equity Considerations:

> What are the measurable outcomes and benchmarks for equity, and how do we track progress?

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Priorities to advance LA County's competitiveness.



A Strong Labor Force

Do existing policies and programs position the local labor force to support the goods movement industry of tomorrow? What are the education and skill gaps and opportunities for partnership? Does the regional transportation system connect workers to goods movement jobs?

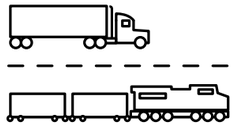
LA County must capitalize on new employment opportunities by investing in education and training. Local training institutions emphasized the gap in employer desired skills and our current workforce skillsets, particularly in heavy equipment handling, welding, automotive technology and certified automotive electricians. The types of employment opportunities in the logistics sector are changing rapidly, with an increasing number of technology intensive jobs that require special skills. The increasing jobs-housing imbalance across the county and a lack of quality accessibility to these jobs within an hour by public transit or reliable transportation are important equity determinants that hinder quality of life and LA County's competitiveness. Ensuring pathways for our workforce to harness opportunities is a key to LA County's quality of life and economic sustainability.

Equity Considerations:

> What are the mechanisms for inclusive employment particularly for those who have been underserved, and how do we establish them?

> How can Metro support educational and training institutions to offer wraparound services, including food, shelter and childcare to benefit students who are struggling?

> Does LA County provide reliable and convenient transportation means to help people get to jobs and training programs, particularly those that neither own personal vehicles nor can afford one?



A Safe and Efficient Multimodal System

How can we ensure the shared use multimodal system safely meets future demand as the population grows and responds to changes in the way people and goods move?

The ability of the county's multimodal freight transportation infrastructure to move goods safely, efficiently and effectively has significant implications for LA County's freight competitiveness and Metro's ability to meet the mobility needs of LA County residents and businesses. The majority of the freight transportation system in the county is shared infrastructure that also accommodates passenger mobility needs. Some areas of the county's goods movement transportation system are already operating at capacity or are expected to reach capacity in the foreseeable future. An efficient multimodal system is a prerequisite for minimizing negative impacts to mobility of both freight and passengers, while ensuring sound economic activities that are supported by transportation services.

Equity Considerations:

> What is the role of technology in improving system productivity and safety to benefit us all?

> What are the quantifiable goods movement impacts in communities of color and low income that have not received much attention?

> What are the remedies and benefits that most impacted communities should be prioritized for, and what performance metrics can be used to track the progress?

> What can Metro do to facilitate inclusive economic growth through a multimodal system investment lens?

> How can we work with communities and avoid unnecessary displacement and impacts when upgrading regionally-significant infrastructure facilities?



Strong Markets and Reliable Supply Chains

Do we have a strong, articulated and coherent economic strategy to develop a vital mix of businesses and policies to foster a vibrant and inclusive economy? Are we aware of and protecting against external threats that can disrupt our markets and supply chain?

For LA County to thrive it must have a strong economic strategy that supports the needs of our businesses, industries and residents. A reliable, responsive and socially responsible goods movement system is a foundation that supports such a strategy. This priority reflects the relationship of LA County's existing diverse markets, large workforce size and well-developed logistics system to global supply chains, and contemplates the best ways for the county to pursue competitiveness as part of a sustainable and inclusive growth agenda. Our investment decisions must support a strong economic strategy that is committed to providing all residents access to and the benefits generated by a prosperous, equitable economy.

Equity Considerations:

> What can Metro do to facilitate inclusive economic growth by supporting local businesses and workforce investment?

> What are the measurable outcomes that we can use to assess effectiveness of our investments in building strong, diverse markets and supply chains that support progress towards equitable and inclusive economic growth?

> How can Metro partner with local communities and businesses to concentrate economic opportunities and sustainable practices in areas most affected by the movement of goods?



A Culture of Investment and Innovation

Is the mix of regional leadership, policy environment and available capital sufficient to support investments in infrastructure and technology? How do we balance our unique regulatory and policy environment with the need for private sector investment?

To develop fully the ecosystem of complementary industries that stimulate transportation infrastructure investment and innovation, LA County must desire to invest in both catalytic infrastructure and intellectual capital. LA County is already a well-established incubator for emerging transportation technologies. The county can also take advantage of four voter-approved sales tax measures to invest in its multimodal transportation system and serve as local match to attract state and federal discretionary funding. This culture of investment and innovation must be further nurtured to facilitate a full suite of investment, infrastructure improvements and technology advancement to reap further benefits.

Equity Considerations:

> What are the mechanisms to ensure the benefit of such innovation and investments are also felt across the county, and by everyone, equitably?

> What is the role of Metro in investing in capacity building of organizations who advocate for inclusive economic growth?

> How can Metro anticipate and mitigate potential unintended impacts on equity as a result of new, disruptive technologies and innovations in the goods movement sector?

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How will we get to better?

Metro has developed the LA County Goods Movement Strategic Plan to facilitate an equitable, sustainable, robust and economically competitive goods movement system throughout the county. This plan provides a framework to guide Metro's goods movement-related activities, investments, partnerships, policies and decision-making over the next five to seven years.

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Source: PeopleImages/E+/Getty Images

Here's our roadmap.

Goods Movement Vision

Metro's Goods Movement Vision was developed in consultation with various goods movement stakeholders that actively engaged in the development of the plan. It sets a direction for Metro as a leader and partner in shaping a more competitive and equitable LA County by serving as:

> A **national leader** and **regional partner** in implementing a modern, responsive, coordinated and effective freight transportation system through policies, programs and projects that support a competitive global economy; and

> A steward of **equitable and sustainable investments** and **technological innovation** that will increase regional economic competitiveness, advance environmental goals and provide access to opportunity for county residents.

Metro will implement this vision by undertaking a series of activities that will allow the region to preserve and enhance LA County's competitiveness in an equitable and sustainable manner. This package of recommendations, summarized in Figure 33 and detailed in the next section, presents an opportunity for Metro to take a leadership role in addressing goods movement issues in the county, working with local, regional, state and national partners as appropriate. Each of the following focus areas will be supported by specific implementation steps.

Freight movements have impacts across boundaries – jurisdictional boundaries between individual cities in LA County and beyond our county borders; interest boundaries among the public, private and community sector; and institutional boundaries, both among and within agencies, including myriad divisions within Metro. Implementing this plan will require Metro to work across these boundaries, both within and outside the agency, to help the region to make progress on its mobility, economic, environmental and equity goals.

Building Equity as a Foundation

In August 2020 the Metro Board adopted an agency-wide definition for equity to guide Metro's work in this space and create project-specific equitable outcomes. This plan recognizes that disparities and challenges exist in our current goods movement system throughout LA County, and they will persist if we do not intentionally work to eliminate them.

Figure 33

Strategic Goods Movement Early Action Initiatives

INITIATIVES	DESCRIPTION	LEAD	PARTNER
1. Equity for Goods Movement	Initiate a recurrent goods movement-focused task force comprising equity-focused stakeholders as a forum to give and receive input to guide Metro's planning efforts on goods movement related issues.	●	
2. LA Metro Countywide Clean Truck Initiative	Develop a Countywide Clean Truck Initiative to accelerate the deployment of near-zero and zero emission trucks in the region to address air quality and public health concerns, particularly for our most vulnerable communities along major freight highway corridors.	●	●
3. Southern California Rail Investment Partnership	Craft a public-private framework for a collaborative freight rail investment partnership focused on improving the region's shared use freight rail corridors.	●	●
4. Urban Freight Delivery	Mainstream urban delivery and curbside demand issues across other planning efforts within Metro and LA County jurisdictions to achieve coordinated solutions to address these challenges.	●	●
5. Logistics Workforce and Competency	Ensure that LA County has a strong labor pool to support its economy and fill the jobs of tomorrow through research and initiatives to identify and address workforce skillset gaps and investment need.		●

Metro's Equity Platform is a policy framework which was adopted by the Board in February 2018. It defines steps for Metro to maximize its transportation authority as a lever to evaluate and address disparities in accessing opportunities that lead to upward social and economic mobility. Equity Focus Communities (EFCs) – defined by the Board in 2019 through the assessment of non-white populations, car ownership rates and annual income – are those communities most heavily impacted by gaps in equity throughout the county.

To establish a more comprehensive framework that considers goods movement impacts, the EFC definition was enhanced to incorporate air and water pollution impacts, the presence of hazardous wastes and the rates of asthma and heart disease using CalEnviroScreen data (Figure 30). This expanded definition will be used throughout this strategic plan to ensure our activities are consistent with Board guidance while reflecting the real impacts of goods movement on our most vulnerable communities. Through ongoing dialogue with equity stakeholders, we will further refine and ground truth this definition with input from the Equity Freight Working Group.

*CalEnviroScreen identifies California communities by census tract that are disproportionately burdened by, and vulnerable to, multiple sources of pollution.

Metro's Definition of Equity

Equity is both an outcome and a process to address racial, socioeconomic and gender disparities, to ensure fair and just access – with respect to where you begin and your capacity to improve from that starting point – to opportunities, including jobs, housing, education, mobility options and healthier communities. It is achieved when one's outcomes in life are not predetermined, in a statistical or experiential sense, on their racial, economic or social identities. It requires community informed and needs-based provision, implementation and impact of services, programs and policies that reduce and ultimately prevent disparities.



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Initiative 1: Equity for Goods Movement

Over the past few years, Metro has acknowledged and embraced the need to understand equity issues and incorporate recommendations into its various planning processes. Metro initiated the LA County Goods Movement Strategic Plan in the wake of this heightened commitment and sought from the onset to understand better the relationship between goods movement and equity and how best to acknowledge past impacts, mitigate existing issues and identify future opportunities to improve the lives of county residents most affected by the movement of goods through the region. The plan and the Sustainable Freight Competitiveness framework that emerged through dialogue with the mosaic of goods movement stakeholders in LA County reflect our collective commitment to establish equity as the fundamental driver for shaping policies, initiatives and projects that are intended to result in inclusive economic competitiveness.

In recent years Metro has formed the Policy Advisory Committee (PAC), worked with various stakeholders to assist in the creation of the Board-approved Equity Platform and put forth its definition of what equity means to the agency. These actions demonstrate how Metro is investing considerable effort and resources to understand equity concerns and risk factors to address impacts to vulnerable communities in its major planning initiatives and programs[92]. Metro should also broaden and institutionally formalize its communication channels to seek regular input from community-based organizations (CBOs) and equity-focused non-profit groups to better understand LA County's diverse ecosystem and existing health disparities. Metro will work to center our most impacted communities in the process of planning, identifying benefits and benchmarks and developing and implementing solutions to our equity challenges so that transportation and economic investments in the LA County goods movement system will result in outcomes that elevate the well-being and environmental conditions of our most impacted communities.

More than just a symbolic gesture of support for equity issues, Metro's designation of equity as the core value of the LA County Goods Movement Strategic Plan's Sustainable Freight Competitiveness Framework reflects the consensus support of our stakeholders and will serve as an ever-present reminder that implementation of strategies developed through the framework must be achieved in a way that lifts up those communities most marginalized and impacted by the movement of goods through the nation's most vital seaports and trade corridors. Metro must see through the lens of equity and sustainability as we develop programs, projects and policies that create safer and more efficient multimodal freight systems, maintain a resilient supply chain, generate a strong labor force and foster a culture of investment and innovation all in support of maintaining LA County's economic competitiveness in the national and global economy.

Actively and frequently engaging affected communities in the development, refinement and implementation of the plan's programs and strategies will be crucial for Metro to achieve its goal of creating a relevant, effective and forward-thinking LA County Goods Movement Strategic Plan that serves the needs of the entire county, today and for generations to come.

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Source: Rick Loomis/Los Angeles Times/Getty Images

Strategy 1.1

Engage in meaningful, ongoing dialogue with equity-focused stakeholders and experts to develop a deeper understanding of equity issues, risk factors and disparities so that equity considerations are mainstreamed in Metro's Goods Movement planning efforts.

ACTION	LEAD	PARTNER
1.1a Establish a formal, recurring Goods Movement Equity Initiative Working Group comprising representatives from community-based organizations (CBOs), non-profits, universities, health agencies and foundations to elevate understanding of equity issues within Metro's planning practice.	●	●
1.1b Develop communication channels with residents and local businesses to fully understand how they are impacted. Establish on-going coordination mechanisms with other equity-focused committees and activities within Metro and with other regional efforts to ensure effective, consistent and collaborative planning, development and deployment of goods movement equity goals throughout Metro and within LA County.	●	●
1.1c Include representation from the Goods Movement Equity Initiative Working Group at the Policy Advisory Council.	●	

Strategy 1.2

Develop a list of equity risk factors that are most affected by goods movement activities and create performance measures to track progress and link Metro's equity promises and accountability.

ACTION	LEAD	PARTNER
1.2a Apply Metro's Equity Platform to work with CBOs, public health, environmental and academic partners to identify equity risk factors and disparities that are most affected or exacerbated by goods movement activities in LA County to serve as focus areas for Metro's goods movement planning initiatives.	●	
1.2b Develop performance measures in consultation with affected communities, advocacy groups and subject matter experts to be used to track progress on disparities associated with goods movement impacts.	●	●
1.2c Create a linkage between Metro's budget and funding priorities and equity risk factors to ensure that Metro investments support closing the equity gaps.	●	
1.2d Collaborate with other Metro departments to develop a mechanism to provide just compensation for CBOs to meaningfully engage in Metro's planning processes and seek to make it part of Metro's agency-wide policy.	●	

Strategy 1.3

Develop an information clearinghouse on goods movement equity strategies and programs in partnership with other departments within Metro in support of an agency-wide Equity Program.

ACTION	LEAD	PARTNER
1.3a Work with Metro's Office of Equity and Race and other departments to develop a collaborative system to disseminate information on Metro's initiatives on equity through updates provided to the public and within Metro.	●	
1.3b Collect, maintain and distribute information on LA County goods movement equity programs (e.g., scope, eligibility, available funding) to impacted parties.	●	
1.3c Develop and distribute a white paper on goods movement equity issues for use by Metro and its partners to advance understanding of these issues.	●	

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Initiative 2: LA Metro Countywide Clean Truck Initiative

Metro should lead a Countywide Clean Truck Initiative to reduce toxic emissions from the movement of goods transported by diesel-powered trucks throughout LA County. To accomplish this goal, the initiative must secure funding, develop and advocate for supportive policies and programs and foster partnerships to accelerate the delivery and use of clean medium- and heavy-duty trucks. Investing in cleaner truck technologies and supporting infrastructure, particularly around high volume trade corridors in LA County, can help improve air quality and public health in equity-focused communities and the region as a whole. The initiative is consistent with Governor Newsom's Executive Order N-19-19, which calls for aligning transportation investments with the state's emissions goals through a wide deployment of clean vehicles, and Executive Order N-76-20, which sets as a state goal that 100% of medium- and heavy-duty vehicles in California be zero-emission by the year 2045 for all operations where feasible, and by 2035 for drayage trucks[93/94].

A successful Countywide Clean Truck Initiative will feature several hallmarks. First, the initiative will be built upon Metro's partnership with local communities and regional, state and federal agencies; private entities, such as the trucking industry; original equipment manufacturers for vehicles and charging infrastructure; and energy suppliers. Second, the initiative will attract federal and state investment into LA County, lower the total cost of ownership of zero-emission trucks and facilitate the development of a market environment that further stimulates the acceleration and market penetration of clean vehicle technology. Third, the implementation of the initiative will help advance a variety of individual clean truck programs – starting with the programmatic element of the I-710 Environmental Impact Report/Environmental Impact Statement (EIR/EIS), which would unlock additional transportation enhancements along critical trade corridors and accelerate the delivery of public and private benefits. Finally, the initiative will help cement Metro's position as a leader in developing and implementing innovative solutions that address community, sustainability, public health, transportation and goods movement challenges.

This Countywide Clean Truck Initiative will complement, enhance and leverage existing efforts already underway in LA County. These efforts include the Ports of Los Angeles and Long Beach Clean Air Action Program (and associated Clean Truck Program), LA Cleantech Incubator programs, Mobile Source Air Pollution Reduction Review Committee investments, the AQMD Community Air Protection Program (AB617), and other emerging efforts. Metro should also find opportunities to link the work of this initiative with existing efforts to transition transit fleets to zero-emission technologies in the region, including Metrolink's fleet modernization strategy and Metro's Board-adopted goal to electrify its bus fleet and divisions by 2030.

Metro's countywide leadership role in transportation and sustainability provides an opportunity to convene stakeholders across the region, develop collaboration in support of the initiative and complement and enhance existing programs – all while incorporating the input and needs of affected communities, the market readiness of clean fuels and technology and the operating requirements and financial constraints of the trucking industry. Through the initiative, Metro will strive to eliminate some of the greatest health and air quality impacts – particularly for equity-focused communities – caused by the transportation and goods movement industry in LA County.

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Source: Port of Los Angeles

Strategy 2.1

Establish a formal, recurring Countywide Clean Truck Initiative Working Group consisting of representatives from community groups, local/state/federal agencies, the trucking industry, air quality regulators, the ports, utilities, Caltrans, researchers and manufacturers.

ACTION	LEAD	PARTNER
2.1a Ensure affected communities are actively engaged in the design, development and implementation of the program throughout its lifespan.	●	
2.1b Working with Metro's Office of Equity and Race, identify equity issues related to the development and implementation of the initiative, focusing on avoiding unnecessary financial, operational and quality of life burdens on equity-focused communities.	●	
2.1c Develop subcommittees to focus on equity implications, coordination with existing regional efforts, technology and funding/financing.	●	
2.1d Ensure that planning, development and deployment of vehicle technologies and supporting infrastructure take place in a concerted and simultaneous manner.	●	●
2.1e Work with regional partners to ensure that LA County will have a sufficient labor pool with appropriate skillsets to meet the increasing demand for new technology-based vehicle and infrastructure maintenance and operations.	●	●
2.1f Identify and prioritize specific clean truck programs to be developed through the initiative.	●	●
2.1g Propose governance and delivery mechanisms to oversee and implement the initiative's various programs.	●	

Strategy 2.2

Develop an information clearinghouse in partnership with other agencies for Countywide Clean Truck Initiative programs.

ACTION	LEAD	PARTNER
2.2a Develop a collaborative structure for maintaining an information clearinghouse with local, regional, state and national partner agencies.		●
2.2b Collect, maintain and distribute information on local, regional, state and national truck programs (e.g., scope, eligibility, available funding) to impacted parties.	●	
2.2c Develop a white paper in partnership with key stakeholders focusing on the characteristics, challenges and opportunities facing the trucking industry in LA County.	●	

Strategy 2.3

Establish revenue streams to fund the Countywide Clean Truck Initiative.

ACTION	LEAD	PARTNER
2.3a Secure Metro-controlled funding as seed funding.	●	
2.3b Identify opportunities to leverage seed funding.	●	
2.3c Develop or advocate for augmented or new revenue streams to support ongoing implementation of clean truck technology countywide.	●	●

Strategy 2.4

Develop scope, funding eligibility, funding methods, evaluation processes, performance metrics and performance monitoring mechanisms for programs developed through the Countywide Clean Truck Initiative.

ACTION	LEAD	PARTNER
2.4a Coordinate with other established programs.	●	
2.4b Define eligibility requirements and evaluation process.	●	
2.4c Finalize funding levels, financing options and funding strategies.	●	
2.4d Identify delivery mechanisms and governance needs.	●	
2.4e Develop performance metrics to measure success.	●	
2.4f Develop a performance monitoring system.	●	
2.4g Identify opportunities to work with and leverage existing regional efforts to develop and implement zero-emission transit fleets and infrastructure, including co-locating zero-emission charging and fueling infrastructure to serve public and private sector operations.	●	●

Strategy 2.5

Develop and implement the 710 Clean Truck Program on the I-710 corridor.

ACTION	LEAD	PARTNER
2.5a Create and initiate the 710 Clean Truck Program Steering Committee.	●	
2.5b Develop program parameters and evaluation process.	●	●
2.5c Receive and incorporate feedback and input from community groups into the design of the program.	●	
2.5d Coordinate the implementation and evaluation of the program with Metro's Highway Program, the Gateway Cities COG, local, regional, state and national stakeholders from both the public and private sector, including utility and supporting infrastructure providers.	●	
2.5e Identify lessons learned and recommend modifications to the Countywide Clean Truck Initiative and other clean truck programs developed by or coordinated with Metro.	●	

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Initiative 3: Southern California Rail Investment Partnership

LA County's historical role as the nation's pre-eminent freight gateway heavily relied upon the continual development of its expansive freight rail system connecting the SPB Ports to intermodal yards, manufacturing centers, farms, businesses and markets throughout the region and country. To continue competing in an ever-changing global economy and supply chain landscape, LA County's past investment in its freight rail system must serve as prologue if we are to handle effectively the oft-dueling demands of an anticipated increase in national container cargo set to flow through the SPB Port Complex and for a more environmentally-responsible and equity-conscious movement of goods through our local communities.

Improving the region's freight rail network – primarily owned and operated by Class I freight railroad companies Union Pacific Railroad (UPRR) and BNSF Railway – will help secure LA County's future competitiveness as a gateway for global trade by supporting vital container movements to and from the ports at the requisite volumes and speeds to keep up with demand for goods generated or consumed in every congressional district in the United States[95]. Targeted investment in safety, capacity and efficiencies will help the SPB Port Complex stave off competition from rival North American ports that siphon vital economic and employment benefits generated by the handling of discretionary cargo.

Expanding the throughput and upgrading the safety of the region's freight rail system will also create opportunities to augment passenger rail service that improves mobility and air quality throughout Southern California by shifting long-distance commuter trips from car to train. The Southern California Regional Rail Authority (Metrolink) and Amtrak operate commuter and intercity rail service (respectively) in LA County, often on shared use freight rail corridors owned by UPRR and BNSF. In particular, Metrolink's goal to increase service, per its Southern California Optimized Rail Expansion (SCORE) program, must meet the challenge posed by constrained rail capacity with strategic investment in and partnership with the freight railroads to secure additional tracks, grade separations and supporting technology. Additional freight rail capacity will also support a regional goal to move more cargo by train versus truck – where possible – to reduce highway congestion and improve regional mobility.

Metro keenly understands that adding more freight rail capacity – and thereby more passenger and freight locomotive activity – must also come with a commitment to mitigate and eliminate externalities (e.g., localized diesel particulate matter and rail/highway at-grade crossing conflicts) to ensure that increasing rail traffic – through natural or incentivized demand – will not inflict additional public health and equity impacts on residents adjacent to freight rail rights-of-way.

The enormity and complexity of goods movement in LA County – and in Southern California – creates challenges to the development of a strategic optimization of the regional freight rail system. While freight, intercity and commuter rail services operate on shared tracks throughout much of the region, no formal institutional arrangement currently coordinates investment priorities across these public and private entities that serve different stakeholders. Despite the new federal funding opportunities provided by the 2015 FAST Act, including $4.5 billion authorized in discretionary INFRA (formerly FASTLANE) grants, LA County received only one award ($47 million) in the five-year program, despite our importance to the United States as a national economic engine and international trade gateway. LA County would be well-served to develop a coordinated effort to influence federal policy, expand funding opportunities and advocate for its fair share of discretionary grant awards.

Existing conditions on the existing regional rail system, operational performance and limited capacity will require dramatic improvement to meet our county's aggressive air quality, sustainability, public health and mobility goals. As the regional transportation planning agency, leading provider of public transportation and major funder for transportation infrastructure that facilitates goods movement in LA County, Metro should serve as the catalyst to transform the regional freight railroad network. To accomplish this goal Metro should convene major freight rail stakeholders to develop a formal rail partnership program that will identify project priorities and create a strategic investment plan to modernize the existing regional rail system while keeping equity and public health as important goals to achieve together. Such an effort could be modeled after and built upon successful programs in Chicago (Chicago Region Environmental and Transportation Efficiency [CREATE] Program), the mid-Atlantic states (Mid-Atlantic Rail Operations [MAROps] Task Force) and here in LA County with the Alameda Corridor Transportation Authority (ACTA) and Alameda Corridor-East Construction Authority (ACE).



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Strategy 3.1

Develop a freight rail investment partnership for LA County.

ACTION	LEAD	PARTNER
3.1a Identify and convene major freight rail stakeholders in LA County to develop an investment strategy to advance the investment needs of LA County's freight rail system.	●	
3.1b Develop principles for organizing the partnership and guiding collaboration among stakeholders.		●
3.1c Identify a collective work plan to identify investment priorities collectively, clear public policy objectives and deliver key milestones for the partnership.		●
3.1d Update the LA County Goods Movement Strategic Plan when necessary with the realization of key milestones and adoption of additional scope of work.	●	

Strategy 3.2

Assess and implement opportunities to realize equity and sustainability goals.

ACTION	LEAD	PARTNER
3.2a Work with necessary stakeholders to determine areas where the partnership should work together to develop and implement programs and projects that support regional and local equity and sustainability goals, while supporting LA County's economic competitiveness.		●
3.2b Incorporate community-focused benefits, such as vocational training, workforce development and employment opportunities.	●	●

Strategy 3.3

Develop an LA County Freight Rail Investment Legislative Platform.

ACTION	LEAD	PARTNER
3.3a Working with partnership stakeholders, develop a legislative platform that articulates a consistent message for investment in LA County freight rail infrastructure.	●	●
3.3b Identify existing funding sources, seek opportunities for new funding sources and develop a strategy to secure the investment necessary to realize partnership priorities.		●
3.3c Seek opportunities to influence federal legislation and secure funding for partnership priorities.	●	●

Strategy 3.4

Support regional mobility goals through the improvement of shared use transportation infrastructure.

ACTION	LEAD	PARTNER
3.4a Develop a compelling narrative to support and communicate the benefits to freight and passenger rail through investment in the LA County freight rail system.	●	●
3.4b Evaluate multimodal projects and programs that could provide benefit to the LA County freight rail system.	●	●
3.4c Humanize transportation infrastructure through public outreach and discussion on the myriad benefits of investment in the LA County freight rail system for local residents.	●	●
3.4d Assess rail multiple unit technology usage on the Metrolink system (i.e., the Antelope Valley Line ZEMU pilot and Redlands Passenger Rail Project) to determine the feasibility for using this technology to provide transit connectivity on freight rail corridors.	●	●
3.4e Integrate freight and commuter rail planning elements and priorities into ongoing and future multimodal highway corridor planning studies and implementation strategies.	●	●

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Initiative 4: Urban Freight Delivery

The volume in urban freight delivery is rapidly growing due to a burgeoning population in the urban core and demand for faster deliveries, considerably generating congestion on local streets. Increasing demand for the same curb space from other uses, including bike share and other shared mobility services, residential street parking, transit services and pedestrian access, adds to the competition for the limited space. Given the multitude of activities that demand the use of limited real estate along the curb, figuring out optimal use cases and demand management strategies that will ensure safe and efficient urban delivery – while enhancing accessibility and providing high-quality mobility service through a world-class transportation system – is a daunting task.

The relationship between how urban delivery demand is generated and how it is fulfilled, along with associated operational requirements and deficiencies, needs to be understood and analyzed before public agencies establish related policies and strategies. In vibrant urban environments many activities require frequent deliveries, including retail stores, restaurants, grocery stores, hospitality industry, offices, medical clinics and residential buildings. Many cities across the country have embraced the concept of complete streets and road diets to enhance pedestrian and bicyclist experience and safety in pursuit of creating vibrant communities. Lack of consideration for freight vehicles in such concepts have, however, created unintended consequences such as conflicts and dangerous conditions for both freight vehicle operators and other roadway users[96]. These instances highlight the pressing need to approach urban mobility, accessibility and safety in a comprehensive manner that truly includes all users, including urban delivery service providers.

Metro's Vision 2028 calls for a travel speed improvement on the countywide bus network by 30% as one of Metro's mobility and accessibility goals. Metro buses operate in a complex urban environment with other users including delivery trucks. Achieving this goal will require Metro to collaborate and coordinate in a robust manner with divisions across the entire agency, including Operations, Program Management, the Office of Extraordinary Innovation, Countywide Planning & Development and others.

Local streets and curb space are primarily managed and maintained by local jurisdictions, many of which rely on multiple departments to oversee all aspects of this work. Within the City of Los Angeles, for example, the entities that exert responsibility for curb space regulation and usage include the LA Department of Transportation (LADOT); the Department of Public Works which includes the Bureaus of Engineering, Sanitation, Street Lighting and Street Services; and the Department of Water and Power. Involvement of various city departments over curb space is a common practice among the 88 cities and over 100 unincorporated communities in LA County. Understanding local jurisdictions' needs, processes, regulations and their mobility and accessibility goals is a crucial factor in developing policies and strategies aimed to facilitate efficient and effective practice for curb space uses throughout the county.

Within this complex environment Metro recognizes an opportunity to play an influential role in curbside demand management across LA County, both within Metro and in collaboration with its jurisdictional partners, delivery companies and local businesses. Metro's countywide reach through its extensive service and multimodal approach to transportation investments well positions the agency to lead initiatives through partnerships with local agencies and stakeholders to develop efficient curbside use practices. Through its existing governance and institutional structures, Metro should vet how best to utilize its strength as a regional convener and policymaker to coordinate curbside demand management approaches with its regional partners and users. For example, Metro's Freight Working Group comprises members that represent industry stakeholders engaged in urban delivery. This group provides a foundation for Metro to fully understand common challenges experienced by service providers, identify best practices and explore collaborative solutions to curbside conflicts. In 2019 Metro led a major effort to bring a countywide awareness of curbside demand management concerns by partnering with the Federal Highway Administration to convene the LA Metro Curbside Demand Management Symposium, drawing participation from several Metro departments and cities across the county. With all five county supervisors and representatives for all of LA County's 88 cities on its Board, Metro wields unique political power to benefit local, regional, state and federal partners by creating a platform to develop best practices and policy recommendations, secure grant funding and conduct pilot programs to test concepts and generate data.

Metro should build upon the success of the Freight Working Group, synthesize lessons learned from the FHWA-sponsored symposium and use existing governing and institutional structures to develop policies and strategies to help Metro meet the Vision 2028 goals through the lens of efficient and effective urban delivery and curbside demand management.

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Strategy 4.1

Understand the scope and magnitude of issues surrounding urban delivery issues across the county.

ACTION	LEAD	PARTNER
4.1a Initiate research efforts to understand the types of issues that are experienced by urban delivery service providers and receivers through data collection and analysis; also, identify directly impacted stakeholders.	●	
4.1b Identify hotspots and root causes.	●	
4.1c Coordinate with local jurisdictions, Metro's Office of Equity and Race, other Metro departments and community groups to identify and develop strategies to overcome equity challenges related to curbside mobility and first/last mile goods movement issues.	●	●
4.1d Develop potential solutions to be tested through pilot projects.	●	
4.1e Work with industry and local stakeholders to develop a review of near-term and long-term impacts to and best practices for curbside mobility as a result of COVID-19.	●	●

Strategy 4.2

Continue the curbside mobility forum as a recurring event.

ACTION	LEAD	PARTNER
4.2a Serve as a platform to exchange information on challenges and issues, the current state of practices and best practices on curbside demand management operations, plans and policies by various organizations and users.	●	
4.2b Maintain a robust membership featuring local jurisdictions, Metro departments and local curb space users.	●	
4.2c Develop a countywide curbside mobility partnership strategy.	●	
4.2d Develop best practice guidance for LA County's curbside demand management, including equity considerations.	●	●

Strategy 4.3

Develop Metro's Curbside Mobility Policy platform.

ACTION	LEAD	PARTNER
4.3a Document and understand operational issues and challenges faced by Metro Bus Divisions with respect to existing conditions at curbside approaches.	●	
4.3b Document and understand operational issues and challenges faced by Metro's mobility groups that manage mobility programs, such as bike share, on-demand services and first/last mile connectivity.	●	
4.3c Engage with Metro's groups involved with Complete Streets Policy, Active Transportation Policy, Transit Corridor Planning, First/Last Mile and Sustainability Plan to explore ways to incorporate urban delivery considerations to minimize unintended consequences of minimizing or excluding freight needs.	●	●
4.3d Develop an equity-focused element in partnership with the Office of Equity and Race and key stakeholders to be included in this platform.	●	
4.3e Create linkages between this platform and other technology-focused efforts, such as the Countywide Clean Truck Initiative and regional transit operations, to assess opportunities to reduce emissions associated with curbside mobility operations.	●	

Strategy 4.4

Create a countywide data portal for curbside demand management.

ACTION	LEAD	PARTNER
4.4a Serve as a clearinghouse for curbside asset inventory.	●	
4.4b Serve as a clearinghouse for regulations and ordinances that govern curb space use case at the local, regional and state level.	●	

Strategy 4.5

Pursue pilot projects to test findings from all the aforementioned efforts.

ACTION	LEAD	PARTNER
4.5a Develop pilot project concepts and select candidate locations based on the work from Strategy 4.1.	●	●
4.5b Seek partnership within Metro and with external partners for funding and implementation.	●	●

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Initiative 5: Investment in Logistics Workforce and Competency

The continued success of LA County as a global freight gateway not only depends on the quality of the multimodal freight infrastructure and the connections among its industries, gateways and supply chain service providers, but also on the quality, quantity and mobility of the regional workforce. The labor pool required to support the goods movement sector is diverse and evolving in order to fulfill many roles required within myriad supply chain activities. Moreover, changes in technology and supply chain strategies to respond to ever-changing delivery expectations are increasing the complexity and sophistication of logistics operations, thereby creating new demands on and expectations of worker skills and knowledge.

Consequently, cultivating and supporting this workforce requires careful coordination across many partners, from workforce development entities and academic institutions that identify and train workers to the employers that hire them. Training the goods movement workforce with the right skills to meet evolving industry needs is critical to maintaining the Los Angeles area's competitiveness as the nation's gateway of choice and sustaining the region's economic vitality. Further, investing in the nurturing of the local workforce through targeted hiring and pathway provisions for members of LA County's underserved communities is an effective tool to correct disparities witnessed in race, income and educational attainment.

As a transportation planner and coordinator, designer, builder and operator for LA County, Metro takes the importance of investing in workforce development to heart. Metro has institutionalized training programs, developed career pathways and instituted targeted hiring policies in the public transit field. Specifically, Metro established the Workforce Initiative Now-Los Angeles (WIN-LA) program; the Expose, Educate & Employ (E3) initiative and associated Metro Transportation School; and the Project Labor Agreement and Construction Careers Policy (PLA/CCP) to provide exposure, educational programming and career pathways in construction, operations/maintenance, administration and professional services both within Metro and throughout the transit industry. Many of the skills developed as part of Metro's programs – particularly related to project management, data visualization, forecasting and compliance – also apply broadly across industry sectors, including goods movement and logistics. Consequently, Metro's workforce development efforts in the transportation sector and other agencies in the logistics sector are ripe to be paired together to create overlapping and mutually reinforcing efforts, in support of regional equity and economic growth.

The industry's recognition of the impact of mobility and accessibility on employment and one's economic and upward social mobility continues to grow. In LA County only 3.3% of goods movement jobs are accessible within a one-hour transit trip. Students in trade schools have identified the lack of a reliable means of transportation as a major barrier to access apprenticeship and internship locations to obtain work experience and complete training programs. Metro and its regional transit partners should consider linking their transit services to goods movement-related industrial locations. Doing so will help close equity gaps created by a lack of transportation opportunity.

A well-trained and competent labor pool is a foundation for a region that embraces innovation and strives to be competitive. While the provision of goods movement-specific workforce development training may not seem to be Metro's core purpose, its relevance becomes clear once one considers that Metro serves important roles as an employer, workforce development partner, a regional mobility provider and a policymaking body. Through dialogue with key stakeholders, several opportunities were highlighted where Metro could serve as a regional leader and partner in advancing workforce competency goals.

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Source: Performance Team

Strategy 5.1

Partner with academic and research institutions to pursue applied research to understand gaps in skills and competencies of the region's logistics workforce that are sought after by employers.

ACTION	LEAD	PARTNER
5.1a Inventory existing regional workforce development and training programs managed by regional stakeholders, like METRANS, the SPB Ports, Long Beach City College, Los Angeles Unified School Districts and other community colleges to identify institutional resources in this effort.	●	●
5.1b Work with the partners mentioned in 5.1a to further Metro's understanding on workforce skill and competency gaps in detail (e.g., at job classification levels).	●	●
5.1c Fully understand transferable skills between the transit and logistics industries and their benefits to articulate Metro's workforce investment priorities.	●	

Strategy 5.2

Expand Metro's partnership with trade schools, community colleges and major employers to offer opportunities to experiment and validate existing workforce development programs.

ACTION	LEAD	PARTNER
5.2a Assess whether existing workforce development programs meet the worker and employer needs, and draw suggestions for Metro's workforce development programs.	●	

Strategy 5.3

Expand Metro's local and targeted hiring policies to benefit historically disadvantaged community members.

ACTION	LEAD	PARTNER
5.3a Evaluate existing Metro policies on local and targeted hiring to gauge enhancement areas to ensure that Metro's hiring policies are designed to close equity gaps. These considerations may include CalEnviron disadvantaged communities' designation, access to reliable transportation, criminal history, income, race and education attainment.	●	
5.3b Consult communities, labor and business groups to discuss and develop details of this strategy and implementation steps.	●	●

Strategy 5.4

Expand Metro's current training programs with the foresight to train the workforce of the future to ensure it will be equipped to respond to changing technologies in the transportation and transit industry.

ACTION	LEAD	PARTNER
5.4a Define skills and competencies needed to operate and maintain clean technology trucks in conjunction with the Countywide Clean Truck Initiative.	●	
5.4b Institutionalize training and apprenticeship programs to build a consistent pipeline to fulfill regional workforce needs.	●	●
5.4c Join Metro's Workforce Development Working Group led by the Human Capital & Development Department to ensure gaps in skills and competencies in logistics industries are integrated as opportunity areas for Metro's workforce development initiatives.	●	
5.4d Assess potential near-term and long-term impacts to the goods movement workforce caused by disruptive technology, innovation and COVID-19 impacts, working in partnership with key stakeholders to develop a countywide perspective.	●	●

Strategy 5.5

Advocate for regional, state and federal funding programs for building and enhancing workforce development and competency to ensure that workers in LA County will be able to capitalize on employment opportunities.

ACTION	LEAD	PARTNER
5.5a Understand existing policies surrounding workforce development investment to set a foundation for creating funding-focused policies.	●	●
5.5b Establish a regional partnership around funding for workforce investment to develop local and regional revenue streams to provide LA County's match contribution for any regional/state/federal grants opportunities.		●
5.5c Establish a regional funding advocacy campaign in coordination with key partners to call for increased/targeted funding for goods movement workforce development programs.		●
5.5d Define workforce skills and competency needs to support the LA Metro Countywide Clean Truck Initiative to maintain supporting infrastructure.	●	

Strategy 5.6

Improve the countywide transit service network offered by Metro and regional partners to meet the needs of the goods movement workforce and enhance its ability to access desirable jobs and training sites.

ACTION	LEAD	PARTNER
5.6a Understand disparities in access to jobs and trainings for workers and students who use transit services or lack reliable transportation means through a gap analysis of Metro's transit service to identify opportunities to better serve future populations of workers.	●	
5.6b Develop recommendations to improve access to jobs and trainings throughout the day. For example, assess Metro's ability to provide "third-shift" service and other nontraditional commute services for the goods movement workforce.	●	●
5.6c Partner with regional municipal operators to address these mobility issues in areas that are wholly or partially served by other transit agencies.		●

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Implementing the Plan: Internal Next Steps for Metro

Metro serves as the regional transportation planning agency and the major operator of public transportation for LA County. Over the years as community and regional needs have evolved – and as the public prioritized a wide range of transportation priorities through the approval of two half-cent sales taxes over the past 13 years – Metro has expanded its focus beyond constructing transit projects and operating bus and rail service to the larger collective goal of providing mobility across all modes and improving the quality of life for all communities.

Metro CEO Phil Washington created the Office of Goods Movement Planning within the Countywide Planning & Development (CPD) Department in 2015 to centralize planning functions within the agency related to goods movement and to meet the planning challenges facing and seize funding opportunities available for LA County freight programs and projects. The auspicious timing of this action prepared Metro to respond to the federal government's adoption of the Fixing America's Surface Transportation (FAST) Act of 2015, which created the nation's first freight-focused discretionary grant program (the Nationally Significant Freight and Highway Projects [NSFHP] program) and initiated a call for state freight plans to be created as a requirement to receive formula funding through the National Freight Highway Program.

In the wake of this new legislation more freight-related opportunities emerged at the regional and state level to advance goods movement planning activities and project. LA County voters overwhelmingly approved Measure M in 2016, which provided funding for major goods movement infrastructure needs, such as the Alameda Corridor-East (ACE) program and the State Route 57/60 Confluence project. California then approved Senate Bill 1, the Road Repair and Accountability Act of 2017, which reconstituted and provided $300 million per year for a goods movement discretionary grant program now called the Trade Corridor Enhancement Program (TCEP).

Metro's renewed focus on goods movement has had an instant impact, helping the agency in 2018 secure a $47 million NSFHP grant for truck and High-occupancy Vehicle lanes on Interstate 5 in the Santa Clarita Valley and $473.6 million in TCEP Cycle 1 funding for projects across LA County – $354 million for Metro projects, $78 million for ACE projects[97] and $41.6 million for SPB Ports projects. Most recently in 2020 Metro received an additional $335.9 million in funding from TCEP Cycle 2 for critical infrastructure improvements for the SR-57/60 Confluence ($217.9 million) and the SR-91 Goods Movement Corridor ($118.0 million)[98].

Securing funding for infrastructure projects is only part of Metro's vision for goods movement in LA County. Metro is focused on engaging its myriad partners across the region to build a stronger, cohesive and powerful voice to communicate LA County's many goods movement needs to our state and federal partners. Metro also will work with its partners across the community, public and private sectors to advance our collective vision to achieve our broader, concurrent goals of economic competitiveness, environmental sustainability and social equity.

For Metro to be an effective partner to implement the LA County Goods Movement Strategic Plan and realize its ambitious goals for the region, we must also continue to work diligently within the agency to harness the expertise and talent of our colleagues and mainstream goods movement planning within Metro. Doing so will not only support the work of this plan but also help the agency achieve its Vision 2028 goal of moving people and goods efficiently and safely throughout the region.

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Next Steps within Metro

Metro began the development of the LA County Goods Movement Strategic Plan by meeting with representatives from across CPD planning divisions and other Metro departments to determine (1) the goods movement impacts and opportunities that affected their work and (2) how the plan could help them meet their respective goals. What became clear during these discussions is that – given the shared use nature of our multimodal transportation system – goods movement issues do affect many aspects of Metro's day-to-day work, including the safe operation of buses; development of complete streets and active transportation plans and programs; implementation of workforce development, sustainability and equity goals and construction of Measure R and M transit and highway projects.

Metro staff remained engaged throughout the development of the plan by participating in the Freight Working Group meetings, providing input and helping craft the plan's vision, goals and early action initiatives. With the plan now complete, it is time to re-engage our colleagues and continue the work to mainstream goods movement planning needs within the agency in support of a more holistic and seamless regional transportation system that moves people and goods efficiently and safely.

Recommendations

1. Re-engage departments and staff that provided input into the plan to identify opportunities to mainstream goods movement planning needs within the agency.

2. Work within the CPD framework to integrate, update or expand goods movement-related planning goals and needs within existing and future planning documents.

3. Convene a quarterly meeting and provide online opportunities for Metro staff to remain aware of current trends and relevant issues related to goods movement.

4. Support efforts to explore, develop and implement new goods movement-related technologies, including the zero-emission pilot project for the Antelope Valley Line and the Metrolink Fleet Management Plan update.

5. Support multimodal corridor planning efforts and develop a cohesive CPD planning effort that integrates goods movement, highway, regional rail, congestion reduction and transit corridor planning efforts holistically.

6. Work within CPD to develop a formal and regularly recurring curbside mobility working group that will bring together and support transit corridor, active transportation, goods movement, complete streets and other related planning efforts that deal with curbside management.

7. Work with relevant departments to identify and prepare goods movement-related projects that will be competitive for future discretionary grant opportunities to ensure that Metro will have sufficient projects eligible and ready to compete for funding from constrained state and federal competitive funding programs.

8. Explore the feasibility of deploying freight-compatible transit vehicles on existing freight rail corridors to enhance regional transit connectivity for disadvantaged communities adjacent to active rail corridors.

9. Work within CPD and with the Office of the CEO to advance the goals of Vision 2028, the Long Range Transportation Plan and the Office of Equity and Race through future goods movement-related planning activities.

Let's get moving.

LA County has served as "America's Global Freight Gateway" for many decades, linking consumers, markets, farms and manufacturers across the country to suppliers, customers and economic opportunities around the globe. More importantly, county residents and businesses have benefited from the employment, economic opportunities and quality of life offered by a vibrant goods movement system serving the nation's most populous county and all of Southern California.

As international trade grows and the needs of our businesses and homes shift, the goods movement system and workforce must adapt and evolve to remain agile and ready to meet new demands brought on by disruptive trends, such as e-commerce and just-in-time shipping. Meanwhile, LA County continues to grow in population and need more goods, placing a greater emphasis on the efficient use of our existing highway, rail and curbside infrastructure to allow the increased movement of goods to flow unimpeded by and make room for other demands on the same facilities.

LA County will face many challenges – external and internal – to keep its standing as the nation's dominant trade gateway. Focused and coordinated competition from other freight gateways in Canada and on the East and Gulf Coasts has undercut LA County's economic position and eroded the SPB Port Complex's national market share for the movement of imports and exports. Increasing traffic congestion on constrained shared use highway and rail corridors reduces the speed – and increases the cost – to move goods within and through the region. Recent labor disputes at the ports have led to shippers moving discretionary cargo through other ports to reduce risks to the supply chain and bringing products to market. LA County's size – at times a boon – also creates additional layers of institutional conflicts and coordination problems as 88 cities and over 100 unincorporated communities offer differing priorities, visions and policies through which goods movement operates.

Most importantly, LA County must overcome a long history of equity impacts to many communities adjacent to freight corridors by reducing displacement, implementing mitigations, creating employment opportunities and improving public health for those residents most burdened by the movement of trucks and trains through the region. Additionally, the county faces stringent mandates to reduce truck and locomotive emissions and improve regional mobility to attain federal standards for air quality conformity.

Meanwhile, international trade wars, tariffs and COVID-19 remind us that not every peril can be expected or planned for at the regional level – but creating a resilient freight system will help protect LA County from major – and unforeseen – external disruptions to its supply chain, economy and workforce.

Moving LA County forward – together – toward a future marked by greater equity, economic opportunity and public health for all will require a concerted effort across the spectrum of stakeholders involved with, dependent upon and impacted by the movement of goods through the region.

Metro has convened these stakeholders – public agencies and private businesses, community groups and elected officials, universities and non-profits, manufacturers and technology experts, truck drivers and warehouse workers, to name a few – to identify a common vision and purpose for the LA County Goods Movement Strategic Plan. Our partners have spent many months helping us develop the plan's Sustainable Freight Competitiveness Framework, which is grounded in the principle of equity. In the many workshops and conversations we held in-person across the county, virtually and by telephone, our stakeholders have identified five priority strategies to be implemented as early action initiatives to advance our collective equity, economic and environmental goals in support of a shared LA County vision for goods movement in the 21st Century.

Through these partnerships Metro seeks to engage communities more directly to understand and address equity issues, to create strategies to improve the highway and rail infrastructure across the county, to deploy cleaner truck and train technology as soon as possible to improve air quality and public health, to help provide the necessary training and education to generate the local logistics workforce of tomorrow and to support our communities' management of local freight conflicts at the curb and on city streets. By creating a more resilient and efficient goods movement system, LA County will support regional, state and national economic growth even in the face of trade tariffs, COVID-19 and the disruptions of tomorrow. Implementing the priorities of our plan will require a unified regional voice as we work with our state and federal partners to develop pilot programs, supporting legislation and funding opportunities to advance the economic, environmental and equity goals of LA County and its goods movement stakeholders. Together, we can achieve this future. Let's get moving.

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Source: Port of Long Beach

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DRAFT

Michael Cano, *Deputy Executive Officer*
Goods Movement Planning, Metro

canom@metro.net

metro.net/goodsmovement

DRAFT

Los Angeles County
Metropolitan Transportation Authority

Metro®

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Attachment B – GMSP Public Comments and Support Letters

Organizations

Organization	Comment #	Specific to the Plan or Early Action Initiatives	Comments Received
California Transportation Commission (CTC)	1	The Plan	Fix the misalignment in Figure 3 on page 11.
	2	The Plan	What are some of the financial and environmental challenges of building "near dock" facilities?
	3	The Plan	How feasible/helpful would it be to offer free transit to logistics workers to help solve the job access/housing issue?
	4	Southern California Rail Investment Initiative	Are there additional strategies that are part of Initiative 3 the Southern CA Rail Investment Partnership that are still being developed?
Pacific Merchant Shipping Association (PMSA)	5	The Plan	When the document discusses mitigating the impacts from port-related freight, it should acknowledge that the ports lead the world and have in place policies that exceed California's own goals for having reduced and continuing to reduce freight-related impacts.
	6	The Plan	Competitiveness and mitigation are discussed separately. At some point, the two issues should be brought together. Cost-effectiveness is the key metric to ensure you are reducing impacts and retaining competitiveness.
	7	The Plan	Total costs must be considered in the context of competitiveness, including mitigation. As a result, it is important that measures that reduce cost are considered within the plan. For example, having multiple disparate and potentially contradictory impact mitigation strategies in the County/State will substantially increase costs and not necessarily meaningful emissions.
	8	The Plan	It should be stated that proposed mitigation plans must consider what emission or impact reduction they provide (in both amount and duration) in excess of existing and proposed rules. Otherwise, the same emission reductions could be "purchased" twice.
	9	LA Metro Countywide Clean Truck Initiative	**Strategy 2.4a:** should be revised to state: Coordinate and ensure consistency with other established programs.
	10	LA Metro Countywide Clean Truck Initiative	**Add Strategy 2.4g:** Develop program requirements that maximize emission reductions, minimize costs, and ensure emission reductions are real, surplus, quantifiable, and permanent.
	11	LA Metro Countywide Clean Truck Initiative	**Strategy 2.4h**: The program should include coordination with surrounding regional planning agencies to ensure that bottlenecks improved here do not become bottlenecks in Riverside, San Bernardino, or Orange Counties.
	121	The Plan	I wanted to note that I loved all the anecdotes about local businesses that rely on the ports. In that vein, I wanted to draw your attention to Figure 7 in the attached POLB Economic Impact Report. The figure shows the beneficiaries of exporters through the Port of Long Beach. Unsurprisingly, the areas that most light up in the figure are all in California. It's another example of how our local businesses are dependent on a healthy goods movement system to remain competitive that you may want to consider referencing.

Coalition for America's Gateways and Trade Corridors (CAGTC)	13	The Plan	**Summary of Our Challenges:** that caught my eye: "Goods movement has previously been treated in ways that are either in alignment/misalignment with other Metro goals and priorities." I may have missed it, but I couldn't find a detailed explanatory paragraph or section explicitly addressing that. Is it implying Metro's first priority has historically been passenger mobility, which can at times be in misalignment with freight mobility?
Coalition for America's Gateways and Trade Corridors (CAGTC)	14	The Plan	Also, Figure 16 looks incorrect to me. I don't think any of requests are in the trillions and I am having a difficult time reconciling the numbers. Its also a bit confusing because the title of the figure is "California Project Funding Gaps" but I assume that the INFRA and BUILD charts are looking at overall funding gaps and not just the California applications?
Caltrans District 7	15	The Plan	I suggest that the agency look for global solutions more critically. For many years, France has had a system where large (18 wheelers, tankers, and extremely large) trucks have restrictions on times and days where they are not allowed to share the road with passenger cars and trucks. Since COVID, traffic has declined, but with so much road work on our freeways, sharing the roads is still a challenge to many. The discontinuation of Driver Ed programs in the high schools has not helped. Truck rest areas MUST be established strategically for safety reasons, especially for long distance drivers. Auto-pilot systems in trucks and trains need strong oversight. Without these kinds of considerations, I fear the increase in negative impacts to our environment and the humans who interact with commercial transport will not be beneficial to either.
	16	The Plan	Existing wording suggests labor disputes are on-going or at least pervasive. Consider presenting labor aspect in a larger context.
	17	The Plan	Suggest adding a year for each of the stats presented. Will a source be identified for each of these stats (either as a footnote or as part of narrative elsewhere in this document)?
	18	The Plan	**Figure 3:** As a general comment, some of the information under Plans and Funding Programs does not seem to be placed on the row associated with the most applicable agency. Some plans, such as the California Sustainable Freight Action Plan, are multi-agency effort. As a suggestion, footnotes could be added for each of the column headings, explaining the context of the information provided under the respective headings and the information could be organized accordingly. It is suggested that this table not be constrained to a single information item under the Plans and Funding Programs headings.
	19	The Plan	Do all these employees live in LA County, or is the $44 million in labor income to employees who worked--just in LA County, but did not necessarily reside in LA County?
	20	The Plan	At the outset it is stated that $166 billion in taxable sales transactions occurred. It is subsequently stated that the retail and food service sectors contribute to sales tax revenue tremendously, generating $11.6 billion in sales taxes. There is no comparative information to illustrate how substantial a percentage the $11.6 billion is.
	21	The Plan	**Linking Farmer and Consumer:** If possible, it would be helpful to the larger narrative, if the data reference could be 2018 as it would help to further contextualize the macro data identified in Figure 7.

	22	The Plan	**Supplying an Island Getaway:** As the Catalina Island particulars identified in this regard are quite unique, it is suggested that if feasible and possible, another geographical/community example be added, with different population demographics.
	23	The Plan	**Responding to a Global Pandemic:** Because the economic impacts attributable to the COVID 19 pandemic have been so dynamic it is recommended that any/all data included in that regard be as contextually specific as possible. For example, if the decrease referenced above is specific to the month of February that should be clearly indicated, as the ports have been doing much better the last couple of months.
	24	The Plan	In the specific context of this sentence it is not clear how, "…greater equity for LA County." ties in.
	25	The Plan	Recommend including some brief data about what WIN-LA has accomplished. Separately, as a suggestion--if this paragraph is not already organized this way, that the information be provided in some particular order—either chronologically or based on the number of people the respective programs serve.
	26	The Plan	Is the reference to trucks in the second sentence, all classes of trucks or just HD trucks? Recommend including this clarification as medium and light duty trucks are not necessarily diesel powered.
	27	The Plan	The document understood to be referenced in footnote 29, SCAG's 2012 Comprehensive Regional Goods Movement Plan and Implementation Strategy, "On The Move-Southern California Delivers The Goods," states on page 31: "Truck congestion in urban areas within the SCAG region resulted in approximately $2.6 billion in costs due to wasted labor hours and fuel in 2010." As the earlier part of this paragraph references information in the context of 2018, it is recommended that if this information from SCAG's 2012 document is going to be included that the entire sentence be utilized.
	28	The Plan	Recommend revising this sentence. Trade tariffs have been impacting the ports for approximately two years, but COVID only goes back the last 6 months and as noted above, the impacts of COVID have notably lessened (in terms of port volume activity the last couple of months). Also, the ports have been losing market share to other ports for many years.
	29	The Plan	Link below provides access to monthly data updates, including air cargo. Most of the 2020 to 2019 year over year comparisons, by individual months, were decreases in 2020 until the month of May this year. In comparing year to date (January to February, January to March, etc.) between 2020 and 2019, 2020 is less than 2019 in every monthly report, though July's is close to even. Is there a separate source that indicates that air cargo volumes have increased at LAX specifically due to COVID (was that increase possibly specific to transport of medical supplies)?
	30	The Plan	As this plan is specific to LA County it is suggested that this sentence be revised to state, "...key trade corridors and arterials located in Los Angeles County that already...."

	31	The Plan	**Summary of Our Challenges, first item:** Depending on what was intended to be highlighted with this first challenge, it is possible that the third challenge fully captures it, and the content of the third language is more direct. Aligning with Metro's goals and policies would be thought to be a benefit rather than a challenge. Suggest revising "All of these challenges..." to "All of the above challenges, separately and combined, undermine...."
	32	The Plan	**Freeways:** It is suggested that the following, all excerpted from SCAG's 2020RTP/SCS Goods Movement Technical Report (page 47), be incorporated into the discussion provided under Freeways Subject heading: With continued growth in freight demand, regional truck-related activities will increase over Connect SoCal's horizon. SCAG's Heavy-Duty Truck (HDT) model is the primary analysis tool used to evaluate the impacts of truck traffic and highway goods movement strategies on the regional transportation network.
	33	The Plan	**Ports, last sentence:** Although the assertion in the last sentence that there are financial and environmental challenges associated with building "near dock facilities," is likely well enough understood generally—as is—to not require further elaboration, the lack of information regarding any other way(s) that capacity pressures at port facilities might be relieved, suggests that it is the only way.
	34	The Plan	**Rail, first sentence:** Given the extraordinary impacts of the pandemic on usage of mass transit, is the 2025 increase in passenger usage of Metrolink still considered applicable?
	35	The Plan	**Streets, second sentence:** Is it possible the pandemic has already altered the identified doubling timeline?
	36	The Plan	**Losing National Market Share, third paragraph:** There may be some range of perspectives on what POLA and POLB have identified in their respective Master Plans (and other plans), but it seems like they both enjoy substantial support and it would seem fair to observe that both ports have visions of handling more cargo than they handle now.
	37	The Plan	**Evolving Workforce Needs, first paragraph:** Picker and Packers (also known as Pick Packers) usually work in retail, logistics, wholesale or manufacturing warehouses and distribution centers. 'Pick' refers to choosing and picking up the items on the order form or 'picking slip', while 'pack' refers to packing the order and getting it ready for transportation. As a picker packer, you use a computer or scanner to check inventory and locate items. In considering the above description of a pick-packer, it might not be an example of a skill set that is unrelated to automation.
	38	The Plan	**Air Quality Challenges and Implications, third paragraph:** The first paragraph on this page identifies, ships, trucks, and trains. Is it possible to identify ships' contribution to NOx emissions? Perhaps consider replacing "are no easy tasks" with "are tasks that will require substantial reductions in criteria pollutants."
	39	The Plan	**Congestion at the Curb:** Although there continues to be buzz about autonomous vehicles and drones, the timeframe for when either technology will play a prominent role in freight movement seems to still be, at best, uncertain. The increasing traffic associated with urban freight delivery is already a transportation issue. Regarding the last

			sentence in this paragraph, if feasible (and possible), it is suggested to consider including some reference to recent efforts on this subject that have been worked on by SCAG and by New York City DOT.
	40	The Plan	**Economic Disparities, first paragraph:** The second sentence states, "The goods movement sector creates well-paying jobs for both skilled and unskilled workers, which typically include benefits such as health insurance, retirement packages or pensions, for example." Is this across the board or is it limited to only certain employers and/or positions? Recommend clarifying.
	41	The Plan	**Traffic and Safety Impacts, second paragraph:** Regarding "at-grade rail/vehicle collisions, do the percentages correlate to the percentages of the vehicle type, i.e. there are more freight trains than passenger trains and there are more passenger vehicles than "freight" trucks. Regarding the third sentence, it is noted that the speeds of trains are regulated just as the speeds of vehicles are regulated. Regarding the fourth sentence, is there any sort of data indicating the frequency in which a train impacted an emergency vehicle's ability to respond to an emergency timely?
	42	The Plan	**Equity Considerations:** Who will be able to participate in the discussions that identify the four respective sets of equity considerations (for A Strong Labor Force, A Safe and Efficient Multimodal System, Strong Markets and Reliable Supply Chains, and A Culture of Investment and Innovation)? District 7 would appreciate being included in these discussions.
	43	The Plan	**A Culture of Investment and Innovation:** The existing text under this subject heading is well crafted. As an observation, as one of the most critical challenges involves garnering substantive support from the private sector as well as optimizing coordination amongst critical public sector agencies and community groups, is consideration being given to establishing one or more standing working groups, to help facilitate success in this regard? The LA version of CREATE (which hopefully can benefit from understanding any hurdles that hampered Chicago)? Would this be the focus of the "...recurrent goods movement-focused task force..." identified in Initiative 1?
	44	The Plan	**Incorporating Equity Considerations, second paragraph:** Suggest changing "To capture the creation of new or aggravated inequalities in our communities, we..." to "In order to establish a more comprehensive composite of the inequalities experienced in our communities, we...."
	45	Southern California Rail Investment Initiative	Although there are substantial freight rail facilities located in Los Angeles County, the Class 1 railroads that operate within the county have a much larger geographical focus. Additionally, the State has a strong interest in rail, from both a passenger and freight perspective. Perhaps consider identifying Metro as "Partner" rather than "Lead?"
	46	Urban Freight Delivery Initiative	Recognizing the sheer number of local jurisdictions involved, if feasible and possible, it would seem likely that there would be increased chances for measurable progress if Metro were "Lead" instead of "Partner."
	47	Equity for Goods Movement Initiative	Perhaps consider adding a discussion referencing and/or tying into the three AB 617 community efforts located within Los Angeles County?

	48	LA Metro Countywide Clean Truck Initiative	As the environmental document for the I-710 Corridor project is addressing both State and federal requirements (which among other things, facilitates the ability to pursue federal funding, it is recommended to reference the I-710 environmental document as "I-710 Environmental Impact Report/Environmental Impact Statement (EIR/EIS)." It may not be common knowledge that the "Mobile Source Air Pollution Reduction Review Committee," is an AQMD committee.
	49	LA Metro Countywide Clean Truck Initiative	**Strategy 2.1:** It is recommended that Caltrans be added to this working group as the state highway system would be anticipated to be a regular focus of efforts in this regard. Strategy 2.1, Actions 2.1d and 2.1e. For actions 2.1d and 2.1e, might it make more sense for Metro to "Partner?"
	50	Southern California Rail Investment Initiative	In the last sentence, it is suggested to delete the word "regional," as the demand for a more environmentally-responsible (and sustainable) movement of goods is—and will be, multi-faceted.
	51	Urban Freight Delivery Initiative	**Strategy 4.1:** The "curbside mobility working group" was not defined or discussed in the narrative under Urban Freight Delivery. It is recommended that some discussion of this group be included. Separately, it is recommended that Caltrans District 7 be included as part of the "curbside mobility working group" as there are many miles of conventional highway in Los Angeles County. Recommend Metro be identified as "Lead" for all actions under Strategy 4.3. Strategy 5.4, Action 5.4b. Recommend that District 7 be included as part of the Goods Movement Technology Working Group.
	52	The Plan	**Let's Get Moving, third paragraph:** Regarding the reference to the number of unincorporated communities in LA County in the last sentence, on page 64 the reference is to "...over one hundred...." Sixth paragraph. Are the five priority strategies, "…our stakeholders have identified…," the five initiatives included in this draft? If this is the case, it is recommended that the five priority strategies be specifically identified, either as part of this sentence or elsewhere in this paragraph.

Attachment B – GMSP Public Comments and Support Letters

Public Comments

Name	Comment #	Specific to the Plan or Early Action Initiatives	Comments Received
Jacob	53	The Plan	The plan does not investigate the use of Metro's rapid transit system for goods delivery, instead focusing on cleaner trucks and higher-capacity mainline rail corridors. However, the former does not improve traffic safety, only emissions; the latter does not improve transportation in the areas of LA county far from the freight lines. It is not obvious to me that reuse of Metro's system is possible (c.f. transportation scholar Alon Levy's remarks on the inherent difficulty of doing so at https://pedestrianobservations.com/2020/02/19/freight-rapid-transit/). However, both Dresden and Karlsruhe are attempting to reuse their tram network for freight delivery, so I encourage Metro to study whether an analogous approach might be appropriate here.
Richard	54	Equity Initiative	To help separate and speedup both commuters and freight, build the 710 Freeway tunnel.
N/A	55	The Plan	No Metro does not lead or coordinate well, such as with the SR-710 North Extension and funds diverted to parking structures and use elsewhere in LACity. Also, poor coordination and absence of leadership killed the High Desert Corridor and the good center/corridor that would have greatly reduced air pollution throughout the eastern sector of SCAQMD and the I-110/I-710 corridor.
Tom	56	Logistics Workforce and Competency Initiative	Invest in work force training upgrading and affordable living in northern LA County, Palmdale-Lancaster-Apple Valley. Long term PoLA/PoLB will lose out in shipping by cheaper and direct national transfer/transport east of California via Port - Prince Rupert and perhaps more to much cheaper Port Cardenas (Mex)
	57	Countywide Clean Truck Initiative	Only deals with <15% of total containers limited to LACo, not even SoCal or SCAQMD area. No relevant to national transfers.
	58	Regional Freight Rail Initiative	Metro must coordinate and assist the Ports of Los Angeles and Long Beach conversion from truck based to multi-modal/rail transfer from ship<>rail and then in High Desert Corridor Rail<>Truck. As demonstrated at Port of Prince Rupert and Port of Cardenas (Mexico).
	59	The Plan	NO not at all. Need much more visual, BlockFlow Diagrams and Flow-Charts rather than text unless you specifically want to have the readers turnoff and confuse. The purpose of the Goods Plan is to confuse, confound, and discourage readers (=Public) and knowledgeable concerned readers.

SGVCOG

July 24, 2020

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Cynthia Sternquist
1st Vice President
Margaret Clark
2nd Vice President
Becky Shevlin
3rd Vice President
Tim Hepburn

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Sierra Madre
South El Monte
South Pasadena
Temple City
Walnut
West Covina
First District, LA County
Unincorporated Communities
Fourth District, LA County
Unincorporated Communities
Fifth District, LA County
Unincorporated Communities
SGV Water Districts

The Honorable Mayor Eric Garcetti
Chairman, Board of Directors
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2952

RE: Draft Los Angeles County Goods Movement Strategic Plan Process

Dear Chairman Garcetti,

On behalf of the San Gabriel Valley Council of Governments (SGVCOG), we are writing to express our support and appreciation for the work that is carried out by the Goods Movement Planning Office. This office has successfully created a process that addresses the challenges of goods movement, unites goods movement planning activities across the agency, as well as developed partnerships with Los Angeles County's goods movement stakeholders, including the SGVCOG.

Goods movement has been a high priority for the SGVCOG for more than 20 years, first with the initiation of the Alameda Corridor-East (ACE) Project and more recently with the State Route 57/60 Confluence Project, both projects of regional and national significance being implemented by SGVCOG in partnership with Metro. The development of the Goods Movement Strategic Plan has embraced the need for goods movement infrastructure projects while prioritizing the environmental issues associated with goods movement as well as the need to plan for sustainable growth.

The Goods Movement Strategic Plan will guide the agency and region in moving Los Angeles County forward in a sustainable manner. Broad-based stakeholder input has been instrumental in shaping effective regional initiatives, including this plan, and the SGVCOG has participated in and appreciates the stakeholder process Metro has undertaken.

As the Goods Movement Strategic Plan progresses, the SGVCOG looks forward to the continued close coordination with the Metro highway program in moving forward on high priority goods movement projects like the State Route 71 freeway gap project in Pomona and the continued involvement of San Gabriel Valley cities and stakeholder groups. If there are any questions, please do not hesitate to contact me at (626) 457-1800.

Sincerely,

Marisa Creter

Marisa Creter
Executive Director
San Gabriel Valley Council of Governments

North Los Angeles County
Transportation Coalition

August 27, 2020

Mr. Phil Washington
CEO, Los Angeles County Metropolitan transportation Authority
One Gateway Plaza
Los Angeles, California 90012-2952

RE: **Draft Los Angeles County Goods Movement Strategic Plan**

Dear Mr. Washington:

On behalf of the North Los Angeles County Transportation Coalition JPA (NCTC) member agencies Los Angeles County 5th District, the Cities of Lancaster, Palmdale and Santa Clarita located in North Los Angeles County, we are pleased to support the Draft Los Angeles County Goods Movement Strategic Plan.

The LA Metro charter enabling legislation underscores the prominent role goods movement has in Los Angeles County mobility: "*Establishment of overall goals and objectives to achieve optimal transport service for the movement of goods and people on a countywide basis*."

The movement of people and goods is intertwined in North Los Angeles County – we share the same multimodal transportation network. The NCTC has participated in numerous LA Metro and other efforts to improve goods movement throughout Los Angeles County and we applaud the recent comprehensive Los Angeles County Draft Goods Movement Strategic Plan process.

The recent Covid pandemic highlighted the importance of our goods movement network from the ports to our local market. We must continue to work together to achieve mobility solutions with our goods movement partners who provide an essential service for our quality of life.

The NCTC JPA supports and looks forward to working with LA Metro on the implementation of the Los Angeles County Goods Movement Strategic Plan.

Sincerely,

Arthur V. Sohikian
Executive Director

Coalition for America's Gateways and Trade Corridors

AECOM
Alameda Corridor-East Project, San Gabriel Valley Council of Governments
Broward County's Port Everglades
California Department of Transportation
Cambridge Systematics, Inc.
Canaveral Port Authority
Cascadia Center
Chicago Metropolitan Agency for Planning
City of Chicago
City of Industry
COMPASS – Community Planning Association of Southwest Idaho
Dewberry
Florida Department of Transportation
Florida East Coast Railway
Florida Ports Council
Florida Transportation Builders' Association, Inc.
Freight Mobility Strategic Investment Board (Washington State)
Gateway Cities Council of Governments
Great Lakes Dredge & Dock Company
HERZOG
HNTB Corporation
Illinois Soybean Association
Intermodal Association of North America
Kootenai Metropolitan Planning Organization
Los Angeles County Metropolitan Transportation Authority
Majestic Realty Co.
Maricopa Association of Governments
Memphis Chamber of Commerce
Metropolitan Transportation Commission
Moffatt & Nichol
National Railroad Construction and Maintenance Association
NASCO – North American Strategy for Competitiveness
The Northwest Seaport Alliance
Nossaman LLP
Orange County Transportation Authority
Port Authority of New York & New Jersey
Port Houston
Port Newark Container Terminal
Port of Hueneme
Port of Long Beach
Port of Los Angeles
Port of New Orleans
Port of Oakland
Port of San Diego
Port Tampa Bay
Port of Vancouver USA
Ports America Chesapeake
Prime Focus, LLC
Puget Sound Regional Council
RAILCET
SANDAG - San Diego Association of Governments
Southern California Association of Governments
Tampa Hillsborough Expressway Authority
Tennessee Department of Transportation
Washington State Department of Transportation
Will County Center for Economic Development
WSP

September 8, 2020

The Honorable Mayor Eric Garcetti
Chairman, Board of Directors
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2952

RE: Draft Los Angeles County Goods Movement Strategic Plan

Dear Chairman Garcetti:

I write to express congratulations and appreciation for developing Los Angeles County's Goods Movement Strategic Plan. As a key North American gateway, the Los Angeles region is a critical hub in our nation's freight network.

I commend you and your team for developing a thoughtful and comprehensive plan that examines the region's transportation challenges holistically. It also underscores the importance of meeting these challenges: nearly one-third of jobs in LA County are in goods-producing and freight-dependent industries. Nationally, the San Pedro Bay port complex supports nearly 3 million jobs across the United States.

The nation's freight network is interconnected. Infrastructure efficiency, safety, and capacity in key freight hubs – such as Los Angeles County – impact the national freight system.

Beyond identifying challenges, the plan also outlines a roadmap to achieving positive results. Success in Los Angeles County will result in benefits both locally and nationally.

I appreciate your leadership on this important issue and look forward to engaging with you as the Goods Movement Strategic Plan advances.

Sincerely,

Elaine Nessle
Executive Director
Coalition for America's Gateways & Trade Corridors

1625 K Street, NW Suite 1100 Washington, DC 20006
202-828-9100 phone 703-721-8409 fax www.tradecorridors.org

Attachment C – Webinars

2021 LA County Goods Movement Strategic Plan
All meetings listed below held in 2020

- **LA Metro Countywide Clean Truck Initiative Working Group Meeting #2 – March 17**
  https://www.youtube.com/playlist?list=PLDhNWkoQLh9SakGPu2Qxw32vOQfR4gwth

- **May Web Meetings on Early Action Initiatives – May 14 and May 15**

  - Equity for Goods Movement – May 14
    https://www.youtube.com/watch?v=iDjtZWlzVMM&feature=youtu.be&t=989

  - Investment Workforce and Competency – May 14
    https://www.youtube.com/watch?v=iDjtZWlzVMM&feature=youtu.be&t=1347

  - Urban Freight Delivery – May 14
    https://www.youtube.com/watch?v=AriOU5rBcUQ&feature=youtu.be&t=1267

  - LA Metro Countywide Clean Truck Initiative – May 15
    https://www.youtube.com/watch?v=a5_zeKphqtE&feature=youtu.be&t=1398

- **Equity for Goods Movement Stakeholder Meeting – May 20**
  https://www.youtube.com/watch?v=NBb_S4r9yAQ

- **Freight Working Group Meeting #4 – June 2**
  https://www.youtube.com/watch?v=tmJVRrkqELo

- **Telephone Townhall Meeting – September 22**
  https://www.youtube.com/watch?v=_1wOdt_dyp0&feature=youtu.be

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

File #: 2020-0263, **File Type:** Contract **Agenda Number:** 19.

PLANNING AND PROGRAMMING COMMITTEE
JANUARY 20, 2021

SUBJECT: DORAN STREET CROSSING GRADE SEPARATION

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 12 to Contract No. PS2415-3046 with HNTB Corporation to provide professional services in order to complete final design for the Doran Street Crossing Grade Separation Project in the amount of $2,390,316 increasing the total contract value from $5,969,654 to $8,359,970.

B. EXECUTE all necessary agreements and task orders with third parties to support this project.

ISSUE

A contract modification in the amount of $2.39 million is needed to modify and complete the final design for Doran Street Crossing Grade Separation Project that includes a two-way interim configuration to support the business stakeholders within the Atwater Village area in the City of Los Angeles. In addition, the final design will include quiet zone ready improvements at the Doran Street Crossing as requested by the Pelanconi Estates Home Owner's Association in the City of Glendale and the City of Glendale.

DISCUSSION

In working with the Atwater Village and Pelanconi Estates communities, the two-way interim configuration concept with quiet zone ready improvements at Doran Street crossing will replace the one-way interim configuration concept at Doran Street issued by the California Public Utilities in 2012. At the request of the business stakeholders in the Atwater Village in the City of Los Angeles to address the potential localized traffic congestion and limited circulation issues with the one-way interim configuration concept, staff modified the design to a two-way interim condition. The CPUC approved the two-way interim configuration concept with unanimous approval from Pelanconi Estates Home Owner's Association in the City of Glendale and the cities of Glendale and Los Angeles in 2019. The approval of this action will modify and complete the final design to bring it shovel ready status and enhance the potential opportunity for local, state and federal grants.

Background

The CPUC identified the Doran Street at-grade crossing as one of the most hazardous intersections in the City of Glendale and the City of Los Angeles. With 18 recorded pedestrian and vehicular incidents by the Federal Railroad Administration (FRA), the CPUC had an initial ruling that Doran Street should convert to a one-way westbound movement until the at-grade crossing can be closed permanently when the grade separation is built. In 2014, the Broadway/Brazil crossing improvements were completed to provide the first safety enhancements for the project area. Due to the West San Fernando Road and Broadway/Brazil Street signalized intersection changing from stop control to a signalized configuration, the crossing experienced significant traffic congestion and a high volume of complaints from the public and business owners. Due to this congestion, the number of vehicles started utilizing the West Doran Street crossing and required a process to start a petition for modification of this initial 2012 CPUC ruling.

Doran Street and Broadway/Brazil Grade Separation

In 2017, The Metro Board approved the Doran Street and Broadway/Brazil Grade Separation. That proposes the elimination of two at-grade rail crossings at the Doran Street and Broadway/Brazil Street intersections to alleviate traffic delay and congestion, reduce train horn noise and improve vehicle and pedestrian safety and mobility. To maintain vehicle and pedestrian access there will be two grade separated structures for vehicular movement and two grade separated structures for active transportation movement through the project area. The first structure shall extend from West San Fernando Road and Doran Street to the Fairmont Avenue Bridge over the Verdugo Wash. The other structure shall be an overpass near Salem Street and Sperry Street that spans over Wilson Avenue, San Fernando Road, Metro rail right-of-way and West San Fernando Road. There will be one pedestrian bridge over the Verdugo Wash connecting the Glendale Narrows Riverwalk Trail to the east bank of the Los Angeles River. The other pedestrian bridge will span over San Fernando Road and the railroad corridor at Doran Street.

Quiet Zone Ready Improvements

The City of Glendale currently has three consecutive at-grade crossings at Sonora Avenue, Grandview Avenue and Flower Street approximately 1.7 miles north of the Doran Street that are now identified as a quiet zone. A quiet zone is a section of a rail line at least one-half mile in length that contains one or more consecutive public highway-rail grade crossings at which locomotive horns are not routinely sounded when trains are approaching the crossings after the installation of federally required and approved supplemental safety measures.

The Board’s approval of staff’s recommendations will allow staff to complete the final design with quiet zone ready improvements at Doran Street. Once constructed, Doran Street Crossing Grade Separation Project will include quiet zone ready improvements that will meet the Federal Railroad Administration’s (FRA) approval of future Quiet Zones should the City of Glendale wish to file the Notice of Intent (NOI) for Quiet Zone. Thereby, there will be a total of (4) four consecutive at-grade crossings in the City of Glendale with the longest quiet zone corridor for Los Angeles County. Quiet Zone ready improvements are additional supplemental safety measures (SSM) that mitigate the need for trains to sound their horns. These SSMs include improvements such as flashing lights, quad gates, center medians, etc., to enhance vehicular and pedestrian safety at the crossing.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on safety. The Doran Street Crossing Grade Separation Project is being designed in accordance with Metro and SCRRA standards, state and federal requirements and in compliance with the Americans with Disabilities Act.

FINANCIAL IMPACT

Board approval Modification No. 12 would bring the total commitment to complete the final design phase of the Doran Street Crossing Grade Separation Project from $8.6 to $11 million in Measure R 3% funds.

Of the additional $2,367,513.96, only $500,000 is required for fiscal year 2021 and already included in the adopted budget in cost center 2415. Since this is a multi-year contract, the cost center manager, and Senior Executive Officer of Regional Rail will be accountable and responsible for budgeting the cost of future fiscal year requirements in department 2415, Regional Rail, Project No. 460091 as shown in Table 1 below.

Table 1 Preliminary Cashflow

Fiscal Year	Projected Amount to be Spent	Budget %
FY-2021	$500,000.00	21
FY-2022	$1,500,000.00	63
FY-2023	$367,513.96	16
Total	$2,367,513.96	100%

Impact to Budget

The source of funds for this request is Measure R 3% Transit Capital. These funds are not eligible to be used for Metro bus/rail operating or capital budget expenses.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan goals 1, 2 and 4. Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. Goal 2: Deliver outstanding trip experiences for all users of the transportation system. Goal 4: Transform LA County through regional collaboration and national leadership. This project requires close collaboration with many local, regional, state and federal partners including City of Los Angeles, SCRRA, LOSSAN Authority, Caltrans, California High Speed Rail Authority and Amtrak.

ALTERNATIVES CONSIDERED

The Board may elect not to approve the staff recommendation to execute Modification No. 12 and not advance the Doran Street Crossing Grade Separation project. However, this will not adhere to CPUC ruling in order to close these two at-grade crossings causing significant delays and operational challenges to the other commuter and intercity rail projects along the Antelope Valley and Ventura

County lines north of this project location.

NEXT STEPS

Upon Board approval, staff will execute Modification No. 12 to Contract No. PS2415-3046 with HNTB Corporation to provide professional services to complete final design for the Doran Street Grade Crossing Separation Project.

ATTACHMENTS

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

Prepared by: Brian Balderrama, Senior Director, Regional Rail, (213) 418-3177
Jeanet Owens, Senior Executive Officer, Regional Rail, (213) 418-3189

Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

DORAN STREET CROSSING GRADE SEPARATION /PS2415-3046

1.	**Contract Number**: PS2415-3046			
2.	**Contractor**: HNTB Corporation			
3.	**Mod. Work Description**: Complete final design for the Doran Street Crossing Grade Separation Project			
4.	**Contract Work Description**: Doran Street Crossing Grade Separation			
5.	**The following data is current as of**: November 25, 2020			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	04/24/13	**Contract Award Amount:**	$5,236,205
	Notice to Proceed (NTP):	07/24/13	**Total of Modifications Approved:**	$733,449
	Original Complete Date:	07/23/16	**Pending Modifications (including this action):**	$2,390,316
	Current Est. Complete Date:	12/31/21	**Current Contract Value (with this action):**	$8,359,970
7.	**Contract Administrator**: Gina Romo		**Telephone Number**: (213) 922-7558	
8.	**Project Manager**: Brian Balderrama		**Telephone Number**: (213) 418-3177	

A. Procurement Background

This Board Action is to approve Contract Modification No. 12 issued to provide professional services in order to complete final design changes that were approved by the California Public Utilities Commission to modify the Doran Street crossing to a two-way interim configuration with quiet zone ready improvements for the Doran Street Crossing Grade Separation project. This Contract Modification also extends the period of performance through December 31, 2021.

This Contract Modification was processed in accordance with Metro's Acquisition Policy and the contract type is cost reimbursable.

On April 24, 2013, the Board awarded cost reimbursable Contract No. PS2415-3046 to HNTB Corporation, in the amount of $5,236,205 for the Doran Street Crossing Grade Separation project.

A total of 11 modifications have been issued to date.

Refer to Attachment B – Contract Modification/Change Order Log.

B. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical analysis, Metro's Management and Audit Services (MAS) audit, fact finding and negotiations.

Proposal Amount	Metro ICE	Negotiated Price
$2,367,514	$1,500,000	$2,390,316

The primary difference between the negotiated price and proposal amount is due to the contractor using outdated rate structures versus their existing rate structure. In addition, the negotiated price includes additional hours to develop and coordinate with the Active Transportation Plan concepts, assist with the alternative alignment development and support Metro for the preparation of the grant application.

The ICE did not account for:

- increase in coordination efforts required with the Los Angeles Bureau of Engineering and Department of Transportation (LABOE and DOT);
- additional legal descriptions and plats as well as off-site parcel surveys
- Army Corps of Engineers technical work, nor was it included in the original scope or any of the previous modifications;
- plan development work required to start the active transportation project and finalize interim improvements for the Doran Street improvements;
- rework to go from 60% design back to a starting point when the at-grade crossing was approved from a one-way configuration to a two-way configuration with a quite zone ready infrastructure;
- the decision that directs the Contractor to perform all planned improvements/upgrades to accelerate the project versus having the work split between the Contractor and the City.

CONTRACT MODIFICATION/CHANGE ORDER LOG

DORAN STREET CROSSING GRADE SEPARATION/PS2415-3046

Mod. No.	Description	Status (approved or pending)	Date	$ Amount
1	Additional requirements including the evaluation of additional alternatives.	Approved	09/15/13	$452,687
2	Additional engineering requirements for Board selected alternative.	Approved	11/04/15	$94,953
3	Additional requirements and traffic analysis.	Approved	07/14/16	$185,809
4	No cost extension of period of performance (POP) through 7/14/18.	Approved	06/19/17	$0
5	No cost extension of POP through 10/12/18.	Approved	06/14/18	$0
6	No cost extension of POP through 2/11/19.	Approved	11/07/18	$0
7	No cost extension of POP through 6/30/19.	Approved	01/16/19	$0
8	No cost extension of POP through 9/30/19.	Approved	04/29/19	$0
9	No cost extension of POP through 5/31/20.	Approved	09/16/19	$0
10	No cost extension of POP through 12/31/20.	Approved	04/06/20	$0
11	No cost extension of POP through 2/28/21.	Approved	10/30/20	$0
12	Complete final design for the Doran Street Crossing Grade Separation Project and no cost extension of POP through 12/31/21.	**Pending**	**Pending**	**$2,390,316**
	Modification Total:			**$3,123,765**
	Original Contract:	**Approved**	**07/12/13**	**$5,236,205**
	Total:			**$8,359,970**

DEOD SUMMARY

DORAN STREET CROSSING GRADE SEPARATION /PS2415-3046

A. Small Business Participation

HNTB Corporation made a 26.47% Small Business Enterprise (SBE) commitment. The project is 66% complete and the current SBE participation is 21.58%, representing a 4.89% shortfall.

Based on the Shortfall Mitigation Plan submitted by HNTB, the project is entering into the final design phase where significant portions of the work are being performed by SBE subconsultants. With the commencement of the final design phase, the SBE participation will start to increase. HNTB remains committed to meeting its SBE commitment on this project.

Notwithstanding, Metro Project Managers and Contract Administrators will work in conjunction with DEOD to ensure that maximum SBE participation is achieved by HNTB Corporation. Accordingly, these teams have been provided access to Metro's web-based monitoring system to ensure that all parties are actively tracking Small Business progress.

Small Business Commitment	**26.47% SBE**	**Small Business Participation**	**21.58% SBE**

	SBE Subcontractors	**% Committed**	**Current Participation[1]**
1.	Arrellano Associates	3.04%	4.42%
2.	BA Inc.	9.31%	2.02%
3.	Chris Nelson Associates	2.66%	2.44%
4.	Earth Mechanics	2.57%	0.46%
5.	Lynn Capouya, Inc.	2.70%	0.17%
6.	Safeprobe	0.60%	0.69%
7.	Sapphos Environmental	2.08%	2.64%
8.	Terry A. Hayes Associates	3.51%	1.18%
9.	Gibson Transportation Consulting (added)	-	2.87%
10.	Lin Consulting (added)	-	1.75%
11.	Pacific Railway (added)	-	2.94%
	Total	**26.47%**	**21.58%**

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

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

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

D. Project Labor Agreement/Construction Careers Policy

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

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

Metro

Board Report

File #: 2020-0679, **File Type:** Appointment **Agenda Number:** 20.

OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE
JANUARY 21, 2021

SUBJECT: MEMBERSHIP ON METRO'S SAN FERNANDO VALLEY SERVICE COUNCIL

ACTION: APPROVE NOMINATION

RECOMMENDATION

APPROVE Erin Nash for membership on Metro's San Fernando Valley Service Council.

ISSUE

A member of the San Fernando Valley Service Council submitted her resignation effective October 1, 2020. The terms of this now-vacant seat is July 1, 2020 - June 30, 2023.

DISCUSSION

Metro seeks to appoint Service Council members reflective of the demographics of each respective region. The 2018 American Community Survey demographics of the San Fernando Valley Service Council region where this appointment is to be made as compared to the demographics of the region's ridership as deduced from the 2019 Metro Rider's Survey, and the membership of the Council with this appointment is as follows:

Race	Hispanic	White	Asian	Black	Native	Other
SFV Membership	4 (44%)	4 (44%)	0%	11%	0%	0%
SFV Ridership Demographics	63%	13%	9%	9%	1%	5%
SFV Resident Demographics	41.2%	41.1%	11.1%	3.6%	0.2%	2.8%

If approved by the Board, this appointment will serve the remainder of the July 1, 2020 - June 30, 2023 term. A brief listing of the nominee's qualifications and the nomination letter are provided in Attachments A and B.

A. Erin Nash, San Fernando Valley Service Council, New Appointment
Nominated by: Los Angeles Mayor Eric Garcetti
Term Ending: June 30, 2023

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The demographic makeup of the San Fernando Valley Service Council with the appointment of this nominee will consist of four (4) Hispanic members, four (4) White members, and one (1) Black member as self-identified by the members in terms of racial/ethnic identity. The gender breakdown of the Council will be five (5) men and four (4) women.

DETERMINATION OF SAFETY IMPACT

Maintaining the full complement of representatives on each Service Council to represent each service area is important. As each representative is to be a regular user of public transit, and each Council is composed of people from diverse areas and backgrounds, this enables each Council to better understand the needs of transit consumers including the need for safe operation of transit service and safe location of bus stops.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goal: 30 Enhance communities and lives through mobility and access to opportunity.

NEXT STEPS

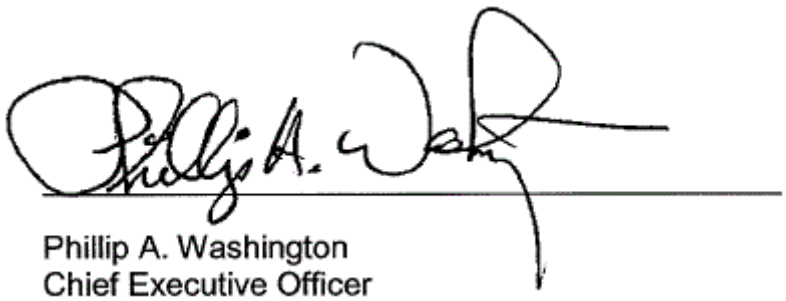
Staff will continue to monitor the major contributors to the quality of bus service from the customer's perspective, and share that information with the Service Councils for use in their work to plan and to implement and improve bus service in their areas and the customer experience using our bus service.

ATTACHMENTS

Attachment A - Nominee's Listing of Qualifications
Attachment B - Nomination Letter

Prepared by: Conan Cheung, Sr. Executive Officer, Service Development, Scheduling and Analysis, (213) 418-3034
Dolores Ramos, Chief Administrative Analyst, Regional Service Councils, (213) 922-1210

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108

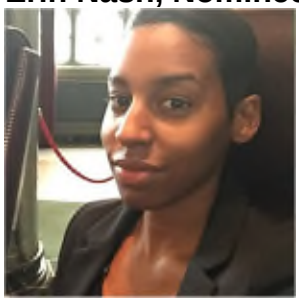


Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

NEW APPOINTEE BIOGRAPHY AND QUALIFICATIONS

Erin Nash, Nominee for San Fernando Valley Service Council



Erin Nash is a resident of Arleta and currently works in the City of Los Angeles Department of City Planning as a Planning Assistant, where she performs research and analysis on existing land uses, existing conditions, development patterns, and prominent design characteristics, as well as review and preparation of environmental documents. Prior to joining the Department of City Planning, Ms. Nash has worked as a Council Deputy to Los Angeles City Councilmembers Curran D. Price Jr. and Felipe Fuentes. She has also served as an Assembly District Delegate (AD 39) for the California Democratic Party and a Board Member with Los Angeles County Young Democrats.

Ms. Nash holds a Master of Public Administration in Public Policy Analysis from California State University – Northridge (CSUN) and a Bachelor of Arts in Communications, also from CSUN. Erin is also a member of the Los Angeles African American Public Policy Institute.

ATTACHMENT B

APPOINTING AUTHORITY NOMINATION LETTER

San Fernando Valley Service Council

ERIC GARCETTI
MAYOR

November 18, 2020

Ms. Dolores Ramos
Chief Administrative Analyst
One Gateway Plaza
Los Angeles, CA 90012

Ms. Ramos,

I hereby appoint Ms. Erin Nash to serve as a representative on the San Fernando Valley Council, for the term ending June 30, 2023. She will be replacing Yvette Lopez, who has resigned.

I certify that in my opinion Ms. Erin Nash is qualified for the work that will devolve upon her, and that I make this appointment solely in the interest of the City.

Please let me know if you need any additional information.

Sincerely,

ERIC GARCETTI
Mayor

EG:cl

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

File #: 2020-0804, **File Type:** Agreement **Agenda Number:** 21.

REVISED
OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
JANUARY 21, 2021

SUBJECT: GLENDALE BEELINE ROUTE 3 / LADOT DASH 601, DASH 602 AND COMMUTER EXPRESS 422, AND PVPTA LINE 225/226 TRANSIT SERVICE OPERATION AGREEMENTS

ACTION: APPROVE AGREEMENTS

RECOMMENDATION

CONSIDER:

A. EXTENDING the Transit Service Operation Agreement between LACMTA and the City of Glendale for the Glendale Beeline Route 3 for a period of two years through June 30, 2023 for an amount up to $1,300,845, which is inclusive of estimated Consumer Price Index (CPI) rates;

B. EXTENDING the Transit Service Operation Agreement between LACMTA and the City of Los Angeles Department of Transportation (LADOT) for Dash Pico Union/Echo Park 601, Dash El Sereno/City Terrace 602, and Commuter Express 422 for a period of two years for an amount up to $8,900,520;

C. EXTENDING the Transit Service Operation Agreement between LACMTA and the Palos Verdes Peninsula Transportation Authority (PVPTA) for operation of the Line 225/226 for period of two years for an amount up to $509,426;

D. AUTHORIZING the Chief Executive Officer, or their designee, to negotiate and execute all necessary agreements between LACMTA and the City of Glendale for funding approval;

E. AUTHORIZING the Chief Executive Officer, or their designee, to negotiate and execute all necessary agreements between LACMTA and the LADOT; and

F. AUTHORIZING the Chief Executive Officer, or their designee, to negotiate and execute all necessary agreements between LACMTA and the PVPTA for funding approval.

ISSUE

The current agreement between LACMTA and the City of Glendale, to fund a portion of Glendale Beeline Route 3 and Line 177, will expire on June 30, 2021. Staff is requesting Board authority to continue the agreement through June 30, 2023, as the service replaces the former western extension of Metro's directly operated Line 177.

The current agreement between LACMTA and LADOT to fund a portion of Dash Pico Union/Echo Park 601, Dash El Sereno/City Terrace 602, and Commuter Express 422 will expire on June 30, 2021. Staff is requesting Board authority to continue the agreement through June 30, 2023.

The current agreement between LACMTA and PVPTA funds a portion of Line 225/226 and will expire on June 30, 2021. Staff is requesting Board authority to continue the agreement through June 30, 2023.

BACKGROUND

In FY98, Metro implemented a Consent Decree Pilot Program to improve mobility for the transit dependent. In July 1999, the Board of Directors approved the service modifications based on the Consent Decree Pilot Program and Public Hearing results. The term of the agreement was for one year from the initial date of operations with automatic one-year renewals which include changes to service levels as needed.

DISCUSSION

City of Glendale

In February 2000, the LACMTA Board approved ten-year agreement in which LACMTA would discontinue operating service on the western portion of MTA Route 177 between the Jet Propulsion Laboratory (JPL) and downtown Glendale. Line 177 is now a contract line operated for Metro via a private bus company. The service is considered a local community service that is more suited to be integrated into the Beeline service operated by the City of Glendale.

The City of Glendale agreed to operate on the days of week, span of service, and frequencies of service equal to or better than that operated by the LACMTA. The rate will be indexed each year according to the CPI based on the prior year's rate for the Los Angeles-Long Beach-Anaheim Urbanized Area (not seasonally adjusted).

City of Los Angeles Department of Transportation

The Transit Service Operations Agreement between LACMTA and the City of Los Angeles has been effective since its implementation as part of the Consent Decree. The service has enabled both agencies to focus on operating services more appropriate to each agency's core mission. In FY20, lines 422, 601 and 602 scheduled 97,119 RSH and reported approximately 1,495,184 annual passenger trips.

City of Palos Verdes Peninsula Transportation Authority

PVPTA began providing service to the Palos Verdes Peninsula in 1995. At the time of the Consent Decree Metro Line 225/226 was the only local bus line operated in this part of the County. In 2006, it was determined that Line 225/226 would be best, and most cost effectively, operated by PVPTA via subsidy from LACMTA. In FY20, line 225/226 scheduled 6,131 RSH and reported

approximately 21,190 annual passenger trips. Please refer to Attachments A, B, and C for additional ridership and service information relating to City of Glendale, LADOT and PVPTA service.

Performance Evaluation

During the agreement period, Metro staff will continue to evaluate the performance of the lines to ensure that the service provided aligns with Metro's transit service policies, efficiency standards, and meets the needs of our customers.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not have any impact on the safety of our customers and employees.

FINANCIAL IMPACT

Funding to run all three agreements through June 30, 2021 is included in the adopted FY21 budget. The full value of the City of Glendale service agreement is up to $1,300,845, LADOT is $8,900,520, and PVPTA is $509,426, for a complete total of $10,710,791~~ $10,710,7901~~. Funding of $5,342,642, will be requested in the proposed FY22 budget to extend the agreements and provide the FY22 service levels. All funds for these transit service agreements are/will be included in cost center 3590 (Contract Services), Account 54001 (Subsidies) under project number 306006 (System-wide Bus Operations Management and Administration).

Since these are multi-year contracts, the cost center/project manager will be responsible for budgeting these costs in future fiscal years.

Impact to Budget

Funding for this action will come from the Enterprise Operating fund. The source of funds will be from Federal, State, and Local sources including sales tax and fares. Allocation of these funds to these actions maximizes their intended use given approved funding guidelines and provisions.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goal: 3) Enhance communities and lives through mobility and access to opportunity. Metro will continue work towards making Los Angeles County's transportation system more accessible, inclusive, and responsive to the needs of the diverse communities it serves.

NEXT STEPS

Staff will execute a renewal of the current Transit Service Operation Agreements between LACMTA and the City of Glendale for the Glendale Beeline Route 3 and Line 177; will execute an agreement between LACMTA and the City of Los Angeles for Dash Pico Union/Echo Park 601, Dash El Sereno/City Terrace 602, and Commuter Express 422; and will execute an agreement between LACTMA and PVPTA for Line 225/226. During the agreement period LACMTA staff will continue to evaluate the performance of the lines, findings, and recommendations to ensure that the service provided aligns with Metro's transit service policies, efficiency standards, and meet the needs of our

diverse customers and stakeholders.

ATTACHMENTS

Attachment A - Map of Glendale Service Area

Attachment B - Map of LADOT Service Area

Attachment C - Map of PVPTA Service Area

Prepared by: Sandra Solis, Director, Finance & Admin (213) 922-6266
Diane Corral-Lopez, EO Admin & Finance (213) 922-7676

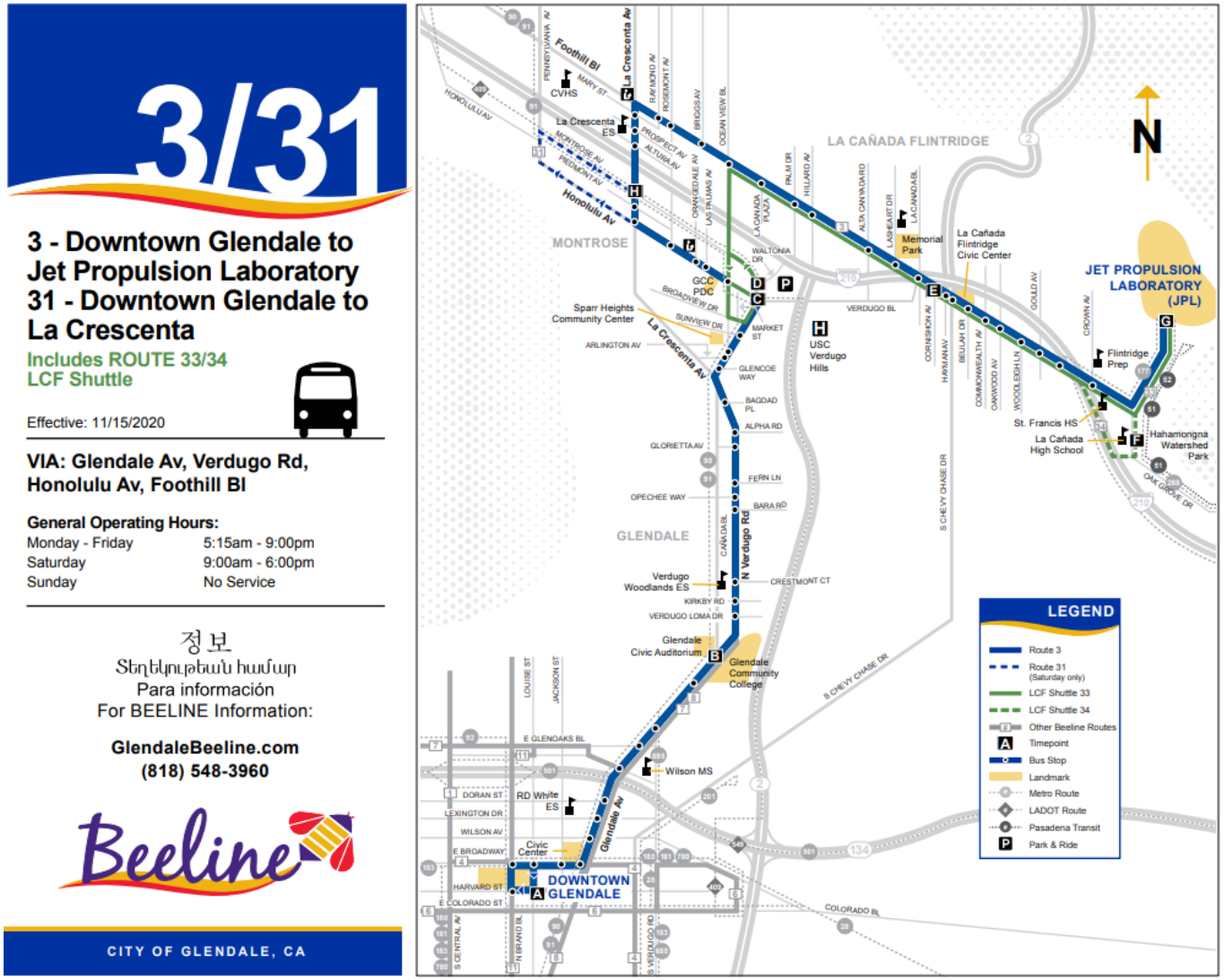
Reviewed by: James T. Gallagher, Chief Operations Officer (213) 418-3108
Nalini Ahuja, Chief Financial Officer (213) 922-3088



Phillip A. Washington
Chief Executive Officer

Attachment A

Glendale Service Area	FY19 Beeline Route 3	FY19 Line 177 Equivalent	FY20 Beeline Route 3	FY20 Line 177 Equivalent
Annual Scheduled Revenue Hours	11,012.5	6,756.0	11,022.7	6,756.0
Annual Passenger Trips	188794	115940	130,620	80,104
Boarding per Hours	17.14	17.16	11.85	11.86
Cash Fare	$1.00	$1.00	$1.00	$1.00
Days of Operation	M-F		M-F	
Service Frequency	20-50 Minutes		20-50 Minutes	
Span of Service	5:15 AM - 9:00 PM		5:15 AM - 9:00 PM	

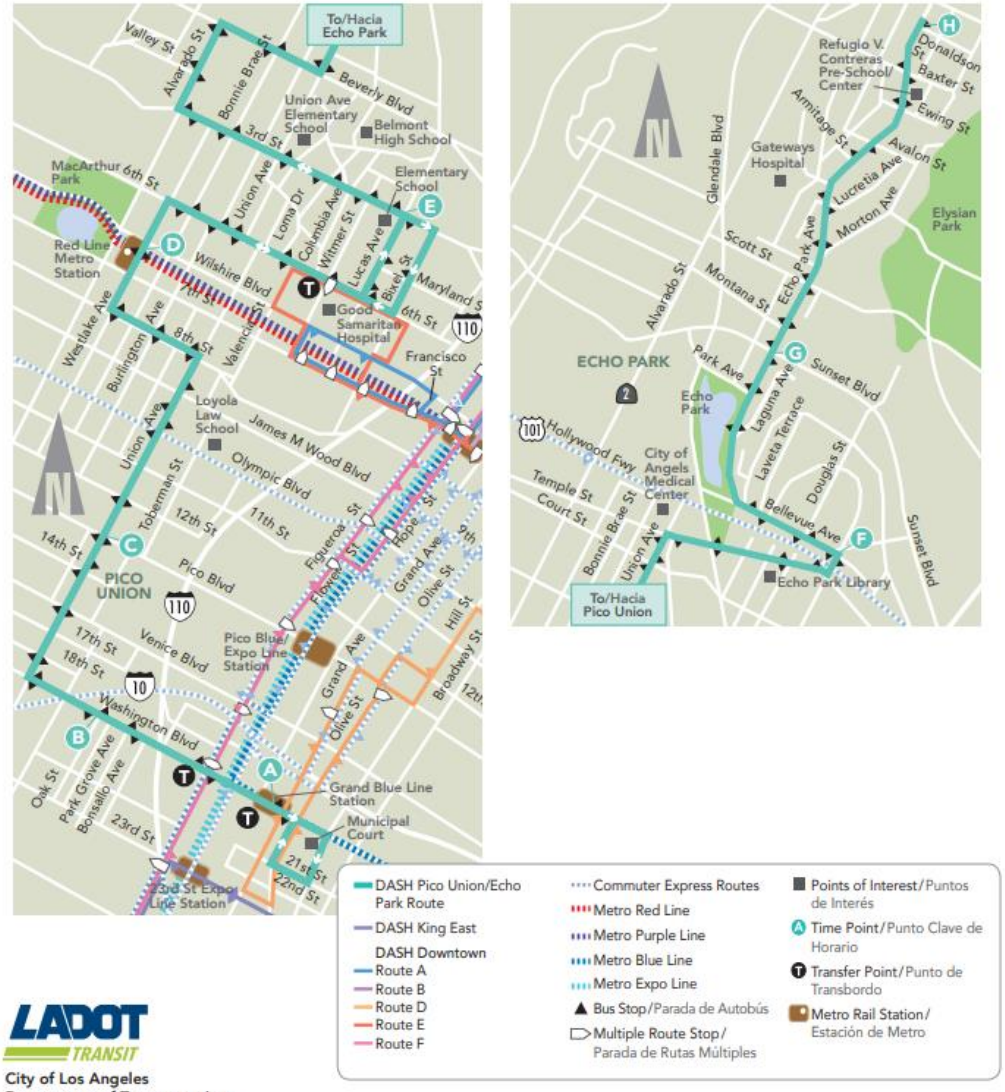


LADOT Service Area	FY19 Line 422	FY19 Line 601 ES	FY19 Line 602 PU	FY20 Line 422	FY20 Line 601 ES	FY20 Line 602 PU
Annual Scheduled Revenue Hours	12,426.5	29,861.3	55,386.0	11,860.3	29,588.7	55,669.7
Days of Operation	M-F	365	365	M-F	365	365
Service Frequency	30 Minutes	10-25 Minutes	10-16 Minutes	30 Minutes	10-25 Minutes	10-16 Minutes
Span of Service	AM: 4:55 - 9:31 PM: 1:55 - 8:17	M-F: 5:00 AM - 11:02 PM S-Su: 5:02 AM - 11:00PM	M-F: 5:35 AM - 9:58 PM S-Su: 6:02 AM - 9:58 PM	AM: 4:55 - 9:30 PM: 1:55 - 8:17	M-F: 7:00 AM - 7:00 PM S-Su: 7:00 AM - 7:00 PM	M-F: 7:00 AM - 7:00 PM S-Su: 7:00 AM - 7:00 PM
Annual Passenger Trips	124,982	543,847	2,144,628	79,643	305,315	1,110,226
Boarding per Hours	10.06	18.21	38.72	6.72	10.32	19.94
Cash Fare	$1.50 - $3.00	$0.50	$0.50	$1.50 - $3.00	$0.50	$0.50

DASH

PICO UNION/ECHO PARK 601

EFFECTIVE MARCH, 2020
A PARTIR DEL MARZO, 2020



LADOT TRANSIT

City of Los Angeles
Department of Transportation

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DASH

EL SERENO/CITY TERRACE

602

EFFECTIVE APRIL 13, 2019
A PARTIR 13 DEL ABRIL, 2019



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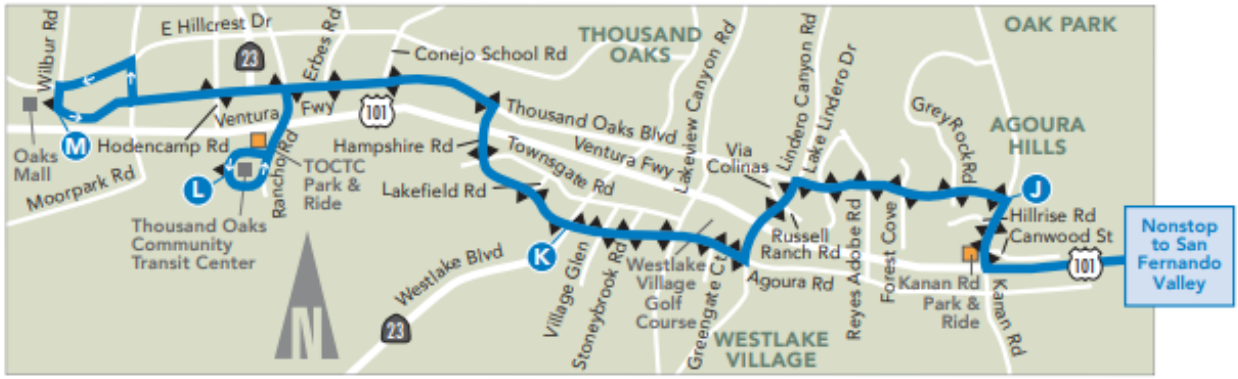
COMMUTER EXPRESS **422**

EFFECTIVE JULY 1, 2017
EFECTIVO 1 JULIO, 2017

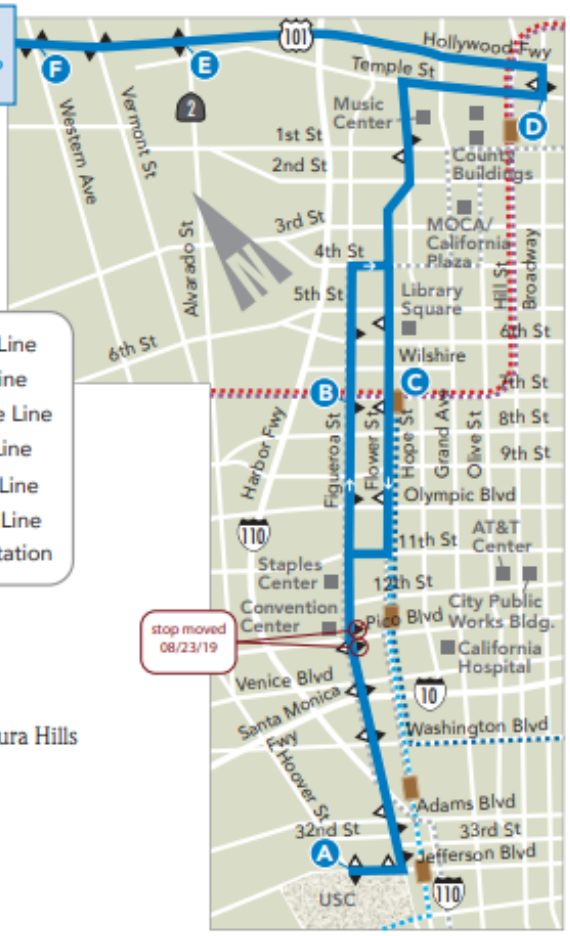
THOUSAND OAKS/AGOURA HILLS



SAN FERNANDO VALLEY



DOWNTOWN LOS ANGELES



Commuter Express Route 422
Bus Stop
Drop-off Only
Points of Interest
Time Point
Park and Ride Lot

Metro Gold Line
Metro Red Line
Metro Purple Line
Metro Blue Line
Metro Expo Line
Metro Silver Line
Metro Rail Station

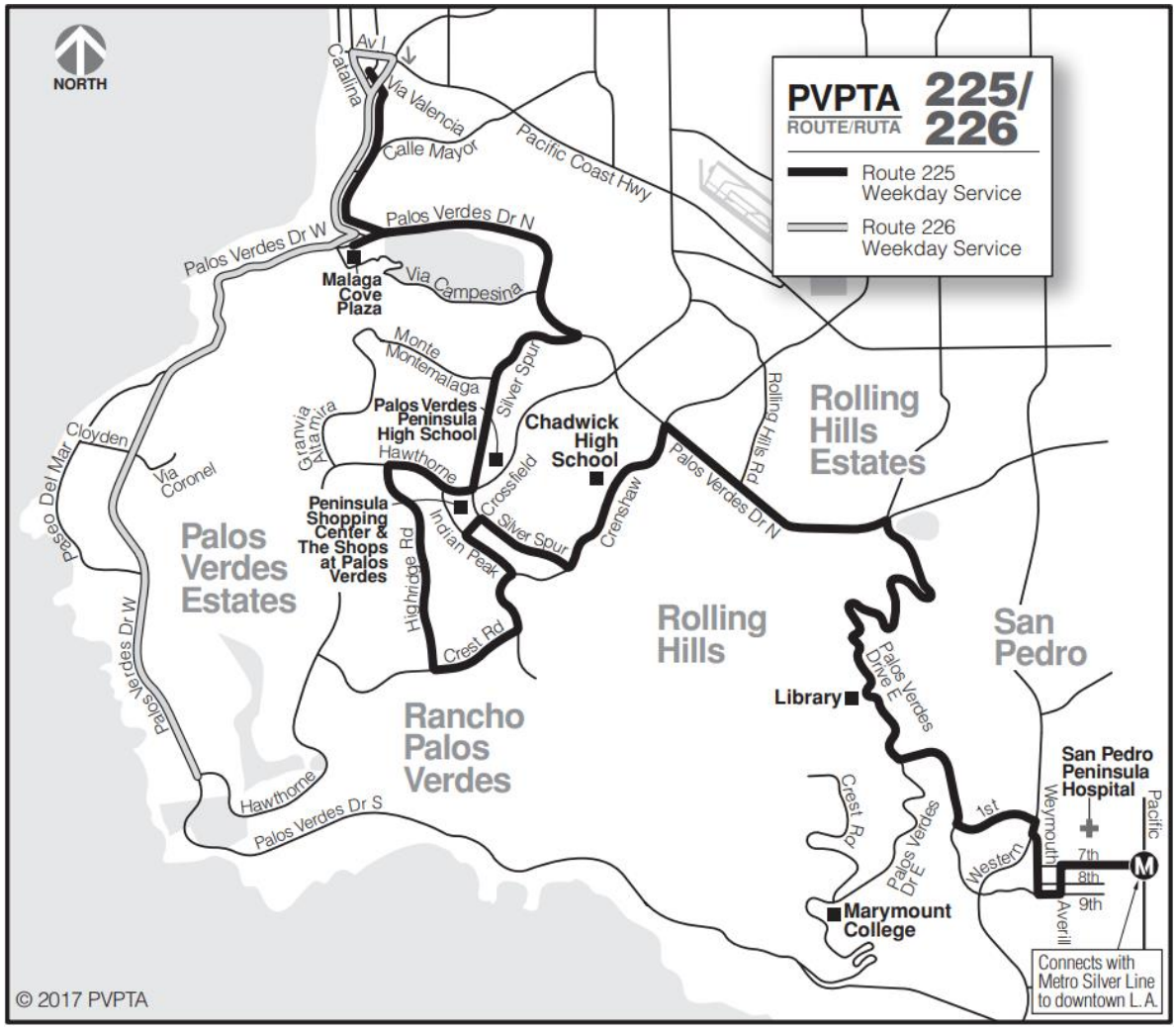
PARK & RIDE LOCATIONS

Thousand Oaks Community Transportation Center (TOCTC) Park & Ride
265 S. Rancho Road, Thousand Oaks

Caltrans Park & Ride
(NW) Canwood and Kanan, Agoura Hills

Attachment C

PVPTA Service Area	FY19 225/226	FY20 225/226
Annual Scheduled Revenue Hours	6,068.0	6,131.0
Annual Passenger Trips	24,192	21,190
Boarding per Hours	3.99	3.46
Cash Fare	$2.50	
Days of Operation	M-F	
Service Frequency	30-60 Minutes	
Span of Service	06:00 AM - 7:24 PM	



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

File #: 2020-0782, **File Type:** Contract **Agenda Number:** 22.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
JANUARY 21, 2021**

SUBJECT: UNLEADED FUEL

ACTION: RATIFY EXPENDITURES AND APPROVE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the CEO to:

A. RATIFY expenditures in excess of the total contract award of $3,863,300 for unleaded gasoline from Pinnacle Petroleum for Metro's non-revenue vehicle fleet increasing the Contract No. FY34649000 total contract value from $9,717,450 to $13,580,750.

B. EXECUTE Modification No. 3 in the amount of $6,485,975 to include ratified funding in paragraph A above, and to extend the contract period of performance to June 30, 2021 for an additional $2,622,675, increasing the total contract value from $13,580,750 to $16,203,425.

Requires Two-Thirds Vote

ISSUE

The original contract was to provide up to approximately five million gallons of unleaded gasoline for 60 months at prevailing Oil Price Information Service (OPIS) pricing with the application of state and federal taxes and fees associated with unleaded gasoline. The contract is an Indefinite Delivery Indefinite Quantity (IDIQ) for a two-year base, inclusive of sales taxes for a not-to-exceed amount of $3,886,980, and three one-year options for a not-to-exceed amount of $5,830,470 for a total not-to-exceed amount $9,717,450.

DISCUSSION

In July 2017 the Board awarded a 60-month Contract for unleaded gasoline to Pinnacle for $9,717,450. Pinnacle was required to provide unleaded gasoline for Metro's non-revenue vehicles (automobiles, trucks, vans, and equipment). The ratification is due to inadequate staff monitoring, unforeseen fluctuations and increases in fuel variables over the past 2 years related to the federal and state fuel taxes and fees, Oil Price Information Service (OPIS) fee per gallon, and its fuel

supplier. The unexpected pandemic has also impacted the supply and demand for fuel. The fuel industry has experienced a reduction in fuel production due to state emergency shutdowns, thus, increasing fuel prices due to low production. Many fuel refineries have closed, and are temporarily closing, which has also impacted the fuel supplier's ability to obtain competitive fuel prices. In Metro's solicitation price form of December 2016, for the unleaded fuel acquisition, staff inadvertently failed to include two of the many state and federal fees and taxes which represented an understatement of approximately thirty-four cents ($0.34) per gallon.

Staff became aware of these issues in October 2020 and reached out to the fuel supplier and internal Metro departments to ascertain the reasons for increases in fuel costs and to discuss and implement the appropriate preventive measures to ensure unplanned and unauthorized expenditures would not re-occur.

Corrective Actions

Metro's immediate corrective actions include, but are not limited to:

- Issuance of a new solicitation for Metro's unleaded gas requirements for open competition.
- Prior to the issuance of a new solicitation, Metro will reach out to the unleaded gasoline and overall commodities industry, via a Request for Interest and Qualification (RFIQ), to solicit specific industry knowledge and inputs relative to Metro's development of the new solicitation.
- The new solicitation will require that supplier's invoices are clear and reflect the gallons of fuel received by location to allow for the required reconciliation of fuel received against expenditures by location and projected demand.
- Internally, in addition to Metro's internal accounts payable and procurement departments, the user department, Non-revenue Vehicle Operations, will be required to be integral to the review and approve processes for all fuel supplier invoices, track against their projected demand, independent cost estimate, and the total contract value.
- Vendor/Contract Management will adhere to proper total contract value monitoring to ensure that upon reaching seventy percent (70%) of total actual costs (invoiced costs) proper coordination with the supplier and Metro's designated project manager (PM) will occur to take proper steps to use allocated Contract Modification Authority or re-solicit the Contract and return to the Board for approval.
- Internally, Metro will review all other commodity inventory contracts to ensure that the appropriate invoice reviews are established and followed when matched against the contract terms and values.
- Internally, staff will consult with all internal commodity User Depts involved in the acquisition and operational use of various fuel and oil types, lubricants, renewable/compressed natural gas, electrification, and new forms of energy to create synergy within the Agency in the acquisition and sharing of updated and critical commodities industry information, knowledge, regulatory/compliance local, state, and federal requirements, indices, fees and taxes information.

DETERMINATION OF SAFETY IMPACT

There are no safety impacts for this authorization.

FINANCIAL IMPACT

Adoption of Modification No. 3 for Contract No. FY34649000 would have a budget impact of $2,622,675 to the agency. Additionally, funding in the amount of $3,863,300 in FY21 is required to ratify the contract due to unforeseen fluctuations and fuel variables over the past 2 years related to the federal and state fuel taxes and fees. Funding will come from within the adopted Operations and Maintenance budget. The project manager, in conjunction with the Contract Administrator, and the Accounting department will be responsible for monitoring performance, compliance, costs, and resources in support of this task.

Since this is a multi-year project, the program manager, cost center manager, and Chief Operations Officer will ensure all project resources are budgeted in future fiscal years.

Impact to Budget

The source of funds for this action will be Federal, State and Local funds including sales tax and fares. Allocation of these funds maximizes their intended use given approved funding guidelines and provisions.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goal 2, Deliver outstanding trip experience for all users of the transportation system.

ALTERNATIVES CONSIDERED

The alternative is not to approve the ratification. This approach is not recommended. A new procurement will start immediately with an anticipated award recommendation to be presented to Metro Board in June 2021.

NEXT STEPS

Upon approval, staff will execute Modification No. 3 to Contract No. FY34649000 to Pinnacle Petroleum to continue supplying unleaded gasoline for Metro's fleet to June 30, 2021. Also, Metro will begin the outreach process to the unleaded gasoline and overall commodities industry, via a Request for Interest and Qualification (RFIQ), to solicit industry specific industry knowledge and inputs relative to Metro's development of the new solicitation.

ATTACHMENTS

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

Prepared by: Nathan Jones II, Director of Contract Administration, (213) 922-6101
Dan Ramirez, Division Maintenance Superintendent, (213) 922-5797

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CONTRACT NO. FY34649000

UNLEADED GASOLINE

1.	**Contract Number**: FY34649000			
2.	**Contractor**: Pinnacle Petroleum, Inc			
3.	**Mod. Work Description**: Ratify unauthorized expenditures and increase Contract Value			
4.	**Contract Work Description**: Provide unleaded fuel to various Metro division locations for non-revenue vehicles			
5.	**The following data is current as of**: 12/9/20			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	7-20-17	**Contract Award Amount:**	$ 9,717,450.00
	Notice to Proceed (NTP):	9-15-17	**Total of Modifications Approved:**	
	Original Complete Date:	9-15-22	**Pending Modifications (including this action):**	$ 6,485,975.00
	Current Est. Complete Date:	10-30-22	**Current Contract Value (with this action):**	$16,203,425.00
7.	**Contract Administrator**: Juelene Close		**Telephone Number**: 213-922-1066	
8.	**Project Manager**: Daniel Ramirez		**Telephone Number**: (213) 922-5797	

A. Procurement Background

This Board Action is to ratify an action and approve Contract Modification No. 3 in support of Metro Operations' non-revenue vehicles for unleaded gasoline for the following:

- To ratify unauthorized expenditures in excess of the total contract award of $3,863,300, increasing the total contract value from $9,717,450 to $13,580,750.

- To execute Modification No. 3 for $6,485,975, inclusive of $3,863,300 for ratified unauthorized expenditures and to extend the contract period of performance to June 30, 2021, for an additional $2,622,675, increasing the total contract value from $13,580,750 to $16,203,425.

This Contract Modification No. 3 will be processed in accordance with Metro's Acquisition Policy and the contract type is an Indefinite Delivery/Indefinite Quantity (IDIQ).

On July 20, 2017, the Board approved a contract to Pinnacle Petroleum, Inc., as the lowest responsive and responsible bidder to supply unleaded fuel to various bus, rail and non-revenue vehicle departments in the amount of $9,717,450, inclusive of two year base, inclusive of sales tax, for a not to exceed amount of $3,886,980, and three one-year options for a not to exceed amount of $5,830,470 for a total period of performance of 60 months from September 17, 2017 to September 16, 2022.

B. Price/Cost Analysis

Modification No. 3 in the amount of $6,485,975 is based upon extending the contract performance, thus increasing the total contract value by $2,622,675; and based upon unauthorized expenditures in the amount of $3,863,300 due to unforeseen fluctuations and increases in fuel variables over the past 2 years related to the federal and state fuel taxes and fees, Oil Price Information Service (OPIS) fee per gallon, and its fuel supplier.

Upon staff conducting a cost analysis of the price fluctuations related to the past two years, two of the many state and federal fees and taxes were inadvertently omitted from the solicitation price form in December 2016 which represented an understatement of approximately thirty-four cents ($0.34) per gallon.

The unexpected COVID-19 pandemic has also impacted the supply and demand for fuel causing a reduction in fuel production due to state emergency shutdowns, thus, increasing fuel prices due to low production. Many fuel refineries have closed, and are temporarily closing, which have also impacted the fuel supplier's ability to obtain competitive fuel prices; thus causing a 30% increase from its 2016 bid price. Staff conducted research with OPIS fuel index rates and mandated fees, verifying cost increases and confirmed the price increase for upcoming months is fair and reasonable.

Based upon staff's extensive research with industry resources identifying trends in commodities related to COVID-10 pandemic, fluctuating price indexes from OPIS, review of all federal mandated fees and taxes charges, the projected fuel increases identified during this economic slow-down has been determined to be fair and reasonable.

DEOD SUMMARY

UNLEADED FUEL/FY34649

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Small Business Enterprise (SBE) goal for this solicitation due to a lack of subcontracting opportunities. As confirmed by the Project Manager, this project involves providing and delivering unleaded gasoline to the underground storage tanks located at the bus divisions. Pinnacle Petroleum, Inc. did not make an SBE commitment. It is expected that Pinnacle is providing these services with its own workforce.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.

D. Project Labor Agreement/Construction Careers Policy

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

ATTACHMENT C

CONTRACT MODIFICATION/CHANGE ORDER LOG

UNLEADED GASOLINE – CONTRACT NO. FY34649000

Mod. no.	Description	Status (approved or pending)	Date	$ Amount
1	Exercise Option 1 – 12 months additional service	Approved	08/27/19	$ .00
2	Extending period of performance	Approved	11/10/20	$ .00
3	**Ratify $3,863,300 in Unauthorized Expenditures and extend period of performance for an additional $2,622,675.**	**Pending**	**Open**	**$ 6,485,975.00**
	Modification Total:			$ 6,485,975.00
	Original Contract:	Approved	9/17/17	$ 9,717,450.00
	Total:			**$16,203,425.00**

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

File #: 2020-0872, **File Type:** Contract **Agenda Number:** 23.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
JANUARY 21, 2021**

SUBJECT: DIESEL FUEL

ACTION: RATIFY EXPENDITURES AND APPROVE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the CEO to:

A. RATIFY expenditures in excess of the total contract award of $2,075,855 for diesel fuel from Southern Counties Oil Company (SC Fuels) for Metro's diesel fuel non-revenue vehicles, major and other miscellaneous equipment, increasing the Contract No. DR4348700 total contract value from $328,959 to $2,404,814.

B. EXECUTE Modification No. 3 to extend the contract period of performance to June 30, 2021 for $252,150 increasing the total contract value from $2,404,814 to $2,656,964.

Requires Two-Thirds Vote

ISSUE

The original contract was to provide up to approximately 168,000 gallons of diesel fuel for 24 months at prevailing Oil Price Information Service (OPIS) pricing with the application of state and federal taxes and fees associated with diesel fuel. The contract is an Indefinite Delivery Indefinite Quantity (IDIQ) for two-years inclusive of sales taxes for a not-to-exceed amount of $328,959.

DISCUSSION

In November 2015, Metro Staff approved a contract award, for a 24-month Contract for diesel fuel to SC Fuels for $328,959. SC Fuels was required to provide diesel fuel for Metro's non-revenue vehicles that operate using diesel fuel. The ratification for unauthorized expenditure of Metro funds is due to a staff member not complying with and implementing Metro's standard contract administration practices; inadequate staff monitoring; the bid pricing was based on an annual quantity of 84,000 gallons, but the diesel fuel annual actual average usage was 125,000 gallons; unforeseen fluctuations and increases in fuel price variables over the past 4 years related to the federal and state

fuel taxes and fees; Oil Price Information Service (OPIS) fee per gallon, and its fuel supplier. The unexpected pandemic has also impacted the supply and demand for fuel. The fuel industry has experienced a reduction in fuel production due to state emergency shutdowns, thus, increasing fuel prices due to low production. Many fuel refineries have closed, and are temporarily closing, which has also impacted the fuel supplier's ability to obtain competitive fuel prices.

Staff became aware of these unauthorized expenditures in December 2020 and reached out to the fuel supplier and internal Metro departments to ascertain the reasons for the unauthorized expenditures, increases in fuel costs and to discuss and implement the appropriate preventive measures to ensure unplanned and unauthorized expenditures would not re-occur.

Corrective Actions

Metro's immediate corrective actions include, but are not limited to:

- Issuance of a new solicitation for Metro's diesel fuel requirements for open competition.
- Prior to the issuance of a new solicitation, Metro will reach out to the diesel fuel and overall commodities industry, via a Request for Interest and Qualification (RFIQ), to solicit specific industry knowledge and inputs relative to Metro's development of the new solicitation.
- The new solicitation will require that supplier's invoices are clear and reflect the gallons of fuel received by Metro location to allow for the proper reconciliation of fuel received against expenditures by Metro location and projected demand.
- Internally, in addition to Metro's internal accounts payable and procurement departments, the user department, Non-revenue Vehicle Operations, will be required to be integral to the review and approve processes for all diesel fuel supplier invoices, track against their projected demand, independent cost estimate, and the total contract value.
- Vendor/Contract Management will adhere to proper total contract value monitoring to ensure that upon reaching seventy percent (70%) of total actual costs (invoiced costs) proper coordination with the supplier and Metro's designated project manager (PM) will occur. Staff will take proper steps to use only Board allocated Contract Modification Authority and to re-solicit the Contract and return to the Board for approval prior to contract expiration.
- There are proposed design features that are being considered to be potentially incorporated and offered in the planned acquisition of Metro's Enterprise Asset Management (EAM) system that will provide interdepartmental real-time visibility and various capabilities to manage Metro's commodities.
- Internally, staff will consult with all internal commodity User departments involved in the acquisition and operational use of various fuel and oil types, lubricants, renewable/compressed natural gas, electrification, and new forms of energy to create synergy within the Agency in the acquisition and sharing of updated and critical commodities industry information, knowledge, regulatory/compliance local, state, and federal requirements, indices, fees and taxes information.

DETERMINATION OF SAFETY IMPACT

There are no safety impacts for this authorization.

FINANCIAL IMPACT

Adoption of Modification No. 3 for Contract No. DR4348700 would have a budget impact of $252,150 to the agency. Additionally, funding in the amount of $2,075,855 in FY21 is required to ratify the contract due to unforeseen fluctuations and fuel variables over the past 2 years related to the federal and state fuel taxes and fees. Funding will come from within the adopted Operations and Maintenance budget. The project manager, in conjunction with the Contract Administrator, and the Accounting department will be responsible for monitoring performance, compliance, costs, and resources in support of this task.

Since this is a multi-year project, the program manager, cost center manager, and Chief Operations Officer will ensure all project resources are budgeted in future fiscal years.

Impact to Budget

The source of funds for this action will be Federal, State and Local funds including sales tax and fares. Allocation of these funds maximizes their intended use given approved funding guidelines and provisions.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goal 2, Deliver outstanding trip experience for all users of the transportation system.

ALTERNATIVES CONSIDERED

The alternative is not to approve the ratification. This approach is not recommended. A new procurement will start immediately with an anticipated award recommendation to be presented to Metro Board in June 2021.

NEXT STEPS

Upon approval, staff will execute Modification No. 3 to Contract No. FY34649000 to SC Fuels to continue supplying diesel fuel for Metro's fleet to June 30, 2021. Also, Metro will begin the outreach process to the diesel fuel and overall commodities industry, via a Request for Interest and Qualification (RFIQ), to solicit industry specific industry knowledge and inputs relative to Metro's development of the new solicitation.

ATTACHMENTS

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

Prepared by: Nathan Jones III, Director of Contract Administration, (213) 922-6101
Dan Ramirez, Division Maintenance Superintendent, (213) 922-5797

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CONTRACT NO. DR4348700

DIESEL FUEL

1.	**Contract Number**: DR4348700			
2.	**Contractor**: Southern Counties Oil Company (SC Fuels)			
3.	**Mod. Work Description**: Ratify unauthorized expenditures and increase Contract Value			
4.	**Contract Work Description**: Provide diesel fuel to various Metro division locations for non-revenue vehicles			
5.	**The following data is current as of**: 12/28/20			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	1-16-16	**Contract Award Amount:**	$328,959
	Notice to Proceed (NTP):	1-16-16	**Total of Modifications Approved:**	$0.00
	Original Complete Date:	1-15-18	**Pending Modifications (including this action):**	$2,328,005
	Current Est. Complete Date:	6/30/21	**Current Contract Value (with this action):**	$2,656,964
7.	**Contract Administrator**: Juelene Close		**Telephone Number**: 213-922-1066	
8.	**Project Manager**: Daniel Ramirez		**Telephone Number**: (213) 922-5797	

A. Procurement Background

This Board Action is to ratify an action and approve Contract Modification No. 3 in support of Metro Operations' non-revenue vehicles for unleaded gasoline for the following:

- To ratify unauthorized expenditures in excess of the total contract award of $2,075,855, increasing the total contract value from $328,959 to $2,404,814.

- To execute Modification No. 3 to extend the contract period of performance to June 30, 2021 for $252,150, increasing the total contract value from $2,404,814 to $2,656,964.

This Contract Modification No. 3 will be processed in accordance with Metro's Acquisition Policy and the contract type is an Indefinite Delivery/Indefinite Quantity (IDIQ).

On November 24, 2015, Metro's Supply Chain Management approved a contract to SC Fuels, as the lowest responsive and responsible bidder to supply diesel fuel for Metro's non-revenue and emergency vehicles - that operates using diesel fuel, and equipment in the amount of $328,959, inclusive of sales tax, a total period of performance of 24 months from January 16, 2016 to January 15, 2018.

B. Price/Cost Analysis

Modification No. 3 in the amount of $252,150 is based upon extending the contract performance, thus increasing the total contract value to $2,656,964. The total price for the six (6) month contract schedule extension has been deemed to be fair and reasonable.

The unauthorized expenditures in the amount of $2,075,855 are due to the variance in the formal annual bid quantity (84,000 gallons) and the actual annual average diesel fuel usage (113,000 gallons), unforeseen fluctuations and increases in fuel variables related to the federal and state fuel taxes and fees, Oil Price Information Service (OPIS) fee per gallon, and its fuel supplier.

The unexpected COVID-19 pandemic has also impacted the supply and demand for diesel fuel causing a reduction in fuel production due to state emergency shutdowns, thus, increasing fuel prices due to low production. Many fuel refineries have closed, and are temporarily closing, which have also impacted the fuel supplier's ability to obtain competitive fuel prices. Staff conducted research with OPIS fuel index rates and mandated fees, verifying cost increases and confirmed the price increase for upcoming months is fair and reasonable.

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ATTACHMENT B

DEOD SUMMARY

CONTRACT NO. DR4348700

DIESEL FUEL

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this solicitation. Southern Counties Oil Company (SC Fuels) did not list any DBE subcontractors nor did the contractor commit to any DBE participation.

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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

ATTACHMENT C

CONTRACT MODIFICATION/CHANGE ORDER LOG

DIESEL FUEL – CONTRACT NO. DR43487000

Mod. no.	Description	Status (approved or pending)	Date	$ Amount
1	Extending period of performance	Approved	01/26/18	$0
2	Extending period of performance	Approved	01/06/20	$0
3	Ratify Unauthorized Expenditures and contract schedule extension of six (6) months	Pending	Open	$2,328,005
	Modification Total:			$ 2,328,005
	Original Contract:	Approved	01/13/16	$ 328,959
	Total:			**$2,656,964**

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

File #: 2020-0788, **File Type:** Contract **Agenda Number:** 26.

OPERATIONS, SAFETY & CUSTOMER EXPERIENCE COMMITTEE
JANUARY 21, 2021

SUBJECT: MICROTRANSIT PILOT PROJECT - PART B

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to Execute Amendment No. 7 to Contract No. PS46292001 with RideCo, Inc. to provide an expanded MicroTransit Operations to three additional Service Zones (North Hollywood/Burbank, El Monte and Compton/Artesia) for two years in an amount of $5,970,870 increasing the Total Contract Value from $29,160,732.63 to $35,131,602.63.

ISSUE

Metro has been testing on-demand technology in advance of directly operating a ridesharing service, Metro Micro (MicroTransit Operations). As part of this initial testing, Metro received federal seed funding from the FTA to develop a first/last mile partnership with a Transportation Network Company. The two-year research pilot known as Mobility on Demand is now at its completion. Given the consistent utilization of this service under this pilot phase during recent months (in the COVID-19 pandemic), Metro staff seek to continue serving communities and customers currently supported by the pilot.

Under this contract modification with RideCo, Inc., Metro will expand operations to serve customers and communities that have benefited from the Mobility on Demand pilot. Many of these customers are low-income and use this service for essential trips.

This action would authorize a service expansion for Metro Micro in the neighborhoods of North Hollywood/Burbank, El Monte and Compton. Hours of operation and service zone boundaries would be based upon and adjusted as a result of customer utilization.

BACKGROUND

Over the past several years, Metro has prepared to set-up a directly operated ridesharing service. The project was initiated as a result of an unsolicited proposal received by the Office of Extraordinary Innovation. Metro utilized a Pre-Development Agreement Public Private Partnership to structure the new service. This project serves as the agency's first PDA-P3 and first service delivery model of its kind within the transportation industry. The procurement was in two parts, Part A for Planning and

Design, and Part B for Operations. In 2019, the business unit, MicroTransit Operations, was set up and in early 2020, Metro's Board of Directors approved and authorized Revenue Service for six zones within the County of Los Angeles. This service is a Pilot project and has been authorized for three years of Revenue Service. As a result of the COVID-19 pandemic, the service launch initially set for summer 2020 was delayed until winter 2020.

On Sunday, December 13, 2020 Metro Micro launched in the first two approved zones (Watts/Willowbrook and LAX/Inglewood). The four additional approved service zones are scheduled to begin operating in 2021.

DISCUSSION

To achieve consistency with the current service provision of MicroTransit Operations, the same tasks will be required from RideCo, Inc. as under the current contract. The period of performance is 2 years (24 months). The service model will reflect RideCo's current contract.

RideCo will be responsible for leasing, maintaining, cleaning, fueling and storing up to 16 additional vehicles. The anticipated vehicle models are Sprinters with a passenger accessibility package included. This service expansion in the neighborhoods of North Hollywood/Burbank, El Monte and Compton will build on existing programming and utilize the same reporting locations as incorporated in RideCo's initial contract.

Proposed revenue service hours for each of the additional service zones are as follows:

- Compton/Artesia: 9 am to 9 pm, Monday to Sunday
- El Monte: 9 am to 9 pm, Monday to Friday, and 10 am to 10 pm Saturday to Sunday
- North Hollywood: 10 am to 10 pm Monday to Sunday

DETERMINATION OF SAFETY IMPACT

Customer and operator safety are core to maintaining the highest standards of security and the optimal service design for MicroTransit. The mission is to keep our operators and customers safe by monitoring emergency and security incidents, assessing risk, and identifying threats. Real-time information on vehicles and tools for customers will enhance communications for incident prevention as well as incident reporting. The MicroTransit technology platform will integrate with TransitWatch and related digital tools managed or used by local law enforcement, community health and homelessness advocates, community-based social networking and our transit operations control.

The project team will work collaboratively with System Security and Law Enforcement (SSLE) to address issues such as sexual harassment, human trafficking, and homelessness, resulting in enhanced safety on Metro's core transit system and building public trust. Close coordination with SSLE, law enforcement departments, civil rights and other internal Metro departments will ensure the best possible safety and security program for our system.

FINANCIAL IMPACT

Adoption of PS46292001, MicroTransit - Part B, RideCo, Inc., would have a budget impact of $$5,970,870 to the agency. Funding in the amount of $3,000,000 in FY21 is required for pre-revenue and operational expenses. Metro will utilize existing resources to operate the expanded service.

The project manager will be responsible for monitoring performance, RSH, labor and non-labor resources in of support this effort.

Since this is a multi-year project, the program manager, cost center manager, and Chief Operations Officer will ensure all project resources are budgeted in future fiscal years.

Impact to Budget

Funding to run FY21 service comes from Proposition C, as well as various Federal sources. Future year funding will utilize these same sources as well as pursuing grant funding at Local, State, and Federal levels. Private financing opportunities will also be used as they become available.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports the following goals of the Metro Strategic Plan:

Goal 1: Provide high quality mobility options.
This contract modification increases the amount of service zones for the pilot project, thus providing access to MicroTransit for a larger part of the population. This service will increase the number of customers to the Metro system by offering more entry points to Metro's family of services.

Goal 3: Enhance communities and lives through mobility and access to opportunity.
The expansion of the MicroTransit pilot will supplement the agency's bus service and ensure our customers maintain mobility and access to major trip generators including employment centers, health services, parks and schools across Los Angeles County.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the recommended action. This alternative would eliminate ridsharing service for the communities and neighborhoods that utilized the Mobility on Demand pilot for essential trips.

NEXT STEPS

Upon Board approval, Metro staff will execute Modification No. 7 to Contract No. PS46292001 with RideCo, Inc. Metro will work with the contractor to plan, design and implement the service as defined in the Statement of Work (Attachment D).

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary
Attachment D - Microtransit Service Zones

Prepared by:
Rani Narula-Woods, Sr. Dir. Special Projects, (213) 922-7414

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108
Debra Avila, Chief Vendor Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

MICROTRANSIT PILOT PROJECT / CONTRACT NO. PS46292001

1.	**Contract Number**: PS46292001			
2.	**Contractor**: RideCo, Inc.			
3.	**Mod. Work Description**: Expand MicroTransit Operations to three additional Service Zones (North Hollywood/Burbank, El Monte and Compton/Artesia) for 2 years			
4.	**Contract Work Description**: To assist in the day-to-day performance of a new transit mode in areas of the County of Los Angeles as approved by Metro			
5.	**The following data is current as of**: December 9, 2020			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	04/26/2018	**Contract Award Amount:**	$219,650.26
	Notice to Proceed (NTP):	05/22/2018	**Total of Modifications Approved:**	$28,941,082.37
	Original Complete Date:	09/06/2019 (PART A)	**Pending Modifications (including this action):**	$5,970,870
	Current Est. Complete Date:	09/01/2022 (PART B)	**Current Contract Value (with this action):**	$35,131,602.63
7.	**Contract Administrator**: Lily Lopez		**Telephone Number**: 213-922-4639	
8.	**Project Manager**: Rani Narula-Woods		**Telephone Number**: 213-922-7414	

A. Procurement Background

This Board Action is to approve Modification No. 7 to Contract No. PS46292001 to expand MicroTransit Operations to three additional Service Zones (North Hollywood/Burbank, El Monte and Compton/Artesia). The same business model as directed under the current contract will be utilized; however, the revenue service operation under this contract modification is 2 years.

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

The initial Request for Proposals (RFP) for this project was issued on October 25, 2017 and was solicited and awarded to be executed in two parts; Part A, the "Planning and Design" phase and Part B, the "Implementation and Evaluation" phase. This procurement tool served as the agency's first Pre-Development Agreement Public Private Partnership (PDA-P3) procurement model.

On April 26, 2018, the Board awarded contracts to three (3) firms to perform Part A (Planning and Design) of the MicroTransit Pilot Project. The period of performance for

Part A was 6 months. Part B was awarded by the Board on February 27, 2020 to RideCo, Inc. for the implementation and evaluation phase.

A total of six modifications have been issued to date.

Refer to Attachment B - Contract Modification/Change Order Log.

B. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), technical analysis, cost analysis, fact finding and negotiations.

Proposal Amount	Metro ICE	Negotiated Amount
$6,388,969	$2,877,800	$5,970,870

The primary difference between the negotiated price and proposal amount is due to the contractor overestimating the costs for vehicle wraps and reporting locations.

The ICE did not account for:

- increased level of effort required to launch additional services areas;
- increased insurance premiums;
- enhanced COVID cleaning;
- additional hardware (tablets and data) required per vehicle;
- greater digital spend online and physical collateral;
- increased printed media; and
- increased installation costs for TAP Mobile Validators

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

MICROTRANSIT PILOT PROJECT / CONTRACT NO. PS46292001

Mod. No.	Description	Status (approved or pending)	Date	$ Amount
1	Extended period of performance	Approved	09/04/18	$0.00
2	Extended period of performance	Approved	12/19/18	$0.00
3	Revised Statement of Work to increase Work to be Performed	Approved	05/23/19	$66,334.87
4	Extended period of performance	Approved	10/31/19	$0.00
5	Part B (Implementation) of MicroTransit Pilot Project	Approved	07/30/20	$28,874,747.50
6	Added new subcontractor	Approved	09/22/20	$0.00
7	**Expand MicroTransit Operations to three additional service zones (North Hollywood/Burbank, El Monte and Compton/Artesia) for 24 months**	**Pending**	**Pending**	**$5,970,870.00**
	Modification Total:			**$34,911,952.37**
	Original Contract:		04/26/18	**$219,650.26**
	Total:			**$35,131,602.63**

DEOD SUMMARY

MICROTRANSIT PILOT PROJECT / CONTRACT NO. PS46292001

A. Small Business Participation – Part B (Implementation)

RideCo, Inc. made a 10.23% SBE and 3.20% DVBE commitment for Part B. This portion of the contract is 10% complete, and the current small business participation is 1.97% SBE and 0% DVBE, representing shortfalls of 8.26% and 3.20% respectively. RideCo indicated that the proposed Modification 7 does include SBE/DVBE participation that is commensurate with the Contractor's commitment levels. This project is in the early stages of work and will be tracked to request a shortfall mitigation plan, if warranted, at 50% completion.

Project Managers and Contract Administrators will work in conjunction with DEOD to ensure that maximum SBE/DVBE participation is achieved by RideCo. Accordingly, these teams have been provided access to Metro's web-based monitoring system to ensure that all parties are actively tracking Small Business progress.

SMALL BUSINESS GOAL	10.23% SBE 3.20% DVBE	SMALL BUSINESS PARTICIPATION	1.97% SBE 0.00% DVBE

	SBE Subcontractors	% SBE Commitment	% Current Participation
1.	Disign Studios, Inc.	8.04%	1.21%
2.	Arellano Associates	2.19%	0.26%
3.	Sandbox Production, LLC (added)	-	0.50%
	Total	**10.23%**	**1.97%**

	DVBE Subcontractor	% DVBE Commitment	% Current Participation
1.	DVE Global Marketing, Inc.	3.20%	0.00%
	Total	**3.20%**	**0.00%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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

Metro Micro Service Zones

metro.net/micro

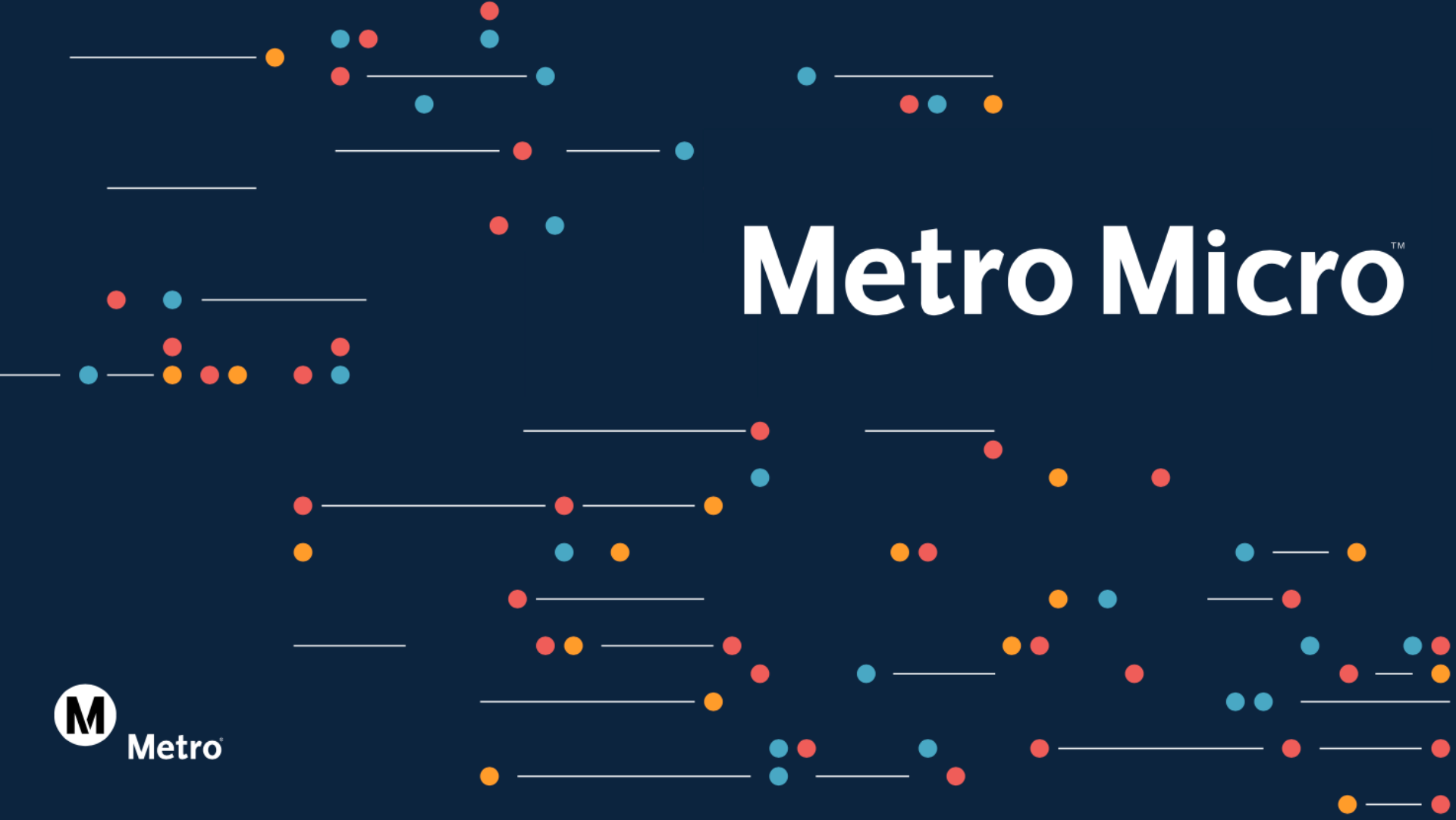
Metro Micro is the region's new app-based shared ride service. Zones are subject to change. Visit *metro.net/micro* for more information.



Metro®

ITEM 26

MicroTransit Pilot Update


Metro Micro™
Metro

The Innovation: P3 Ridesharing

Design, implement and iterate to deliver a ridesharing service which improves customer experience, regional connectivity and local mobility

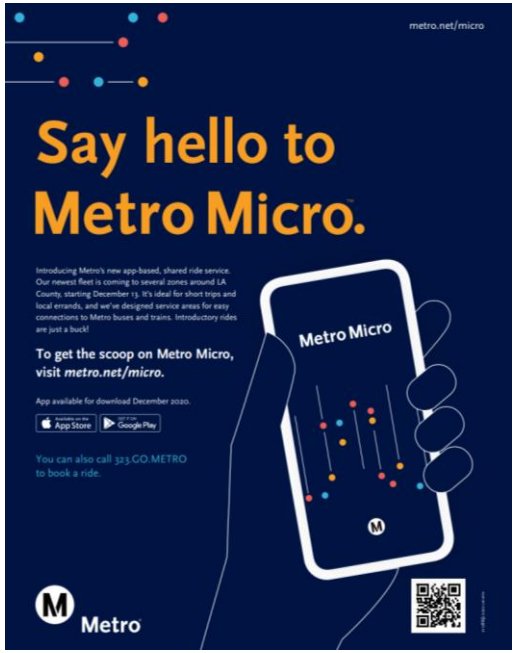






Customer Experience	**Workforce Investment**	**Equity**
Safety	**Connectivity**	**Congestion Reduction**
Vision 2028 Strategic Plan	**Technical Innovation**	**Resourcefulness**

Essential Trip Service Model



Initial Zones:

- Watts/Willowbrook: Daily 5am-11pm (18 hours)
- LAX/Inglewood: M-F 5am-10am and 2pm-7pm (10 hours)

Launched on 12/13/20 with first NextGen shake-up





Metro

Customer Experience

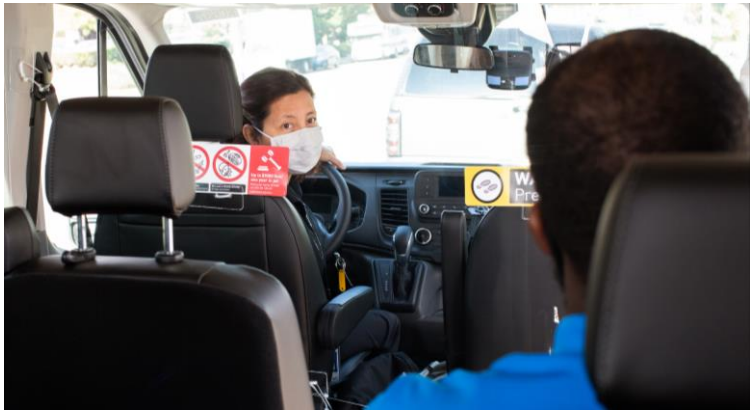
- ✓ +1,800 downloads of Metro Micro Mobile App (Google and Apple Stores)
- ✓ +600 rides since launch
- ✓ Average rating from customer is 4.8 of 5
- ✓ Average wait time for pick-up is 8 mins
- ✓ Average walk distance is 300ft to virtual stop
- ✓ On time performance is +95%



Direct comments from the Community:

- ✓ “On time. Efficient ride”
- ✓ “Id tip if i could”
- ✓ “Dear Metro, This (Metro Micro) was a fabulous idea and a great ride! The van was clean, safe and comfortable. I love the entrepreneur spirit!! I lm like what you are doing in the community and look forward to the new partnership with the school(s). Keep up the greatwork.”

Getting out the word



- ✓ Bus cards on lines impacted by NextGen
- ✓ Community outreach at key destinations
- ✓ Marketing materials at +30 essential trip destinations
- ✓ Direct communications, breifings with key partners
- ✓ Targeted digital advertising campaign
- ✓ Tailored promotional codes
- ✓ Channel 35 Special
- ✓ Early look with Spectrum News
- ✓ How to Video (www.metro.net/micro)
- ✓ Virtual media briefing
- ✓ Virtual kick-off event with NextGen launch
- ✓ Vehicle as advertisement in the community
- ✓ Direct emails & in-app ads to existing Mobility on Demand Customers for retention

Expansion with MOD

- ✓ In two years, + 250,000 on-demand trips were provided under the Mobility on Demand research pilot
- ✓ Project provided key insights to inform service delivery model for Metro Micro
- ✓ Service zones are: El Monte, Compton/Artesia and North Hollywood/Burbank
- ✓ Contract modification at $5,970,870 to RideCo will allow seemless transition to Metro Micro
- ✓ 2 years at a 12 hour service span aligns with soft launch of Micro zones

Launch Schedule

December 2020:

- ✓ Zone 1: Watts/Willowbrook
- ✓ Zone 2: LAX/Inglewood

January 2021:

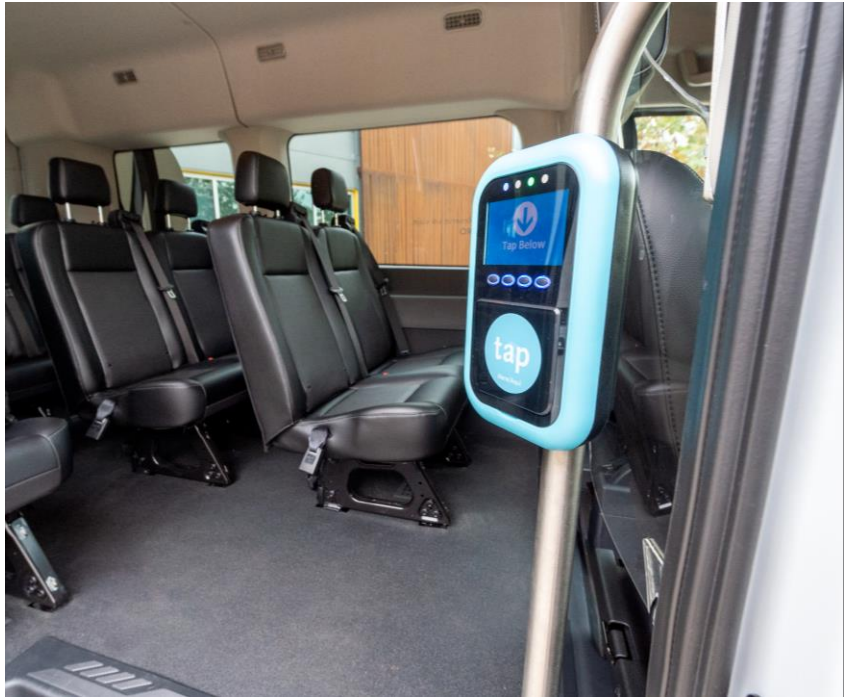
- ✓ Zone 3: El Monte
- ✓ Zone 4: North Hollywood/Burbank
- ✓ Zone 5: Compton/Artesia

June 2021:

- ✓ Zone 6: Northwest San Fernando Valley
- ✓ Zone 7: Highland Park/Eagle Rock/Glendale
- ✓ Zone 8: Altadena/Pasadena/Sierra Madre
- ✓ Zone 9: UCLA/Westwood/Century City

September 2021:

- ✓ Zone 9: UCLA/Westwood/Century City



Metro

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

File #: 2020-0808, **File Type:** Contract **Agenda Number:** 32.

CONSTRUCTION COMMITTEE
JANUARY 21, 2021

SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT - FIELD INVESTIGATION OF UTILITIES

ACTION: AUTHORIZE CONTRACT MODIFICATIONS

RECOMMENDATION

CONSIDER:

a. AUTHORIZING the Chief Executive Officer (CEO) to execute Modifications No. 15 to Contract No. AE58083E0129 with Gannet Fleming, Inc. for the East San Fernando Valley Transit Corridor Project, for field investigation of utility conflicts consisting of potholing and slot trenching along Van Nuys Blvd. for Segments B, (between Covello St. and Novice St.) in the amount of $1,772,143, increasing the total Contract amount from $65,611,218 to $67,383,361.
b. AUTHORIZING the Chief Executive Officer (CEO) to execute Modifications No. 16 to Contract No. AE58083E0129 with Gannet Fleming, Inc. for the East San Fernando Valley Transit Corridor Project, for field investigation of utility conflicts consisting of potholing and slot trenching along Van Nuys Blvd. for Segments C (between Novice St. and Tamarack Ave.), in the amount of $1,565,506, increasing the total Contract amount from $67,383,361 to $68,948,867.
c. AUTHORIZING the Chief Executive Officer (CEO) to execute Modifications No. 17 to Contract No. AE58083E0129 with Gannet Fleming, Inc. for the East San Fernando Valley Transit Corridor Project, for field investigation of utility conflicts consisting of potholing and slot trenching along Van Nuys Blvd. for Segments D (between Tamarack Ave. and San Fernando Rd and then San Fernando Rd and Pinney St.), in the amount of $627,590, increasing the total Contract amount from $68,948,867 to $69,576,457.

BACKGROUND

The East San Fernando Valley (ESFV) Light Rail Transit Project (Project) is a light rail system that will extend north from the Van Nuys Metro Orange Line station to the Sylmar/San Fernando Metrolink Station, a total of 9.2 miles with 14 at-grade stations. Light rail trains will operate in the median of Van Nuys Blvd. for 6.7 miles to San Fernando Road. From there, they will transition onto existing Metro right-of-way and follow a shared corridor with Metrolink and freight for 2.5 miles to the Sylmar/San Fernando Metrolink Station.

On June 28, 2018, the Metro Board approved the Locally Preferred Alternative (LPA) as Alternative 4: Light Rail Transit (LRT). The Final Environmental Impact Statement (EIS) / Environmental Impact Report (EIR) were presented and achieved certification by the Metro Board in December 2020. FTA plans to issue a Record of Decision (ROD) in January 2021.

Groundbreaking for construction is scheduled to begin in 2022 with substantial completion in 2028 in accordance with the Measure M schedule, enabling the Project to be open for the 2028 Summer Olympic and Paralympic Games. The schedule for advancing the design, which includes utility investigations, and preparing solicitation documents is critical to achieve groundbreaking in 2022 and completion in time for the Olympics.

ISSUE

The recommended Contract Modifications include field investigations of utilities along Van Nuys Blvd. to identify the location of existing utilities and to determine if those utilities can remain in place or require relocation. Gannett Fleming, Inc, the ESFV Engineering Consultant for Metro, will conduct this field investigation work as part of their Phase 1 Preliminary Engineering work.

Utility relocation, particularly for underground utilities is one of the major risks in any new rail project. Early and extensive investigations and engineering to identify utility locations, conditions and remediation strategies has proven to be a lesson learned and best practice on Metro projects. This action will greatly assist in mitigating utility risk.

DISCUSSION

In 2019, Metro awarded to Gannett Fleming, Inc. a cost plus fixed fee (CPFF) contract for Architecture Engineer (AE) services to advance the design for the design build project delivery method (Phase 1), support during the solicitation process (Phase 2) and design support during construction (Phase 3) for the Project. As part of Phase 1, Gannett Fleming compiled existing utility as-built information into composite utility drawings and conducted non-invasive field investigation work to initially verify the as-built information. In order to confirm the initial investigation and provide accurate information on the contract drawings, Gannett Fleming will conduct more thorough field investigations of utilities to identify the existing utility locations and use this information to determine if there is a conflict with the proposed project alignment. The more thorough field investigation work will consist of potholing and slot trenching at specific locations along the 9.2 miles of Project alignment.

In an effort to effectively manage the Project, the alignment was divided into four (4) segments identified as Segments A thru D, with each approximately 2-miles in length. For the field investigation work as defined in the Architectural Engineering contract, this segmented approach was implemented. Therefore, a contract modification was implemented for each segment for a total of four (4) contract modifications. Segment A was approved by the Board in October 2020. This request is for field investigation of utility conflicts consisting of potholing and slot trenching along Van Nuys Blvd. for Segment B (between Covello St. and Novice St.) in the amount of $1,772,143; Segments C (between Novice St. and Tamarack Ave.), in the amount of $1,565,506; and Segments D (between

Tamarack Ave. and San Fernando Rd and then San Fernando Rd and Pinney St.), in the amount of $627,590, increasing the total Contract amount from $65,611,218 to $69,576,457.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an adverse impact on safety standards for Metro.

FINANCIAL IMPACT

This Project is funded on a fiscal year basis under Project number 865521 East San Fernando Valley Transit Corridor, cost center 8510, under various accounts including Professional/Technical Services and $28.2M is included in the FY21 Adopted Budget. This is a multi-year project requiring expenditure authorizations in fiscal year increments until a Board Authorized Life of Project Budget is adopted. It is the responsibility of the Cost Center Manager, Project Manager and Chief Program Management Officer to budget for this project in the future fiscal years, within the board authorized contract limits.

Impact to Budget

Sources of funds for the recommended actions are Measure R 35%, Measure M 35%, and State's Traffic Congestion Relief Program (TCRP) grant. There is no impact to Operations eligible funding. No other funds were considered.

ALTERNATIVES CONSIDERED

The Metro Board could decide not to approve these contract modifications. Staff does not recommend this alternative because this utility investigation work is necessary for Metro to make informed decisions concerning existing utilities and will assist the Design Build contractors during the procurement process with accurate information.

NEXT STEPS

Upon Metro Board adoption, staff will complete negotiations and execute the contract modifications.

ATTACHMENTS

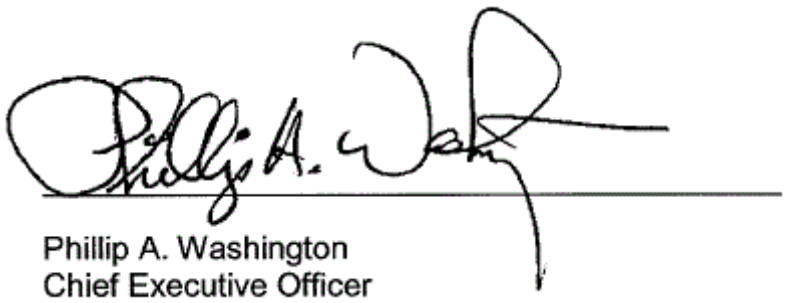
Attachment A: Procurement Summary
Attachment B: Contract Modification / Change Order Log
Attachment C: DEOD Summary

Prepared by:

Monica Born, Deputy Executive Officer, Program Management, (213) 418-3097
Rick Meade, Senior Executive Officer, (213) 922-7917

Reviewed by:

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



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

EAST SAN FERNANDO VALLEY (ESFV) TRANSIT CORRIDOR PROJECT

1.	**Contract Number**: AE58083E0129			
2.	**Contractor**: Gannett Fleming, Inc.			
3.	**Work Description**: Perform field investigation of utilities consiting of slot trenching and utility potholing along Van Nuys Blvd., for the East San Fernando Valley Transit Corridor Project Segment B through D.			
4.	**Contract Work Description**: Engineering design and oversight services for the ESFV Transit Corridor Project. This action is for SOW required under part of Task 2.2.8.3 Field Confirmation of Conflicts in Phase 1 development of Preliminary Engineering (PE) design.			
5.	**The following data is current as of**: 12/22/20			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	7/25/19	**Contract Award Amount:**	$61,974,852
	Notice to Proceed (NTP):	8/15/19 (Contract Execution)	**Total of Modifications Approved:**	$3,636,366
	Original Complete Date:	8/15/28	**Pending Modifications (including this action):**	$3,965,239
	Current Est. Complete Date:	8/15/28	**Current Contract Value (with this action):**	$69,576,457
7.	**Contract Administrator**: Diana Sogomonyan		**Telephone Number**: (213) 922-7243	
8.	**Project Manager**: Monica Born		**Telephone Number**: (213) 418-3097	

A. Procurement Background

On July 25, 2019, the Board of Directors approved award of Contract No. AE58083E0129 to Gannet Fleming, Inc. in support of the East San Fernando Valley Transit Corridor Project, a proposed light rail system that will extend north from the Van Nuys Metro Orange Line Station to the Sylmar/San Fernando Metrolink Station, a total of 9.2 miles. Consultant's Scope of Services consists of three phases: Preliminary Engineering (PE); Solicitation Support (SS); and Design Support During Construction Services (DSDC). The Period of Performance for the Contract is nine (9) years from execution date of the contract.

Eight (8) Contract Modifications (MOD) and one (1) Contract Change Order (CO) has been approved and issued to date and eight (8) Contract Modifications are in progress. This action is to authorize the CEO to execute Contract Modification No. 15 (Segment B between Covello St. and Novice St.), No. 16 (Segment C between Novice St. and Tamarack Ave.), and No. 17 (Segment D between Tamarack Ave. and San Fernando Rd. and then San Fernando Rd. and Pinney St.) for field

confirmation of conflicts consisting of utility potholing and slot trenching at specific locations along the 9.2 miles of Project alignment, where potential conflicts due to existing utilities have been identified. This Scope of Servies is part of Consultant's Phase 1 Preliminary Engineering work; however, completion of this Field Confirmation of Conflicts was contingent upon completion of initial investigation of existing utilities and identification of conflicts (tasks identified under Scope of Services subsections 2.2.8.1 and 2.2.8.2 of the Contract), and therefore, was not included in the Contract amount at time of award. This field work was only to be priced when more information was available upon the initial investigation tasks. Consultant can only begin with the work for Subsections 2.2.8.3 Field Confirmation of Conflicts upon Metro's issuance of a contract MOD for the costs and a written authorization to proceed.

The Contract Modifications will be processed in accordance with Metro's Acquisition Policy. Contract No. AE58083E0129 is a Cost Reimbursable Fixed Fee Contract (CPFF).

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Cost/Price Analysis

The recommended price for the Contract Modifications is determined to be fair and reasonable based upon fact finding, technical evaluation, cost analysis, and negotiations. The Contract Modifications will be processed in accordance with Procurement Policies and Procedures, within the additional funding requested.

SEGMENT/MOD NO.	PROPOSAL	INDEPENDENT COST ESTIMATE	NEGOTIATED AMOUNT
B / 15	$1,772,143	$1,775,028	$1,772,143
C / 16	$1,565,506	$1,664,374	$1,565,506
D / 17	$627,590	$696,136	$627,590

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

EAST SAN FERNANDO VALLEY (ESFV) TRANSIT CORRIDOR PROJECT

Mod./ CO No.	Description	Status (approved or pending)	Date	$ Amount	Board Approved CMA
N/A	Initial Award		7/25/19	$61,974,852	$12,394,970.40
MOD 1	Contract Conforming and Clarifications	Approved	11/12/19	$0.00	
MOD 2	Underground Utility Detection Services along Van Nuys Blvd.	Canceled	5/28/20	$0.00	
MOD 3	Geotechnical Test Plan and Hazardous Material Work Plan	Approved	8/24/20	$53,164	$12,341,806.40
MOD 4	Underground Utility Detection Services Along Van Nuys Blvd. – Segment A	Approved	10/14/20	$437,646	$11,904,160.40
MOD 5	Underground Utility Detection Services Along Van Nuys Blvd. – Segment B	Approved	11/5/20	$481,156	$11,423,004.40
MOD 6	Underground Utility Detection Services Along Van Nuys Blvd. – Segment C	Approved	11/5/20	$358,665	$11,064,339.40
MOD 7	Underground Utility Detection Services Along Van Nuys Blvd. – Segment D	Approved	11/5/20	$74,079	$10,990,260.40
MOD 8	Planning Work for Potholing and Trenching Along Van Nuys Blvd. – Segment A	Approved	11/5/20	$159,832	$10,830,428.40
CO 1	Coordination With Third Party Utility Owners to Assess Utility Conflicts	Approved	11/4/20	$380,035	$10,450,393.40
MOD 9	Utility Investigation - Potholing and Slot Trenching for Segment A	Approved	11/23/20	$1,691,789	$10,450,393.40
	Subtotal Approved Changes:			**3,636,366**	
MOD 10	Coordination With Third Party Utility Owners to Assess Utility Conflicts	Pending	TBD	TBD	$10,450,393.40
MOD 11	Preliminary Engineering of Composite Utility Rearrangement Plans	Pending	TBD	TBD	$10,450,393.40

MOD 12	Planning Work for Potholing and Trenching Along Van Nuys Blvd. – Segment B	Pending	TBD	TBD	$10,450,393.40
MOD 13	Planning Work for Potholing and Trenching Along Van Nuys Blvd. – Segment C	Pending	TBD	TBD	$10,450,393.40
MOD 14	Planning Work for Potholing and Trenching Along Van Nuys Blvd. – Segment D	Pending	TBD	TBD	$10,450,393.40
MOD 15	Utility Investigation - Potholing and Slot Trenching for Segment B	Pending	TBD	$1,772,143	$10,450,393.40
MOD 16	Utility Investigation - Potholing and Slot Trenching for Segment C	Pending	TBD	$1,565,506	$10,450,393.40
MOD 17	Utility Investigation - Potholing and Slot Trenching for Segment D	Pending	TBD	$627,590	$10,450,393.40
	Subtotal Pending Changes:			**$3,965,239**	
	CMA Authorized by the Board and Remaining				**$10,450,393.40**
	Approved Changes (MOD 1, 3-9 and CO 1)			**$3,636,366**	
	Pending Modifications:			**$3,965,239**	
	Original Contract:			**$61,974,852**	
	This Board Action:			**$3,965,239**	
	New Total:			**$69,576,457**	

DEOD SUMMARY

EAST SAN FERNANDO VALLEY (ESFV) TRANSIT CORRIDOR PROJECT

A. Small Business Participation

Gannett Fleming made a 25.29% Small Business Enterprise (SBE) commitment and a 5.54% Disabled Veteran Business Enterprise (DVBE) commitment. The project is 20% complete and the current SBE participation is 13.81% and the current DVBE participation is 3.54%, representing an 11.48% and 2.00% shortfall in SBE and DVBE participation. This project is in the early stages of work and will be tracked to request a shortfall mitigation plan, if warranted, at 50% completion.

Project Managers and Contract Administrators will work in conjunction with DEOD to ensure that maximum SBE/DVBE participation is achieved by Gannett. Accordingly, these teams have been provided access to Metro's web-based monitoring system to ensure that all parties are actively tracking Small Business progress.

Small Business Commitment	**25.29% SBE 5.54% DVBE**	**Small Business Participation**	**13.81% SBE 3.54% DVBE**

	DBE/SBE Subcontractors	**% Committed**	**Current Participation[1]**
1.	BA, Inc.	1.66%	0.00%
2.	Diaz Consultants, Inc, dba Diaz Yourman & Associates	1.44%	1.13%
3.	FPL & Associates, Inc.	5.96%	3.84%
4.	Here Design Studio, LLC (Here LA)	0.60%	0.00%
5.	Lenax Construction Services, Inc. (LENAX)	0.29%	0.00%
6.	PacRim Engineering, Inc.	2.18%	0.00%
7.	Ramos Consulting Services, Inc.	8.27%	5.23%
8.	Sanchez/Kamps Associates Design dba SKA Design	0.59%	0.00%
9.	Zephyr UAS, Inc.	4.30%	3.61%
10.	Cross-Spectrum Acoustics Inc.	ADDED	0.00%
	Total	**25.29%**	**13.81%**

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

	DVBE Subcontractors	**% Committed**	**Current Participation**
1.	Casamar Group, LLC	5.54%	2.44%
2.	E-NOR Innovations, Inc.	ADDED	1.10%
	Total	**5.54%**	**3.54%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

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

D. Project Labor Agreement/Construction Careers Policy

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

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

File #: 2020-0805, **File Type:** Budget **Agenda Number:** 34.

EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021

SUBJECT: REGIONAL CONNECTOR EARLY COMPLETION INCENTIVE AGREEMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

A. INCREASING the Life of Project (LOP) Budget for the Regional Connector Concurrent Non-FFGA Project Activities, capital project number 861228, by the amount of $12,948,000 from $46,441,168 to $59,389,168 consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy, for the purposes of providing an incentive for Regional Connector Constructors (RCC) to complete transit facilities ten weeks early thereby permitting an earlier Revenue Service Date and mitigating impacts to the community.

ISSUE

Construction of the Regional Connector Transit Project (Project) necessitated the demolition of the Little Tokyo/Arts District Station, which was taken out of rail service on October 24, 2020. This began a twenty-two-month bus bridge between Union Station and the Pico/Aliso L Line (Gold) Station while new underground facilities are constructed and the system commissioned. Based on the construction progress to date, there is an opportunity to complete and begin testing the guideway early, while challenges at the Historic Broadway Street Station are resolved. An early completion of the overall project will provide multiple benefits to the community and to Metro. The design-build construction contract does not contain an incentive provision to encourage the contractor to complete construction early or to resolve issues without delay. The cost of this proposed early completion incentive agreement is not included in the Project budget, necessitating an increase in the LOP Budget.

BACKGROUND

The demolition of the Little Tokyo/Arts District Station started on October 24, 2020 and began a twenty-two-month bus bridge for passengers traveling between Union Station, Little Tokyo/Arts

District and the Pico/Aliso L Line (Gold) stations while new underground facilities are constructed and commissioned. Based on the construction progress to date, there is an opportunity to complete the guideway work early.

Completing early will reduce construction impacts to Little Tokyo, Arts District and downtown neighborhoods and the business communities by restoring revenue service for transit passengers approximately ten weeks earlier than currently planned. The Little Tokyo, Arts District and Boyle Heights communities have been especially impacted by the multiple L Line (Gold) service interruptions, yet they have remained very supportive of the Project during the past five years. The Board-approved operational plan for the Regional Connector creates ease of access across Los Angeles County, attracting people to visit downtown Los Angeles. Once completed, the Regional Connector Project is likely to encourage economic recovery by providing increased access to downtown businesses. Reopening transit service ahead of schedule is consistent with Metro's commitment to reduce impacts to the communities to the extent possible.

Furthermore, an early project completion avoids substantial future costs. The incentive agreement also achieves an expedited completion of the Historic Broadway Station which has been impacted by the addition of structural elements needed to support a future hi-rise commercial building that will be constructed over the station. Incorporating a portion of the overbuild facility's foundation into our station plaza structure was a condition of securing the right-of-way for the station plaza.

DISCUSSION

The Regional Connector design-build contract establishes completion milestones with liquidated damages for failure to complete work on time. The contract does not contain a financial incentive to increase performance to finish construction early or to resolve issues without delay. Based on the progress to date, there is an opportunity to complete and begin testing the guideway facilities early while the challenges at the Historic Broadway Station are resolved . The proposed agreement incentivizes the contractor to complete the guideway facilities ten weeks early thereby permitting pre-revenue operations to begin ahead of schedule. Furthermore, with an earlier start of the pre-revenue service period, the duration of the service interruption on the L Line (Gold), is reduced thereby providing Metro Operations with an estimated $2M savings in bus operating costs.

The complexity of integrating three operational lines presents significant challenges to the Agency. The extensive testing and operator training needed during the five-month pre-revenue operation period is dependent on having a firm handover date on which to plan their activities. Completing construction and turning over the guideway facilities to Metro Operations independent of the Historic Broadway Street Station eliminates schedule uncertainty and provides the Operations team with a specific pre-revenue operations readiness date necessary for a timely commissioning.

This incentive agreement also achieves an expedited completion of the Historic Broadway Station plaza which has been impacted by the construction of additional structural elements needed to support a future hi-rise commercial building that will be constructed over the station. These requirements arose as the developer refined their structural concepts into a detailed overbuild design. The incentive agreement devotes additional resources to complete the construction of the station plaza during pre-revenue operations of the guideway, yet consistent with achieving the overall

early revenue service date.

Additional benefits of an early completion include eliminating the need to remobilize the Contractor and Metro offices and equipment yards needed for project closeout activities when the lease agreement on the Mangrove Yard expires in June 2022. This represents an estimated $2.5M cost avoidance. Furthermore, with a two-phased early completion, Metro and consultant Project oversight staff may begin demobilizing early thereby realizing additional savings. Finally, under the incentive agreement, RCC waives all potential claims for additional time or costs arising from events through October 2020 (excluding Covid-19 related direct costs). Accepting incentive payments, as outlined in the agreement, also commits RCC to Liquidated Damages if the early completion dates are not met. In aggregate, an estimated $19M of additional future costs are avoided.

DETERMINATION OF SAFETY IMPACT

The approval of this LOP Budget increase will allow Metro to achieve an earlier completion of the Regional Connector Project without compromise to safety or reliability.

FINANCIAL IMPACT

Adoption of Recommendation will increase the LOP Budget for Project Number 861228 by $12,948,000. Expenditures of the incentive payments are distributed monthly over the remaining duration of the Project per the following schedule. Subject to Board approval, of this recommendation the fiscal year 2021 portion will be accommodated within the approved FY21 overall budget for the project, which is under consideration by the Board through a separate report at the same board meeting.

FY21/Q3	FY 21 Q4	FY22 Q1	FY22 Q2
$6,269,000	$3,237,000	$1,721,000	$1,721,000

Impact to Budget

The source of funds for the LOP increase to Capital Project no. 861228 - Regional Connector Concurrent Non-FFGA Project Activities is a combination of one or more of the following eligible sources: Measure R 2% Rail Capital, State Repayment Fund 3562, Transportation Development Act Article 4, and Lease Revenues. Other eligible and available funding sources which are not eligible for operations use may be considered. The funding plan for the proposed LOP budget is included as Attachment A.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan goal #1) to provide high-quality mobility options that enable people to spend less time traveling, and #5) to provide responsive, accountable and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

To not approve the LOP Budget increase would result in not providing the Contractor an incentive to complete the Project early and would lead to a minimum of $19M in increased Project costs. If the recommendation is not approved, Metro will not receive the waiver of potential claims for activities prior to October 2020.

NEXT STEPS

Upon approval by the Board of the recommended action to increase the Project LOP, Staff will execute bilateral Contract Modification No 00187 which establishes new Project completion milestones and provides the agreed-to incentive payments to the contractor in accordance with a prescribed payment schedule.

ATTACHMENTS

Attachment A - Funding Plan

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

Prepared by:

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



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

REGIONAL CONNECTOR NON-CONCURRENT FFGA ACTIVITIES
FUNDING/EXPENDITURE PLAN
(Dollars in Millions)

Capital Project 861228	Prior	FY21	FY22	FY23	Total	% of Total
Uses of Funds						
Construction	0.13	12.51	6.00	0.77	**19.40**	32.7%
Right-of-Way	37.47				**37.47**	63.1%
Vehicles						0.0%
Prof. Services	0.41	0.36	0.38	0.25	**1.40**	2.4%
Project Contingency			1.11		**1.11**	1.9%
Project Revenue						0.0%
Total Project Cost	**38.01**	**12.87**	**7.49**	**1.02**	**59.39**	**100.0%**
Sources of Funds						
Measure R - Rail Capital General Improvements (2%)	8.40		1.49	0.25	**10.14**	17.1%
Lease Revenues	6.61				**6.61**	11.1%
Repayment of Capital Project Loans (Fund 3562)	22.84				**22.84**	38.5%
Measure M -Metro State of Good Repair (2%)	0.13	3.00	2.56	0.77	**6.45**	10.9%
General Fund - Metro	0.04	0.36			**0.40**	0.7%
Other Local Funds		9.51	3.44		**12.95**	21.8%
Total Sources	**38.01**	**12.87**	**7.49**	**1.02**	**59.39**	**100.0%**

ATTACHMENT B

Regional Connector Concurrent Non-FFGA Activities

Measure R and Measure M Unified Cost Management Policy Analysis

Introduction

The Measure R and Measure M Unified Cost Management Policy (the Policy) was adopted by the Metro Board of Directors in June 2018. The precursor Measure R cost management policy was adopted in March 2011. The intent of the Policy is to inform the Metro Board of Directors regarding potential cost increases to Measure R-funded projects and the strategies available to close any funding gaps. The Regional Connector Concurrent Non-FFGA Activities Project (the Project) is subject to this policy analysis.

The Regional Connector Concurrent Non-FFGA Activities Project was created in April 2014 at the time the design-build contract was awarded and initial Life-of-Project (LOP) budget set for the Regional Connector Project. The Project is a component of the Regional Connector Project and was created due to constraints on costs that are not eligible under the New Starts full funding grant agreement that has been awarded to the Regional Connector Project.

The LOP requires an increase of $12,948,000, from $46,441,168 to $59,389,168. 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 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 LOP. 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.

The Policy analysis considers options for the Project as well as the related Regional Connector Project.

Scope Reductions or Value Engineering

The Project is proceeding under a design-build contract with an April 2022 completion date. Any scope reduction or value engineering would require negotiation and agreement with the Contractor that could delay the schedule. Given the current action involves the payment of an incentive to the Contractor to complete construction 10 weeks faster, we recommend moving to the next step.

New Local Agency Funding Resources

The Project is located in the City of Los Angeles and the Central City Area subregion (as defined in Measure M). These entities have local return, Multi-Year Subregional Program, and other transportation funding that is eligible for the Project. However, given the name of the Project is intended to benefit the regional Metro rail network, the local agency funding is not being considered for the cost increase.

Other Cost Reductions within the Same Transit Corridor

The corridor of the Project includes Exposition Light Rail Transit, Gold Line Foothill Extension, and the Gold Line Eastside Extension. The Exposition Light Rail Transit Phase II (Expo II) and Gold Line Foothill Extension have been completed and have no savings or surplus which could be transferred to the Project. The Expo II project did realize Measure R savings, but the Board directed those savings to the Westside Subway Section 2 project (Board report #2016-0379), then subsequently to the Westside Subway Section 1 project (Board report #2020-0351). The Foothill Extension II, now ending in Pomona, does not have available funding, as it has been shortened due to cost increases from the initial terminus in Claremont, and has required the use of subregional and State grant funding. While the Gold Line Eastside Transit Corridor Extension Phase II is in the same corridor, the funding for this project is outside of the timeframe needed for the Project.

Other Cost Reductions within the Same Sub-region

The Regional Connector Project is located within the Central, or Central City Area Subregion. Given that the project will create continuous corridors between several subregions (Central, Gateway, San Gabriel Valley, and Westside), we are recommending that any remaining funding shortfall for the Project be dealt with at the Countywide level.

Countywide Cost Reductions and/or Other Funds

The Project is eligible for Measure R 35% Transit funds listed in the ordinance Expenditure Plan, but these have all been allocated to the Regional Connector Project. The Project is not eligible for Proposition A and Proposition C as much of the Project is deemed “new subway” and not allowed under the Act of 1998. The Project is eligible for Measure R Rail Capital General Improvements 2%, Metro Lease Revenues, Measure M State of Good Repair 2% (for certain components of the Project only), State Repayment Fund 3562, and Transportation Development Act Article 4 funds. A combination of the funds is recommended to address the increase in the Project LOP.

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

File #: 2020-0797, **File Type:** Contract **Agenda Number:** 36.

CONSTRUCTION COMMITTEE
JANUARY 21, 2021

SUBJECT: SOUNDWALL PACKAGE 11 HIGHWAY PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. AMENDING the Life of Project Budget (LOP) Budget for Soundwall Package 11 Highway Project by $13,303,000 from $89,183,000 to $102,486,000, using the fund sources from the soundwall program as summarized in Attachment D consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment E); and

B. AUTHORIZING the Chief Executive Officer to execute individual Contract Modifications within the Board approved Life of Project budget.

ISSUE

Contract No. C39033C1101-2 Soundwall Package 11 Highway Project (Project) was awarded to Powell Constructors, Inc. in the amount of $ 66,041,760 on October 30, 2017 and Notice to Proceed issued on December 20, 2017. The original schedule for completion of the construction phase of the Project was December 18, 2020 with a subsequent one-year plant establishment period. As of the date of this report, the Project is approximately 60% complete. Project staff have been working diligently to complete the Project within the approved budget; however, the LOP as established prior to Contract notice-to-proceed (NTP) must be increased given certain complexities of the Project as described in this report.

The requested increase to the LOP addresses all current and future direct and indirect cost impacts and will provide enough funding to complete the Project.

BACKGROUND

The Project is being performed under 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 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. The construction of the soundwalls requires the modification and widening of eight existing bridges.

DISCUSSION

During construction, there were several unanticipated changes that occurred for both technical and unforeseen design related reasons as listed on Attachment B. The changes are also summarized below:

Differing Site Conditions ($5.3M)

- Existing underground utilities not shown on the as-built record drawings required relocation.
  - Riverside Drive storm drain encasement
  - Magnolia Ave. storm drain encasement
  - Oxnard Ave. storm drain encasement
  - Chandler Blvd. storm drain encasement
  - Burbank Ave. storm drain encasement
- Unforeseen site conditions during excavation
  - Buried Man-Made Objects such as abandoned roadway materials, concrete, asphalt at various soundwall locations
- Replacing electrical pull boxes along soundwall alignment per Caltrans Standards
- Several changes related to different site conditions.
  - Slope at Soundwall No. 817 required redesign meet Caltrans Standards.

Design Changes ($8.0)

Errors and Omissions ($5.65M)

- Construction delays and increased costs related to permeation grouting delays and design errors
- Inefficiencies and escalations as a direct result of the permeation grouting delay to the large diameter CIDH piles.
- The design drawings incorrectly numbered and identified demolition items within the Project limits.

Third Party Requirements ($2.35)

- Bureau of Street Lighting required that Metro upgrade and/or reconstruct all soffit lighting within the existing bridge structures. This requirement was not known at time of bid, nor was the requirement necessary to perform the scope of work within the contract.

The Design changes listed in this section are being treated as Errors and Omissions, and the Engineer of Record has been notified by County Counsel and Vender/Contract Management of Metro's intent to pursue damages.

Included within the requested $13,303,000 LOP increase are corresponding increases to soft costs, including $1,000,000 for Third Party reviews and field services, $1,906,253 for Agency labor necessary for increased oversight, $1,000,000 related for professional support services (Ghirardelli Associates, Destination Enterprises, KTJV), and $1,000,000 for Project contingency to complete the work.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The current 89,183,000 LOP budget for Project 460324, Soundwall Package 11 is funded with local Measure R Highway 20% and Prop C 25% Funds. If all actions are approved, the LOP budget will increase by $13,303,000 from $89,183,000 to $102,486,000. Funds required through Fiscal Year 2021 have been requested through the Fiscal Year 2021 Mid-Year budget adjustment, to be adopted at the January 2021 Board meeting. The additional LOP funding will be programmed in FY21 and FY22 in Cost Center 8510, Construction Contracts/Procurement, under Project 460324, Soundwall Package 11. 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

Soundwall Package 11 is currently funded with Measure R (20%) and Prop C 25% Highway Funds which are not eligible for bus and rail operations. The source of funds for this LOP increase is Measure R (20%) Highway Funds not eligible for bus and rail operations. Attachment E shows the Measure R and Measure M Unified Cost Management Policy (the Policy) analysis and funding strategy required for a cost increase 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 value engineering and scope reductions however since the project is so far along, nearing completion, these actions are no longer feasible.

Attachment E provides a detailed discussion of the Policy and recommends the use of $13,303,000 of Measure R 20% Highway funds that are currently programmed to the Priority 2, Soundwall Packages 12, 13, and 14 projects. These projects do not have an LOP budget and are still in the project development phase. This will reduce funding for Soundwall Packages 12, 13, and 14 and may result in a need to seek additional funding which will be identified at the time the scope and costs are determined for these Soundwall Packages.

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.

NEXT STEPS

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

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification
Attachment C - DEOD Summary
Attachment D - Funding/Expenditure Plan
Attachment E - Soundwall Package 11 Measure R & Measure M Unified Cost Management Policy

Prepared _By
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Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY

NAME OF PROJECT/CONTRACT NUMBER

1.	**Contract Number**: C39033C1101-2			
2.	**Contractor**: Powell Constructors			
3.	**Mod. Work Description**: Various modifications to address additional work			
4.	**Contract Work Description**: Construction of Soundwalls on Routes 170, 101 and 405			
5.	**The following data is current as of**: November 30, 2020			
6.	**Contract Completion Status**:			
	Bids/Proposals Opened:	8/31/2017	**% Completion $s**:	69.26%
	Contract Awarded:	10/30/2017	**% Completion time**:	60%
	NTP:	12/20/2017	**Original Contract Days**:	1,460
	Original Complete Date:	12/18/2020	**Change Order Days**:	287
	Current Est. Complete Date:	10/2/2022	**Suspended Days:**	0
			Total Revised Days:	287
7.	**Financial Status**:			
	Contract Award:		**$66,041,760.00**	
	Total Contract Modifications Approved:		**$3,438,441.66**	
	Current Contract Value:		**$69,480,201.66**	
	Contract Administrator: Helen Gates-Bryant		**Telephone Number**: 213-922-1269	
8.	**Project Manager**: Joe Wright		**Telephone Number**: 213-922-7281	

A. Contract Action Summary

This Board Action is to approve an increase in the Life of Project (LOP) to provide for pending modifications/changes for the Soundwall Package 11 Project.

The Contract Modifications/Changes will be negotiated and processed in accordance with Metro's Acquisition Policies and Procedures. The contract type is a Firm Fixed Price. The award of the Soundwall Package 11 contract to the lowest price responsive responsible bidder was approved by the CEO on October 12, 2017.

The contract was awarded on October 30, 2017 to Powell Constructors, Inc. in the amount of $66,041,760.00. The period of performance on this contract was 1460 days.

Refer to Attachment B, Contract Modification/Change Log for modifications approved to date, and those pending authorization.

B. Cost/Price Analysis

The final amount of all modifications and changes will be fully negotiated, and determined to be fair and reasonable based upon independent cost estimates, cost analysis, technical evaluation, fact finding, and negotiations, in accordance with Metro Acquisition Policies and Procedures.

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

NAME OF PROJECT/CONTRACT NUMBER

Mod. no.	Description	Status (approved or pending)	Contract Value	Mod/CO Value
N/A	**Initial Award**		**$66,041,760.00**	
1	Contract Conforming and Clarifications	Approved		No Cost
2	Contract Conforming and Clarifications	Approved		No Cost
3	Conforming and Clarifications Lane Closure Chart Adjustments	Approved		No Cost
4	Temporary Mainline Striping	Approved		No Cost
5	Additional Temporary Traffic Control	Approved		$310,000.00
6	Additional Tree Removal	Approved		$78,970.16
7	Crash Cushion Replacement	Approved		$15,991.00
8	Striping Inefficiencies	Approved		$38,953.99
9	Permanent Sign Detail	Approved		$21,542.47
10	SW 951 Elect Service Connection	Approved		$25,971.49
11	OH Sign Structures Walkway Removal	Approved		$60,896.68
12	RW 870 Modifications & Equipment Rental	Approved		$126,873.55
13	Various Extra Work Operations	Approved		$86,394.00
14	DWP Full Closure & Riverside Dr. Off-Ramp Striping	Approved		$88,538.31
15.2	COZEEP Increase	Approved		$480,000.00
16	Caltrans Special Provision Revision Permeation Grouting	Approved		No Cost
17	Combined Extra work Items at SW 917, 860, 891 and Other Areas	Approved		$72,173.36
18	Combined Extra Work – Tree Removal, Illegal Dumping	Approved		$97,778.00
19	Permeation Grouting Delay (TIA)	Approved		$860,000.00
20	Man Made Buried Objects at SW and Bridge Locations	Approved		$86,124.00
21	COZEEP Increase	Approved		$410,000.00
22	SW 817 Modification to Barrier Rail 736SV	Approved		$262,563.00

23	Man Made Buried Objects Multiple SW Drainage Structures & Oxnard	Approved		$78,830.65
24	Crash Cushion Repairs & Riverside Dr. Restripe	Approved		$64,238.00
25	As-Built Bridge Survey	Approved		$23,310.00
CO-00001	Additional Tree Removal	Approved		$149,293.00
	Subtotal Approved Modifications and Change Orders			**$3,438,441.66**
	Impact Cost for delay escalations & Inefficiencies	Pending		$4,637,069.88
	BSL Lighting Change	Pending		$1,224,554.71
	Additional COZEEP Increase	Pending		$450,000.00
	Oxnard Encasement Work – City of LA	Pending		$278,212.58
	Magnolia Encasement Work –City of LA	Pending		$144,489.79
	SW 786 Alignment & Transition, Crash Cushion, City of LA TC	Pending		$66,226.32
	Illegal Dumping at Victory, Oxnard and Burbank	Pending		$70,000.00
	$	$		
Subtotal – Pending Changes/Modifications				**$6,870,553.28**
Subtotal Totals: Mods. + Pending Changes/Modifications			**$**	**$10,308,994.94**
Subtotal – Pending Claims			$	$0
Total: Mods + Pending Changes/Mods + Possible Claims			**$**	**$10,308,994.94**
Previous Authorized CMA			$	$6,604,176.00
CMA Necessary to Execute Pending Changes/Mods + Possible Claims			$	$3,704,818.94

ATTACHMENT C

DEOD SUMMARY

SOUNDWALL PACKAGE 11 HIGHWAY PROJECT/ C39033C1101-2

A. Small Business Participation

Powell Constructors made a 26.35% Small Business Enterprise (SBE) and 3.41% Disabled Veteran Business Enterprise (DVBE) commitment. The project is 61% complete and the Powell Constructors is currently exceeding both of its commitments with 27.19% SBE and 5.37% DVBE participation.

Small Business Commitment	**26.35% SBE** **3.41% DVBE**	**Small Business Participation**	**27.19% SBE** **5.37% DVBE**

B.	SBE Subcontractors	% Committed	Current Participation[1]
1.	G & F Concrete Cutting	0.79%	0.73%
2.	Rupert Construction Group	2.22%	3.36%
3.	Global Transloading, LLC	1.20%	3.94%
4.	Titan Constructor Engineering	1.35%	1.40%
5.	Deco Pave, Inc.	3.67%	2.54%
6.	High-Light Electric, Inc.	9.81%	10.56%
7.	Martinez Landscape	3.21%	0.02%
8.	Miranda Logistics Enterprises, Inc.	0.27%	0.50%
9	G & C Equipment Company (Scope A -Concrete Bridge Girders)	1.44%	0.11%
10.	G & C Equipment Company (Scope B – Ready Mix Concrete)	2.39%	4.03%
	Total	**26.35%**	**27.19%**

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

	DVBE Subcontractor	% Committed	Current Participation1
1.	EnGEN Corporation	1.57%	3.14%
2.	RKW Veterans Solutions, LLC	1.79%	1.51%
3.	G & C Equipment Company (Scope C Sign Panels)	0.05%	0.72%

	Total	**3.41%**	**5.37%**

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

C. Living Wage and Service Contract Worker Retention Policy Applicability

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

D. Prevailing Wage Applicability

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

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

The Contractor has committed to complying with PLA/CCP requirements for this project. This project is 70% complete as of October 2020 which represents the number of construction labor hours worked to date divided by the total projected labor hours for the project. The contractor is achieving the 40% Targeted Worker Goal at 59.33%, not achieving the 20% Apprentice Worker Goal at 16.04%, and not achieving the 10% Disadvantaged Worker Goal at 5.98%. Staff will continue to monitor and report the contractor's progress toward meeting the goals of the PLA/CCP.

ATTACHMENT D

FUNDING/EXPENDITURE PLAN

SOUNDWALL PACKAGE 11 PROJECT

Use of Funds	Remainder of FY21	FY21	FY22	Total Capital Costs
Design Phase				
Design Contract	$3,211,000			$3,211,000
Construction Phase				
Construction Contract	$45,744,000	$19,860,000	$10,677,000	$76,281,000
Proj. Mgmt. Support Costs inc. Pro Svcs	$7,163,000	$1,850,000	$997,000	$10,010,000
Third Party (COLA, LADWP, BOE, BSL, CONAD, Etc.)	$3,281,000	$1,219,000	$800,000	$5,300,000
Agency Costs: Project Control, Procurement Support, Safety, Communications, etc.	$4,551,000	$1,040,000	$920,000	$6,511,000
DEOD and other Professional Services	$96,000	$37,000	$40,000	$173,000
Project Contingency	$0	$0	$1,000,000	$1,000,000
Total Project Cost	$64,046,000	$24,006,000	$14,434,000	$102,486,000
Sources of Funds				
Measure R 20% / Proposition C 25%	$64,046,000	$24,006,000	$14,434,000	$102,486,000
Total Projects Costs	$64,046,000	$24,006,000	$14,434,000	$102,486,000

ATTACHMENT E

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 June 2018. The precursor Measure R cost management policy was adopted in March 2011. The intent of the Policy is to inform the Metro Board of Directors regarding cost increases to Measure R- and Measure M-funded projects and the strategies available to close a funding gap. The 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 $89,183,000. The Project is subject to the Policy analysis now due to a proposed $13,303,000 increase to the LOP budget. Funding for the cost increase is needed through FY 2022. 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 2022 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 $13,303,000 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. The Package 12, 13, and 14 projects are within subregions that have been programmed Proposition C 25% “replacement project credits” and these could potentially be used.

<u>Other Cost Reductions within the Same Transit or Highway Corridor, or within the Same Sub-region</u>
The Project is in the same subregion as the I-5 North Capacity Enhancements project. This project is under construction and it is currently not known if there will be any future cost reductions. This project has a proposed $73,200,000 increase to the LOP budget, and the funding for this (pending Board approval), would use all remaining Measure R 20% highway funds programmed to the project, and would then not be available for the LOP increase to the Soundwall Package 11 Highway Project. The project also has unused Proposition C 25% “replacement project credits” that are programmed; however, these are currently not available for use until the third decade of the LRTP.

<u>Countywide Cost Reductions and/or Other Funds</u>
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 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 2025. The RIP has been allocated to projects submitted in Metro's 2020 RTIP and the next cycle of the LPP is planned to be used on the $801 million Division 20 project. Metro also receives an allocation of funds from the “Highway Infrastructure Program,” which is a federal formula grant created in 2018 for uses that include the construction of highways, bridges, tunnels, transit capital, and ITS; operational improvements; highway and transit safety improvements; and pedestrian and bicycle projects, among others. Funding from this grant will be programmed in the pending 2021 Short Range Transportation Plan.

Recommendation
Metro staff recommends the use of $13,303,000 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.

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

File #: 2020-0794, **File Type:** Contract **Agenda Number:** 39.

CONSTRUCTION COMMITTEE
JANUARY 21, 2021

SUBJECT: I-605 HIGHWAY CORRIDOR PROJECTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. Execute a 3-year cost-plus fixed fee Contract No. PS68033 with Ghirardelli Associates, Inc. to provide Construction Support Services for I-605 Highway Corridor Projects, in an amount not-to-exceed $4,423,718, and to exercise two (2) one-year options when deemed appropriate, subject to resolution of any properly submitted protest; and

B. Execute individual Contract Work Orders for each project within the approved not-to-exceed contract amount and Contract Modifications within Contract Modification Authority (CMA) at 10% of the approved contract not-to-exceed amount ($442,371.00).

ISSUE

A Construction Support Services Consultant (CSSC) is required to assist Metro Program Management staff's direct oversight of I-605 Highway corridor projects, collectively referred to as the "I-605 Hot Spots Projects". These projects include improvements to the I-605/Beverly interchange and the I-605/South Street interchange. Construction support services will be provided from final design through pre-construction activities, construction, contract close out, and administration of the construction contracts, and will help to ensure compliance with contract requirements and government regulations.

BACKGROUND

The I-605 Hot Spots projects are located entirely within Caltrans rights of way and consist of construction of ramp improvements, retaining walls, drainage systems, elevated signage poles, traffic control and landscaping. Right of way acquisitions and temporary construction easements are minimal on these projects. The stated objectives of the projects are to ease congestion, enhance

mobility, improve public safety and improve regional traffic flow and travel time.

DISCUSSION

The I-605 Southbound South Street project and the I-605 Beverly project are the first two projects to be constructed within this corridor. The I-605 Southbound South Street off-ramp project includes freeway exit lane realignment and addition of a fourth lane at the intersection with South Street. A retaining wall with an approximate length of 1570 feet will be constructed along the west shoulder/embankment of the ramp, and traffic signs and signals will be constructed to accommodate the new configuration.

The I-605 Beverly project includes improvements to the on/off ramps, a retaining wall adjacent to the western right of way line next to Union Pacific Rail Road (UPRR), and the removal of the southbound I-605 collector-distributor road from the mainline. The new ramps will merge/diverge directly from the mainline, and a new intersection will be created on Beverly Boulevard at the southbound ramps providing for access in both directions along Beverly Boulevard.

The I-605 Hot Spots Projects are design-bid-build projects. As such, it is beneficial to have additional reviews of the technical bid documents by a consultant team to minimize risks to Metro during construction. The CSSC consultant will provide review and support of the technical bid documents, administration, oversight and inspection services during construction, and technical support during the close out phases of the project. The CSSC consultant will provide skilled individuals to assist Metro with the construction management of the project. The consultant team will reside in an integrated project field office with Metro staff.

A Contract Work Order (CWO) will be issued for each project. Each CWO will include negotiated direct labor, indirect cost rates, general and administrative expenses, fixed fee, and negotiated hours for the level of effort to match the work. The CWOs will be funded from the existing project budgets. Staff shall ensure that strict project controls are in place prior to approving and issuing each CWO, and will closely monitor the Consultant's budget, incurred costs, and schedules. No funds are obligated until the CWO is approved.

In addition, this action does not commit to construction of the project. Initial work orders will focus on pre-construction activities. The I-605 projects are "Bucket Two" projects and the decision to move forward with construction will be made separately based on financial availability and criteria for advancing Bucket Two projects.

Ghirardelli Associates, an SBE Prime, exceeded the goal by making a 93.36% SBE and 6.64% DVBE commitment, see Attachment B.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety

FINANCIAL IMPACT

The I-605 Hot Spots projects are funded on a fiscal year basis. I-605 Southbound South Street and I-605 Beverly project are funded under project numbers 460346 and 460345, respectively, within Cost Center 8510. There are no impacts to the FY21 Adopted Budget. Funding for individual CWOs will be funded from existing project budgets and subject to funding availability. The CSSC contract work scope will be planned and funded on an annual basis within Board approved project budgets until the Life of Project Budget is established.

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

IMPACT TO BUDGET

The source of funds for this recommendation is Measure R Highway Capital (20%) Funds, which are not eligible for bus or rail operations. No other funds were considered.

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 completion of these projects

ALTERNATIVES CONSIDERED

The Board could direct Metro staff to perform construction support tasks with current in-house resources. However, this alternative is not recommended, as it would require diversion of staff resources from on-going projects and would require the hiring of multiple full-time personnel that are not immediately available or funded.

NEXT STEPS

After Board approval of the recommended action, staff will complete the process to award and execute Contract No. PS68033.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared _By
Prepared by:
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Reviewed by:
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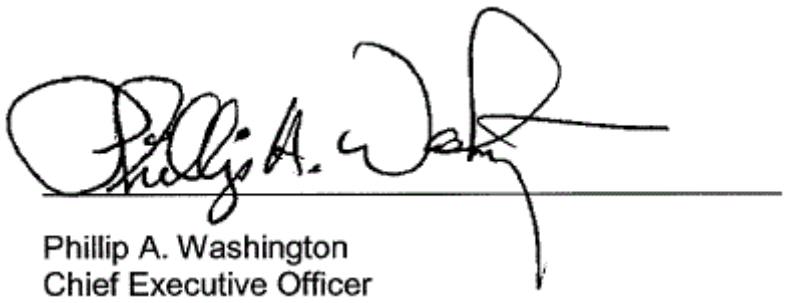

Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

I-605 CONSTRUCTION SUPPORT SERVICES
CONTRACT NUMBER PS68033

1.	**Contract Number**: **PS68033**	
2.	**Recommended Vendor**: Ghirardelli Associates, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: Feb 18, 2020	
	B. Advertised/Publicized: February 15, 2020	
	C. Pre-Proposal Conference: February 25, 2020	
	D. Proposals Due: April 2, 2020	
	E. Pre-Qualification Completed: September 10, 2020	
	F. Conflict of Interest Form Submitted to Ethics: April 8, 2020	
	G. Protest Period End Date: January 25, 2020	
5.	**Solicitations Picked up/Downloaded**: 102	**Proposals Received**: 6
6.	**Contract Administrator**: **Rafael Vasquez**	**Telephone Number**: **213-418-3036**
7.	**Project Manager**: **Sapana Shah**	**Telephone Number**: **818-435-7759**

A. Procurement Background

This Board Action is to approve the award of Contract No. PS68033, I-605 Construction Support Services Consultant (CSSC) to provide construction support services that will assist and support Metro in the performance of Metro's responsibilities directly managing the Construction of the I-605 Improvements Project. Services will be provided from final design through pre-construction activities (early demolition and environmental work, advanced utility relocation work), construction, and contract closeout. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was a competitively negotiated procurement process, performed in accordance with Metro's Acquisition Policies and Procedures. This process required each of the proposals and qualifications to be evaluated based on the evaluation criteria set forth in the RFP. The evaluation criteria were weighted in order of importance, including the cost proposal. The proposals were evaluated and rated accordingly, and the results are shown in the table below. The RFP was issued with an SBE goal of 27% and a DVBE goal of 3%. The contract type is a Cost-Plus Fixed Fee (CPFF). The Contract is for a base term of three (3) years plus two (2) one year (1) options.

A pre-proposal conference was scheduled on February 25, 2020. One hundred and two (102) individuals from various firms picked up or downloaded the RFP Package.

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

- Amendment 1: issued on February 28, 2020; revised Scope of Services, Evaluation Criteria and Form of Contract-Article 1 Contract Documents Order of Precedence.
- Amendment 2: issued on March 4, 2020; added CSSC staffing plan sheet to Proposal Content under Volume III, Cost Proposal.
- Amendment 3: issued on March 17, 2020; revised and extended Proposal due date to April 2, 2026.
- Amendment 4: issued on March 27, 2020; revised and clarified Proposal submittal information.

A total of six (6) proposals were received on April 2, 2020, from the following firms, in alphabetical order:

1. Fountainhead Consulting Corporation.
2. Ghirardelli Associates, Inc.
3. MARRS Services, Inc.
4. PPM Group, Inc.
5. PreScience Corporation.
6. RT Engineering & Associates, Inc.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro Construction and Program Management was convened and conducted a comprehensive evaluation of the proposals received.

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

• Experience and Capabilities of the Firms on the Team	(20%)
• Experience and Capabilities of the Key Personnel	(20%)
• Effectiveness of Management Plan	(20%)
• Project Understanding and Approach	(25%)
• Cost Proposal	(15%)
Total	100%

The evaluation criteria are appropriate and consistent with criteria developed for other professional services procurements. Several factors were considered when

developing the weightings, giving the greatest importance to the Project Understanding and Approach.

The PET evaluated all six (6) written proposals during April 12, 2020 through April 22, 2020. All six (6) proposals received were determined to be within the competitive range.

Oral Presentations were not held due to COVID-19 as a safety response for proposers and staff.

Qualifications Summary of the responsive firm within the Competitive Range:

Ghirardelli Associates, Inc.

- The Proposal significantly exceeds the RFP minimum requirements in the Experience and Capabilities of the Firms on the Team criteria. The proposed firms on the team demonstrated a thorough understanding of the project scope, schedule, and staffing requirements. The proposed team has demonstrated past-experience on projects of similar size, scope and complexity under Metro and Caltrans.
- The team demonstrated an exceptional understanding of the challenges and clear path to overcome them; among the proposed critical elements and approaches the team will utilize: communication and coordination with Caltrans oversight, partnering with other third-party entities, resourcing and inspection support and scheduling, traffic control (California Highway Patrol) construction zone enhanced enforcement program and overall quality/safety on the project.
- The proposed team's organizational chart explained roles of key personnel accurately and effectively identifies available personnel resources.
- The Proposal significantly exceeds the RFP minimum requirements in the Key Personnel's Skill and Experience criteria. The Proposal demonstrated the team's experience with project of similar size, scope and complexity and included several projects that are comparable to the I-605 Statement of Services (SOS). In addition, all key personnel have demonstrated Caltrans Highway and previous Metro work experience.
- The proposed team has good experience with highway projects and applicable guidelines and agency standards, some previous projects include sound-walls installation, roadway/bridge widening, and retaining walls among others.
- The proposed Resident Engineer and Sr. Inspector demonstrated strong background in project delivery of design/bid/build projects and the involvement of stakeholders.
- Implementation of SOS is clearly described, the Proposal demonstrated a strong emphasis on staff utilization and management/project control tools application.
- Proposed team staff is crossed-trained and familiar with schedule rotation, and has shown awareness of night work.
- The Proposal demonstrated understanding of the urgency in replacing and providing staff personnel on short notice.

- The Proposal significantly exceeds the RFP minimum requirements in the Project Understanding and Approach. The Proposal demonstrated a thorough understanding of project duration and plan establishment. Furthermore, the team demonstrated the importance of getting long lead items, source inspections and quality assurance.

PreScience Corporation

- The Proposal substantially meets the RFP minimum requirements in the Experience and Capabilities of the Firms on the Team criteria.
- The Proposed team of subconsultants have demonstrated extensive Caltrans highway experience.
- The Proposal substantially meets the RFP minimum requirements in the Experience and Capabilities of the Key Personnel. Proposed Project Manager, Resident Engineer and Quality personnel are highly qualified and met the requirements of the RFP experience qualifications. The Proposer has demonstrated that can handle fluctuating demands and proposed a cost savings approach and presented crossed-trained personnel.
- The Proposer demonstrated an understanding of cost control methodology, schedule requirements and familiarity with Caltrans quantities, and risks mitigation for overall implementation of SOS.
- The Proposal identified key project elements and challenges associated with the SOS, along with the team's corresponding project goals and mitigation measures. Safety, third party coordination, utility relocation, staging and project phasing are amongst the key challenges addressed.
- The Prime and subconsultants have demonstrated to have excellent knowledge and experience working with other stakeholders.

MARRS Services, Inc.

- The Proposal substantially meets the RFP minimum requirements in the Experience and Qualifications of Firms on the Team criteria. The Proposer included multiple project examples relative to the SOS that convey the level of experience required for projects of similar, in size, scope and complexity for both the Prime and subconsultants on the team.
- The Resident Engineer, Project Manager, Sr. Construction Inspector and Quality personnel substantially meet all qualifications as required in the SOS. The organizational chart clearly identifies all key personnel and their specific responsibilities on this project.
- The Proposal demonstrates the key personnel's knowledge and experience with agency standards based on experience on Metro and Caltrans projects.
- The Proposal substantially meets the RFP minimum requirements in the Effectiveness of Management Plan criteria. The Proposer demonstrated a thorough understanding of the work expected and proposed experienced staff. The Proposer proposed a streamlined process for contract work orders due to extensive experience on Metro projects.

- The Proposer's project controls methodology and implementation strategy includes an emphasis on scheduling aspects, safety and quality.
- The Proposal highlights utility coordination as a significant project risk and includes language on how the Team intends to address them, specific to the project.
- The Proposal included relevant projects, safety, environmental studies, green construction policy, watch manual and sustainability plan.

PPM Group, Inc.

- The Proposal substantially meets the RFP minimum requirements in the Experience and Capabilities of the Key Personnel. The Proposer's planned team, specifically the proposed Project Manager and Resident Engineer appear to have the Caltrans knowledge, skills and experience that would be beneficial to the Project. The proposed staff is flexible and can accommodate Metro's work demand.
- Organization chart clearly identifies all key personnel. The Proposer presented a very good staff experience matrix.
- The Proposal substantially meets the RFP minimum requirements in the Effectiveness of Management Plan. The Proposal provides a detailed summary of the team's project controls methodology and implementation, with an emphasis on scheduled/budget control and dispute resolution.
- The Proposal substantially meets the RFP minimum requirements in the Project Understanding and Approach. This section in the Proposal demonstrates a thorough understanding of the SOS and how it will be implemented. It highlights potential utility impacts, traffic control measures, third party coordination, and other key coordination items that are essential to the success of the Project.
- The Proposal identifies potential challenges specific to the project and innovative solutions that would result in more efficient or better-quality outcomes while meeting the overall requirements.
- The Proposer included the project challenges with Caltrans, homeless encampments, ADA ramps easements, survey-lines, long lead items, and BMPS.
- The Proposer has excellent safety culture and standards.

Fountainhead, Inc. – Strengths

- Relevant project experience shows that the Proposer has extensive experience with engineering and construction services with Caltrans.
- The Proposal substantially meets the RFP minimum requirements in the Experience and Capabilities of the Key Personnel. The Project Manager and Resident Engineer have a wide range of professional engineering experience on Caltrans projects and areas of expertise are applicable to this Project.
- The Proposal clearly explains the role and technical experience of each key personnel proposed. The organizational chart delineates the communication and reporting relationships clearly.

- The Proposal substantially meets the RFP minimum requirements in the Effectiveness of Management Plan criteria. The organizational chart includes all necessary information in the RFP requirements, identifying key personnel' project roles, available resources, and capability to complete tasks outlined by the SOS.
- The Proposer's project controls methodology and implementation puts a strong emphasis on quality assurance/quality control and the steps taken to implement their review procedure.
- The Proposal generally meets the RFP minimum requirements in the project Understanding and Approach. The proposer provides a thorough understanding of Metro's objectives for the Contract, as well as a plan on how intents to perform and satisfy the requirements of the SOS, broken down in the pre-construction, construction and close-out phases.

RT Engineering, Inc.

- The Proposal generally meets the RFP minimum requirements in the Experience and Qualifications of Firms on the Team. The experience and qualifications described in the proposal demonstrate that the proposed firms on the team have experience with Caltrans and Metro with project of similar size, scope and complexity.
- The Proposal generally meets the RFP minimum requirements in the Experience and Capabilities of the Key Personnel. The Proposal demonstrated a team of subconsultants with depth in personnel for support and inspections for the project.
- The Proposed Project Manager has extensive Caltrans experience.
- The Proposal includes significant details on risk and delay mitigation.
- The Proposal generally meets the RFP minimum requirements in the Project Understanding and Approach.

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

1	Firm	Average Score	Factor Weight	Weighted Average Score (1)	Rank
2	Ghirardelli Associates, Inc.				
3	Experience and Capabilities of the Firms on the Team	94.00	20%	18.80	

4	Experience and Capabilities of the Key Personnel	92.83	20%	18.57	
5	Effectiveness of Management Plan	96.08	20%	19.22	
6	Project Understanding and Approach	95.53	25%	23.88	
7	Cost Proposal (2)	83.73	15%	12.56	
8	**Total**		**100.00%**	**93.03**	**1**
9	**PreScience Corporation**				
10	Experience and Capabilities of the Firms on the Team	89.50	20%	17.90	
11	Experience and Capabilities of the Key Personnel	94.33	20%	18.87	
12	Effectiveness of Management Plan	89.92	20%	17.98	
13	Project Understanding and Approach	83.60	25%	20.90	
14	Cost Proposal (2)	100.00	15%	15.00	
15	**Total**		**100.00%**	**90.65**	**2**
16	**MARRS SERVICES, INC.**				
17	Experience and Capabilities of the Firms on the Team	83.00	20%	16.60	
18	Experience and Capabilities of the Key Personnel	92.92	20%	18.58	
19	Effectiveness of Management Plan	92.25	20%	18.45	
20	Project Understanding and Approach	85.33	25%	21.33	
21	Cost Proposal (2)	73.6	15%	11.04	
22	**Total**		**100.00%**	**86.00**	**3**

23	**PPM Group, Inc.**				
24	Experience and Capabilities of the Firms on the Team	84.42	20%	16.88	
25	Experience and Capabilities of the Key Personnel	84.83	20%	16.97	
26	Effectiveness of Management Plan	84.67	20%	16.93	
27	Project Understanding and Approach	93.00	25%	23.25	
28	Cost Proposal (2)	76.01	15%	11.40	
29	**Total**		**100%**	**85.43**	**4**
30	**Fountainhead Consulting Corporation**				
31	Experience and Capabilities of the Firms on the Team	87.50	20%	17.50	
32	Experience and Capabilities of the Key Personnel	86.17	20%	17.23	
33	Effectiveness of Management Plan	82.83	20%	16.57	
34	Project Understanding and Approach	72.33	25%	18.08	
35	Cost Proposal(2)	90.20	15%	13.53	
36	**Total**		**100%**	**82.91**	**5**
37	**RT Engineering & Associates, Inc.**				
38	Experience and Capabilities of the Firms on the Team	77.17	20%	15.43	
39	Experience and Capabilities of the Key Personnel	72.00	20%	14.40	

40	Effectiveness of Management Plan	72.00	20%	14.40	
41	Project Understanding and Approach	76.87	25%	19.22	
42	Cost Proposal (2)	83.67	15%	12.55	
43	Total		100%	76.00	6

Note:

1) Weighted scores are rounded up to the nearest second decimal point.
2) Cost proposals were based on the Proposers' rates for the provided level of effort of 64,690 hours. Scores shown above for the cost proposals are based on formula in the RFP highest score going to the lowest cost proposal.

C. Cost/Price Analysis

Metro staff performed a cost analysis on all six proposals in the competitive range and established a negotiation plan and commenced with negotiations. The final negotiated amounts complied with all requirements of Metro Procurement Policies and Procedures, including fact-finding, clarifications and cost analysis. To prevent delay in contract award, provisional indirect cost rates were established subject to retroactive adjustments upon completion of any necessary audits. The negotiated costs were determined to be fair and reasonable.

	Proposer Name	Proposal Amount (1)	Metro ICE	Recommended Contract Amount (2)
1	Ghirardelli Associates, Inc.	$4,838,257.36	$5,354,880.91	**$4,423,717.65**
2	PreScience Corporation	$4,049,766.00		
3	MARRS SERVICES, INC.	$5,502,592.77		
4	PPM Group, Inc.	$5,532,563.86		
5	Fountainhead Consulting Corporation	$4,489,279.55		
6	RT Engineering & Associates, Inc	$4,839,764.75		

Note[1]: The Proposal Amount is based on revised level of effort and included the Base three (3) years plus two (2) years option.
Note [2]: The Award Price includes the Base three (3) years, only.

D. Background on Recommended Contractor

The recommended firm, Ghirardelli Associates, Inc., located in Irvine, California, has been in business since 1999, providing construction management services to California cities, counties, regional transportation agencies, and Caltrans. A few of their regional clients include LACMTA, Orange County Transportation Authority (OCTA), Riverside County Transportation Commission (RCTC), Transportation Corridor Agencies (TCA), City of Anaheim, County of Los Angeles, and Caltrans Districts 7, 8, 9, 11, and 12.

DEOD SUMMARY

I-605 CONSTRUCTION SUPPORT SERVICES
CONTRACT NUMBER PS68033

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 27% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Ghirardelli Associates, an SBE Prime, exceeded the goal by making a 93.36% SBE and 6.64% DVBE commitment.

Small Business Goal	**27% SBE 3% DVBE**	**Small Business Commitment**	**93.36% SBE 6.64% DVBE**

	SBE Subcontractors	**% Committed**
1.	Ghirardelli Associates (SBE Prime)	72.87%
2.	GPA Consulting	5.01%
3.	SafeworksCM	3.10%
4.	ZT Consulting Group	12.38%
	Total SBE Commitment	**93.36%**

	DVBE Subcontractor	**% Committed**
1.	Casamar Group	6.64%
	Total DVBE Commitment	**6.64%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

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

D. Project Labor Agreement/Construction Careers Policy

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

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

File #: 2020-0701, **File Type:** Contract **Agenda Number:** 42.

EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021

SUBJECT: METRO RIDESHARE/SHARED MOBILITY PROGRAM SUPPORT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 3 to the Metro Rideshare/Shared Mobility Program Support Contract No. PS42183000 with Innovative TDM Solutions, Inc. (ITS) to exercise the first, one-year option in the amount of $630,555 increasing the total contract value from $1,832,308 to $2,462,863 and extending the period of performance from January 31, 2021 to January 31, 2022.

ISSUE

The Metro Board approved the Metro Rideshare/Shared Mobility Program Support Contract for a three-year base period, with two, one-year options, which began on October 13, 2017. The three-year base contract ended October 12, 2020 and a term extension was executed through January 31, 2021. Metro requires the modification of this contract to exercise Option Year 1 from February 1, 2021 to January 31, 2022. The one-year term extension is required to continue services and support of the Metro Rideshare/Shared Mobility Program.

BACKGROUND

The Metro Rideshare/Shared Mobility Program is a one-stop transportation demand management (TDM) resource for Los Angeles County employers, Transportation Management Associations/Organizations (TMA/O), Employee Transportation Coordinators (ETC) and individual commuters committed to reducing vehicle miles traveled (VMT) by single occupancy vehicles (SOV). In FY20, more than 12.5 million miles were reduced. The program focuses on providing options and resources that include teleworking support and information, Guaranteed Ride Home, ride-matching for carpoolers and vanpool SeatFinding. It also encourages and promotes Commuter Benefits, flex/tiered work schedules, employer-based transit subsidies, vanpool subsidies, and incentive and rewards programs such as Metro Rewards, Go Metro to Work Free for new hires. The Rideshare/Shared Mobility Program is also part of Metro's Long Range Transportation Plan to assist the region in reducing traffic congestion and improving air quality.

In addition, Metro's Shared Mobility and Implementation team provides personalized assistance for

compliance with the South Coast Air Quality Management District (SCAQMD) Rule 2202 Employee Commute Reduction Program (ECRP) and Trip Reduction Plan (TRP) which includes SiSense training (data management and reporting), Average Vehicle Ridership (AVR) surveying and reporting, and the production and distribution of customized RideGuides.

The program also provides semi-annual Rideshare/Shared Mobility certification workshops, facilitates regional awards/recognition ceremonies (California Rideshare Week/ETC Diamond Awards), produces the ridesharing/shared mobility "On The Go" newsletter(s) in collaboration with Orange County Transportation Authority (OCTA), Ventura County Transportation Commission (VCTC), Riverside County Transportation Commission (RCTC), and San Bernardino County Transportation Authority (SBCTA), fosters regional publicity, assists with outreach activities, and works collaboratively with TMA/Os and the SCAQMD.

Metro's Shared Mobility and Implementation team is also part of the TRI-Regional County Transportation Commissions (CTC) Partnership with OCTA and VCTC. The main focus of this collaborative effort is to provide systematic tri-regional ridesharing/shared mobility assistance to drive -alone commuters and to employer ETCs as a way to meet air quality regulations and/or implement congestion management strategies by offering, promoting and encouraging their employees to participate in a variety of green trip options, such as transit, carpooling, vanpooling, biking, walking and telecommuting. This program also directly supports TDM Board Motion #60.

DISCUSSION

Managing congestion-reduction strategies and air quality compliance regulations is complex and requires a solid knowledge base and strong industry specific relationships. Metro relies on a highly trained and dedicated contractor to assist with and provide our required broad range of services. Continuing with this contract will allow Metro's Shared Mobility and Implementation team the ability to continue to provide our exceptional rideshare/shared mobility services to Los Angeles County Employer ETCs, non-regulated employers and to individual non-represented commuters. This will become even more critical when implementing strategies in a post-COVID commute environment.

The current contractor will continue with their proven and effective work style in managing several primary tasks and deliverables. These activities include: RidePro-RP35 and SiSense Program Software and database maintenance; AVR transportation survey and reporting; TRP support and RideGuide processing and distribution; respond to in/outbound calls, emails and online inquires; incentive program eligibility and fulfillment; personalized support to commuters; one-on-one training and support to employer ETCs and TMA/Os; organize and provide assistance at county rideshare/shared mobility events; and support overall program growth initiatives, as well as conduct monthly ETC briefings training.

In addition, the contractor will oversee the Los Angeles County portion of the regional database which will ensure a standardized rideshare/shared mobility operating system with OCTA, SBCTA, RCTC and VCTC thus providing a seamless experience for users across all counties. This customized RP35 proprietary software product provided by Trapeze Software Group (TripSpark), Inc. is under a separate contract. All CTC partners have participated in the design and build-out of the multi-regional ridesharing/share mobility database and reporting system.

COVID-19 Response

In response to the COVID-19 pandemic, the contractor has provided additional support to employers seeking guidance and information regarding teleworking. The contractor has provided web-based information and has responded to inquiries regarding guidelines, best practices, and regulations as they pertain to Rule 2202. As the agency continues to implement an overall recovery plan, Metro staff will be working closely with the contractor to develop changes that can support employers, essential workers, and many Los Angeles County residents who continue to telework.

Equity Platform

The program supports Pillar II, Listen and Learn, as well as Pillar III, Focus and Deliver. Metro's Rideshare/Shared Mobility program provides a public service to employers, businesses and Los Angeles commuters and is committed to implementing a program that is equitable in all aspects.

DETERMINATION OF SAFETY IMPACT

The Board action will not have a negative impact on the safety of Metro's patrons or employees. The Metro Rideshare/Shared Mobility Program has demonstrated effectiveness in reducing the number of cars on the road during peak commute periods through the variety of programs offered and contributes to public safety, reduced traffic congestion and improved air quality.

FINANCIAL IMPACT

Approval of this recommendation will not impact the FY 2021 budget, since funding for this contract is already included under Project 405547, Task 01.10, Cost Center 4540 (Regional Rideshare/Shared Mobility). Staff anticipates the billable amount will be partial during FY 2021 Q2, with most of the billing occurring in Q3 and Q4. Since this is a multi-year project, the Cost Center Manager and Chief Planning Officer will be accountable for budgeting the cost in future years.

Impact to Budget

The source of funds for this action is Proposition C 25% Streets and Highway, which is not eligible to fund bus and rail operating and capital expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports the following strategic plan goals:
1. Provide high-quality mobility options that enable people to spend less time traveling;
2. Deliver outstanding trip experiences for all users of the transportation system; and
3. Enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Board could choose not to modify the contract and allow the base contract to end on January 31, 2021. Staff, however, does not recommend this because the Metro Rideshare/Shared Mobility

program provides support to commuters throughout Los Angeles County. This program also provides options and information to commuters throughout the region through the promotion and support of ridesharing/carpooling, vanpooling, transit, bike, walk and telecommuting assistance.

NEXT STEPS

Upon Board approval, staff will execute Modification No. 3 to exercise Option Year 1 of the Rideshare/Shared Mobility Contract No. PS42183000 with Innovative TDM Solutions, Inc.

ATTACHMENTS

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

Prepared by: Martin Buford, Senior Manager, Countywide Planning & Development, (213) 922-2601
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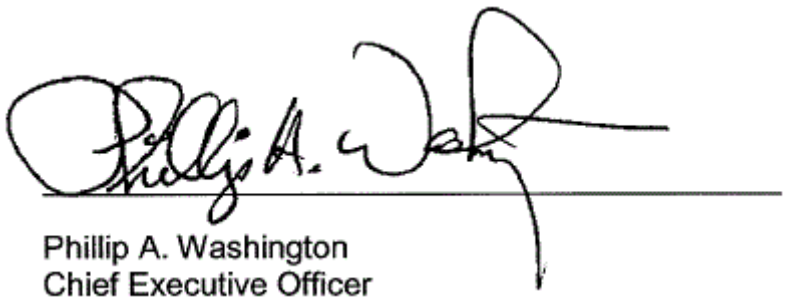

Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

METRO RIDESHARE/SHARED MOBILITY PROGRAM SUPPORT/PS42183000

1.	**Contract Number**: PS42183000			
2.	**Contractor**: Innovative TDM Solutions, Inc.			
3.	**Mod. Work Description**: Exercise One-Year Option Term			
4.	**Contract Work Description**: Metro Rideshare/Shared Mobility Program Support			
5.	**The following data is current as of**: 11/25/2020			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	09/28/17	**Contract Award Amount:**	$1,767,264
	Notice to Proceed (NTP):	N/A	**Total of Modifications Approved:**	$65,044
	Original Complete Date:	10/12/20	**Pending Modifications (including this action):**	$630,555
	Current Est. Complete Date:	01/30/22	**Current Contract Value (with this action):**	$2,462,863
7.	**Contract Administrator**: Gina Romo		**Telephone Number**: (213) 922-7558	
8.	**Project Manager**: Martin Buford		**Telephone Number**: (213) 922-2601	

A. Procurement Background

This Board Action is to approve Contract Modification No. 3 issued to exercise the first, one-year option term of the Metro Rideshare/Shared Mobility Program Support Contract No. PS42183000 to Innovative TDM Solutions, Inc.

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

On September 28, 2017, the Board awarded firm fixed price Contract No. PS42183000 to Innovative TDM Solutions, Inc. for a three-year base period in the amount of $1,767,264 with two, one-year options, effective October 13, 2017.

Two modifications have been issued to date.

Refer to Attachment B – Contract Modification/Change Order Log.

B. Price Analysis

The recommended price has been determined to be fair and reasonable based on pricing that was evaluated as part of the competitive contract awarded in 2017. Pricing remains unchanged.

Proposal Amount	Metro ICE	Modification Amount
$630,555	$708,535	**$630,555**

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

METRO RIDESHARE/SHARED MOBILITY PROGRAM SUPPORT/PS42183000

Mod. No.	Description	Status (approved or pending)	Date	$ Amount
1	Added the Guaranteed Ride Home program.	Approved	11/01/18	$65,044
2	No cost extension of period of performance (POP) through 1/31/21.	Approved	8/20/20	$0
3	Exercise One-Year Option extending POP through 1/31/22.	**Pending**	**Pending**	**$630,555**
	Modification Total:			**$695,599**
	Original Contract:	**Approved**	**09/28/17**	**$1,767,264**
	Total:			**$2,462,863**

DEOD SUMMARY

METRO RIDESHARE/SHARED MOBILITY PROGRAM SUPPORT/PS42183000

A. Small Business Participation

Innovative TDM Solutions (ITS) made a 13.21% Small Business Enterprise (SBE) commitment and 3.65% Disabled Veteran Business Enterprise (DVBE) commitment. The project is 81% complete. ITS is exceeding their SBE commitment with 14.57% participation, but has 2.93% DVBE participation, which is a slight shortfall of 0.72%. In response to DEOD's shortfall mitigation request, ITS explained that the DVBE is currently working on a project and scheduled to participate in another project immediately following which will boost the DVBE participation. ITS further indicated that they are committed to meeting and/or exceeding the DVBE commitment.

Notwithstanding, Metro Project Managers and Contract Administrators will work in conjunction with DEOD to ensure that maximum DVBE participation is achieved by ITS. Accordingly, these teams have been provided access to Metro's web-based monitoring system to ensure that all parties are actively tracking Small Business progress.

Small Business Commitment	13.21% SBE 3.65% DVBE	**Small Business Participation**	14.57% SBE 2.93% DVBE

SBE Subcontractor Name	% Commitment	% Current Participation[1]
The Van Stratten Group, Inc.	13.21%	14.57%
Total	13.21%	14.57%

DVBE Subcontractor Name	% Commitment	% Current Participation[1]
Agustin D. Grube	3.65%	2.93%
Total	3.65%	2.93%

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

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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

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

File #: 2020-0811, **File Type:** Contract **Agenda Number:** 45.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021

SUBJECT: METRO SYSTEM ADVERTISING (LICENSE TO SELL AND DISPLAY ADVERTISING ON BUS AND RAIL)

ACTION: APPROVE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 4 to Contract No. PS41099B - License to Sell and Display Advertising on Metro Bus System, with Outfront Media Group, LLC, to

1) Extend the temporary replacement of the Minimum Annual Guarantee (MAG) payments to Metro with monthly payments of 55% of actual sales revenues for one year, from January 1, 2021 to December 31, 2021;

2) Allow contractor to submit payments by the 80th day following the close of each month beginning January 1, 2021;

3) Amend ARTICLE VI of the Contract to revise the basis of the Letter of Credit from 50% of the Minimum Annual Guarantee (MAG) to 50% of projected Gross Annual Advertising Revenue Share for calendar year 2021;

B. EXECUTE Modification No. 2 to Contract No. PS41099R - License to Sell and Display Advertising on Metro Rail System, with Intersection Parent, Inc. to

1) Extend the temporary replacement of the Minimum Annual Guarantee (MAG) payments to Metro with monthly payments of 55% of actual sales revenues for one year, from

January 1, 2021 to December 31, 2021;

2) Allow contractor to submit payment by the 80th day following the close of each month beginning January 1, 2021;

3) Amend ARTICLE VI of the Contract to revise the basis of the Letter of Credit from 50% of the Minimum Annual Guarantee (MAG) to 50% of projected Gross Annual Advertising Revenue Share for calendar year 2021;

~~4) Contingent on outcome of a Commercial Sponsorship and Adoption Policy ("Sponsorship Policy"):~~

~~i. Upon Board adoption of a Sponsorship Policy - Amend Exhibit B Statement of Work, Article 8, Subarticles 8.6.2.2 and 8.6.2.3 to remove the station domination restriction of maximum 90 days occupancy and repeat sponsor for interoperability of a commercial sponsorship program and instead replace it with the timebound elements of the Sponsorship Policy (temporary, short and long-term placements);~~

~~ii. Until such time that the Board adopts the Sponsorship Policy - Apply no change to Exhibit B Statement of Work, Article 8, Subarticles 8.6.2.2 and 8.6.2.3 restricting station domination maximum 90 days occupancy and repeat sponsor, leaving restrictions as-is.~~

ISSUE

This report provides an update on how COVID-19 pandemic conditions continue to negatively impact advertising business on the Metro system. Metro's revenue advertising business continues to see depressed sales and lack of customer impressions - negatively affecting advertising contractor's ability to generate the level of revenue that is necessary in order to meet the MAG payments to Metro.

In response to continued COVID-19 negatively affecting advertising business, staff is recommending these temporary contract modifications:

1) Extend the removal of MAG payment obligation from each contractor, instead, allowing each to pay Metro 55% revenues share of gross sales from January 1, 2021 to December 31, 2021. This extension provides relief to both contractors while Metro continues to receive revenue payments, it also incentivizes the contractor to keep selling ad space as aggressively as the market will sustain;
2) Revising the basis of the Letter of Credit to 50% of projected gross annual advertising revenue share for calendar year 2021, rather than 50% of the MAG as the MAG quantity will not be

used for calendar year 2021.

Staff is also recommending the following permanent contract modifications to align with Metro accounting standards and avoid additional modifications:

1) Allowing both contractors to submit payments by the 80th day following the close of each month to align with Metro accounts payable requirements - payments are currently due on the 15th of each following month;
2) ~~Contingent upon the outcome of a Commercial and Adoption Sponsorship Policy: If the Board adopts the Sponsorship Policy, remove station domination restriction of maximum 90 days occupancy and repeat sponsor for interoperability with the commercial sponsorship policy and instead replace it with the timebound elements of the policy (temporary, short- and long-term placements). The policy will include temporary, short, and long-term commercial opportunities - directly impacting both advertising contracts. Managing this modification now will prevent further administrative action later to both advertising contracts. If the Board does not adopt the Sponsorship Policy, current restrictions on station domination maximum 90 days occupancy and repeat sponsor will remain in place, as-is.~~

Staff recommendations reflect a prudent response to the impact of COVID-19 on Metro's advertising business. The agency may provide short term financial relief in order to preserve a long-term revenue source - the combined advertising contracts will generate $305M revenue over 10 years, $20M capital expenditure investment in digital equipment, and both contractors will continue to provide payments to Metro.

BACKGROUND

In May 2020, the Metro Board approved contract modifications providing temporary financial relief to revenue advertising contractors, Outfront and Intersection, due to negative impact of COVID-19 pandemic conditions. The temporary relief removed the MAG obligation from each contractor, instead, allowing each to pay Metro a monthly revenue of 55% share of actual revenues from May 2020 through December 31, 2020.

The Metro Board approved the agency's current revenue advertising contracts with Outfront and Intersection, respectively, in January 2018 with revenue operations beginning in March 2018 and ending in February 2028. Outfront was awarded Contract PS41099B to sell and manage commercial advertising on Metro's 2,000+ operational bus fleet with promised revenues of $262,250,000 for the duration of the contract. Intersection was awarded a Contract PS41099R to sell and manage commercial advertising on Metro's rail system, including stations and trains, with promised revenues of $42,902,200 for the duration of the contract. Additionally, Intersection will deploy digital equipment, worth approximately $20M, at no cost to Metro, for the purpose of migrating to digital advertising and information.

DISCUSSION

2020 Revenue Payments and Capital Expenditures

Following the Board's approval of temporarily removing the MAG obligation from May 1, 2020 to

December 31, 2020 for both advertising contractors Outfront has paid Metro $12,123,570 and Intersection has paid Metro $1,616,197 for a collective $13,739,767 (calendar year 2020). Metro received MAG payments from January to April, and 55% revenue share payments from May to December from both contractors. Below is breakdown of payments for the 2020 calendar year:

JAN	$2,128,833	(bus - $1,958,333, rail - $170,500)	MAG
FEB	$2,128,833	(bus - $1,958,333, rail - $170,500)	MAG
MAR	$2,128,833	(bus - $1,958,333, rail - $170,500)	MAG
APR	$2,128,833	(bus - $1,958,333, rail - $170,500)	MAG
MAY	$903,316	(bus - $639,932, rail - $92,883)	RevShare
JUNE	$698,760	(bus - $627,486, rail - $71,274)	RevShare
JULY	$338,725	(bus - $255,452, rail - $83,725)	RevShare
AUG	$771,591	(bus - $663,046, rail - $108,545)	RevShare
SEPT	$682,317	(bus - $567,394, rail - $114,923)	RevShare
OCT	$768,189	(bus - $669,372, rail - $98,817)	RevShare
NOV	$732,937	(bus - $409,798, rail - $323,139)	RevShare
DEC	$578,022	(bus - $457,758, rail - $120,246)	RevShare

On the bus system, approximately 10% of normal revenue from the theatrical/studio business has returned, bus revenue is down 55% overall, and is anticipated to finish around $22.7M in sales (before Metro revenue share).

On the rail system, legal and healthcare industries have continued to buy advertising throughout the pandemic. Intersection has also seen large technology companies, such as Facebook, purchase advertising and give back a percentage of their spend to small, local, and minority-owned businesses, as well as for COVID-19 public health guidelines such as safe social distancing and hand washing practices.

Additionally, Intersection has continued to deploy digital equipment as part of the digital advertising program, including:

- A pair of 75-inch flatscreens at 7th Street / Metro Center Station (October)
- 9-panel video wall at Hollywood / Highland Station (October)
- Replacement of vandalized screens on A Line (9 screens have been replaced to date with 7 more scheduled to be replaced by the end of 2020)

Continued Negative Impact of COVID-19

As COVID-19 pandemic conditions persist, the resulting pandemic recession conditions also persist - impacts to business reported in May 2020 have not improved and remain consistent. Global pandemic conditions continue to negatively impact regional advertising business. Some examples include:

Altered Work Patterns
Working remotely or virtually is becoming a *new norm* in order to adhere to physical distance

measures as a way of inhibiting the spread of coronavirus. Beyond 2020, companies are allowing their employees to selectively work from home or part-time from home; this action removes the need of workers to commute.

- *IMPACT - Loss of Customer Impressions*
  Less people riding the Metro system and less people on the streets equal fewer eyeballs viewing advertisements. Metro's bus and rail ridership is down 48 percent compared to pre-pandemic levels - resulting in the loss of transit rider and bystander viewing impressions. Until a vaccine is approved and distributed, and while the *Stay-at-Home* orders remain in place, it is anticipated that viewing impressions for 2021 will remain consistently low with gradual recovery towards the end of 2021.

Pandemic Recession Patterns
While federal stimulus packages provide aid to local economies and small businesses, larger businesses do not qualify and are mitigating financial hardship themselves. Larger businesses and national brands - those who normally purchase large media buys on the Metro system - are weathering financial difficulty by cutting advertising budgets and advertising spending.

- *IMPACT - Ad Buys Are Still Not Returning*
  During a standard year, Metro's advertising business will see significant media buys from the following sectors: entertainment, local attractions, new products and services. However, these key sectors are still shut down or struggling, and products and service agencies are holding on to ad spending. During the height of the pandemic from April to July 2020, transit advertising was down 75% and is recovering very slowly.

- *IMPACT - Ad Brokers Securing Credit*
  In order to weather pandemic recession conditions, both advertising brokers have or are in the process of independently securing capital. Outfront is a large enterprise company and does not qualify for federal aid nor grants and has secured $500M. Intersection is a smaller, privately held company that is in the process of securing additional capital.

2021 Sales Projections and Capital Expenditures

Advertising Sales Projections
For calendar year 2021, Outfront projects gross revenue sales of $21M for bus advertising, and Intersection projects gross revenue sales of $2M for rail advertising - for a combined $23M in advertising gross revenue sales. Metro's combined revenue share from both parties is projected to be $12.6M for calendar year 2021.

	Gross Sales	Metro Payments (55% Rev Share)
Bus	$21M	$11.5M
Rail	$2M	$1.1M
Totals	$23M	$12.6M

In lieu of MAG payments for 2021, Metro will retain a greater *share of voice* - 20 percent up from 10 percent - on digital and static inventory to communicate agency priorities and implement Board motions such as Metro Art Programs including *Uplifting the Human Spirit Through Art*; customer experience *Surprise and Delight* opportunities; and *East, Shop, Play* construction mitigation.

Capital Expenditures (CapEx)
Intersection's planned capital expenditure investment on the E Line is still on schedule with an estimated investment of over $1M. Various staff and departments have been coordinating with Intersection on kiosk placement, installation logistics, and scheduling. There are currently 34 interactive screens planned for deployment for E Line stations, but the scoping is not complete. Intersection will work with Metro to coordinate the installation of the digital units with minimal service disruption. Deployment is on track to be completed by the end of Q3 2021.

CapEx is independent of MAG suspension. The MAG suspension is essential due to the continued advertising revenue depression resulting from COVID. Intersection will deploy capital in 2021, but the level of capital is less than planned due to the pandemic. Marketing staff are also coordinating with C/LAX program management on digital scoping and deployment.

~~Rail System and Intersection Modifications~~

~~One additional modification is recommended to Contract No. PS41099R - License to Sell and Display Advertising on Metro Rail System, with Intersection Parent:~~

~~*Station Domination Restrictions*~~
~~The current contract restricts station activation/domination activity to maximum 90 days and consecutive purchase by one advertiser. However, future Commercial Sponsorship and Adoption Policy, if adopted by the Board, allows for temporary (up to 6 months), short-term (6 months to 2 years), and long-term (2 years to 10 years) sponsorships - and will directly impact both advertising contracts. Since this restriction is germane to this contract, it should be removed as part of this contract modification to prepare for the forthcoming commercial sponsorship. Removing this now in anticipation of the new Sponsorship Policy, makes it so staff does not have to bring another modification to this contract next month. If the Board adopts the Sponsorship Policy, this language will be removed:~~

> ~~8.6.2.2 Contractor shall not allow or authorize any single advertiser to engage in Station Domination of a single station for a period of more than 90 consecutive days.~~
>
> ~~8.6.2.3 Immediately following the period of Station Domination by an advertiser, said advertiser shall not be permitted to engage in Station Domination of that same station for at least 90 consecutive days.~~

~~The forthcoming policy, rather than providing opportunities for station activations and dominations, will allow for temporary, short and longer-term sponsorship opportunities.~~

FINANCIAL IMPACT

Temporarily replacing the minimum annual payment (MAG) with 55% revenue share of sales for 12 months will see a drastic change in planned revenues. Advertising revenues are eligible for bus and rail operations and capital expenditures.

Impact to Budget

Final loss of revenues will be reported once payment actuals have been received. This contract modification will affect FY21 Q3 and Q4, and FY22 Q1 and Q2, with projected revenue losses to be:

- FY21 Q3 and Q4 loss of revenue is an estimated $7,108,566
- FY22 Q1 and Q2 loss of revenue is an estimated $7,270,602

- FY21 is projected to see a total loss of $16,537,225 (-62%)
- ~~FY22 is projected to see a total loss of $6,883,294 (-25%)~~
- FY22 is projected to see a total loss of $7,270,602 (-26%)

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The revenue advertising program supports the Strategic Plan by fulfilling these goals:

- Goal 2.2 Improving legibility, ease of use, and trip information on the transit system by creating new amenities that provide quality and up-to-date system information; and using popular technology to enhance customer experience.
- Goal 5.2 Exercising good public policy judgement and sound fiscal stewardship by monetizing Metro's capital assets to generate revenues and exploring private investment in Metro infrastructure improvements.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the contract modifications, but this is not recommended. By providing short-term relief to both Outfront and Intersection, Metro is preserving a long-term revenue source and capital expenditure investment that enhances station amenities for our riders.

NEXT STEPS

Upon Board approval, staff will execute both contract modifications, and continue to manage the advertising business in accordance with the contract and applicable agency policies. Staff will monitor national and local advertising business trends, along with our contractors, and provide the Board with an update in July 2021 on Metro's advertising program.

ATTACHMENTS

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

Attachment D - Fiscal Year 2021 and 2022 Revenue Change

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Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY

METRO SYSTEM ADVERTISING – LICENSE TO SELL AND DISPLAY ADVERTISING ON METRO BUS AND RAIL SYSTEMS/PS41099B and PS41099R

1.	**Contract Numbers:** A) PS41099B B) PS41099R			
2.	**Contractors:** A) Outfront Media Group, LLC B) Intersection Parent, Inc.			
3.	**Contract Work Description**: Advertising Revenue			
4.	**Modification Description:** (a) PS41099B: Extend the temporary replacement of monthly Minimum Annual Guarantee (MAG) Payments with monthly payments of 55% of sales revenues to December 31, 2021. (b) PS41099R: Extend the temporary replacement of monthly Minimum Annual Guarantee (MAG) Payments with monthly payments of 55% of sales revenues to December 31, 2021.			
5.	**The following data is current as of**: December 8, 2020			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	Jan 25, 2018	**Revenue Contract Award Amount:**	PS41099B: $262,250,000 PS41099R: $42,902,200
	Original Completion Date:	Feb 28, 2028	**Total of Modification Approved**	$0
	Current Est. Completion Date:	Feb 28, 2028	**Current Contract Value (with this action):**	PS41099B: $262,250,000 PS41099R: $42,902,200
7.	**Contract Administrator:** Ernesto N. De Guzman		**Telephone Number** (213) 922 - 7267	
8.	**Project Manager:** Lan-Chi Lam		**Telephone Number** (213) 922 - 2349	

Background:

On January 25, 2018, the Board approved the award of Contract Nos. PS41099B and PS41099R to Outfront Media Group, LLC and Intersection Parent, Inc., respectively, for license to sell and display advertising on Metro's bus and rail assets. The contracts' terms were for ten (10) years, from March 1, 2018 through February 28, 2028, and included minimum annual guarantee (MAG) payments that would yield to Metro revenues of $262,250,000 for advertising on bus assets, and $42,902,200 for advertising on rail assets during the life of the contracts. There were three modifications issued for PS41099B and one modification was issued for PS41099R.

Refer to Attachment B – Contract Modification/Change Order Log for details of modifications.

Because of the significant loss of advertising sales revenues due to COVID-19, the advertising industry has experienced serious losses of revenue. Both bus and rail revenue advertising contractors have requested to extend the temporary replacement of the MAG requirements of the Contract, paying instead a share of 55% of monthly sales to Metro through December 2021, while they recover from the economic effects of the COVID-19 pandemic.

Reasonableness of Revenue Levels

Metro's marketing staff has been continuously monitoring market conditions since the beginning of the COVID-19 pandemic and had recently concluded that the advertising industry continues to see depressed sales and lack of customer impressions which continues to negatively affect Metro's advertising contractors' ability to generate the necessary level of revenue. Therefore, the levels of revenue submitted by both Contractors are considered fair and reasonable.

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

LICENSE TO SELL AND DISPLAY ADVERTISING ON METRO BUS SYSTEM/PS41099B

Mod. No.	Description	Status (approved or pending)	Date	$ Amount
1	Clarify contract language	Approved	03/28/18	$0
2	Provide a schedule of monthly Minimum Annual Guarantee (MAG) payments	Approved	04/25/18	$0
3	Temporarily replace MAG monthly payments with payments of 55% of actual gross sales from May 2020 through December 2020	Approved	06/04/20	$0
4	Extend temporary MAG replacement by one year to a new expiration date of 12/31/2021; allow contractor to submit payments up to the 80th day following the close of each month beginning January 1, 2021; and, revise the basis of the Letter of Credit from 50% of the MAG to 50% of annual revenue share payment amount for calendar year 2021	**Pending**	**Pending**	**$0**
	Modification Total:			$0
	Original Contract:	Approved	01/25/18	$262,250,000
	Total:			$262,250,000

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

LICENSE TO SELL AND DISPLAY ADVERTISING ON METRO RAIL SYSTEM/PS41099R

Mod. No.	Description	Status (approved or pending)	Date	$ Amount
1	Temporarily replace Minimum Annual Guarantee (MAG) monthly payments with payments of 55% of actual gross sales from May 2020 through December 2020	Approved	06/23/20	$0
2	Extend temporary MAG replacement by one year to a new expiration date of 12/31/2021; allow contractor to submit payments up to the 80th day following the close of each month beginning January 1, 2021; revise the basis of the Letter of Credit from 50% of the MAG to 50% of annual revenue share payment amount for calendar year 2021; and, contingent upon approval of Commercial Sponsorship Policy, remove the station domination restriction of maximum 90 days	**Pending**	**Pending**	**$0**
	Modification Total:			$0
	Original Contract:	Approved	01/25/18	$42,902,200
	Total:			$42,902,200

DEOD SUMMARY

METRO SYSTEM ADVERTISING – LICENSE TO SELL AND DISPLAY ADVERTISING ON METRO BUS AND RAIL SYSTEMS/PS41099B and PS41099R

A. Small Business Participation

For this revenue generating procurement, the Diversity and Economic Opportunity Department (DEOD) determined that a goal was not applicable as the system advertising contract does not utilize any federal, state and/or local funds.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.

D. Project Labor Agreement/Construction Careers Policy

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

ATTACHMENT D

FISCAL YEAR 2021 AND 2022 REVENUE CHANGE

Advertising Revenue - FY21 Payment Summary

(Entire fiscal year earning 55% revenue share of gross sales)

	Planned (MAG)	Actuals & Projected (RevShare)	Difference	Difference (%)
BUS	$23,500,000	$8,772,818		
RAIL	$3,209,000	$1,398,957		
TOTAL	**$26,709,000**	**$10,171,775**	**$(16,537,225)**	**-62%**

Advertising Revenue - FY21 Monthly Payments

JULY	$338,725	(bus - $255,452, rail - $83,725)	RevShare
AUG	$771,591	(bus - $663,046, rail - $108,545)	RevShare
SEPT	$682,317	(bus - $567,394, rail - $114,923)	RevShare
OCT	$768,189	(bus - $669,372, rail - $98,817)	RevShare
NOV	$732,937	(bus - $409,798, rail - $323,139)	RevShare
DEC	$578,022	(bus - $457,758, rail - $120,264)	RevShare
JAN	*$1,529,166*	*(bus - $1,237,500, rail - $291,666)*	*RevShare Projected*
FEB	*$1,529,166*	*(bus - $1,237,500, rail - $291,666)*	*RevShare Projected*
MAR	*$1,529,166*	*(bus - $1,237,500, rail - $291,666)*	*RevShare Projected*
APR	*$1,529,166*	*(bus - $1,237,500, rail - $291,666)*	*RevShare Projected*
MAY	*$1,529,166*	*(bus - $1,237,500, rail - $291,666)*	*RevShare Projected*
JUNE	*$1,529,166*	*(bus - $1,237,500, rail - $291,666)*	*RevShare Projected*

Advertising Revenue - FY22 Payment Summary

(Q1 and Q2 earning 55% revenue share of gross sales, Q3 and Q4 earning MAG payment)

	Planned (MAG)	Projected & Planned (RevShare+MAG)	Difference	Difference (%)
BUS	$23,500,000	$17,499,996		
~~RAIL~~	~~$4,028,508~~	~~$3,145,218~~		
RAIL	$4,028,508	$2,757,906		
~~**TOTAL**~~	~~**$27,528,508**~~	~~**$20,645,214**~~	~~**$(6,883,294)**~~	~~**-25%**~~
TOTAL	**$27,528,508**	**$20,257,902**	**$(7,270,606)**	**-26%**

Advertising Revenue - FY22 Monthly Payments

JULY	*$1,116,666*	*(bus - $958,333, rail - $91,666)*	*RevShare Projected*
AUG	*$1,116,666*	*(bus - $958,333, rail - $91,666)*	*RevShare Projected*
SEPT	*$1,116,666*	*(bus - $958,333, rail - $91,666)*	*RevShare Projected*
OCT	*$1,116,666*	*(bus - $958,333, rail - $91,666)*	*RevShare Projected*
NOV	*$1,116,666*	*(bus - $958,333, rail - $91,666)*	*RevShare Projected*
DEC	*$1,116,666*	*(bus - $958,333, rail - $91,666)*	*RevShare Projected*
JAN	$2,390,870	(bus - $1,953,333, rail - $303,433 ~~$432,537~~)	MAG
FEB	$2,390,870	(bus - $1,953,333, rail - $303,433 ~~$432,537~~)	MAG
MAR	$2,390,870	(bus - $1,953,333, rail - $303,433 ~~$432,537~~)	MAG
APR	$2,390,870	(bus - $1,953,333, rail - $432,537)	MAG
MAY	$2,390,870	(bus - $1,953,333, rail - $432,537)	MAG
JUNE	$2,390,870	(bus - $1,953,333, rail - $432,537)	MAG

Rail / Intersection – Minimum Annual Guarantee (MAG) Payment Table

CONTRACT YEAR 1 MAG TOTAL	$2,000,000
CONTRACT YEAR 2 MAG TOTAL	$2,046,000
CONTRACT YEAR 3 MAG TOTAL	$2,993,058
CONTRACT YEAR 4 MAG TOTAL	$3,641,198
CONTRACT YEAR 5 MAG TOTAL	$5,190,446
CONTRACT YEAR 6 MAG TOTAL	$5,240,826
CONTRACT YEAR 7 MAG TOTAL	$5,292,365
CONTRACT YEAR 8 MAG TOTAL	$5,345,090
CONTRACT YEAR 9 MAG TOTAL	$5,399,027
CONTRACT YEAR 10 MAG TOTAL	$5,454,204
TOTAL 10-YEAR REVENUE MAG	**$42,602,214**

Bus / Outfront – Minimum Annual Guarantee (MAG) Payment Table

CONTRACT YEAR 1 MAG TOTAL	$23,500,000
CONTRACT YEAR 2 MAG TOTAL	$23,500,000
CONTRACT YEAR 3 MAG TOTAL	$23,500,000
CONTRACT YEAR 4 MAG TOTAL	$23,500,000
CONTRACT YEAR 5 MAG TOTAL	$23,500,000
CONTRACT YEAR 6 MAG TOTAL	$28,950,000
CONTRACT YEAR 7 MAG TOTAL	$28,950,000
CONTRACT YEAR 8 MAG TOTAL	$28,950,000
CONTRACT YEAR 9 MAG TOTAL	$28,950,000
CONTRACT YEAR 10 MAG TOTAL	$28,950,000
TOTAL 10-YEAR REVENUE MAG	**$262,250,000**

REVENUE ADVERTISING

- Program Update and Contract Modification

Executive Management Committee - January 2021
File No. 2020-0811

Metro

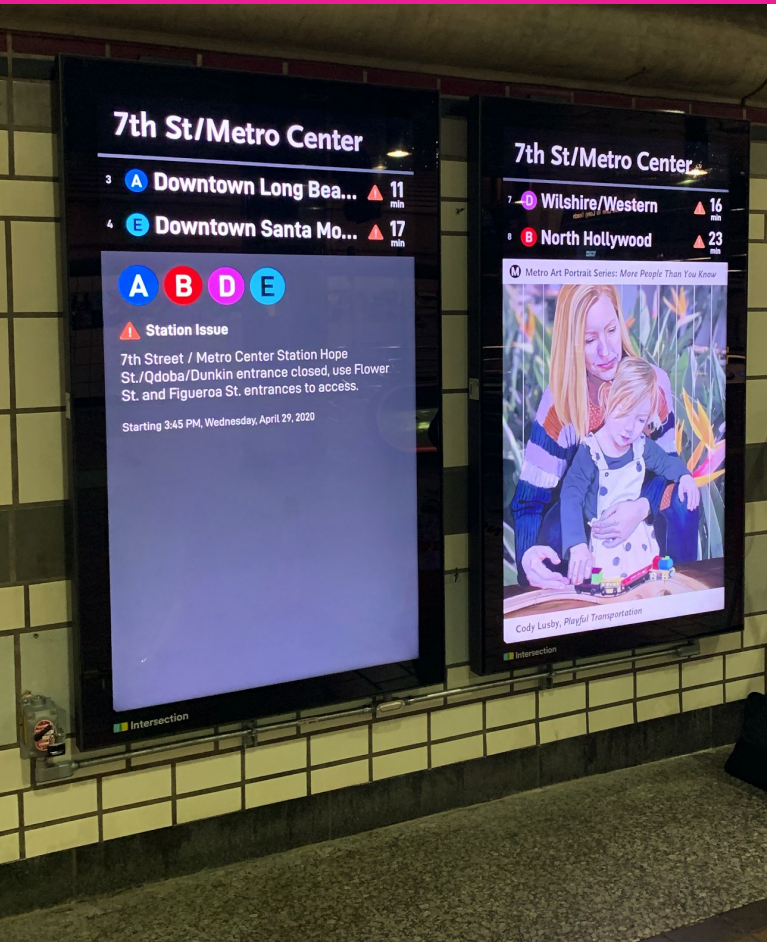
CONTRACT HISTORY

May 2020 Board approved contract modification in response to COVID impact. Vendors pay Metro 55% revenue share of gross sales rather than minimum annual payment (MAG) from May 2020 - December 2020.

Jan 2018 Board approved the current advertising contracts awarding Outfront / bus inventory and Intersection / rail inventory. Combined contracts will generate $305M revenue over 10 years with $20M capital expenditure (CapEx) investment for digital advertising and information.

Metro

2020 RECAP - REVENUE & CAPITAL EXPENDITURES



$13.7M Revenues paid to Metro for CY2020

$8.5M Jan-Apr (MAG)

$5.2M May-Dec (55% Rev Share)

Pandemic caused disruption in global supply chain, pausing/halting equipment orders

- IMPACT - Intersection could not procure large volume order, delaying rollout to E Line
- Small batch orders: Video walls, additional flats screens @ 7th/Metro, and maintenance

2020 RECAP - COVID-19 CONTINUED IMPACT

Pandemic recession conditions persist → impacting regional advertising business

Altered Work - Telecommuting and working remotely removing the need to commute

- IMPACT – Loss of customer impressions (Less people riding the Metro system and less people on the streets equal fewer eyeballs viewing advertising)

Pandemic Recession - Most businesses are facing financial hardship and cut ad budget

- IMPACT – Ad buys still not returning (entertainment, local attractions)
- IMPACT – Ad brokers indepently securing credit to weather pandemic (Outfront secured $500M, Intersection in process)

Metro

2021 FORECAST - REVENUE & CAPITAL EXPENDITURES

$12.6M Projected revenue payments for CY2021

- Metro will receive 55% Revenue Share for entire year

E Line Deployment

- Onschedule to install 34 screens ($1M+ investment) beginning Summer 2021 and complete Fall 2021

Agency Share of Voice (SOV)

- Increase SOV from 10% to 20% to communicate agency priorities and implement Board motions (Art Program, Customer Experience, Eat, Shop, Play)



FINANCIAL IMPACT - METRO FISCAL YEARS

Advertising Revenue - FY21 Payment Summary
(Entire fiscal year earning 55% revenue share of gross sales)

	Planned (MAG)	Actuals & Projected (RevShare)	Difference	Difference (%)
BUS	$23,500,000	$8,772,818		
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~~**TOTAL**~~	~~**$27,528,508**~~	~~**$20,645,214**~~	~~**$(6,883,294)**~~	~~**-25%**~~
TOTAL	**$27,528,508**	**$20,257,902**	**$(7,270,606)**	**-26%**

Metro

CONTRACT MODIFICATION - RECOMMENDATION & JUSTIFICATION

Temporary Modifications

- Extend minimum annual guarantee (MAG) easement and continue to receive 55% revenue share of gross sales for January-December 2021 (12 months)
- Revise Letter of Credit removing tie to MAG amount for 2021 (technicality)

Permanent Modifications

- Align with AP: Allow contractors to submit payment by the 80th day upon invoice
- ~~Contingent on approval of Commercial Sponsorship Policy:~~
  ~~Remove station activation restrictions of maximum 90 days occupancy and repeat buyer so staff do not have to modify this contract once again~~

Justification

- Provide short term financial easement in order to preserve a long-term revenue source for Metro ($305M over 10 years into 2028, $20M CapEx investment)
- Prevent contract cancellation and need to begin new procurement

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

Metro

Board Report

File #: 2020-0917, **File Type:** Oral Report / Presentation **Agenda Number:** 4.

REGULAR BOARD MEETING
JANUARY 28, 2020

SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER

RECOMMENDATION

RECEIVE report by the **Chief Executive Officer.**

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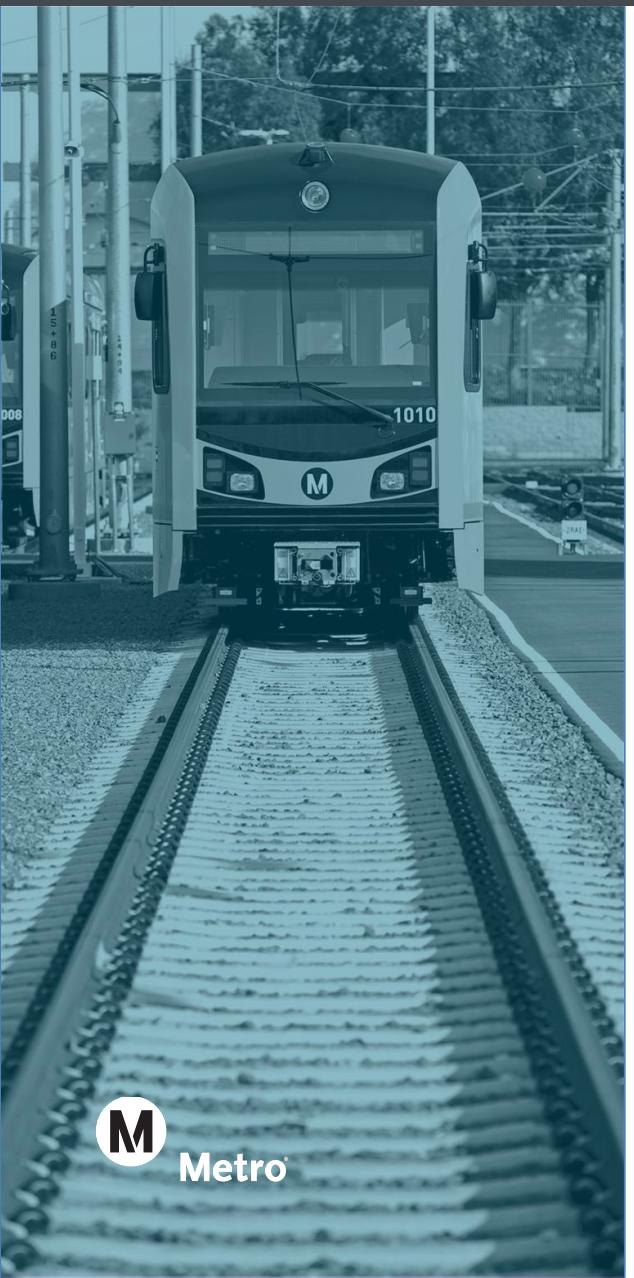
Los Angeles County
Metropolitan Transportation Authority

COVID-19 Update

Metro

CEO Remarks
January 2021

Outline



I. FY20 – WHERE WE WERE (COVID-19 Pandemic)

- Pandemic/Economic impacts
- Metro's swift response
- CARES Act (one-time funding)

II. FY21 – CURRENT SITUATION (COVID-19 Update)

- Impacts of Extended Stay at Home Orders & Vaccines
- Surge in community transmission of COVID-19
- Service cancellations due to workforce shortages
- Strengthening cleaning regimens

III. FY22 - OUTLOOK (COVID-19 Recovery)

- Projected economic recovery
- Potential Impacts to Metro
- Anticipated shortfall in Operations
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) (one-time funding)

IV. NEXT STEPS

FY20 WHERE WE WERE (COVID-19 PANDEMIC)



COVID-19

- ✓ March 2020 - mandated state/local Stay at Home Orders resulted in a halt in economic activity
- ✓ Loss in sales tax revenues
- ✓ Transit ridership plummeted by 50%
- ✓ Fare revenues loss by 95%

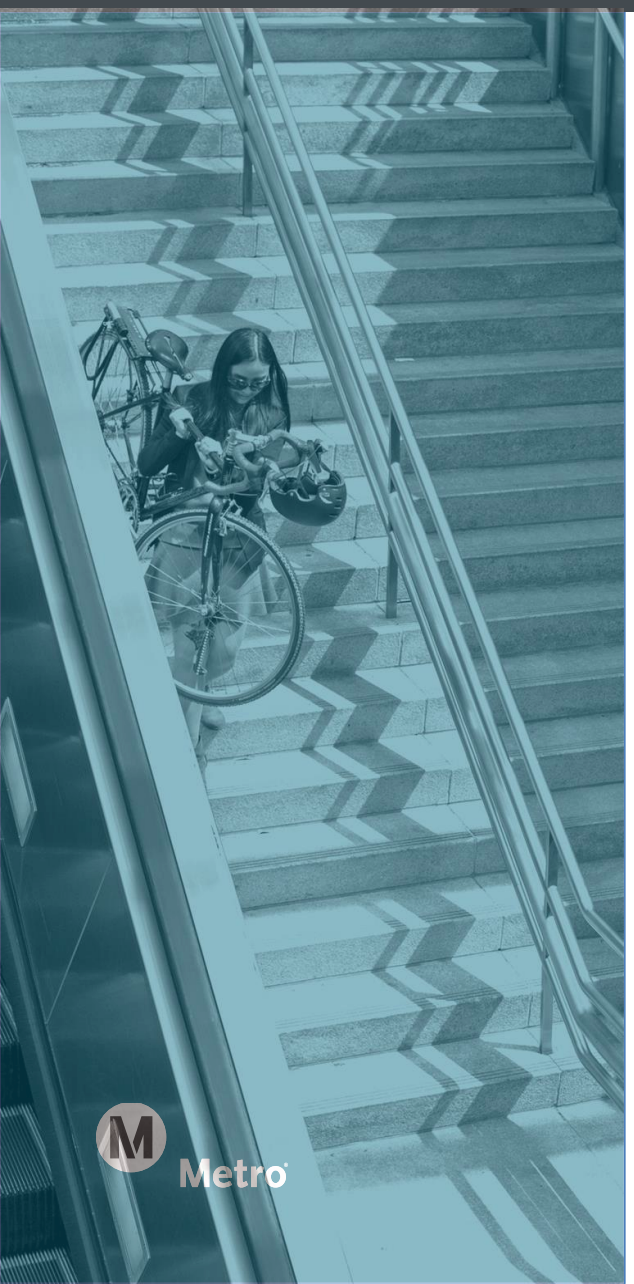
Metros' swift response

- ✓ Immediate CEO cost and cashflow controls
- ✓ Temporary slowdown of all non-operating projects by one quarter
- ✓ Continued bus/rail transit services, enhanced cleaning, PPE availability to employees/patrons
- ✓ Preserved jobs

CARES Act Relief Funding

- ✓ One-time relief funding $1.0B for LA County transit
- ✓ Metro has drawn down all the CARES funding
- ✓ CARES was critical for Metro in maintaining financial stability through the end of FY21
- ✓ Federal stimulus checks to individuals aided consumer spending, helped sales tax meet our projected levels

FY21 CURRENT SITUATION (COVID-19 UPDATE)



Extended Stay at Home Orders

- ✓ FY21 Actual sales tax receipts closely matching projections to date
- ✓ Extended Stay at Home restrictions may worsen economic conditions
- ✓ Vaccine availability and roll-out may help

Unprecedented surge in community transmission of COVID-19 impacting service

- ✓ Service cancellations due to workforce shortages
- ✓ 14% of total staff on inactive status leaves >30 days
- ✓ Boardings and Fare Revenues decline

With the surge, strengthening cleaning regimen

- ✓ Improve disinfection/sanitation efforts
- ✓ Continue PPE distribution
- ✓ Workforce shortages impacting custodial/service attendants

FY22 OUTLOOK (COVID-19 RECOVERY)

Preliminary Sales Tax Update will be based on when recovery is expected

Potential Impacts to Metro (FY22 Budget Development)

- ✓ Anticipate shortfall in operations
  - O&M and other cost increases ($800-$950M)
  - Boarding and Fares continue to stay low
- ✓ Revenue Service Date (RSD) preparation for Regional Connector and Crenshaw
- ✓ Meeting CA fleet electrification requirement
- ✓ Resume deferred heavy maintenance for operating fleet and facilities

Coronavirus Response & Relief Supplemental Appropriations Act (CRRSA) Funding

- ✓ Critical funding to mitigate shortfalls in Operations
- ✓ CRRSA: LA County's share to be determined from the total of about $957M for urbanized areas (some shared with other counties) and rural areas

CARES Draw down (as of 1/15/2021):

- 3 Operators have drawn 100% of their CARES Allocation
- 4 Operators are between 85 and 99% of their CARES Allocation
- 10 Operators are at less than 68% (with 4 Operators having drawn 0%)

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FEDERAL STIMULUS FUNDING

"to prevent, prepare for, and respond to coronavirus"
effective January 20, 2020

	CARES Act (March 2020)	Supplemental Act (December 2020)
Transit Infrastructure Grants	$25 Billion	$14 Billion
Los Angeles County	$1.068 Billion	**TBD** (UZA est. $957M)
Metro Share (includes funding swaps for Metrolink, Access, and smaller operators)	$862 Million	**TBD**
	Caps (CARES + Supplemental) apportionments to 75% of 2018 UZA operating costs	

FTA made CRRSA Act apportionments available January 11, 2021.

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Eligible Expenses

CARES Act

- Transit operations, capital & planning expenses eligible under 5307/5311
- Operations Costs: operate, maintain & manage a public transit system
  - Ex. Driver salaries, fuel, pension benefits, self-insurance, PPE & cleaning supplies
- Capital Costs: purchasing, leasing, constructing, maintaining, or repairing transit system facilities, rolling stock & equipment
- Administrative leave for workers due to reduced service or quarantine
  - Authorized absence without loss of pay or reduction in leave time
- Lost revenue: reimburses costs normally paid by local sources including fare revenue
- Paratransit or COVID-19 related charter service (ex. meal delivery)
- Starting January 20, 2020

NEW for CRRSA Act

- Administrative leave of contractor personnel due to reductions in service
- Requires, to the maximum extent possible, funds to be used for payroll and operations of public transit, including private providers of public transportation, unless:
  - Recipient certifies to USDOT Secretary that it has not furloughed any employees

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NEXT STEPS

December 27, 2020	**Supplemental Appropriations Act ($14B nationwide)**
January 11, 2021	FTA apportionment tables published
February 2021	• Consult with SCAG and other CTCs in SCAG region to determine inter-county allocations • Proposed allocation of LA County's share of funds • Stakeholder review of proposed allocations • Request Metro Board approval of local allocations • Upon Metro Board approval, SCAG "split letter" to FTA
March 2021	Operators submit grant applications to FTA
March-April 2021	FTA grant approval process
April-May 2021	Grant recipients begin drawing down funds

Metro

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

Metro

Board Report

File #: 2020-0817, **File Type:** Informational Report **Agenda Number:** 10.

FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 20, 2021

SUBJECT: MID-YEAR FY 20-21 BUDGET EQUITY ASSESSMENT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on Mid-Year FY 20-21 Budget Equity Assessment.

ISSUE

During the Executive Management Committee meeting on September 17, 2020, Director Garcetti requested a full analysis on current expenditures using the Equity Assessment Tool for our mid-year budget report. He further requested that the Equity Assessment Tool be used to evaluate each annual budget moving forward and that the Executive Officer, Equity and Race develop a racial and social economic equity action plan.

BACKGROUND

Metro believes that access to opportunity should be at the center of decision-making around public investments and services. This is especially true for transportation, which is an essential lever to enabling that access. Vast disparities among neighborhoods and individuals in Los Angeles County limit this access, making opportunity harder to reach for some, whether it is jobs, housing, education, health care, safe environments or other essential tenets of thriving, vibrant communities. Transportation infrastructure, programs, and service investments must be targeted toward those with the greatest mobility needs first, in order to improve access to opportunity for all. Equity means that Metro's service delivery, project delivery, policymaking, and distribution of resources account for the different histories, challenges, and needs of communities across Los Angeles County; it is what we are striving towards.

DISCUSSION

Considerations

After a review of best practices and lessons learned from jurisdictions including the cities of Portland, Oregon, Denver, Colorado, San Antonio, Texas, and the County of Santa Clara, California, staff identified the need to create a specific equity tool for application in the Metro budget process. The

tool would be used to review new, expanded scope, or reduced budgetary requests and departmental budgets. A separate agency-wide equity assessment will be conducted to assess the entire Metro budget and investments, help identify key disparities and gaps in opportunity, and drive the development of an equity strategic action plan.

Accordingly, staff created the Metro Budget Equity Assessment Tool (MBEAT) (Attachment "A"). The MBEAT is a set of questions to guide Metro staff in considering racial and social equity explicitly in its budgetary decisions. The MBEAT has two parts. Part one applies to budgetary changes, including new, expanded scope, or reduced budgetary requests, and assesses each for positive and negative impacts on historically marginalized groups and other facing inequities. Part two applies to the department's entire budget and looks holistically at how the budget supports community engagement and inclusion; targeted efforts to reduce disparities and create a diverse and inclusive workforce; funding gaps that limit equity opportunities; and data collection and tracking to measure equity impacts. Each part will be reviewed for approval by the Offices of Equity and Race and Management and Budget through the budget process.

Part one of the tool was piloted through the FY20-21 mid-year budget process.

MBEAT Process

The MBEAT process has challenged Metro staff to apply an equity lens and more explicitly explain how budgetary decisions might specifically benefit or potentially harm or negatively impact marginalized communities. To launch the MBEAT process, staff from the offices of Equity and Race and Management and Budget met with key staff from the departments who submitted mid-year budget requests to explain the MBEAT questions and apply it to sample budget requests. Each department was then charged with completing an assessment for each new, expanded scope, or reduced budgetary request. Going into the Annual budget process, staff will incorporate a broader MBEAT training session into the Metro Budget Training for staff. Staff will also enhance the online version of the tool to collect and track the large number of anticipated budgetary requests and ensure integration with the Metro budget process.

While there are some logistical details to address, the MBEAT process shows promise in setting a foundation for applying an equity lens to decision making. It will help capture details on potential impacts for marginalized communities, provide an opportunity to address identified potential harms or negative impacts, and highlight areas for an agencywide equity assessment to further assess. The MBEAT is the first equity assessment integrated into one of Metro's agencywide processes. It will eventually become part of an iterative process where Metro applies an equity lens at different points through planning, implementation, and funding decisions to ensure that Metro's process and outcomes are more equitable.

MBEAT Results: FY21 Mid-Year

The MBEAT was applied to 25 new or expanded scope budget requests from various departments including the Office of the CEO (Customer Experience), Operations, and Safety Security and Law Enforcement. The MBEAT assessments highlight how many of the requests will help improve access to opportunities for some of our most marginalized and/or vulnerable communities. Most of Metro's

current riders are people of color, low-income, and/or essential riders. There are a range of requests that will improve the customer experience for them and all riders, including funding for the Bus Speed and Reliability program and a GPS based system that will improve rail service reliability. There is also a new Rescue Ride program which would improve mobility options for bus riders who have experienced pass-ups or canceled runs. This is particularly important for riders with few alternative options to transit, who often experience more detrimental impacts when transit is not available when they need it.

Additionally, there are requests that will allow Metro to test new programs to help connect people experiencing homelessness to housing and services, including funding for a temporary shelter program and participation in the flexible dispatch pilot program in the City of Los Angeles. There are also a series of requests that will support Metro as we enhance transparency in policing and begin to reimagine public safety to ensure that every customer and operator feels safe on our system. This includes funding for body cameras and the public safety advisory committee.

Several programs or projects funded by the requests are in the development or planning phase, and program staff noted that use of the tool was helpful in thinking through how to ensure benefit for those with the greatest needs from the start. There were also funding requests for programs or projects that aim to benefit all, for which staff has not identified a potential harm or negative impact, including the Tunnel and Intrusion Program and CCTV Video Analytics. Staff will continue to measure outcomes and monitor for any disparate impacts that emerge or are unveiled.

Overall, application of the MBEAT highlighted budgetary requests with a wide range of benefits for marginalized and/or vulnerable communities, helped staff identify potential barriers or harms to address, and helped staff consider adjustments to improve access and reduce potential barriers or harms. It also highlighted a need for broader training to not only answer MBEAT questions, but to help staff think through how investment, projects, programs, and policies might cause harm or not benefit all as intended, given historic and current disparities and systemic inequities. The midyear pilot served as a first step in building a foundation for a process that will improve with the use of data analysis and targeted community engagement to help detect and invest in a way that reduces disparities.

FINANCIAL IMPACT

There is no specific financial impact to the mid-year FY20-21 budget as a result of development and applications of the Metro Budget Equity Assessment Tool.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports strategic plan goals #1.1, 3.3, and 5.7 by helping Metro to target programmatic, infrastructure, and service investments toward those with the greatest needs and enhancing communities and lives through mobility and access to opportunity.

NEXT STEPS

For the second part of the pilot, the full MBEAT will be integrated into the FY22 annual budget process which launched in November 2020. Once the FY22 budget process is complete, staff will

refine the MBEAT and its review process as necessary, enhance the MBEAT training process, and take the necessary steps to fully integrate the MBEAT into the Metro budget process before the development of the FY23 budget.

ATTACHMENTS

Attachment A - Metro Budget Equity Assessment Tool

Prepared by: KeAndra Cylear Dodds, Executive Officer, Equity & Race, (213) 922-4850
Anelli-Michelle Navarro, Executive Officer, Finance, (213) 922-3056
Giovanna Gogreve, Sr Manager, Transportation Planning, (213) 922-2835

Reviewed by: Nadine Lee, Chief of Staff, (213) 922-7950
Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

Metro Budget Equity Assessment Tool

The Metro Budget Equity Assessment Tool (MBEAT) is a set of questions to guide Metro staff in considering racial and social equity explicitly in its budgetary decisions. Metro believes that access to opportunity should be at the center of decision-making around public investments and services. This is especially true for transportation, which is an essential lever to enabling that access. Vast disparities among neighborhoods and individuals in LA County limit this access, making opportunity harder to reach for some, whether it's jobs, housing, education, health care, safe environments or other essential tenets of thriving, vibrant communities. Transportation infrastructure, programs, and service investments must be targeted toward those with the greatest mobility needs first, in order to improve access to opportunity for all. The MBEAT is designed to help Metro center equity in its decision-making.

What is "Equity"?

Equity is both an outcome and a process to address racial, socioeconomic, and gender disparities, to ensure fair and just access – with respect to where you begin and your capacity to improve from that starting point – to opportunities, including jobs, housing, education, mobility options, and healthier communities. It is achieved when one's outcomes in life are not predetermined, in a statistical or experiential sense, on their racial, economic, or social identities. It requires community informed and needs-based provision, implementation, and impact of services, programs, and policies that reduce and ultimately prevent disparities.

Equity means that Metro's service delivery, project delivery, policymaking, and distribution of resources account for the different histories, challenges, and needs of communities across Los Angeles County; it is what we are striving towards.

Why use the Metro Budget Equity Assessment Tool?

Use of the MBEAT can help develop strategies and actions, through budgetary decisions, that reduce, and eventually eliminate, racial and socioeconomic inequities and improve access to opportunities for all groups. Understanding the potential impacts of our decisions for those faring the worse, will enable us to improve conditions for all of our customers, front-line Metro family, and the broader Los Angeles County community. MBEAT questions help staff apply an equity lens as they allocate existing and future resources to meet the diverse needs of those who live, work, and play in Los Angeles County. This represents a shift from an equality-based approach to a more strategic equity-based application and helps operationalize Metro's Equity Platform.

How should you use the MBEAT?

- ***Please read this entire document.***
- Utilize the MBEAT as you prepare your annual budget request.
- ***Complete part one of the MBEAT for all budgetary adjustment requests***. Budgetary adjustments are budgetary changes including new, expanded scope, or reduced budgetary requests. This excludes requests for ongoing approved budgets or requests with standardized adjustments, such as cost of living adjustments.
- ***Complete part two of the MBEAT for your Department's overall budget.***
- All questions should be answered to the best extent possible before submitting budget requests.
- Consult with you Department's Equity Liaison(s) for assistance.
- For additional questions, email equityandrace@metro.net.

Metro Budget Equity Assessment Tool

PART ONE: Budgetary Adjustment

Fiscal Year: Click or tap here to enter text.
Department: Click or tap here to enter text.
Unit or Program Click or tap here to enter text.
FY Budget Request: Click or tap here to enter text.

Cost Center: Click or tap here to enter text.
Project number: Click or tap here to enter text.
Account Number: Click or tap here to enter text.
Life of Project Budget: Click or tap here to enter text.

Who completed the MBEAT? (Staff Names)**:** Click or tap here to enter text.
Who completed the MBEAT? (Staff Names)**:** Click or tap here to enter text.
Is this board directed program or project? Yes ☐ No ☐

Project Name: Click or tap here to enter text.
Project Scope: Click or tap here to enter text.

1. **Which area(s), neighborhood(s), or employees will the budgetary adjustment, or the subject of the budgetary adjustment, impact? For area(s) or neighborhood(s), are they Equity Focus Communities (see the map on page 6)?**

2. **Does your budgetary adjustment directly benefit or potentially cause harm or negative impact to one or more of the following groups?** Negative impacts may be unintended and impact some more than others. Consider unique needs and who might have difficultly accessing the service, program, or project, including cost barriers, physical access, safety, language access, etc.

Population Impacted	No Specific Impact	Potential Positive Impact	Potential Negative Impact
Black, Indigenous, or People of Color (Specify when discussing impact.)			
People with Low Incomes (Avg. HH incomes < $35K)			
People with Limited English Proficiency			
People with Disabilities			
Minority or Women Owned Businesses, DBEs, or DVBEs			

Other underrepresented groups facing inequities. Ex: Older Adults, LGBTQ+, Women, etc. (Specify when discussing impact.)			

3. **What considerations were taken into account to maximize equity in this request? Be specific.** Ex: Racial or social disparities data, inequitable service levels, concerns from a high need community, potential to meet an identified community need, potential to support or engage with a high need community, etc. This information may be anecdotal or incomplete but specify what you considered.

4. **What steps will you take to mitigate any potential harm or negative impact caused by this request?** Potential Mitigation Steps: 1) identify the equity challenge and 2) reprioritize to address the equity challenge 3) promote an equity connection - what other areas did you make decision to promote equity or 4) address the concerns and provide mitigations. Please include specific strategies. Ex: funding redistribution, service or program reprioritization, related program coordinating, coordination with other services, targeted outreach, etc.

5. **How will you monitor impacts to the affected populations and evaluate outcomes over time?** Identify specific metrics, qualitative (surveys, focus groups, etc.) or quantitative (program participants, number of riders, etc.), disaggregate by race, income, language access, or other demographics as relevant to monitor disparity levels.

Metro Budget Equity Assessment Tool

PART TWO: Department Budget Proposal:

Department: Click or tap here to enter text.
Fiscal Year: Click or tap here to enter text.
Total Departmental Budget: Click or tap here to enter text.
Who completed the MBEAT? (Staff Names)**:** Click or tap here to enter text.

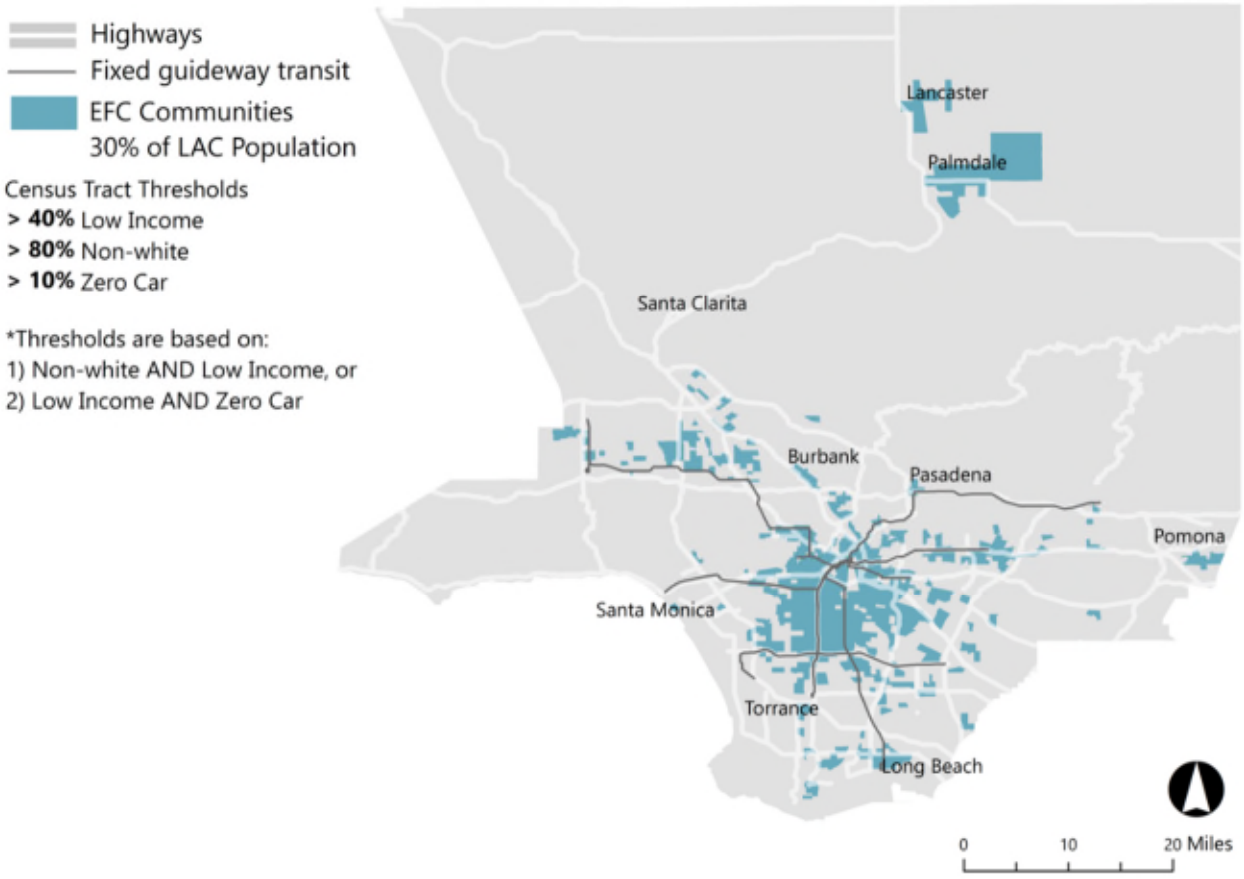
1. **How will the proposed budget build the Department's capacity to engage with and include communities of color, low-income communities, and others most impacted by inequities?** Consider funding allocated towards community engagement (meetings, events, surveys, committees, focus groups, etc.), live speech captioning and oral translation at meetings, the translation of written documents, and ensuring public documents, policies, plans, and meetings are readily accessible to the public.

2. **How will your overall budget for the next fiscal year be realigned in targeted ways to advance equity and support a diverse and inclusive workforce?** This may include shifts relating to programmatic commitments that are intended to reduce or eliminate disparities experienced by communities of color, low-income communities, or other experiencing inequities; and/or staff time allocations for the purposes of advancing diversity, equity, and inclusion, including, but not limited to, staff participation in internal or external trainings, conferences, or book clubs.

3. **Are there recurring funding gaps or limitations in your overall budget that could inhibit your Department's ability to advance racial and social equity?** Consider funding limitations beyond your control, staff capacity, time constraints, and recognition that racial and socioeconomic disparities are vast, deep, and influenced by many factors beyond Metro's control.

4. **Does your Department have, collect, or track the disaggregated demographic data your Department needs to evaluate equity impacts in the community moving forward, and to inform your future budget decisions?** If not, how will you obtain additional data?

Equity Focus Communities Map



Acknowledgements: This tool was developed with inspiration and borrowing from the "COVID-19 Equity Framework and Rapid Response Tool" from the City of San Antonio Office of Equity and the "EOC Equity Framework" from the City of Denver.

Metro Budget Equity Assessment Tool

For internal purposes only.

	Status	Comment
☐	Reviewed, no concerns	
☐	Reviewed, need more information.	
☐	Reviewed, pull for further discussion.	

Metro Budget Equity Assessment Tool

KeAndra Cylear Dodds

Cyleardoddsk@metro.net

Metro

CHIEF EXECUTIVE OFFICE

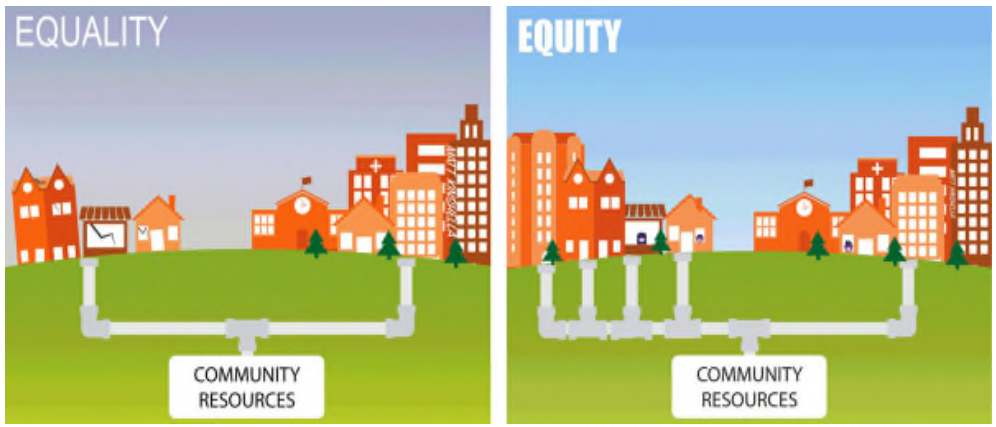
Background

September 2020 Executive Management Committee Meeting:
"Request a full analysis on current expenditures using the Equity Assessment Tool for our mid-year budget report. The Equity Assessment Tool should be used to evaluate each annual budget moving forward. Equity Officer to develop a racial and social economic equity action plan."

What is Equity?

Equity is both an outcome and a process to address disparities to ensure fair and just access to opportunities for all.

Equity means that Metro's service delivery, project delivery, policymaking, and distribution of resources account for the different histories, challenges, and needs of communities across Los Angeles County; it is what we are striving towards.



What is a budget equity assessment?

Research:

- Review Level Options
  - Agency Level
  - Departmental
  - Budgetary Request
- Apply an equity lens: consider needs and disparities and assess potential benefit or harm to communities with the greatest need and facing the greatest disparities.

The MBEAT

- The Metro Budget Equity Assessment Tool (MBEAT) is a set of questions to guide Metro staff in considering racial and social equity explicitly in its budgetary decisions.
- There are two parts:
  - Part One applies to all budgetary adjustment requests. Budgetary adjustments include new, expanded scope, or reduced budget requests. This excludes requests for ongoing approved budgets and standardized increases, such as a cost-of-living adjustments.
  - Part Two applies to a Department's overall budget.

MBEAT Results: FY21 Mid-Year

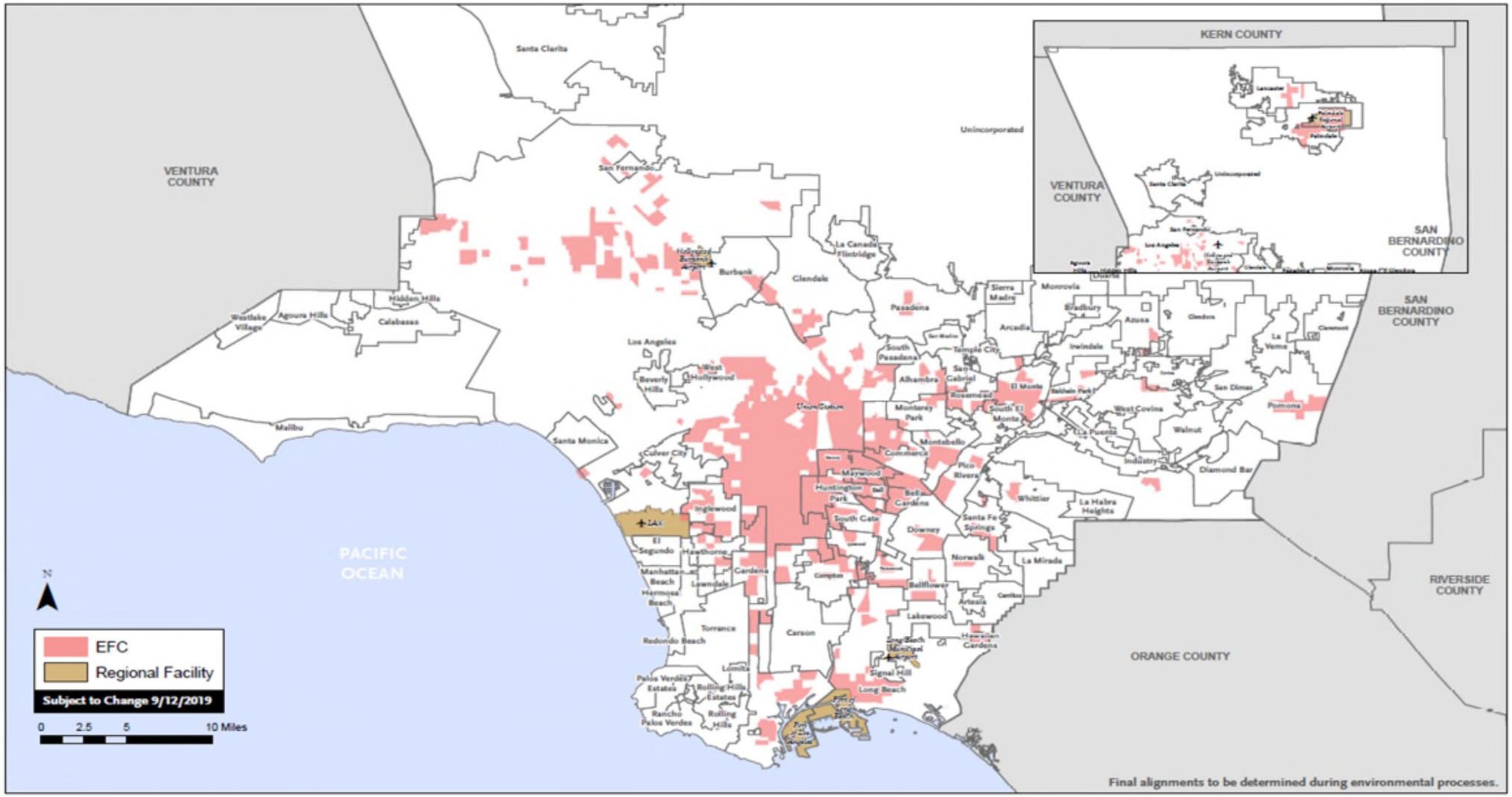
- The first four departments were challenged to apply an equity lens and more explicitly explain how budgetary decisions might specifically benefit or potentially harm or negatively impact marginalized communities.
- There were 25 MBEAT Submissions.
- Benefits Identified:
  - Improved bus rider experience
  - Connect more people experiencing homelessness to services
  - Improve transparency in policing and reimagine public safety
- Ongoing efforts are needed to better identify, prevent, and mitigate potential harm.



Next Steps

- Complete the MBEAT Pilot
  - FY21 Mid-year Budget: OPS, SSLE, and CX
  - FY22 Annual Budget: All Departments
    - Capital Projects
    - MBEAT Training: February 2021
    - Non-Capital Projects
- Review and Improve for FY23

Equity-Focus Communities – 40% Low Income Scenario with 80% Non-White OR 10% Zero-Car Households



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

Metro

Board Report

File #: 2020-0726, **File Type:** Informational Report **Agenda Number:** 11.

REVISED
FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 20, 2021

SUBJECT: FISCAL YEAR 2021 (FY21) MID-YEAR BUDGET

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. AMENDING the FY21 Budget by $765 million from $6.23 billion annual consolidated expenditures to $6.99 billion to achieve goals and objectives set forth by the Board adopted Metro Vision 2028 strategic plan; and

B. AMENDING an increase of 5 Non-Represented FTEs from FY21 Adopted Budget authorized levels: 3 for Equity and Race and 2 for Customer Experience

ISSUE

This report provides an update for revenues and expenses related to the FY21 Budget and request board approval to amend the FY21 Budget to the eligible Metro programs while maximizing the available financial resources. The increase to the FY21 Budget, during this mid-year update, is the result of our current economic conditions, reforecast of sales tax revenues, and effective cost control practices.

DISCUSSION

Revenue Reforecast Update

Staff have been closely monitoring Metro's revenues as they relate to, and deviate from, historical patterns. We have been tracking current social and economic trends for potential impacts to Metro's revenue sources. The FY21 Mid-Year reforecast resource summary by type is in the following table.

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FY21 Reforecast Resources

	Resources ($ in millions)	FY21 Budget	FY21 Reforecast	$ Change	% Change
1	Sales Tax, TDA and STA	$ 3,895.0	$ 4,177.2	$ 282.2	7.2%
2	CARES Act	569.6	569.6	-	0.0%
3	Passenger Fares	60.3	22.2	(38.1)	-63.2%
4	ExpressLanes, Advertising and Other Revenues	138.6	109.6	(29.0)	-20.9%
5	Grants and TIFIA	1,138.9	1,138.9	-	0.0%
6	Debt and Additional Debt Proceeds if necessary*	424.9	974.8	549.9	129.4%
	Total Resources	$ 6,227.3	$ 6,992.3	$ 765.0	12.3%

* Debt will be issued based on need, subject to Board Approval

NOTE: Totals may not add up because of rounding

To date, sales tax revenues have not declined as much as projected in the Adopted Budget. There was a significant bounce back in the Spring quarter, largely due to the broad economic stimulus of the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act. The Federal legislation helped Metro two ways: First, directly through the transportation allocations in the law; Second, indirectly through individual and business stimulus payments and loans, which created additional sales tax receipts in Los Angeles (LA) County.

This recovery stalled over the summer. Actual sales tax receipts for the first quarter of FY21 are over budget but have stopped increasing. Looking forward, there are both positive and negative indicators for taxable sales. On the positive side, the consensus economic projection is for tepid and uneven but continued growth. The National Retail Federation projects holiday spending increased 4%-5% compared to 2019. Also, LA County's economy will receive a boost from the Supplemental stimulus package recently approved by Congress just as it did from the CARES Act (The direct transportation allocations are expected to be received in Q4 and will be programmed in the FY22 Budget).

On the negative side, the COVID-19 pandemic continues to ravage the county and efforts to combat it will have continuing economic impacts. While it is apparent a full economic recovery will take longer than originally expected, overall, we are cautiously optimistic that sales tax receipts will continue slightly above budgeted amounts, generating an additional $282 million in sales tax revenues, or a 7.7% increase, above the FY21 Adopted Budget level.

The revenue picture is not as optimistic within Operations. The reduction in travel continues to have a negative impact on Metro’s system-generated revenues which are projected to be even lower than Adopted Budget levels. Farebox revenues are only a fraction of prior year levels and have fallen much farther than ridership due to rear door boarding. The advertising contract has been temporarily modified to provide relief to the vendor by reducing their payments. ExpressLanes tolls, parking, and bikeshare revenues have all fallen due to reduced usage. These losses in operating-eligible funding sources will have to be covered by operating-eligible sales tax revenues, offsetting many of those gains. The table below shows the overall changes in terms of fund eligibility.

Mid-Year Changes in Sales Tax and Other Resources by Funding Eligibility

		Funding Eligibility				
	Resources ($ in millions)	Metro Transit Ops/SGR	Flex Funding Eligible for Ops/SGR/TID	Transit Expansion	Other Dedicated	Total Funding Gain/(Loss)
1	Sales Tax, TDA and STA	$ 14.7	$ 97.7	$ 43.2	$ 126.5	$ 282.2
2	Passenger Fares	-	(38.1)	-	-	(38.1)
3	ExpressLanes, Advertising and Other Revenues*	(0.7)	(15.0)	-	(13.3)	(28.9)
	Total Additional FY21 Funding	$ 14.0	$ 44.6	$ 43.2	$ 113.2	$ 215.1
	Total Funding Eligible for Operations	**$ 58.6**				

* Other Revenues include Green Fund, HOV Fines, Transit Court, Parking, Bikeshare and Lease Revenues.

NOTE: Totals may not add up because of rounding

In total, $215 million is projected to be available for the FY21 Budget. Out of $67 million of combined operating income declines, consisting of -$38.1 million from Passenger Fares and -$28.9 from other revenues, $53 million are operating-eligible revenues, primarily Passenger Fares and the Green Fund. These losses offset some of the sales tax gains, resulting in an increase of $58.6 million in funding eligible for Operations. Proposed allocations of these funds will be discussed later in this report, but it is important to note that all additional funding that is eligible for Operations is allocated to Operations. Gains and losses in dedicated revenue sources like Regional Rail, General Planning and Programs, Congestion Management, and Subsidies fall into those specific programs.

Every eligible transit dollar has been made available to seize opportunities in increasing operating projects to further enhance the speed and efficiency from the NextGen implementation and initiate the Customer Experience plan.

Transit Expansion, Highway, and Regional Rail Projects

Metro is leveraging the additional $43.2 million of Transit Expansion eligible funds and net savings of $34.3 from refinancing existing debt to advance the drawdown of approved grants in current fiscal year. Metro's $741.4 million cashflow increase will be funded with additional sales tax, advancement of FFGA and other grants, and debt proceeds within Board authorized Life of Project (LOP) budget. All new debt issuance will be in accordance with previously approved Board Approved policies and requires separate Board Action.

Table below depicts those projects with midyear cashflow adjustments for the remainder of FY21. These increases are within Board authorized LOP budget.

	Projects with Midyear Adjustment	FY21 Adopted	Midyear Increase	Adopted + Midyear	Activities
	TRANSPORTATION INFRASTRUCTURE DEVELOPMENT (TID)				
	Transit Expansion				
1	Crenshaw/LAX	$ 73.0	$ 15.2	$ 88.2	▪Project is 97% complete ▪Focused on systems integration testing prior to putting it into revenue service
2	Regional Connector	136.0	82.8	218.8	▪Project is 71% complete; revenue service dates summer/fall 2022 ▪Focused on completed structural concrete and track work installation
3	Westside Purple Line Section 1	170.7	144.4	315.1	▪Project is 66% complete; revenue service date in summer of 2023 ▪Focus on TBM tunnel drive completion – 8 of the 12 cross passages excavated, and concrete placements occurring at station sites
4	Westside Purple Line Section 2	113.1	170.1	283.1	▪Project is 39% complete; revenue service date in 2025 ▪Focused on final design completion; construction activities in Century City and Beverly Hills
5	Westside Purple Line Section 3	213.2	213.3	426.5	▪Project is 16% complete; revenue service date in 2027 ▪Focus on third party utility relocations, continue with final design on one contract, and prepare for tunneling operation
6	Division 20 Portal Widening & Turnback	88.1	53.2	141.3	▪Much of adopted budget spent on mobilization costs ▪Additional funds for construction as staging area and preparatory work finalizes
7	East San Fernando Valley Transit Corridor	12.8	18.1	30.9	▪NEPA environmental cleared in Dec-20 ▪Utility conflict investigation consisting of potholing and slot trenching
8	Eastside Extension Phase 2	2.9	1.5	4.4	▪Allow for engineering and EIR work to be back on schedule
9	Transit Expansion Subtotal	$ 809.8	$ 698.5	$ 1,508.3	
10	Highway				
11	Soundwall Package 10	$ 1.2	$ 0.9	$ 2.1	▪Caltrans expected to finish design by Q3 and Metro to lead soundwall construction
12	Soundwall Package 11	11.3	12.0	23.3	▪Re-design due to differing site conditions from as-built drawings ▪Continue with permeation grouting
13	SR-57/SR-60 Interchange Improvements	6.5	3.2	9.7	▪Advance project through design phase using the TCEP grant
14	SR-91 Improvements	6.7	2.0	8.7	▪Progress through environmental phase for shovel readiness.
15	Highway Total	$ 25.7	$ 18.1	$ 43.8	
16	REGIONAL RAIL				
17	Link US	$ 53.8	$ 24.8	$ 78.6	▪Right-of-way acquisitions anticipated in Q4
18	TID & Regional Rail Total	$ 889.3	$ 741.4	$ 1,630.7	
19	Savings From Debt Refinancing	509.2	(34.3)	475	
20	Total Project Adjustment in TID, Regional Rail and Debt Services	$ 1,398.5	$ 707.1	$ 2,105.6	

NOTE: Totals may not add up because of rounding

Metro Transit Program Recommended Options

Applying all operating eligible funding of $58.6 million to Bus/Rail Operations and State of Good Repair, Metro staff has recommended a list of prioritized initiatives to improve the customer experience, continue rollout of NextGen/Mobility on Demand, Capital State of Good Repair, staffing recruitment for Regional Connector, and implementation of other operational needs. Service-related criteria, as well as other criteria including Equity, Grant Funding Consideration, Project Readiness, Project Interdependency, and Safety/Reliability have been evaluated to implement the initiatives and to optimize the additional revenues.

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	Initiative ($ in millions)	FY21 Mid-Year Budget Adjustment
1	Customer Experience	$ 4.9
2	NextGen Infrastructure Study/Mobility on Demand	10.0
3	Capital State of Good Repair	24.3
4	Regional Connector Staffing	4.3
5	Other Operational Needs	15.1
	Total Initiatives	$ 58.6

NOTE: Totals may not add up because of rounding

- **Customer Experience initiatives** include real-time identification of customer impacts of pass-ups, deployment of elevator attendants at various stations, reducing homelessness on the system by 50%, flexible dispatching of various people with expertise for quick problem response, advertising campaigns to increase TransitWatch use, Better Bus engagement tool/Metro.net website overhaul, and increasing customer experience surveys

- **NextGen/Mobility on Demand initiatives** relate to continued NextGen infrastructure studies and incorporating Mobility on Demand into Microtransit

- **Capital State of Good Repair initiatives** will re-establish scheduled fleet and infrastructure scheduling priorities that were delayed. Projects include new bus engine procurement, bus vehicle delivery, rail vehicle mid-life and component overhaul programs, and rail infrastructure improvements

- **Regional Connector staffing recruitment** will initiate maintenance training to gear up for the upcoming Rail Operations Date (ROD)

- **Other Operational Needs** include Bus/ Rail fleet maintenance campaigns, backfilling expenses to cover Purchased Transportation revenue service hour increases, and additional budget to complete the build out of lactation rooms at various facilities

Five (5) Non-Represented FTEs - Equity & Race and Customer Experience

Metro believes that access to opportunity should be at the center of decision-making around public investments and services. Accordingly, led by the Office of Equity and Race, Metro continues to take steps to operationalize and institutionalize equity under the four pillars of the Board-adopted Equity Platform. The Office of Equity and Race is requesting Board approval for three (3) Non-Represented FTEs to increase capacity to lead this work and improve efforts to expand access for historically and currently marginalized, underserved, and vulnerable communities, to contribute to a more inclusive and equitable LA County.

Additionally, Metro seeks to improve mobility in LA County by doubling the number of people who travel by modes other than single occupancy vehicles in the next ten years. In order to achieve this goal, the Customer Experience department has requested Board approval for two (2) Non-Represented FTEs to improve the customer experience across all Metro products and services to deliver customers with an outstanding, reliable, safe, and comfortable journey.

EQUITY ASSESSMENT

Metro staff developed and applied the Metro Budget Equity Assessment Tool (MBEAT) to the budgetary requests in this board action to understand the potential benefits and burdens for historically and currently marginalized communities and determine how budgetary requests might support more equitable outcomes. Overall, application of the MBEAT highlighted budgetary requests with a wide range of benefits for marginalized and/or vulnerable communities, helped staff identify potential barriers or harms to address, and helped staff consider adjustments to improve access and reduce potential barriers or harms. It also highlighted a need for broader training to not only answer MBEAT questions, but to help staff think through how investment, projects, programs, and policies might cause harm or not benefit all as intended, given historic and current disparities and systemic inequities.

Please see the Mid-Year FY20-21 Budget Equity Assessment - Receive and File Report for a summary of highlights on the findings, new process and next steps.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not impact safety.

FINANCIAL IMPACT

The FY21 Proposed Mid-Year Budget at $6.99 billion is balanced and appropriates the resources necessary to fund them. The proposed mid-year budget demonstrates Metro’s ongoing commitment to meeting its capital and operating obligations, which is essential in receiving subsidies from the state and federal governments and to administer regional transportation funding to local cities and municipal operators.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Metro Vision 2028 Strategic Goal # 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

NEXT STEPS

Upon Board amendment of the FY21 Budget, Metro will make funds available for the planned transit and transportation programs outlined in this document.

Metro staff will continue to monitor the financial situation considering the COVID-19 pandemic and

reassess resources, expenditures, and economic recovery which may result in returning to the Board for another amendment in FY21, if necessary.

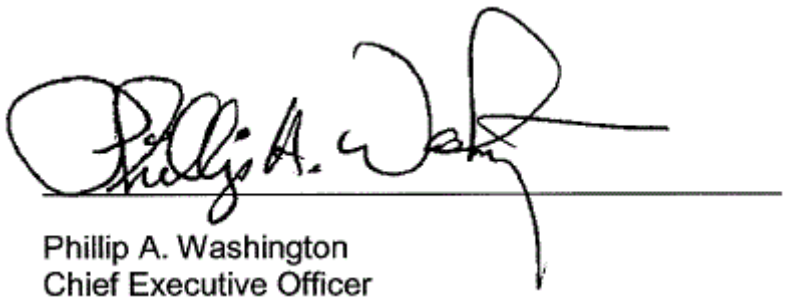
With the allocation and application of the recently approved additional stimulus package yet to be determined by the federal government, Metro will assess the financial impact of the amount available for all transit agencies in the County and integrate the information into the FY22 Budget Development process.

Prepared by: Office of Management and Budget Team

Melissa Wang, Senior Executive Officer, Finance (213) 922-6024

Perry Blake, Senior Executive Officer Finance, (213) 922-6171

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

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Los Angeles County
Metropolitan Transportation Authority

Item #11

FY21 Mid-Year Budget

Finance, Budget & Audit Committee
January 20, 2021

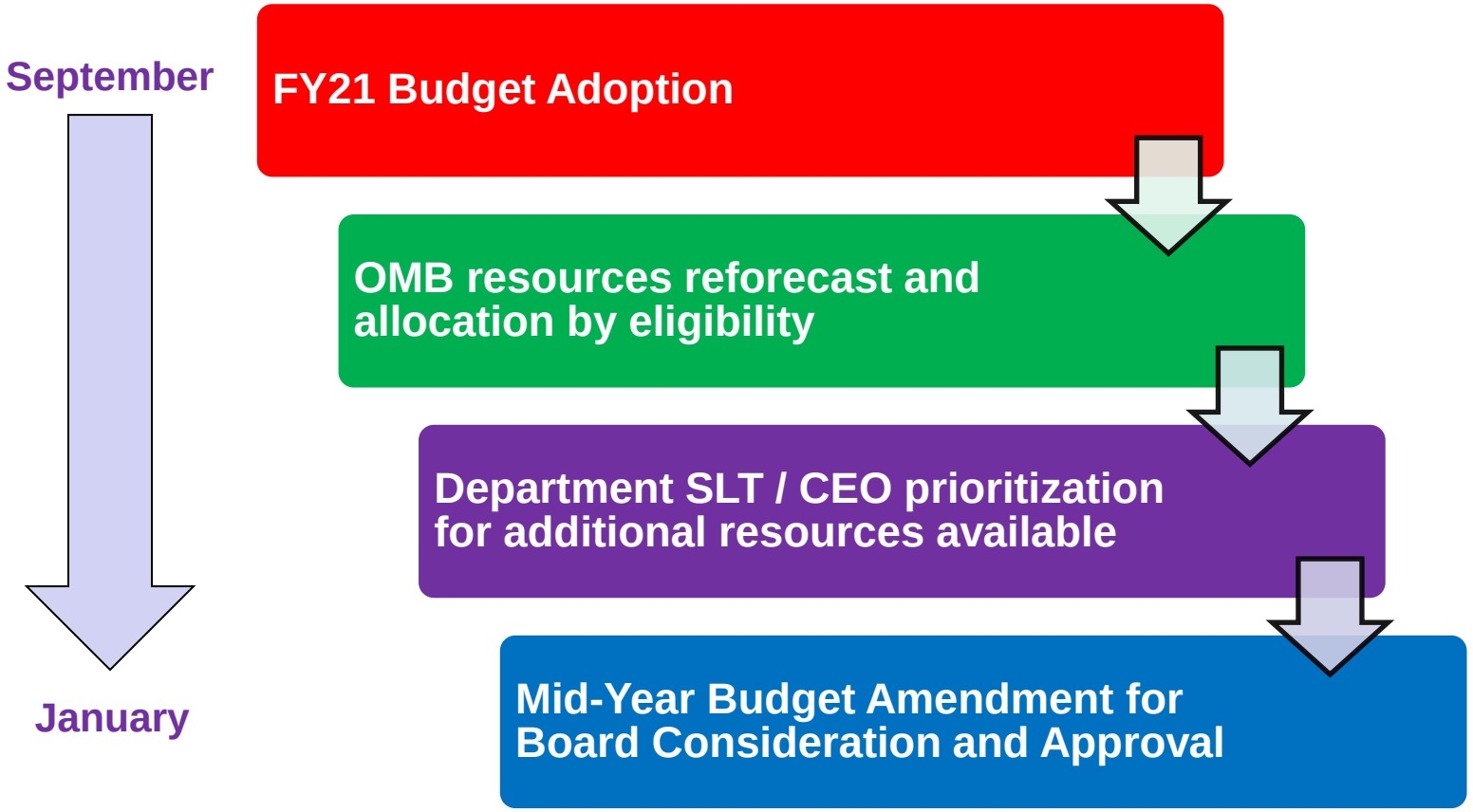
Metro

Meeting Agenda

- **FY21 Mid-Year Budget Process**
- **Revenue Reforecast Update**
- **Transportation Infrastructure Development**
- **Metro Transit:**
  - **Operations & Maintenance**
  - **State of Good Repair**
  - **Customer Experience**
- **FTE increases for Customer Experience and Equity and Race**
- **Next Steps**

Metro

FY21 Mid-Year Budget Development Process



Metro

FY21 Mid-Year Budget Summary

<u>Recommendation</u>: Requesting approval to AMEND the FY21 Budget by $765M from $6.23B to $6.99B and AMEND 5 Non-Represented FTEs for Equity and Race and Customer Experience

Revenues

- Sales Tax Revenue forecasted to increase $282.2M compared to FY21 Budget
- System-Generated Revenues (Fares, Toll Revenues) projected to decrease by -$67.1M
- Recent federal stimulus package will be programmed for FY22 Budget when the allocation is approved by the Board

Expenses

- Transit Expansion, Highway, and Regional Rail projects increase to be funded by a combination of the projected sales tax increase, the advancement of FFGA and other grants, and the issuance of new debt if necessary.
- All Transit Operations-eligible funding allocated to Operations for Customer Experience initiatives, NextGen / Mobility on Demand initiatives, Capital State of Good Repair projects, Regional Connector staffing recruitment, and Other Operational Needs
- Newly created Metro Budget Equity Assessment Tool (MBEAT) applied to the budgetary adjustments
- Increase of 5 Non-Represented FTEs compared to FY21 Budget
  - 3 for Equity and Race
  - 2 for Customer Experience

If needed, additional updates will be brought to Board for approval based on the pace of recovery

Revenue Reforecast

FY21 Reforecast Resources

	Resources ($ in millions)	FY21 Budget	FY21 Reforecast	$ Change	% Change
1	Sales Tax, TDA and STA	$ 3,895.0	$ 4,177.2	$ 282.2	7.2%
2	CARES Act	569.6	569.6	-	0.0%
3	Passenger Fares	60.3	22.2	(38.1)	-63.2%
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5	Grants and TIFIA	1,138.9	1,138.9	-	0.0%
6	Debt and Additional Debt Proceeds if necessary*	424.9	974.8	549.9	129.4%
	Total Resources	$ 6,227.3	$ 6,992.3	$ 765.0	12.3%

* Debt will be issued based on need, subject to Board Approval

- Overall Resources is projected to be $765M or 12.3% higher than FY21 Budget
- Sales Tax Revenues have not declined as much as originally projected, with a $282.2M increase or +7.2%
  - Sales Tax receipts in Q1 FYH21 was higher than projected but coming down to budgeted levels in recent months
  - CARES impact had broad economic impact
- Operating Revenues (Fares, Expresslanes, Advertising and Other) is projected lower $67.1M compared to FY21 Budget
- If necessary, $549.9M additional debt proceeds available subject to Board Approval

Revenue by Funding Eligibility

Mid-Year Changes in Sales Tax and Other Resources by Funding Eligibility

		Funding Eligibility				
	Resources ($ in millions)	Metro Transit Ops/SGR	Flex Funding Eligible for Ops/SGR/TID	Transit Expansion	Other Dedicated	Total Funding Gain/(Loss)
1	Sales Tax, TDA and STA	$ 14.7	$ 97.7	$ 43.2	$ 126.5	$ 282.2
2	Passenger Fares	-	(38.1)	-	-	(38.1)
3	ExpressLanes, Advertising and Other Revenues*	(0.7)	(15.0)	-	(13.3)	(28.9)
	Total Additional FY21 Funding	$ 14.0	$ 44.6	$ 43.2	$ 113.2	$ 215.1
	Total Funding Eligible for Operations	**$ 58.6**				

* Other Revenues include Green Fund, HOV Fines, Transit Court, Parking, Bikeshare and Lease Revenues.

- Total Resources added $215.1M must be allocated by funding eligibility into Programs
- All funding eligible for Operations have been allocated to Operations
  - Total increase for Metro Transit Operations is $58.6M ($14.0M Metro Transit specific + $44.6M Flexible Funding Eligible)

Metro

Transportation Infrastructure Development – List of Projects with Midyear Adjustments

- Transit Infrastructure Development and Regional Rail cashflow increases of $741.4M within Board authorized Life of Project (LOP) budget

($s in MMs)

	Project	FY21 Adopted	Midyear Increase	Adopted + Midyear	Activities
	TRANSPORTATION INFRASTRUCTURE DEVELOPMENT (TID)				
	Transit Expansion				
1	Crenshaw/LAX	$ 73.0	$ 15.2	$ 88.2	•Project is 97% complete •Focused on systems integration testing prior to putting it into revenue
2	Regional Connector	136.0	82.8	218.8	•Project is 71% complete; revenue service date summer/fall 2022 •Focused on completed structural concrete and track work installation
3	Westside Purple Line Section 1	170.7	144.4	315.1	•Project is 66% complete; revenue service date in summer of 2023 •Focus on TBM tunnel drive completion – 8 of the 12 cross passages excavated, and concrete placements occurring at station sites
4	Westside Purple Line Section 2	113.1	170.1	283.1	•Project is 39% complete; revenue service date in 2025 •Focused on final design completion; construction activities in Century City and Beverly Hills
5	Westside Purple Line Section 3	213.2	213.3	426.5	•Project is 16% complete; revenue service date in 2027 •Focus on third party utility relocations, continue with final design on one contract, and prepare for tunneling operation
6	Division 20 Portal Widening & Turnback	88.1	53.2	141.3	•Much of adopted budget spent on mobilization costs •Additional funds for construction as staging area and preparatory work
7	East San Fernando Valley Transit Corridor	12.8	18.1	30.9	•NEPA environmental cleared in Dec-20 •Utility conflict investigation consisting of potholing and slot trenching
8	Eastside Extension Phase 2	2.9	1.5	4.4	•Allow for engineering and EIR work to be back on schedule
9	Transit Expansion Subtotal	$ 809.8	$ 698.5	$ 1,508.3	
10	**Highway**				
11	Soundwall Package 10	$ 1.2	$ 0.9	$ 2.1	•Caltrans expected to finish design by Q3 and Metro to lead soundwall construction
12	Soundwall Package 11	11.3	12.0	23.3	•Re-design due to differing site conditions from as-built drawings •Continue with permeation grouting
13	SR-57/SR-60 Interchange Improvements	6.5	3.2	9.7	•Advance project through design phase using the TCEP grant
14	SR-91 Improvements	6.7	2.0	8.7	•Progress through environmental phase for shovel readiness.
15	Highway Total	$ 25.7	$ 18.1	$ 43.8	
16	**REGIONAL RAIL**				
17	Link US	$ 53.8	$ 24.8	$ 78.6	•Right-of-way acquisitions anticipated in Q4
18	TID & Regional Rail Total	$ 889.3	$ 741.4	$ 1,630.7	

Metro Transit Program – Operations Proposed Allocations

- All Transit Operations-eligible funding allocated to Operations for a total of $58.6M

($s in MMs)

#	Initiative	FY21 Mid-Year Budget Adj	Description of Activity
1	Customer Experience	$ 4.9	Pilot programs: elevator attendants, unarmed ambassadors to address homelessness, dispatching social service workers to address issues on the system, ads to increase TransitWatch use, a Better Bus website engagement tool, a new annual Customer Experience Survey, and a program that identifies customers impacted by a missed run or pass-up and offers them a free ride code for a taxi or rideshare service to get where they need to go
2	NextGen Infrastructure / Mobility on Demand	10.0	NextGen/Mobility on Demand initiatives relate to continued NextGen infrastructure studies and incorporating Mobility on Demand into Microtransit
3	Capital State of Good Repair	24.3	Capital State of Good Repair initiatives will re-establish scheduled fleet and infrastructure scheduling priorities that were delayed. Projects include new bus engine procurement, Bus vehicle delivery, rail vehicle mid-life and component overhaul programs, and Rail infrastructure improvements
4	Regional Connector Staffing	4.3	Regional Connector staffing recruitment will initiate maintenance training to gear up for the upcoming Rail Operations Date (ROD)
5	Other Operational Needs	15.1	Other Operational Needs include Bus and Rail fleet maintenance campaigns, backfilling expenses to cover Purchased Transportation revenue service hour rate increases, and additional budget to complete the build out of lactation rooms at various facilities
6	Total Initiatives	$ 58.6	

Equity and Race and Customer Experience – FTE Increases

Office of Equity and Race (3 Non-Represented FTEs)

- (3) Non-Represented FTEs to staff new Equity and Race department
- Increase capacity to lead this work and improve efforts to expand access for historically and currently marginalized, underserved, and vulnerable communities, to contribute to a more inclusive and equitable Los Angeles County. Operationalize and institutionalize equity under the four pillars of the Board-adopted Equity Platform
- Metro staff developed and applied the Metro Budget Equity Assessment Tool (MBEAT) to the budgetary requests in this Board action

Customer Experience (2 Non-Represented FTEs)

- (2) Non-Represented FTEs to staff the new Customer Experience department
- This will support the annual Customer Experience Plans required by the Board, and expand the scope to include journey mapping, building a customer-first culture across the organization, and planning for the needs of out-of-town visitors as Metro prepares to welcome people from around the world for the 2028 Olympics.

Next Steps

- FB&A Committee on January 20, 2021
- Board Meeting on January 28, 2021
- Metro will make funds available for the planned transit and transportation programs upon Board Approval
- Metro staff will continue to monitor the financial situation which may result in returning to the Board for another amendment in FY21, if necessary
- Metro will assess the financial impact of recently approved additional stimulus package and program accordingly based on the timing of available information

Metro

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

Metro

Board Report

File #: 2020-0726, **File Type:** Informational Report **Agenda Number:** 11.

REVISED
FINANCE, BUDGET AND AUDIT COMMITTEE
JANUARY 20, 2021

SUBJECT: FISCAL YEAR 2021 (FY21) MID-YEAR BUDGET

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. AMENDING the FY21 Budget by $765 million from $6.23 billion annual consolidated expenditures to $6.99 billion to achieve goals and objectives set forth by the Board adopted Metro Vision 2028 strategic plan; and

B. AMENDING an increase of 5 Non-Represented FTEs from FY21 Adopted Budget authorized levels: 3 for Equity and Race and 2 for Customer Experience

ISSUE

This report provides an update for revenues and expenses related to the FY21 Budget and request board approval to amend the FY21 Budget to the eligible Metro programs while maximizing the available financial resources. The increase to the FY21 Budget, during this mid-year update, is the result of our current economic conditions, reforecast of sales tax revenues, and effective cost control practices.

DISCUSSION

Revenue Reforecast Update

Staff have been closely monitoring Metro's revenues as they relate to, and deviate from, historical patterns. We have been tracking current social and economic trends for potential impacts to Metro's revenue sources. The FY21 Mid-Year reforecast resource summary by type is in the following table.

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FY21 Reforecast Resources

	Resources ($ in millions)	FY21 Budget	FY21 Reforecast	$ Change	% Change
1	Sales Tax, TDA and STA	$ 3,895.0	$ 4,177.2	$ 282.2	7.2%
2	CARES Act	569.6	569.6	-	0.0%
3	Passenger Fares	60.3	22.2	(38.1)	-63.2%
4	ExpressLanes, Advertising and Other Revenues	138.6	109.6	(29.0)	-20.9%
5	Grants and TIFIA	1,138.9	1,138.9	-	0.0%
6	Debt and Additional Debt Proceeds if necessary*	424.9	974.8	549.9	129.4%
	Total Resources	$ 6,227.3	$ 6,992.3	$ 765.0	12.3%

* Debt will be issued based on need, subject to Board Approval

NOTE: Totals may not add up because of rounding

To date, sales tax revenues have not declined as much as projected in the Adopted Budget. There was a significant bounce back in the Spring quarter, largely due to the broad economic stimulus of the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act. The Federal legislation helped Metro two ways: First, directly through the transportation allocations in the law; Second, indirectly through individual and business stimulus payments and loans, which created additional sales tax receipts in Los Angeles (LA) County.

This recovery stalled over the summer. Actual sales tax receipts for the first quarter of FY21 are over budget but have stopped increasing. Looking forward, there are both positive and negative indicators for taxable sales. On the positive side, the consensus economic projection is for tepid and uneven but continued growth. The National Retail Federation projects holiday spending increased 4%-5% compared to 2019. Also, LA County's economy will receive a boost from the Supplemental stimulus package recently approved by Congress just as it did from the CARES Act (The direct transportation allocations are expected to be received in Q4 and will be programmed in the FY22 Budget).

On the negative side, the COVID-19 pandemic continues to ravage the county and efforts to combat it will have continuing economic impacts. While it is apparent a full economic recovery will take longer than originally expected, overall, we are cautiously optimistic that sales tax receipts will continue slightly above budgeted amounts, generating an additional $282 million in sales tax revenues, or a 7.7% increase, above the FY21 Adopted Budget level.

The revenue picture is not as optimistic within Operations. The reduction in travel continues to have a negative impact on Metro’s system-generated revenues which are projected to be even lower than Adopted Budget levels. Farebox revenues are only a fraction of prior year levels and have fallen much farther than ridership due to rear door boarding. The advertising contract has been temporarily modified to provide relief to the vendor by reducing their payments. ExpressLanes tolls, parking, and bikeshare revenues have all fallen due to reduced usage. These losses in operating-eligible funding sources will have to be covered by operating-eligible sales tax revenues, offsetting many of those gains. The table below shows the overall changes in terms of fund eligibility.

Mid-Year Changes in Sales Tax and Other Resources by Funding Eligibility

		Funding Eligibility				
	Resources ($ in millions)	Metro Transit Ops/SGR	Flex Funding Eligible for Ops/SGR/TID	Transit Expansion	Other Dedicated	Total Funding Gain/(Loss)
1	Sales Tax, TDA and STA	$ 14.7	$ 97.7	$ 43.2	$ 126.5	$ 282.2
2	Passenger Fares	-	(38.1)	-	-	(38.1)
3	ExpressLanes, Advertising and Other Revenues*	(0.7)	(15.0)	-	(13.3)	(28.9)
	Total Additional FY21 Funding	$ 14.0	$ 44.6	$ 43.2	$ 113.2	$ 215.1
	Total Funding Eligible for Operations	**$ 58.6**				

* Other Revenues include Green Fund, HOV Fines, Transit Court, Parking, Bikeshare and Lease Revenues.

NOTE: Totals may not add up because of rounding

In total, $215 million is projected to be available for the FY21 Budget. Out of $67 million of combined operating income declines, consisting of -$38.1 million from Passenger Fares and -$28.9 from other revenues, $53 million are operating-eligible revenues, primarily Passenger Fares and the Green Fund. These losses offset some of the sales tax gains, resulting in an increase of $58.6 million in funding eligible for Operations. Proposed allocations of these funds will be discussed later in this report, but it is important to note that all additional funding that is eligible for Operations is allocated to Operations. Gains and losses in dedicated revenue sources like Regional Rail, General Planning and Programs, Congestion Management, and Subsidies fall into those specific programs.

Every eligible transit dollar has been made available to seize opportunities in increasing operating projects to further enhance the speed and efficiency from the NextGen implementation and initiate the Customer Experience plan.

Transit Expansion, Highway, and Regional Rail Projects

Metro is leveraging the additional $43.2 million of Transit Expansion eligible funds and net savings of $34.3 from refinancing existing debt to advance the drawdown of approved grants in current fiscal year. Metro's $741.4 million cashflow increase will be funded with additional sales tax, advancement of FFGA and other grants, and debt proceeds within Board authorized Life of Project (LOP) budget. All new debt issuance will be in accordance with previously approved Board Approved policies and requires separate Board Action.

Table below depicts those projects with midyear cashflow adjustments for the remainder of FY21. These increases are within Board authorized LOP budget.

	Projects with Midyear Adjustment	FY21 Adopted	Midyear Increase	Adopted + Midyear	Activities
	TRANSPORTATION INFRASTRUCTURE DEVELOPMENT (TID)				
	Transit Expansion				
1	Crenshaw/LAX	$ 73.0	$ 15.2	$ 88.2	▪Project is 97% complete ▪Focused on systems integration testing prior to putting it into revenue service
2	Regional Connector	136.0	82.8	218.8	▪Project is 71% complete; revenue service dates summer/fall 2022 ▪Focused on completed structural concrete and track work installation
3	Westside Purple Line Section 1	170.7	144.4	315.1	▪Project is 66% complete; revenue service date in summer of 2023 ▪Focus on TBM tunnel drive completion – 8 of the 12 cross passages excavated, and concrete placements occurring at station sites
4	Westside Purple Line Section 2	113.1	170.1	283.1	▪Project is 39% complete; revenue service date in 2025 ▪Focused on final design completion; construction activities in Century City and Beverly Hills
5	Westside Purple Line Section 3	213.2	213.3	426.5	▪Project is 16% complete; revenue service date in 2027 ▪Focus on third party utility relocations, continue with final design on one contract, and prepare for tunneling operation
6	Division 20 Portal Widening & Turnback	88.1	53.2	141.3	▪Much of adopted budget spent on mobilization costs ▪Additional funds for construction as staging area and preparatory work finalizes
7	East San Fernando Valley Transit Corridor	12.8	18.1	30.9	▪NEPA environmental cleared in Dec-20 ▪Utility conflict investigation consisting of potholing and slot trenching
8	Eastside Extension Phase 2	2.9	1.5	4.4	▪Allow for engineering and EIR work to be back on schedule
9	Transit Expansion Subtotal	$ 809.8	$ 698.5	$ 1,508.3	
10	Highway				
11	Soundwall Package 10	$ 1.2	$ 0.9	$ 2.1	▪Caltrans expected to finish design by Q3 and Metro to lead soundwall construction
12	Soundwall Package 11	11.3	12.0	23.3	▪Re-design due to differing site conditions from as-built drawings ▪Continue with permeation grouting
13	SR-57/SR-60 Interchange Improvements	6.5	3.2	9.7	▪Advance project through design phase using the TCEP grant
14	SR-91 Improvements	6.7	2.0	8.7	▪Progress through environmental phase for shovel readiness.
15	Highway Total	$ 25.7	$ 18.1	$ 43.8	
16	REGIONAL RAIL				
17	Link US	$ 53.8	$ 24.8	$ 78.6	▪Right-of-way acquisitions anticipated in Q4
18	TID & Regional Rail Total	$ 889.3	$ 741.4	$ 1,630.7	
19	Savings From Debt Refinancing	509.2	(34.3)	475	
20	Total Project Adjustment in TID, Regional Rail and Debt Services	$ 1,398.5	$ 707.1	$ 2,105.6	

NOTE: Totals may not add up because of rounding

Metro Transit Program Recommended Options

Applying all operating eligible funding of $58.6 million to Bus/Rail Operations and State of Good Repair, Metro staff has recommended a list of prioritized initiatives to improve the customer experience, continue rollout of NextGen/Mobility on Demand, Capital State of Good Repair, staffing recruitment for Regional Connector, and implementation of other operational needs. Service-related criteria, as well as other criteria including Equity, Grant Funding Consideration, Project Readiness, Project Interdependency, and Safety/Reliability have been evaluated to implement the initiatives and to optimize the additional revenues.

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	Initiative ($ in millions)	FY21 Mid-Year Budget Adjustment
1	Customer Experience	$ 4.9
2	NextGen Infrastructure Study/Mobility on Demand	10.0
3	Capital State of Good Repair	24.3
4	Regional Connector Staffing	4.3
5	Other Operational Needs	15.1
	Total Initiatives	$ 58.6

NOTE: Totals may not add up because of rounding

- **Customer Experience initiatives** include real-time identification of customer impacts of pass-ups, deployment of elevator attendants at various stations, reducing homelessness on the system by 50%, flexible dispatching of various people with expertise for quick problem response, advertising campaigns to increase TransitWatch use, Better Bus engagement tool/Metro.net website overhaul, and increasing customer experience surveys

- **NextGen/Mobility on Demand initiatives** relate to continued NextGen infrastructure studies and incorporating Mobility on Demand into Microtransit

- **Capital State of Good Repair initiatives** will re-establish scheduled fleet and infrastructure scheduling priorities that were delayed. Projects include new bus engine procurement, bus vehicle delivery, rail vehicle mid-life and component overhaul programs, and rail infrastructure improvements

- **Regional Connector staffing recruitment** will initiate maintenance training to gear up for the upcoming Rail Operations Date (ROD)

- **Other Operational Needs** include Bus/ Rail fleet maintenance campaigns, backfilling expenses to cover Purchased Transportation revenue service hour increases, and additional budget to complete the build out of lactation rooms at various facilities

Five (5) Non-Represented FTEs - Equity & Race and Customer Experience

Metro believes that access to opportunity should be at the center of decision-making around public investments and services. Accordingly, led by the Office of Equity and Race, Metro continues to take steps to operationalize and institutionalize equity under the four pillars of the Board-adopted Equity Platform. The Office of Equity and Race is requesting Board approval for three (3) Non-Represented FTEs to increase capacity to lead this work and improve efforts to expand access for historically and currently marginalized, underserved, and vulnerable communities, to contribute to a more inclusive and equitable LA County.

Additionally, Metro seeks to improve mobility in LA County by doubling the number of people who travel by modes other than single occupancy vehicles in the next ten years. In order to achieve this goal, the Customer Experience department has requested Board approval for two (2) Non-Represented FTEs to improve the customer experience across all Metro products and services to deliver customers with an outstanding, reliable, safe, and comfortable journey.

EQUITY ASSESSMENT

Metro staff developed and applied the Metro Budget Equity Assessment Tool (MBEAT) to the budgetary requests in this board action to understand the potential benefits and burdens for historically and currently marginalized communities and determine how budgetary requests might support more equitable outcomes. Overall, application of the MBEAT highlighted budgetary requests with a wide range of benefits for marginalized and/or vulnerable communities, helped staff identify potential barriers or harms to address, and helped staff consider adjustments to improve access and reduce potential barriers or harms. It also highlighted a need for broader training to not only answer MBEAT questions, but to help staff think through how investment, projects, programs, and policies might cause harm or not benefit all as intended, given historic and current disparities and systemic inequities.

Please see the Mid-Year FY20-21 Budget Equity Assessment - Receive and File Report for a summary of highlights on the findings, new process and next steps.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not impact safety.

FINANCIAL IMPACT

The FY21 Proposed Mid-Year Budget at $6.99 billion is balanced and appropriates the resources necessary to fund them. The proposed mid-year budget demonstrates Metro’s ongoing commitment to meeting its capital and operating obligations, which is essential in receiving subsidies from the state and federal governments and to administer regional transportation funding to local cities and municipal operators.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Metro Vision 2028 Strategic Goal # 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

NEXT STEPS

Upon Board amendment of the FY21 Budget, Metro will make funds available for the planned transit and transportation programs outlined in this document.

Metro staff will continue to monitor the financial situation considering the COVID-19 pandemic and

reassess resources, expenditures, and economic recovery which may result in returning to the Board for another amendment in FY21, if necessary.

With the allocation and application of the recently approved additional stimulus package yet to be determined by the federal government, Metro will assess the financial impact of the amount available for all transit agencies in the County and integrate the information into the FY22 Budget Development process.

Prepared by: Office of Management and Budget Team

Melissa Wang, Senior Executive Officer, Finance (213) 922-6024

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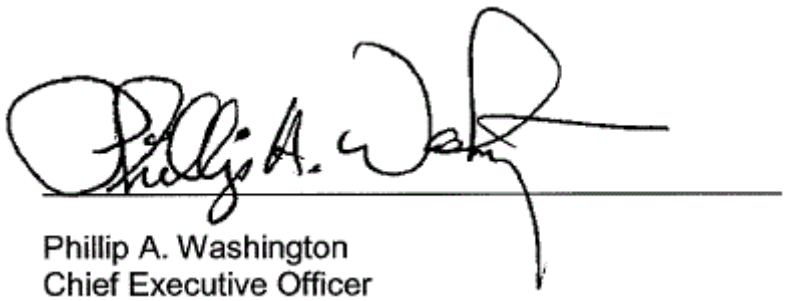
Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

Los Angeles County
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Los Angeles, CA

File #: 2020-0724, **File Type:** Contract **Agenda Number:** 35.

REVISION 2
CONSTRUCTION COMMITTEE
JANUARY 21, 2021

SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR- 118 TO SR-134; SEGMENT 3

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER amending the Life-of-Project (LOP) budget with a loan/advance to the California Department of Transportation (Caltrans) in an amount not to exceed $73,200,000 for Segment 3 of I-5 North Capacity Enhancements Project between SR-134 and SR-118 (Project) to fill the funding gap between the approved amended LOP of $880,903,000 and the $954,103,000 anticipated cost to close the Project consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment A).

ISSUE

In a letter dated May 12, 2020 (Attachment B), Caltrans requested that the Los Angeles County Metropolitan Transportation Authority (Metro) program $73.2 million in supplemental funding for Segment 3 (Empire Avenue) to complete construction and close out of this segment, as well as the City of Burbank's construction impact mitigation needs. This amount is needed due to the delays resulting from relocation of utilities and other work not accounted for in design, different site conditions, hazardous material encountered, additional work requested by the corridor communities, and design changes.

The I-5 North Capacity Enhancement Project between State Route 134 and State Route 118 was originally programmed at $950,595,000 per Funding Agreement Number MOU.P0008355A effective as of September 20, 2009. Upon acceptance of the lowest bid for construction of Segment 3, the LOP budget was adjusted down and $55,699,000 difference between the Engineer's estimate and the winning bid was removed from Segment 3. This amount, along with $50,181,000 withdrawn from other segments of I-5 North projects (for a total of $105,880,000) was programmed to the I-5 South and I-405 Sepulveda Pass construction projects in December 2012 with the Board's approval. Later, $404,000 was returned to the I-5 Segment 3 in State IIP Funds (Interregional Improvement Program) and $9,299,000 was returned to Segment 2 ($1,174,000 in Federal CMAQ Funds Congestion Mitigation and Air Quality Improvement Program and $8,125,000 in Federal AARA -RSTP Funds (American Recovery and Reinvestment Act - Regional Surface Transportation Program)).

Additionally, $8,566,000 in the State Regional Improvement Program (RIP) Funds in Segment 3 were transferred to Segment 4 for the final construction claim settlement needs.

The current LOP budget for all 4 segments of the I-5 North HOV lanes project is $880,903,000 in which Segment 3 is budgeted at $397,009,000 due to the $63,861,000 adjustments from the originally programmed $460,870,000 budget.

The LOP budget of Segment 3 needs to be increased by up to $73.2 mil. to close this segment in 2021.

BACKGROUND

The purpose of the I-5 North construction project was to add one HOV lane in each direction between SR-134 and SR-118. The Project was initiated by Caltrans in four segments. Segments 1 and 2 between North of Buena Vista Street/Winona Avenue Undercrossing and SR-118 are completed. Segment 4 between Magnolia Boulevard and SR-134 is in the plant establishment period which started in March 2020 and will end in June 2021. The Segment 3 construction contract was awarded on November 29, 2012 with the scheduled completion date of September 27, 2017. This segment is still in construction, approximately 84% complete, and expected to open to traffic by December 2021. The plant establishment period for this segment will be completed by January 2023. Caltrans designed and is managing construction of the Project. Metro is a funding partner.

DISCUSSION

The contractor has submitted claims up to the opening of the Empire Avenue interchange in the amount of $40.242 million. The City of Burbank has submitted a request for $15.3 million worth of roadway repair/mitigation work on local streets that the city believes is the result of the freeway construction activities. Additional funds are needed to start the negotiation of the claims with the contractor, meet the City's needs, and close the project.

The existing LOP budget includes funding for the contractor's work within the original/amended contracts. However, the LOP budget needs to be amended to provide additional funds for the claims settlement, potential risk exposures in the remaining construction period, and the repair request by the City of Burbank.

Under the current State-shared Funds in the Project, Caltrans recommends pursuing an amendment to the 2020 IIP Funds and request $700,000, the IIP Funds proportional share in the project, from the California Transportation Commission to cover a portion of the project's $73.2 million shortfall.

Caltrans has informed Metro that:

- Only $40 million of the $73.2 mil. shortfall is needed in January 2021 to negotiate and settle the contractor's claims.
- Caltrans wishes to defer the roadway repair work requested by the City of Burbank until the locations are properly inspected by Caltrans and the damages are confirmed to be related to the freeway construction activities. The $15.3 million value of this work will be adjusted as necessary and will need to be covered after validation of the work.

- The remaining $17.9 mil. will be needed over the next 12 months to close Segment 3.

Due to the urgency of this funding and potential for more claims as a result of no or delayed action, staff recommends a loan/advance to Caltrans in the amount not to exceed $73.2 mil. to close the project contingent upon identification of the source(es) and availability of funds. The financial obligations of both Caltrans and Metro will be further assessed during the final Project audits to determine if any payback to Metro by Caltrans would be warranted. Final Project audits and reimbursements to Metro by Caltrans, if any, shall be completed within 10 years from the date of payment to Caltrans approved by this Board action.

Potential sources of funds identified:

Measure R and Prop C Funds from ~~Measure R I-5 corridor projects~~ the Project to front-fund the shortfall ($73.2 million) is recommended, as described in further detail in Attachment A. This funding is subject to reimbursement by the State and ~~may~~ will be part of a loan/advance agreement. The key terms of the loan/advance, as agreed to in concept by Caltrans, are included in the Term Sheet (Attachment C).The use of Measure R and Prop C from the ~~I-5 corridor projects~~ Project is recommended as these are subregional funds allocated pursuant to the Measure R and Measure M Unified Cost Management Policy.

Metro will seek and Caltrans will agree to provide reimbursement and or repayment of the front-funded costs or loan from any and all eligible State funding sources, which may include future IIP, funds eligible for the State Highway Operation and Protection Program (SHOPP), State appropriation, and surplus State and federal funding on other Metro-funded highway projects. In-kind services reducing Metro's financial obligations in covering the costs of the State highway improvement projects will also be counted toward reimbursements to Metro, subject to review by the Board.

DETERMINATION OF SAFETY IMPACT

There are no impacts to public safety by approving this action. Public safety may be compromised by potentially incomplete project.

FINANCIAL IMPACT

The overall corridor LOP budget set at the start of the I-5 North Capacity Enhancements per the FUNDING AGREEMENT NO. MOU.P0008355/8501 A/A9 was $880,903,000 and included $195,995,000 in Federal Funds (ARRA RSTP, RSTP, SAFETEA-LU and CMAQ), $358,355,000 in State Funds (TCRP, RIP, CMIA, IPP and SLPP), and $326,553,000 in local Measure R (20%) and Prop C (25%) funds. Metro's contribution to this project was limited to $326,553,000 in Measure R Highway 20% and Prop C 25% funds.

Of the total LOP budget, $815,065,711 is spent to date; of this amount $ 258,428,119.41 was funded with Measure R (20%) and Prop C (25%) funds.

Current Metro funding of $14 million is included in the FY21 budget in Cost Center 0442 (Highway

Subsidies), I-5 North Corridor Projects 460332 and 460334, Account 54001 (Subsidies to Others).

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

Impact to Budget

The source of the supplemental funds is Measure R Highway Capital (20%) and Prop C Transit-Related Streets and Highways (25%) funds, which are not eligible for Metro bus and rail operations or capital projects. The supplemental funds will be repaid to Metro from State and other sources pursuant to the Term Sheet.

Attachment A provides a detailed discussion of the Policy. In summary, the Policy was developed in recognition that some projects would need additional funding and the Policy provides a consistent and equitable process to assure that any financial impacts are limited to the subregion where the project is located and not have a region-wide impact. The Policy defines a cascading list of actions that can be taken. Because the Project is so far along, actions such as value engineering or changes in scope are no longer feasible. Additional funding is the only option. Attachment A identifies unexpended Measure R 20% and Prop C 25% from ~~both~~ the Project ~~and I-5 Carmenita project~~ as the funding sources available and recommended, subject to reimbursement and repayment by the State.

Metro will continue to coordinate with Caltrans to determine cost exposure, responsibilities, and contributions.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of staff recommendation would allow for the timely compensation to the contractor. The I-5 HOV lanes project is consistent with the following Metro Vision 2028 Goals and Objectives:

Goal 1: Providing high-quality mobility options that enable people to spend less time traveling by widening the freeway, providing additional capacity, and including HOV lanes to encourage carpooling 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 completion of these projects.

ALTERNATIVES CONSIDERED

Alternative A: The Board may choose to unconditionally contribute up to $73.2 million to Segment 3 and the Project instead of approving the staff's recommendation for a loan/advance payment to Caltrans with the conditions presented in this report.

Alternative B: The Board may choose not to approve the additional funds needed to close Segment 3 and the Project. This disapproval would result in further project delay and cost increase and is not recommended.

NEXT STEPS

Upon Board approval of the staff recommendation for a loan/advance to Caltrans as supplemental project funding,

- Caltrans will request the programming of $700,000 in the State Interregional Improvement Program (IIP) from the California Transportation Commission (CTC).; and
- Staff will work with Caltrans to draft and execute the necessary agreements, loan/advance, for the financial contributions to the project; and
- Staff will actively participate in settlement negotiations between Caltrans and the contractor to assist in feasible and reasonable closure of the project.
- Staff will report back to the Board on significant events affecting the loan, including the form of the loan agreement, principal repayments, the proposed use of other State funding or in-kind services as a repayment source, and any disputes or defaults.

Caltrans and the contractor started final settlement negotiations in December 2020. The final agreed upon amount will be presented to the Board in February 2021 along with a contract change order to approve payment.

In the event the Board approves payment to Caltrans under Alternative A under “ALTERNATIVES CONSIDERED”, staff will make the necessary arrangements for such payment in accordance with Metro’s standard procedures for supplemental funding.

ATTACHMENTS:

Attachment A - I-5 N HOV Measure R & Measure M Unified Cost Management Policy
Attachment B - I-5 Corridor Funding Needs Caltrans Request Letter dated May 12, 2020
Attachment C- Term Sheet

Prepared by: Victor Gau, Director of Engineering, Highway Program - (213) 922-3031
Craig Hoshijima, DEO, Countywide Planning & Development - (213) 418-3384
Abdollah Ansari, Senior Executive Officer, Highway Program - (213) 922-4781
Bryan Pennington, Deputy Chief Program Management Officer - (213) 922-7449

Reviewed by: James de la Loza, Chief Planning Officer - (213) 922-2920
Richard F. Clarke, Chief Program Management Officer - (213) 922-7557



Phillip A. Washington
Chief Executive Officer

REVISED
ATTACHMENT A

I-5 NORTH CAPACITY ENHANCEMENTS FROM SR- 118 TO SR-134; SEGMENT 3

Measure R and Measure M Unified Cost Management Policy Analysis

Introduction

The Measure R and Measure M Unified Cost Management Policy (the Policy) was adopted by the Metro Board of Directors in June 2018. The precursor Measure R cost management policy was adopted in March 2011. The intent of the Policy is to inform the Metro Board of Directors regarding cost increases to Measure R- and Measure M-funded projects and the strategies available to close a funding gap. The I-5 North Capacity Enhancements Project between SR-134 and SR-118 (the Project) is subject to this policy analysis.

The life of project (LOP) budget for the Project, based on the current funding agreement with Caltrans and approved by the Board, is $880,903,000. The Project is subject to the Policy analysis now due to a proposed $73,200,000 increase to the LOP budget. Funding for the cost increase is needed through FY 2026. This analysis recommends trade-offs required by the Policy to identify cost reductions or the funds necessary to meet the cost increase.

Although Metro is identifying local funds to address the Project cost increase, Metro's funding is considered as "front-funding" and or a loan in anticipation of a future repayment and reimbursement for the cost increase by the State and Caltrans.

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

The Project cost increase is attributable to delays from relocation of utilities and other related work not accounted for in the design, different site conditions, hazardous material encountered, additional work demanded by the affected communities, and design changes. 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 and is allocated $271,500,000 of funding in the Measure R sales tax ordinance Expenditure Plan under the project entitled “I-5 Capacity Enhancement from SR-134 to SR-170.” The Project was funded with other local and State funds prior to the adoption of Measure R and $253,500,000 has yet to be expended. However, in January 2016 (Board report #2015-1763) the Board approved $223,500,000 to be reprogrammed to the third decade of the Long Range Transportation Plan using Proposition C 25% funds instead of Measure R 20%. This was done to alleviate the need for additional Proposition C 25% debt financing and instead use Measure R 20% cash (i.e., use the Project’s Measure R 20% now and replace it with Proposition C 25% in the third decade). There is $30,000,000 of remaining Measure R 20% and $223,500,000 of Proposition C 25% that has not yet been spent on the Project and could be used for the cost increase. However, as the Proposition C 25% is programmed by Board action in the third decade of the LRTP, any use of these funds now even as an advance may cause Metro to incur additional debt financing costs. The table below from #2015-1763 shows the funding split of the reprogrammed Measure R, referred to as “replacement project credits.”

STAFF RECOMMENDATION - FUNDING OF REPLACEMENT PROJECT CREDITS IN 3RD DECADE			
(millions)	D	E	F=D+E
Project	Proposition C 25% Replacement Project Cred	Measure R 20% Replacement Project Credits	Total Replacement Projec Credits
I-5 North Capacity Enhancement	$223.5	$30.0	$253.5
I-5 South Capacity Enhancement	$86.4	$108.4*	$194.8
I-5 South Carmenita Interchange	$40.1	$92.9	$133
I-5/SR-14 Capacity Enhancement	$0	$88.8	$88.8
Total	$350.0	$320.1	$670.1

The Project is located in the San Fernando Valley subregion (as defined in the Policy, as amended), and traverses the cities of Los Angeles and Burbank. Local funding resources from both the subregion and cities could be considered for the cost increase.

Funding Within the Corridor
The Project shares the corridor with the "Interstate 5 Capacity Enhancement from I-605 to Orange County Line" and "I-5 Carmenita Road Interchange Improvement" projects that are also included in the Measure R Expenditure Plan. Per the #2015-1763 Board action (see previous table), the projects have unused Measure R funds of $108,400,000 and $92,900,000, respectfully. The I-5 Carmenita project has completed construction. Any surplus funding from I-5 Carmenita may be needed to fund the remaining necessary expenditures of the projects.~~and a portion of the unexpended Measure R 20%, equal to $43,200,000, could be used for the Project cost increase. This funding could be replaced with Proposition C 25% from the Project to mitigate the loss of Measure R 20%.~~

State and Federal Funding (Discretionary)
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 is already well into construction.

Value Engineering
The Project cost increase is attributable to delays from relocation of utilities and other related work not accounted for in the design, different site conditions, hazardous material encountered, additional work demanded by the affected communities, and design changes. 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 Project is on the same highway corridor as the I-5 South and I-5 Carmenita projects. The I-5 South project is still under construction and it is currently not known if there will be any future cost reductions or savings. The I-5 Carmentia project is completed and has unused Proposition C 25% and Measure R 20% funds of $133,000,000.~~The unused funds could be considered as a funding source; however, the Project also has unused funds and these would be considered prior in accordance with the Policy.~~

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 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 2025. The RIP has been allocated to projects submitted in Metro's 2020 RTIP and the next cycle of the LPP is planned to be used on the $801 million Division 20 project. Metro also receives an allocation of funds from the “Highway Infrastructure Program,” which is a federal formula grant created in 2018 for uses that include the construction of highways, bridges, tunnels, transit capital, and ITS; operational improvements; highway and transit safety improvements; and pedestrian and bicycle projects, among others. Funding from this grant will be programmed in the pending 2021 Short Range Transportation Plan.

Recommendation

Metro staff recommends the use of $30,000,000 of unused Measure R 20% ~~from the project~~ and $43,200,000 of Proposition C 25% replacement credits from the Project~~I-5 Carmenita project of unused Measure R 20% funds~~ as an advance to the State to address the $73,200,000 Project cost increase. ~~An offsetting amount of $43,200,000 of Proposition C 25% will be programmed for the I-5 Carmenita project in the third decade of the Long Range Transportation Plan financial forecast~~.

Metro staff will seek reimbursement of the recommended Measure R 20% and Proposition C 25% funding from the State and Caltrans, which may be part of a future loan agreement with the State. The State reimbursements and or loan repayments will first credit the advanced Proposition C 25% to mitigate the amount of Metro debt financing. Metro will seek reimbursement from the State for any borrowing costs that Metro incurs.

The following table shows the remaining allocation of unused funding, or replacement project credits, for the Measure R I-5 corridor projects if the Board approves this Policy recommendation. The funding for the I-5/SR-14 project is shown as zero as this was previously designated “surplus” per the Measure R ordinance and reprogrammed for other eligible uses in the North County subregion.

STAFF RECOMMENDATION – REVISED FUNDING OF REPLACEMENT PROJECT CREDITS (after funding of November 2020 cost increase)			
(millions)	D	E	F=D+E
Project	Proposition C 25% Replacement Project Credits	Measure R 20% Replacement Project Credits	Total Replacement Project Credits
I-5 North Capacity Enhancement	$180.3	$0.0	$180.3
I-5 South Capacity Enhancement	$86.4	$108.4	$194.8
I-5 South Carmenita Interchange	~~$83.3~~ $40.1	~~$49.7~~ $92.9	$133.0
I-5/SR-14 Capacity Enhancement	$0.0	$0.0	$0.0
Total	~~$350.0~~ $306.8	~~$158.1~~ $201.3	$508.1

DEPARTMENT OF TRANSPORTATION
DISTRICT 7
100 S. MAIN STREET, SUITE 100
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Making Conservation a California Way of Life.

May 12, 2020

Mr. Phillip A. Washington
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority (Metro)
One Gateway Plaza
Los Angeles, CA., 90012

Dear Mr. Washington:

First, I hope that this letter finds you, your family, friends and employees in good health and safely working from home as much as possible or in the field managing the important work that you do in Los Angeles County. I want to extend my appreciation to the Los Angeles County Metropolitan Transportation Authority (Metro) staff and the great partnership between the two agencies to program the Interstate 5 South and North Corridor High Occupancy Vehicle (HOV) projects. Since early 2000, we have worked together to develop, program and construct these projects made possible through funding provided by Metro, the Federal Highway Administration, and the State of California.

Caltrans has been searching for additional State funds to contribute toward the increased project costs, as described in detail below. However, due to the project funding complexities and California Transportation Commission (CTC) guidelines, the only State funds that will be available to tap into is Regional Improvement Program (RIP). The increase will need to be covered using Local Measure funds and/or County share of RIP funds, and both would require Metro's approval. The RIP funds would be a Supplemental Fund Request that would also require CTC approval.

We are requesting Metro to provide additional funds for the anticipated cost increase for the I-5 Segment 3 Empire Interchange Project to complete construction and close out, as well as the City of Burbank's unmet needs. The City of Burbank submitted a cost estimate for their unmet needs at $15.3 million, which will not be completed as part of this project or by Caltrans. The total request is $73.2 million including City of Burbank's unmet needs.

Below is a table showing the additional funds requested.

Additional funds to finish project	$9,900,000
Additional funds to settle past delay claims in 2020	$40,000,000
Escalation and Interest to settle all delay claims after 2020	$8,000,000
Total for Project	**$57,900,000**
City of Burbank Unmet Needs	$15,300,000 *
Total Request	**$73,200,000**

*Estimate based on City of Burbank request, not verified by Caltrans

The I-5 South Corridor
The I-5 South Corridor consists of six projects, including the Carmenita Interchange (IC) project, with an estimated cost of approximately $1.89 billion.

- Three of the six projects have completed construction and resolved all claims with the contractors (Segments 1, 3 and the Carmenita IC projects);
- The Segment 4 project has achieved substantial completion, but has outstanding claims with contractor;
- Segments 2 and 5 are ongoing in construction;
- Segment 2 will be the last segment to complete construction and is targeted to open in late 2021. We expect to accept the contract in late 2022 and resolve claims with the contractor thereafter.

The current life of the project budget for the I-5 South Corridor is adequate to close out all the project segments. There will be a savings of approximately $6.8 million from this corridor in local funds, and an additional saving from the Carmenita IC Project of $4.93 million.

The I-5 North Corridor
The I-5 North Corridor consists of four projects. The estimated cost for the project is approximately $965 million.

- Two of the projects (Segment 1 & 2) have completed construction and resolved all claims with the contractor.
- Segment 4 has achieved substantial completion and targeted for contract acceptance in Winter 2020.
- Segment 3 (Empire Avenue IC Project) is ongoing in construction. The Segment 3 project has encountered many challenges from the start which has caused a few years of delay and many claims and potential claims from the contractor. Caltrans and Metro staff have been working together from the start of this project to manage the risks to minimize the delay and cost increase. Segment 3 is currently targeted to complete in Summer 2021 and accept the contract in Summer 2022. Based on the

latest risk assessment at 70% confident level, the project will need additional funds to complete, settle claims, and close out the project with the contractor. In addition, the City of Burbank has submitted a list of items of work to both Metro and Caltrans that they believe the project should address, which will need additional funds.

We appreciate Metro's continuous partnership and support for the two I-5 North and I-5 South corridors. The public can now see the benefit these projects are providing to their communities and they will soon realize more benefit as the last segment of each of the corridor is completed and the continuous HOV lanes open to traffic.

Should you need additional information for this request, please don't hesitate to call me or Greg Farr, Principal Transportation Engineer, Division of Project/Program Management, Greg is our focal point of contact on the I-5 Corridor and he can be reached at (818) 254-5439.

Sincerely,

JOHN C. BULINSKI
District Director

C: Abdollah Ansari, Senior Executive Office, Highway Program, Metro
Victor Gau, Director, Engineering – Highway Program, Metro

ATTACHMENT C

Term Sheet

I-5 North Segment 3 Construction Project

Agreement to Advance Payment and Reimbursement of Funds to Close the Project

Parties:	Los Angeles County Metropolitan Transportation Authority (LA Metro) and California Department of Transportation-District 7 (Caltrans)
Nature of the Agreement:	LA Metro to advance funds to Caltrans for the cost to complete and close the I-5 North Segment 3 project, and Caltrans to reimburse LA Metro such amount as determined by joint audit by the Parties upon completion of the project.
Amount of Advance:	Not to exceed $73.2 million in principal plus accrued interest at a rate equal to the LA Metro cost of funds.
Use of Proceeds:	The funds advanced by LA Metro shall be used by Caltrans to payoff obligations to the contractor for the claim settlement, complete roadway repair and work requested by the City of Burbank as agreed to by Caltrans, and cover other expenses to complete the I-5 North Segment 3 project.
Repayment:	Any and all periodic and/or lump sum monetary payments and non-monetary contributions by Caltrans that are solely designated for repayment of the Advance and not previously designated for a different LA Metro purpose. This may include funds otherwise eligible for the development and implementation of the State highway improvement projects, co-funding Metro-sponsored highway improvement projects from State funds not otherwise available to Metro (e.g.: SHOPP funds for the eligible components, etc.), waiver of charges to LA Metro for work that historically has been charged for by Caltrans in accordance with its policies and practices (review and approval of project documents in various phases of projects, preparation of technical studies/documents, etc.), and any other means of repayment mutually acceptable to parties.
Repayment Period:	Repayment of the full amount of the advance to Metro, including accrued interest, shall be in installments at set periods - years three, six, and ten, or more frequently as opportunities for repayment may arise. The overall repayment period may not exceed 10 years from the date(s) of disbursement of funds by LA Metro.

Resolution of Disputes: Any dispute arising out of or relating to this agreement shall be resolved by negotiation between officers of LA Metro and Caltrans who have authority to settle the dispute.

Parties commit to the terms and conditions of this agreement and execute the same on this _____ day of January 2021.

Phillip A. Washington
Chief Executive Officer
LA Metro

Tony Tavares
Director
California Department of Transportation (Caltrans)
District 7

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

File #: 2020-0685, **File Type:** Contract **Agenda Number:** 37.

CONSTRUCTION COMMITTEE
JANUARY 21, 2021

SUBJECT: ENERGY AND CLIMATE CONSULTANT SERVICES

ACTION: AWARD CONTRACT

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer (CEO) to award and execute a three (3) year base plus two one-year option years contract, Contract No. AE67484, with TRC Energy Services for Energy and Climate Services on Task Orders, inclusive of three base years with an initial amount not-to-exceed $7,618,165.92, and two one-year options (Option Year 1: $2,539,388.66; Option Year 2: $2,539,388.66), staff will return to the Board to authorize the options. This recommendation is subject to the resolution of any properly submitted protest; and

B. AUTHORIZING the CEO to award individual Task Orders and changes up to the authorized Not-to-Exceed contract amount of $7,618,165.92.

C. AUTHORIZING Contract Modification Authority (CMA) in the amount of $1,269,694.32 (10% of the not-to-exceed contract amount) and authorizing the CEO to award and execute individual task order, changes and/or modifications within the CMA amount.

ISSUE

Metro's energy choices have far-reaching impacts on the climate, regional air quality, community health, and the stability of our transportation network. Recognizing this reality, Metro has made long-term commitments to energy efficiency, transitioning to renewable energy sources, reducing greenhouse gas emissions, climate adaptation and ensuring energy resilience. These and other sustainability and resiliency commitments have been in place and implemented since 2007. Our agency has renewed these commitments and updated our implementation plan through the Board approved 2019 Climate Action and Adaptation Plan and the 10-year Sustainability Strategic Plan, *Moving Beyond Sustainability.*

The issues and solutions to Metro's energy and climate change challenges are intertwined. In fact, more than half of Metro's climate change strategy is tied to energy, energy management, energy resiliency, and renewable energy. There must be an integrated approach moving forward, and the recommended award of Contract No. AE67484 to TRC Energy Services for Energy and Climate Services is designed to fulfill that need. These services will ensure the protection of human health and the environment, addressing the challenge of operational sustainability while ensuring a renewable, resilient and reliable energy future.

DISCUSSION

Metro's current Energy Efficiency and Renewable Energy Services contract was awarded in 2015. This contract supports numerous, critical energy and sustainability program needs, such as the preparation of analyses, studies, surveys, investigations, modeling, predictions, and/or reports related to energy management and renewable energy design, construction, operation and maintenance for Metro's current and future system.

In addition, Metro's current Climate Change and Adaptation and Greenhouse Gas Emissions Consultant Services contract supported development of the 2019 Climate Action and Adaptation Plan, provided State-level climate policy analysis to the Metro Chief Sustainability Officer, developed a framework to implement climate resilience, and conducted climate risk analysis for capital projects.

In the coming years, Metro's total energy consumption will significantly increase due to the ongoing expansion of the rail system and our commitment to fleet electrification. This expansion and increasing demand mean that Metro will need to implement advanced strategies to meet our energy and climate goals, including reducing and managing energy consumption, while transitioning to clean renewable energy sources.

The use and sourcing of energy has ongoing impacts and longstanding implications for the environmental, fiscal and infrastructural resilience of our system. We are already taking proactive measures to ensure the reliability of the energy systems that supply our infrastructure. This will become even more necessary as our bus fleet is electrified and our transportation system expands.

Implementation of our sustainability strategies had been effective, resulting in the meeting or exceeding of our goals by successfully reducing resource consumption, decreasing air pollutant and greenhouse gas emissions and improving operational efficiency. These efforts not only advance the sustainability of our system, but also yield operational cost savings for years to come. In some cases, revenues from our activities have also been generated in environmental finance markets. Per Metro Board Policy, *the funds generated from these activities were reinvested back into the environmental and sustainability programs or to the creation or maintenance of sustainable infrastructure.*

To further advance Metro's sustainability and environmental goals, we have combined the Energy and Climate Change efforts under one contract to ensure that we align our short-term energy strategies and long-range climate change targets. Contract No. AE67484, with TRC Energy Services for Energy and Climate Services will provide the necessary staff, sub-consultants, equipment, software, supplies, and services required to support the tasks associated with the energy and climate change efforts. The consultant shall employ or subcontract as necessary with diverse professionals

such as Professional Engineers, Certified Energy Managers, Energy Efficiency Engineers, Commissioning Agents, Sustainability Engineers, Lighting Engineers, Leadership in Energy and Environmental Design (LEED®) accredited professionals and such other professional practitioners as may be needed to support the required energy efficiency, renewable energy, energy resiliency and other energy related programs, projects and initiatives.

DETERMINATION OF SAFETY IMPACT

The unprecedented events of 2020 have accentuated the importance of Metro's system as a lifeline for Angelenos, as well as our role in emergency response. When it comes to energy, the stability of the grid is foundational to Metro's ability to function and provide safe and reliable transit to those who need it. Metro must be able to remain operational, even if the power grid is down.

This Board action will provide the necessary programmatic support in the overall management of our energy and climate change strategies. That in turn will facilitate the long-term safety, security, and continuity of Metro's operations by improving the resiliency of our energy system, improving the management and efficiency of energy use and contributing to a state of good repair.

FINANCIAL IMPACT

Contract No. AE67484 will be an Indefinite Delivery/Indefinite Quantity (IDIQ) contract. No MTA funds are obligated until a Contract Work Order (CWO) is issued by Metro authorized Contracting Officer against a valid project budget. No expenditures are authorized until a Task Order is awarded by an MTA authorized Contracting Officer for a specific package of work within the CWO. All task orders are to be individually negotiated and level of effort fully defined prior to the authorization of any project specific funds. Execution of work under those Task Orders within those CWO awards can continue beyond the contract end date.

Obligations and authorizations made within the total Contract Amount will be against specific project or operations budgets which make up the Board-approved Metro budget for any particular fiscal year. Specific funding for this contract will parallel the project approved by Board under separate actions. The Chief Sustainability Officer, Chief Program Management Officer, and Project Managers of each of the projects will be responsible for developing and overseeing the appropriate annual budgets.

Impact to Budget

The initial source of funds for this contract is included in the FY21 budget under Project Number 450001 - Energy Conservation Initiative, Cost Center 8420 Environmental Compliance and Services, Account 50316 Professional and Technical Services. Future task orders are to be individually negotiated and level of effort fully defined prior to the authorization of any project specific funds from the projects that would use these services. Usage of bus and rail operating eligible funds will be limited to tasks directly associated with Operations.

This professional services contract will support the implementation of Metro's Strategic Plan Goals,

with specific alignment to Initiative 5.2 - Exercise good public policy judgement and sound fiscal stewardship; and Initiative 5.4 - Apply prudent commercial business practices to create a more effective agency.

The Energy and Climate Services contract will support these strategic goals by: 1) advancing operational efficiency and expanding the use of clean, renewable energy; 2) generating cost savings and reducing the prevalence and cost of retroactive sustainability upgrades; and 3) improving the reliability and resiliency of the energy systems supplying our transit infrastructure.

ALTERNATIVES CONSIDERED

Metro's sustainability program, administered through the Environmental Compliance and Sustainability Department (ECSD), has historically used sustainability consulting contracts to provide expert supplement for current staff expertise. We have seen the effectiveness of this management style (i.e., as-needed combination of internal staff and expert consultants), especially in large programs such as the energy and climate change programs.

Metro's sustainability and resiliency program has also grown to include more than 150 separate initiatives that positively impact our agency and our region. Many of these are related to the energy and climate change initiatives. The successes we have seen and the challenges we overcame were achieved through the deliberate planning of energy and climate change projects and the procurement of consultant resources to support the overall program.

Specifically, in this time of financial constraint, Contract AE67484 is designed to cost-effectively and cost-efficiently advance Metro's existing energy resiliency, renewable energy and climate change efforts, while establishing the next generation of initiatives and best practices. This is accomplished by using only the optimum amount of resources for specific energy and climate change tasks as Metro scales up or down its operations post lockdown.

As an alternative, staff can solicit and award individual contracts every time additional staff is needed in any of our energy and climate change-related efforts. We are not recommending this option. Further procuring for these micro-contracts have associated inconsistent and most likely cumulative higher administrative and execution costs, especially in a sustainability program as large as Metro's.

The existing contracts that currently provide support to our energy and climate initiatives are expiring. Majority of our climate change goals are tied to our energy strategies and initiatives. If this contract is not awarded, the timing of the implementation of our energy and climate change programs as outlined in our 10-year sustainability strategic plan will be significantly impacted.

NEXT STEPS

Upon Board approval, staff will execute the conformed contract and proceed with issuing Task Orders and Contract Work Orders. Material activities and work products relative to the support provided by this contract will be included in Metro's annual sustainability report.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Types and Total Value Estimates of Projects - FY21 to FY25
Attachment C - DEOD Summary

Prepared By: Cris B. Liban, Chief Sustainability Officer, (213) 922-2471

Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557
Debra Avila, Chief Vendor/Contract Management Officer,
(213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

ENERGY AND CLIMATE SERVICES
AE67484

1.	**Contract Number**: AE67484	
2.	**Recommended Vendor**: TRC	
3.	**Type of Procurement (check one):** ☐ **IFB** ☐ **RFP** ☒ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: December 27, 2019	
	B. Advertised/Publicized: December 20, 2020	
	C. Pre-Proposal Conference: January 7, 2020	
	D. Proposals Due: March 3, 2020	
	E. Pre-Qualification Completed: September 19, 2020 (Prime)	
	F. Conflict of Interest Form Submitted to Ethics: September 3, 2020	
	G. Protest Period End Date: Est. November 23, 2020	
5.	**Solicitations Picked up/Downloaded**: **181**	**Proposals Received**: **7**
6.	**Contract Administrator**: **Helen Gates-Bryant**	**Telephone Number**: **213-922-1269**
7.	**Project Manager**: **Craig Reiter**	**Telephone Number**: **213-418-3097**

A. Procurement Background

This Board Action is to approve the award of Contract No. AE67484, issued in support of the Energy and Climate Services Project, providing support to Metro in its climate, energy, water and resources conservation and management program. These program areas support Metro's commitment to reduce, re-use, and recycle all internal resources and reduce greenhouse gas emissions. Board approval of contract award is subject to resolution of any properly submitted protest.

The RFP was issued in accordance with Metro's Acquisition Policy and California Government Code §4525-4525.9. The contract type is a Cost Reimbursable, specifically a Cost Plus Fixed Fee.

Six (6) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on January 3, 2020 changed the date and location of Pre-Proposal Conference
- Amendment No. 2, issued on January 8, 2020 added the required Form 60 in Excel Format
- Amendment No. 3, issued on January 10, 2020 clarified/revised solicitation documents (including submittal requirements and scope of services)
- Amendment No. 4, issued on January 31, 2020 changed the date proposals were due and acceptable **formats** for proposal submissions

- Amendment No. 5, issued on February 11, 2020 clarified/revised solicitation document (including submittal requirements)
- Amendment No. 6, issued on February 18, 2020 changed the date proposals were due

A total of seven (7) proposals were received on March 3, 2020. Metro held a pre-proposal conference on January 7, 2020, with a total of fifty-nine (59) people in attendance. Metro had representation from the Risk Management, Ethics, Pre-Qualification, Corporate Safety, Project Management and DEOD, to highlight the main elements of the RFP including the Disadvantaged Business Enterprise (DBE), Small Business Enterprise (SBE), and the Disabled Veteran Business Enterprise (DVBE) goal setting process for this multi-funding source, single award contract. Goals will be recommended based on scope of work and estimated dollar value for each task order, based on its federal and/or state/local funding. A total of seventy-eight (78) questions were received between the issuance of the solicitation and the RFP due date. All questions were addressed by three (3) separate Question and Answer memorandums and the Amendments listed above.

1. Anser Advisory Management, LLC dba Anser Advisory
2. ARUP North America, Ltd.
3. Burns & McDonald Engineering Co., Inc.
4. Guidehouse, Inc.
5. Morgner Construction Management
6. TRC Engineers, Inc. (CA)
7. Vanir Construction Management, Inc.

On March 20, 2020, Metro held Oral Presentations with the three (3)top ranked proposing firms, at which time Metro received three (3) sealed cost proposals that remained unopened until the recommended firm was approved by executive management in order to open their cost proposal only.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Environmental Compliance/Sustainability, and Construction Management, was convened and conducted a comprehensive technical evaluation of the proposals received.

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

- Degree of Skill and Experience

  35 percent

- Understanding of Work and Appropriateness of Approach for Implementation

  35 percent

- Effectiveness of Management Plan 30 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar Architect and Engineers (A&E) procurements. Several factors were considered when developing these weights, giving the greatest importance to the skills and experience of key personnel, particularly the Project Manager's technical and managerial experience, and capabilities on similar projects and phases of work. The understanding and approach to implementing the work, with emphasis on maintaining schedule and budget in managing the three phases of the project.

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

Of the seven (7) proposals received, the top three (3) ranked proposers were invited to make oral presentations. The three (3) firms are listed below in alphabetical order:

1, Anser Advisory Management, LLC dba Anser Advisory
2, Guidehouse, Inc.
3, TRC Engineers, Inc. (CA)

All appointed PET representatives reviewed a list of the Proposers and their subconsultants; none were aware of any actual or potential conflict of interest that may arise due to their participation in the evaluation of the Proposals, then completed and certified the Declaration of Confidentiality / No Conflict of Interest form.

During the oral presentations, in general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Also highlighted were staffing plans, work plans, and perceived project issues. Each team was asked questions relative to each firm's proposed alternatives and previous experience.

The PET evaluated and scored the capabilities of each proposer and its team of subconsultants, in accordance with the Evaluation Criteria in the RFP Documents.

Qualifications Summary of Recommended Firm: The PET ranked the proposals and assessed major strengths, weaknesses and associated risks of each of the Proposers to determine the most qualified firm. The evaluation performed by the PET determined TRC, as the most qualified firm to provide Energy and Climate Services, as provided in the RFP Scope of Services. What distinguished TRC was they demonstrated, through their written proposal and oral presentation, their extensive experience performing Energy and Climate Services, including significant expertise in energy management and energy supply projects, climate adaptation and resilience projects, and strong transit energy project experience identified in the Scope of Services. TRC also demonstrated an exceptionally thorough and comprehensive understanding of managing multiple deliverables. The team is highly experienced in delivering similar projects with an excellent record in client

satisfaction on Metro projects Zero Emissions Bus (ZEB) Program Master Plan, Bill Reduction and Sustainability Strategies, Countywide Sustainability Reports & Performance Metrics, and similar projects throughout California.

Furthermore, the recommended team demonstrated that it is versed in providing the Scope of Services related to this contract, and has the capabilities to provide staffing for the type of work that is required under this contract. TRC exceeds the requirements of the three highest weighted criteria. It shows the Team is exceptionally thorough and has a comprehensive understanding of Metro's goals and methods, and resource allocation.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**TRC**				
3	Degree of Skill and Experience	88.17	35.00%	30.86	
4	Understanding of Work and Appropriateness of Approach for Implementation	91.80	35.00%	32.13	
5	Effectiveness of Management Plan	91.67	30.00%	27.50	
6	**Total**		**100.00%**	**90.49**	**1**
7	**Guidehouse**				
8	Degree of Skill and Experience	85.34	35.00%	29.87	
9	Understanding of Work and Appropriateness of Approach for Implementation	87.80	35.00%	30.73	
10	Effectiveness of Management Plan	86.10	30.00%	25.83	
11	**Total**		**100.00%**	**86.43**	**2**
12	**Anser Advisory**				
13	Degree of Skill and Experience	81.94	35.00%	28.68	
	Understanding of Work and Appropriateness of Approach for Implementation	88.37	35.00%	30.93	
14	Effectiveness of Management Plan	86.73	30.00%	26.02	
15	**Total**		**100.00%**	**85.63**	**3**

C. Cost Analysis

The recommended cost has been determined to be fair and reasonable based upon a cost analysis of labor rates, indirect rates and other direct costs completed in

accordance with Metro's Procurement Policies and Procedures. The analysis includes, among other things, a comparison with similar firms; an analysis of rates and factors for labor, and other direct cost upon which the consultant will base its billings. Metro negotiated and established provisional indirect (overhead) rates, plus a fixed fee based on the total estimated cost for the contract term to compensate the consultant. Additionally, direct labor (level of effort) was reduced in several disciplines within the scope of services. This in turn reduced overhead costs, subconsultant costs and fixed fee for the prime and subconsultants.

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

Proposer Name	Proposal Amount	Metro ICE	Recommended NTE amount
TRC	N/A(1)	$12,696,943.23(2)	$7,618,166.(3)

(1) A proposal amount is not applicable as this is a Cost Plus Fixed Fee (CPFF) with no definable level of effort for the Scope of Services. Hourly labor rates, overhead and fee were negotiated and determined to be fair and reasonable.

(2) Metro Independent Cost Estimate (ICE) is for the three year base contract plus two one-year options

(3) The amount of $7,618,166.00 is V/CM's extraction from the Independent Cost Estimate (ICE) for the three-year base contract period

D. Background on Recommended Contractor

The recommended firm, TRC, located Irvine, California, is a national leader in the delivery of energy and climate consulting services with direct, relevant experience in energy advisory services, technical and engineering services, and sustainability planning. TRC's experience includes climate adaptation and resilience, building energy management, and air quality and greenhouse gas monitoring/mitigation which are important elements within the scope of this contract.

TRC has assembled a team with relevant expertise capable of supporting Metro across multiple task orders simultaneously without jeopardizing quality, or on-schedule delivery of projects. The TRC team has successfully worked hand-in-hand with Metro's Environmental Compliance and Sustainability Departments for more than eight years. The multidisciplinary team includes 23 subconsultants that have a vast knowledge and experience with Metro, including work on the Metro Red and Gold Line Flywheel Assessments, Blue Line Testing and Integration, Metro Regional Connector Transit Corridor Project, and Systemwide electric, gas and water validation projects.

The Project Director has 29 years of project and program management experience in government and utility industries supporting energy, sustainability, and environmental strategic planning efforts. For the last four years, the Director's priority has been their management role on Metro's Energy Management Program. The Project Director's commitment to this project will be 100% availability. The availability of additional Leads and Managers on the team is between 100% to 75%.

Attachment B: Types and Total Value Estimates of Projects – FY21 to FY25

PROFESSIONAL SERVICES CONTRACT FOR ENERGY AND CLIMATE SERVICES (Contract No. AE67484A)

Tasks	Years 1-3	Year 4	Year 5
Building Energy Management			
• Designing and implementing energy efficiency building and systems retrofits • Developing and supporting energy efficient building and systems design and construction for new construction and major renovations; • Leading the development and implementation of portfolio-level building management systems and a retro-commissioning program; • Fulfilling or supporting the role of an agency-wide energy manager; • Acting as Metro's building commissioning agent on complex new construction and major renovation projects; • Assisting Metro with green building and infrastructure certification and meeting relevant green building codes and requirements; • Designing and implementing on-site renewable energy generation, distributed energy resources, battery storage, and microgrid solutions.	$3,987,625.58	$1,329,208.53	$1,329,208.53
Energy Supply and Vehicle Fuel			
• Developing, implementing, and managing a long-term energy and fuel supply plan; • Developing, executing, and managing energy supply agreements; • Supporting optimization of environmental commodities through Metro's energy supply chain; • Modeling and analyzing Metro's energy consumption, rates, costs, and pricing exposure; • Coordinating with Metro's utility partners, energy suppliers, and relevant regulatory bodies	$1,491,206.80	$497,068.94	497,068.94
Climate Adaptation & Resilience			
• Support hazards identification, modeling, mapping, tracking, and mitigation; • Develop asset and organizational risk and/or resilience assessments; • Develop and assess adaptation actions that harden/protect infrastructure, adjust	$1,390,320.78	$463,440.26	$463,440.26

operations/change behaviors, or relocate or re-site infrastructure or services; • Develop adaptation projects through, design, engineering, site assessment, piloting, implementation, monitoring, and evaluation.			
Air Quality and GHG Monitoring and Mitigation			
• Developing and maintaining criteria air pollutant and greenhouse gas emissions inventories; • Supporting emissions monitoring and compliance activities; • Conducting program wide and project or activity-based emissions analyses; • Developing additional GHG mitigation practices • Monitoring agency progress on air quality and GHG programs	$749,012.77	$249,670.93	$249,670.93
Sub-Totals:	$7,618,165.93	$2,539,388.66	$2,539,388.66
Total:	$12,696,943.23		

DEOD SUMMARY

PROFESSIONAL SERVICES CONTRACT FOR ENERGY AND CLIMATE SERVICES (Contract No. AE67484A)

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) will determine a Disadvantaged Business Enterprise (DBE), Small Business Enterprise (SBE), and the Disabled Veteran Business Enterprise (DVBE) goal for each task order prior to issuance of each task order for energy and climate services. A DBE or SBE/DVBE goal will be recommended based on scopes of work and estimated dollar value for a task order that is federally and/or state/locally funded.

Proposers were encouraged to form teams that include DBE, SBE, and DVBE firms to perform the scopes of work identified without schedules or specific dollar commitments prior to establishment of this contract. TRC Engineers, Inc. will be required to meet or exceed the DBE contract-specific goal or demonstrate good faith efforts to do so. TRC Engineers, Inc. will be required to meet or exceed the SBE/DVBE contract-specific goal to be eligible for task order award.

Prime: TRC Engineers, Inc. (CA)

	Subcontractors	SBE	DVBE	DBE
1.	3COTECH	X		X
2.	Coda Group Inc.	X		X
3.	Davenergy Solutions		X	
4.	GCAP Services, Inc.	X		X
5.	ICI Engineers, Inc.	X		
6.	Indian Energy	X		X
7.	Michele Chait, LLC	X		
8.	PacRim Engineering, Inc.	X		X
9.	Raimi + Associates	X		
10.	Simplex Construction Management, Inc.	X		X
11.	Turner Engineering Construction	X		

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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

File #: 2020-0646, **File Type:** Project **Agenda Number:** 38.

CONSTRUCTION COMMITTEE
JANUARY 21, 2021

SUBJECT: SUSTAINABILITY PROGRAM ASSISTANCE SERVICES

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO):

A. To award and execute a five (5) year contract, Contract No. PS66866, with Cumming Management Group Inc. for Sustainability Program Assistance Services on Task Orders for a total amount not-to-exceed $23,800,000 inclusive of three base years (not to exceed $14,000,000) with two one-year options (option year one = $4,850,000 and option year two = $4,950,000.) Staff will return to the Board to approve the two one-year options.

B. To award individual Task Orders and changes up to the Not-to-Exceed contract amount of $14,000,000; and

C. AUTHORIZING Contract Modification Authority (CMA) in the amount of $2,380,000 (10% of the not-to-exceed contract amount) and authorizing the CEO to award and execute individual task order, changes and/or modifications within the CMA amount.

ISSUE

The Los Angeles County Metropolitan Transportation Authority (Metro) has implemented a sustainability program since 2007. This program has become part of our agency's culture. We have incorporated sustainability and resiliency principles specifically focused on climate, energy, water and resource conservation and management in all of the things we plan, design, construct, operate, maintain and procure. In addition to the environmental and social benefits that our agency derived from these programs, we have also received financial benefits that have facilitated the unprecedented expansion of our initiatives and our portfolio of sustainable and resilient infrastructure. The need for more efficient and cost-effective management of this program comes at a very opportune time, specifically given our current financial agency-wide COVID-19 related constraints.

The Board adoption of our 10-year Sustainability Strategic Plan *Moving Beyond Sustainability (MBS)* facilitates the implementation of a more audacious sustainability and resiliency vision; and we need continual support. The proposed contract award Contract No. PS66866, with Cumming Management Group Inc. is designed to assist us in the implementation of our vision, particularly focusing on the execution of the strategies and actions described in MBS.

This contract will enhance staff's internal ability to plan, develop, design, track, and oversee the sustainability strategies and actions. Having a consultant workforce support for MBS implementation provides seamless opportunity to scale up and down on our program implementation as our agency comes out of the continuing impacts of the COVID-19 pandemic.

DISCUSSION

Metro's sustainability program formally began in 2007 with the adoption of the Metro Energy and Sustainability Policy. A year later, the Metro Board approved the hiring of two full-time equivalents reporting one each to the Metro Planning Department and another to the Metro Environmental Compliance and Sustainability Department (ECSD). With the hiring of our Chief Sustainability officer in December 2019, the separate but parallel efforts of sustainability and resiliency housed in the two departments are now consolidated into one and now holistically managed through ECSD. Sustainability as a culture cannot be achieved through one department however. Our agency's sustainability and resiliency are part of our culture and similar to safety, is everyone's responsibility.

Seen as the gold standard in the transit industry, this program has also grown to include more than 150 separate initiatives that positively impact our agency and our region. That explosive growth from modest beginnings was not achieved by accident. The successes we have seen and the challenges we overcame were achieved through the deliberate planning of sustainability and resiliency projects and the procurement of consultant resources to support the overall program.

This program has also seen significant success in the area of environmental finance. In 2014, the Metro Board approved a policy for staff to explore and implement alternative forms of funding and financing our sustainability and environmental programs. That policy resulted in new responsibilities, revenue generating opportunities, and the ability to address operational sustainability while ensuring resiliency and maintaining a state of good repair. For example, the close collaboration of ECSD, Metro's OMB, and Treasury resulted in the development and execution of carbon credits and environmental monetization initiatives and Metro's Green Bonds program.

Metro's sustainability program has been cost-neutral since 2017. Any excess monetized benefits are put into the Board adopted Green Fund, portions of which are re-used back into the sustainability program and to build sustainable and resilient infrastructure through the capital projects, state of good repair projects, or as individual projects such as solar panels and recycled water pipelines among others. These infrastructures are all used for the environmental and social sustainability benefit of our system, and in turn the overall region.

Since 2007, technology has also evolved rapidly relative to climate science, energy, water, and resource management. As our program grew, more and more of our generic environmental and sustainability contracts have become more specialized to address specific elements of our sustainability projects. Management of the sustainability program has therefore become more robust

and complicated with multiple efforts simultaneously getting implemented while strategic goals are developed.

Continual improvement is at the heart of these efforts. Using the Board adopted tool, our ISO 14001-2015 certified environmental management system, we were able to put order in the oversight of our program. The Metro CSO continues to be at the center of this governance. In addition to current Metro staff, the CSO and his staff need the additional program management support offered through Contract No. PS66866 but whose number of support staff could be seamlessly increased or decreased as needed.

To this end, staff has solicited for a Sustainability Program Assistance Services contract. The selected consultant will provide as-needed analysis, studies, surveys, investigations, modeling, predictions, and/or reports related to the operation and maintenance of Metro's transportation system, facilities, and support activities. The Contract No. PS66866, with Cumming Management Group Inc. has been selected to support of the Metro CSO, Metro staff, and other consultants to ensure cohesive, cost-effective, and seamless MBS implementation agency-wide.

The consultant will also support Metro staff from time to time in the execution of activities related to the Metro Sustainability Council as well as Metro's activities that are performed with our strategic partners such as the County and City of LA, other cities and special jurisdictions across our region, and similar entities.

Attachments A and C provide the procurement process and DEOD summary (i.e., proposed small and disadvantaged business utilization) of this contract. Attachment B provides the major types of activities that Cumming Management Group Inc. will provide as a service to Metro under Contract No. PS66866 over the life of this contract.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an adverse impact on safety standards for Metro. The outcomes and work products of Contract No. PS66866 will increase safety enterprise-wide. Sustainability-related projects and programs are programmed, designed, and implemented to increase environmental benefits of our sustainable infrastructure and programs. They also equitably provide health and safety of our staff and enhance the customer experience of our system.

FINANCIAL IMPACT

Contract No. PS66866 will be an Indefinite Delivery/Indefinite Quantity (IDIQ) contract. No MTA funds are obligated until a Contract Work Order (CWO) is issued by a Metro authorized Contracting Officer against a valid project budget. No expenditures are authorized until a Task Order is awarded by a Metro authorized Contracting Officer for a specific package of work within the CWO. All task orders are to be individually negotiated and level of effort fully defined prior to the authorization of any project specific funds. Execution of work under those Task Orders within those CWO awards can continue beyond the contract end date.

Obligations and authorizations made within the total Contract Amount will be against specific project or operations budgets which make up the Board-approved Metro budget for any particular fiscal year.

Specific funding for this contract will parallel the project approved by Board under separate actions. The Chief Sustainability Officer, Chief Program Management Officer, and Project Managers of each of the projects will be responsible for developing and overseeing the appropriate annual budgets.

Impact to Budget

The initial source of funds for this contract is included in the FY21 budget under Project Number 450003 - Sustainability Environment, Cost Center 8420 Environmental Compliance and Services, Account 50316 Professional and Technical Services. Usage of bus and rail operations eligible funds for CWOs will be limited to work orders directly impacting the Operations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

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

Contract No. PS66866 will support these strategic goals by: 1) advancing operational efficiency; 2) generating cost savings through only as needed use of consultant support for the achievement of our MBS goals.

ALTERNATIVES CONSIDERED

In the past, the Board of Directors have provided significant guidance in Metro's vision of sustainability. Many projects have been implemented, constructed, and currently being maintained to fulfill this vision. These programs and projects have provided significant financial, employee welfare, and enhanced customer experience for our agency. The implementation of the recently approved 10-year sustainability strategic plan will continue to build on these achievements. Contract PS66866 is designed to provide the needed project management support to continue the implementation of Metro's sustainability program, especially the implementation, tracking, and reporting of MBS strategies and actions.

During the last five years, the Metro Board has also approved various plans and projects to achieve reductions in operational greenhouse gas emissions; implement innovative approaches and strategies to enhance customer experience, reduce limited natural and energy resource use; investigate public-private partnerships to supplement limited funds to design, build, operate, and maintain sustainability related infrastructure; and increase operational efficiency. Metro's sustainability program administered through ECSD has executed significant portions of that mandate; and will continue to do so using all of the sustainability-related consulting contracts (including Contract No. PS66866) to supplement current Metro staff.

Staff can solicit and award individual contracts every time additional staff is needed for oversight in any of the programmed sustainability-related efforts. We are not recommending this option. Individually procuring these micro-contracts have associated inconsistent and most likely cumulative higher administrative and execution costs, especially in a sustainability program as large as Metro's. As many of our projects overlap with one another in a single major capital project or facility, having

multiple consultants with overlapping skills will cause delays and result in administrative inefficiencies.

NEXT STEPS

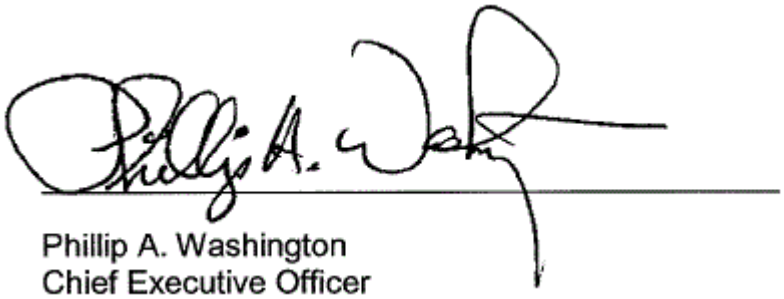
After the recommended Board Action is approved, staff will execute the conformed contract and proceed with issuing Contract Work Orders and Task Orders. Material activities and work products relative to the support provided by Contract No. PS66866 are going to be included in the annual Metro Sustainability Report. The annual Sustainability Report has been published every late spring or summer since 2010.

ATTACHMENTS

A. Procurement Summary
B. Estimated SPAS Contract Value - FY21 to FY25
C. DEOD Summary

Prepared By: Cris B. Liban, Chief Sustainability Officer, (213) 922-2471

Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557
Debra Avila, Chief Vendor/Contract Management Officer,
(213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

SUSTAINABILITY PROGRAM ASSISTANCE SERVICES
CONTRACT NO. PS66866

1.	**Contract Number**: PS66866	
2.	**Recommended Vendor**: Cumming Management Group Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☐ **RFP** ☒ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: January 7, 2020	
	B. Advertised/Publicized: January 8, 2020 (Periodicals of General Circulation)	
	C. Pre-Proposal Conference: January 21, 2020	
	D. Proposals Due: March 24, 2020	
	E. Pre-Qualification Completed: May 27, 2020	
	F. Conflict of Interest Form Submitted to Ethics: April 7, 2020	
	G. Protest Period End Date: November 30, 2020	
5.	**Solicitations Picked up/Downloaded**: 58	**Proposals Received**: 1
6.	**Contract Administrator**: Daniel A Robb	**Telephone Number**: (213) 922-7074
7.	**Project Manager**: Alvin Kusumoto	**Telephone Number**: (818) 974-8610

A. Procurement Background

This Board Action is to approve the award of Contract No. PS66866, Sustainability Program Assistance Services to Cumming Management Group, Inc. to provide architect, engineer (A&E) consulting services in the form of staff augmentation for a wide range of projects, in support of Metro's Environmental Compliance and Sustainability Department (ECSD). Efforts would include climate, energy, water and resource conservation and management. Board approval of contract awards are subject to resolution of any properly submitted protest.

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

The Request for Proposals (RFP) was an Architect & Engineer (AE), qualifications based procurement process performed in accordance with Government Code §4525-4525.9 and Metro's Acquisition Policies and Procedures. The contract type is a Cost Plus Fixed Fee (CPFF). The Contract is for a term of three (3) years plus 2 one-year options.

One (1) Amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on February 7, 2020, amended the Letter of Invitation to extend the Proposal due date. Revised Organizational Conflict of Interest language Included a list of DBE Certified Firms, Form 60 and Form 60 Instructions. Experience and Performance Questionnaire and SPAS Estimated Annual Hours.

One proposal was received on March 24, 2020 from Cumming Management Group, Inc.

It was determined that evaluating one proposal was valid, because robust competition was present at the Preproposal Conference held on January 17, 2020, which 25 firms attended. After a single proposal was submitted, Metro completed an extensive survey of potential proposers (approximately 20) and found that many did not propose for various business reasons. In addition, the one proposer is the incumbent and prices/costs have been closely scrutinized to determine consistency with the current contract and are fair and reasonable for the new contract.

B. Evaluation of Proposals

The Proposal Evaluation Team (PET) was comprised of representatives from the following departments: Environmental Compliance and Sustainability, Construction Management, Program Control, and Third Party Administration and they conducted a comprehensive evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and associated weightings:

Experience, Qualifications, and Capabilities of Firms on the Team and Key Personnel……...(35%)

Effectiveness of Management Plan…….(20%)

Understanding of Work and Appropriateness of Approach for Implementation…..……..…….……..(25%)

Innovative Sustainable Practices and Experience…….……..……..……....(20%)

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

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

The one proposal received is listed below:

Cumming Management Group, Inc.

During the week(s) of April 29, 2020 through May 13, 2020, the PET evaluated and scored the proposal.

Qualifications Summary of Recommended Firm:

The evaluation performed by the PET determined Cumming Management Group, Inc. as the qualified firm and team to provide Sustainability Program Assistance Services, as provided in the RFP Scope of Services.

Cumming Management Group, Inc. demonstrated, in their written proposal a team with qualifications, experience and capabilities that substantially meets RFP minimums requirements. The organizational structure and management team structure is well-organized and intuitive. Program controls are sufficiently detailed to instill confidence in the Cumming Management Group, Inc.'s ability to effectively manage the program.

Cumming Management Group, Inc's proposal demonstrated a thorough understanding of an approach to the work and how each element builds off of, or contributes to, the overall work program/sustainability goals of the agency. Case studies provided demonstrates the experience and institutional competence to effectively provide the professional services required.

Cumming Management Group, Inc. demonstrated clear experience and capabilities in developing innovative practices and methods as well as an understanding of the methods and tools that the team will use to identify develop and implement innovative sustainability, consulting services and initiative for Metro facilities.

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

The Proposal Evaluation Team (PET) evaluated the proposal, and assessed major strengths, weaknesses and associated risks of the Proposer to determine the qualifications of the firm. The final scoring was based on evaluation of the written proposal received from the Proposer. The results of the scoring are shown below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Cumming Management Group, Inc..**				
3	Experience, Qualifications, and Capabilities of Firms on the Team and Key Personnel	85.28	35%	29.85	
4	Effectiveness of Management Plan	89.88	25%	22.47	
5	Understanding of Work and Appropriateness of Approach for Implementation	89.10	20%	17.82	
6	Innovative Sustainable Practices and Experience	89.60	20%	17.92	
7	**Total**		**100.00%**	**88.06**	**1**

C. Cost Analysis

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

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

Proposer: Cumming Management Group, Inc..			
Contract Duration	**Proposal Amount**	**Metro ICE**	**NTE Funding Amount**
Base Period – 3 Years	N/A(1)	$13,975,000.(2)	$14,000,000.(2)
Option Year 1	N/A(1)	$4,846,000.(3)	$4,850,000.(3)
Option Year 2	N/A(1)	$4,943,000.(4)	$4,950,000.(4)

(1) A proposal amount was not applicable. This is a Cost Plus Fixed Fee (CPFF) Task Order Contract with no definable level of effort for the Scope of Services. Hourly labor rates, overhead and fee were negotiated and determined to be fair and reasonable.

(2) The amount $13,975,000. is the Independent Cost Estimate (ICE) for 3-year base Period of the Contract.

(3) The amount $4,846,000. is the Independent Cost Estimate (ICE) for Option Year 1 Period of the Contract.

(4) The amount $4,943,000. is the Independent Cost Estimate (ICE) for Option Year 2 Period of the Contract.

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

D. Background on Recommended Consultant

Cumming Management Group, Inc. (Cumming) is a privately held California corporation that provides consultancy services across the globe in a wide variety of fields, including environmental, sustainability, and support services. Since opening for business in 1996, Cumming has grown consistently and substantially. Today, they have nearly 950 team members and 36 offices worldwide including their Los Angeles headquarters office. They work with private and public sector clients and provide professional services, including engineers, scientists, and related technical and project support personnel.

Cumming Management Group, Inc. and their proposed team have worked on various local and global projects, including various Metro projects and local public agency programs. Their team has expertise and specific knowledge of Metro programs, systems and facilities.

Sustainability Consultant Contract - SPAS Activities & Estimated Contract Value **ATTACHMENT B**

updated: 4/4/2019

SPAS: EMS, Training, and Sustainability Program Guidance	No. of Units (yrs., projs., etc.)	Est. Consult. Svcs. Amount	Consultant Svcs. per Unit
a. EMS Program Maintenance Support	**5 years**	**$7,500,000**	**$1,500,000**
b. Environmental Training Institute	**5 years**	**$2,500,000**	**$500,000**
c. Sustainability Policies, Programs, and Guidance	**5 years**	**$3,500,000**	**$700,000**
1. Sustainability Policy Development	5 years	$750,000	$150,000
2. Coordinate Sustainability Projects and Initiatives	5 years	$500,000	$100,000
3. Sustainability Program Guidance and Oversight	5 years	$500,000	$100,000
4. Develop and Maintain the Sustainability Dashboard & GIS	5 years	$500,000	$100,000
5. Prepare Annual Environmental Sustainability Progress Report	5 years	$1,250,000	$250,000
d. Sustainability Plan (SP) Program Support	**10 projects/yr**	**$5,000,000**	**$100,000**
e. Green Construction Policy (GCP) Program Support	**10 projects/yr**	**$3,750,000**	**$75,000**
f. Peer Review of Sustainability Program, Projects, Initiatives	**6 reports**	**$300,000**	**$50,000**
g. EMS & Training Plans, Studies, Reports	**5 reports**	**$500,000**	**$100,000**
h. Innovative Sustainability Initiatives/Solutions	**5 years**	**$250,000**	**$50,000**
i. other	**5 years**	**$500,000**	**$100,000**
	ROM/Recommended LOP Amount	**$23,800,000**	

DEOD SUMMARY

SUSTAINABILITY PROGRAM ASSISTANCE SERVICES
CONTRACT NO. PS66866

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established an overall 27% Disadvantaged Business Enterprise (DBE) goal and an overall 27% goal inclusive of 24% Small Business Enterprise (SBE) an 3% Disabled Veterans Business Enterprise (DVBE) goal for this Task Order Contract. Cumming Management Group Inc. exceeded the DBE overall goal by making a 27.06% DBE commitment. Cumming Management Group Inc. made a 24% SBE and 3% DVBE commitment, meeting the 27% overall SBE/DVBE goal.

In response to a specific Task Order request with a defined scope of work, estimated dollar value and funding source that is federally and/or state/locally funded, the Cummings Management Group will be required to identify DBE/SBE/DVBE subcontractor activity and actual dollar value commitments for that Task Order. Overall DBE/SBE/DVBE achievement in meeting the commitments will be determined based on cumulative DBE/SBE/DVBE participation of all Task Orders awarded.

Small Business Goal	**27% DBE 24% SBE 3% DBVE**	**Small Business Commitment**	**27.06% DBE 24% SBE 3% DVBE**

	Subcontractors	**Ethnicity**	**DBE**	**SBE**	**DVBE**
1.	Akima	Caucasian Female	X	X	
2.	All About Waste	Caucasian Female	X	X	
3.	EcoTeal	Caucasian Female	X	X	
4.	EW Consulting	Caucasian Female	X	X	
5.	GC Green	Hispanic American	X		X
6.	Impact Sciences	Caucasian Female	X	X	
7.	Lentini	Caucasian Female	X	X	
8.	Loop Environmental	Caucasian Female	X	X	
9.	Paragon	Asian Pacific American	X	X	
10.	Polytechnique	Subcontinent Asian American	X	X	
11.	Premier Program Partners	Caucasian Female	X		
12.	Resource Solutions of California	Asian Pacific American	X	X	
13.	Schweitzer	Caucasian Female	X	X	
14.	Watearth	Caucasian Female	X	X	

	TOTAL COMMITMENT		**27.06%**	**24%**	**3%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

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

D. Project Labor Agreement/Construction Careers Policy

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

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

Metro

Board Report

File #: 2020-0868, **File Type:** Informational Report **Agenda Number:** 50.

REGULAR BOARD MEETING
JANUARY 28, 2021

SUBJECT: UPDATE CRENSHAW/LAX PROJECT

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE oral report on Crenshaw/LAX Project.



Phillip A. Washington
Chief Executive Officer

powered by Legistar™

Crenshaw/LAX Transit Project

Budget/Schedule Presentation – January 28, 2021



Budget / Schedule

BUDGET

	Current	Forecast
TOTAL COST	$2,148M	$2,148M

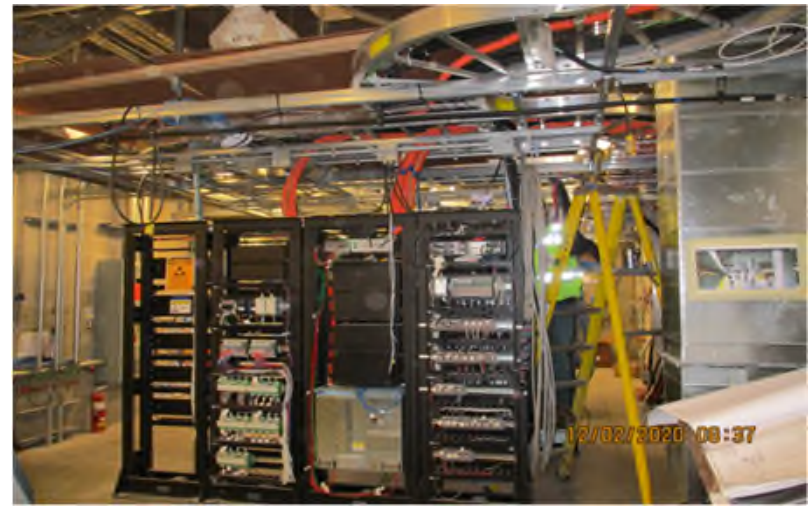
SCHEDULE

REVENUE OPERATION	Current	Forecast
	May 2021	TBD - 2021

- Overall Project Progress is 97.7% complete
- Contractor is not applying sufficient work force to complete their remaining work
- Metro continues to work with contractor to mitigate the schedule forecast; emphasizing safety and reliability in final acceptance of project elements and systems
- Remaining work is primarily systems – power, train control, station/tunnel fire life safety and communications



P3010 LRT Vehicle testing on Crenshaw Blvd. and 54th Street.



Leimert Park Station – contractor working on communication rack in train control and communication room.

Metro

OK On target Possible problem Significant Impact

*Contractor Substantial Completion

Life-of-Project Budget Status

- Project total commitments are 96% and expenses are 92% of the LOP Budget of $2,148 million
- Professional services, including Metro staff, expenses are between $3.7 - $4.0 million per month
- Anticipate that based on current monthly rate of professional services expenses, additional Project funding may be required by 4th quarter FY22
- The actual value that may be required is unknown until the contractor successfully completes Substantial Completion
- $26 million in unallocated contingency remains of the original LOP Budget of $2,058 million
- Budget does not include any potential claim settlement funding

Metro

WSCC Contract Liquidated Damages

Milestones per Unilateral Non-Compensable Time Extension (September 2018)	Completion Date	$'s per Day	Accrued to Date
No. 3 – Commence all Systems Integration Testing Phase 1	September 12, 2019	$30,000	
No. 1 – Substantial Completion	December 11, 2019	$36,800	
Total Accrued through December 31, 2020			**$15,000,000**
The daily limit for accessing Liquidated Damages is $36,800 and the Contract Limit is $15,000,000			

- Contractor has missed both milestone completion dates.
- The time extension stipulated that the maximum daily limit for liquidated damages would be accessed if Revenue Service on May 23, 2020 was not achieved.
- Metro is accruing liquidated damages but has not yet accessed liquidated damages in the contractor's monthly payment application.
- Metro reserved the right to assess and withhold the accrued liquidated damages in the future.

Metro

Project Sequence of Completion

- Installation of Equipment (Contractor)
- Local Field Acceptance Tests – (LFAT) (Contractor)
- Systems Integration Tests – (SIT-1) (Contractor)
- Vehicle Software – (P3010) Metro (Carborne)/Contractor (Wayside)
- Systems integration Tests (SIT-2) - interface with Rail Operations Control (ROC) – Metro
- Training, Simulated Service, Emergency Drills - Metro
- Safety Certification – California Public Utility Commission
- Revenue Service

Metro

Schedule Status

- Contractor did not complete substantial completion by December 2020
- Progress monitoring indicates that this goal may be attained in 2021
- Schedule projections are dependent on number of variables - productivity, contractor resources, amount of re-work, testing success rate and complexity of work
- Contractor needs to make more progress in LFAT testing before a reliable estimate of completion can be made
- Consider strategies such as overlapping activities

Metro

WSCC Contract
Milestone Substantial Completion Forecast

- WSCC needs to make significant performance improvement by taking the following potential mitigation actions:
  - Add crews and resources to prepare/complete required prerequisites before conducting Local Field Acceptance Tests and System Integration Tests,
  - Double testing personnel and increase to two work shifts,
  - Double dedicated management and integration supervision to complement increased work force,
  - Develop a realistic plan to complete testing, and
  - Increase schedule measurement resource for real time tracking of progress.

Metro

Overall Systems Completion Status (as of 1/21/21)

Segment A (8+08.15 - 159+50)				
Systems	Traction Power	OCS /OCR	Train Control	Communication
Installation	100%	100%	100%	85%
LFAT Test	95%	75%	90%	9%
SIT-1 Test	10%	85%	5%	0%
Segment B1 (159+50 - 274+00)				
Systems	Traction Power	OCS /OCR	Train Control	Communication
Installation	95%	100%	100%	70%
LFAT Test	90%	95%	90%	12%
SIT-1 Test	10%	50%	5%	0%
Segment B2 (274+00 - 364+80)				
Systems	Traction Power	OCS /OCR	Train Control	Communication
Installation	100%	100%	100%	80%
LFAT Test	95%	91%	90%	11%
SIT-1 Test	N/A	46%	5%	0%
Segment C (364+80 - 448+34)				
Systems	Traction Power	OCS /OCR	Train Control	Communication
Installation	100%	100%	100%	65%
LFAT Test	95%	75%	85%	7%
SIT-1 Test	10%	0%	0%	0%

Schedule considerations

- Current field team personnel (Metro, contractor, subcontractors) are experienced and committed to a successful start-up
- Equipment interfaces are very complex, but the technology is service proven
- The most recent tunneling project that Metro opened was a small section of the Eastside Extension, so there are systems project characteristics that are new to Metro projects as technology has advanced since then
- Metro working to remove pieces of scope from WSCC Contract. Most significant is agreement with the City of Los Angeles to perform paving work at Park Mesa Heights

Metro

Remaining Project Key Issues

These issues will determine the final completion dates:

- Significant amount of physical installation work that remains to be completed
- Volume of complex testing that remains to be done
- 1,279 (51%) remain as of December 3, 2020
- Subcontractor coordination and integration management
- Labor resources
- Design resources
- Ability to control schedule delays
- Amount of re-work

Metro

Metro Efforts to Work With and Help WSCC

- Minimize additional change orders
  - Park Mesa Heights paving being done by others
  - Fiber optic diversification done by others
- Collaborative Review of Submittals
  - Same day review of critical submittals with WSCC staff present
  - RFI's reviewed in the field - allowing quicker turn around times
- Expedite required field witness testing
  - 7-day scheduling timeframe reduced to 2 days

Metro

Metro Efforts to Work With and Help WSCC **(continued)**

- Provide early punch list activities
  - Walk work areas early to identify potential punch list items to minimize last minute work
  - Identify remaining work required prior to closing work areas up to help reduce rework
- Weekly joint review of work schedule with WSCC and subcontractors
  - Identify scope gap issues early to allow work to occur efficiently
  - Discuss work execution logic to help work to occur efficiently
- Metro / WSCC review bi-weekly extended work schedules and activities to identify conflicts and plan future work

Metro

Conclusion

- Number of variables impact actual completion dates
- Metro continues to work with contractor to mitigate the schedule forecast
- Metro will continue to emphasize safety and reliability in final acceptance of Project elements and systems
- Remaining work is primarily systems – power, train control, station/tunnel life safety and communications

Metro