Metro

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

Metro

Agenda - Final

Thursday, November 30, 2017

9:00 AM

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

Board of Directors - Regular Board Meeting

Eric Garcetti, Chair
Sheila Kuehl, Vice Chair
James Butts, 2nd Vice Chair
Kathryn Barger
Mike Bonin
Jacquelyn Dupont-Walker
John Fasana
Robert Garcia
Janice Hahn
Paul Krekorian
Ara Najarian
Mark Ridley-Thomas
Hilda Solis
Carrie Bowen, non-voting member
Phillip A. Washington, Chief Executive Officer

A written request to address the Board should be submitted to the Board Secretary in person at the meeting prior to the item being called for discussion. Once discussion on an item begins, requests to speak on that item will no longer be accepted.

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

PUBLIC INPUT

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

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

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

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

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

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

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

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

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

CALL TO ORDER

ROLL CALL

1. APPROVE Consent Calendar Items: 2, 6, 8, 9, 10, 11, 12, 15, 17, 18, 21**, 22, 23**, 24, 25**, 29, 35, 36, 38, 39, 45, 47, 48, and 49.

CONSENT CALENDAR

2. SUBJECT: REGULAR BOARD MEETING MINUTES 2017-0756

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held October 26, 2017.

Attachments: MTA Regular Board Minutes - October 26, 2017

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

6. SUBJECT: TRAXX RESTAURANT LEASE AGREEMENT 2017-0668

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a three-year exclusive lease agreement and a three-year extension option with Tara Thomas Enterprises, Inc., a California corporation for the Traxx Restaurant and the Bar located in Union Station.

Attachments: Attachment A - Lease Area

Attachment B - Traxx Lease Agreement Key Terms

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

8. SUBJECT: PUBLIC HEARING FOR CUSTOMER READINESS EFFORTS FOR TRANSFER ON 2nd BOARDING 2017-0706

RECOMMENDATION

CONSIDER:

A. SCHEDULING a public hearing date on Wednesday, January 17, 2018 to receive public comment on possible customer readiness efforts for board approved Transfer on 2nd boarding; and

B. AUTHORIZING publication of the attached legal notice (Attachment A).

Attachments: Attachment A - PublicHearing_Notice
Attachment B - Transferon2Boarding_TitleVI
Attachment C - TitleVIToken
Attachment D - TokenSaleAnalysis

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

9. SUBJECT: CURRENCY PROCESSING SERVICES 2017-0672

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award firm fixed unit price Contract No. OP39497-2000, to Los Angeles Federal Armored Services, for currency processing services for an amount not-to-exceed $457,600 for the one-year base period, and $514,800, $572,000, $629,000, and $686,400 for each of the four, one-year option terms, respectively, for a combined total of $2,859,800, effective January 1, 2018 to December 31, 2022, subject to resolution of protest(s), if any.

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

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0-1):

10. SUBJECT: LOS ANGELES UNION STATION FORECOURT AND ESPLANADE IMPROVEMENTS 2017-0492

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award and execute a 63-month firm fixed price Contract No. AE39616001 with Gruen Associates in the amount of $2,910,657 for architectural and engineering services to design the Los Angeles Union Station Forecourt and Esplanade Improvements Project and provide design support during construction, subject to resolution of protest(s), if any.

Attachments: Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Project Map
Attachment D - Funding Table

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

11. SUBJECT: CESAR E. CHAVEZ AND SOTO JOINT DEVELOPMENT 2017-0630

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer to execute and enter into a joint development agreement ("JDA"), ground lease ("Ground Lease") and other related documents with La Veranda, L.P. (the "Developer"), an affiliate of Abode Communities, for the construction and operation of a mixed-use, affordable housing project (the "Project") on 85,378 square feet of Metro-owned property located near the corner of Cesar E. Chavez Avenue and Soto Street in Boyle Heights (the "Site") in accordance with the Summary of Key Terms and Conditions attached hereto as Attachment A;

B. AUTHORIZING an exception to the Joint Development Policy, to allow for a 42% discount to the fair market rent for the Site under the Ground Lease (above the current policy limit of 30%) to allow the Project to be financially feasible while meeting the community's desire for deeper affordability of the housing units; and

C. FINDING that the Project is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 21080(b)(9) of the California Public Resources Code and Section 15332 (In-Fill Development Projects) of the CEQA Guidelines in accordance with the Qualifying Criteria set forth on Attachment C and authorize the Chief Executive Officer to file a Notice of Exemption for the Project consistent with such exemption.

Attachments: Attachment A - Summary of Key Terms and Conditions
Attachment B - Conceptual Site Plan and Renderings
Attachment C - Qualifying Criteria for CEQA Exemption

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0-1):

12. SUBJECT: EXPO/CRENSHAW STATION JOINT DEVELOPMENT PROJECT 2017-0476

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a two phase, six-month Short Term Exclusive Negotiation Agreement and Planning Document (Short Term ENA) with Watt Companies, doing business as WIP-A, LLC (Developer) and the County of Los Angeles (County) for the development of 1.77 acres of Metro-owned property and 1.66 acres of County-owned property at the

Expo/Crenshaw Station (Site), subject to resolution of protest(s), if any.

Attachments: Attachment A - Site Map
Attachment B - Procurement Summary
Attachment C - Site Plan and Renderings
Presentation - Expo Crenshaw JD

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

15. SUBJECT: CALTRANS PARK & RIDE LOTS 2017-0585

RECOMMENDATION

AUTHORIZE:

A. acquisition of Lakewood and Norwalk Park & Ride Lots through execution of a Relinquishment Agreement; and

B. execution of a Memorandum of Understanding with Caltrans to enable a potential future joint development at El Monte Station on Caltrans-owned land.

Attachments: Attachment A - Maps of Park and Ride Lots
Attachment B - Terms of Relinquishment Agreement
Attachment C - Map of El Monte Transit Center

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

17. SUBJECT: FY 2017 FEDERAL HOMELAND SECURITY AND STATE PROPOSITION 1B SECURITY PROJECTS 2017-0616

RECOMMENDATION

CONSIDER:

A. APPROVING programming of up to $13.557 million from fiscal year (FY) 2017 federal Department of Homeland Security Transit Security Grant Program (TSGP) and state Proposition 1B California Transit Security Grant Program (Prop 1B Transit Security) funds that are available for eligible capital and operating transit security projects, as shown in Attachment A; and

B. ADOPTING the required FY 2017 resolution, as shown in Attachment B, authorizing the Chief Executive Officer to execute any actions necessary for obtaining state financial assistance that the California Office of Emergency Services (Cal OES) may provide.

Attachments: Attachment A - Transit Security Grant Projects
Attachment B - Prop 1B CTSGP Resolution
Attachment C - Funding Table

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0-1):

18. SUBJECT: STATE ACTIVE TRANSPORTATION PROGRAM 2017-0679

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award and execute a 36-month firm fixed price Contract No. PS44597000 to Evan Brooks Associates, Inc. to prepare 37 grant applications and 56 additional grant applications and greenhouse gas analysis tasks in the amount of $2,170,485 to support Metro and local jurisdiction grant applications to discretionary state funding opportunities, subject to resolution of protest(s), if any.

Attachments: Attachment A - Procurement Summary, Grant Application Assistance
Attachment B - DEOD Summary

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

21. SUBJECT: PURCHASE OF PRODUCTION RAIL TAMPER 2017-0629

RECOMMENDATION

CONSIDER:

A. FINDING the only responsive responsible bid for acquisition of a Production Rail Tamper under Public Utilities Code (PUC) section 130232 has been rejected due to the lack of competition and the equipment may be purchased at a lower price on the open market (PUC §130233); and

B. AUTHORIZING the Chief Executive Officer to award a firm fixed price Contract no. OP42642000 with Plasser American Corporation, on the open market pursuant to PUC §130233, for one Production Rail Tamper in the amount of $3,378,292, inclusive of sales tax.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

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

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

22. SUBJECT: ELEVATOR AND ESCALATOR INSPECTION SERVICES 2017-0632

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate Contract No. OP884190003367 for elevator and escalator inspection services throughout Metro bus and rail facilities with Lerch Bates, Inc. for a not-to-exceed amount of $853,746 for the three-year base period, $304,980 for option year one, and $343,925 for option year two, for a combined total of $1,502,651, effective January 1, 2018 through December 31, 2022, subject to resolution of protest(s), if any.

Attachments: Attachment A - Procurement Summary

Attachment B - DEOD Summary

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

23. SUBJECT: P2000 FRICTION BRAKE SYSTEMS & AIR COMPRESSOR COMPONENT OVERHAUL 2017-0703

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer to award a 48-month, indefinite delivery/indefinite quantity Contract No. MA27583000 for the component overhaul of P2000 Light Rail Vehicle (LRV) Friction Brake System & Air Compressor Overhaul to Wabtec Passenger Transit, for a total not-to-exceed amount of $3,328,499; and

B. AWARDING a single source procurement, pursuant to Public Utilities Code section 130237 for component overhaul services of the Metro Green Line (MGL) and Blue Line Friction Brake System & Air Compressor Overhaul from the Original Equipment Manufacturer (OEM), to Wabtec Passenger Transit.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

Attachments: Attachment A - Procurement Summary

Attachment B - DEOD Summary

Presentation

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

24. SUBJECT: P2550 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION PROGRAM - CONSULTANT SUPPORT SERVICES FOR SPECIFICATION DEVELOPMENT & SOLICITATION OF CONTRACTOR 2017-0642

RECOMMENDATION

AWARD a firm fixed price Contract No. 45383000 for Consulting Support Services to STV Incorporated for the P2550 Light Rail Vehicle (LRV) Midlife Modernization Program, in the amount of $1,421,086.73, for 24 months from Notice to Proceed, subject to resolution of protest(s), if any.

Attachments: Attachment A - Funding Expenditure Plan P2550 LRV Midlife
Attachment B - Procurement Summary
Attachment C - DEOD Summary
Presentation

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

25. SUBJECT: P2550 & P2020 FRICTION BRAKE SYSTEM OVERHAUL 2017-0693

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer to award an 84 month, indefinite delivery/indefinite quantity Contract No. MA24464000 to Knorr Brake Company for component overhaul services of P2550 and P2020 Light Rail Vehicle (LRV) Friction Brake Systems, for a total not- to-exceed amount of $4,546,031; and

B. AWARDING a single source procurement, pursuant to Public Utilities Code section §130237 for component overhaul services of the Metro Gold Line (MGL) P2550 and Metro Blue Lines (MBL) P2020 LRV Friction Brake Systems from the Original Equipment Manufacturer (OEM), to Knorr Brake Company.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

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

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE (3-0) AND AD HOC CUSTOMER EXPERIENCE COMMITTEE (3-0-1) MADE THE FOLLOWING RECOMMENDATION:

29. SUBJECT: SYSTEMWIDE BUS NETWORK RESTRUCTURING PLAN 2017-0623

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award an 18-month, firm fixed price Task Order No. PS878320003041 under Countywide Planning Services Bench Contract No. PS4010-3041-F-XX with Cambridge Systematics, Inc., for an amount of $1,295,762, to develop a Systemwide Bus Network Restructuring Plan, subject to resolution of protest(s), if any.

Attachments: Attachment A - Procurement Summary

Attachment B - Task Order Log

Attachment C - DEOD Summary

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

35. SUBJECT: XO COMMUNICATION UTILITY COOPERATIVE AGREEMENT 2017-0634

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute the Utility Cooperative Agreement (UCA) between Metro (Authority) and XO Communications.

Attachments: Attachment A - Utility Cooperative Agreement XO COMM FINAL 10-25-16_FR-r2

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

36. SUBJECT: UNION STATION RESTROOM EXPANSION AND RENOVATION PROGRAM 2016-0850

RECOMMENDATION

APPROVE a Life of Project (LOP) budget for Los Angeles Union Station (LAUS) New and Existing Public Restroom Facilities Program improvements of $7.95 million for the following:

A. construction of new public restroom facilities for $5.35 million; and

B. renovation of existing public restroom facilities for $2.6 million.

Attachments: Attachment A - Map of Existing & New Restrooms
Attachment B - ICF Memo: CEQA Categorical Exemption for L.A. Union Station
Attachment C - Summary Ten-Year Capital Plan
Presentation_US Restroom Renovation

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (6-0):

38. SUBJECT: FEDERAL AUTONOMOUS VEHICLE LEGISLATION 2017-0767

RECOMMENDATION

ADOPT staff recommended positions:

A. **HOUSE RESOLUTION 3388 (Latta) -** Safely Ensuring Lives Future Deployment and Research In Vehicle Evolution Act - **WORK WITH AUTHOR**

B. **SENATE 1885 (Thune) -** American Vision for Safer Transportation through Advancement of Revolutionary Technologies Act **- WORK WITH AUTHOR**

Attachments: Attachment A - HR 3388 & S 1885 Legislative Analysis FINAL
Attachment B - HR 3388 (Latta).
Attachment C - S 1885 (Thune).

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0-2):

39. SUBJECT: COMMUNICATIONS SUPPORT SERVICES BENCH 2017-0699

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. AWARD seven-year, task order based bench Contract Nos. PS44432001 through PS44432010, with the following firms: Arellano Associates, Celtis Ventures, Communications Lab, Community Connections, Consensus, Dakota Communications, ETA Agency, Lee Andrews Group, MBI Media, and the Robert Group, for Communications Support Services, for a not-to-exceed amount of $9,505,568 for the base three-year term effective January 1, 2018 through December 31, 2020, plus $5,393,760 for each of the two, two-year options, for a combined total amount not-to-exceed $20,293,088, subject to resolution of protest(s), if any; and

B. EXECUTE Task Orders under these Contracts for communications support services in a total amount not-to-exceed $9,~~6~~505,568.

Attachments: ATTACHMENT A - Procurement Summary

Attachment B - DEOD Summary

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

45. SUBJECT: SB1: STATE TRANSIT ASSISTANCE STATE OF GOOD REPAIR PROGRAM (STASGR) 2017-0772

RECOMMENDATION

APPROVE the Resolution in Attachment A to:

A. AUTHORIZE the Chief Executive Officer (CEO) or his designee to receive STASGR funds from the State Controller's Office (SCO); and

B. CERTIFY that Metro will comply with STASGR Recipient Certifications and Assurances, and authorize the CEO or his designee to execute all required documents and any amendments with the California Department of Transportation.

Attachments: Attachment A - STASGR.pdf

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (6-0):

47. SUBJECT: MEASURE M EARLY PROJECT DELIVERY STRATEGY 2017-0686

RECOMMENDATION

APPROVE the policy for a Measure M Early Project Delivery Strategy, outlined in Attachment A.

Attachments: Attachment A - Early Project Delivery Strategy 20171121 Legistar

Attachment B - FAQ

Attachment C - PowerPoint Presentation

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (6-0):

48. SUBJECT: METRO SYSTEM ADVERTISING (LICENSE TO SELL AND DISPLAY ADVERTISING ON BUS AND RAIL) 2017-0718

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. AWARD Contract No. PS41099B - License to Sell and Display Advertising on Metro Bus System to Outfront Media Group, LLC for 10

years, generating an aggregate minimum guarantee of $262,250,000 revenue for Metro, subject to resolution of protest(s), if any;

B. AWARD Contract No. PS41099R - License to Sell and Display Advertising on Metro Rail System to Intersection Parent, Inc. for 10 years, generating an aggregate minimum guarantee of $42,902,200 revenue for Metro, subject to resolution of protest(s), if any; and

C. AMEND the FY18 Budget to add three (3) Full Time Employees (FTEs) to support implementation of digital advertising and the new revenue contracts; FTEs will be funded by revenues generated from No. PS41099B and No. PS41099R.

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

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

49. SUBJECT: DIGITAL MEDIA CONTRACTS 2017-0744

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute:

A. Contract Ratification and Modification No. 1 to Contract No. PS71103378 with Steve Hymon (editor of The Source) for writing, editing and supervisory services for the Public Relations Digital Media group, to extend the contract term from July 1, 2016 to June 30, 2018 increasing the total authorized not-to-exceed amount by $398,972.75 from $145,000 to a new total of $543,972.75; and

B. Contract Ratification and Modification No. 1 to Contract No. PS71103377 with Maria Luisa Arredondo-Pagaza (editor of El Pasajero) for editing, writing and translation services for the Public Relations Digital Media group, to extend the Contract term from July 1, 2016 to June 30, 2018 increasing the total authorized not-to-exceed amount by $156,201.25 from $150,000 to a new total of $306,201.25.

Attachments: Attachment A-1 - Procurement Summary PS71103377
Attachment A-2 - Procurement Summary PS71103378
Attachment B-1 - Contract Modification Change Order Log PS71103377
Attachment B-2 - Contract Modification Change Order Log PS71103378
Attachment C-1 - DEOD Summary PS-7110-3377 (Pagaza)
Attachment C-2 - DEOD Summary PS-7110-3378 (Hymon)

NON-CONSENT

3. SUBJECT: REPORT BY THE CHAIR 2017-0783

RECOMMENDATION

RECEIVE report by the **Chair.**

4. SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER 2017-0785

RECOMMENDATION

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

PLANNING AND PROGRAMMING COMMITTEE FORWARDED THE FOLLOWING WITHOUT RECOMMENDATION:

16. SUBJECT: 2018 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM 2017-0696

RECOMMENDATION

APPROVE the programming of up to $481,845,000 for the 2018 Los Angeles County Regional Transportation Improvement Program (RTIP) as shown in Attachment A.

Attachments: Attachment A - 2018 RTIP for Los Angeles County
Attachment B - Projects Proposed for Programming
Attachment C - Evaluative Criteria Framework
2018 RTIP Board Powerpoint Presentation

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0-1):

19. SUBJECT: SEPULVEDA TRANSIT CORRIDOR 2017-0723

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

A. AWARD AND EXECUTE a 20-month firm fixed price Contract No. PS4044200 to Sepulveda Mobility Partners, a joint venture between HNTB Corporation and WSP USA, Inc. (formerly Parsons Brinckerhoff) to prepare the Sepulveda Transit Feasibility Study and Technical Compendium, in the amount of $6,537,482.39, subject to resolution of protest(s), if any; and

B. APPROVE Contract Modification Authority (CMA) for Contract No. PS4044200 in the amount of $980,622 to support the cost of any

unforeseen issues that may arise during the course of the Contract.

Attachments: Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Study Area Map.pdf
Attachment D - OEI Parallel Process
Attachment E - Preliminary Milestone Schedule

SYSTEM SAFETY, SECURITY, AND OPERATIONS COMMITTEE FORWARDED THE FOLLOWING DUE TO ABSENCES AND CONFLICTS:

30. SUBJECT: P2000 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION PROGRAM 2017-0643

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. EXERCISE system component Option #3 Communications - New Vestibule Information and Map Displays for the P2000 Light Rail Vehicle Midlife Modernization Program (Contract No. OPP2000) to Alstom Transportation Inc. in the firm fixed amount of $2,803,953, increasing the total Contract Value from $130,673,440 to $133,477,394;

B. EXERCISE system component Option #4 Communications - New Audio Communication System for the P2000 Light Rail Vehicle Midlife Modernization Program (Contract No. OPP2000) to Alstom Transportation Inc. in the firm fixed amount of $3,054,526, increasing the total Contract Value from $133,477,394 to $136,531,920;

C. AMEND and increase the FY18 Budget in Cost Center 3043 in the amount of $31,404,998 for mobilization costs and accelerated project milestones from $13,415,079 to $44,820,077; and

D. EXECUTE Contract Modifications under this Contract for up to $1,000,000 per Contract Modification.

Attachments: Attachment A - Funding Expenditure Plan 206044
Attachment B - Procurement Summary
Attachment C - DEOD Summary
Presentation

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

33.1 2017-0786

SUBJECT: **MOTION BY DIRECTORS KUEHL, HAHN, GARCETTI, DUPONT-WALKER, AND SOLIS**

ENCOURAGING CONTRACTORS TO INCREASING WOMEN'S WORKFORCE PARTICIPATION ON METRO CONSTRUCTION PROJECTS

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

A. Create a report card/score card system reflecting attainment of the female utilization goals for Metro PLA contractors that is aimed at encouraging contractors to exceed the current goals;

B. Publish the report card quarterly on the Metro website and as part of the quarterly PLA report to the Metro Board. In addition, report to the Metro Board on ways in which the report card could be reviewed and considered by Metro in upcoming contract opportunities;

C. Develop an incentive program to encourage contractors to exceed the 6.9% female utilization goal, such as a one-on-one meeting comprised of the Chair, a Board Member, and the CEO; and

D. Develop a provision to the Employment Hiring Plan that requires contractors to demonstrate how they create/promote a diverse and inclusive work environment in the field (i.e. child care, restrooms, sexual harassment prevention). This should include, encouraging contractors to work with the Los Angeles County Department of Public Social Services to learn of the current resources available to working women.

CONSTRUCTION COMMITTEE FORWARDED THE FOLLOWING DUE TO ABSENCES AND CONFLICTS:

34. SUBJECT: SMALL BUSINESS BONDING ASSISTANCE PILOT PROGRAM 2017-0705

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer to award a Contract to Merriwether & Williams Insurance Services (MWIS) for a not to exceed amount of $1,315,417 for a one year Bonding Assistance Pilot Program, effective January 1, 2018 to February 28, 2019, which includes a 2-month

ramp-up period;

B. ADOPT a resolution, Attachment A, authorizing the Chief Executive Officer and other Authorized Officers to negotiate and execute a $4,000,000 line of credit with Bank of America at a cost of $18,000 and to execute as needed, individual standby letters of credit at a cost of $2,000 each or 2% of the value of each letter of credit executed, whichever is greater, for the pilot year;

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

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

D. AMENDING the FY18 budget for $1,413,417 to include the contract with MWIS, and the associated line of credit and standby letter of credit fees.

Attachments: Attachement A - Board Resolution

51. SUBJECT: TWENTY-EIGHT BY '28 PROJECT LIST- TRANSPORTATION INVESTMENT GUIDE IN TANDEM WITH THE 2028 OLYMPIC AND PARALYMPIC GAMES 2017-0780

RECOMMENDATION

RECEIVE AND FILE the draft Twenty-Eight by '28 list provided in Attachment A.

Attachments: Attachment A - Draft Twenty-Eight by '28 Project List

Attachment B - Project Location and Games Venues Map

END OF NON-CONSENT ITEMS

52. SUBJECT: CLOSED SESSION 2017-0787

RECOMMENDATION

CLOSED SESSION:

Public Employee Performance Evaluations - G. C. 54957

Titles: Chief Executive Officer; Board Secretary; General Counsel; Inspector General; Ethics Officer

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 #: 2017-0756, **File Type:** Minutes **Agenda Number:** 2.

REGULAR BOARD MEETING
NOVEMBER 30, 2017

SUBJECT: REGULAR BOARD MEETING MINUTES

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held October 26, 2017.

Metro

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

Metro
Los Angeles, CA

MINUTES

Thursday, October 26, 2017

9:00 AM

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

Board of Directors - Regular Board Meeting

DIRECTORS PRESENT:
Eric Garcetti, Chair
Sheila Kuehl, Vice Chair
James Butts, 2nd Vice Chair
Kathryn Barger
Mike Bonin
Jacquelyn Dupont-Walker
John Fasana
Robert Garcia
Janice Hahn
Paul Krekorian
Ara Najarian
Hilda Solis
Carrie Bowen, non-voting member
Phillip A. Washington, Chief Executive Officer

CALLED TO ORDER AT 9:15 a.m.

ROLL CALL

1.APPROVED Consent Calendar Items: 2, 5, 6, ~~7~~, 9, 11, 15. 17, 18, 19, 20, 21, 24, 25, 28**, 31, 32, 35, and ~~36~~.

**Requires two-thirds vote

Consent Calendar items were approved by one motion except for items 7 and 36 which were held by a Director for discussion and/or separate action.

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

2. SUBJECT: REGULAR BOARD MEETING MINUTES **2017-0678**

RECOMMENDATION

APPROVED ON CONSENT CALENDAR the Minutes of the Regular Board Meeting held September 28, 2017.

3. SUBJECT: REPORT BY THE CHAIR **2017-0727**

RECOMMENDATION

RECEIVED report by the **Chair.**

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

4. SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER **2017-0728**

RECOMMENDATION

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

PK	JF	JH	MB	HS	JB	EG	SK	KB	JDW	MRT	AN	RG
P	P	P	P	P	P	P	P	P	P	A	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: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR-118 TO SR-134 (FUNDING AGREEMENT NO. MOU. P0008355/8501A/A6)** 2017-0509

RECOMMENDATION

AUTHORIZED ON CONSENT CALENDAR Contract Modifications No. 181 & 189 (CCO 181 and CCO 189) by the California Department of Transportation (Caltrans) for construction contract of the Segment 4 of the I-5 North Capacity Enhancements Project between SR-118 and SR-134 (Project) under the Funding Agreement No. MOU. P0008355/8501A/A6, in the amount of $2,886,400 within the project LOP budget.

6. **SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR- 118 TO SR-170** 2017-0572

RECOMMENDATIONS

AUTHORIZED ON CONSENT CALENDAR Contract Modification No. 140 (CCO 140) for the construction contract of I-5 North Capacity Enhancement Project between SR-118 and SR-170 (the Project) in the amount not to exceed $4.0 million under Funding Agreement No. MOU. P0008355/8501A/A6 within the LOP budget.

7. **SUBJECT: FEDERAL HIGHWAY ADMINISTRATION ADVANCED TRANSPORTATION AND CONGESTION MANAGEMENT TECHNOLOGIES DEPLOYMENT (ATCMTD) PROGRAM - GRANT FUNDING** 2017-0580

RECOMMENDATION

APPROVED:

A. AUTHORIZING the Chief Executive Officer or his designee to enter into an agreement with the Federal Highway Administration (FHWA) and the California Department of Transportation (Caltrans) for the Freight Advanced Traveler Information System (FRATIS) project funds received through the FHWA Advanced Transportation and congestion Management Technologies Deployment (ATCMTD) Program; and

B. ESTABLISHING a separate Life of Project (LOP) Budget of $6,000,000 for the FRATIS Project.

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

8. SUBJECT: I-605 CORRIDOR IMPROVEMENTS PROJECT 2017-0515

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute two separate Modifications to Contract Nos. AE5204200 and AE333410011375 with HDR Engineering, Inc. and Parsons Transportation Group, Inc., respectively, to provide additional professional services for the I-605 Corridor Improvements Project:

A. Modification No. 1 to Contract No. AE333410011375 with Parsons Transportation Group for the PAED phase of the I-605/I-5 improvements in the firm fixed price of $8,026,472, increasing the Total Contract Value for Parsons Transportation Group from $20,697,227 to $28,723,699; and extending the contract period from 48 months to 67 months; and

B. Modification No. 1 to Contract No. AE5204200 with HDR Engineering for the PAED phase of the I-605/SR-60 in the firm fixed price of $4,898,641, increasing the Total Contract Value for HDR Engineering from $33,660,430 to $38,559,071; and extending the contract period from 48 months to 58 months.

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

9. SUBJECT: MEASURE R HIGHWAY SUBREGIONAL PROGRAM SEMI-ANNUAL UPDATE 2017-0573

RECOMMENDATION

APPROVED ON CONSENT CALENDAR:

A. APPROVING $30.261 million of 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;

- Highway Operational Improvements in Arroyo Verdugo
- Highway Operational Improvements in Las Virgenes Malibu
- I-405, I-110, I-105 and SR-91 Ramp and Interchange Imp. (South Bay)
- I-605 Corridor "Hot Spots" Interchange Imp. in Gateway Cities
- I-710 South and/or Early Action Projects in Gateway Cities

B. APPROVING time extensions for 7 projects as shown in Attachment B; and

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

11. SUBJECT: INVESTMENT MANAGEMENT SERVICES FOR THE OPERATING PORTFOLIO 2017-0597

RECOMMENDATION

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award five year, fixed rate contracts to four investment management firms; 1) LM Capital Group, 2) RBC Global Asset Management, 3) Chandler Asset Management and 4) US Bancorp Asset Management, in an amount not to exceed $3,584,067, effective January 1, 2018, subject to resolution of protest(s), if any.

15. SUBJECT: ORANGE LINE BUS RAPID TRANSIT IMPROVEMENTS 2017-0413

RECOMMENDATION

APPROVED ON CONSENT CALENDAR AS AMENDED:

A. the findings and recommendation resulting from the Orange Line Bus Rapid Transit Improvements Technical Study; and

B. advancing Orange Line Bus Rapid Transit Improvements into the public engagement, environmental review and engineering design concurrent processes.

AMENDMENT BY DUPONT-WALKER AS AMENDED BY SOLIS

I MOVE THAT the recommendation be amended to carry the seven potential stand-alone grade separations identified in the consultant report* forward into the environmental process for further consideration a project alternatives, and that MTA coordinate closely with LADOT on the environmental, stakeholder, and public review processes to refine and better identify potential traffic delay and other impacts to affected intersections.

*Reseda Blvd., Balboa Blvd., Sepulveda Blvd., Van Nuys Blvd., Woodman Ave., Burbank Blvd., and Laurel Canyon Blvd.

AMENDMENT BY SOLIS: to explore cost-sharing with the City so that we could look at structure that might include the City and the COG.

17. SUBJECT: EXTEND A FIVE-YEAR WESTERN/CARLTON, LP, LICENSE AGREEMENT AN ADDITIONAL TWENTY-FOUR YEARS 2017-0595

RECOMMENDATION

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to execute an amended and restated license agreement with Western/Carlton II, LP, a California Ltd. Partnership (Western/Carlton), extending the term for an additional twenty-four (24) years with an option to extend five years allowing Western/Carlton to use that portion of Metro property situated adjacent to the Western/Carlton's ground-leased premises at the Hollywood/Western Red Line Station, as depicted on Attachment A (License Property), for the operation and use of the ground-leased premises and related improvements.

18. SUBJECT: STATE ACTIVE TRANSPORTATION PROGRAM 2017-0602

RECOMMENDATION

APPROVED ON CONSENT CALENDAR the State Active Transportation Program Cycle 4 Priorities Framework.

19. SUBJECT: PEST AND BIRD CONTROL SERVICES 2017-0558

RECOMMENDATION

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award a firm fixed unit rate Contract No. OP852420003367 for pest and bird control services throughout Metro facilities and vehicles, with Pestmaster Services Inc., the lowest, responsive and responsible bidder, for a not-to-exceed amount of $3,906,123.12 for the three-year base period, and $2,727,946.08 for one, two-year option, for a combined total of $6,634,069.20, effective January 1, 2018 through December 31, 2022; subject to resolution of protest(s), if any.

20. SUBJECT: TREE TRIMMING SERVICES (EXCLUDING METRO ORANGE LINE) 2017-0559

RECOMMENDATION

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award a firm fixed unit rate Contract No. OP838450003367 for tree trimming services throughout Metro bus and rail facilities, with Mariposa Landscapes Inc., the lowest, responsive and responsible bidder, for a not-to-exceed amount of $1,133,750 for the three-year base period inclusive of as-needed services, $408,550 for option year one and $439,450 for option year two, for a combined total of $1,981,750, effective January 1, 2018 through December 31, 2022; subject to resolution of protest(s), if any.

21. SUBJECT: FOOD SERVICE OPERATOR 2017-0677

RECOMMENDATION

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award a seven-year, non-revenue producing Contract No. PS88880000, beginning January 1, 2018, to CulinArt Group for the operation and management of the Union Station Gateway (USG) and Central Maintenance Facility (CMF) cafeterias, catering services and USG vending machine service, subject to resolution of protest(s), if any.

24. SUBJECT: TRANSIT FACILITIES HARDENING 2017-0513

RECOMMENDATION

APPROVED ON CONSENT CALENDAR:

A. Life-Of-Project budget for the capital project, Transit Facilities Hardening, in the amount of $1,280,800; and

B. AMENDING the FY18 Budget in the amount of $885,800

25. SUBJECT: OPTION TO OVERHAUL 36 HEAVY RAIL VEHICLES 2017-0584

RECOMMENDATION

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to:

A. EXERCISE Option A to overhaul the remaining 36 of the 74 newest Heavy Rail Vehicles under Contract No. A650-2015, Heavy Rail Vehicle Overhaul and Critical Component Replacement Program (OCCRP) ("A650 Overhaul Program"), to Talgo Inc." in the not-to-exceed amount of $18,271,818 for a total contract value of $72,970,494, and to extend the period of performance for 10 months beyond the Base Order;

B. NEGOTIATE AND EXECUTE with Talgo, Inc. for future contract modifications to Contract No. A650-2015 for a not to exceed amount of $1,000,000 for each contract modification; and

C. EXERCISE the option for the consultant Technical and Program Management Support Services under RFP No. A650-2015 Heavy Rail Vehicle Overhaul and Critical Component Replacement Program (OCCRP), Contract No. OP30433488, to LTK Engineering Services, in the not-to exceed amount of $597,238 for a total contract value of $4,494,837, and to extend the period of performance for an 10 additional months beyond the Base Order.

28. SUBJECT: DIVISION 20 PORTAL WIDENING TURNBACK PROJECT 2017-0618

RECOMMENDATION

APPROVED ON CONSENT CALENDAR BY TWO-THIRDS VOTE:

A. FINDING that awarding a design-build contract pursuant to Public Utilities Code Section 130242 (a) will achieve certain private sector efficiencies in the integration of design, project work, and components related to electrification for the Division 20 Portal Widening Turnback Project; and

B. AUTHORIZING the Chief Executive Officer to solicit and award a low bid design-build contract for the electrification improvements required for the Division 20 Portal Widening Turnback Project, pursuant to Public Utilities Code Section 130242.

31. SUBJECT: INSPECTION OF STRUCTURES CONTRACT 2017-0617

RECOMMENDATION

APPROVED ON CONSENT CALENDAR:

A. AUTHORIZING the Chief Executive Officer to execute a seven-year, firm fixed price Contract No. AE39820000, with Owen Group, Inc. for the inspection of Metro structures, including light rail, roadway, bikeway, and busway bridges, elevated stations, subway tunnels, and retaining walls, comprised of a base term of five years in the amount of $2,477,273, with two, one-year options, in the amounts of $510,100 for option year one, and $512,250 for option year two, for a combined total of $3,499,623, subject to the resolution of protest(s), if any; and

B. APPROVING Contract Modification Authority specific to Contract No. AE39820000 in the amount of $699,925 or 20% of the total contract value, to cover any unforeseen issues that may arise during the course of the Contract.

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

32. SUBJECT: ALL-DOOR BOARDING EXPANSION STUDY 2017-0464

RECOMMENDATION

APPROVED ON CONSENT CALENDAR:

A. RECEIVING AND FILING staff update on the All-Door Boarding (ADB) Expansion Feasibility Study in response to a Motion 10 (February 2017) approved at the Regular Board Meeting;

B. APPROVING ADB expansion on the Metro Rapid Line 720 (Wilshire) and Metro Rapid Line 754 (Vermont);

C. AUTHORIZING the Chief Executive Officer to execute Modification No. 148 to Contract No. OP02461010 with Cubic Transportation Systems, Inc. (Cubic) for the purchase of 405 Bus Mobile Validators and 480 Installation Kits in the amount of $961,323 and maintenance support services in the amount of $28,736 through June 30, 2019 for a total modification value of $990,059. This Modification would increase the total contract value from $259,959,813 to $260,949,872; and

D. ESTABLISHING a life-of-project budget of $1,128,003 for the purchase of Bus Mobile Validators, installation costs, and services under Capital Project no. 203040.

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

35. SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT CONSTRUCTION MANAGEMENT SUPPORT SERVICES 2017-0610

RECOMMENDATION

APPROVED ON CONSENT CALENDAR:

A. AUTHORIZING the Chief Executive Officer (CEO) to execute an eight-year and six-month cost-plus fixed fee contract plus two one-year options, Contract No. AE87192000MC073, to MPPC Partners, a Joint Venture to provide Construction Management Support Services for the Westside Purple Line Extension Section 3 Project in an amount not-to-exceed $7,009,872 for services through Fiscal Year 2019, subject to resolution of protest(s), if any; and

(Continued on next page

(Item 35 – continued from previous page)

B. ESTABLISHING Contract Modification Authority for 15% of the not-to-exceed contract award value and authorize the CEO to execute individual Contract Modifications within the Board approved Contract Modification Authority.

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

36. SUBJECT: REVISED MOTION BY DIRECTORS GARCETTI AND DUPONT-WALKER AND BUTTS 2017-0715

TRANSPORTATION DEMAND MANAGEMENT

APPROVED **Motion by Garcetti, Dupont-Walker and Butts** AS AMENDED that the Board direct the CEO to:

A. Prepare a list of TDM best practices of California agencies and jurisdictions, including but not limited to the Bay Area Metropolitan Transportation Commission;

B. Inventory current MTA funding sources for planning or implementing TDM programs and projects at the county or local level;

C. Recommend how MTA can establish a robust and comprehensive countywide TDM program, including but not limited to:

1. Countywide TDM guidelines to help municipalities create and implement TDM policies by establishing best practices for TDM application, monitoring, and evaluation, and allowing for flexibility to innovate beyond countywide standards;

2. Countywide TDM marketing, outreach, and engagement campaign that targets potential users through a compelling and recognizable brand available to local cities and jurisdictions to promote multi-modal travel choices such as transit, vanpooling, carpooling, walking, and bicycling;

3. Facilitating regular discussions between Transportation Management Organizations in the region to coordinate countywide and local TDM ordinance implementation activities and share best practices;

(Continued on next page)

(Item 36 – continued from previous page)

4. Working with major trip generators, major employers, and business community representatives to develop and implement tax incentives and other state legislation necessary for MTA to effectively promote and coordinate TDM strategies in Los Angeles County;

5. Expanding U-Pass, the Employer Annual Pass Program (EAPP), the Bikeshare for Business Program, and other TAP purchase programs to allow Transportation Management Organizations (TMOs), telework centers, tourism organizations, residential and other non-employer entities to purchase bulk-rate transit and bike share passes;

6. Strategies to promote telecommuting;

7. Establishing a Countywide Commuter Tax Benefit Ordinance to provide incentives for non-single occupancy vehicle travel;

    a. Seeking legislation to enable Los Angeles County to implement the nation's most aggressive commuter tax benefits program to reimburse and credit the cost of sustainable transportation options. This legislation should explore ways to provide significant tax-credit benefits for the use of transit, vanpooling, bicycling, and all other sustainable transportation modes;

    b. Should legislation be successfully secured, a first priority for resources created by this program would be the establishment of an MTA TDM Implementation Demonstration Program. The TDM Demonstration Program would target selected jurisdictions for early implementation of best-practice TDM strategies, along with appropriate financial incentives. MTA may give special priority to any multi-jurisdictional TDM program proposal.

8. Managing compliance with the State of California's Parking Cash-Out law for worksites within Los Angeles County;

(Continued on next page)

(Item 36 – continued from previous page)

9. Considering consolidation of MTA's various TDM functions into a single group and/or creating a Countywide TDM Coordinator position tasked with coordinating MTA's TDM efforts, including identifying additional staffing needs;

D. Incorporate into MTA's 2018 state legislative program for MTA to seek legislation that would strengthen MTA's ability to carry out a countywide TDM program; and

E. Report back to the Planning and Programming Committee on all the above in 150 days.

KUEHL AMENDMENT: to include that the EAPP Program (which includes ATAP and BTAP) be amended to include a pay-per-boarding model similar to the U-Pass Program at a fare-per-boarding (FPB) rate approved by the Office of Management and Budget (either as a pilot program or as a new payment option under BTAP)

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

37. SUBJECT: CALIFORNIA HIGHWAY PATROL ORAL REPORT 2017-0732

RECOMMENDATION

RECEIVED oral report on California Highway Patrol (CHP) enforcement of ExpressLanes and carpool lane vehicle restrictions.

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

37.1 SUBJECT: MOTION BY HAHN

APPROVED **Hahn Motion** requesting a breakdown of all Metro ExpressLanes citations demonstrating who and what jurisdictions receive the collected fees, and report back during the January 2018 Board cycle on the viability of redirecting citation revenue to the Metro ExpressLanes program.

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

37.2 SUBJECT: MOTION BY DUPONT-WALKER AS AMENDED BY FASANA AND KREKORIAN

APPROVED **Motion by Dupont-Walker AS AMENDED by Fasana and Krekorian** for Staff to report back at the March 2018 Board Meeting with the appropriate California Highway Patrol personnel to discuss ExpressLanes and HOV lanes enforcement and thereafter provide annual reports and dialogue with Metro on a regular basis.

FASANA/KREKORIAN AMENDMENT: to bring back for consideration by the end of the year any legislative proposals that might enhance the performance of these lanes.

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

38. SUBJECT: CLOSED SESSION 2017-0731

RECOMMENDATION

CLOSED SESSION:

A. Conference with Real Property Negotiator - G.C. 54956.8
   1. Property Description: 1940 Century Park East, Los Angeles, CA
      Agency Negotiator: Velma Marshall
      Negotiating Party: California Bank and Trust
      Under Negotiation: Price and Terms

      APPROVED settlement in the amount of $1,453,700 for CBT's loss of business goodwill and furniture, fixtures and equipment.

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

(Continued on next page)

(Item 38 – continued from previous page)

2. Property Description: 665 La Brea Ave., Los Angeles, CA 90036
   Agency Negotiator: Carol Chiodo
   Negotiating Party: MHK IMPEX Inc.
   Under Negotiation: Price and Terms

   APPROVED settlement in the amount of $1,250,000 for the loss of business goodwill.

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

3. Property Description: 1940 Century Park East, Los Angeles, CA 90067
   Agency Negotiator: Carol Chiodo
   Negotiating Party: Liti Land Reprographics, Inc.
   Under Negotiation: Price and Terms

   APPROVED settlement in the amount of $525,000 for loss of business goodwill, relocation, fixtures and equipment and all remaining claims related to the displacement of Liti and Repographics, Inc.

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

B. Public Employee Performance Evaluations - G. C. 54957
   Titles: Chief Executive Officer; Board Secretary; General Counsel; Inspector General; Ethics Officer

   NO REPORT.

ADJOURNED at 12:21 p.m.

Prepared by: Deanna Phillips
Board Specialist

Michele Jackson

Michele Jackson, Board Secretary

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

File #: 2017-0668, **File Type:** Agreement **Agenda Number:** 6.

FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 15, 2017

SUBJECT: TRAXX RESTAURANT LEASE AGREEMENT

ACTION: APPROVE 3-YEAR LEASE WITH A 3-YEAR OPTION TO EXTEND

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a three-year exclusive lease agreement and a three-year extension option with Tara Thomas Enterprises, Inc., a California corporation for the Traxx Restaurant and the Bar located in Union Station.

ISSUE

The lease area consists of 4,276 square feet on the west side of Union Station including seating area in the waiting room, entry vestibule, and north patio. In addition, the tenant has an office and two storage areas with stair access on the 2nd floor and in the basement totaling 702 square feet (see Attachment A).

Metro and Tara Thomas Enterprises, Inc. (Lessee) have conducted negotiations and desire to enter into a new lease that will replace and supersede all prior agreements and understandings between the parties. The prior lease expired and, per that agreement, the tenancy reverted to a month-to-month lease term. A new agreement and monthly base rent of $9,080.00 has been negotiated with the assistance of County Counsel.

Over the proposed 6-year term (3 years plus one 3-year option dependent on performance per Attachment B term sheet), this lease is anticipated to generate in excess of $1,100,000 in base rent, three percent annual increase, eight percent of gross sales percentage rent, and common area maintenance fees. Board authorization is requested because the expected lease revenue exceeds the CEO's current authority.

DISCUSSION

The Traxx Restaurant and Bar is a fine dining amenity for our public transit customers. It has been in operation in Union Station for twenty years and has created a following. Over the years, Traxx has been featured in many articles in restaurant magazines, the Los Angeles Times, and LA Weekly. The tenant also negotiates on a case-by-case basis special event catering services to various event licensees throughout the station.

As a material consideration of Metro entering into this agreement and subject to Metro's approval, the Lessee is to install certain improvements to the premises, including but not limited to, internet speed upgrade, new point of sale system, restroom remodel, bar fixtures and plumbing upgrade and new seating and umbrellas for the patio. Tenant shall be entitled to reimbursement of actual out-of-pocket costs of the foregoing not to exceed $34,050.

DETERMINATION OF SAFETY IMPACT

The proposed lease will have no impact on safety.

FINANCIAL IMPACT

Adoption of the proposed lease could generate an excess of $1,100,000 in rent including the 3 percent annual increase, CAM charges, and percentage rents, over the initial 3 years of the lease and 3-year option.

Impact to Budget

Adoption of the recommended action will have no impact on the FY18 budget for bus or rail operations.

ALTERNATIVES CONSIDERED

The Board may choose to disapprove the negotiated lease terms. Staff does not recommend this since it would likely leave the retail space vacant for a time causing an interruption in service to regular Metro and Traxx customers. This would also trigger a loss of rent income to Metro during the vacancy. The Board may instead decide to go back to the open market to find an alternate tenant. This is not recommended as any new tenant would want to negotiate new improvements to the premises at Metro's expense. Additionally staff has already conducted an exhaustive lease negotiation process and settled with the tenant on terms and conditions within market parameters and favorable to Metro.

NEXT STEPS

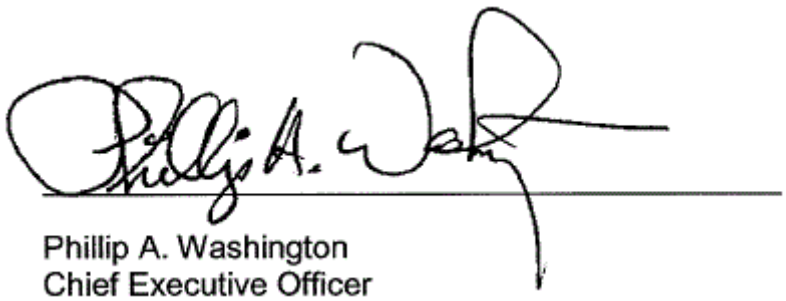
Upon approval by the Metro Board of Directors, the lease agreement will be executed with all new terms, conditions and exhibits as of the retroactive date of October 1, 2017 per the negotiated lease start date.

ATTACHMENTS

Attachment A - Lease Area
Attachment B - Traxx Lease Agreement Key Terms

Prepared by: Rich Darby, Manager, Transportation Planning, (213) 418-3298
Ken Pratt, DEO, Countywide Planning & Development, (213) 418-3297
Calvin E. Hollis, SEO, Countywide Planning & Development, (213) 922-7319

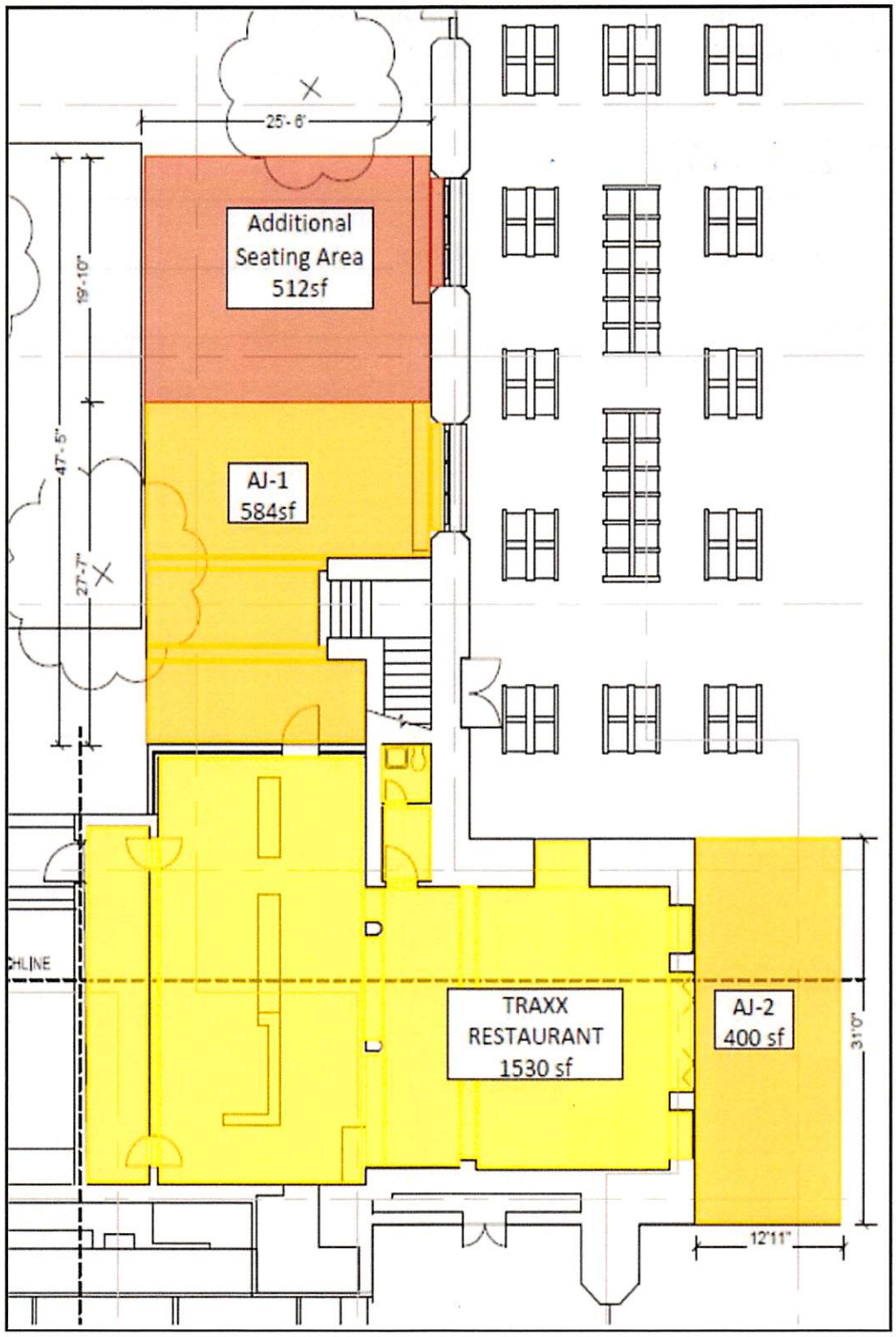
Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington
Chief Executive Officer

EXHIBIT "A-1"

DEPICTION OF RESTAURANT AND BAR ADJACENT AREAS AND ADDITIONAL SEATING AREA (plan not to scale)



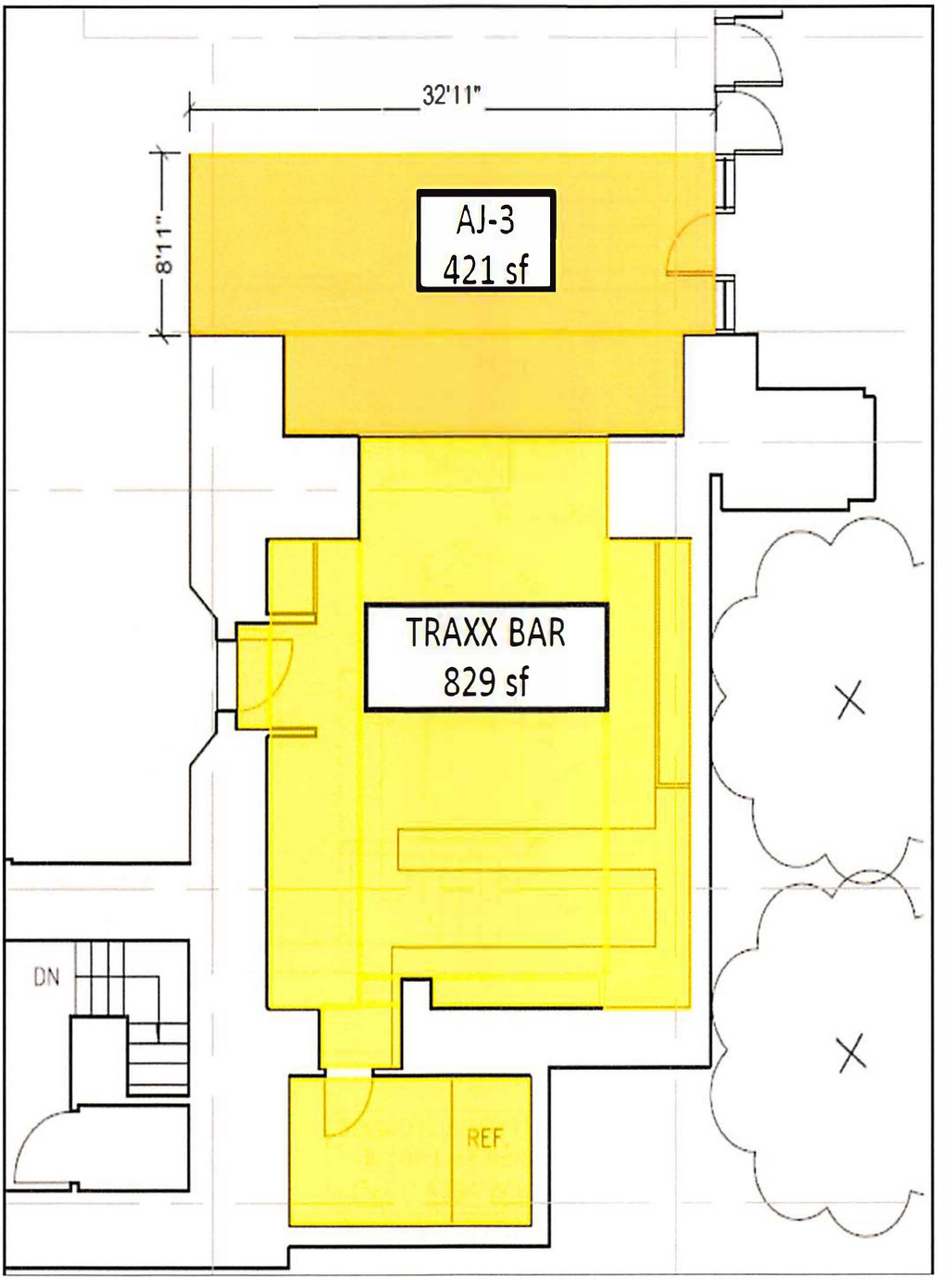
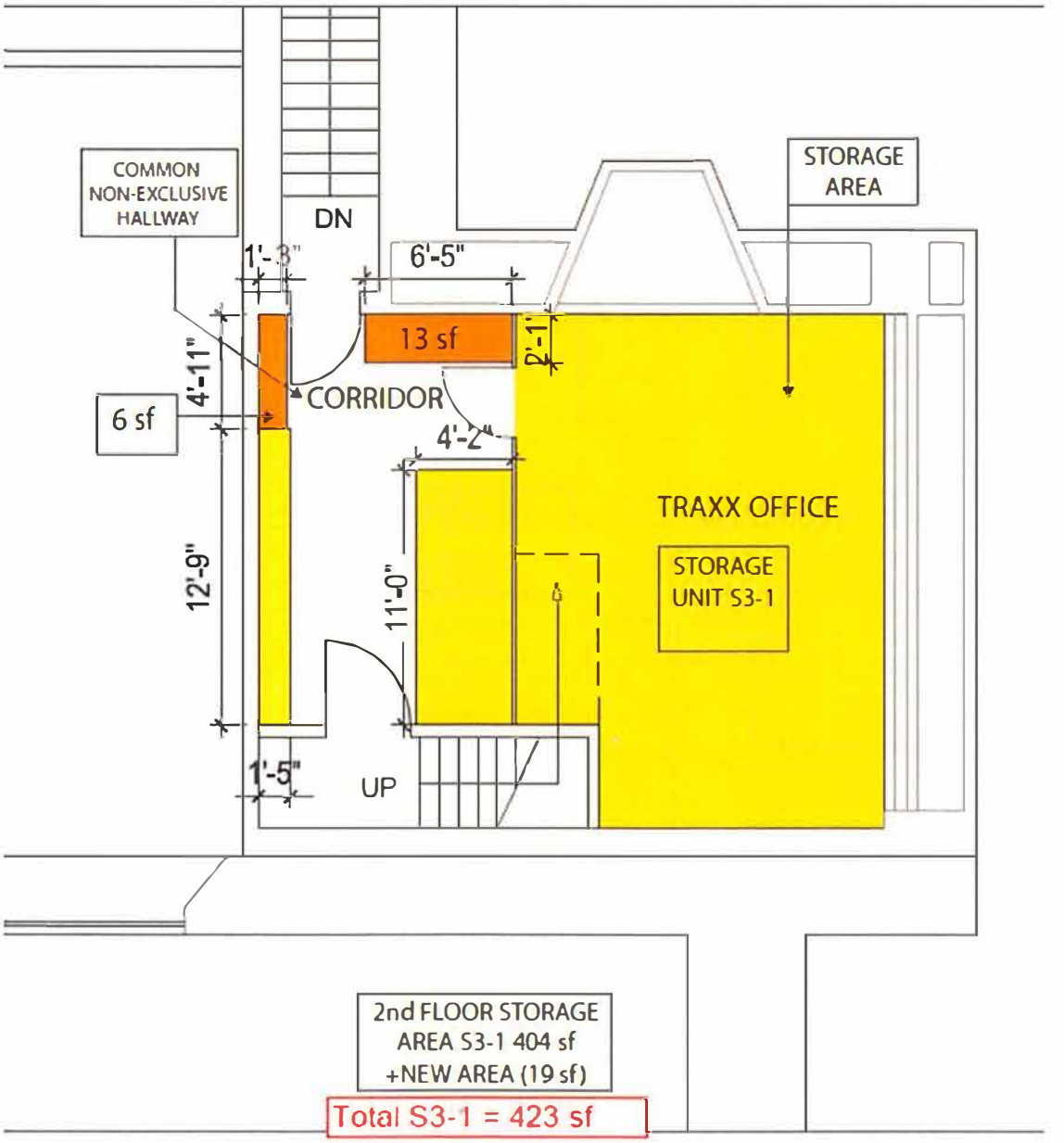
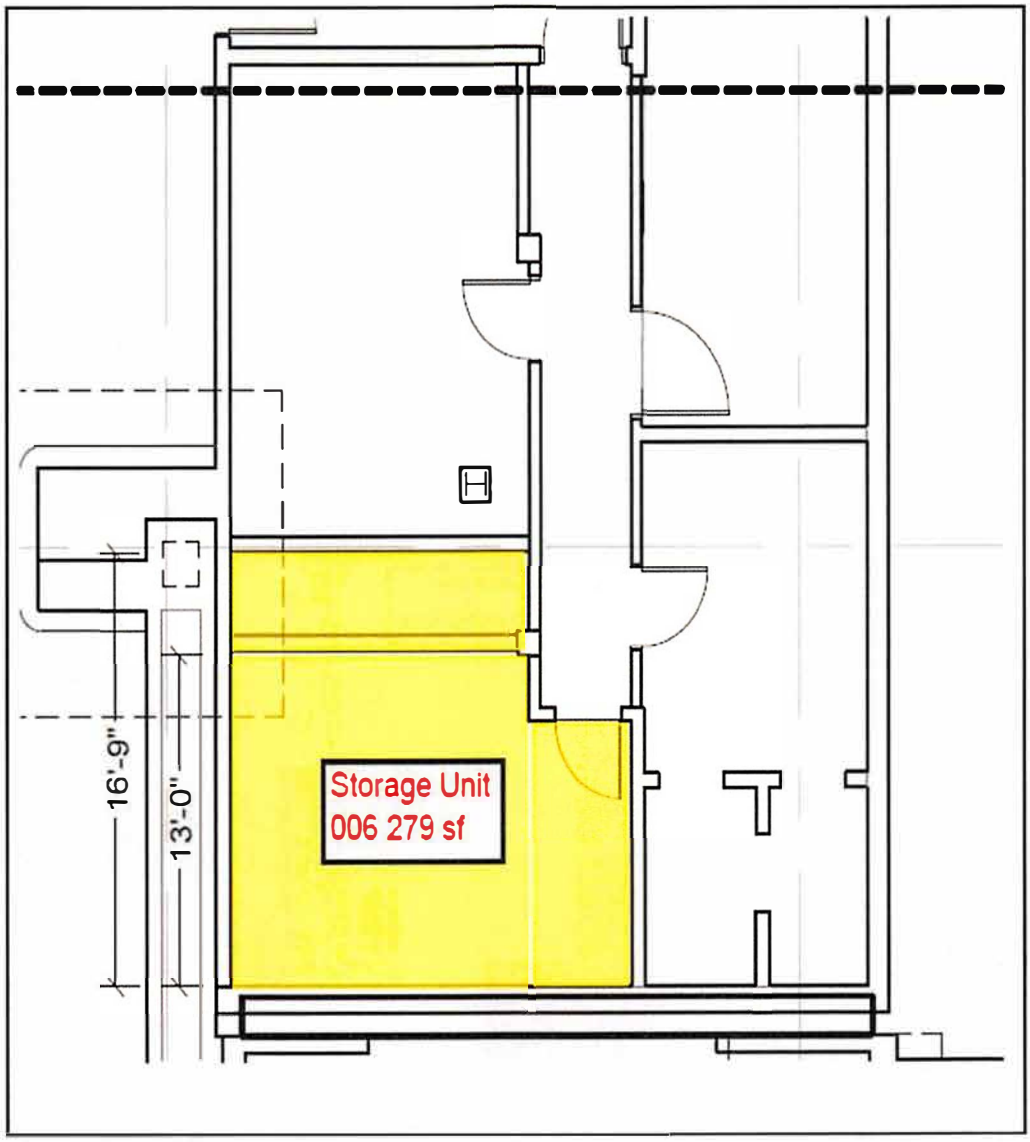

32'11"
8'11"
AJ-3
421 sf
TRAXX BAR
829 sf
DN
REF

EXHIBIT "A-2"

DEPICTION OF STORAGE AREAS
(plan not to scale)




16'-9"
13'-0"
Storage Unit
006 279 sf

ATTACHMENT "B"

SUMMARY OF LEASE AGREEMENT KEY TERMS

TARA THOMAS ENTERPRISES, INC., A CALIFORNIA CORPORATION (aka, TRAXX RESTAURANT AND BAR) AT LOS ANGELES UNION STATION (LAUS)

Premises	The Premises consists of 2,359 square feet of retail tenant improvements (Restaurant and Bar areas) installed by Traxx.
Term	Lease Agreement is three (3) years commencing on October 1, 2017. Allowing for a three (3) year extension for a total term of six (6) years.
Rent	Six year base rent including 3% annual escalations $704,798. Six year common area maintenance charges $481,250. Total $1,186,048.
Indemnification	Tenant will indemnify and hold Landlord and its agents harmless from all claims, liabilities and damages resulting from its use of the Premises.
Termination Clause	Terminable with three (3) months' written notice if required for any transportation or master plan project purposes.

File #: 2017-0706, **File Type:** Public Hearing **Agenda Number:**

FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 15, 2017

SUBJECT: PUBLIC HEARING FOR CUSTOMER READINESS EFFORTS FOR TRANSFER ON 2nd BOARDING

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. SCHEDULING a public hearing date on Wednesday, January 17, 2018 to receive public comment on possible customer readiness efforts for board approved Transfer on 2nd boarding; and

B. AUTHORIZING publication of the attached legal notice (Attachment A).

ISSUE

In June, 2015, the Metro Board of Directors approved Transfer on 2nd Boarding. After obtaining all regional transfer agencies' approval, developing, testing and implementing new software and building campaign strategies for distribution of one Million TAP cards, final implementation has been set for Spring, 2018. Transfer on 2nd Boarding refers to the regional interagency transfer policy that eliminates the need for paper transfers for customers transferring between agencies. Transfer fare will be automatically paid with existing Stored Value on a TAP card when boarding a second transit agency within 2.5 hours from the first boarding. Customers will benefit from faster boarding time and will no longer need to carry exact change.

To prepare regional TAP customers for Transfer on 2nd, staff recommends the following: (1) replace Day Pass sales with ability to purchase Stored Value and Metro base fare onboard bus, (2) eliminate Metro tokens and transition customers to TAP, and (3) charge $2 for TAP cards system wide to ensure consistency of pricing. By implementing these efforts, staff seeks to ensure successful implementation of Transfer on 2nd Boarding, as well as incentivize all riders to utilize TAP as their primary method of regional fare payment by enhancing the seamless use of the system.

In compliance with federal public hearing requirements and Metro policy, the Board is required to hold a public hearing and receive public testimony before approving customer readiness

recommendations for Transfer on 2nd Boarding. Additionally, the Board will consider the potential impacts these changes may have on the community.

The Notice of Public hearing is proposed for January 17, 2018 and includes a description of the changes, if approved, which help prepare customers for Transfer on 2nd Boarding. Plans call for the notice to be distributed beginning December, 2017. The Board will preside over the public hearing and receive testimony from the public on these matters. A report will then be prepared, summarizing the findings of the public hearing along with specific staff recommendations. The report will be presented to the Board of Directors in February, 2018 for action. Plans call for initial implementation of customer readiness recommendations in March 2018.

DISCUSSION

The following recommendations will help prepare TAP customers for Transfer on 2nd Boarding and support efficiency and consistency in fare collection.

…Replace Day Pass Purchases with Stored Value Aboard Bus

Onboard TAP Day Pass purchases have declined by over 50% since January, 2015. In comparison, Stored Value fare payments are growing and are expected to increase significantly once Transfer on 2nd Boarding is implemented. With approval, onboard Day Pass sales will be replaced with the ability to purchase or reload TAP cards with either Stored Value or base fare at the farebox. The findings from the Title VI analysis for Transfer on 2nd boarding (see ATTACHMENT B) also support the recommendation to add Stored Value reloading on bus. This change will align internal efforts with customer demand and increase accessibility of TAP card and Stored Value purchases.

…Transition tokens to TAP

The use of TAP cards has caused Metro tokens to become obsolete. Tokens are used as one-ride fares, are expensive to count, handle, secure and maintain. A Title VI evaluation of the proposed action found no Disparate Impact as the minority share of token users is not significantly different from the minority share of TAP card users. TAP Stored Value users below the poverty threshold are 6.1% higher than the share of token users. Additionally, tokens are no longer cheaper than the base fare, so there is no customer benefit to this method of fare payment. Transitioning token customers to TAP will provide customers with several benefits including faster and safer fare payment as well as the ability to transfer easily across regional TAP agencies. The proposed efforts help to ensure broad availability of TAP media in lieu of tokens, and the de minimis cost of the TAP card substantially mitigates this impact. (see ATTACHMENT C).

The implementation plan for phasing out Metro tokens will take place over 13 months. The first 2 months will be dedicated to a customer friendly campaign notifying patrons of final token sale and use dates, and how to transition to TAP. During the third month, Metro token sales will end. However,

tokens will be accepted for at least one year. This length of time ensures that customers can utilize their existing tokens and obtain a TAP card. Additionally, a special token replacement plan will be implemented for social service agencies and other heavily token-reliant programs.

…TAP card cost consistency

Internal costs for TAP cards are currently $2 per card. This includes manufacturing, processing, inventory oversight, distribution, testing, initialization and more. Currently, the customer cost for a TAP card varies depending on the purchase method. For example, the TAP card cost is $2 when purchased online, by phone, at a Metro Customer Center or at a retail vendor. A TAP card costs $1 if purchased at a TAP vending machine or on a Metro bus. These lowered prices were a result of a pilot program where Metro subsidized half the cost in order to stimulate TAP sales. Making this cost consistent across all point-of-sale locations will rectify inequities, reduce customer confusion and encourage customers to retain and reuse their cards (see Table 1). In addition, the life of a TAP card has increased from three years to ten years, so the cost of the card, amortized over ten years is quite low.

Reduced Fare Senior, Disabled, Student and College TAP cards are currently free and will remain so.

Table 1

	Taptogo.net	866.TAPTOGO	Metro Customer Center	TAP Vendors	TAP Vending Machines	Metro Bus
Current	$2	$2	$2	$2	$1	$1
Proposed	$2	$2	$2	$2	$2	$2

Notice of Public Hearing

Upon approval, pursuant to Metro's Administrative Code Section 2-5-025, the notice for this public hearing will be provided to the general public as follows:

WEB

Metro Website

Fares page

Rotating banner on metro.net

Social Media

Facebook, Twitter, Instagram posts

The Source

E-Blasts

Metro general information e-mail lists

Key stakeholders e-mail lists

PRINT ADS

Printed legal notice of public hearing - published 30 days before hearing

Los Angeles Daily News

Long Beach Press - Telegram

Orange County Register

Torrance Daily Breeze

Asbarez Armenian Daily

Sarashi News

Panorama

LA Sentinel

Asian Journal Publication

La Opinion

Chinese Daily

The Rafu Shimpo

Korean Times

ON METRO SYSTEM

"Take One" brochure in English and Spanish

System Drop on bus and rail

DETERMINATION OF SAFETY IMPACT

Reducing the use of cash and increasing TAP use will enhance safety by speeding up boardings. TAP also provides registered cardholders with the benefit of Balance Protection to safeguard their TAP purchase against loss or theft.

FINANCIAL IMPACT

The proposed recommendations will enable Metro to operate more efficiently by reducing costs for fare collection (see ATTACHMENTS C and D). Based on current sales, TAP card $2 cost consistency will bring an additional $3,600,648 revenue from TVM sales per year and $51,756 revenue from bus sales per year. Removing Day Pass purchases on board the bus and eliminating Metro tokens has no financial impact.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the request for a public hearing regarding the aforementioned recommendations, however this action would not be recommended or consistent with the Board approved Transfer on 2nd Boarding mitigation strategies.

NEXT STEPS

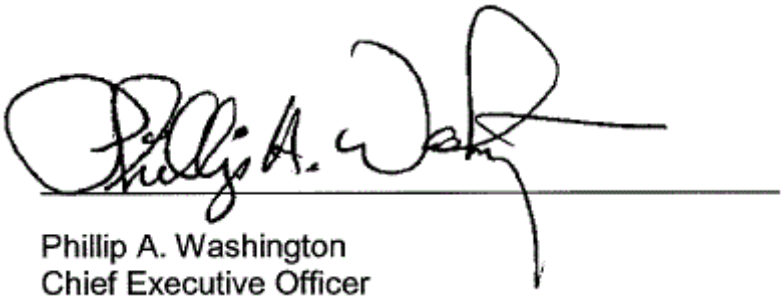
With Board approval, staff will initiate the publication of the legal notice and prepare for the upcoming public hearing.

ATTACHMENTS

Attachment A - Notice of Public Hearing
Attachment B - Transfer on 2nd Boarding
Attachment C - Token Elimination
Attachment D- Token Sale Analysis

Prepared by: Kyle Holland, Manager, Transportation Planning, TAP, (213) 922-2446

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



Phillip A. Washington
Chief Executive Officer

NOTICE OF PUBLIC HEARING

Los Angeles County Metropolitan Transportation Authority

The Los Angeles County Metropolitan Transportation Authority will hold a public hearing on January 17, 2018 to receive community input on the **proposed customer readiness efforts surrounding Transfer on 2nd Boarding**, set for implementation Spring 2018. Details of the hearing date, time, and location are shown below.

The upcoming public hearing is being held in conformance with federal public hearing requirements outlined in Section 5307 (d) 1 of Title 49 U.S.C., and public hearing guidelines adopted by Metro's Board of Directors in 1993, as amended.

Transfer on 2nd Boarding was approved by the Board in June, 2015 and refers to the approved interagency transfer policy that eliminates the need for paper transfers for customers transferring between agencies. Transfer fare will be automatically paid with Stored Value on a TAP card when boarding a second transit agency within 2.5 hours from first boarding. Customers will benefit from faster boardings and will no longer need to carry exact change.

In order to prepare customers for Transfer on 2nd Boarding, the following efforts are recommended:

Replace Day Pass and Add Stored Value sales aboard Buses
Discontinuation of Day Pass sales on bus will enable the sale of Stored Value. Replacing onboard TAP Day Pass purchases with the ability to reload Stored Value will allow passengers to add fare immediately to their TAP card, which is necessary in preparation for transfer on 2nd boarding.

Transition Tokens to TAP
Phase out of Metro tokens as a payment option they are obsolete due to advances in TAP acceptance. The TAP card is a viable, cost effective replacement that enables simpler, safer and automatic farebox collection.

Implementation of a consistent $2 TAP card price to customers across all purchase touch points
It is recommended that the cost of TAP cards be consistent by making them $2 across all purchasing platforms. Costs of cards remain the same at TAP vendors, Metro Customer Centers and online. The card will go from $1 to $2 onboard buses and TAP vending machines. The extra cost of the TAP cards in vending machines and buses is negligible as amortized over its life of 10 years.

PUBLIC HEARING SCHEDULE

1:00 PM
Metro Headquarters Building
January 17, 2018
Board Room
One Gateway Plaza
Los Angeles, CA 90012-2932

Additional details about these proposals will be available for public review after **December 1.** To obtain this information contact the address listed below, or visit your nearest Metro Customer Relations Center. Information can also be accessed at: www.metro.net

Note these proposals may be approved in whole or in part at a date following the public hearings. Approved changes may also include other alternatives derived from public comment. Interested members of the public are encouraged to attend the upcoming hearing and provide testimony on the fare proposals under consideration Persons unable to attend the hearings may submit written testimony postmarked through midnight, January 17, the close of the public record. All written testimony should be addressed to:

Metro Customer Relations:
Attn: Transfer on 2nd Boarding Readiness
One Gateway Plaza, 99-PL-4
Los Angeles, CA 90012-2952

Comments can also be sent via e-mail with **"Transfer on 2nd Boarding Readiness"** as the subject to:

customerrelations@metro.net
Facsimile at: 213-922-6988

Upon request, foreign language translation, sign language interpretation, materials in alternative formats and other accommodations are available to the public for MTA-sponsored meetings and events. All requests for reasonable accommodations must be made at least three working days (72 hours) in advance of the scheduled meeting date. Please telephone (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday.

ATTACHMENT C

Title VI Evaluation
Replacement of Existing Interagency Transfers
With TAP-Based Method

This is a Title VI evaluation of the replacement of current methods of providing Interagency Transfers (IATs) with a TAP-based method. The affected operators are those Los Angeles County fixed route service providers that receive some form of formula operating subsidy from the Los Angeles County Metropolitan Transportation Authority (Metro)(Table 1).

Table 1
Los Angeles County
Formula Funded Fixed Route Operators

Antelope Valley	Gardena	Norwalk
Beach Cities Transit	Long Beach	Santa Clarita
Culver City	Los Angeles DOT	Santa Monica
Foothill Transit	Metro	Torrance
	Montebello	

For this evaluation the Universe of potentially impacted persons is all persons within one-quarter mile of any bus stop served by one or more of the above operators, and/or within one-half mile of any rail station. Ethnic data for this population is obtained from the 2010 US Census, and Household Income data for this population is obtained from the 2006-2010 American Consumer Survey (ACS). Because the Census data is provided at the block group level, and the ACS data is at the tract level the size of the impacted population is slightly greater for the ACS data (block groups that are more than one-quarter mile from a bus stop would be excluded from the Census data, but could be included in the ACS data if the tract containing such block groups was within that one-quarter mile of a bus stop).

For reference purposes this evaluation will refer to the Ethnic population as the Title VI data, and the Household Income population will be referred to as the Environmental Justice data. The Title VI population consists of 9,648,798 persons of whom 6,826,725 are minorities (70.8%). The Environmental Justice population consists of 9,742,481 persons of whom 1,531,488 are living in households below the federally defined Poverty income levels (15.7%).

Evaluation Methodology

The Universe of potentially impacted persons has been defined as essentially all persons who can walk to fixed route transit. Under current methods any passenger

desiring an IAT may purchase it at the time that they board a bus, or at a rail station at the time that they purchase their rail ticket. In order to be unaffected by the introduction of TAP-based IAT's a passenger must still be within walking distance of the means to purchase the IAT before taking their transit ride. Otherwise, a person would be adversely affected by the new method.

The mechanics of the proposed IAT process require that the passenger have a TAP card with a cash purse holding sufficient value to purchase an IAT. Such a rider would pay their initial fare by whatever means they normally use (either a cash deduction from the TAP card purse, or the use of whatever pass is stored on the TAP card). When the transfer boarding occurs, the cost of the transfer would be debited from the TAP card purse.

The relevant factors for this evaluation are 1) does the rider have a TAP card, or not, and 2) can the rider add value to that TAP card to ensure the ability to pay for the trip. The ability to add value to a TAP card adds an additional level of complexity to this evaluation – some of the fixed route operators have the ability to add value to a TAP card on board a bus and some do not have this capability. In the latter instance, whether a rider remains unaffected by the proposed method will depend on whether or not they are within walking distance of an alternative means of adding value to the TAP card. The alternatives consist of rail and Orange Line stations which have TVM's capable of issuing and upgrading TAP cards, or customer service outlets which can sell and/or upgrade TAP cards (there are several hundred of these).The possible combinations of these factors and nature of rider impacts are shown in Table 2.

This evaluation assumes that having to purchase a TAP card is inconsequential because the $1-$2 cost of the card can be amortized over its multiple year validity. Therefore, the No TAP Card riders whose only potential adverse impact would be the need to buy a TAP card are considered to be Not Impacted as long as they are otherwise able to walk to a location where they can add value to the card.

As can be seen from Table 2 there are three scenarios that result in an adverse impact for riders so situated:

1. The rider has No TAP Card and adding value to the TAP purse on the bus has no value because they are not within walking distance of a location where they could obtain the TAP card itself;

2. The rider has a TAP Card but cannot add value to it anywhere; and

3. The rider has No Tap Card and cannot add value to it or buy one.

Table 2
Rider Impact Categorizations

	TAP Card	No TAP Card
Can Add Value Can Walk to Outlet	No Impact	No Impact
Can Add Value Cannot Walk to Outlet	No Impact	Adverse Impact
Cannot Add Value Can Walk to Outlet	No Impact	No Impact
Cannot Add Value Cannot Walk to Outlet	Adverse Impact	Adverse Impact

Results of Evaluation

The next step in this evaluation was to determine the number of persons associated with each Impact Category, and for the potential Adverse Impact categories, whether or not the resulting impacts were Disparate (disproportionately affecting minorities) or imposed a Disproportionate Burden (disproportionately impacted persons in Poverty).

Metro has defined a Disparate Impact as an adverse impact affecting a group having an absolute 5% greater minority share than the overall population (Universe) (in this instance, 70.8% + 5% = 75.8% or greater) or a 20% greater share (70.8% x 1.20 = 85.0%). This evaluation uses the lesser threshold of 75.8%. A Disproportionate Burden has been defined as an adverse impact affecting a group having an absolute 5% greater Poverty share (15.7% + 5% = 20.7%), or a 20% greater Poverty share than the overall population (in this instance, greater than 15.7% x 1.20 = 18.8% or greater). This evaluation uses the lesser share of 18.8%.

The first adversely impacted group consists of those riders who do not have a TAP card, but could add value to it if they did. This is the non-TAP card portion of the second group in Table 3. The minority share of this group (75.9%) exceeds the Disparate Impact threshold (75.8%) so this group is **Disparately Impacted**. The Poverty share (14.7% is less than the threshold for Disproportionate Burden (18.8%) so there is no Environmental Justice consequence for this group.

ATTACHMENT C

Table 3

Intra Agency Transfer Tap Proposal
Title VI and Environmental Justice Analysis Results

Scenario	Sub Categories	Title VI			Environmental Justice		
		Total Population	Minority Population	% Minority	Total Population	Poverty Population	% Poverty
Existing Universe		9,648,798	6,826,725	**70.8%**	9,742,481	1,531,488	**15.7%**
Existing Conditions							
	Can add value Can walk to Tap Local	1,968,742	1,553,530	78.9%	2,553,977	533,158	20.9%
	Can add value Can't walk to Tap Local	2,874,232	2,181,275	75.9%	3,220,858	473,102	14.7%
	Can't add value Can walk to Tap Local	3,990,023	3,060,150	76.7%	4,901,898	970,510	19.8%
	Can't add value Can't walk to Tap Local	8,270,940	5,816,187	70.3%	8,492,017	1,364,653	16.1%

Notes

1. Title VI is performed at the census block group level using 2010 Census Data
2. Environmental Justice is performed at the census tract level using 2010 5 Year American Community Survey Data
3. Transit buses and stations where one can add value to the tap card - AVTA, Foothill, Gardena, Montebello, Torrance and Metro Orange Line and Rail
4. Transit buses where one can't add value to the tap card - Metro buses, Beach Cities, Culver City, Long Beach, LADOT, Norwalk, Santa Monica and SCVTA
5. Used quarter mile buffers for bus stops and half mile buffers for rail stations.

The remaining two adversely impacted groups comprise the totality of the fourth category in Table 3 (whether or not they have a TAP card, they have no way to add value to it). Both the minority share (70.3% compared with 75.8%) and the Poverty share (16.1% compared with 18.8%) are less than the thresholds for Disparate Impact and Disproportionate Burden, respectively, so there are no Title VI or Environmental Justice consequences for these groups.

Findings

The group of riders having no TAP card, and not within walking distance of a place to obtain one (though they could add value to it if they had one) was found to be **Disparately Impacted** by the proposed TAP-based IAT. The most recently processed Customer Satisfaction Survey indicates that about 72% of Metro riders have a TAP card (probably a higher percentage now as this data is over a year old). This yields a group of approximately 800,000 people who are constituents of Antelope Valley, Foothill Transit, Gardena, Montebello, and Torrance (those affording the opportunity to add value to the TAP purse at the trip origin). This group constitutes about 8.3% of all persons within walking distance of fixed route transit.

The proposed TAP-based IAT should be pursued given that more than 91% of the population would not be Disparately Impacted nor Disproportionately Burdened by the program. Customer convenience for those having to transfer would be improved with faster boarding times, and not having to carry added cash for transfer charges. It is clearly in Metro's interest to pursue improved multi-operator coordination and the provision of seamless fare mechanisms for riders which the proposed program would accomplish. Given the significant investment in TAP, there is no other cost-effective mechanism for providing a consistent multi-operator transfer program without printed fare media than the proposed TAP program.

EVALUATION OF DISCONTINUED TOKENS

Federal Transit Administration (FTA) Circular 4702.1B provides guidance for the conduct of equity evaluations of proposed service and fare changes. A transit operator must have a locally adopted process for determining when public hearings, and the equity evaluations associated with such proposals, are required. Impacts to both minority and poverty level persons must be assessed, and there must be locally adopted standards for when differences between impacted persons and everyone else are significant.

Metro's Administrative Code contains these rules and definitions in Section 2-50. A public hearing and equity evaluation is required for any fare change. The difference between the minority/poverty shares of impacted riders and all others is deemed significant if the absolute difference is 5% or greater, or the relative difference is 35% or more, whichever is less.

Proposal for Evaluation

At the present time, Metro riders may purchase Tokens in packages of 10 for $17.50. Each token is good for one boarding on Metro and has a value equivalent to the Cash base fare of $1.75. Tokens are also used as a means of funding transit travel for participants in Metro's Immediate Needs Program with each Token providing one boarding on Metro.

The proposed action would discontinue the availability of Tokens. Patrons who buy tokens would need to obtain or use a TAP card to load passes or Stored Value to fund travel. TAP cards and the ability to add stored value or Metro passes to them are available at the same places where Tokens can be obtained, and are also available through Ticket Vending Machines (TVM's), online at taptogo.net, by calling 866.TAPGO and from Metro Customer Centers.

In addition, if a TAP card with stored value is used to board Metro, then the patron receives an added benefit of free transfers for up to two and a half hours from the initial boarding. While the TAP card initially costs $1 to $2 depending on where it is purchased, its 10-year expected lifetime (it is reusable) means that the costs of the card is inconsequential.

For those who receive Tokens through the Immediate Needs Program, there is a separate action being undertaken to replace that benefit with another form of media. Thus, the benefit would be maintained using different media, and the added benefit of free transfers as described above would also be conferred. A separate Title VI evaluation of proposed changes to the Immediate Needs Program (as well as the Rider Relief Program) has been prepared. (See attached.)

Title VI Evaluation and Findings

The most current available ridership data was collected as part of the Fall 2016 Customer Satisfaction Survey. The relevant data provided by this survey includes method of payment, ethnicity, and poverty status. Comparative statistics for Token and TAP users are provided in Table 1.

Table 1

	TAP Users	**Token Users**	**Absolute Diff.**	**Relative Diff.**
Minority Share	87.9%	91.4%	3.5%	4.0%
Poverty Share	56.1%	74.0%	17.9%	31.9%

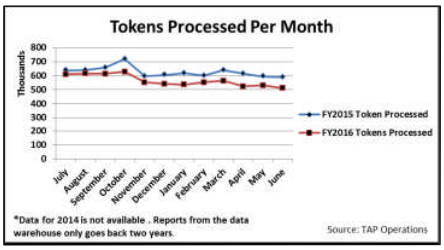
The minority shares of Token and TAP card users are not significantly different, so the proposed action would have **no Disparate Impact** on Token users.

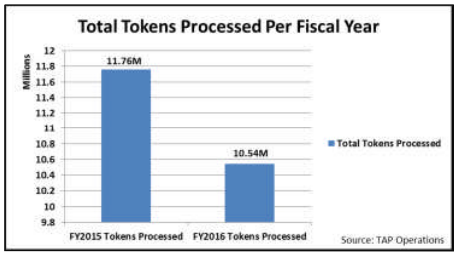
On the other hand, the share of Token users is significantly poorer than TAP card users. With poverty level incomes significantly greater than for TAP card users, this creates a Disproportionate Burden on Token users from the proposed action. However, because the replacement media will have greater availability than Tokens, it will confer a greater benefit when used by virtue of the free transfers provided. Therefore, there is **no Disproportionate Burden** on poverty level income Token users from the proposed action.

Attachment D
Decline in Token sales & processing

Tokens Processed

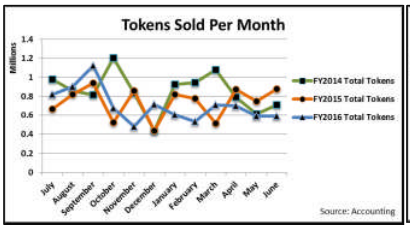
Token processing from 2015–2016 has decreased by **1.2M** or **.10%** system-wide (bus and rail). Refer to the below chart for processed token counts.

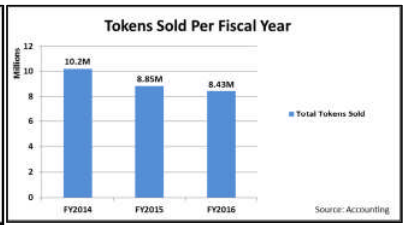




Token Sales

Token sales from 2014–2016 has decreased by **$1.8M** or **.17%** system-wide (bus and rail). Refer to the below chart for token sales.





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

Metro

Board Report

File #: 2017-0672, **File Type:** Contract **Agenda Number:** 9.

FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 15, 2017

SUBJECT: CURRENCY PROCESSING SERVICES

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award firm fixed unit price Contract No. OP39497-2000, to Los Angeles Federal Armored Services, for currency processing services for an amount not-to-exceed $457,600 for the one-year base period, and $514,800, $572,000, $629,000, and $686,400 for each of the four, one-year option terms, respectively, for a combined total of $2,859,800, effective January 1, 2018 to December 31, 2022, subject to resolution of protest(s), if any.

ISSUE

The current bill processing contract is set to expire on December 31, 2017. Metro collects over $104 million in bus farebox revenues, currency and coins, including about 45 million $1 bills annually. Due to the large amount of $1 bills, it is necessary to procure the services of a vendor that will accept weighed bills and deposit them daily.

DISCUSSION

The current contract with Los Angeles Federal Armored Services will expire on December 31, 2017. Award of this contract shall ensure that revenue from bus fareboxes is collected daily and processed for deposit. The bills are manually sorted by staff to separate the singles from large denomination bills. The $1 bills are bagged and counted by weight. The vendor keeps or absorbs the minor over/under variances.

Metro's Revenue Department ensures accuracy by calibrating its one dollar bill scale daily and by randomly selecting bags of bills to be stacked and counted. Through this process, staff has maintained an accuracy of 99.62%.

The process for counting bills in TAP (TVM) vending machines differs from farebox bills because the bills come out from the TVMs pre-stacked. The bills are then counted by machine and staff bands the bills by denomination and quantity for deposit.

DETERMINATION OF SAFETY IMPACT

powered by Legistar™

No safety impact.

FINANCIAL IMPACT

The funding for this service is included in the FY18 budget in cost center 5440, Revenue Collections, under line item 50906, Misc. Disc. Sales of Currency, and allocated to bus operations.

Since this is a multi-year contract, the cost center manager and Chief Financial Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact to Budget

The FY18 budget includes these fees and is funded with bus operating revenues including fares and sales tax.

ALTERNATIVES CONSIDERED

No other alternatives offer the efficiency and effectiveness of using an armored service to accept $1 bills that have been bagged and weighed, ready for deposit.

NEXT STEPS

Upon approval by the Board, staff will execute Contract No. OP39497-2000 to Los Angeles Federal Armored Services for currency processing services, effective January 1, 2018.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: David Sutton, Executive Officer, TAP, (213) 922-5633

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CURRENCY PROCESSING SERVICES/ OP39497-2000

1.	**Contract Number**: OP39497-2000	
2.	**Recommended Vendor**: Los Angeles Federal Armored Services, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: July 18, 2017	
	B. Advertised/Publicized: July 24, 2017	
	C. Pre-Proposal Conference: July 31 2017	
	D. Proposals Due: August 21, 2017	
	E. Pre-Qualification Completed: September 7, 2017	
	F. Conflict of Interest Form Submitted to Ethics: August 31, 2017	
	G. Protest Period End Date: November 27, 2017	
5.	**Solicitations Picked up/Downloaded**: 7	**Bids/Proposals Received**: 1
6.	**Contract Administrator**: Antwaun Boykin	**Telephone Number**: 213-922-1056
7.	**Project Manager**: Mark Simpson	**Telephone Number**: 213-922-4842

A. Procurement Background

This Board Action is to approve Contract No. OP39497-2000 issued in support of currency processing services. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposal (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 1, 2017, provided documents from the pre-proposal conference.

One proposal was received on the due date of August 21, 2017 from Los Angeles Federal Armored Services (LAFAS). In addition to LAFAS, several out of state firms were also listed as plan holders of this RFP, including IT firms, a construction company, online solicitation firms, and US Bank. When contacted for a market survey, staff did not receive any responses as to why they did not propose.

B. Evaluation of Proposals

As stated in the RFP, proposers were required to pass the minimum qualifications before being considered for further review. The proposal received from LAFAS passed minimum qualifications.

A Proposal Evaluation Team (PET) consisting of staff from Revenue Collection, Treasury and Accounting was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

- Degree of Skills and Experience of the Prime and/or Firms on the Contractor's Team — 30 percent
- Understanding of Work and Appropriateness of Approach for Implementation — 30 percent
- Cost Proposal — 40 percent

The evaluation criteria are appropriate and consistent with criteria developed for similar procurements. Several factors were considered when developing these weights, giving the greatest importance to the cost proposal.

The PET conducted a technical review of LAFAS' proposal and references were contacted, reviewed, and confirmed.

Qualifications Summary of Firms within the Competitive Range:

Los Angeles Federal Armored Services

LAFAS was founded in 1990 and has served as Metro's currency counting contractor for over ten years. LAFAS also provides currency counting services for Orange County Transportation Authority and Keolis Transit America.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Los Angeles Federal Armored Services, Inc.**				
3	Degree of Skills and Experience of the Prime and/or Firms on the Contractor's Team	87.76	30.00%	26.33	
4	Understanding of Work and Appropriateness of Approach for Implementation	89.30	30.00%	26.79	
5	Cost Proposal	100.00	40.00%	40.00	
6	**Total**		**100.00%**	**93.12**	**1**

C. Cost/Price Analysis

The proposed unit price has been determined to be fair and reasonable based upon Metro's Independent Cost Estimate, technical evaluation, and negotiations with the proposer. As a result of negotiations, staff realized a cost savings of $520,200.

	Proposer Name	Proposal Amount	Metro ICE	NTE Amount
1.	L.A. Federal Armored Services	$3,380,000.00	$3,146,000.00	$2,859,800.00

D. Background on Recommended Contractor

The recommended firm, LAFAS, located in Los Angeles, has been in business for 17 years in the field of secure transportation and currency counting. Jesse Ash, President and CEO has over 25 years of experience with the Los Angeles Branch of the Federal Reserve Bank, as well as experience in bundling and transporting currency, coins, gold, jewelry, and precious gems.

LAFAS is Metro's incumbent currency processing services contractor and has performed satisfactorily.

ATTACHMENT B

DEOD SUMMARY

CURRENCY PROCESSING SERVICES / CONTRACT NO. OP39497-2000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this solicitation due to lack of subcontracting opportunities. According to the Project Manager, the Prime Contractor performs 100% of the required scope of work. It is expected that the Los Angeles Federal Armored Services will perform this scope with its own workforce.

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.

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

File #: 2017-0492, **File Type:** Contract **Agenda Number:** 10.

PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 15, 2017

SUBJECT: LOS ANGELES UNION STATION FORECOURT AND ESPLANADE IMPROVEMENTS

ACTION: APPROVE RECOMMENDATION TO AWARD ARCHITECTURAL AND ENGINEERING SERVICES CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award and execute a 63-month firm fixed price Contract No. AE39616001 with Gruen Associates in the amount of $2,910,657 for architectural and engineering services to design the Los Angeles Union Station Forecourt and Esplanade Improvements Project and provide design support during construction, subject to resolution of protest (s), if any.

ISSUE

The Los Angeles Union Station (LAUS) Forecourt and Esplanade Improvements (Project) were identified in the Union Station Master Plan Implementation Program presented to the Metro Board in October 2014. The Project will reconfigure the public right-of-way and LAUS forecourt to expand pedestrian and bike facilities on Alameda and Los Angeles Street and create a civic plaza in front of the station (Attachment C, Project Map). Staff has secured over $18M in grant and matching funds to design and implement most of the Project improvements, and the Project Environmental Impact report is currently in public circulation. The recommended actions will award the design and engineering contract.

DISCUSSION

Project History and Funding
Between 2012 and 2014, Metro led the Union Station Master Plan (USMP) and the Connect US Action Plan planning efforts. Both efforts involved robust stakeholder engagement and resulted in the identification of the Project improvements. The Project was part of the USMP Initial Implementation Plan presented to the Metro Board in October 2014, and since that time, staff has secured three grants that fund the following project components:

- Proposition A - $1M (secured in 2014): Grant secured from the Los Angeles County Regional Park and Open Space District for design and construction of improvements in Father Serra

Park and connections from the park to LAUS and El Pueblo de Los Angeles Historic and Cultural Monument. The scope of the Father Serra Park improvements will be informed by stakeholder engagement that will commence in early 2018. The Father Serra Park improvements will be environmentally cleared by the City of Los Angeles but will be designed and constructed concurrently with the Forecourt and Esplanade Improvements as part of the subject Contract.

- Active Transportation Program (ATP) Cycle 2 - $12.3M (secured in 2016): Design and construction of the Alameda Esplanade includes reconfiguration of Alameda Street, between Arcadia Street and Cesar E. Chavez Avenue, by narrowing the roadway and widening pedestrian and bicyclist facilities on the east side of Alameda Street and pedestrian facilities on the west side of Alameda Street.
- ATP Cycle 3 - $3.2M (secured in 2017): Design and construction of the Los Angeles Crossing which includes a consolidated, raised crossing at the Alameda/Los Angeles Street intersection and closure of the northern Los Angeles Street travel lane and the northern LAUS driveway.

These funds are matched by approximately $2.4M in Metro funds (for design and construction) approved by the Board of Directors. Staff must initiate design services and secure construction level documents for the proposed projects by summer 2019 to comply with grant requirements and timelines.

The Project components include:

- Alameda Esplanade: Roadway configuration between Arcadia Street and Cesar E. Chavez Avenue to widen pedestrian and bicyclist facilities.
- Los Angeles Crossing: Consolidated raised intersectional crossing at Alameda and Los Angeles Street, closure of the northern Los Angeles Street travel lane and closure of the northern LAUS driveway.
- LAUS Forecourt: Repurposing the existing surface parking lot as a new civic plaza with sustainable features. (Construction of this improvement will be a Future Project Component.)
- Arcadia Street: Repurposing the easternmost travel lane as a dedicated El Pueblo tour bus parking zone.
- Father Serra Park: Improvements to Father Serra Park that will be informed by stakeholder engagement, including the El Pueblo Commission. Design and construction costs associated with Father Serra Park shall not exceed the Proposition A grant allocation.

Environmental Clearance
Metro initiated environmental clearance under the California Environmental Quality Act (CEQA), held a scoping meeting on the Project in January 2017, released the Draft Environmental Impact Report (Draft EIR) for public review and comment on August 11, 2017, and anticipates bringing, for Board consideration, the Final EIR in early 2018. The City of Los Angeles (El Pueblo) will be securing the environmental clearance for the Father Serra Park improvements. As the ATP grant includes federal funding, National Environmental Policy Act (NEPA) clearance will also be secured for the Project. Caltrans is the lead agency under NEPA.

The Project requires Caltrans concurrence as a portion is funded by the Federal Highway

Administration (FHWA). Prior to contract execution, Caltrans Audits and Investigations (A&I) unit will have to review the contract and supporting documentation. Upon compliance of all requirements, A&I will issue a Conformance letter authorizing Metro to proceed.

DETERMINATION OF SAFETY IMPACT

Alameda Street, within the project boundaries, is identified in the Vision Zero High Injury Network (HIN), which are streets that have a higher incidence of severe and fatal collisions. According to the City of Los Angeles Vision Zero site*, The HIN is comprised of 386 corridors that represent 6% of Los Angeles' street miles. Sixty-five percent of all deaths and severe injuries involving people walking and biking occur on these 6% of streets*. Between 2012 and 2016, there were two fatalities at the intersection of Alameda Street and Los Angeles.

Award of the Contact, and the resulting design and project implementation, will greatly improve customer and employee safety while travelling to and from Los Angeles Union Station. The proposed improvements will reduce pedestrian crossing distances on Alameda Street and Los Angeles Street, slow vehicular speed, and provide visual cues to motorists through the widened sidewalks and expanded and raised crossing.

FINANCIAL IMPACT

The FY18 budget includes $600,000 for the Project in Cost Center 4530 (Strategic Initiatives), Project 405557 (Union Station Master Plan). Since this is a multiyear contract, the cost center manager and Chief Planning Officer will be responsible for budgeting funds in future years.

Impact to Budget

The source of funds for the design contract are grant funds (Proposition A, grant secured from the Los Angeles County Regional Park and Open Space District, and State ATP) and Metro Right-of-Way Lease Revenues used for the local match (Attachment D). The local match funds are eligible for Metro bus and rail operating and capital expenditures.

ALTERNATIVES CONSIDERED

The Board could postpone awarding the Contract. This is not recommended as the ATP program has strict timelines that call for the Project to request construction allocation by summer 2019. Design must be initiated, collaboration with the City of Los Angeles must be re-initiated, and stakeholders must be engaged in advancing concept plans to construction-ready documents and specifications. Delaying contract award would delay project implementation and potentially jeopardize grant funding.

NEXT STEPS

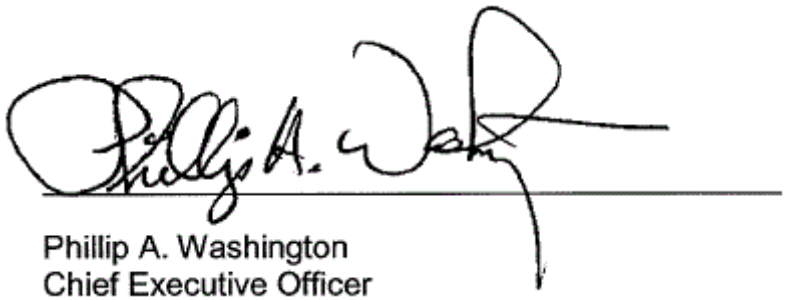
Upon Board approval, staff will execute Contract No. AE39616001 with Gruen Associates to initiate the design work.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Project Map
Attachment D - Funding Table

Prepared by: Elizabeth Carvajal, Senior Manager, Countywide Planning & Development, (213) 922-3084
Jenna Hornstock, EO, Transit Oriented Communities, (213) 922-7437
Calvin Hollis, SEO, Countywide Planning & Development, (213) 922-7319

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

LOS ANGELES UNION STATION FORECOURT AND ESPLANADE IMPROVEMENTS/AE39616001

1.	**Contract Number**: AE39616001	
2.	**Recommended Vendor**: Gruen Associates	
3.	**Type of Procurement (check one):** ☐ **IFB** ☐ **RFP** ☒ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: March 21, 2017	
	B. Advertised/Publicized: March 20, 2017	
	C. Pre-Proposal Conference: March 29, 2017	
	D. Proposals Due: May 5, 2017	
	E. Pre-Qualification Completed: August 15, 2017	
	F. Conflict of Interest Form Submitted to Ethics: May 25, 2017	
	G. Protest Period End Date: November 17, 2017	
5.	**Solicitations Picked up/Downloaded**: 70	**Proposals Received**: 3
6.	**Contract Administrator**: Lily Lopez	**Telephone Number**: (213) 922-4639
7.	**Project Manager**: Elizabeth Carvajal	**Telephone Number**: (213) 922-3084

A. Procurement Background

This Board Action is to approve Contract No. AE39616001 issued to provide Architectural and Engineering (A&E) services in support of the Los Angeles Union Station (LAUS) Forecourt and Esplanade Improvements Project. The selected firm will assist Metro in transforming the passenger experience for those travelling to and from LAUS as pedestrians and bicyclists in order to re-establish the connection between LAUS and the surrounding communities. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. The RFP was issued with a DBE goal of 12%.

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

- Amendment No. 1, issued on March 23, 2017, provided revised documents related to the DBE program;
- Amendment No. 2, issued on March 25, 2017, provided Caltrans Forms.

A pre-proposal conference was held on March 29, 2017, attended by 20 participants representing 18 firms. There were 35 questions asked and responses were released prior to the proposal due date.

A total of 70 firms downloaded the RFP and were included in the plan holders list. A total of three proposals were received on May 5, 2017 from the following firms:

1. Gruen Associates (Gruen)
2. RNL Interplan, Inc. (RNL)
3. SWA Group, Inc. (SWA)

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Countywide Planning and Facilities Engineering was convened and conducted a comprehensive technical evaluation of the proposals received.

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

- Skills and Experience of Team 45%
- Effectiveness of Management Plan and Quality 25%
- Understanding of Work and Appropriateness of Approach for Implementation 25%
- Innovation and Creativity 5%

Several factors were considered when developing these weights, giving the greatest importance to the skill and experience of the team. The PET evaluated the proposals according to the pre-established evaluation criteria.

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

During the week of May 29, 2017, the PET completed its independent evaluation of the three proposals received and determined all three firms to be qualified to provide the services required.

After evaluations of the written proposals, the PET determined that oral presentations by the three firms were required. During the week of June 5, 2017, the firms were scheduled for oral presentations. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the PET's questions. In general, each team addressed the requirements of the RFP, experience with all aspects of the required scope, and stressed each firm's commitment to the success of the project. Each team was asked questions relative to each firm's proposed staffing plans, perceived project issues, implementation of similar projects and previous experience.

The final scoring, after the oral presentations, determined Gruen to be the highest technically qualified firm.

Qualifications Summary of Recommended Firm:

Gruen is a Los Angeles-based architecture planning, urban design and landscape architecture firm with experience in designing facilities in Los Angeles and will be the prime contractor for the project, in collaboration with multiple experienced subcontractor firms. The firm will also provide technical expertise, integrate landscape/streetscape design, provide landscape architecture and urban design for Alameda Street, Los Angeles Street and Arcadia Street and will be the Architect of Record. Subcontractor Mia Lehrer will provide landscape services for the Forecourt and Father Serra Park. Subcontractor Grimshaw will provide design continuity with LAUS and design the pavilion structure. Additionally, the team will consist of other expertise from Psomas, Fehr & Peers, Diaz Yourman & Associates, VCA Engineers, The Robert Group and nine other subcontractors.

Gruen demonstrated a strong understanding of the project area, therefore, resulting in a seamless interconnection to the project by the team as one entity, while maintaining its ability to meet schedule by leveraging its experience in building interagency consensus with multiple stakeholders, such as City of Los Angeles, El Pueblo de Los Angeles, Caltrans and the community. The composition of the team has robust experience working in the area and its established relationships enable streamlining of critical functions such as the permitting process.

Gruen's key active transportation and transit related projects of similar scale, complexity and interagency coordination, include the Union Station Master Plan, Connect US Action Plan, Airport Connector, Mid-City/Exposition Light Rail Transit Line, Rosemead Boulevard Safety Enhancements and Beautification, LA River Valley Bikeway and Greenway Design and Completion Project.

Following is a summary of the PET scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Gruen**				
3	Skills and Experience of Team	86.67	45.00%	39.00	
4	Effectiveness of Management Plan and Quality	90.00	25.00%	22.50	
5	Understanding of Work and Appropriateness of Approach for Implementation	89.32	25.00%	22.33	
6	Innovation and Creativity	90.00	5.00%	4.50	
7	**Total**		**100.00%**	**88.33**	**1**
8	**SWA**				
9	Skills and Experience of Team	83.89	45.00%	37.75	

10	Effectiveness of Management Plan and Quality	81.16	25.00%	20.29	
11	Understanding of Work and Appropriateness of Approach for Implementation	76.00	25.00%	19.00	
12	Innovation and Creativity	70.00	5.00%	3.50	
13	**Total**		**100.00%**	**80.54**	**2**
14	**RNL**				
15	Skills and Experience of Team	76.67	45.00%	34.50	
16	Effectiveness of Management Plan and Quality	73.32	25.00%	18.33	
17	Understanding of Work and Appropriateness of Approach for Implementation	72.68	25.00%	18.17	
18	Innovation and Creativity	63.40	5.00%	3.17	
19	**Total**		**100.00%**	**74.17**	**3**

C. Cost Analysis

The recommended price of $2,910,657 has been determined to be fair and reasonable based upon Metro's Management and Audit Services Department (MASD) audit findings, an independent cost estimate (ICE), the Project Manager's technical analysis, a cost analysis, fact finding, and negotiations.

Proposer Name	Proposal Amount	Metro ICE	Negotiated
Gruen	$3,452,584	$1,350,468	$2,910,657

The ICE did not adequately estimate the actual level of effort that this project would require. The enhanced focused internal and interagency coordination with organizations such as Caltrans, El Pueblo de Los Angeles and various departments within the City of Los Angeles, including the Bureau of Engineering and the Department of Water and Power, require a much greater level of effort and resources to build consensus for design concepts and maintenance discussions. Additionally, the ICE underestimated overhead costs and support services, such as translation services, permitting, plan check, and final approvals.

The procurement has experienced some delays as a result of Caltrans audit requirements. In accordance with Caltrans Local Assistance Procedures Manual, Metro is required to submit cost factor information to Caltrans from Gruen for review and approval. Metro has worked closely with Caltrans and Gruen to fulfil these audit requirements.

D. Background on Recommended Contractor

The recommended firm, Gruen, headquartered in Los Angeles, has been in business since 1946 and is an architecture planning, urban design and landscape

architecture firm. Gruen and its team of experienced and qualified consultants have expertise in various fields, such as landscape architecture, design architect, civil engineering, utilities and survey and community outreach. The proposed team is comprised of staff from Gruen and 16 subcontractors, of which six are Metro certified DBEs.

DEOD SUMMARY

LOS ANGELES UNION STATION FORECOURT AND ESPLANADE IMPROVEMENTS/AE39616001

A. Small Business Participation

This project is funded, in whole or in part, with Federal Highway funds and falls under the Caltrans Disadvantaged Business Enterprise (DBE) program. The Diversity and Economic Opportunity Department (DEOD) established a 12% DBE goal for this solicitation. The goal was required to be reviewed and approved by Caltrans' Local Assistance Officer, prior to solicitation advertisement. Gruen Associates exceeded the goal by making a 29.62% DBE commitment.

Small Business Goal	12% DBE	Small Business Commitment	29.62% DBE

	DBE Subcontractors	Ethnicity	% Commitment
1.	MLA Green, Inc. dba Mia Lehrer + Associates	Hispanic American Female	17.27%
2.	Horton Lees Brogden Lighting Design, Inc.	Caucasian Female	3.83%
3.	Infrastructure Factor Consulting	Caucasian Female	1.55%
4.	VCA Engineers, Inc.	Asian Pacific American	1.01%
5.	The Robert Group	African American Female	4.77%
6.	Diaz Consultants, Inc. dba Diaz Yourman & Associates	Hispanic American	1.19%
		Total Commitment	**29.62%**

B. Living Wage Service Contract Work Retention Policy Applicability

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

C. Prevailing Wage Applicability

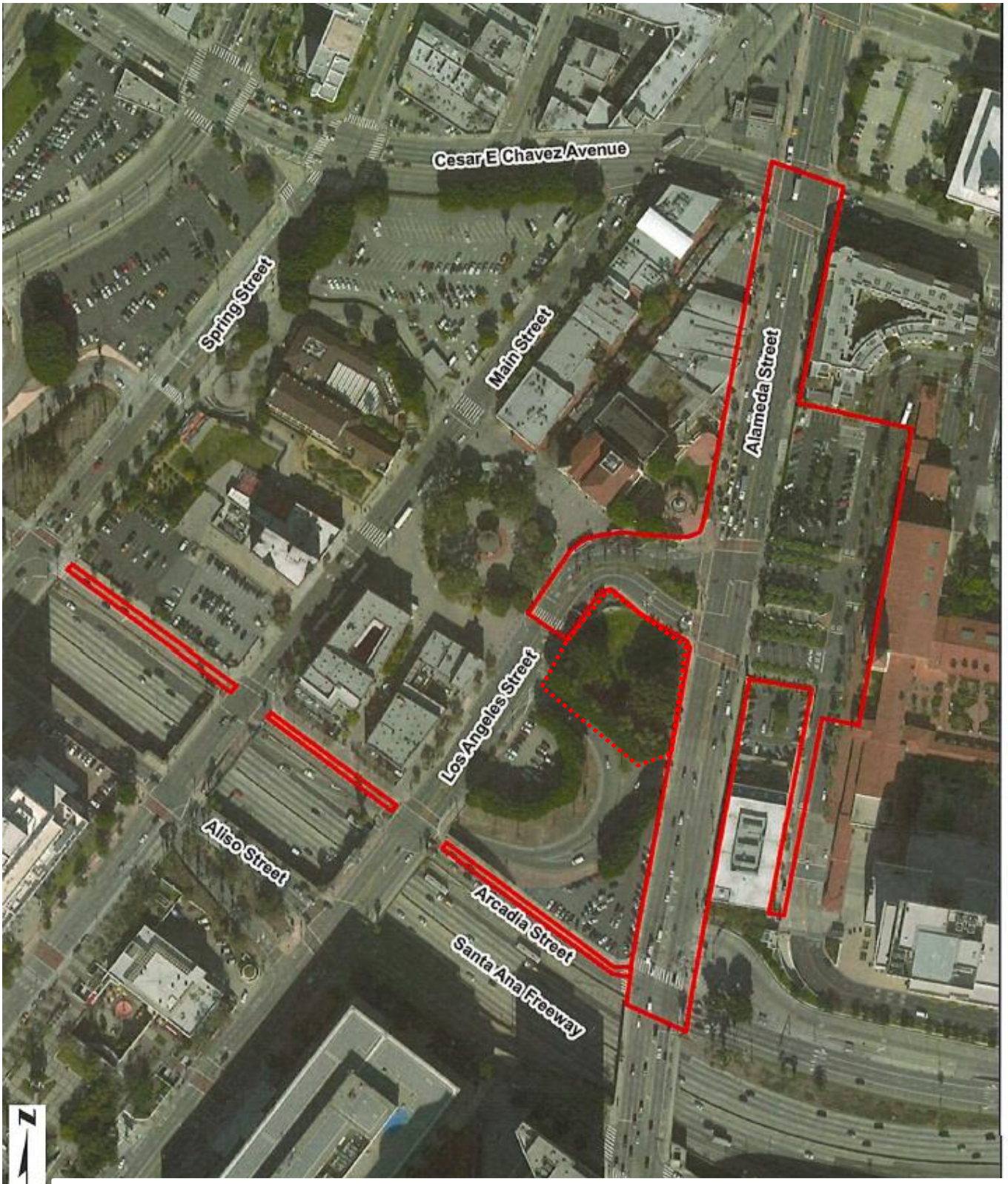
Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

D. Project Labor Agreement/Construction Careers Policy

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

Attachment C: Project Map

Los Angeles Union Station Forecourt and Esplanade and Father Serra Park Improvements



Design Contract Project Boundaries

LAUS Forecourt and Esplanade Improvements

Father Serra Park Improvements

Attachment D: Funding Table

Los Angeles Union Station Forecourt and Esplanade Improvements

Cost Type	Estimated Cost $18,893,464.00 (excludes forecourt)

Revenue

Funding Source	Type	Amount	Status
Federal	Active Transportation Program (FHWA) Cycle 2 and Cycle 3	$15,497,464.00	Committed
State	STIP	$0	
	Cap & Trade	$0	
Local	Proposition A	$1,000,000	Committed
	Metro Local	$2,396,000.00	Committed
Total Revenue		$18,893,464.00	

File #: 2017-0630, **File Type:** Program **Agenda Number:** 5.

EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 16, 2017

SUBJECT: CESAR E. CHAVEZ AND SOTO JOINT DEVELOPMENT

ACTION: AUTHORIZE EXECUTION OF A JOINT DEVELOPMENT AGREEMENT AND GROUND LEASE WITH LA VERANDA, L.P.

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer to execute and enter into a joint development agreement ("JDA"), ground lease ("Ground Lease") and other related documents with La Veranda, L.P. (the "Developer"), an affiliate of Abode Communities, for the construction and operation of a mixed-use, affordable housing project (the "Project") on 85,378 square feet of Metro-owned property located near the corner of Cesar E. Chavez Avenue and Soto Street in Boyle Heights (the "Site") in accordance with the Summary of Key Terms and Conditions attached hereto as Attachment A;

B. AUTHORIZING an exception to the Joint Development Policy, to allow for a 42% discount to the fair market rent for the Site under the Ground Lease (above the current policy limit of 30%) to allow the Project to be financially feasible while meeting the community's desire for deeper affordability of the housing units; and

C. FINDING that the Project is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 21080(b)(9) of the California Public Resources Code and Section 15332 (In-Fill Development Projects) of the CEQA Guidelines in accordance with the Qualifying Criteria set forth on Attachment C and authorize the Chief Executive Officer to file a Notice of Exemption for the Project consistent with such exemption.

ISSUE

In November 2015, the Board authorized execution of an Exclusive Negotiation Agreement and Planning Document ("ENA") with Abode Communities for the Site. The ENA has allowed staff and Abode to explore the feasibility of the proposed Project, conduct additional, project-specific community outreach, undertake CEQA clearance for the Project and negotiate the key terms and conditions of the JDA and Ground Lease that will ultimately provide for the Project's construction and operation on the Site. Since all of these efforts have been concluded favorably, it is time to move to

the next step of the development process, execution of the JDA. The Ground Lease will be executed thereafter upon satisfaction of the JDA's conditions. Attachment A summarizes the key terms and conditions of the proposed JDA and Ground Lease. Included in these terms is a negotiated capitalized rent under the Ground Lease that has been discounted 42% from the fair market capitalized rent for the Site. This discount is above the Joint Development Policy's discount cap of 30%.

DISCUSSION

The Project and the Site

The Site is comprised of approximately 85,378 square feet 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. The Metro Gold Line 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 Gold Line's Eastside Extension, it is no longer needed for this purpose.

The Project contemplates 76 affordable rental apartments, one unrestricted property manager's apartment, approximately 8,000 square feet of retail space, 40 residential parking spaces, and 16 commercial parking spaces. Attachment B provides a conceptual site plan and renderings for the Project. The affordable rental apartments are made up of two and three bedroom units with affordability levels ranging from 30% of area median income ("AMI") to 50% of AMI.

The Developer intends to include Affordable Housing and Sustainable Communities (AHSC) funding as part of its capital stack for the Project. The AHSC Program is a competitive funding program that uses State Cap and Trade funds to finance infill and compact development projects that reduce greenhouse gas emissions. In an effort to provide a competitive AHSC application, the Developer intends to allocate approximately $3,000,000 of its award to transportation improvements that will further reduce such emissions. Metro and the Developer are currently scoping potential transportation improvements to include in the Developer's AHSC application.

Community Engagement

The recommended actions follow extensive stakeholder outreach by Metro and Abode. 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 ENA, which was executed in December 2015. Thus far, these efforts have resulted in approval of the proposed Project by the Boyle Heights Neighborhood Council in October 2015, approval of the Project's conceptual plan by the Boyle Heights Design Review Advisory Committee in June 2016, and Metro and the Developer's agreement on the terms and conditions regarding deeper Project affordability noted above. Outreach efforts will continue throughout the term of the JDA to keep the community informed of the Project's progress through the development process.

The JDA and Ground Lease Terms

Attachment A provides the summary of key terms and conditions for the JDA and Ground Lease. The terms of the JDA are focused on the Developer bringing the Project through full financing and construction readiness. The JDA:

- Identifies specific rounds of affordable housing financing to which the Developer must apply;
- Provides Metro with a Holding Rent of $7,690/month during the JDA term, which will be applied to the capitalized rent due under the Ground Lease in the event that the Ground Lease is executed;
- Provides Metro with the right to review and approve the design of the Project as it progresses to completion;
- Recovers Metro's transaction-related and other support costs, including the cost of in-house staff time (except for Joint Development staff) and fees related to consultants and other third parties (except for in-house and outside legal counsel with respect to negotiation and preparation of the JDA and Ground Lease); and
- Sets forth the conditions for execution of the Ground Lease.

The Ground Lease will be executed once the conditions set forth in the JDA are met. Key terms of the Ground Lease include:

- A term of 65 years;
- Metro's receipt of a one-time capitalized rent payment of $3,691,277 upon execution of the Ground Lease, which provides the bulk of Metro's compensation; and
- Metro's receipt of 25% of all gross rent paid or credited to Developer for use of the Project's 8,000 square feet of commercial space.

Proposed Ground Lease Rent Discount

The Capitalized Rent under the Ground Lease has been discounted approximately 42% from the fair market capitalized rent for the Site. In exchange for the portion of the discount that exceeds 30%, the Developer has agreed to adjust the unit mix of the Project to include additional units with deeper affordability levels than were originally proposed. The agreed upon unit mix and the changes from the originally proposed unit mix are outlined in Exhibit C to the Key Terms and Conditions attached hereto as Attachment A.

The recommended discount is in excess of the maximum 30% discount for affordable housing projects allowed under the Joint Development Policy. The 42% discount was negotiated by staff after an extensive analysis of the Project's financial feasibility with the support of a financial consultant. This analysis uncovered two main drivers of the need for the 42% discount. They are:

(1) Community stakeholder desire for deeper affordability. During the community engagement process for the Project, stakeholders expressed a strong desire for deeper Project affordability; specifically requesting that units targeting families earning 60% of AMI be eliminated and exchanged for more units serving families at 30% - 50% of AMI. Metro and the Developer analyzed the cost of deepening the Project's affordability, looking at both the resultant reduction of available loan financing for the Project and increased operational costs.

(2) Increase in land values and static Project revenue. During the two years between staff's receipt of the Developer's original proposal in April 2014 and the completion of an appraisal for the Site in June 2016, land values (and, thus, ground lease rents) in Boyle Heights increased significantly. (Staff estimates that land values nearly doubled.) During this same period, Developer's revenue sources, such as HUD-specified rental income and available subsidies, stayed relatively constant. Metro worked with the Developer to identify cost savings that they could employ at the Project, but in the end found that a capitalized rent discount was needed for the Project to be financially feasible.

While this site is technically an "excess property" pursuant to the Federal Transit Administration ("FTA") definitions, Metro has submitted the terms of the JDA and Ground Lease to FTA through their Joint Development Preliminary Review process, in particular because we are offering the proposed rental discount for affordable housing for the first time.

CEQA Actions

The City of Los Angeles, as the lead agency under CEQA, has determined that the Project is exempt from CEQA pursuant to Section 21080(b)(9) of the California Public Resources Code and Section 15332 (In-Fill Development Projects) of the CEQA Guidelines because it is in compliance with all requirements for exemption thereunder. Staff is requesting that the Metro Board, as a potentially responsible agency, make a similar determination consistent with the requirements for exemption set forth on Attachment C. Staff is also requesting authorization to file a Notice of Exemption for the Project consistent with such determination.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety. Staff will continue to oversee the development and construction of the Project on the Site to ensure that it does not adversely impact Metro property or the continued safety of staff, contractors and the public.

FINANCIAL IMPACT

Funding for joint development activities related to this Project is included in the FY18 Budget under Project 401003, Task 01, Cost Center 2210. Metro's financial compensation under the JDA and the Ground Lease is fair and reasonable and is detailed in Attachment A.

Impact to Budget

Metro costs related to the proposed Project that are not reimbursed by the Developer will be funded from General Fund local right-of-way lease revenues, which are eligible for bus and rail operating and capital expenses. Execution of the JDA and the Ground Lease will not impact the ongoing bus and rail operating or capital budgets, the Proposition A and C and TDA administration budgets or the Measure R administration budget. Revenues received under the Ground Lease and JDA must be used to fund eligible rail capital and operating expenses allowed under the original FTA grant providing funds to purchase the Site. Deposits from the Ground Lease and JDA will be used to offset

certain staff and consultant costs related to the Project.

ALTERNATIVES CONSIDERED

The Board could choose not to authorize execution of the JDA and Ground Lease. Staff is not recommending this option because the proposed Project is the product of a competitive solicitation and extensive community engagement, and, except as noted above, is consistent with the goals of Metro's Joint Development Policy. Further, the terms of the proposed JDA and Ground Lease are fair and reasonable. Electing not to authorize execution of the JDA and Ground Lease would unnecessarily delay development of the Site.

NEXT STEPS

Upon approval of the recommended actions, staff will complete and execute the JDA in substantial accordance with the terms and conditions set forth in Attachment A. Upon execution of the JDA, staff and the Developer will work to satisfy the conditions under the JDA necessary to execute the Ground Lease and commence construction of the Project. The Ground Lease and related documents will be executed thereafter in substantial accordance with the terms and conditions set forth in the JDA and Attachment A. In particular, the Developer will diligently attempt to secure all financing necessary for construction of the Project in accordance with Attachment A and staff and the Developer will work to advance the design of the Project to completion.

ATTACHMENTS

Attachment A - Summary of Key Terms and Conditions
Attachment B - Conceptual Site Plan and Renderings
Attachment C - Qualifying Criteria for CEQA Exemption

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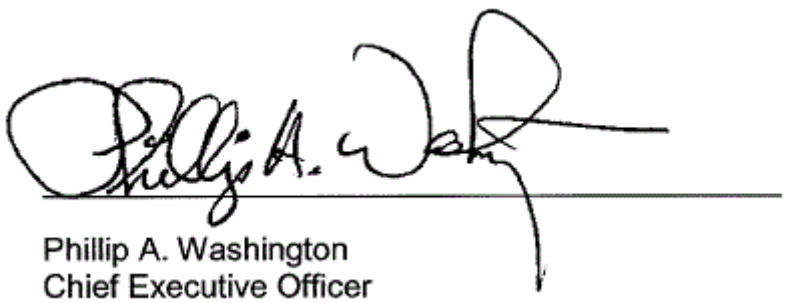

Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

SUMMARY OF KEY TERMS AND CONDITIONS
OF
JOINT DEVELOPMENT AGREEMENT AND GROUND LEASE
FOR
THE LA VERANDA PROJECT AT
LACMTA'S CHAVEZ/SOTO JOINT DEVELOPMENT SITE
(DATED: NOVEMBER 15, 2017)

GENERAL DESCRIPTION

DEVELOPER: La Veranda, L.P. ("**Developer**"), a California Limited Partnership, which is a development entity controlled by Abode Communities and was created for purposes of the La Veranda Project.

DEVELOPMENT SITE: The Los Angeles County Metropolitan Transportation Authority ("**LACMTA**") is the fee owner of approximately 85,378[1] square feet of real property situated in the City of Los Angeles and depicted on Exhibit A (the "**LACMTA Property**"). The LACMTA Property is 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. The proposed development site (the "**Site**") comprises the entirety of the LACMTA Property.

PROPOSED PROJECT: The proposed development project (the "**Project**") will be constructed on the Premises (defined below) by Developer at Developer's sole cost and expense in accordance with the plans and specifications generally known as the JDA Package, dated October 16, 2017, as detailed and referenced in Exhibit B (the "**Conceptual Plan**"), as such Conceptual Plan logically evolves and is modified and revised as set forth herein. The Project will include, without limitation, seventy six (76) affordable rental apartments and one (1) unrestricted property manager's apartment at the affordability levels detailed on Exhibit C, 8,000 square feet of retail space, 40 residential parking spaces and 16

[1] As calculated from information provided on that certain ALTA/NSPS Land Title and Design Survey of the Site prepared by Psomas, dated April 4, 2016 and included as part of the Conceptual Plan.

commercial parking spaces. Additional Project details are set forth on the Project Summary attached as Exhibit D.

PHASED DEVELOPMENT: The Project will be constructed in a single phase.

GENERAL CONDITIONS

DEDICATIONS: LACMTA will consider any dedications and grants of LACMTA real property rights to the City of Los Angeles or other public or quasi-public entities as are reasonably necessary to support the development, construction, and operation of the Project, subject to acceptable compensation to LACMTA. Developer has informed LACMTA that, as of the date of this Summary of Key Terms and Conditions: (a) the City of Los Angeles is contemplating a dedication for public right-of-way purposes at the corner of Cesar E. Chavez Avenue and Mathews Street, at the Site's northeast corner; (b) the subject dedication will be either a 15 foot by 15 foot corner cut or a 20 foot curved corner; and (c) Developer does not know of any other dedications that will be required for purposes of the Project. Subject to LACMTA Board approval, LACMTA does not take exception to the subject dedication at the corner of Cesar E. Chavez Avenue and Mathews Street; provided that LACMTA receives the full amount of Capitalized Rent under the Ground Lease in the manner specified in the Capitalized Rent section of this Summary of Key Terms and Conditions, which payment shall be deemed acceptable compensation to LACMTA for such dedication. Dedications and grants approved by LACMTA shall be referred to herein as (**"Dedications"**).

FEDERAL TRANSIT ADMINISTRATION, STATE AND LOCAL FUNDING SOURCE APPROVAL: The parcels comprising the Site were acquired by LACMTA using Federal Transit Administration ("**FTA**"), State and local funds. Therefore, the construction and operation of the Project, and the Ground Lease transaction, Dedications and other development-related matters contemplated in this Summary of Key Terms and Conditions are subject to: (a) applicable FTA, State and bond holder approval/concurrence, and (b) LACMTA confirmation that such actions will not violate any bond funding related requirements or restrictions imposed on LACMTA or the LACMTA Property.

DEVELOPMENT ENTITLEMENTS AND OTHER LEGAL REQUIREMENTS: Developer has or will have, at its sole cost and expense obtained all required entitlements for the Project, including adoption of California Environmental Quality Act ("**CEQA**") findings, and shall comply with all applicable City of Los Angeles zoning and planning requirements and other legal requirements related to the development, construction and operation of the Project. Prior to entering into the JDA, the Ground Lease or any other transaction documents, the LACMTA Board will need to make the requisite findings as a responsible agency pursuant to CEQA requirements.

AS-IS CONDITION: The Site is being offered to Developer in its as-is condition, without any warranty by LACMTA.

SITE REMEDIATION: None needed per Developer's due diligence performed under that certain Exclusive Negotiation Agreement and Planning Document between LACMTA and Developer's affiliate, Abode Communities, dated December 3, 2015, as amended (the "**ENA**").

KEY JOINT DEVELOPMENT AGREEMENT ("JDA") TERMS:

JDA - GENERALLY: After (i) the LACMTA Board has approved and Developer has accepted this Summary of Key Terms and Conditions, (ii) Developer has met all CEQA requirements for the Project (as further described below in the Closing Conditions), and (iii) the LACMTA Board has made the requisite findings as a responsible agency pursuant to the CEQA requirements for the Project, then LACMTA and Developer will enter into a Joint Development Agreement ("**JDA**") containing terms and conditions that are substantially consistent with those set forth in this Summary of Key Terms and Conditions, subject to any modifications as directed by the LACMTA Board. The JDA will address matters between Developer and LACMTA regarding the Project and the Site during the JDA term (defined below).

ESCROW: Within fifteen (15) days after the JDA Effective Date (defined below), Developer and LACMTA shall enter into an escrow

("**Escrow**") with Commonwealth Land Title ("**Escrow Holder**") to complete the Ground Lease transaction contemplated in the JDA.

JDA TERM: The JDA shall be effective upon execution by LACMTA and Developer (the "**JDA Effective Date**"), and will expire on January 31, 2021. During the term of the JDA, LACMTA and Developer shall endeavor to close Escrow (the "**Closing**"), subject to satisfaction or waiver of certain conditions precedent to execution of the Ground Lease, as set forth in the JDA (the "**Closing Conditions**"). Notwithstanding the forgoing, LACMTA shall have the right to terminate the JDA upon 30 days written notice to Developer:

A. If Developer fails to timely submit full, complete and reasonable applications (as reasonably determined by LACMTA) to the appropriate agencies in accordance with the schedule attached as Exhibit E, as necessary to adequately fund construction and operation of the Project pursuant to a pro forma budget prepared by Developer, and reasonably approved in writing by LACMTA ("**Approved Budget**") using the following permanent funding (the "**4% LIHTC Sources**"): (1) 4% low income housing tax credit equity ("**4% LIHTC Equity**"); (2) Affordable Housing and Sustainable Communities funds ("**AHSC Funds**"); (3) funds to be provided by or through the Housing & Community Investment Department of Los Angeles ("**HCID**") and (4) other funding sources, including tax exempt bond funds. As of the date of this Summary of Key Terms and Conditions, the Approved Budget for the Project using 4% LIHTC Sources indicates a total Project cost of $44,098,644 and breaks down as follows:

1. 4% LIHTC Equity totaling $14,715,012;
2. AHSC Funds totaling $17,037,969;
3. Funds to be provided by or through HCID totaling $3,000,000;
4. Other funding totaling $5,885,263, including tax exempt bond funds totaling $3,460,400.

B. Or, if Developer does not receive total 4% LIHTC Sources that are adequate to construct and operate the Project, including 4% LIHTC Equity, AHSC Funds or funds through HCID in the approximate amounts noted in Subsection A, above (or such other amounts as set forth on a

subsequent Approved Budget), by the dates noted in the schedule attached as Exhibit E, and fails to timely submit full, complete and reasonable applications (as reasonably determined by LACMTA) to the appropriate agencies in accordance with the schedule attached as Exhibit F, as necessary to adequately fund construction and operation of the Project pursuant to an Approved Budget using the following permanent funding (the "**9% LIHTC Sources**"): (1) 9% low income housing tax credit equity ("**9% LIHTC Equity**"); (2) Federal Home Loan Bank – Affordable Housing Program funds ("**AHP Funds**"); (3) funds to be provided by or through HCID and (4) other funding sources, including a conventional bank loan. As of the date of this Summary of Key Terms and Conditions, the Approved Budget for the Project using 9% LIHTC Sources indicates a total Project cost of $42,457,453 and breaks down as follows:

1. 9% LIHTC Equity totaling $27,497,250;
2. AHP Funds totaling $1,155,000;
3. Funds to be provided by or through HCID via the managed pipeline totaling $7,611,720; and
4. Other sources totaling $6,193,483, including a conventional bank loan totaling $3,484,600.

C. Or, if Developer does not receive total 4% LIHTC Sources that are adequate to construct and operate the Project, including the 4% LIHTC Equity, the AHSC Funds or funds through HCID in the approximate amounts noted in Subsection A, above (or such other amounts as set forth on a subsequent Approved Budget), by the dates noted in the schedule attached as Exhibit E, and subsequently does not receive total 9% LIHTC Sources that are adequate to construct and operate the Project, including the 9% LIHTC Equity, AHP Funds and funds through the HCID pipeline in the approximate amounts noted in Subsection B, above (or such other amounts as set forth on a subsequent Approved Budget), by the dates noted in the schedule attached as Exhibit F.

JDA CONSIDERATION/ HOLDING RENT: As consideration for the rights granted to Developer during the JDA term, commencing with the JDA Effective Date and continuing throughout the JDA term, Developer will pay LACMTA

a monthly, non-refundable holding rent ("**Holding Rent**") at the commencement of each month of the JDA term in an amount equal to $7,690. The Holding Rent has been discounted from the $13,333 Holding Rent that would be indicated (i.e.; 25% of the fair market monthly rent that would be due under the Ground Lease, if Capitalized Rent were not being paid thereunder) based on the fair market value of the Site, which has been determined to be $6,400,000 as of June 20, 2016 pursuant to that certain June 22, 2016 appraisal of the Site performed by Riggs & Riggs, Inc. The discount is 42.32% and is consistent with the discount of the Capitalized Rent under the Ground Lease. All Holding Rent due LACMTA shall be non-refundable, but all Holding Rent received by LACMTA shall be applied at Closing as a credit to the Capitalized Rent due under the Ground Lease, in the event the Ground Lease is executed by the parties.

CONDITIONS TO CLOSING: The Closing Conditions will require, among other things, that Developer has (a) obtained financing sufficient to fund the construction and operation of the Project; (b) delivered to LACMTA evidence and assurances demonstrating that Developer has the financial resources in place to construct and operate the Project and that such resources are fully committed without reservation to the reasonable satisfaction of LACMTA; (c) applied for and received all governmental approvals necessary (including all LACMTA and City of Los Angeles approvals and entitlements) for the development, construction, and operation of the Project (including LACMTA approval of the final construction documents for the Project (the "**Approved Construction Documents**")); (d) received all approvals/certifications in accordance with CEQA of all CEQA documents for the Project from the applicable governmental authorities, and all applicable statutes of limitation have run without a lawsuit having been timely filed or, if such a lawsuit has been filed, then such lawsuit has been finally adjudicated or dismissed with prejudice, upholding such approvals/certifications; (e) received a "ready to issue" letter from the City of Los Angeles for all building permits necessary for the construction of the Project; (f) executed and delivered all Closing Documents to Escrow; and (g) provided LACMTA with Payment and Performance Bonds and a Completion Guaranty from Abode Communities guaranteeing and securing completion of the Project, each in a form satisfactory to LACMTA.

DESIGN REVIEW/SEQUENCE: During the JDA term and the Construction Period (defined below) under the Ground Lease, LACMTA will review and have the right

to approve the design of the Project, including: (1) any design elements of the Project that affect (a) the operations of LACMTA, (b) LACMTA's exercise of its Retained Rights (defined below), and (c) public health and safety (collectively, the "**LACMTA Development-Related Concerns**"). LACMTA's approval of Project plans that **are not** related to LACMTA Development-Related Concerns will be at LACMTA's reasonable discretion, except to the extent that the design of the Project depicted, described and specified on such plans does not represent a logical evolution of the design depicted, described and specified on plans approved by LACMTA at the preceding level of design development (a "**Logical Evolution**"). Approval of Project's plans that **are** related to LACMTA Development-Related Concerns or **are not** a Logical Evolution will be at LACMTA's sole and absolute discretion. LACMTA's design approval rights as set forth herein are, in part, intended to ensure that the Project meets LACMTA's Satisfactory Continuing Control Requirement (as defined in the *Retained Rights* subsection of the *Ground Lease – Other Terms and Conditions* section of this Summary of Key Terms and Conditions).

Except as otherwise approved in writing by LACMTA, Developer shall not proceed with preparation of: (a) the Project's Design Development Drawings until it has received LACMTA's written approval of the Project's Schematic Design Drawings; or (b) the Project's Final Construction Documents until it has received LACMTA's written approval of the Project's Design Development Drawings and Schematic Design Drawings.

JDA/GROUND LEASE CLOSING:

The Closing will occur when Developer and LACMTA have entered into the Ground Lease and other transaction documents necessary to complete the Closing as contemplated in the JDA (the "**Closing Documents**") after the Closing Conditions have been satisfied or waived by the applicable party. The JDA will contemplate a single Closing. At Closing, LACMTA will lease the Premises (defined below) to Developer, subject to the Retained Rights (defined below), in exchange for the payment of the Capitalized Rent and initial Deposit to be paid under the Ground Lease. The Closing Documents, including, without limitation, the Ground Lease, will be executed by the parties as is necessary to properly effectuate the Closing.

TRANSFERS, ASSIGNMENT AND SUBLETTING: Except as otherwise approved in writing by LACMTA in its sole and absolute discretion, Developer shall not transfer or assign its rights or obligations under the JDA or any portion thereof.

KEY GROUND LEASE TERMS:

GROUND LESSEE: La Veranda, L.P. ("**Ground Lessee**"), a California Limited Partnership, which is a development entity controlled by Abode Communities and was created for purposes of the La Veranda Project.

GROUND LEASE – GENERALLY: At Closing, LACMTA, as ground lessor, and Ground Lessee, as ground lessee, will enter into a ground lease (the "**Ground Lease**"), which will provide for the construction and operation of the Project on the Premises (defined below). The Ground Lease will contain terms and conditions that are substantially consistent with those set forth in this Summary of Key Terms and Conditions, subject to any modifications as directed by the LACMTA Board.

UNSUBORDINATED GROUND LEASE: Neither LACMTA's interests under the Ground Lease (including the FTA's interest as a provider of funds for the Site's initial acquisition) nor LACMTA's Satisfactory Continuing Control Requirement (as defined in the *Retained Rights* subsection of the *Ground Lease – Other Terms and Conditions* section of this Summary of Key Terms and Conditions) shall be subordinated to any interest that Ground Lessee or its lenders or investors will have in the Premises.

GROUND LEASE PREMISES: The premises under the Ground Lease (the "**Premises**") will consist of the Site, less any Dedications.

GROUND LEASE TERM: The Ground Lease will commence on the date of the Closing in accordance with the terms of the JDA (such date being the "**Commencement Date"**). The term of the Ground Lease will be 65 years (the "**Ground Lease Term**"), expiring on the day prior to the 65th anniversary of the Commencement Date.

GROUND LEASE RENT & OTHER COMPENSATION

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CAPITALIZED RENT: Upon execution of the Ground Lease, Ground Lessee shall pay LACMTA a capitalized rent payment (the "Capitalized Rent") of $3,691,277 for the entire Ground Lease Term. The Capitalized Rent has been discounted 42.31% from the fair market value of the Site, which has been determined to be $6,400,000 as of June 20, 2016 pursuant to that certain June 22, 2016 appraisal of the Site performed by Riggs & Riggs, Inc. The discount is in exchange for Developer agreeing to adjust the unit mix of the Project to include deeper affordability levels than were originally proposed. The agreed upon unit mix and the changes from the originally proposed unit mix are outlined in Exhibit C. Notwithstanding the forgoing, all Holding Rent received by LACMTA under the JDA shall be applied as a credit to the Capitalized Rent due under the Ground Lease upon execution of the Ground Lease by the parties.

PERCENTAGE RENT: Ground Lessee shall pay LACMTA percentage rent in an amount equal to 25% of all gross rent paid or credited to Ground Lessee for commercial uses of the Project or the Premises ("**Percentage Rent**"), including without limitation, commercial uses in the Project's 8,000 square feet of commercial space. Percentage Rent shall be calculated on a calendar year basis and shall be due to LACMTA from Ground Lessee annually, in arrears, on March 1st of the calendar year following the subject calendar year, with a full accounting of the amount due.

SALE/REFINANCING PROCEEDS: Ground Lessee shall pay LACMTA an amount equal to 20% of all Net Proceeds received by Ground Lessee for the sale or refinancing of the Project, where "**Net Proceeds**" shall mean the gross sales price or the gross principal amount of the refinancing (as applicable), less the following transaction costs and expenses paid by Ground Lessee to any non-affiliate of Ground Lessee in connection with the consummation of any such sale or refinancing, to the extent such costs are commercially reasonable: escrow fees, title charges, lender fees or charges, recording costs, brokerage commissions and attorneys' fees.

GROUND LEASE – OTHER TERMS AND CONDITIONS

DESIGN REVIEW: Developer shall not make any changes to the Approved Construction Documents without the prior consent of LACMTA. During the Construction Period, LACMTA will have design review rights with respect to any changes to the Approved Construction Documents desired by Ground Lessee as set forth in the *Design Review/Sequence* subsection of the *Key Joint Development Agreement ("JDA") Terms* section of this Summary of Key Terms and Conditions. Approval of such changes that represent Logical Evolutions of the design and are not related to LACMTA Development-Related Concerns will be at LACMTA's reasonable discretion. Approval of such changes that are related to LACMTA Development-Related Concerns or are not a Logical Evolution of the design will be at LACMTA's sole and absolute discretion. LACMTA will retain the same design approval rights for any substantive Project changes or improvements later sought by Ground Lessee at any time during the Ground Lease Term. LACMTA's design approval rights as set forth herein are, in part, intended to ensure that the Project meets LACMTA's Satisfactory Continuing Control Requirement (as defined in the Retained Rights subsection of the Ground Lease – Other Terms and Conditions section of this Summary of Key Terms and Conditions).

CONSTRUCTION COMPLETION: The Ground Lease will require commencement of construction within 30 days after the Commencement Date. The Project's construction period ("**Construction Period**") will commence on the Commencement Date and terminate upon the earlier of: (1) substantial completion of construction of the Project improvements as described in the Ground Lease, which shall be evidenced by a temporary certificate of occupancy for substantially all of the Project improvements described in the Ground Lease or (b) the day preceding the second (2nd) anniversary of the Commencement Date.

MAINTENANCE AND OPERATIONS: During the Ground Lease Term, Ground Lessee shall maintain and operate all portions of the Project and the Premises at its sole cost and expense pursuant to maintenance and operations standards that shall be mutually agreed between the parties and set forth in the Ground Lease.

DEMOLITION/DEMOLITION SECURITY:

At the expiration or earlier termination of the Ground Lease ("**Expiration Date**"), at LACMTA's option as specified in writing by LACMTA up to 90 days after the Expiration Date, Developer shall (a) demolish and remove the Project and any improvements then located on the Premises (or such portion thereof as indicated by LACMTA in writing), exclusive of any LACMTA improvements and/or transportation-related amenities and facilities then located on the Premises, and (b) return the Premises to LACMTA in its otherwise original condition (the "**Demolition**"). The Demolition shall be performed at Ground Lessee's sole cost and expense. Ground Lessee shall have no right to demolish or remove any portion of the Project or any improvements that LACMTA does not instruct Ground Lessee to demolish or remove in writing.

On the 55th anniversary of the Commencement Date, Ground Lessee shall deliver to LACMTA a report for LACMTA's review and approval prepared by a construction and demolition expert reasonably approved by LACMTA that details the means and methods needed/desired to complete the full Demolition of the Project ("**Demolition Report**"). The Demolition Report shall be prepared at Ground Lessee's sole cost and expense and shall include a detailed cost estimate for such full Demolition. The Demolition Report shall detail (a) a form of security proposed by Ground Lessee to secure, for the benefit of LACMTA, the funding necessary to complete the full Demolition (the "**Demolition Security**"), and (b) a schedule reasonably satisfactory to LACMTA for the funding of the Demolition Security by Ground Lessee, which schedule shall in all events provide for a full funding of the Demolition and delivery of the Demolition Security to LACMTA no later than five (5) years prior to the Expiration Date. The Demolition Report shall be subject to LACMTA's reasonable approval. The form of Demolition Security can be a deposit of funds, a letter of credit, a bond or other form of security, each in form and amount, and from an issuer, reasonably satisfactory to LACMTA in accordance with the LACMTA-approved Demolition Report. Upon the completion of the Demolition, if any, by Ground Lessee and performance of any other obligations of Ground Lessee under the Ground Lease, subject to set off by LACMTA for any amounts payable by Ground Lessee to LACMTA pursuant to the Ground Lease, LACMTA shall return/release the Demolition Security to Ground Lessee.

The Ground Lease shall set forth further details regarding the specifics and procedures related to the Demolition, the Demolition Report and the Demolition Security.

FINANCING AND ENCUMBRANCES:

Subject to LACMTA's reasonable approval, Ground Lessee may encumber its leasehold estate with mortgages, deeds of trust or other financing instruments; provided, however, in no event shall LACMTA's Satisfactory Continuing Control Requirement (as defined in the *Retained Rights* subsection of the *Ground Lease – Other Terms and Conditions* section of this Summary of Key Terms and Conditions), LACMTA's fee title interest or rent payable to LACMTA under the Ground Lease be subordinated or subject to Ground Lessee's financing or other claims or liens (except as set forth below for certain affordable housing and other covenants). Such encumbrances and financings shall be subject to LACMTA's reasonable approval, except with respect to certain "permitted financing events" meeting specific criteria to be set forth in the Ground Lease, which shall not require LACMTA's approval.

COVENANTS:

Ground Lessee may encumber its leasehold estate with affordable housing and other covenants reasonably required by Ground Lessee's affordable housing funding sources or the City of Los Angeles as a condition to granting Project approvals, entitlements and building permits, which covenants shall be subject to LACMTA's review and reasonable approval. LACMTA will reasonably consider the encumbrance of its fee title interest with certain restrictive covenants, if required by Ground Lessee's affordable housing funding sources or the City of Los Angeles as a condition to granting Project approvals, entitlements and building permits; provided that Ground Lessee agrees to perform all obligations under said covenants during the Ground Lease Term and to indemnify LACMTA for all claims and losses resulting from Ground Lessee's failure to do the same.

FEDERAL CIVIL RIGHTS COVENANTS:

Ground Lessee shall comply with all applicable Federal nondiscrimination requirements, including applicable sections of Title 49 of the Code of Federal Regulations.

TRANSFERS, ASSIGNMENT, AND SUBLETTING:

Except for limited permitted exceptions to be set forth in the Ground Lease, Ground Lessee shall not transfer, assign or sublet

(except for the typical subleasing of the apartments and retail space within the Project) its rights or obligations under the Ground Lease, or beneficial interests in Ground Lessee (each, a "**Transfer**"):

a. Prior to completion of construction of the Project; and
b. After completion of construction of the Project, other than in accordance with reasonable transfer criteria to be set forth in the Ground Lease, including, without limitation, criteria regarding (a) applicable FTA approval, (b) the creditworthiness, history and experience of any proposed transferee and its affiliates, and (c) FTA and State requirements, as applicable, concerning debarment, suspension, etc. stemming from FTA and State funding related to acquisition of the LACMTA Property.

RETAINED RIGHTS: LACMTA shall retain from the Ground Lease and the Premises certain rights as shall be further described in detail in the Ground Lease, relating to the following: (1) the right to install, construct, inspect, operate, maintain, repair, expand and replace public transit facilities under and adjacent to the Premises as LACMTA may deem necessary, provided that such installation, construction, inspection, operation, maintenance, repair, expansion and replacement does not interfere with the quiet use and enjoyment of the Project or its construction by Ground Lessee or its subtenants; (2) the right to enter upon and inspect the Premises, with reasonable notice to Ground Lessee, and anytime during normal business hours, for purposes of conducting normal and periodic inspections of the Premises and the Project and to confirm Ground Lessee's compliance with the terms and conditions of the Ground Lease; (3) the right to install, use, repair, maintain, and replace along the perimeter of the Premises abutting the public streets, sidewalks or rights-of-way (including, without limitation, on the exterior of the Project) informational, directional and way-finding signs for the purpose of directing the public to, from and between LACMTA and other public transit options in the area; provided, however, LACMTA shall not install any such signage on the Premises or the Project without Ground Lessee's prior written approval, which shall not be unreasonably withheld, conditioned or delayed; and (4) all rights not explicitly granted to Ground Lessee in the Ground Lease (the "**Retained Rights**"). The Retained Rights shall, among other things, ensure that the Site remains available for the transit purposes originally

authorized by the FTA ("**LACMTA's Satisfactory Continuing Control Requirement**").

SUPERSEDURE: This Summary of Key Terms and Conditions supersedes and replaces any and all term sheets or summaries of key terms and conditions relating to the Site, the Project or any joint development agreement or ground lease dated prior to November 15, 2017.

OTHER: Other provisions will be included in the Ground Lease, including, without limitation, provisions relating to (a) Ground Lessee's assumption of risk related to the Project's proximity to transit operations, (b) insurance, and (c) indemnity.

LACMTA TRANSACTION COSTS

LACMTA TRANSACTION COSTS: Developer and Ground Lessee acknowledge and agree that LACMTA will incur certain actual costs (the "**LACMTA Transaction Costs**") related to (a) the design, development, planning, and construction of the Project (including costs related to construction methods and logistics), and (b) negotiation of the terms and conditions of the transactions contemplated under the JDA and the Ground Lease. The LACMTA Transaction Costs shall include, without limitation, the actual cost of in-house staff time (including LACMTA overhead and administrative costs) and third party consultation fees (including, but not limited to, fees related to consultants, engineers, architects, and advisors) for financial analyses, design review (including reviewing plans and specifications for the Project), negotiations, appraisals, document preparation, services related to development, planning, engineering, construction safety, construction management, construction support, and construction logistics and inspection, and other reasonable services related to the Project and the transactions contemplated under the JDA and Ground Lease, ***but shall exclude*** the cost of LACMTA Joint Development staff, and LACMTA's in-house and outside legal counsel with respect to negotiation and preparation of the JDA, Ground Lease and related transaction documents.

JDA DEPOSIT: Developer shall provide a deposit to LACMTA for LACMTA to apply to LACMTA Transaction Costs (whether accruing prior to or after the JDA Effective Date) (the "**Deposit**"). Developer shall pay LACMTA an initial Deposit amount of $50,000 on the JDA

Effective Date. Any unspent Deposit funds provided by Developer under the ENA shall be carried over and applied towards the $50,000 initial Deposit due under the JDA. If the Deposit is not fully utilized by LACMTA in connection with the Project during the term of the JDA, then the remaining balance of the Deposit shall be allocated as follows: (a) all amounts up to $25,000 will be carried over and credited towards the Deposit due under the Ground Lease; and (b) all amounts in excess of $25,000 will be returned to Developer. LACMTA shall provide documentation of LACMTA Transaction Costs to Developer upon Developer's request, provided that the form of documentation will be such that is available to LACMTA and in its possession.

GROUND LEASE DEPOSIT: Developer shall pay LACMTA an initial Deposit amount of $25,000 under the Ground Lease on the Commencement Date. To the extent that the Deposit under the Ground Lease is not utilized by LACMTA in connection with the Project, any remaining balance will be returned to Ground Lessee upon completion of the Project. Ground Lessee will provide LACMTA with additional Deposit funds, in an amount to be determined at the time, for LACMTA Transaction Costs accruing during the Ground Lease Term in connection with future Ground Lessee improvements requiring LACMTA review/approval.

DEPOSIT REPLENISHMENT: During the term of the JDA and the Ground Lease Term, whenever the Deposit balance reaches Ten Thousand Dollars ($10,000.00) or less, Developer or Ground Lessee (as applicable) will replenish the Deposit to $50,000 (under the JDA) and $25,000 (under the Ground Lease), upon written notice from LACMTA. If Developer or Ground Lessee (as applicable) does not replenish the Deposit at the applicable times as set forth herein, LACMTA may decline to provide the services that are to be covered by the Deposit and/or terminate the JDA or Ground Lease (as applicable).

Exhibit A

Depiction of the Site

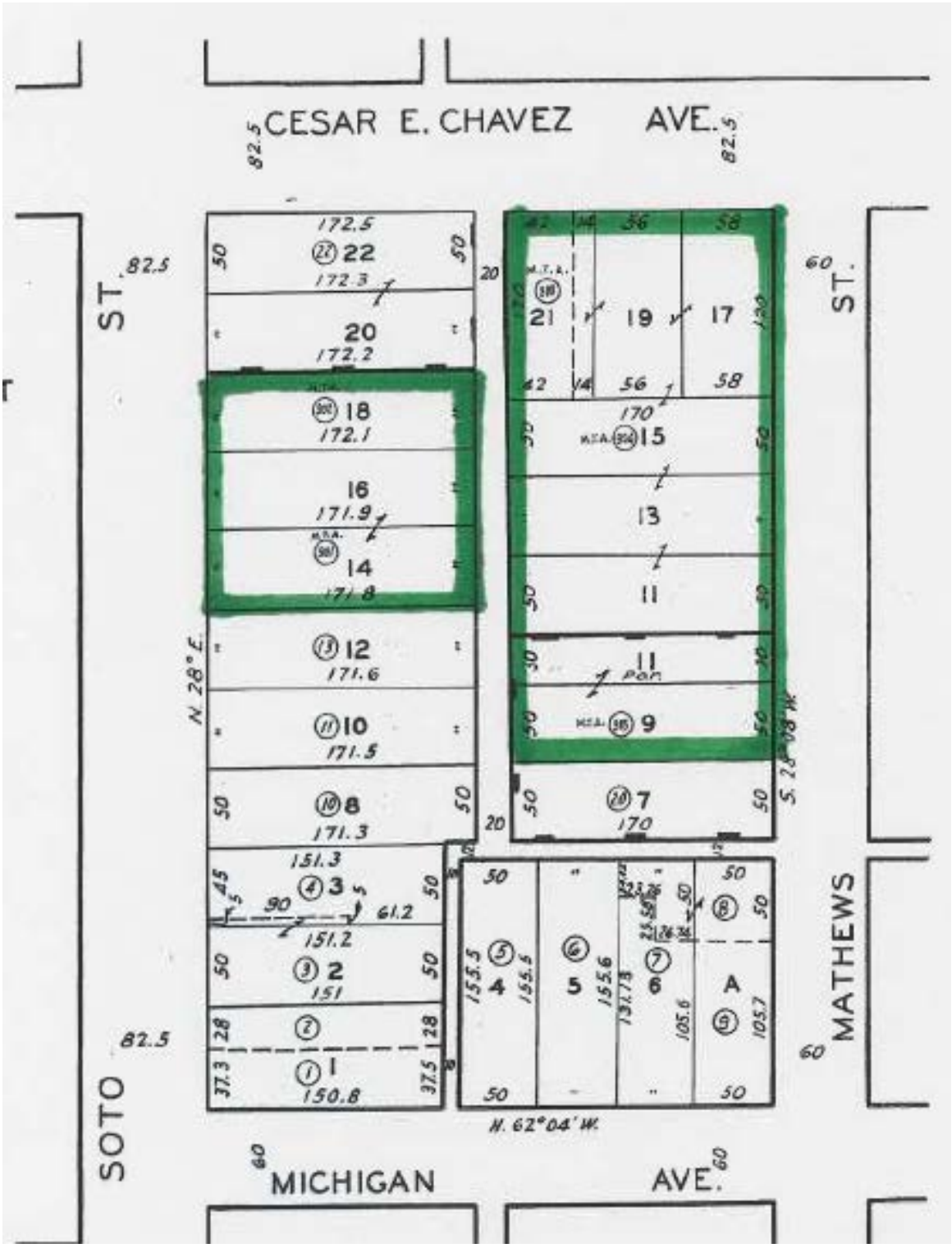


Exhibit B

List of Plans and Specifications Comprising the Conceptual Plan

Sheet No.	Sheet Title	Initial Date	Latest Revision Date
G0.00	Cover Sheet	06-30-2016	10-16-2017
A1.01	Plot Plan	06-30-2016	10-16-2017
A1.01B	Plot Plan Information	06-30-2016	10-16-2017
A1.02	Open Area Diagram	06-30-2016	10-16-2017
1 of 2	ALTA/NSPS Land Title and Design Survey for Abode Communities La Veranda Apartments	04-04-2016	N/A
2 of 2	ALTA/NSPS Land Title and Design Survey for Abode Communities La Veranda Apartments	04-04-2016	N/A
C-2.01	Horizontal Control Plan	12-06-2016	10-16-2017
L1.00	Landscape Concept Diagrams	12-05-2016	10-16-2017
L1.01	First Floor Landscape Plan	12-05-2016	10-16-2017
L1.02	Second Floor Landscape Plan	12-05-2016	10-16-2017
L1.11	Reference Images	12-05-2016	10-16-2017
L3.00	Planting Legend & Notes	12-05-2016	10-16-2017
L3.01	Tree Removal Plan	12-05-2016	10-16-2017
L3.51	Planting Images	12-05-2016	10-16-2017
A2.01	First Floor Plan	06-30-2016	10-16-2017
A2.02	Second Floor Plan	06-30-2016	10-16-2017
A2.03	Third Floor Plan	06-30-2016	10-16-2017
A2.04	Fourth Floor Plan	06-30-2016	10-16-2017
A2.05	Roof Plan	06-30-2016	10-16-2017
A3.01	Elevations North	06-30-2016	10-16-2017
A3.02	Elevations East	06-30-2016	10-16-2017
A3.03	Elevations West	06-30-2016	10-16-2017
A3.04	Elevations South	06-30-2016	10-16-2017
A3.05	Elevations Alley West	06-30-2016	10-16-2017
A3.06	Elevations Alley East	06-30-2016	10-16-2017
N/A	La Veranda Material Board	February 2017	N/A
A4.01	Section View East	06-30-2016	10-16-2017
A4.02	Section View North	06-30-2016	10-16-2017
A4.03	Section View West	06-30-2016	10-16-2017
E1.01	Parking Lot Photometric	06-30-2016	10-16-2017
E1.02	Bridge and Courtyard Photometric	06-30-2016	10-16-2017

Exhibit C

Affordability/Unit Mix Matrix

Bedrooms	Unit AMI	Originally Proposed # of Units	Agreed Upon # of Units	Change
2 BD	30% AMI	5	11	+6
3 BD	30% AMI	3	5	+2
2 BD	40% AMI	11	15	+4
3 BD	40% AMI	5	7	+2
2 BD	50% AMI	21	27	+6
3 BD	50% AMI	10	11	+1
2 BD	60% AMI	16	0	-16
3 BD	60% AMI	5	0	-5
2 BD	Manager	1	1	None

Exhibit D

Project Summary

Area Type	**Square Feet**
2 bedroom units	44,118
3 bedroom units	25,139
Circulation Space	20,269
Commercial Parking	8,455
Commercial Space	8,000
Residential Parking	13,731
Community Room	2,455
Laundry Room	810
Property Management Office	245
Resident Services Offices	245
Open Space	21,062
TOTAL	144,259

Exhibit E

Financing Schedule for 4% LIHTC/AHSC Funded Transaction

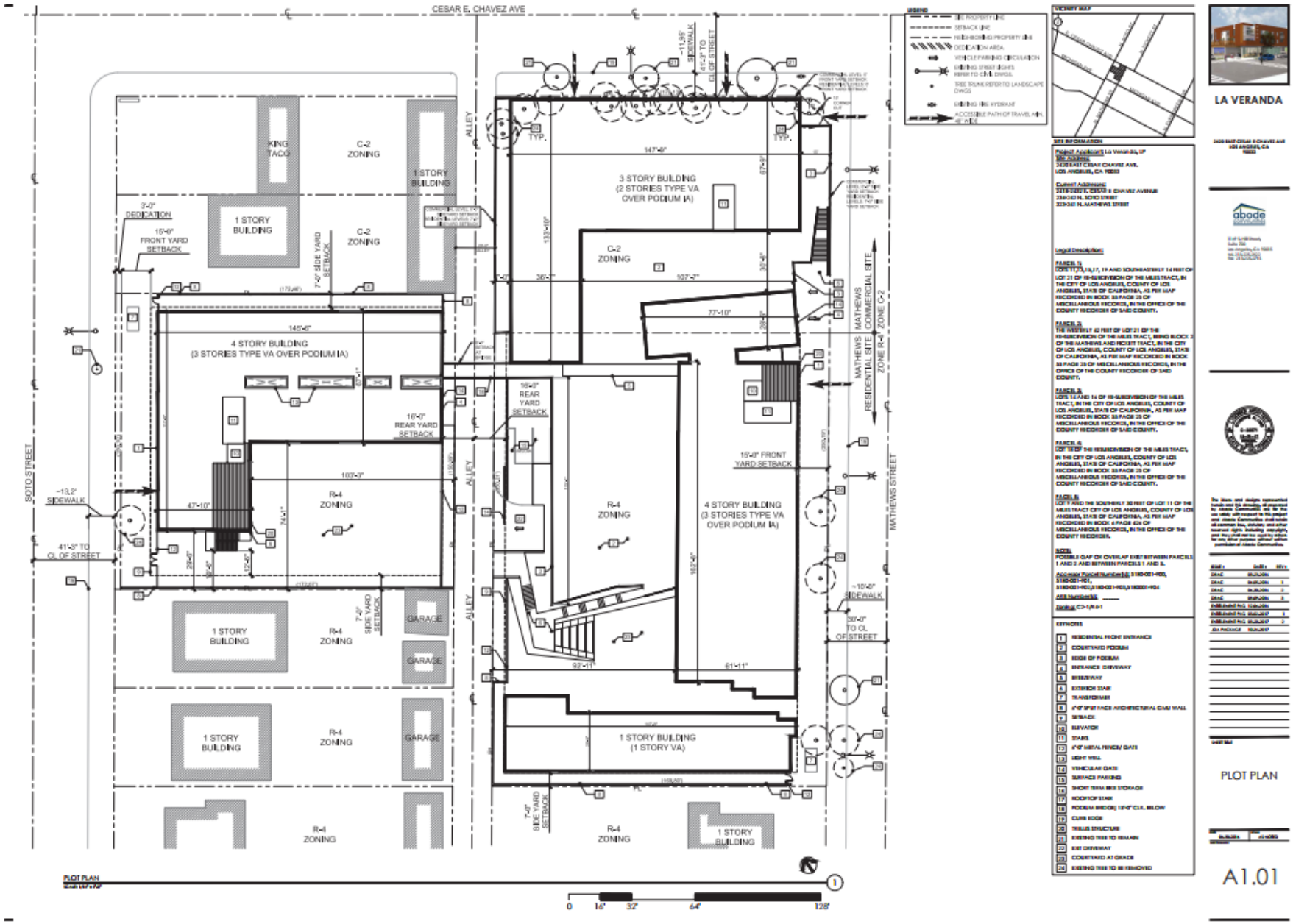
Apply to HCID	January 2018
HCID Award	March 2018
Apply for AHSC funding	January 2018
AHSC Award	March 2018
Apply for Tax Credits	May 2018
Tax Credits Award	July 2018
Secure Investor / Bank	October 2018
Execute Ground Lease / Close Construction Loan	January 2019

Exhibit F

Financing Schedule for 9% LIHTC/ AHP Funded Transaction

Apply for Managed Pipeline	January 2019
Managed Pipeline Award	March 2019
Additional funding source to increase tie breaker (State Housing and Community Development Infill Infrastructure Grant program funding or National Housing Trust Fund funding)	March 2019
Apply for 9% Tax Credits	March 2020
Tax Credit Award	June 2020
Apply for AHP funds	March 2020
AHP Award	June 2020
Secure Investor/Bank	August 2020
Execute Ground Lease / Close Construction Loan	November 2020

Conceptual Site Plan and Renderings

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MATTHEWS TERRACE
EXISTING COMMERCIAL
SOTO TERRACE

ATTACHMENT C

Qualifying Criteria for CEQA Exemption

La Veranda L.P. (“Developer”), an affiliate of Abode Communities, desires to proceed with the La Veranda development project (the "Project") on approximately 85,378 square feet of Los Angeles County Metropolitan Transportation Authority ("LACMTA") owned property located near the corner of Cesar E. Chavez Avenue and Soto Street in Boyle Heights (the "Site"). The Site is 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. The Project will include approximately 76 affordable apartments, one property manager’s apartment, approximately 8,000 square feet of retail space and related parking.

Staff has determined that the Project qualifies for an exemption from the California Environmental Quality Act ("CEQA") pursuant to Section 21080(b)(9) of the California Public Resources Code and Section 15332 (In-Fill Development Projects) of the CEQA Guidelines, as follows:

Section 15332 (In-Fill Development Projects)

(a) The Project is consistent with the City of Los Angeles General Plan designation for the Site and all applicable general plan policies, as well as with the applicable zoning designation and regulations applicable to the Site.

(b) The Project is within Los Angeles city limits and the Site is less than five acres and is surrounded by urban uses.

(c) The Site has no value as habitat for endangered, rare or threatened species.

(d) Approval of the Project will not result in any significant effects relating to traffic, noise, air quality or water quality.

(e) The Site can be adequately served by all required utilities and public services.

Staff has also determined that the Project is not included in any of the exceptions to the forgoing exemption under Section 15300.2 (Exceptions) of the CEQA Guidelines, which are as follows:

Section 15300.2 (Exceptions)

(a) Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located --- a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.

(b) Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.

(c) Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

(d) Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.

(e) Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.

(f) Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

Staff's determinations are based on a review of a Categorical Exemption Analysis prepared by Developer's licensed environmental consultant, EcoTierra Consulting, which was included in its Findings Supporting a Categorical Exemption report, dated August 2017.

Metro

Board Report

File #: 2017-0476, **File Type:** Agreement **Agenda Number:** 1.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 16, 2017

SUBJECT: EXPO/CRENSHAW STATION JOINT DEVELOPMENT PROJECT

ACTION: AUTHORIZE EXECUTION OF SHORT TERM EXCLUSIVE NEGOTIATION AGREEMENT AND PLANNING DOCUMENT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a two phase, six-month Short Term Exclusive Negotiation Agreement and Planning Document (Short Term ENA) with Watt Companies, doing business as WIP-A, LLC (Developer) and the County of Los Angeles (County) for the development of 1.77 acres of Metro-owned property and 1.66 acres of County-owned property at the Expo/Crenshaw Station (Site), subject to resolution of protest(s), if any.

ISSUE

In January 2017, Metro and the County released a Request for Proposals (RFP) for joint development of Metro and County-owned parcels at the Expo/Crenshaw Station (see Attachment A - Site Map). On April 20, 2017, Metro and the County received four proposals (see Attachment B - Procurement Summary), and following evaluations, staff recommends entering into a Short Term ENA with Watt Companies, the highest scoring firm. The Short Term ENA will provide an interim period before executing a full term ENA during which community outreach can occur and the project can be further defined based upon community input. In addition, the Developer will be required in the initial three months to identify and enter into a letter of intent with a community-based organization for its participation in the development of the project, including the opportunity for an economic interest in furtherance of the goals of Metro's Joint Development Policy and the Expo/Crenshaw RFP and Development Guidelines (Development Guidelines).

DISCUSSION

Background
On March 26, 2015, the Metro Board of Directors (Board) directed staff to develop a strategic plan for joint development activities along the Crenshaw/LAX Transit Corridor and to work with public sector partners to implement joint development activities on publicly-owned land along the corridor. Completed in June 2015, the Crenshaw/LAX Transit Corridor Joint Development Strategic Plan

identified Metro and County-owned properties at the Expo/Crenshaw Station as a joint development opportunity site which was then included in Metro's Transit Oriented Communities (TOC) Demonstration Program.

Also per Board direction, Metro entered into a Memorandum of Understanding (MOU) with the County, acting through the Community Development Commission of the County of Los Angeles (CDC), to administer the joint development process leading to an integrated project across both the Metro and County properties at Expo/Crenshaw Station. Following extensive community input, Development Guidelines were adopted by the Board in June 2016 and integrated into the RFP.

Expo/Crenshaw Station Opportunity Site
The Site incorporates two properties in the City of Los Angeles: (1) a County Probation Department facility located at 3606 W. Exposition Boulevard (southwest corner of Exposition and Crenshaw Boulevards) which the County plans to vacate to repurpose for transit-oriented development; and (2) a Metro-owned property on the southeast corner of Exposition and Crenshaw Boulevards that currently serves as construction staging for the Crenshaw/LAX Transit Project. Located at the intersection of the Expo Line and the future Crenshaw/LAX Line, the Site has superior regional connectivity to employment and activity centers including Santa Monica, Culver City, USC, Downtown LA and Los Angeles International Airport. The community-driven Development Guidelines for the Site identify the opportunity for a culturally distinct gateway destination and pedestrian-scaled community serving residents and visitors with high quality and local-serving retail uses and a range of housing types, both market rate and affordable. It also identifies opportunities to foster job growth with attractive retail and/or business incubator space, among other goals.

Developer Proposal
The recommended firm's proposal was submitted by WIP-A, LLC, a wholly-owned subsidiary of Watt Companies, a Southern California-based owner/manager/developer with over 70 years of experience. The proposed team includes additional firms exceptionally accomplished in architecture, engineering, urban design, and community engagement. Team members have worked together in smaller combinations on several projects and bring a number of best practices from other notable transit-oriented development projects throughout Southern California.

The Developer's proposal articulates a project vision that fundamentally follows the objectives highlighted in previous community workshops and identified in the Development Guidelines. The proposal contemplates a total of 492 residential units dispersed over both sites, with 73 (15%) of those units restricted to households earning 50% or less of area median income (AMI). Approximately 47,500 square feet of commercial and retail space is envisioned with a grocery store and locally-owned and operated restaurants identified as potential tenants. In accordance with the Development Guidelines, the proposal includes specific strategies for achieving a variety of shared community, County and Metro goals for the Site, including a business incubator-type space aimed at generating economic development benefits and opportunities. Proposed public amenities include a multi-mobility hub with bike and car-share connections to increase transit ridership and support active transportation. The proposal effectively envisions activating public space around the Site by utilizing street vacations to create public plazas leading to ground floor community meeting spaces, and preserves the opportunity for an additional station entrance on the County property to facilitate safe connections between the Crenshaw/LAX and Expo Lines. The proposal has the potential to create an

architecturally iconic gateway and vibrant transit hub to be enjoyed by both existing and future residents and visitors (see Attachment C - Site Plan and Renderings). The Developer's commitment to a robust stakeholder engagement process further aligns with community priorities expressed in the Development Guidelines.

The Metro Joint Development Policy has a number of objectives and goals, one of which is fiscal responsibility. Joint development projects are expected to generate value to Metro, and by extension to the County, based on maximizing ground rent revenues received for use of publicly-owned property. In addition to substantial ground lease rental payments to both Metro and the County, the Developer's proposal also includes a "look-back" provision that would provide a one-time payment to both property owners if the project proves to be more profitable than projected. The Developer also offers both Metro and the County a portion of proceeds derived from the sale or refinancing of the developer ground lease interest and site improvements. The overall proposed financial terms contemplated in the proposal are highly competitive and align with Joint Development Policy goals.

Short Term ENA
Typically, following the proposal solicitation process, a developer is selected to enter into an ENA with Metro for a base term of 18 months during which project refinement and entitlements occur and ground lease transaction terms are negotiated. After careful consideration, staff recommends a two phase, six-month Short Term ENA as an interim step to allow the parties the ability to directly communicate about project scope and team composition, and to have an open dialogue with community stakeholders before committing to a long term ENA. Within the first three months of the Short Term ENA, the Developer will be required to identify and enter into a letter of intent with a community-based organization for its participation in the development of the project, including the opportunity for an economic interest.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety. The eventual implementation of this joint development project at the Expo/Crenshaw Station will offer opportunities to improve safety for transit riders through better pedestrian and bicycle connections.

FINANCIAL IMPACT

A Short Term ENA does not require a Developer deposit as there will be no third party costs at this time. Funding for staff time related to the Short Term ENA and the proposed project is included in the FY18 budget in Cost Center 2210 (Joint Development) under Project 401045 (Expo/Crenshaw JD).

Impact to Budget

Metro project planning activities and related costs will be funded from local right-of-way lease revenues. Local right-of-way lease revenues are eligible for bus/rail operating and capital expenses. Execution of the Short Term ENA will not impact FY 2018 bus and rail operating and capital budget, Proposition A and C, TDA, Measure R or M administration budget.

ALTERNATIVES CONSIDERED

The Board could choose not to proceed with the recommended action and could direct staff to (a) enter into a full long term ENA, (b) continue clarification talks with the Developer outside of an ENA, or (c) prepare and release a new RFP. Staff does not recommend proceeding with these alternatives because the recommended action will ensure the most transparent process with the community and other public sector stakeholders, and appropriately builds upon the significant community input and procurement process that has transpired thus far. A new RFP process would delay the development of the Site, and Metro and the County may fail to take advantage of currently favorable conditions in the real estate market. Further, if the outcome of the discussion during the Short Term ENA process does not create a project proposal suitable to the community, Metro, or the County, other options could still be considered.

NEXT STEPS

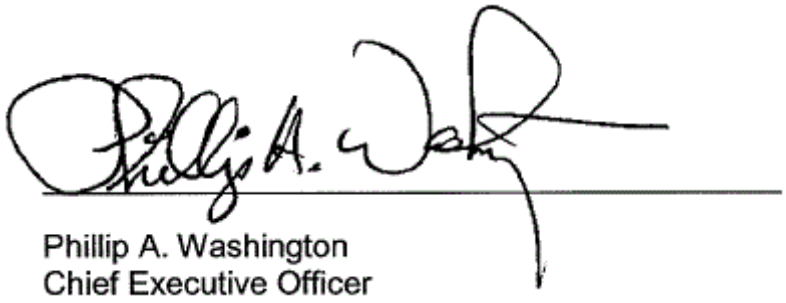
Upon Board approval of the recommended action and corresponding authorization by the County, the Short Term ENA will be executed, and Metro staff, the County and the Developer will commence preliminary negotiations in parallel with community outreach to engage stakeholders in a dialogue about the development proposal. If successful, staff will return to the Board for the authority to execute a full term ENA.

ATTACHMENTS

Attachment A - Site Map
Attachment B - Procurement Summary
Attachment C - Site Plan and Renderings - REVISED

Prepared by: Nicole Velasquez, Principal Transportation Planner, Countywide Planning & Development, (213) 922-7439
Nick Saponara, Deputy Executive Officer, Countywide Planning & Development, (213) 922-4313
Jenna Hornstock, Executive Officer, Countywide Planning & Development, (213) 922-7437
Cal Hollis, Senior Executive Officer, Countywide Planning & Development, (213) 922-7319

Reviewed by: Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051
Therese W. McMillan, Chief Planning Officer, (213) 922-7077
Phillip A. Washington, CEO, (213) 922-7555



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

SITE MAP



ATTACHMENT B

PROCUREMENT SUMMARY

EXPO/CRENSHAW STATION JOINT DEVELOPMENT PROJECT/PS37025000

1.	**RFP Number**: PS37025000	
2.	**Recommended Vendor**: Watt Companies, dba WIP-A, LLC	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP- Joint Development** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: January 10, 2017	
	B. Advertised/Publicized: January 10, 2017	
	C. Pre-proposal/Pre-Bid Conference: January 25, 2017	
	D. Proposals/Bids Due: April 20, 2017	
	E. Pre-Qualification Completed: N/A	
	F. Ethics Declaration Forms Received: April 20, 2017	
	G. Protest Period End Date: October 23, 2017	
5.	**Solicitations Picked up/Downloaded**: 136	**Bids/Proposals Received**: 4
6.	**Contract Administrator**: Brian Selwyn	**Telephone Number**: (213) 922-4679
7.	**Project Manager**: Nicholas Saponara	**Telephone Number**: (213) 922-4313

A. Procurement Background

This Board Action is to approve a Short Term Exclusive Negotiation Agreement and Planning Document (Short Term ENA) with Watt Companies, doing business as WIP-A, LLC and the County of Los Angeles (County) for the development of 1.77 acres of Metro-owned property and 1.66 acres of County-owned property at the Expo/Crenshaw Station. Board approval of the Short Term ENA is subject to resolution of any properly submitted protest.

This project, if approved, will be administered by Metro per the terms of a Memorandum of Understanding entered into by the County and Metro on January 6, 2017.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and will result in a Short Term ENA.

A pre-proposal conference for this RFP was conducted on January 25, 2017 and was attended by 50 people representing 47 firms. Twenty-three questions were asked at the pre-proposal conference and responses were released prior to the proposal due date.

A total of four proposals were received on April 20, 2017.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET), consisting of staff from Metro Joint Development (JD) and Community Relations, the City of Los Angeles, the County of Los Angeles, and a community-based organization was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

- Vision, Scope and Design 35 percent
- Development Team Experience and Financial Capacity 30 percent
- Financials 20 percent
- Implementation 15 percent

The evaluation criteria are appropriate and consistent with criteria developed for other similar Joint Development procurements. Several factors were considered when developing these weights, giving the greatest importance to the vision, scope and design, and team experience and financial capacity to undertake the work of this project.

All four proposals were determined to be within the competitive range and are listed below in alphabetical order:

1. APPA Real Estate LLC
2. Crenshaw Corridor Ventures LP
3. NCNvision, LLC
4. Watt Companies, dba WIP-A, LLC

During the week of May 29, 2017, the PET met and interviewed the firms. The firms' project managers and key team members had an opportunity to present each teams' qualifications and respond to the PET's questions. 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 work plans and perceived project issues. Each team was asked questions relative to each firm's proposed alternatives and previous experience.

Qualifications Summary of Firms within the Competitive Range

WIP-A, LLC

WIP-A, LLC is a wholly-owned subsidiary of Watt Companies, a privately-held, for-profit Southern California-based developer formed in 1947.

The development team also includes Belzberg Architects, RELM (landscape architecture), Nelson/Nygaard (transportation), Harley Ellis Devereaux (design),

Arup (engineering), BuroHappold (sustainability), Ross Group (outreach), and Allan Kotin & Associates (P3 and real estate).

The proposer has constructed and manages a number of large-scaled, mixed use projects in the Los Angeles area. The proposer has established long-term relationships with financial institutions and has demonstrated its ability to assemble financing for other similarly scaled real estate transactions.

APPA REAL ESTATE LLC

APPA Real Estate LLC (APPA) is a privately-held, for-profit Santa Monica real estate investment and development company formed in 2013.

The development team for the proposal also includes Retirement Housing Foundation (RHF) (affordable senior housing developer), Ankrom Moisan Architects (architecture), and SWA Group (landscape architecture).

Although principals have experience on large, public-private partnerships, APPA as a firm has limited independent experience delivering projects of comparable scale and complexity to what is proposed. RHF has a demonstrated track record in developing and managing affordable housing projects.

CRENSHAW CORRIDOR VENTURES LP

Crenshaw Corridor Ventures LP (Crenshaw Corridor LP) is a California Limited Partnership composed of West Angeles Community Development Corporation, a 501 (c)(3) non-profit community development corporation formed in 1994 in affiliation with the West Angeles Church of God in Christ, and Integral Development LLC, a privately-held, for-profit Atlanta-based developer formed in 1993.

The development team also includes Killefer Flammang Architects, AE3 Partners (design and construction administration), Duane Border (landscape architecture), e7 Architecture Studio (sustainability), Dan Rosenfeld (land use consulting), Charles Dunn (real estate leasing), Concord Group (market analysis), Curton Dunsmuir (building contracting), and T.R.U.S.T. South LA (mobility).

The development team has a track record of delivering both large-scale development (Integral) and local, community-based development (West Angeles CDC). The strength of the team was offset by relatively low scoring in proposed development program/vision and financial offer as highlighted later in this report.

NCNVISION, LLC

NCNvision, LLC (NCNvision) is a Special Purpose Entity consisting of NVision Development Group, LLC, National CORE and Capri Investment Group. National CORE (affordable housing developer) and the Los Angeles-based private development firm NVision Development Group would serve as co-developers of the project.

The development team also includes Capri Investment Group (financial partner), Build Group (construction manager), QDG Architecture (design), Hart Realty Advisors (project management), and Nuvis Architecture (landscape architecture).

NVision Development Group, LLC has limited experience delivering projects of comparable scale and complexity to what is proposed. Co-developer National CORE has a demonstrated track record in developing and managing an extensive portfolio of affordable housing projects.

Summary of Proposed Development Programs[1]

Each proposer was required to submit a table with gross square footage for each proposed use, including public and private open space, market rate and affordable housing units, retail or office space, parking, and any other information relevant to the development program. This information is summarized below.

Residential

	WIP-A, LLC	APPA	CRENSHAW CORRIDOR LP	NCNvision
Residential Units (#)	**492**	**375**	**406**	**500**
# units 30% AMI	-	-	51	-
# units <50% AMI	73	-	-	-
# units <60% AMI	-	125	17	177
% Affordable Units <60% AMI[2]	**15%**	**33%**	**17%**	**35%**
# units <80% AMI	-	-	-	68
# units <120% AMI	-	-	22	-
# units <140% AMI	-	-	-	-
% Moderate Units	**-**	**-**	**5%**	**14%**

[1] The Development Program is based on proposal submissions. The recommended proposal is preliminary and subject to change during the transaction negotiation.
[2] Per Metro Joint Development Policy, units qualifying as "affordable" are restricted to households earning 60% or less of the Area Median Income (AMI) as defined by the California Tax Credit Allocation Committee (TCAC).

Non-Residential Uses

	WIP-A, LLC	APPA	CRENSHAW CORRIDOR LP	NCNvision
Office (SF)	-	93,925	-	-
Retail/Dining (SF)	47,500	56,372	42,250	109,882
Community Facility (SF)	12,500	5,329	9,000	40,000
Parking (on-site spaces)	591	406	282	356
Bicycle Storage	542	1,340	420	120
Public Open Space (SF)	126,670	43,500	76,407	67,155

Summary of Proposed Funding and Financial Terms[3]

Each proposer was required to submit the anticipated sources of proposed project funding. Proposers were also required to submit financial officers to Metro and the County which included key financial information such as ENA fee, lease period, rents at all stages of development, and any other terms proposers would like to offer. To further evaluate each proposal, financial projections were calculated to assess the value of each offer and are summarized below.

Funding Sources Ratios

	WIP-A, LLC	APPA	CRENSHAW CORRIDOR LP	NCNvision
Equity	39.5%	33.3%	16.8%	18.3%
Conventional Debt	60.5%	50%	65.8%	44.6%
Competitive Grants	-	16.7%	14.8%	37.1%
Other	-	-	2.6%	-

Site A Financial Terms (County)

	WIP-A, LLC	APPA	CRENSHAW CORRIDOR LP	NCNvision
Ground Lease Term and Options	66 years	65+17+17 years	66 years	99 years
ENA Fee	$25,000	$275,000[4]	$25,000	$25,000
Holding/Construction/Lease-Up	$641,070	$500,000	$ -	$511,712
NPV of Ground Rent Over Term[5]	$25,957,880	$12,094,454	$1,559,389	$19,435,692
Potential Additional Rent	Yes[6]	No	No	Yes
Participation Sale/Refinance	Yes	Yes	Yes	No

[3] The Funding and Financial Terms are based on proposal submissions. The recommended proposal is preliminary and subject to change during the transaction negotiation. The Board will consider final terms as part of the proposed Ground Lease approval.
[4] Refundable under certain conditions.
[5] Projected net present value (in 2018 dollars) of ground rents to be received by the County over the lease duration, beginning with the first stabilized year of operation using a 4% discount rate.
[6] "Look-back" provision that would provide a one-time payment to the County in the event the project proves to be more profitable than projected.

Site B Financial Terms (Metro)

	WIP-A, LLC	APPA	CRENSHAW CORRIDOR LP	NCNvision
Ground Lease Term and Options	65 years	65+17+17 years	66 years	60+39 years
ENA Fee	$25,000	$275,000[7]	$25,000	$25,000
Holding/Construction/Lease-Up	$641,070	$500,000	$325,000	$609,113
NPV of Ground Rent Over Term[8]	$24,676,819	$12,094,454	$6,665,086	$20,696,740
Potential Additional Rent	Yes[9]	No	Yes	Yes
Participation Sale/Refinance	Yes	Yes	Yes	No

[7] Refundable under certain conditions.

[8] Projected net present value (in 2018 dollars) of ground rents to be received by Metro over the lease duration, beginning with the first stabilized year of operation, using a 4% discount rate.

[9] "Look-back" provision that would provide a one-time payment to Metro in the event the project proves to be more profitable than projected.

A summary of the PET's scores is below.

1	WIP-A, LLC	Average Score	Factor Weight	Weighted Average Score	Rank
2	Vision, Scope and Design	78.67	35.00%	27.53	
3	Development Team Experience and Financial Capacity	78.33	30.00%	23.50	
4	Financials	79.44	20.00%	15.89	
5	Implementation	77.92	15.00%	11.69	
6	**Total**		**100.00%**	**78.61**	**1**
7	**APPA**				
8	Vision, Scope and Design	76.50	35.00%	26.78	
9	Development Team Experience and Financial Capacity	66.94	30.00%	20.08	
10	Financials	66.39	20.00%	13.28	
11	Implementation	71.25	15.00%	10.69	
12	**Total**		**100.00%**	**70.83**	**2**
13	**Crenshaw Corridor LP**				
14	Vision, Scope and Design	70.33	35.00%	24.62	
15	Development Team Experience and Financial Capacity	76.67	30.00%	23.00	
16	Financials	66.67	20.00%	13.33	
17	Implementation	63.33	15.00%	9.50	
18	**Total**		**100.00%**	**70.45**	**3**
19	**NCNvision**				
20	Vision, Scope and Design	65.00	35.00%	22.75	
21	Development Team Experience and Financial Capacity	60.56	30.00%	18.17	
22	Financials	63.33	20.00%	12.67	
23	Implementation	56.67	15.00%	8.50	
24	**Total**		**100.00%**	**62.09**	**4**

C. Background on Recommended Developer

The recommended firm, WIP-A, LLC, is a wholly owned subsidiary of the Watt Companies (Watt). Watt was established in 1947 and has grown into one of the largest owners, managers, and developers of commercial and residential real estate on the West Coast. Watt offers a broad range of services and solutions, including building and development, investment, advisory and asset management. Throughout its history, it has successfully developed properties in partnership with land owners and institutional partners. The senior members at Watt Companies have more than 150 collective years of industry experience. The firm owns and manages a real estate portfolio of $1.5 billion. Two examples of local projects in which Watt played a major role are Crenshaw Plaza, a 139,000 square foot neighborhood retail center located at the southeast corner of Crenshaw Blvd. and Slauson Ave. in Los Angeles, and Renaissance at Inglewood, a master planned community in the City of Inglewood featuring 375 single family detached homes.

The proposed team assembled by WIP-A includes firms with experience in architecture, engineering, urban design, community outreach, and public/private partnerships. Belzberg Architects has a diverse portfolio of design projects in the USA, Canada, and Mexico. RELM (formerly Melendrez) is a landscape architecture and urban design firm responsible for notable projects such as Blossom Plaza adjacent to the Gold Line Chinatown Station. Nelson/Nygaard Consulting Associates, Inc., founded in 1987, is an internationally recognized firm committed to developing comprehensive transportation systems. Harley Ellis Devereaux (HED) was founded in 1908, and has a large portfolio of mixed-use urban infill developments. Arup is a global design and business consulting firm with technical engineering expertise. BuroHappold Engineering delivers design solutions for environmentally friendly buildings, communities and organizations. Allan Kotin has over 50 years in public/private joint ventures. The Ross Group provides strategic planning and public meeting coordination services, and staff members have held prominent leadership positions in the Crenshaw Chamber of Commerce and the Crenshaw Family YMCA. Team members have worked together in smaller combinations on several projects, and bring a number of best practices from other notable transit-oriented development projects throughout Southern California.

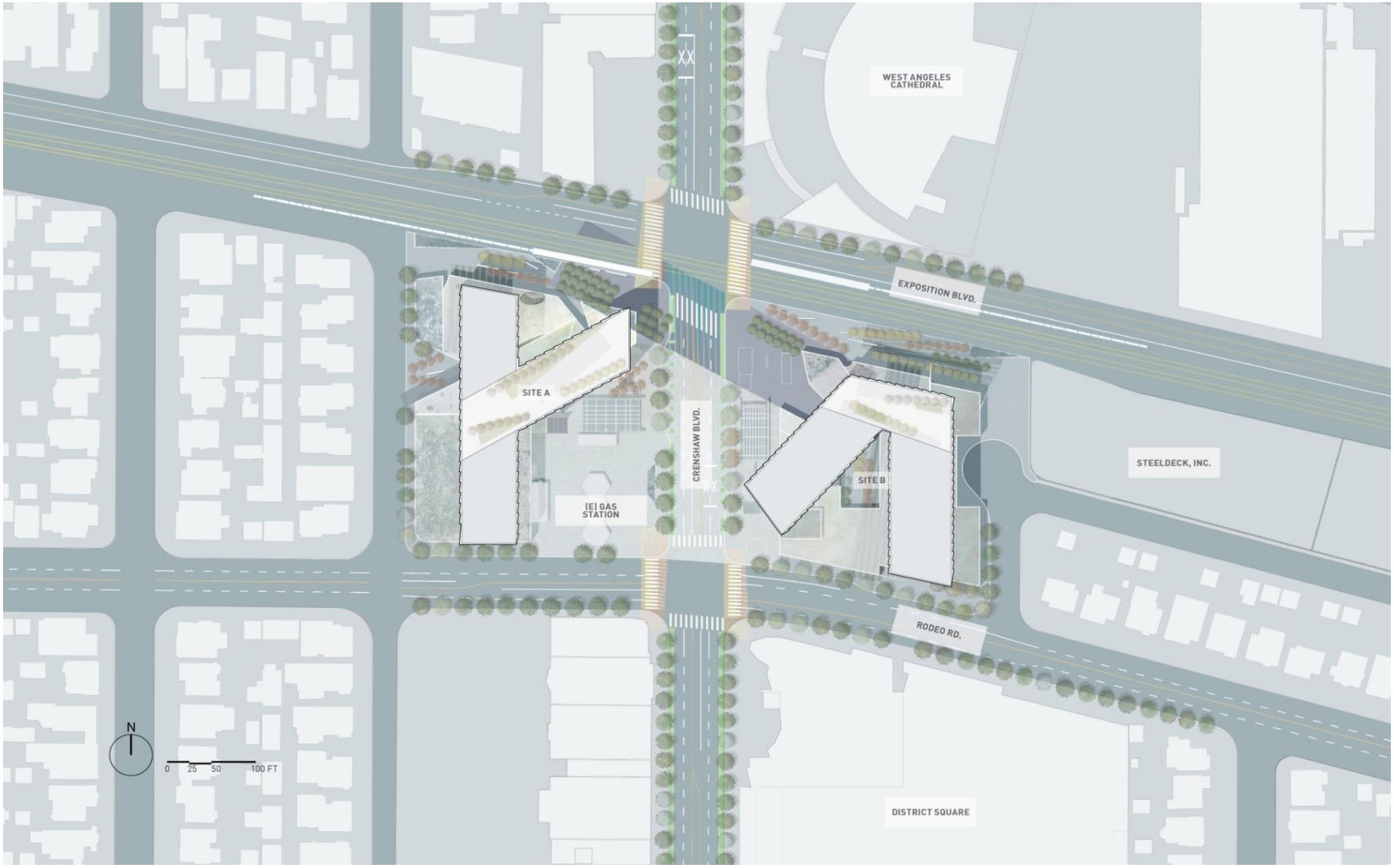
D. DEOD Summary

Metro encourages Development Teams to create opportunities to include Small Business Enterprise (SBE), Disadvantaged Business Enterprise (DBE) and Disabled Veteran Business Enterprise (DVBE) firms in their projects, through professional or construction services.

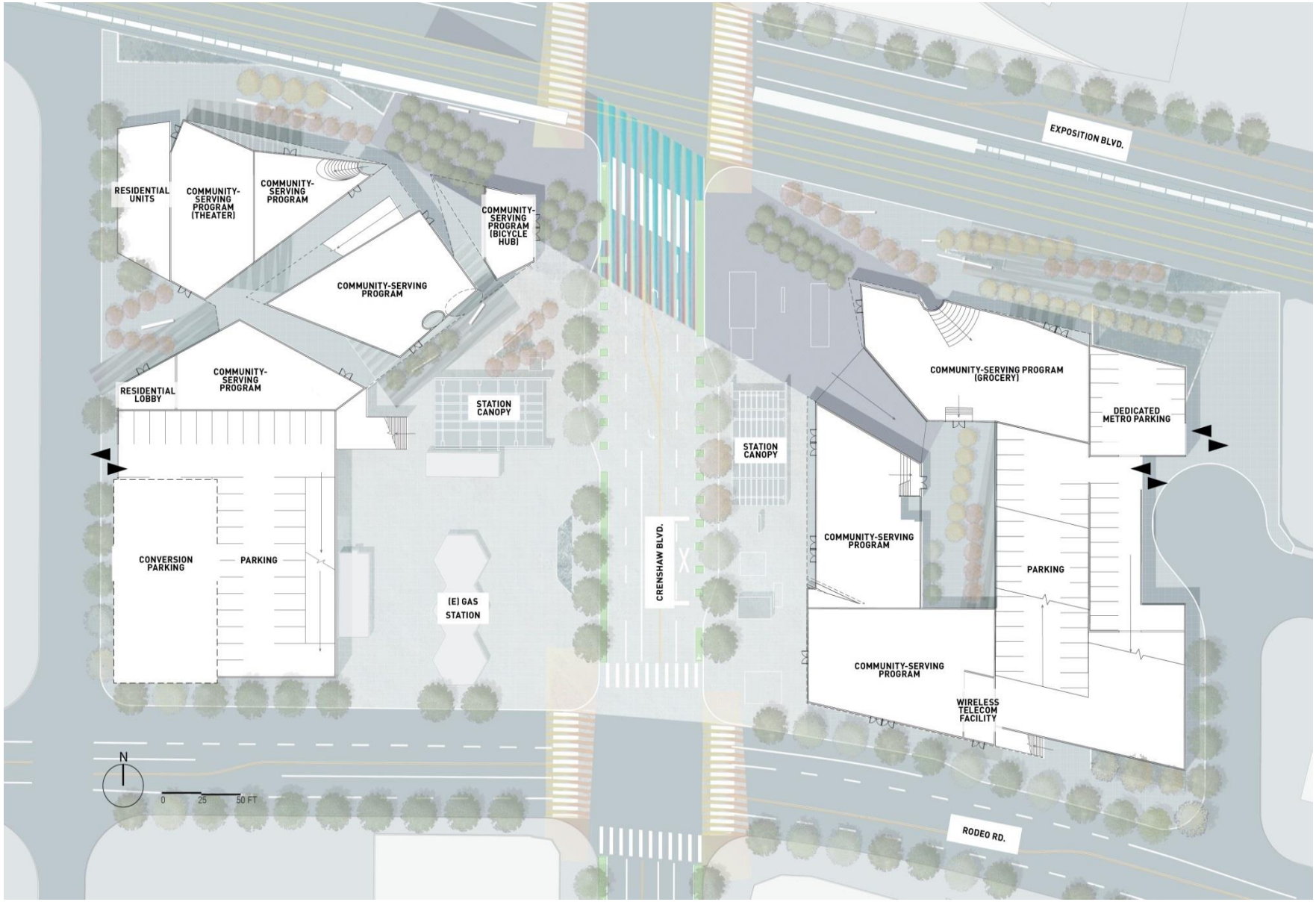
WIP-A, LLC, the developer and manager of the project, is a majority woman-owned business enterprise. The team also includes RELM, a Metro-certified SBE firm which specializes in landscape architectural services.

ATTACHMENT C - REVISED

SITE PLAN AND RENDERINGS



Site Plan



Ground Level Floor Plan

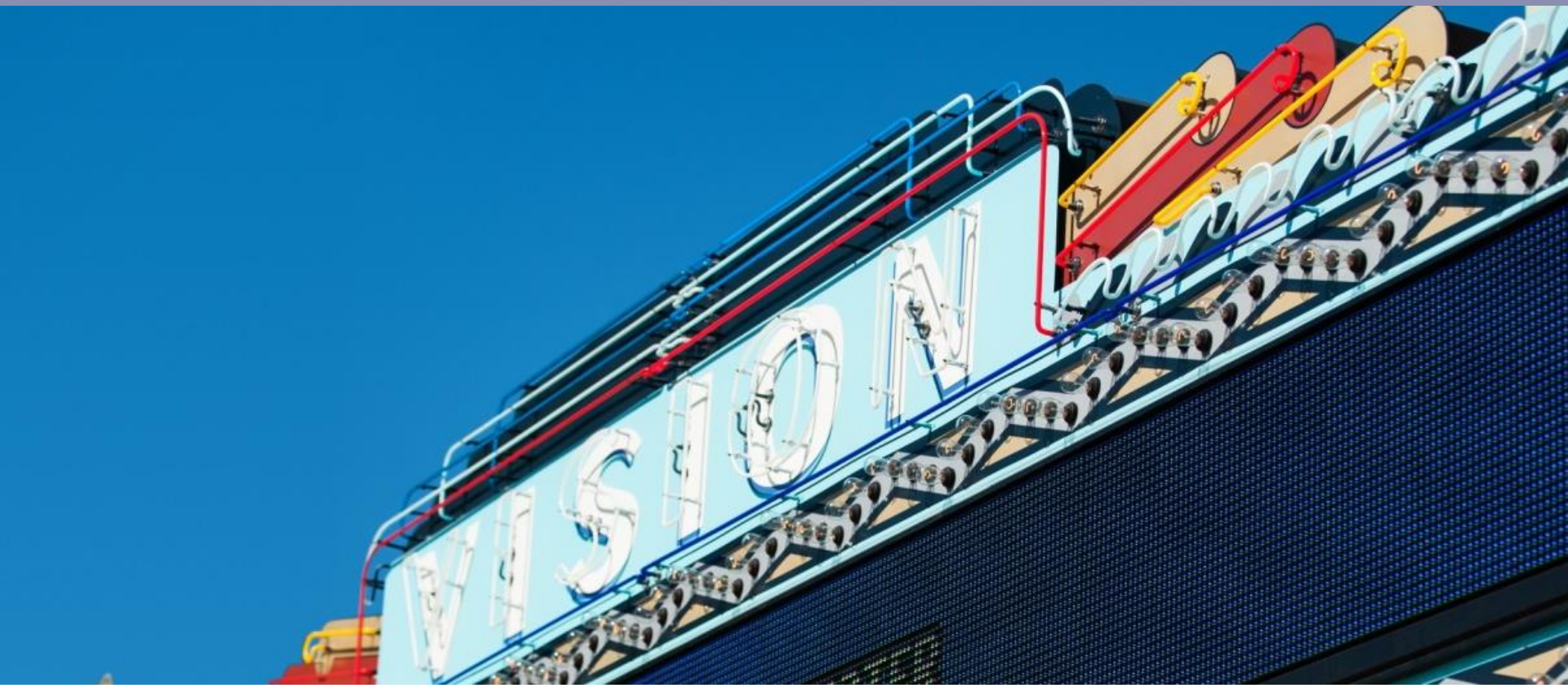


Perspective looking south



View of ground floor retail, Site B

Expo/Crenshaw Joint Development Project



Executive Management Committee

November 16, 2017

Agenda Item 12

Metro

Recommendations

- **Enter into a two-phase, six-month Short Term ENA with Watt Companies, dba WIP-A, LLC**
  - Perform community outreach
  - Refine project based on community input
  - Identify additional community based partnerships
    - Letter of Intent with a CBO for participation in Project required within first three months

Metro

Expo/Crenshaw Joint Development Site

SITE A

Owner: Los Angeles County
Site: 1.66 acres
Use: County Probation Department

SITE B

Owner: Metro
Site: 1.77 acres
Use: Construction Staging



Metro

Expo/Crenshaw Development Guidelines

1. A culturally distinct and iconic gateway
2. Walkable, safe community with open space
3. High-quality and local-serving uses/retail
4. Mixed-income housing
5. Foster community job growth
6. Sufficient parking
7. Ongoing community input



Metro

Evaluation

Process

- January 2017 – RFP Issued
- April 2017 – Four proposals received
- May/June 2017 – interviews, requests for clarifications
- July 2017 – invitation to submit final offer (top three firms only)
- August – final offers received, scoring completed

Watt Companies - Proposal Strengths

- Most responsive to Development Guidelines
- 70 years of experience including 25 year presence along Crenshaw Corridor
- Team members have worked on other notable TOD and urban infill sites
- Demonstrated capacity to deliver project
- Strongest financial offer

Metro

Proposed Project

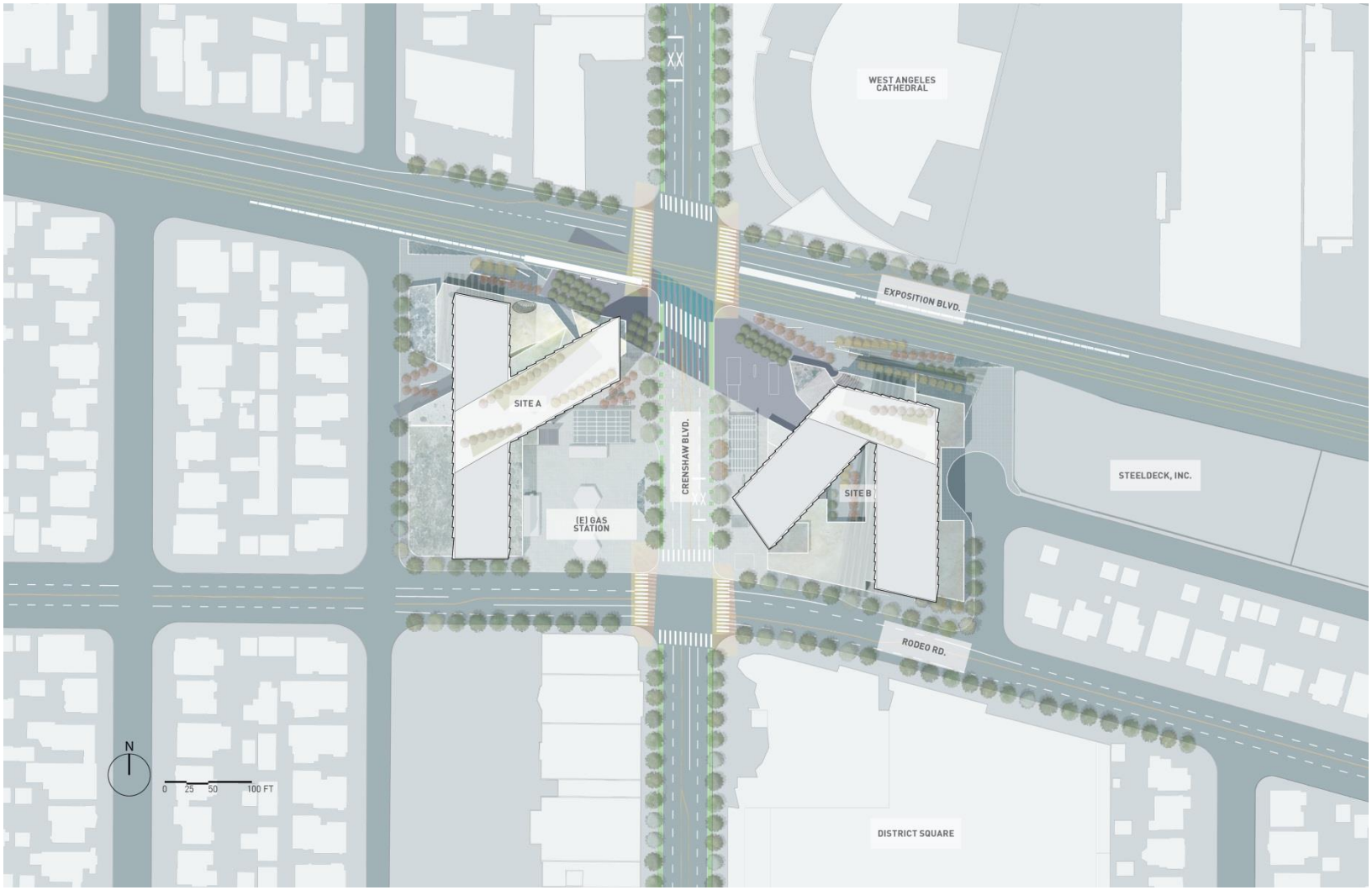
- 492 total residential units, 73 units (15%) affordable at 50% AMI
- 47,500 SF commercial/retail space
  - Grocery store, locally-owned and operated restaurants
  - 12,500 SF of community serving space and business incubator-type facilities
  - Auditorium and mobility hub/bike station facility
  - Nearly 3 acres of open space



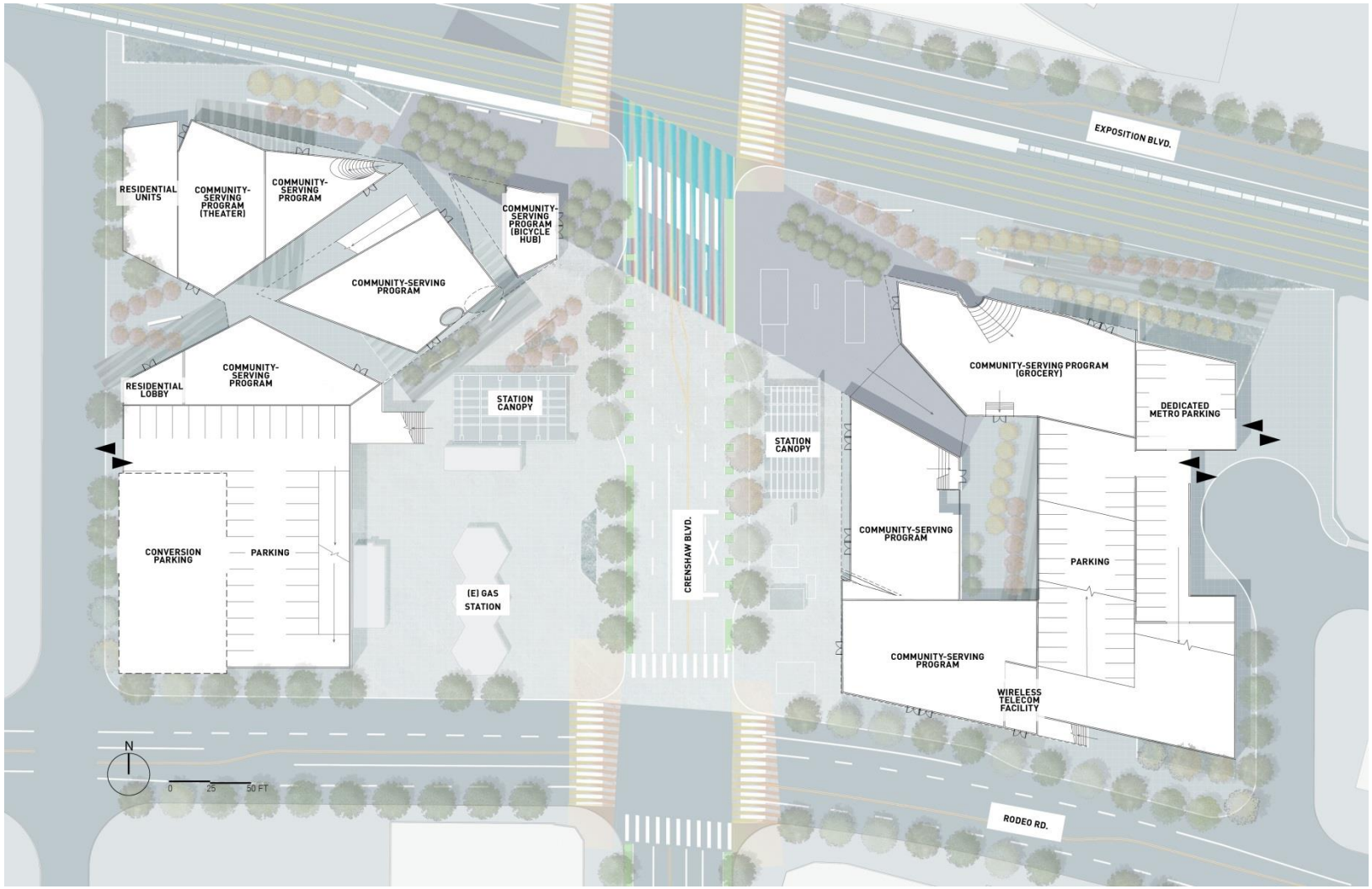
Perspective looking south down Crenshaw Boulevard

Metro

Site Plan


WEST ANGELES CATHEDRAL
EXPOSITION BLVD.
SITE A
CRENSHAW BLVD.
SITE B
STEELDECK, INC.
(E) GAS STATION
RODEO RD.
DISTRICT SQUARE
N
0 25 50 100 FT

Ground Floor Plan



Next Steps

- December 2017 - County Board of Supervisors to consider Short Term ENA
- Early 2018 – Initiate community outreach; enter into formal community partnership(s)
- Spring/Summer 2018 – Return to Metro and County Boards for authorization to enter into a full term ENA if Short Term ENA objectives and requirements are met



View of ground floor retail, Site B

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

File #: 2017-0585, **File Type:** Agreement **Agenda Number:** 15.

**PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 15, 2017**

SUBJECT: CALTRANS PARK & RIDE LOTS

ACTION: AUTHORIZE ACQUISITION OF LAKEWOOD AND NORWALK CALTRANS PARK & RIDE LOTS THROUGH A RELINQUISHMENT PROCESS

RECOMMENDATION

AUTHORIZE:

A. acquisition of Lakewood and Norwalk Park & Ride Lots through execution of a Relinquishment Agreement; and

B. execution of a Memorandum of Understanding with Caltrans to enable a potential future joint development at El Monte Station on Caltrans-owned land.

ISSUE

Metro has negotiated a Relinquishment Agreement with Caltrans that would transfer ownership of two park & ride lots at Norwalk and Lakewood Green Line Stations (respectively the “Norwalk Lot” and “Lakewood Lot”) and potentially portions of the El Monte Transit Center to Metro. Maps of these lots are included in Attachment A, and the terms of the Relinquishment Agreement are detailed in Attachment B. This transfer of ownership would be at no cost to Metro, except for reimbursement of $150,000 for Caltrans staff time on the project and as described below for the El Monte potential joint development site. The park & ride lots would retain the restrictions that require the lots to be used for park & ride purposes unless otherwise approved by the Federal Highways Administration (“FHWA”).

In addition, in pursuit of a potential future acquisition of the park & ride lot at the Aviation Green Line Station (“Aviation Lot”) through relinquishment, staff has estimated the amount of $200,000 for additional environmental analysis to determine the environmental conditions at the property.

DISCUSSION

Limited Maintenance Services through Encroachment Permit
Metro currently provides limited maintenance services for 41 Caltrans park & ride locations (53 lots, as some locations have multiple lots), maps and lists of which are included in Attachment A. (Caltrans owns and therefore is responsible for maintenance, but Metro, in the absence of adequate

maintenance by Caltrans, obtained the right in 2012 to perform trash hauling, power sweeping, and graffiti removal for these lots through an Encroachment Permit with Caltrans.) A 42nd park & ride location at El Monte Transit Center is maintained through a joint use agreement where Metro has full maintenance responsibilities and obligations. At the October Board meeting the Board approved a new operations and maintenance agreement that provides Metro with more comprehensive maintenance rights for 17 park and ride lots, including Lakewood and Norwalk.

Initial Interest
During the past several years, Metro staff has explored acquisition of park & ride lots from Caltrans. Previous Board action (January 2014, Board Report Item 73) directed staff to pursue acquisition of 41 Caltrans park & ride locations. That Board report provided a prioritization of the lots based on their utility and proximity to transit. The highest priority lots were determined to be the lots along the Silver and Green Lines that were adjacent to Metro transit.

Environmental Contamination
Staff conducted Phase I environmental analyses on 15 of the 17 transit-served lots in 2013. (At that time, the Silver Line did not serve San Pedro and Harbor Park Lots which it now serves.) The Phase I assessments found recognized environmental conditions (RECs) at all of the 15 locations except for two: Lakewood and Norwalk Lots. The Harbor Gateway Lot was determined to be contaminated in the Phase I analysis conducted by Metro consultants, as it is a former landfill, for which Caltrans is responsible for environmental monitoring. However, Caltrans engineers did not concur with the findings of the Phase I analysis so it remains open and has not been certified.

Operations and Maintenance Agreement
In September 2017, the Board approved amendments to Operations & Maintenance (“O&M”) Agreement with Caltrans for the I-110 and I-105 Freeways that result in maintenance rights and responsibilities for the park & ride lots. These amendments give Metro much of the responsibility and control of ownership without a fee interest in the title of the properties.

Recent Updates
Over the last year, the priority lots adjacent to transit were examined more closely. Of those lots, Norwalk, Lakewood, Aviation and Harbor Gateway are the lots with the highest parking demand, and were therefore further prioritized among the adjacent lots.

In negotiating with Caltrans for the relinquishment of these four higher priority lots, Caltrans has not been willing to indemnify Metro for any contamination. Therefore, Metro staff is recommending the following:

Lot	Environmental Condition	Recommendation
Lakewood	No RECs	Acquire now
Norwalk	No RECs	Acquire now
Aviation	One REC	Conduct Phase II analysis
Harbor Gateway	Former landfill, no consensus on Phase I	No acquisition; Maintain with O&M

No RECs were discovered for Norwalk and Lakewood Lots, so acquisition is relatively low risk. If contamination were found in the future, Metro may bear the responsibility for remediation. The Aviation Lot Phase I analysis revealed one REC, and therefore requires additional environmental analysis, including geotechnical borings, for a Phase II analysis. Harbor Gateway Lot is a former landfill. Because Caltrans will not indemnify Metro for the environmental conditions, staff has discontinued pursuit of Metro ownership at that location.

Staff could also pursue Phase II analyses at other high demand lots with limited RECs. In addition, there are two lots along the I-110 Freeway that were not analyzed in 2013 because they were not then served by the Silver Line. Staff could pursue Phase I analyses at the San Pedro and Harbor Park lots. However, parking demand is relatively low at those two locations so further study is not recommended at this time.

Relinquishment Process
For the two properties recommended to be acquired, staff is pursuing a Relinquishment process which allows Caltrans to transfer properties to other public agencies at no cost, as long as they continue to be used for public purposes and retain all of their federal and state use restrictions. This process has recently been made available to transportation agencies for park & ride facilities (in addition to local jurisdictions for streets and roads) by the 2015 Fixing America's Surface Transportation ("FAST") Act.

Federal and State Restrictions
Because these lots were acquired with funding from FHWA, federal restrictions apply. If patrons are charged for parking at these lots, the amount of revenue received from parking may not exceed the cost to maintain the lots. FHWA prohibits any commercial activity aside from vending machines on federal-funded properties. In addition, according to Caltrans policy, any changes to the parking areas may not decrease the number of available spaces. In order to remove FHWA and Caltrans restrictions from the lots, the lots would need to be purchased at fair market value. This is not recommended at this time.

I-105 Consent Decree
When the I-105 Freeway was built, a Consent Decree was imposed by the US District Court, requiring ten park & ride lots at prescribed locations and rapid transit installed along the I-105 to mitigate the impacts of the freeway on the community, including the Lakewood and Norwalk lots. The Green Line light rail and the associated park & ride lots are all a product of that Consent Decree. The Consent Decree does not specify the number of parking spaces that are required at each of these locations. Metro has been advised not to reopen the Consent Decree and therefore to continue to provide parking at all locations. However, Metro has also been advised that a transfer of property rights from Caltrans to Metro would not be a violation of or require re-visitation of the Consent Decree.

Lots within Freeway ROW
Portions of the Norwalk Lot are within the freeway right-of-way (ROW), meaning that the I-105 Freeway travels directly over the lots. Caltrans must retain ownership rights to those portions of the lot in order to maintain and operate the freeway. Metro will maintain and operate the entire park & ride lot using the fee ownership for the portion outside of the freeway ROW and the authority granted by the O&M Agreement executed in October 2017 for the portion under the freeway ROW.

El Monte Transit Center
Metro's use of the Caltrans-owned portion of the El Monte Transit Center is governed through a series of agreements dating back to 1971. Under those agreements, Metro has full operations and maintenance responsibility and the agreements contemplated potential acquisition by Metro and joint development on the site. The El Monte Transit Center area has been designated as a Transit Oriented Communities Demonstration Program Site, and Metro joint development staff has been working with the City of El Monte to develop a plan to implement the City's vision for Santa Anita Avenue. Metro has received an unsolicited proposal to develop a portion of the Santa Anita frontage of Metro and Caltrans property and that proposal is under review. The proposed Board action requested would authorize the CEO to finalize negotiations with Caltrans to formalize a valuation process for the portion of the Caltrans site that may be included in a joint development project. This site would be valued at fair market at the time Metro decided to go forward with joint development. It is anticipated that Metro would only acquire the joint development site as part of a joint development agreement that would first come forward to the Board. The Board action would also authorize Metro to negotiate and execute an agreement with Caltrans for the relinquishment of the balance of the Caltrans site for public transportation purposes at no cost to Metro at such time as Metro desired to acquire the joint development site. Attachment C shows a map of the El Monte Transit Center, the area of the potential joint development site and the property currently owned by Caltrans. The Board is asked to take the El Monte related actions today to provide more certainty in the Joint Development acquisition process with Caltrans.

DETERMINATION OF SAFETY IMPACT

The relinquishment of the Caltrans lots will have no direct impact on safety. It may allow Metro to secure park & ride lots more effectively, having a potential benefit to safety.

FINANCIAL IMPACT

Impact to Budget

The relinquishment of the Lakewood and Norwalk Lots will cost $150,000 for the reimbursement of Caltrans staff time. The additional environmental analysis will cost $200,000. The total impact on the FY2018 Budget will be $350,000, to be addressed through the mid-year budget process. These actions will be funded with local funds which are eligible for bus and rail capital and operations. They will be budgeted in Cost Center 4510, Project 405107.

ALTERNATIVES CONSIDERED

The Board could choose to take no action and continue to maintain the Lakewood and Norwalk Lots without ownership, and to not pursue additional environmental analysis at the Aviation Lot. This alternative would not be in accordance with previous Board direction.

NEXT STEPS

Upon approval of recommendations, staff will finalize negotiations with Caltrans for the

relinquishment of the Lakewood Lot and the portions of the Norwalk Lot that are outside of the freeway ROW. This will involve obtaining approval by Caltrans in Sacramento and approval by the California Transportation Commission. Staff will also negotiate and execute a Cooperative Agreement with Caltrans to reimburse them for their staff time.

In addition, staff will initiate the Phase II analysis of the Aviation Lot and report back to the Board with findings. If the park & ride lot is not significantly contaminated, staff will recommend relinquishment of the Aviation Lot under the same terms negotiated for the Lakewood and Norwalk Lots.

ATTACHMENTS

Attachment A - Maps of Park & Ride Lots
Attachment B - Terms of the Relinquishment Agreement
Attachment C - Map of El Monte Transit Center

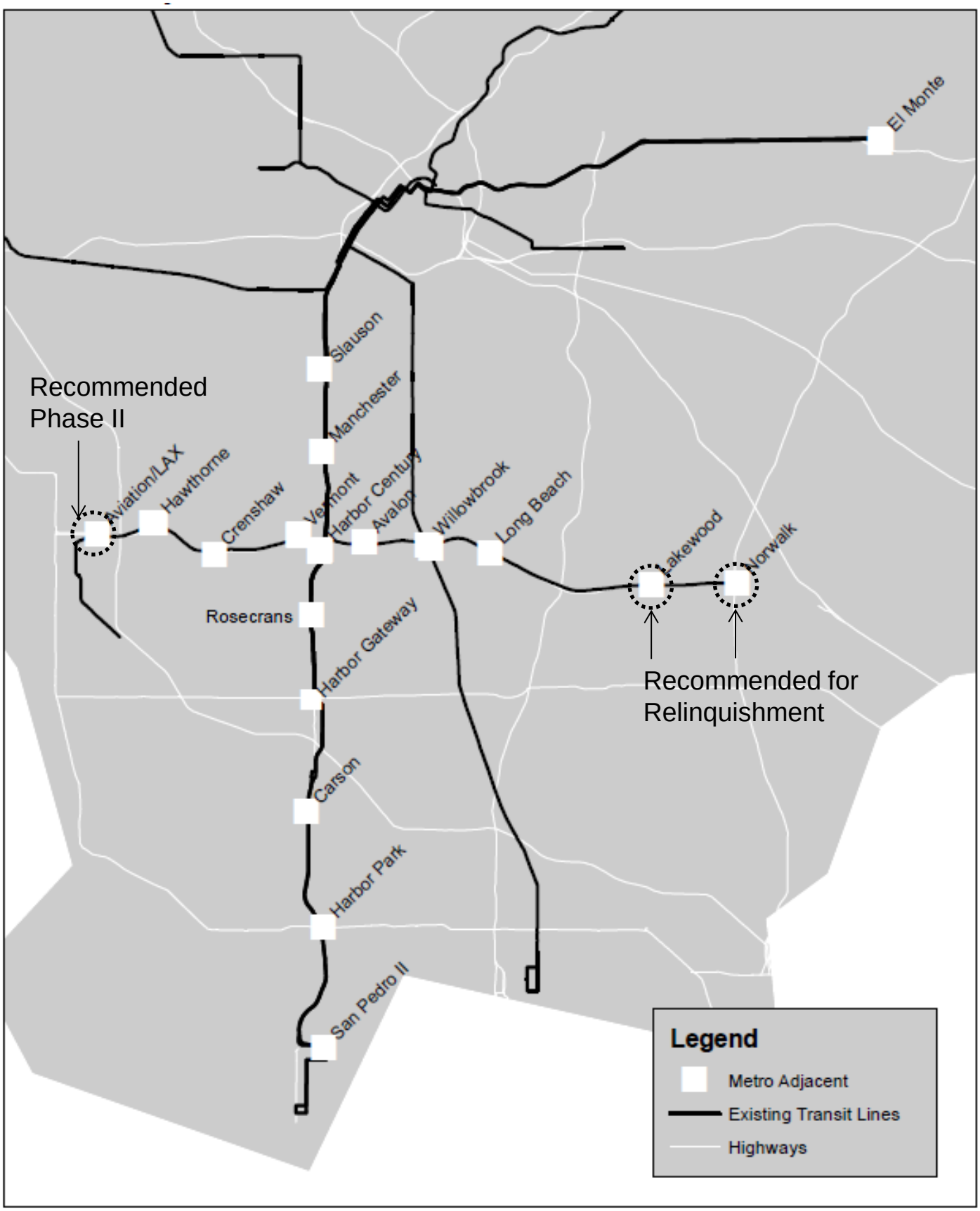
Prepared by: Marie Sullivan, Manager, Transportation Planning, Countywide Planning & Development, (213) 922-5667
Calvin Hollis, SEO, Countywide Planning & Development, (213) 922-7319

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A – MAPS OF PARK & RIDE LOTS



Norwalk Lot – Recommended for Relinquishment



Lakewood Lot – Recommended for Relinquishment



Aviation Lot – Recommended Phase II analysis



Attachment B – Terms of Relinquishment Agreement

LACMTA responsibilities:

1. To operate and maintain the lots at no additional cost to Caltrans.
2. To maintain the same number of parking spaces that are currently present.
3. To provide parking spaces at a “minimum cost” to patrons (parking price may not exceed maintenance costs).
4. To maintain ownership of lots as long as the facility is needed for public purpose.
5. To never transfer ownership of a lot that was fully or partially funded by federal funds or located within Freeway ROW, to a non-governmental entity without prior written approval of the Federal Highway Administration (FHWA).
6. To allow properties to be re-conveyed to Caltrans at no cost if the properties are needed for a highway purpose.
7. To accept the lots in their existing environmental condition and to indemnify Caltrans of future environmental issues.

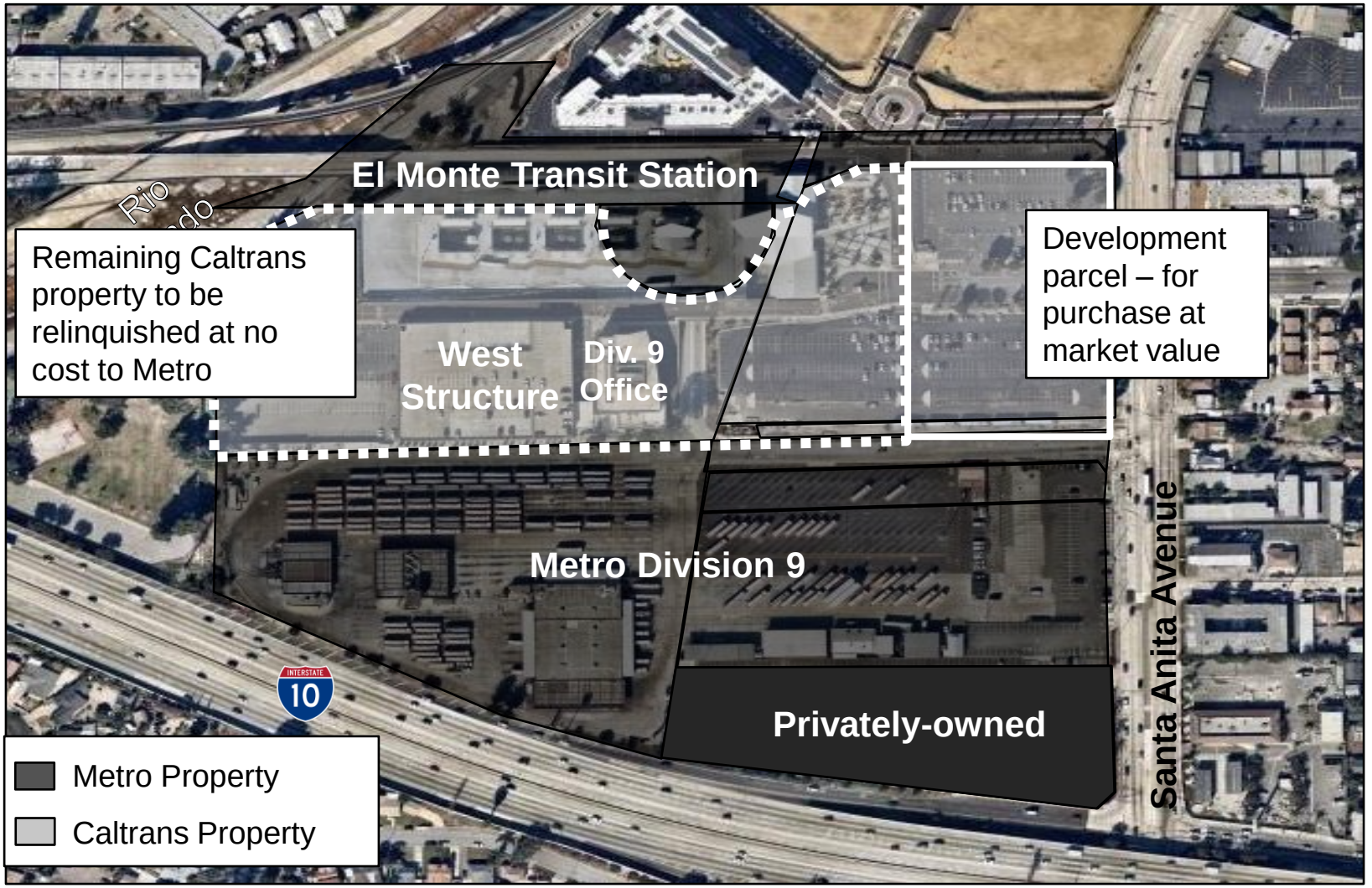
Caltrans responsibilities:

1. To relinquish upon CTC’s approval.
2. To provide LACMTA with all documentation about the lots.

Mutual responsibilities:

1. Caltrans reserves the right to enter to modify signage, drainage, and other reasonable improvements for a state highway purpose as long as they do not affect LACMTA’s use of the lots.
2. Metro will allow Caltrans and assignees access through the Lakewood Lot to maintain the telecommunications facility, coordinated through Metro Parking Management.

Attachment C – El Monte Transit Center Station



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

File #: 2017-0616, **File Type:** Program **Agenda Number:** 17.

**PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 15, 2017**

SUBJECT: FY 2017 FEDERAL HOMELAND SECURITY AND STATE PROPOSITION 1B SECURITY PROJECTS

ACTION: APPROVE PROGRAMMING RECOMMENDATION AND RELATED ACTIONS

RECOMMENDATION

CONSIDER:

A. APPROVING programming of up to $13.557 million from fiscal year (FY) 2017 federal Department of Homeland Security Transit Security Grant Program (TSGP) and state Proposition 1B California Transit Security Grant Program (Prop 1B Transit Security) funds that are available for eligible capital and operating transit security projects, as shown in Attachment A; and

B. ADOPTING the required FY 2017 resolution, as shown in Attachment B, authorizing the Chief Executive Officer to execute any actions necessary for obtaining state financial assistance that the California Office of Emergency Services (Cal OES) may provide.

ISSUE

The Board of Directors must approve the programming of $13.557 million in federal and state transit security grant funding for the eligible capital and operating projects, before we can begin to draw down such funding according to grant guidance. The funding will be applied towards construction of the Metro Security Emergency Operations Center, referred to as the Emergency Operations Center (EOC) in the grant. In addition, it will implement actions to address vulnerabilities at operating and maintenance facilities, including during special events, emerging threats and heightened states of alert.

DISCUSSION

In June 2017, the Department of Homeland Security announced the availability of $88 million nationwide through the Transit Security Grant Program for projects that directly support transportation infrastructure security activities through a competitive application process. Metro applied for funds and was awarded $675,000 in Homeland Security grants. In October 2016, the State Controller's Office also notified Metro that it was allocated $12.882 million under the FY 2017 state Proposition 1B Transit Security Program for eligible transit system safety, security and disaster response capital

projects. The Board of Directors must approve the programming of $13.557 million combined for eligible capital and operating projects, before Metro is permitted to draw down funds according to grant guidelines.

Federal TSGP Funding

Federal TSGP funding may be used for protecting critical infrastructure within our transit system from terrorism, especially explosives and non-conventional threats that would cause major loss of life and severe disruption within the greater Los Angeles region. Since 2004, we have received an estimated $66 million in federal transit security funds. These grants have been used to harden subway security, enhance bus facility surveillance, operate random patrols throughout the transit system, and provide terrorist awareness training for the majority of the transit staff. The $675,000 available in FY 2017 TSGP funding is recommended to be programmed for transit security activities shown in Attachment A. These FY 2017 TSGP federal funds must be encumbered and expended by August 31, 2020, and we anticipate expending the entire grant amount by end of FY 2019, but possibly sooner if needed.

State Proposition 1B Funding

In November 2006, California voters approved Proposition 1B (Prop 1B), which authorized $19.925 billion of state general obligation bonds for specified transportation purposes, including transit modernization and transit safety and security improvements. Under Prop 1B, the state established the $600 million, Transit Security Program (also referred to as the California Transit Security Grant Program - California Transit Assistance Fund (CTSGP-CTAF)). An annual allocation of $16.1 million was approved for Metro for 10 years. In previous years, we have programmed, applied for, and received a total of $145 million for Metro security and safety projects. The $12.882 million available in FY 2017 Prop 1B Transit Security funding is recommended to be programmed for the project shown in Attachment A. Presently, the project is funded with seven years of Prop 1B grant allocations and approximately $98 million was approved in prior years. This final allocation amount of $12.822 million was less than planned due to lower than expected bond proceeds being received by the state. This had caused a revenue shortfall in the EOC's funding plan that was assumed in the approved Life of Project Budget. Staff has identified remaining balances from past year Prop 1B grant-funded transit security projects that came in under budget that can be transferred to the EOC project to help fill the funding gap. But staff will need to identify other local fund sources to complete the current funding plan as noted in Attachment C or determine whether the project cost can be reduced. FY 2017 Transit Security state bond funds must be encumbered and expended by March 31, 2019.

DETERMINATION OF SAFETY IMPACT

The implementation of these federal and state funded transit security projects will improve safety. In particular, the state funding will be allocated towards the building of the new Emergency Operation Center, which would allow continued operations and a safer system for our employees and patrons.

FINANCIAL IMPACT

No expenses for the projects listed in Attachment A are included in the FY 2018 Budget; however, $675,000 of funding will be identified for current fiscal year use through the annual mid-year budget process for FY18. The remaining funds of $12.882 million for the Prop 1B-funded project will be included in future year budgets. As this is a multi-year project, Cost Center 2610 will be accountable

for budgeting for costs required in future years. Given that the final year allocation of Prop 1B funds was less than planned, staff will develop a plan to address the $1.8 million funding gap noted in Attachment C.

Impact to Bus and Rail Operating and Capital Budget

The funds programmed by this action will be identified via the mid-year budget process and come from federal and state transit security funds to finance the eligible operating and capital projects shown in Attachment A. These funds are not eligible for bus and rail operations.

ALTERNATIVES CONSIDERED

The Board of Directors may choose not to program funding or approve the related resolution. We do not recommend these options because without Board approval, we cannot access the $13.557 million in available federal and state transit security funds for the needed transit security projects shown in Attachment A.

NEXT STEPS

With Board approval, we will process the necessary documents with the appropriate awarding agency to secure up to $13.557 million in transit security funds available. We also will work to ensure timely implementation of the project and monitor grant compliance activities.

ATTACHMENTS

Attachment A - FY 2017 TSGP and Prop 1B Project List
Attachment B - Governing Body Resolution
Attachment C - Transit Security Project Funding Tables

Prepared by: Diego Ramirez, Manager Transportation Planning, Grants Management & Oversight, (213) 922-2468
Cosette Stark, DEO, Countywide Planning & Development, (213) 922-2822
Laurie Lombardi, Sr. EO, Countywide Planning & Development, (213) 418-3251

Reviewed by: Therese W. McMillan, Chief Planning Officer, Executive Office Countywide Planning & Development, (213) 922-7077



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

PROGRAM $13.6 Million

FY 2017 Department of Homeland Security - Transit Security Grant Program ($000)

Project	Total
Sustainment of Specialized Law Enforcement Teams, to prevent and mitigate current and/or potential threat of terrorism Rapid increase (surge) of law enforcement presence and response for peak and non-peak operational periods. The funding will allow law enforcement and their specialized teams such as Threat Interdiction Units, Special Policing Unit, Counter-Terrorism and Special Operations Bureau and Los Angeles Strategic Extraction and Restoration Program to increase the number of officers to conduct operations for special events and emerging threats or heightened states of alert received from the intelligence community that impact the Metro System.	**$675**
Total Programming Request	**= $675**

Fiscal Year 2017 Prop 1B California Transit Security Grant Program ($000)

Project	Total
Metro Emergency Operations Center The Emergency Operations Center (EOC) project will provide and offsite EOC for Metro.	**$12.882**
Total Programming Request	**= $12.882**

ATTACHMENT B

Los Angeles County Metropolitan Transportation Authority

Board Resolution

For FY 2016-17 California Transit Security Grant Program – California Transit Assistance Fund

WHEREAS, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorizes the issuance of general obligation bonds for specified purposes, including, but not limited to, funding made available for capital projects that provide increased protection against security and safety threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems; and

WHEREAS, the California Governor's Office of Emergency Services (Cal OES) administers such funds deposited in the Transit System Safety, Security, and Disaster Response Account under the California Transit Security Grant Program (CTSGP); and

WHEREAS, the Los Angeles County Metropolitan Transportation Authority is eligible to receive CTSGP funds; and

WHEREAS, the Los Angeles County Metropolitan Transportation Authority will apply for FY2016-17 CTSGP funds in an amount up to $12,882,441 for the Emergency Operations Center (EOC) project that will support the purpose of the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 by completing construction of a new EOC in order to improve Metro's ability to coordinate and respond to emergencies affecting operations of the transportation system due to terrorist threats/attacks, civil disturbance or natural disasters; and

WHEREAS, Los Angeles County Metropolitan Transportation Authority recognizes that it is responsible for compliance with all Cal OES CTSGP grant assurances, and state and federal laws, including, but not limited to, laws governing the use of bond funds; and

WHEREAS, Cal OES requires Los Angeles County Metropolitan Transportation Authority to complete and submit a Governing Body Resolution for the purposes of identifying agent(s) authorized to act on behalf of Los Angeles County Metropolitan Transportation Authority to execute actions necessary to obtain CTSGP funds from Cal OES and ensure continued compliance with Cal OES CTSGP assurances, and state and federal laws.



THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY THAT PHILLIP A. WASHINGTON, CHIEF EXECUTIVE OFFICER AND/OR HIS DESIGNEE, is hereby authorized to execute for and on behalf of the Los Angeles County Metropolitan Transportation Authority, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining financial assistance provided by the California Governor's Office of Emergency Services under the CTSGP.

Passed and approved this 30th day of November, 2017.

Certification

I, Michele Jackson, duly appointed and Board Secretary of the Los Angeles County Metropolitan Transportation Authority, do hereby certify that the above is a true and correct copy of a resolution passed and approved by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority on the 30th day of November, 2017.

_____

MICHELE JACKSON
Board Secretary

_____

(Date)

Los Angeles County
Metropolitan Transportation Authority

Metro

ATTACHMENT C

TRANSIT SECURITY PROJECT FUNDING TABLES

Specialized Law Enforcement Team Sustainment

Project Cost $	$675,000
Cost Type	Estimated Cost

Revenue

Funding Source	Type	Amount	Status
Federal	Homeland Security - TSGP	$675,000	Approved
Total Revenue		**$675,000**	

Emergency Operations Center

Project Cost $	$112,700,000
Cost Type	LOP

Revenue

Funding Source	Type	Amount	Status
State	Prop 1B – Prior Year Awards	$97,984,445	Approved
State	Prop 1B – FY17 Award	$12,882,441	Approved
Local	Metro Local	$1,833,114	Planned
Total Revenue		**$112,700,000**	

File #: 2017-0679, **File Type:** Contract **Agenda Number:** 18.

PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 15, 2017

SUBJECT: STATE ACTIVE TRANSPORTATION PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award and execute a 36-month firm fixed price Contract No. PS44597000 to Evan Brooks Associates, Inc. to prepare 37 grant applications and 56 additional grant applications and greenhouse gas analysis tasks in the amount of $2,170,485 to support Metro and local jurisdiction grant applications to discretionary state funding opportunities, subject to resolution of protest(s), if any.

ISSUE

At its October 2017 meeting, the Metro Board approved the State Active Transportation Program (ATP) Cycle 4 Priorities Framework. To advance Board-adopted priorities that best align with ATP priorities and criteria, the framework established a strategic approach to selecting Metro projects to apply to the ATP and directing grant assistance for ATP Cycle 4. This priorities framework supersedes and replaces the February 2016 ATP Grant Assistance Policy. The framework establishes direction for that portion of grant writing assistance that would be directed to ATP Cycle 4 grants. Note, however, that the grant assistance would also be extended to key state discretionary programs as described herein.

This report recommends that the Board authorize the CEO to approve a contract for these services. Over the past three years, a total of $168.6 million has been awarded to LA County jurisdictions and Metro projects through Metro grant assistance for the ATP; Metro anticipates similar positive impact with services funded by this Contract.

DISCUSSION

On August 3, 2017, Metro staff released a Request for Proposals for a consultant to provide grant-writing assistance for state discretionary grant programs including the ATP, Transit and Intercity Rail Capital Program (TIRCP), Road Repair and Accountability Act of 2017 (SB 1) Programs, and other programs to be identified. The Scope of Services (SOS) sought a consultant team with experience and knowledge in various project types and modes in order to secure a team with the capability to prepare applications for any of the various projects for which Metro may pursue funding. Grant

assistance to other local jurisdictions for the ATP is also included in the SOS.

Anticipated tasks include: reviewing grant program guidelines, supporting project selection, researching, documenting, and presenting data on project need and benefits, preparing draft applications, and preparing and submitting final applications.

DETERMINATION OF SAFETY IMPACT

The recommendations in this report will provide resources to seek funding to improve safety, comfort, and convenience to Metro customers who would benefit from state-supported investments including active transportation, public transit, and goods movement projects.

FINANCIAL IMPACT

The State Policy and Programming Unit has budgeted $900,000 in FY 2018 for grant assistance under this Contract. Because this is a multi-year contract, the Chief Planning Officer will be responsible for budgeting funds for grant assistance in future years.

Impact to Budget

Approving the staff recommendations will have no impact on the FY 2018 Budget. Funds for grant assistance have already been budgeted in the FY 2018 Budget for Cost Center 4420 under Project 405510, Task 05.05.01. This contract will be funded by Prop A, C and TDA admin funds and STIP PPM funds, which are not eligible for bus and rail operations and capital. Funds obtained for first/last mile projects will offset the need for resources to implement the Countywide First/Last Mile Priority Network.

ALTERNATIVES CONSIDERED

The Board could consider not supporting a continuation of grant writing assistance for state discretionary funding programs. That is not recommended, as SB1 has established multiple new discretionary programs in addition to the current State ATP funding opportunities. Past grant assistance has enhanced Metro and LA County applicants' success in securing competitive grant awards. In response to Board interest, special focus is directed to assisting smaller jurisdictions that might not otherwise participate in the programs.

NEXT STEPS

Upon Board approval of these recommendations, staff will:

November 2017 - Release a Letter of Interest solicitation requesting project sponsors to nominate projects for grant assistance

December 2017 - Execute Contract No. PS44597000 with Evan Brooks Associates, Inc. for grant assistance services

January to June 2018 - Manage grant-writing contract and assist with project sponsor coordination

January 2019 - Return to the Board with ATP program recommendations for approval

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: Shelly Quan, Senior Transportation Planner, Countywide Planning & Development, (213) 922-2476
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Wil Ridder, EO, Countywide Planning & Development, (213) 922-2887
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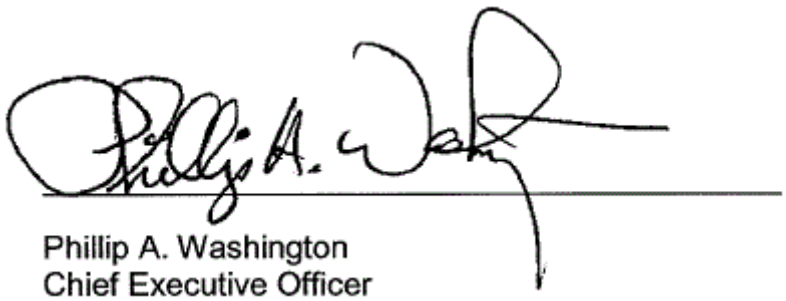
Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

STATE ACTIVE TRANSPORTATION PROGRAM / PS44597000

1.	**Contract Number**: PS44597000	
2.	**Recommended Vendor**: Evan Brooks Associates, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: August 3, 2017	
	B. Advertised/Publicized: August 3, 2017	
	C. Pre-Proposal Conference: August 15, 2017	
	D. Proposals Due: September 15, 2017	
	E. Pre-Qualification Completed: November 1, 2017	
	F. Conflict of Interest Forms Submitted to Ethics: October 25, 2017	
	G. Protest Period End Date: November 17, 2017	
5.	**Solicitations Picked up/Downloaded**: 23	**Bids/Proposals Received**: 3
6.	**Contract Administrator**: Brian Selwyn	**Telephone Number**: (213) 922-4679
7.	**Project Manager**: Shelly Quan	**Telephone Number**: (213) 922-3075

A. Procurement Background

This Board Action is to approve Contract No. PS44597000 issued in support of Metro's Countywide Planning Department which requires assistance in preparing new grant applications and revising or rewriting existing, previously submitted applications. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposal (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. The RFP was issued as a Small Business Set-Aside and was only open to SBE certified firms.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 29, 2017, included a revised Scope of Services and revised Evaluation Criteria. The Scope of Services was revised to update the project milestone schedule. The Evaluation Criteria was revised to remove the Partnering with Small Business criterion that was not applicable.

A pre-proposal conference, held on August 15, 2017, was attended by seven participants representing six firms. There were 17 questions asked and responses were released prior to the proposal due date.

A total of 23 firms downloaded the RFP and were included in the planholder's list. A total of three proposals were received on September 15, 2017.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Countywide Planning Department was convened and conducted a comprehensive technical evaluation of the proposals received.

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

- Quality of Consultant Proposal 45 percent
- Project Experience and Staff Available 40 percent
- Price 15 percent

Several factors were considered when developing these weights, giving the greatest importance to Quality of Consultant Proposal.

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

1. Chen Ryan Associates, Inc. (CRA)
2. Estolano LeSar Perez Advisors (ELP)
3. Evan Brooks Associates, Inc. (EBA)

The PET members independently evaluated and scored the technical proposals from September 20, 2017 to October 16, 2017.

On October 16, 2017, the PET conducted interviews with the three firms. The firms had an opportunity to present their proposed project manager, the team's qualifications, and respond to the PET's questions. More specifically, the firms were asked to present a focused presentation describing their plans for carrying out the work specified in the subject Scope of Services.

The final scoring after interviews determined EBA to be the highest rated proposer.

Qualifications Summary of Firms within the Competitive Range:

Evan Brooks Associates, Inc. (EBA)

EBA brings together grant writers, land use and transportation planners, sustainability experts, geographic information systems mapping specialists, greenhouse gas analysts, outreach facilitators, and urban graphic designers from the public, non-profit, and private sectors to focus on creating livable communities with mobility choices. Over nearly a decade, EBA has secured approximately $133

million in local, regional, state, and federal grant funding for 44 cities and regional planning agencies in Los Angeles County. EBA has also prepared several active transportation plans for cities in Los Angeles County. EBA has worked in a grant-writing capacity with Metro as part of the 2016 grant assistance consultant team which prepared several successful applications to the programs included in the statement of work for this contract. In their proposal, EBA brings together the same firms who contributed in that endeavor, plus two additional firms to form a team with the direct experience and additional capacity needed to serve Metro's grant-writing needs. EBA and subcontractors Stantec Consulting Services, Inc., Deborah Murphy Urban Design + Planning and WSP will provide grant-writing and technical support services. Subcontractor Safe Routes to School National Partnership will provide quality assurance for grant applications.

Chen Ryan Associates, Inc. (CRA)

CRA was established in November 2011 and provides a full service approach to transportation planning, operations, and design in Southern California. In the past few years, CRA has led several successful grant applications and secured funds in the fields of planning, design, and construction for Southern California local agencies through federal, state, and regional grants. For their proposal, CRA assembled firms that worked together as part of the 2015 Metro grant assistance effort and added two subcontractor firms. While the proposed team, as a whole, has experience with Metro and the programs included in the statement of work for this solicitation, CRA's work plan did not strongly communicate the team's readiness to take on all of the programs involved in this project in a timely manner.

Estolano LeSar Perez Advisors (ELP)

ELP Advisors has expertise in housing, workforce and economic development, sustainability, transportation, and community engagement, with a focus on research and development in those areas. ELP has worked under contract with the Southern California Association of Governments and the California Strategic Growth Council to provide technical and grant writing assistance for applicants to the state Affordable Housing and Sustainable Communities Program. While the proposed team generally has experience with the programs delineated in the statement of work for this solicitation, given the current grant application deadlines, the team did not demonstrate sufficient direct experience or capacity to provide for the scale of Metro's grant assistance needs at this time.

Following is a summary of the PET evaluation scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Evan Brooks Associates, Inc.**				
3	Quality of Consultant Proposal	84.44	45.00%	37.99	
4	Project Experience and Staff Available	80.83	40.00%	32.33	
5	Cost	97.27	15.00%	14.59	
6	**Total**		**100.00%**	**84.91**	**1**
7	**Chen Ryan Associates, Inc.**				
8	Quality of Consultant Proposal	78.89	45.00%	35.50	
9	Project Experience and Staff Available	88.33	40.00%	35.33	
10	Cost	73.80	15.00%	11.07	
11	**Total**		**100.00%**	**81.90**	**2**
12	**Estolano LeSar Perez Advisors**				
13	Quality of Consultant Proposal	81.11	45.00%	36.50	
14	Project Experience and Staff Available	75.00	40.00%	30.00	
15	Cost	100.00	15.00%	15.00	
16	**Total**		**100.00%**	**81.50**	**3**

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical analysis, fact finding, and scope of services discussions.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated Amount
1.	EBA	$2,170,485.22	$2,252,124.00	$2,170,485.00
2.	ELP	$2,110,715.56		
3.	Chen Ryan	$2,858,885.50		

D. Background on Recommended Contractor

The recommended firm, EBA, located in Pasadena has been in business for nearly a decade and has experience in the fields of grant writing and management solutions for public sector agencies. The team of EBA consists of subcontractors Stantec

Consulting Services Inc, Safe Routes to School National Partnership (SRTSNP), Deborah Murphy Urban Design + Planning (DMUDP), and WSP USA, Inc. (WSP). EBA's Project Manager (PM) has over 15 years of experience leading complex, multijurisdictional active transportation and grant projects. The PM has served on other Metro contracts including Metro's Rail to Rail/River Active Transportation Corridor Project Alternative Analysis – Segment B and as the EBA lead on the 2016 Metro grant assistance effort. The lead for Stantec has over 12 years of experience in urban planning, real estate strategy, and architecture and served as Deputy PM for the 2016 Metro grant assistance effort. The lead for DMUDP has over 20 years of experience in urban design/planning and grant preparation for public agencies, and had a 100 percent success rate for applications prepared through the 2016 Metro grant assistance effort. The WSP lead specializes in securing federal discretionary grant funds and developing funding strategy plans. The WSP lead has led preparation of applications to the federal FASTLANE grant program and worked with Metro on the financial plan for the Westside Purple Line Extension Section 3. The SRTSNP lead has over 20 years of experience in the nonprofit world writing, contributing to, and editing grant proposals and currently serves as the program and policy director for the Safe Routes to School National Partnership.

EBA, DMUDP and Stantec provided 2016 Metro grant assistance effort that successfully secured $172.6 million in grant funding for Metro and local jurisdiction projects.

DEOD SUMMARY

STATE ACTIVE TRANSPORTATION PROGRAM / PS44597000

A. Small Business Participation

Effective June 2, 2014, per Metro's Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute a Small Business Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro's website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to **SBE Certified Small Businesses Only**.

Evan Brooks Associates, Inc., an SBE Prime, made a 39.21% SBE commitment, performing 34.42% with its own workforce. The prime also listed two (2) major firms, Stantec Consulting Services, Inc. and WSP USA, Inc., as non-SBE subcontractors on this project.

SMALL BUSINESS PRIME (SET-ASIDE)

	SBE Contractors	**% Committed**
1.	Evan Brooks Associates, Inc. (Prime)	34.42%
2.	Deborah Murphy Urban Design + Planning	4.79%
	Total Commitment	**39.21%**

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.

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

Metro

Board Report

File #: 2017-0629, **File Type:** Contract **Agenda Number:** 21.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 16, 2017

SUBJECT: PURCHASE OF PRODUCTION RAIL TAMPER

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

CONSIDER:

A. FINDING the only responsive responsible bid for acquisition of a Production Rail Tamper under Public Utilities Code (PUC) section 130232 has been rejected due to the lack of competition and the equipment may be purchased at a lower price on the open market (PUC §130233); and

B. AUTHORIZING the Chief Executive Officer to award a firm fixed price Contract no. OP42642000 with Plasser American Corporation, on the open market pursuant to PUC §130233, for one Production Rail Tamper in the amount of $3,378,292, inclusive of sales tax.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

ISSUE

This procurement is for the replacement of a Metro owned and operated rail tamping machine. A rail tamping machine is used to "tamp" stone ballast underneath and around rail track for proper track leveling and support. This equipment is required to support the track maintenance of light and heavy rail track throughout the Metro system. The current machine has been in operation since 1995. In the last several years it has experienced reduced reliability and has now surpassed its useful life and requires replacement.

Staff recommends awarding the rail tamper machine contract through a negotiated process rather than a bid. Although a formal solicitation was attempted, only one bidder made an offer and that bid price was not deemed fair and reasonable. However, through cost analysis and negotiation Metro was able to obtain a significant price reduction from the bid price. Through market survey staff found no evidence that a re-solicitation would result in a better outcome.

DISCUSSION

The new machine is a heavy duty, high performance switch and production tamping machine. It is a multifunctional machine with fully automatic track lifting, lining, and cross leveling capabilities. It is specially designed for high density transit commuter lines with tight radius curves. The production rail tamper is designed to properly align the track and has the capability of lifting the rails to ensure that the ballast beneath the ties is level and compacted for maximum support.

The purchase of the production rail tamper will provide the Metro Track Maintenance Department with the necessary equipment for the consistent, timely and effective maintenance of Metro light and heavy rail track systems for the next 15-20+ years. In addition, Plasser American Corporation will provide training to the Metro employees in order to operate the machine as well as perform preventive maintenance, troubleshooting, inspections and repairs.

DETERMINATION OF SAFETY IMPACT

The purchase of the new equipment will provide Metro with an advanced state-of-the-art system that includes an acoustically insulated, climate controlled and air pressurized cabin to reduce noise and eliminate particulates, thus maximizing operator safety. Finally, the new equipment will facilitate the timely maintenance of rail track to ensure the safe and quiet operation on Metro light and heavy rail trains.

FINANCIAL IMPACT

The recommendation for award is $3,378,292. The funding is included in Cost Center 3790 Maintenance Administration; Project 208082 and 208091 Rail Equipment; Account 53106, Acquisition of Service Vehicle. The delivery of the equipment is scheduled for up to 16 months after the date of award.

Impact to Budget

The source of funds for this procurement will come from Federal, State and local funding sources including sales tax and fares that are eligible for Rail Operating or Capital Projects. They will maximize fund use given funding allocation provisions.

ALTERNATIVES CONSIDERED

Staff considered leasing equipment and/or contracting out tamping services, but it was found cost prohibitive and therefore not recommended. Production tamping is an in-house task currently performed by ATU contract personnel. Contracting out this service would conflict with the Metro/ATU Collective Bargaining Agreement.

The alternative of retaining the existing rail tamper for primary track tamping is not recommended. Diminished reliability, high maintenance costs, unavailability of spare parts and frequent repairs over the past several years has rendered the use of the existing tamping machine a poor alternative for

continued operation.

Not purchasing the recommended rail production tamper will significantly reduce the ability of the Metro Track Maintenance Department to effectively maintain the Metro light and heavy rail track systems. Further, the expanding maintenance requirements of the Metro track system and the expansion of Metro light rail track requires Metro to purchase a new, reliable and effective piece of equipment to ensure cost-effective, timely maintenance of the Metro system for the next 20 years.

NEXT STEPS

Following the authorization and execution of the Contract, the vendor will begin the manufacturing process and provide Metro with a production schedule to identify milestones consistent with the scheduled delivery of the equipment 16 months after the award of the Contract.

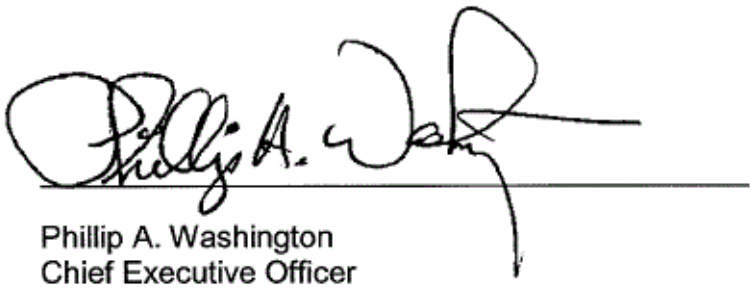
ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: Daniel Ramirez, Sr. Director, Non-Revenue Fleet Maintenance, (213) 922-9233

Remi Omotayo, DEO, Wayside Systems Engineering & Maintenance, (213) 922-3243

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

PURCHASE OF PRODUCTION RAIL TAMPER / OP42642000

1.	**Contract Number**: OP42642000	
2.	**Recommended Vendor**: Plasser American Corporation	
3.	**Type of Procurement (check one):** ☒ **IFB** ☐ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: 07/07/2017	
	B. Advertised/Publicized: 07/07/2017	
	C. Pre-Bid Conference: 07/13/2017	
	D. Bids Due: 09/07/2017	
	E. Pre-Qualification Completed: 09/13/2017	
	F. Conflict of Interest Form Submitted to Ethics: 09/11/2017	
	G. Protest Period End Date: 11/17/2017	
5.	**Solicitations Picked up/Downloaded**: 7	**Bids Received**: 1
6.	**Contract Administrator**: Aryani L. Guzman	**Telephone Number**: 213-922-1387
7.	**Project Manager**: Dan Ramirez	**Telephone Number**: 562-658-0231

A. Procurement Background

This Board Action is to approve Contract No. OP42642000 issued in support of the light and heavy track maintenance throughout the Metro's rail system.

Invitation for Bid (IFB) No. OP42642 was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

Two amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on August 1, 2017, revised bid due date;
- Amendment No. 2, issued on August 4, 2017, new requirements were issued.

One bid was received on September 7, 2017.

B. Evaluation of Bids

Metro received one bid from Plasser American Corporation (Plasser American).

As a result of receiving a single bid, in accordance with Metro's Acquisition Policy and Public Utility Code §130233, the solicitation was canceled and staff entered into negotiations for a non-competitive contract with Plasser American. Accordingly, staff was required to obtain cost data from Plasser American to conduct a formal cost analysis. In addition to the cost analysis being performed, Metro's project management and technical staff members conducted a technical evaluation of the proposed direct labor hours, labor categories, and on the bill of material associated

with the rail tamper equipment. These elements were found to be technically acceptable, as well as Plasser American being found to be overall technically acceptable.

Metro conducted a market survey to determine the reasons for only receiving one bid. One potential bidder indicated it did not manufacture the rail tamper equipment but wanted to offer a re-built rail tamper which Metro's Technical Specification prohibited. Another potential bidder requested material changes to Metro's technical specifications which were not acceptable. There was adequate time to respond with a formal price bid with additional time authorized via a formal Amendment to the IFB. None of the firms interviewed expressed any concerns regarding restrictions in Metro's specification requirements.

Plasser American was determined to be responsive, responsible and was deemed qualified to perform the scope of work based on the solicitation requirements.

C. Cost Analysis

Metro staff conducted a cost analysis of the bidder's proposal and, accordingly, reviewed various elements of cost (i.e. direct labor rates, overhead rates, material costs, and other direct costs). Based on our cost analysis, technical analysis, clarifications, and negotiations with Plasser American, the final agreed to Firm Fixed Price (FFP) is considered fair and reasonable. The recommended FFP reflects a 16.7% savings for the original bid price and is 8% lower than Metro's Independent Cost Estimate.

Bidder Name	Original Bid Amount	Final FFP	Metro ICE
Plasser American Corporation	$3,908,484	$3,378,292	$3,620,000

D. Background on Recommended Contractor

The recommended firm, Plasser American Corporation, located in Chesapeake, Virginia, has been in business for 60 years, and is a leader in the production tamping and switch machines used throughout the United States, Turkey and Pakistan. Plasser American has provided rail tampers to San Francisco Bay Area Rapid Transit (BART), Washington Metropolitan Area Transit Authority, Long Island Rail Road, and the Massachusetts Bay Transportation Authority.

DEOD SUMMARY

PURCHASE OF PRODUCTION RAIL TAMPER / OP42642

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Small Business Enterprise/Disabled Veteran Business Enterprise (SBE/DVBE) goal for this solicitation due to the lack of subcontracting opportunities. This procurement involves the Original Equipment Manufacturer (OEM) purchase of a customized production rail tamper that is shipped directly to Metro.

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 wages are not applicable to this Contract.

D. Project Labor Agreement/Construction Careers Policy

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

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

File #: 2017-0632, **File Type:** Contract **Agenda Number:** 22.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 16, 2017**

SUBJECT: ELEVATOR AND ESCALATOR INSPECTION SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate Contract No. OP884190003367 for elevator and escalator inspection services throughout Metro bus and rail facilities with Lerch Bates, Inc. for a not-to-exceed amount of $853,746 for the three-year base period, $304,980 for option year one, and $343,925 for option year two, for a combined total of $1,502,651, effective January 1, 2018 through December 31, 2022, subject to resolution of protest(s), if any.

ISSUE

The existing contract to provide elevator and escalator inspection services is due to expire on December 31, 2017. To continue providing the critical inspection services for Metro's elevators and escalators system-wide, a new contract award is required effective January 1, 2018.

DISCUSSION

Under the new Contract, the consultant will continue to conduct annual equipment audits and periodic inspections on each of the 148 escalators and 199 elevators throughout Metro's transit system, including all bus and rail stations, locations, terminals, the Union Station East Portal and the Gateway Building.

Performing annual equipment audits and generating critical reports by certified and highly trained professionals within the vertical transportation industry are necessary to verify that equipment operation and condition conform to the latest codes, regulations and standards governing vertical transportation equipment, ensure equipment safe operations, closely monitor the maintenance contractor's performance, and recommend repairs in a timely manner, minimize downtime and maintain equipment reliability and service availability.

The consultant is also required to provide inspection and acceptance of newly installed equipment ensuring compliance with project specifications and code requirements, as well as perform as-needed services reviewing and preparing specifications for equipment additions, upgrades, modifications and related construction support services.

DETERMINATION OF SAFETY IMPACT

The approval of this item will ensure meeting Metro maintenance standards providing the necessary technical expertise to ensure elevators and escalators safe operations and reliability.

FINANCIAL IMPACT

Funding of $142,291 is included in the FY18 budget in cost center 8370 - Elevators/Escalators, account 50316, Professional and Technical Services, under various operating projects.

Since this is a multi-year contract, the cost center manager and the Sr. Executive Officer, Maintenance and Engineering will be accountable for budgeting the cost in future years.

Impact to Budget

The source of funds for this action will come from Federal, State, and local funding sources including sales tax and fares that are eligible for Bus and Rail Operating Projects. They will maximize fund use given funding allocation provisions.

ALTERNATIVES CONSIDERED

Staff considered providing this service through in-house staff; however, this would require the hiring, training and certification of additional personnel, purchase of additional equipment, vehicles, and supplies to support the expanded responsibility. Staff's assessment indicates that this is not a cost-effective option for Metro.

NEXT STEPS

Upon Board approval, staff will execute Contract No. OP884190003367 to Lerch Bates, Inc., effective January 1, 2018, to provide the necessary elevator and escalator inspection services throughout Metro bus and rail facilities.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: Brady Branstetter, DEO, Facilities Maintenance, (213) 922-6767
Lena Babayan, Sr. Director, Facilities Maintenance, (213) 922-6765

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY

ELEVATOR AND ESCALATOR CONSULTING SERVICES / OP884190003367

1.	**Contract Number:** OP884190003367	
2.	**Recommended Vendor**: Lerch Bates, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: July 6, 2017	
	B. Advertised/Publicized: July 7, 2017	
	C. Pre-proposal/Pre-Bid Conference: July 19, 2017	
	D. Proposals/Bids Due: August 7, 2017	
	E. Pre-Qualification Completed: September 26, 2017	
	F. Conflict of Interest Form Submitted to Ethics: October 3, 2017	
	G. Protest Period End Date: November 20, 2017	
5.	**Solicitations Picked up/Downloaded**: 9	**Bids/Proposals Received**: 3
6.	**Contract Administrator**: Rommel Hilario	**Telephone Number**: (213) 922-4654
7.	**Project Manager**: Ronald White	**Telephone Number**: (213) 922-6737

A. Procurement Background

This Board Action is to approve a contract award to provide regular and as-needed consulting services in support of Metro's existing elevator/escalator maintenance contract as outlined in Request for Proposal (RFP) No. OP42511. Metro provides testing, inspections, routine maintenance, repair and improvement services through contracted services for 199 elevators and 148 escalators system wide. Board approval of contract awards are subject to resolution of any properly submitted protest.

The RFP was issued as a competitive negotiated procurement in accordance with Metro's Acquisition Policy. The contract type is firm fixed unit rate.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on July 20, 2017, provided pre-proposal documents including agenda, sign-in sheets, and planholder's list.

A pre-proposal conference was held on July 19, 2017. A total of three participants representing three firms were in attendance.

On August 7, 2017, Metro received three proposals as follows, in alphabetical order:

1. HKA Consulting Services, Inc.
2. Lerch Bates, Inc.
3. National Elevator Inspection Services

B. Evaluation of Proposals

The Proposal Evaluation Team (PET), consisting of staff from the Facility Maintenance and General Services departments reviewed proposals based on the technical criteria consistent with the qualifications, experience, and resources necessary to meet the requirements of the RFP. Each proposal addressed the firm's degree of skills, personnel experience, understanding of the work, and cost/price to perform the work.

Proposals were evaluated in accordance with the criteria and weights established in the RFP and in compliance with Metro's Acquisition Policy.

- Degree of the Consultants Team's Skills and Experience 20%
- Effectiveness of Management Plan 25%
- Understanding of Work and Appropriateness of Approach for Implementation 15%
- Cost Proposal 40%

Several factors were considered in developing these weights, giving greatest importance to the cost proposal.

To clarify the requirements of the Statement of Work, Best and Final Offers (BAFO) were requested from each proposer and were subsequently evaluated by the PET.

The following is a summary of the PET's evalation scores:

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Lerch Bates, Inc.**				
3	Degree of the Consultants Team's Skills & Experience	86.5	20%	17.3	
4	Effectiveness of Management Plan	80.0	25%	20.0	
5	Understanding of Work and Appropriateness of Approach for Implementation	74.7	15%	11.2	

6	Cost Proposal	89.0	40%	35.6	
7	**Total**		**100.00%**	**84.1**	**1**
8	**National Elevator Inspection Services**				
9	Degree of the Consultants Team's Skills & Experience	65.5	20%	13.1	
10	Effectiveness of Management Plan	62.4	25%	15.6	
11	Understanding of Work and Appropriateness of Approach for Implementation	48.7	15%	7.3	
12	Cost Proposal	100.0	40%	40.0	
13	**Total**		**100.00%**	**76.0**	**2**
14	**HKA Consulting Services, Inc.**				
15	Degree of the Consultants Team's Skills & Experience	65.5	20%	13.1	
16	Effectiveness of Management Plan	51.2	25%	12.8	
17	Understanding of Work and Appropriateness of Approach for Implementation	53.3	15%	8.0	
18	Cost Proposal	56	40%	22.4	
19	**Total**			**56.3**	**3**

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate competition, price analysis, independent cost estimate, fact finding, and technical evaluation.

PROPOSER	AMOUNT	METRO ICE	AWARD AMOUNT
Lerch Bates, Inc. (incumbent)	$1,502,651.00	$1,558,276.29	$1,502,651.00
National Elevator Inspection Services	$1,330,619.00		
HKA Consulting, Inc.	$2,393,075.69		

D. Background on Recommended Contractor

In 1947, Lerch Bates, Inc. became the first independent elevator consulting firm in the US. Since then, they have added offices and capabilities around the world, bringing industry expertise and technology together to work with clients. In 1986, Lerch Bates became an employee owned consulting firm.

Lerch Bates' experience in public transportation consulting covers some of the largest systems in North America and includes Washington Metropolitan Area Transit, Bay Area Rapid Transit, Massachusetts Bay Transportation Authority, Seattle Sound Transit, and New York City Transit. In addition to their public transportation consulting, Lerch Bates also provides vertical transportation consulting on some of the largest buildings around the world, such as the Burj Khalifa, Taipei 1010, Shanghai World Financial Center, Petronas Towers 1 and 2, the Empire State Building, and the Willis Tower. Lerch Bates also currently provides vertical transportation consulting for Metro and has performed satisfactorily.

ATTACHMENT B

DEOD SUMMARY

ELEVATOR AND ESCALATOR CONSULTING SERVICES / OP884190003367

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise/Disabled Veteran Business Enterprise (SBE/DVBE) goal for this procurement for highly specialized elevator/escalator inspection services due to the lack of certified firms available to perform the work. Lerch Bates, Inc. did not make an SBE commitment.

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.

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

File #: 2017-0703, **File Type:** Contract **Agenda Number:** 23.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 16, 2017

SUBJECT: P2000 FRICTION BRAKE SYSTEMS & AIR COMPRESSOR COMPONENT OVERHAUL

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer to award a 48-month, indefinite delivery/indefinite quantity Contract No. MA27583000 for the component overhaul of P2000 Light Rail Vehicle (LRV) Friction Brake System & Air Compressor Overhaul to Wabtec Passenger Transit, for a total not-to-exceed amount of $3,328,499; and

B. AWARDING a single source procurement, pursuant to Public Utilities Code section 130237 for component overhaul services of the Metro Green Line (MGL) and Blue Line Friction Brake System & Air Compressor Overhaul from the Original Equipment Manufacturer (OEM), to Wabtec Passenger Transit.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

ISSUE

The P2000 LRV fleet is due for Friction Brake Systems and Air Compressor Overhaul as recommended by the Original Equipment Manufacturer (OEM) established guidelines. This procurement is for the professional services to complete a component overhaul of 52 assemblies inclusive of two spares. The existing friction brake system and air compressor equipment is proprietary. The purchase is for the sole purpose of purchasing overhaul services of existing equipment already in use. Execution of this component overhaul will safeguard passenger safety and maintaining equipment performance in a continuous State of Good Repair (SGR).

DISCUSSION

The P2000 fleet currently operates on Metro's Green, Blue and Expo Lines. The Siemens P2000 LRV is in its 16th year of operation. In order to ensure continued safety and performance of the safety critical friction brake and air compressor systems, a complete systems overhaul is required at the

four year service interval as defined by the OEM and monitored by the CPUC. The overhaul consists of disassembly, thorough cleaning and inspection, and repair of various components including electrical, pneumatic and mechanical component parts that wear out under normal service and operating conditions. Routine maintenance and periodic overhaul of these systems is of critical importance for passenger safety and accident prevention to ensure the vehicle stops within specified stopping distance during routine and emergency brake applications. Rail Fleet Services (RFS) Engineering developed an equipment overhaul specification for the friction brake and air condition systems overhaul based upon OEM recommendations and in conjunction with RFS maintenance experience. The contractor will perform overhaul services in accordance with predefined schedule using Metro provided technical specification requirements.

The P2000 Component Overhaul Program consists of nine major vehicle systems to be overhauled, including friction brake, air compressor, air hose replacement, power axle, non-power axel bearing replacement, car battery replacement, couplers, exterior and interior paint. The friction brake and air compressor overhaul is due for the new cycle requiring board approval. Currently, two of the systems (air hose replacement and non-power axel bearing replacement) have been completed and five of the systems are on-going.

DETERMINATION OF SAFETY IMPACT

Passenger and employee safety are of the utmost importance to Metro and, therefore, it is imperative to maintain the P2000 fleet to maintain a state of good repair. The friction brake systems overhaul is in support of routine maintenance and an established component overhaul program. This effort will ensure that the fleet is maintained in accordance with OEM recommendations, regulatory standards, and within Metro's internal Corporate Safety policies and procedures.

FINANCIAL IMPACT

The approved Life-of-Project (LOP) for the P2000 Fleet Component Overhaul Program under capital project number 206006 is for the amount of $26,360,100 established in 2012. Funding of $1,299,996 for this Contract is included in the FY18 budget in cost center 3941 and cost center 3943, Rail Fleet Services Maintenance, under project number 206006, line item 50441, Parts - Revenue Service.

Since this is a multi-year Contract, the cost center manager, project manager, and Sr. Executive Officer, RFS will ensure that the balance of funds is budgeted in future fiscal years.

Impact to Budget

The source of funds for this procurement will come from Federal, State and local funding sources that are eligible for Rail Capital Projects. This will maximize fund use given funding allocation provisions.

ALTERNATIVES CONSIDERED

The vehicle's friction brakes are a safety critical system which are required to be overhauled per the

OEM and regulatory requirements in order to prevent catastrophic events resulting from extending stopping distance of complete failure of the braking systems during emergency brake application. Deferring the friction brake and air compressor overhaul is not recommended as Metro could also be subject to penalties mandated by the California Public Utilities Commission.

NEXT STEPS

Overhaul of the P2000 Light Rail Vehicle Friction Brake & Air Compressor systems will continue in accordance with RFS scheduled requirements. If approved, the project is scheduled to commence in July 2018.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by:

Bob, Spadafora, Sr. Executive Officer, Rail Fleet Services, (213) 922-3144
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Brian McNeely, Director Rail Fleet Services, (310) 643-3804

Reviewed by:

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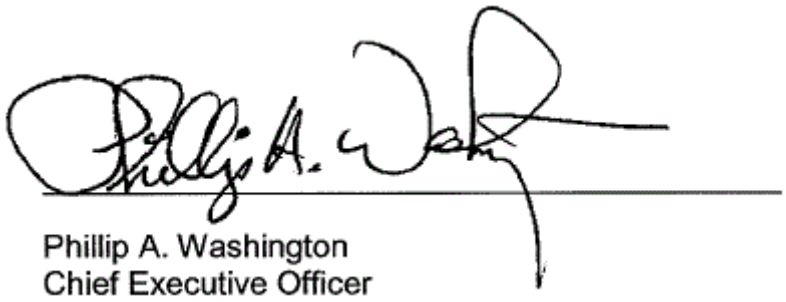
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

P2000 FRICTION BRAKE SYSTEMS & AIR COMPRESSOR OVERHAUL 179579/MA27583000

1.	**Contract Number**: MA27583000	
2.	**Recommended Vendor**: Wabtec Passenger Transit	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☒ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: 4/27/17	
	B. Advertised/Publicized: N/A	
	C. Pre-Proposal Conference: N/A	
	D. Proposals Due: 6/8/17	
	E. Pre-Qualification Completed: 8/21/17	
	F. Conflict of Interest Form Submitted to Ethics: 7/19/17	
	G. Protest Period End Date: 11/17/17	
5.	**Solicitations Picked up/Downloaded**: 1	**Proposals Received**: 1
6.	**Contract Administrator**: Jean Davis	**Telephone Number**: 213/922-1041
7.	**Project Manager**: Brian McNeeley	**Telephone Number**: 310/643-3804

A. Procurement Background

This Board Action is to approve Contract No. MA27583000 in support of Metro's Green Line Light Rail Vehicle (LRV) to procure services required for the complete overhaul and repair of the brake system valves and components including air compressor. The existing brake system valves and components on the Siemens P2000 passenger rail cars were designed and built by the original equipment manufacturer (OEM), Wabtec Passenger Transit (Wabtec). It was determined by Metro's engineering and operations team to ensure full operational capability that the overhaul of the P2000 rail car brake systems valves and components be overhauled by the Wabtec.

The non-competitive Request for Proposal (RFP) was issued to the Wabtec on April 7, 2017, and the contract type is an Indefinite Delivery, Indefinite Quantity (IDIQ).

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

- Amendment No. 1, was issued on May 9, 2017, to extend the proposal due date revise the critical dates;
- Amendment No. 2, was issued on May 26, 2017, to further extend the proposal due date to June 8, 2017.

B. Evaluation of Proposal

This is a single source procurement that is consistent with Public Utility Code §130237, for the duplication or replacement of existing equipment already in use. Metro's

technical staff conducted technical fact-finding meetings and a technical evaluation of the technical proposal. The proposal was evaluated based on the proposed labor hours, proposed assigned technical personnel and labor categories. The proposal was found to be technically acceptable.

The firm recommended for award, Wabtec Passenger Transit, was found to be in full compliance with the proposal requirements.

C. Cost/Price Analysis

In accordance with Metro's Acquisition Policy for a single source acquisition a cost analysis was conducted by Metro's Estimating Department. Based on Metro's cost analysis there was a unit price variation of 11.3% between the unit price offered and our unit cost analysis. In assessing the variance, it was concluded that the price difference was attributed to the product being a specialty item with no other manufacturing source; therefore, Metro would be expected to pay a premium for the procurement of this specialty product. Based on the cost analysis performed, the total proposed price was considered fair and reasonable.

Proposer Name	Proposal Amount	Metro ICE
Wabtec Passenger Transit	$3,328,499	$2,926,404

D. Background on Recommended Contractor

Wabtec was formed in November 1999 when Westinghouse Air Brake Company merged with Motive Power Industries, Inc. The original Westinghouse Air Brake Company was founded in 1869. Wabtec manufactures a broad range of products for locomotives, freight cars and passenger transit vehicles. These products include a vast array of pneumatic, electronic and mechanical devices such as braking equipment, controllers, and couplers for the transit industry worldwide. Wabtec has been providing rail equipment and services in the United States for 130 years.

DEOD SUMMARY

P2000 FRICTION BRAKE SYSTEMS & AIR COMPRESSOR OVERHAUL 179579/MA27583000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) goal for this solicitation. The P2000 Friction Brake Systems & Air Compressors are Original Equipment Manufacturer (OEM) products, and are shipped directly to Metro. While the Project Manager initially confirmed that there were no subcontracting opportunities, Wabtec Passenger Transit (Wabtec), through its outreach efforts, was able to identify an SBE to perform modification and assembly services. Wabtec made a 5% SBE commitment.

Small Business Goal	**0% SBE**	**Small Business Commitment**	**5% SBE**

	SBE Subcontractors	**% Committed**
1.	Altech Services Inc.	5%
	Total Commitment	**5%**

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.

Overview of Items 23, 24, 25 and 30

System Safety, Security & Operations Committee

Metro

November 2017

Rail Vehicle Maintenance, Overhaul & Modernization

Maintenance	• Preserve level of performance
Overhaul	• Heavy maintenance repair/replacement at specific OEM intervals (age/mileage) • No change to the design
Modernization	• Improve systems and performance • Approximate mid-life • Upgrade the system designs

Metro

Fleet Plan 10 Year Horizon

Series	Maintenance	Overhaul	Modernize	Retire	Replace
P865	Yes	No	No	In process	P3010
P2020	Yes	Yes	No	Future	P3010
P2000	Yes	Yes	Yes	Future	Future
P2550	Yes	Yes	Yes	Future	Future
P3010	Yes	To be Scheduled	2030 ±	Future	Future
A650 Base	Yes	No	No	Future	HR4000 Base
A650	Yes	Yes	Yes	Future	HR4000 Option

Fleet Plan

❑ P2020 LRT Car Series

- **Delivered:** 15
- **Lines :** Blue and Expo Lines
- **Overhaul Program**
  - Ten components
  - Program LOP $ 30,000,000
  - Contract for air hose replacement - Completed
  - Contract for axle assembly, gearbox/roller, cab slider, body repair, seat removal for bikes, wheelchair, cameras and propulsion – On-Going
  - Contract for Friction Brake– Nov 2017 (Item 23)

❑ P2000 LRT Car Series

- **Delivered:** 52
- **Lines:** Green, Blue and Expo Lines
- **Overhaul Program**
  - Nine components
  - Program LOP $ 26,360,100
  - Contracts for air hose replacement and non-power axle bearing replacement – Completed 2012
  - Contracts for power axle, car battery, couple, exterior and interior paint – On-going
  - Contracts for Friction Brake and Air Compressor – Nov 2017 (Item 25)
- **Modernization**
  - Renew systems:
    - Carbody; Door; HVAC; Electrical; Propulsion; Trucks; Braking Equipment; Communication; Automatic Train Control; Trainline; Destination Signs
  - Exercise optional features (Item 30)
  - Contract to Alstom
  - LOP $160,800,000
  - Projected Completion August 2021

Metro

Fleet Plan

❑ P2550 LRT Car Series

- **Delivered:** 50
- **Lines :** Gold Line
- **Overhaul Program**
  - Nine components
  - Program LOP $ 35,007,540
  - Contracts for axle assemblies, and coupler awarded – June & Sept 2017
  - Contract for Friction Brake – Nov 2017 (Item 25)
  - Contracts for propulsion, pantograph, battery, doors, truck and suspension systems – Anticipated 2018/2019
- **Modernization**
  - Renew systems:
    - Carbody; Door; HVAC; Electrical; Propulsion; Trucks; Braking Equipment; Couplers; Communication; Battery
  - Specification Prep Phase
  - Contract to STV Incorporated (Item 24)
    - Consultant $1,421,086 –Nov 2017
  - Estimated LOP TBD
  - Projected Start 2020

❑ A650 Subway Car Series

- **Delivered:** 74
- **Lines :** Red Line
- **Overhaul Program**
  - Ten components
  - Program LOP $ 30,000,000
  - Contracts for air compressor, HVAC compressor, passenger door, and car battery replacement – Completed
  - Contracts for friction brake, traction motor, gearbox, coupler, AC, and DC – On-Going
- **Modernization**
  - Renew systems:
    - Propulsion; Trucks; Friction Brakes; Doors; Communication; Interiors; Signal System, HVAC
  - Design and engineering phase
  - Contract to Talgo
  - LOP $72,970,494
  - Projected Completion December 2021


Thank you
Metro

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

Metro

Board Report

File #: 2017-0642, **File Type:** Contract **Agenda Number:** 24.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 16, 2017

SUBJECT: P2550 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION PROGRAM - CONSULTANT SUPPORT SERVICES FOR SPECIFICATION DEVELOPMENT & SOLICITATION OF CONTRACTOR

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AWARD a firm fixed price Contract No. 45383000 for Consulting Support Services to STV Incorporated for the P2550 Light Rail Vehicle (LRV) Midlife Modernization Program, in the amount of $1,421,086.73, for 24 months from Notice to Proceed, subject to resolution of protest(s), if any.

ISSUE

The P2550 LRVs have an average age of ten (10) years from date of Acceptance. The fleet is in need of modernization to address obsolescence of components; decreased reliability and availability; increased maintainability costs; and to ensure a State of Good Repair (SGR). Approval of this action authorizes STV Incorporated to assist Metro with:

a) The development of a Request for Proposal (RFP) package for the solicitation of a Contractor; documents include the commercial and technical specifications, scope of work, and associated technical documents; and with

b) The Contractor solicitation and award process.

DISCUSSION

Metro is seeking Rail Vehicle Consultant support services for the development of an RFP package and solicitation of a Contractor for the midlife modernization of its AnsaldoBreda (AB) P2550 LRV fleet consisting of fifty (50) rail cars. The primary goal of this LRV midlife program is to maintain this fleet in a State of Good Repair. The current P2550 LRVs require repair, upgrades, and/or replacement of components, appointments, and subsystems to maintain fleet safety, reliability, availability, performance, and passenger comfort.

Metro currently operates fifty (50) AB P2550 LRV's on the Gold/Foothill Extension lines. These cars

have an average age of 10 years (from date of acceptance) and approximately 500,000 (500k) revenue service miles. They have a design life of 30 years and are accumulating approximately 70k miles per year. The fleet is also approaching its mid-life at which point reliability and availability begin to decrease and maintenance costs begin to increase unless a modernization effort is affected to maintain the cars in a State of Good Repair. It is the intent of this action to develop a scope of work and technical specifications for the modernization program based on a condition-based assessment of the fleet and the OEM's recommendations.

Performing the modernization program is in accordance with the Rail Fleet Management Plan FY2015-FY2040 (Draft, May 24, 2016, v.8). The plan outlines the anticipated program to expand rail fleets to accommodate anticipated growth in ridership; line extensions; and to overhaul or replace vehicles reaching mid-life or end of life, as appropriate.

Metro is seeking expert rail vehicle consulting services to develop the RFP package and support the solicitation of a Contractor for the midlife modernization of the 50 AB P2550 LRV fleet. The primary objective of the project is to obtain safe, reliable, high quality modernized LRVs on-time and within budget, and to create new jobs for Los Angeles County that can be tied directly to the Modernization Program.

The Diversity and Economic Opportunity Department (DEOD) recommended a Disadvantaged Business Enterprise (DBE) goal of 20% for this procurement (please refer to Attachment E). STV Incorporated's reported 20.11% DBE goal complies with the DEOD's recommendation.

DETERMINATION OF SAFETY IMPACT

The approval of this Contract award will have a direct and positive impact to system safety, service quality, system reliability, maintainability and overall customer satisfaction. The P2550 Light Rail Vehicle Overhaul Program will permit Metro to maintain the State of Good Repair (SGR) on the P2550 LRV fleet.

FINANCIAL IMPACT

The FY18 planned expenditure of $615,000 is included in the FY18 budget for the Overhaul Program in Cost Center 3043, Rail Vehicle Acquisition, Account 50308, Service Contract (Non-Bus) Maintenance, under CP 214003, P2550 Light Rail Vehicle Midlife Modernization Program.

Since this is a multi-year contract, the cost center manager will be responsible for dispersing the cost for subsequent years.

Impact to Budget

The source of funds for this action include Federal Section 5337 State of Good Repair funds. Other eligible funds include Proposition A 35% and Measure R 2% which are eligible for rail capital activities. Concurrently, staff is actively pursuing additional Federal, State and Local funding sources such as FAST Act and Cap and Trade as they become available to meet project funding needs.

ALTERNATIVES CONSIDERED

Staff considered the alternative of using in-house Metro resources to perform this work. This approach is not recommended as Metro does not have sufficient resources and Subject Matter Experts (SME) available to perform this work.

The Board of Directors may choose not to authorize the contract award for this project; however, this alternative is not recommended by Metro staff because the Modernization Program is critical to maintaining a SGR on the 50 AB P2550 LRVs and to enable the Maintenance Department to effectively plan and schedule its work.

NEXT STEPS

Upon Board approval, a contract will be awarded and a Notice-to-Proceed date will be given to STV Incorporated. Metro and STV Incorporated will mobilize required resources and SMEs to ensure timely completion of deliverables including specifications development, scope of work (SOW), and an RFP package to initiate the solicitation of a contractor and award a Midlife Modernization contract.

ATTACHMENTS

Attachment A - Funding/Expenditure Plan
Attachment B - Procurement Summary
Attachment C - DEOD Summary

Prepared by: Annie Yang, Sr. Director, Project Control, Rail Vehicle Acquisition, (213) 922-3254
Jesus Montes, Sr. Executive Officer, Vehicle Acquisitions, (213) 418-3278

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

ATTACHMENT A

FUNDING/EXPENDITURE PLAN - CP214003

P2550 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION PROGRAM

		From Inception to Date (ITD) thru FY17	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 - 6/30/21	7/1/21 - 6/30/22	7/1/22 - 6/30/23	7/1/22 - 6/30/24	7/1/22 - 6/30/25	7/1/22 - 6/30/26		
1	**Use of Funds**		**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**Total**	**% of Project**
2	Overhaul 50 AB Light Rail Vehicles (LRVs) (CP 214003)	$0	$0	0	$6,527,785	$18,170,600	$25,170,000	$25,170,000	$18,170,000	$20,690,819		$113,899,204	79.8%
3	Professional Services	$0	$600,000	$650,000	$225,396	$1,500,000	$2,000,000	$2,000,000	$1,800,000	$1,500,000	$660,200	$10,935,596	7.7%
4	MTA Administration	$0	$450,000	$627,600	$658,200	$493,800	$507,700	$532,800	$549,000	$565,400	$582,200	$4,966,700	3.5%
5	Contingency	$0	$0	$0	$0	$0	$0	$0	$0	$0	$12,909,500	$12,909,500	9.0%
6	**Total**	**$0**	**$1,050,000**	**$1,277,600**	**$7,411,381**	**$20,164,400**	**$27,677,700**	**$27,702,800**	**$20,519,000**	**$22,756,219**	**$14,151,900**	**$142,711,000**	**100.0%**
7			**7/1/17 - 6/30/18**	**7/1/18 - 6/30/19**	**7/1/19 - 6/30/20**	**7/1/20 - 6/30/21**	**7/1/21 - 6/30/22**	**7/1/22 - 6/30/23**	**7/1/22 - 6/30/24**	**7/1/22 - 6/30/25**	**7/1/22 - 6/30/26**		
8	**Use of Funds**		**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**Total**	**% of Project**
9	**Sources of Funds**												
10	**Sources of Funds**												
11	**Sources of Funds**												
12	**Total**												

PROCUREMENT SUMMARY

P2550 LRV MIDLIFE MODERNIZATION PROGRAM – CONSULTANT SUPPORT SERVICES / PS45383000

1.	**Contract Number**: PS45383000	
2.	**Recommended Vendor**:	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: 8.18.17	
	B. Advertised/Publicized: 8.18.17	
	C. Pre-Proposal Conference: 8.24.17	
	D. Proposals Due: 9.29.17	
	E. Pre-Qualification Completed: 10/19/17	
	F. Conflict of Interest Form Submitted to Ethics: 10.09.17	
	G. Protest Period End Date: 11.17.17	
5.	**Solicitations Picked up/Downloaded**: 35	**Bids/Proposals Received**: 3
6.	**Contract Administrator**: Nicole Dang	**Telephone Number**: 213-922-7438
7.	**Project Manager**: Annie Yang	**Telephone Number**: 213-922-7438

A. Procurement Background

This Board Action is to approve Contract No. PS45383000 issued to obtain expert consulting services to develop an overhaul Statement of Work (SOW), Technical Specification, and Request for Proposal (RFP) package for solicitation of a Contractor for the midlife overhaul of the Ansaldo Breda (AB) P2550 Light Rail Vehicle (LRV) fleet consisting of 50 rail cars. Board approval of contract awards are subject to resolution of any properly submitted protest.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

Three amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 31, 2017, revised the proposal due date;
- Amendment No. 2, issued on September 07, 2017, revised the submittal requirements;
- Amendment No. 3, issued on September 19, 2017, clarified the proposal due time, revised the submittal requirements, and deleted DBE Instructions to Proposers Pro Form 068B.

A total of three proposals were received on September 29, 2017. A total of 33 questions were submitted and Metro responded to all 33 questions by September 19, 2017.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Rail Vehicle Acquisition and Rail Vehicle Warranty were convened and conducted a comprehensive technical evaluation of the proposals received.

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

- Project Manager/Lead Engineer & Key Personal Qualification 35 percent
  - A) Project Manager/Lead Engineer (20 percent)
  - B) Two (2) Rail Vehicle Engineers (15 percent)
- Previous Experience on Similar Projects in the United States 15 percent
- Availability 10 percent
- Project Understanding/Approach and Management 10 percent
- Price 30 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar best value procurements. Several factors were considered when developing these weights, giving the greatest importance to the project manager and lead engineer's qualification.

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

1. LTK Engineering Services, Inc.
2. Mott MacDonald, Inc.
3. STV, Inc.

The evaluation committee convened from October 1, 2017 through October 9, 2017 to review the proposals. Request for Clarifications were issued to all three firms on October 4, 2017 and responses were received on October 6, 2017. The evaluation committee determined that the responses were satisfactory.

Qualifications Summary of Firms within the Competitive Range (firms listed in order of evaluation rank):

STV, Inc.

STV, Inc.'s proposal demonstrated their understanding of the project through the collective experience of their proposed team. Proposed Project Manager Elson Hao has nearly 40 years of engineering experiences including 25 years with the San Francisco Municipal Transportation Agency as a senior Light Rail Vehicle Engineer. Mr. Hao was the Deputy Project Manager assisting LACMTA with the HR4000 Acquisition Program. While working for MBTA, Mr. Hao was a subject matter expert

providing design, review support and product evaluation of submittals for various systems such as HVAC, trucks, interior, and doors for the procurement of 404 HRVs for the Orange and Red Line. STK's proposed Deputy Project Manager, Andrew Frohn has over 30 years of rail experience. Mr. Frohn has worked on the rail fleet maintenance side, managing day to day inspections, repairs, and life cycle maintenance programs. Mr. Frohn recently supported LACMTA through the specification development and procurement process for Metro HR4000 HRV fleet.

LTK Engineering Services, Inc.

LTK Engineering Services, Inc.'s proposal demonstrated their understanding of the project through the collective experience of their proposed team. Proposed Project Manager Jeff Stastny has nearly 22 years of engineering experiences with mechanical engineering disciplines, with particular expertise in carbody structures. In addition, proposed lead engineer, Rahul Dixit has 17 years of experience working in the transit and railroad industry. Mr. Dixit has worked on the design and production of Boston Green Line No. 9 cars while at CAF USA, Inc. In addition, while Mr. Dixit was at Transitair Systems, he was responsible for designing, refurbishing, testing and commissioning complete electrical and mechanical systems including trucks.

Mott MacDonald, Inc.

Mott MacDonald, Inc.'s proposal demonstrated their understanding of the project through the collective experience of their proposed team. Proposed Project Manager Mark Terry has over 35 years of experience in overhaul, procurement, and maintenance of LRVs. Mr. Terry managed the overhaul of Ansaldo T68 and T68A LRV Fleets. In addition, Mr. Terry also has 16 years of experience in rail vehicle engineering working directly for British Railways in practical, hands-on technical and supervisory positions. Proposed System Integration Engineer, Avril Heins worked on London Tramlink, Croydon Mid-Life Overhaul of CR4000 LRV fleet as the Project Manager.

Proposal Evaluation Team's recommendation

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**STV, Inc.**				
3	Project Manager/Lead Engineer & Key Personal Qualification. A) Project Manager/Lead Engineer and Key Personnel	7.66	20.00%	15.33%	
4	Project Manager/Lead Engineer & Key Personal Qualification. B) Minimum of two (2) Rail Vehicle Engineers	8.67	15.00%	13.00%	
5	Previous Experience on Similar Projects in the United States	9.00	15.00%	13.50%	
6	Availability	7.00	10.00%	7.00%	
7	Project Understanding/Approach and Management	8.33	10.00%	8.33%	
8	Price		30.00%	30.00%	
9	**Total**		**100.00%**	**87.16**	**1**
10	**LTK Engineering, Inc.**				
11	Project Manager/Lead Engineer & Key Personal Qualification. A) Project Manager/Lead Engineer and Key Personnel	7.83	20.00%	15.66%	
	Project Manager/Lead Engineer & Key Personal Qualification. B) Minimum of two (2) Rail Vehicle Engineers	8.67	15.00%	13.00%	
12	Previous Experience on Similar Projects in the United States	9.00	15.00%	13.50%	
13	Availability	5.67	10.00%	5.67%	
14	Project Understanding/Approach and Management	7.66	10.00%	7.66%	
15	Price		30.00%	19.67%	
16	**Total**		**100.00%**	**75.16%**	**2**
17	**Mott MacDonald, Inc.**				
18	Project Manager/Lead Engineer & Key Personal Qualification. A) Project Manager/Lead Engineer and Key Personnel	6.66	20.00%	13.32%	
19	Project Manager/Lead Engineer & Key Personal Qualification. B) Minimum of two (2) Rail Vehicle Engineers	7.33	15.00%	11.01%	
20	Previous Experience on Similar Projects in the United States	7.00	15.00%	10.50%	
21	Availability	6.33	10.00%	6.33%	

22	Project Understanding/Approach and Management	8.33	10.00%	8.33%	
23	Price		30.00%	16.96%	
24	**Total**		**100.00%**	**66.45%**	**3**

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate price competition, an independent cost estimate (ICE), and price analysis. The firm fixed milestone pricing from the highest technically rated proposer, STV, Inc., is significantly lower than the other proposers and 11% lower than Metro's ICE. Price analysis revealed some variances in the fixed price milestones from each of the proposers. These values were reconciled with the proposers through discussions to ensure that there was a clear understanding of the deliverable, the requirements, and the fixed price for the milestone.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated or NTE amount
1.	LTK Engineering Services, Inc.	$2,167,919	$1,575,462	$2,167,919
2.	Mott MacDonald, Inc.	$2,514,093	$1,575,462	$2,514,093
3.	STV, Inc.	$1,421,086	$1,575,462	$1,421,086

D. Background on Recommended Contractor

STV, Inc. (STV) has been in business for 100 years and has a local office in Los Angeles, CA. STV has incorporated a Vehicle Technology and Operations group into their organization which offers consulting support in rail vehicle specification development and procurement, rail vehicle condition assessment, rail vehicle overhaul specification development and support, inspection and quality control support, and failure analysis. STV, through a joint venture, developed the performance based technical specification for Metro HR4000 Heavy Rail Vehicle procurement which they performed satisfactory. STV has provided rail engineering support to municipals such as Massachusetts Bay Transportation Authority (MBTA), Maryland MTA, City of Ottawa Confederation and Metro.

ATTACHMENT C

DEOD SUMMARY

P2550 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION PROGRAM / PS45383

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 20% Disadvantaged Business Enterprise (DBE) goal for this solicitation. STV Incorporated made a 20.11% DBE commitment.

Small Business Goal	20% DBE	Small Business Commitment	20.11% DBE

	DBE Subcontractors	Ethnicity	% Commitment
1.	Capitol Government Contract Specialist, Inc.	Hispanic American	10.85%
2.	Virginkar & Associates, Inc.	Subcontinent Asian American	6.70%
3.	Global Innovations, USA	African American Female	2.56%
	Total Commitment		**20.11%**

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.

Overview of Items 23, 24, 25 and 30

System Safety, Security & Operations Committee

Metro

November 2017

Rail Vehicle Maintenance, Overhaul & Modernization

Maintenance	• Preserve level of performance
Overhaul	• Heavy maintenance repair/replacement at specific OEM intervals (age/mileage) • No change to the design
Modernization	• Improve systems and performance • Approximate mid-life • Upgrade the system designs

Metro

Fleet Plan 10 Year Horizon

Series	Maintenance	Overhaul	Modernize	Retire	Replace
P865	Yes	No	No	In process	P3010
P2020	Yes	Yes	No	Future	P3010
P2000	Yes	Yes	Yes	Future	Future
P2550	Yes	Yes	Yes	Future	Future
P3010	Yes	To be Scheduled	2030 ±	Future	Future
A650 Base	Yes	No	No	Future	HR4000 Base
A650	Yes	Yes	Yes	Future	HR4000 Option

Fleet Plan

❑ P2020 LRT Car Series

- **Delivered:** 15
- **Lines :** Blue and Expo Lines
- **Overhaul Program**
  - Ten components
  - Program LOP $ 30,000,000
  - Contract for air hose replacement - Completed
  - Contract for axle assembly, gearbox/roller, cab slider, body repair, seat removal for bikes, wheelchair, cameras and propulsion – On-Going
  - Contract for Friction Brake– Nov 2017 (Item 23)

❑ P2000 LRT Car Series

- **Delivered:** 52
- **Lines:** Green, Blue and Expo Lines
- **Overhaul Program**
  - Nine components
  - Program LOP $ 26,360,100
  - Contracts for air hose replacement and non-power axle bearing replacement – Completed 2012
  - Contracts for power axle, car battery, couple, exterior and interior paint – On-going
  - Contracts for Friction Brake and Air Compressor – Nov 2017 (Item 25)
- **Modernization**
  - Renew systems:
    - Carbody; Door; HVAC; Electrical; Propulsion; Trucks; Braking Equipment; Communication; Automatic Train Control; Trainline; Destination Signs
  - Exercise optional features (Item 30)
  - Contract to Alstom
  - LOP $160,800,000
  - Projected Completion August 2021

Metro

Fleet Plan

❑ P2550 LRT Car Series

- **Delivered:** 50
- **Lines :** Gold Line
- **Overhaul Program**
  - Nine components
  - Program LOP $ 35,007,540
  - Contracts for axle assemblies, and coupler awarded – June & Sept 2017
  - Contract for Friction Brake – Nov 2017 (Item 25)
  - Contracts for propulsion, pantograph, battery, doors, truck and suspension systems – Anticipated 2018/2019
- **Modernization**
  - Renew systems:
    - Carbody; Door; HVAC; Electrical; Propulsion; Trucks; Braking Equipment; Couplers; Communication; Battery
  - Specification Prep Phase
  - Contract to STV Incorporated (Item 24)
    - Consultant $1,421,086 –Nov 2017
  - Estimated LOP TBD
  - Projected Start 2020

❑ A650 Subway Car Series

- **Delivered:** 74
- **Lines :** Red Line
- **Overhaul Program**
  - Ten components
  - Program LOP $ 30,000,000
  - Contracts for air compressor, HVAC compressor, passenger door, and car battery replacement – Completed
  - Contracts for friction brake, traction motor, gearbox, coupler, AC, and DC – On-Going
- **Modernization**
  - Renew systems:
    - Propulsion; Trucks; Friction Brakes; Doors; Communication; Interiors; Signal System, HVAC
  - Design and engineering phase
  - Contract to Talgo
  - LOP $72,970,494
  - Projected Completion December 2021


Thank you
Metro

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

Metro

Board Report

File #: 2017-0693, **File Type:** Contract **Agenda Number:** 25.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 16, 2017

SUBJECT: P2550 & P2020 FRICTION BRAKE SYSTEM OVERHAUL

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer to award an 84 month, indefinite delivery/indefinite quantity Contract No. MA24464000 to Knorr Brake Company for component overhaul services of P2550 and P2020 Light Rail Vehicle (LRV) Friction Brake Systems, for a total not- to-exceed amount of $4,546,031; and

B. AWARDING a single source procurement, pursuant to Public Utilities Code section §130237 for component overhaul services of the Metro Gold Line (MGL) P2550 and Metro Blue Lines (MBL) P2020 LRV Friction Brake Systems from the Original Equipment Manufacturer (OEM), to Knorr Brake Company.

(REQUIRES TWO-THIRDS VOTE OF THE FULL BOARD)

ISSUE

The P2020 fleet operates on Metro's Blue Line and is currently undergoing a Friction Brake Overhaul Program similar to the above mentioned P2550 fleet. Knorr Brake Company is the friction brake system OEM and because these programs are being executed in parallel, this procurement is for both fleet types.

The existing friction brake systems on both the MGL P2550 and MBL P2020 are proprietary and this procurement is for component overhaul services of existing equipment already in use. Execution of the overhaul will ensure that both fleet types remain in a continuous State of Good Repair (SGR) while safeguarding passenger safety, vehicle reliability and equipment longevity.

DISCUSSION

In June 2017, the Board of Directors approved Life of Project Budget for contracts to overhaul the P2550 Fleet under a Component Overhaul Program. The P2550 Component Overhaul Program

consists of a total of nine individual procurements for the overhaul of the major vehicle systems inclusive of propulsion, pantograph, battery, doors, couplers, high voltage and auxiliary power, friction brakes and truck systems. The friction brake overhaul is third in succession of the nine component overhaul procurements requiring board approval. This procurement is for the professional services to complete the overhaul of 53 friction brake assemblies inclusive of 3 spares for the P2550 fleet as recommended by the OEM established guidelines.

The Ansaldo Breda P2550 LRV is in its eighth year of operation. In order to ensure continued safety and performance of the friction brake systems a complete overhaul is required at the 600,000 mileage interval as defined by the OEM and monitored by the California Public Utilities Commission (CPUC). The friction brake overhaul consists of several assemblies inclusive of electrical and mechanical component parts as well as the air compressor and pneumatic components that wear out due to normal service and operations. Routine maintenance and periodic overhaul of the friction brake systems is of critical importance for passenger safety and accident prevention to ensure the vehicle stops within specified stopping distance during routine and emergency braking applications.

The Nippon Sharyo P2020 fleet is in its 23rd year of operation with over 1.7 million in-service miles. The friction brake overhaul is an element of the Preventative Maintenance Program PMP to be done at the 4 year interval as defined by the OEM and monitored by the CPUC. The overhaul consists of several assemblies including electrical, mechanical, and pneumatic systems that wear out during normal service and operations.

Rail Fleet Services (RFS) Engineering developed an equipment overhaul specification for the friction brake systems overhaul based on OEM recommendations and in conjunction with RFS maintenance expertise. The contractor will perform overhaul services in accordance with predefined schedules using Metro provided technical specification requirements.

DETERMINATION OF SAFETY IMPACT

Passenger and employee safety are of the utmost importance to Metro and, therefore, it is imperative to maintain the P2550 & P2020 fleet to a constant state of good repair. The friction brake systems overhaul is in support of the complete P2550 component overhaul program. This effort will ensure that these vehicles are maintained in accordance with OEM recommendations and regulatory standards, according to the defined schedule and technical specifications requirements, and within Metro's internal Corporate Safety policies and procedures.

FINANCIAL IMPACT

The approved Life-of-Project (LOP) for the P2550 Fleet Component Overhaul Program under capital project number 214001 is for the amount of $35,007,546. Funding of $1,431,697 for this Contract (P2550) is included in the FY18 budget in cost center 3944, Rail Fleet Services Maintenance, under project number 214001, line item 50441, Parts - Revenue Service. Funding of $1,000,000 for this Contract (P2020) is included in the FY18 budget in cost center 3941, Rail Fleet Services Maintenance, under project number 211018, line item 50441, Parts - Revenue Service.

Since this is a multi-year Contract, the cost center manager, project manager, and Sr. Executive Officer, RFS will ensure that the balance of funds is budgeted in future fiscal years.

Impact to Budget

The source of funds for this procurement will come from Federal, State and local funding sources that are eligible for Rail Capital Projects. Use of these funding sources will maximize funds use given allocation provisions.

ALTERNATIVES CONSIDERED

Vehicle friction brakes are a safety critical system which are required to be overhauled per the OEM and regulatory requirements to avoid catastrophic events resulting from extending stopping distance of complete failure of the braking systems during emergency brake application. Deferring the friction brake overhaul is not recommended as Metro could also be subject to penalties mandated by the California Public Utilities Commission.

NEXT STEPS

Overhaul of the P2550 Light Rail Vehicle Friction Brake systems will continue in accordance with RFS scheduled requirements. If approved, the project is scheduled to commence in July 2018. In addition, the RFS Department will continue with the P2020 Component Overhaul of the Friction Brake systems as noted above with the exception of the friction brake overhaul which is a program that has already commenced.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by:

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Richard M. Lozano, Sr. Director, Rail Fleet Services, (310) 816-6944
Russell Homan, Director Rail Fleet Services, (626) 478-7831

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

P2020 & P2550 FRICTION BRAKE SYSTEM OVERHAUL KITS 166089/189204 /MA24464000

1.	**Contract Number**: MA24464000	
2.	**Recommended Vendor**: Knorr Brake Company	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☒ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: 4/21/17	
	B. Advertised/Publicized: N/A	
	C. Pre-Proposal Conference: N/A	
	D. Proposals Due: 6/7/17	
	E. Pre-Qualification Completed: 7/5/17	
	F. Conflict of Interest Form Submitted to Ethics: 7/19/17	
	G. Protest Period End Date: 11/17/17	
5.	**Solicitations Picked up/Downloaded**: 1	**Proposals Received**: 1
6.	**Contract Administrator**: Jean Davis	**Telephone Number**: 213/922-1041
7.	**Project Manager**: Russell Homan	**Telephone Number**: 626/471-7831

A. Procurement Background

This Board Action is to approve Contract No. MA24464000 in support of Metro's Gold Line (P2550) and Blue Line (P2020) Light Rail Vehicles (LRV) to procure services required for the complete overhaul and repair of the friction brake systems on a sole source basis. The existing friction brake systems for the P2550 and P2020 were designed and built by the original equipment manufacturer (OEM), Knorr Brake Company. It was determined by Metro's engineering and operations team to ensure full operational capability that the overhaul of Metro's P2550 and P2020 rail car friction brake systems be overhauled by the OEM, Knorr Brake Company.

The non-competitive Request for Proposal was issued to Knorr Brake Company on April 21, 2017, in accordance with Metro's Acquisition Policy, and the contract type is a not-to exceed Indefinite Delivery, Indefinite Quantity (IDIQ).

Two amendments were issued during the solicitation phase of this RFP as follows:

- Amendment No. 1, was issued on May 3, 2017, to extend the proposal due date and to revise the critical dates.
- Amendment No. 2, was issued on August 24, 2017, to revise the Statement of Work and Specifications, and to extend proposal due date.

B. Evaluation of Proposal

This single source procurement is consistent with Public Utility Code section 130237, applied for the purpose of duplicating equipment already in existence at Metro. Metro's technical staff conducted technical fact-finding meetings and a technical evaluation of the technical proposal. The proposal was evaluated based on the proposed management and quality assurance plans, proposed facility and assigned technical personnel. The proposal was found to be technically acceptable. Staff and the proposer mutually negotiated selected terms and conditions, schedule, and warranty.

The firm recommended for award, Knorr Brake Company, was found to be in compliance with the proposal requirements.

C. Price Analysis

Single source acquisitions require a cost analysis be performed to determine fair and reasonable prices. Due to the proposer's unwillingness to provide essential company sensitive cost support data needed to perform a cost analysis and the equipment availability from only a single source, staff performed a Price Analysis. The Price Analysis consisted of market research, engineering and price estimating assessments, and historical price comparisons for similar purchases. Based on staff's Price Analysis it was determined that the total proposed price was fair and reasonable.

Proposer Name	Proposal Amount	Metro ICE
Knorr Brake Company	$4,546,031	$4,360,228

D. Background on Recommended Contractor

Knorr Brake Company (KBC) founded in 1971 is a subsidiary of Knorr Bremse AG. Knorr Bremse, an international group of industrial companies, is a manufacturer of braking systems and supplier of additional sub-systems for rail and commercial vehicles for over 110 years. KBC located in Westminster, MD is the North American Mass Transit brake division of Knorr Bremse and the principal engineering and manufacturing facility. KBC is the OEM of the braking systems for Metro's P2020 Nippon Sharyo Blue Line rail cars and Metro Breda P2550 Gold Line rail cars. KBC has completed contracts for Valley Metro of Phoenix, AZ, Sacramento RTD, and Las Vegas Monorail last year and, currently, has contracts with Metropolitan Transit System, San Diego, Sacramento RTD, and Tri Met, Portland, OR. The firm completed a Metro contract in July 2015 and performed overhaul work for Metro's Blue Line vehicles in December 2016.

ATTACHMENT B

DEOD SUMMARY

P2550 AND P2020 FRICTION BRAKE SYSTEM OVERHAUL / MA24464000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this solicitation. The P2550 and P2020 Friction Brake System Overhaul Kits are Original Equipment Manufacturer (OEM) products, and are shipped directly to Metro. Knorr Brake Company proposed to utilize the services of a non-DBE firm and did not make a DBE commitment.

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.

Overview of Items 23, 24, 25 and 30

System Safety, Security & Operations Committee

Metro

November 2017

Rail Vehicle Maintenance, Overhaul & Modernization

Maintenance	• Preserve level of performance
Overhaul	• Heavy maintenance repair/replacement at specific OEM intervals (age/mileage) • No change to the design
Modernization	• Improve systems and performance • Approximate mid-life • Upgrade the system designs

Metro

Fleet Plan 10 Year Horizon

Series	Maintenance	Overhaul	Modernize	Retire	Replace
P865	Yes	No	No	In process	P3010
P2020	Yes	Yes	No	Future	P3010
P2000	Yes	Yes	Yes	Future	Future
P2550	Yes	Yes	Yes	Future	Future
P3010	Yes	To be Scheduled	2030 ±	Future	Future
A650 Base	Yes	No	No	Future	HR4000 Base
A650	Yes	Yes	Yes	Future	HR4000 Option

Fleet Plan

❑ P2020 LRT Car Series

- **Delivered:** 15
- **Lines :** Blue and Expo Lines
- **Overhaul Program**
  - Ten components
  - Program LOP $ 30,000,000
  - Contract for air hose replacement - Completed
  - Contract for axle assembly, gearbox/roller, cab slider, body repair, seat removal for bikes, wheelchair, cameras and propulsion – On-Going
  - Contract for Friction Brake– Nov 2017 (Item 23)

❑ P2000 LRT Car Series

- **Delivered:** 52
- **Lines:** Green, Blue and Expo Lines
- **Overhaul Program**
  - Nine components
  - Program LOP $ 26,360,100
  - Contracts for air hose replacement and non-power axle bearing replacement – Completed 2012
  - Contracts for power axle, car battery, couple, exterior and interior paint – On-going
  - Contracts for Friction Brake and Air Compressor – Nov 2017 (Item 25)
- **Modernization**
  - Renew systems:
    - Carbody; Door; HVAC; Electrical; Propulsion; Trucks; Braking Equipment; Communication; Automatic Train Control; Trainline; Destination Signs
  - Exercise optional features (Item 30)
  - Contract to Alstom
  - LOP $160,800,000
  - Projected Completion August 2021

Metro

Fleet Plan

❑ P2550 LRT Car Series

- **Delivered:** 50
- **Lines :** Gold Line
- **Overhaul Program**
  - Nine components
  - Program LOP $ 35,007,540
  - Contracts for axle assemblies, and coupler awarded – June & Sept 2017
  - Contract for Friction Brake – Nov 2017 (Item 25)
  - Contracts for propulsion, pantograph, battery, doors, truck and suspension systems – Anticipated 2018/2019
- **Modernization**
  - Renew systems:
    - Carbody; Door; HVAC; Electrical; Propulsion; Trucks; Braking Equipment; Couplers; Communication; Battery
  - Specification Prep Phase
  - Contract to STV Incorporated (Item 24)
    - Consultant $1,421,086 –Nov 2017
  - Estimated LOP TBD
  - Projected Start 2020

❑ A650 Subway Car Series

- **Delivered:** 74
- **Lines :** Red Line
- **Overhaul Program**
  - Ten components
  - Program LOP $ 30,000,000
  - Contracts for air compressor, HVAC compressor, passenger door, and car battery replacement – Completed
  - Contracts for friction brake, traction motor, gearbox, coupler, AC, and DC – On-Going
- **Modernization**
  - Renew systems:
    - Propulsion; Trucks; Friction Brakes; Doors; Communication; Interiors; Signal System, HVAC
  - Design and engineering phase
  - Contract to Talgo
  - LOP $72,970,494
  - Projected Completion December 2021


Thank you
Metro

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

File #: 2017-0623, **File Type:** Contract **Agenda Number:** 29.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
AD HOC CUSTOMER EXPERIENCE COMMITTEE
NOVEMBER 16, 2017

SUBJECT: SYSTEMWIDE BUS NETWORK RESTRUCTURING PLAN

ACTION: AWARD TASK ORDER

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award an 18-month, firm fixed price Task Order No. PS878320003041 under Countywide Planning Services Bench Contract No. PS4010-3041-F-XX with Cambridge Systematics, Inc., for an amount of $1,295,762, to develop a Systemwide Bus Network Restructuring Plan, subject to resolution of protest(s), if any.

ISSUE

In May 2017, staff briefed the Board of Directors on the need to conduct the Metro Service Study (Systemwide Bus Network Restructuring Study). In August 2017, staff presented a status report to the Board, indicating that a task order Request for Proposals (RFP) was issued to the Countywide Planning Bench contractors to assist in this effort. Board approval of the Contract is needed to proceed with development of the Plan.

DISCUSSION

Background

Metro provides over 1.3 million customer trips per weekday with a fleet of over 2,200 buses, 219 light rail, and 104 heavy rail cars. Service is distributed along an extensive network of 136 bus lines and 102 one way track miles of rail service that span 1,433 square miles of Los Angeles County. In addition, Metro funds local bus services operated by sixteen (16) municipal bus operators and several other community services providing almost 335K trips per day. Together, the municipal operators account for roughly 30% of transit service within the County while Metro provides the remaining 70%. Therefore, coordination of services, fare payment, signage and information is critical to providing seamless services throughout the region.

The Metro bus and rail system will continue to expand with the passage of the County's Measure R in 2008 and Measure M in 2016, both one-half cent sales taxes for transportation improvements. Currently, three mega transit projects are being constructed, including Crenshaw/LAX, Regional Connector, and the Purple Line Extension. Several others, including the Gold Line Foothill Extension to Claremont, East San Fernando Valley Transit Corridor, West Santa Ana Transit Corridor, Sepulveda Pass, and Bus Rapid Transit (BRT) between North Hollywood and Pasadena, and along Vermont Avenue, are planned to be in construction within the next 10 years.

Despite being the second most heavily used bus and seventh most heavily used rail systems in the country, and voter endorsement for continued growth, Metro's sytemwide transit ridership continues to decline, consistent with national trends. A recent survey of past riders found that 19% of respondents stopped using Metro services primarily because their travel patterns changed, and another 12% stated that it is too hard to get to and from transit. Eighteen percent and 11%, respectively, mentioned slow speeds and service reliability were their main reasons for leaving transit. Ridership declines can also be attributed to shifts in customer demographics and lifestyles, changing workforce travel patterns, safety and security concerns, new technology and opportunities for other travel options such as shared mobility on-demand.

Systemwide Bus Network Restructuring Study

Given the transforming landscape of transportation and travel demand within Los Angeles County, Metro is embarking on an effort to restructure the entire bus network into a comprehensive and intuitive system of high quality and integrated transit services that are relevant, reflective of, and attractive to the diverse customer needs within Los Angeles County. More specifically, the service restructuring aims to increase transit use within the County over the next decade by attracting customers to ride more by retaining current customers, reclaiming past customers, and recruiting new customers. In addition, the re-baselined bus network will set the foundation for future growth from transportation investments provided through Measures R and M.

With the diversity and complexity of Metro's governing boards, key stakeholders, customers, and operating environment, the following principles are critical to the success of this project:

- Extensive public input and outreach throughout the project (early buy-in and understanding of tradeoffs from Board and key stakeholders, and inclusive of LA County's diverse communities).

- Integration/coordination with Metro's Strategic Plan and Long Range Transportation Plan (LRTP) update, as well as municipal operator system restructure plans.

- Collaborative process with local jurisdictions and other key stakeholders (implement service

improvements in conjunction with transit supportive infrastructure and programs).

- Openness to creativity and innovation.

To prepare the Plan, the Contractor shall successfully complete the following tasks, inclusive of gathering data to answer the questions noted below, leading up to the implementation of a systemwide bus network restructure.

- **Market Research, Market Segmentation Analysis and Travel Demand -** A comprehensive understanding of who our past, current and potential customers are. For what trip purposes are they willing to use transit? When do they want to travel? What are the service attributes most important to them? Where are they coming from and going to?
- **Existing Service Evaluation -** What are the strengths, deficiencies, gaps and opportunities of the existing Metro bus network? How are customers using the system, and how well do we meet their needs? Where are the gaps and deficiencies in service and service attributes? Where are the opportunities for ridership growth, and how much can ridership grow if we address our gaps and deficiencies?

- **Establish Service Concepts -** Develop a series of preferred service concepts to consider that best match with the travel demand and service attributes most important to each customer group. How do these service concepts address the gaps and deficiencies identified in the Existing Service Evaluation? How will these service concepts create opportunities for ridership growth? What are the tradeoffs between service concepts and how will the benefits outweigh the negatives?

- **Service Design Guidelines -** The service concepts will be translated into a set of service design guidelines and criteria to ensure that any future adjustments to service are consistent with the preferred service concept.

- **Capital Infrastructure Needs -** Transit preferential infrastructure will be identified that will enhance speed and reliability of bus service along key regional corridors, as well as infrastructure to support new service delivery methods, and customer service infrastructure for major transfer points and activity centers.

- **Service Restructuring Plan -** The Contractor and Metro service planning and scheduling staff will work hand in hand to develop a transit network based on the preferred Service Concept and design guidelines that are anticipated to maximize ridership and improve customer experience within: 1) existing resources, 2) 10% fewer resources, and 3) 10% greater resources.

DETERMINATION OF SAFETY IMPACT

Conducting this study will not have any impacts on the safety of our customers and/or employees.

FINANCIAL IMPACT

The FY18 budget includes $1,000,000 in Cost Center 3151, project 306004 to conduct the Systemwide Bus Network Restructuring Study. Since this is a multi-year contract, the Cost Center Manager and Chief Operations Officer will be responsible for budgeting future years for the balance of the remaining project budget.

Impact to Budget

The source of funds for this project will come from regional administration funds earned on Proposition A sales tax. These funds are not eligible for operating or capital functions.

ALTERNATIVES CONSIDERED

The Board could consider not conducting this study and/or completing the study using in-house resources. Neither of these options is recommended as the bus system continues to be misaligned with current day travel demand and travel options and there are insufficient in-house resources to conduct the study and develop a Plan of this magnitude.

NEXT STEPS

Upon Board approval, staff will execute Task Order No. PS878320003041 with Cambridge Systematics, Inc. to develop a Systemwide Bus Network Restructuring Plan.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Task Order Log
Attachment C - DEOD Summary

Prepared by: Conan Cheung, SEO, Service Planning, Scheduling and Analysis, (213) 418-3034

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

SYSTEMWIDE BUS NETWORK RESTRUCTURING PLAN/PS4010-3041-F-XX

1.	**Contract Number**: PS4010-3041-F-XX Task Order No. PS878320003041	
2.	**Recommended Vendor**: Cambridge Systematics, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☐ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☒ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: 6/23/2017 to Discipline 1 (Transportation Planning) of the Countywide Planning Bench	
	B. Advertised/Publicized: N/A	
	C. Pre-Proposal Conference: 7/7/2017	
	D. Proposals Due: 7/24/2017	
	E. Pre-Qualification Completed: 9/5/2017	
	F. Conflict of Interest Form Submitted to Ethics: 9/1/2017	
	G. Protest Period End Date: 11/20/2017	
5.	**Solicitations Picked up/Downloaded**: 17	**Bids/Proposals Received**: 2
6.	**Contract Administrator**: Ana Rodriguez	**Telephone Number**: (213) 922-1076
7.	**Project Manager**: Conan Cheung	**Telephone Number**: (213) 418-3034

A. Procurement Background

This Board Action is to approve Task Order No. PS878320003041 issued under the Countywide Planning Bench Contract No. PS4010-3041-F-XX in support of restructuring Metro's existing bus network to meet the needs of existing and future patrons and increasing transit ridership. Board approval of contract awards are subject to resolution of any properly submitted protest.

In September 2013, Metro's Board of Directors approved the award of 63 contracts under the Countywide Planning Bench (Bench) comprised of 17 disciplines for a period of three years with two one-year options for professional services not-to-exceed a cumulative amount of $30,000,000.

Task Order RFP No. PS43739-3041 was issued on June 23, 2017, in accordance with Metro's Acquisition Policy, to all members of Discipline 1 – Transportation Planning of the Bench and the contract type is a firm fixed price.

One amendment was issued during the solicitation phase of this Task Order RFP:

- Amendment No. 1, issued on June 27, 2017, clarified the pre-proposal conference date.

A pre-proposal conference was held on July 7, 2017 and was attended by ten participants representing nine firms. There were five questions submitted and responses were released prior to the proposal due date.

A total of two proposals were received on July 24, 2017.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro departments including the Service Development, Scheduling and Analysis Department, Countywide Planning and Development Department, the Office of Extraordinary Innovation, the Community Relations Department, the Transportation Planning Department, and the Service Operations Department was convened and conducted a comprehensive technical evaluation of the proposals received.

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

- Work Plan/Project Approach 35 percent
- Experience and Qualifications of the Proposed Personnel 20 percent
- Experience and Qualifications of the Consulting Team 20 percent
- Cost/Price Effectiveness 15 percent
- Small Business Preference 10 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar Task Order RFPs for professional services. Several factors were considered when developing these weights, giving the greatest importance to the Work Plan/Project Approach.

Both proposals received were determined to be within the competitive range and are listed below in alphabetical order:

1. Cambridge Systematics, Inc.
2. Fehr and Peers, Inc.

From July 25, 2017 through August 9, 2017, the PET conducted its independent evaluation of the proposals received. On August 9, 2017, the PET conducted interviews with both firms. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. In general, each team's presentation addressed the requirements of the RFP, specifically their work plan, project approach, and their experience. The teams responded to the questions from the PET that pertained to their market research methodology, their information transference to key stakeholders and other consultants, and their proposed approach to determining service concepts from the market segmentation analysis.

Qualifications Summary of Firms within the Competitive Range:

Cambridge Systematics, Inc.

Cambridge Systematics is an established transportation consulting firm that has extensive public sector experience having worked with a vast number of federal, state, and local agencies throughout the country and internationally. Services provided include modeling and analytics, policy, planning and implementation and technology solutions in the form of software to specifically address issues of transit, planning, modeling, asset management, and mobility.

Cambridge Systematics provided a detailed and thorough response to the Task Order RFP that demonstrated their significant understanding of travel patterns, market segmentation analysis, route planning, service evaluation, forecasting and operations efficiencies. The market segmentation methodology was described in great detail and presented a balanced emphasis on understanding the general service characteristics needed for the core network as well as allowing for specific niche market needs for demand based service planning. Cambridge Systematics also put together a team that has experience completing other similar comprehensive operations analyses for large metropolitan areas across the United States. Cambridge Systematics has four subconsultants, Transportation Management & Design Inc. (TMD), HDR Engineering, Inc., Here Design Studio, and Conifer Research LLC, that will lead or supplement tasks according to their discipline expertise.

During their interview, Cambridge Systematics further exhibited their team's knowledge of transit market research, multimodal system evaluation and forecasting as well as expanded on their approach. The proposed existing service evaluation is robust and TMD will use their proprietary Service Analysis System (SAS) program for analysis of ridership and operating performance at various geographic and temporal levels that will be of great value in the restructuring effort. Cambridge and their team also specifically addressed micro-transit and alternative service concepts in their presentation expanding on the information provided in their proposal and demonstrated some potential interactions between the traditional and emerging public transportation possibilities.

Fehr and Peers, Inc.

Based out of Walnut Creek, CA, Fehr and Peers is a transportation consulting firm which specializes in providing transportation planning and engineering services. Fehr and Peers' services include land use and transportation studies, travel behavior and forecasting, bicycle and pedestrian planning and many others. Fehr and Peers' proposal demonstrated an understanding of the importance of public engagement; however, their proposed service evaluation did not go into sufficient depth to gain an understanding of the different factors affecting ridership. Also, their market research approach seemed to heavily rely on work being conducted through a different study,

namely the Ridership Growth Action Plan and there was not a significant identifiable link between the findings of the market segmentation analysis and the development of the service concepts and design guidelines. Furthermore, their service concept methodology seemed to assume a single concept solution which does not account for alternative service delivery methods named in the RFP such as micro-transit and flex route alternatives. Fehr and Peers was given the opportunity to address this issue at the interview; however, their responses seemed to indicate that other service concepts would not be prominently considered in their restructuring plans.

Following is a summary of the PET evaluation scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Cambridge Systematics, Inc.**				
3	Work Plan/Project Approach	77.73	35.00%	27.21	
4	Experience and Qualifications of the Proposed Personnel	83.62	20.00%	16.72	
5	Experience and Qualifications of the Consulting Team	80.81	20.00%	16.16	
6	Cost/Price Effectiveness	100.00	15.00%	15.00	
7	Small Business Preference	50.00	10.00%	5.00	
8	**Total**		**100.00%**	**80.09**	**1**
9	**Fehr and Peers, Inc.**				
10	Work Plan/Project Approach	68.34	35.00%	23.92	
11	Experience and Qualifications of the Proposed Personnel	76.68	20.00%	15.34	
12	Experience and Qualifications of the Consulting Team	73.03	20.00%	14.61	
13	Cost/Price Effectiveness	78.07	15.00%	11.71	
14	Small Business Preference	50.00	10.00%	5.00	
15	**Total**		**100.00%**	**70.58**	**2**

C. Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate price competition, an independent cost estimate, price analysis, technical analysis, fact finding, and negotiations.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated Amount
1.	Cambridge Systematics, Inc.	$1,398,085	$1,262,427	$1,295,762
2.	Fehr and Peers, Inc.	$1,798,852		

D. Background on Recommended Contractor

The recommended firm, Cambridge Systematics, Inc., was founded in 1972 in Massachusetts and specializes in applying systematic analysis to problems of transportation, the environment, urban development, and regional planning. Cambridge has locations in nine different states, including two locations in California, and has expanded to service international clients as well. Similar past projects for Cambridge and their team include the Chicago Regional Transportation Authority Market Analysis Study, the Santa Clara Valley Transportation Authority Metropolitan Comprehensive Operational Analysis, and the Nashville Metropolitan Transit Authority Comprehensive Operations Analysis. Cambridge has a history of working with Metro, on projects such as the Long Range Transportation Plan, and the Metro Mobility Matrix assessments for the San Gabriel Valley, North County, and South Bay Cities.

TASK ORDER LOG

COUNTYWIDE PLANNING BENCH/CONTRACT NO. PS4010-3041
TASK ORDER LOG VALUE ISSUED TO DATE

Discipline No./ Description	Contract No.	Contractor	Value of Task Orders Issued to Date
1/Transportation Planning	PS4010-3041-O-XX	David Evans & Associates, Inc.	$459,587.68
	PS4010-3041-BB-XX	IBI Group	$343,471.02
	PS4010-3041-F-XX	Cambridge Systematics, Inc. ***This Pending Action***	$2,870,664.74 ***+$1,295,762.00***
	PS4010-3041-U-XX	Fehr & Peers	$1,978,617.34
	PS4010-3041-YY-XX	STV Corporation	$490,954.00
	PS4010-3041-I-XX	CH2M Hill, Inc.	$286,865.00
	PS4010-3041-DD-XX	Iteris, Inc.	$1,911,605.06
	PS4010-3041-Y1-XX	HDR Engineering, Inc.	$1,641,541.24
	PS4010-3041-Y1-XX	KOA Corporation	$298,142.85
	PS4010-3041-RR-XX	Parsons Transportation Group	$1,832,178.00
	PS4010-3041-EE-XX	Kimley Horn & Associates, Inc.	$291,005.46
	PS4010-3041-A-XX	AECOM Technical Services, Inc.	$1,954,168.96
	PS4010-3041-QQ-XX	Parsons Brinckerhoff, Inc.	$920,819.00
		Subtotal	$16,575,382.35
2/Environmental Planning	PS4010-3041-FF-XX	Kleinfelder, Inc.	$839,361.71
		Subtotal	$839,361.71

6/Architecture	PS4010-3041-RR-XX	Parsons Transportation Group	$115,817.00
	PS4010-3041-W-XX	Gensler	$269,041.34
		Subtotal	$384,858.34
7/Urban Design	PS4010-3041-W-XX	Gensler	$406,905.18
		Subtotal	$406,905.18
9/Environmental Graphic Design	PS4010-3041-WW-09	Selbert Perkins Design	$248,361.00
		Subtotal	$248,361.00
11/Financial Analysis	PS4010-3041-I-XX	CH2M Hill, Inc.	$587,011.00
		Subtotal	$587,011.00
12/Land Use and Regulatory Planning	PS4010-3041-BB-XX	IBI Group	$299,986.00
		Subtotal	$299,986.00
13/Sustainability/Active Transportation	PS4010-3041-U-XX	Fehr & Peers	$1,950,067.67
	PS4010-3041-XX-13	Stantec Consulting Services, Inc.	$618,390.76
		Subtotal	$2,568,458.43
14/Database Technical Services	PS4010-3041-PP-14	Novanis	$1,310,664.93
	PS4010-3041-KKK-14	Accenture LLP	$101,000.00
		Subtotal	$1,411,664.93
17/Community Outreach/ Public Education & Research Services	PS4010-3041-EEE-17	The Robert Group	$771,839.00
	PS4010-3041-D-17	Arellano Associates	$564,877.00
		Subtotal	$1,336,716.00
		Total Task Orders Awarded to Date	**$24,658,704.94**
		Board Authorized Not-To-Exceed (NTE) Cumulative Total Value	**$30,000,000.00**
		Remaining Board Authorized NTE Cumulative Total Value	**$5,341,295.06**

DEOD SUMMARY

SYSTEMWIDE BUS NETWORK RESTRUCTURING PLAN/PS4010-3041-F-XX

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 30% Small Business Enterprise (SBE) goal for this solicitation. Cambridge Systematics, Inc. exceeded the goal by making a 60.43% SBE commitment.

Small Business Goal	30% SBE	Small Business Commitment	60.43% SBE

	SBE Subcontractors	% Committed
1.	Transportation Management & Design	56.57%
2.	Here Design Studio	3.86%
	Total Commitment	**60.43%**

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 wages are not applicable to this Contract.

D. Project Labor Agreement/Construction Careers Policy

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

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

Metro

Board Report

File #: 2017-0634, **File Type:** Agreement **Agenda Number:** 35.

CONSTRUCTION COMMITTEE
NOVEMBER 16, 2017

SUBJECT: XO COMMUNICATION UTILITY COOPERATIVE AGREEMENT

ACTION: XO COMMUNICATION UTILITY COOPERATIVE AGREEMENT FOR SUPPORTS SERVICES ASSOCIATED WITH METRO'S CONSTRUCTION PROJECTS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute the Utility Cooperative Agreement (UCA) between Metro (Authority) and XO Communications.

ISSUE

As the Purple Line Extension Project (PLE) moves forward, the team has identified XO communication systems within the alignment that require utility relocation and or general utility support from the proposed decking system. This is the Authority's first interaction with XO Communication. Therefore in order to move forward with the relocations and general utility support coordination, a Utility Cooperative Agreement (UCA) must be set in place between the Authority and XO Communication in order to memorialize roles and responsibilities. This UCA shall also be prepared in a manner that would accommodate any future Metro Project that may require services from XO Communication in order to support those future projects.

DISCUSSION

As technology advances, new communication providers are constantly installing new infrastructure within Metro proposed Project areas. Such as in the case of XO Communication. XO Communication is a relatively new fiber and communication company that now services L.A. County as well as the unincorporated counties. Being that they are relatively new, and no other UCA has been executed by both parties, this would be the first UCA executed that would allow both parties to collectively work together to support general utility relocation and coordination efforts. The general intent of the UCA would be to cover the current ongoing Projects, starting with PLE, as well as future Metro Projects for many years to come.

This UCA describes the roles, responsibilities, and obligations of both parties and specifies the procedures which the Authority and XO Communication will follow for elements associated with

the supports services associated with all of Metro's projects. Such elements include general coordination, providing as builts, relocating utilities, preparation of designs, streamline processes, meeting accommodations, permitting, construction support services, reimbursements, invoicing, and other general tasks in support of Metro's construction of projects. The Authority and XO Communication agree that each will cooperate with the other in all activities covered by the UCA. Work performed by XO Communication under this UCA shall be per the work orders to be issued by the Authority on a yearly basis.

FINANCIAL IMPACT

Work Orders will be issued to XO Communications on an annual basis similar to contract task orders. Work orders for said Authority commitments created within the UCA parameters shall only be issued by funded projects and must be within each of the project's respective Fiscal Year or Life of Project (LOP) budgets. These projects will largely be comprised of the Measure R/M projects but can be utilized across all Metro capital projects.

ALTERNATIVES CONSIDERED

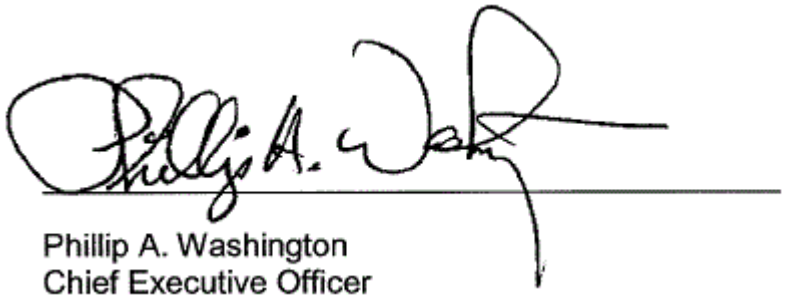
The Board may choose not to execute this UCA, however not executing this UCA would not solidify each of the parties' roles and responsibilities and would require Metro to follow standard over the counter processes and therefore not benefit from streamlined processes, and other administration benefits identified within the UCA. All of which are essential elements from a successful project standpoint.

ATTACHMENTS

Attachment A - Utility Cooperative Agreement; XO Communication

Prepared by: Eduardo Cervantes, Senior Director; 213-922-7255.
Androush Danielians, Deputy Executive Officer; 213-922-7598

Reviewed by: Richard Clarke, Chief Program Management Officer; 213-922-7557



Phillip A. Washington
Chief Executive Officer

UTILITY COOPERATIVE AGREEMENT FOR RAIL AND BUSWAY TRANSIT PROJECTS BETWEEN XO COMMUNICATIONS SERVICES, LLC AND THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

THIS AGREEMENT, dated_____, 2017 (the “Effective Date”) is made by and between the Los Angeles County Metropolitan Transportation Authority ("MTA") and XO Communications Services, LLC ("Utility"). As used in this Agreement, terms identified by initial capital letters shall have the meanings set forth in Article 1, or as elsewhere provided in this Agreement. MTA and Utility sometimes are collectively referred to herein as the “Parties”, and individually as a “Party”.

RECITALS

A. Whereas MTA is a public entity created by the California State Legislature for many purposes including, but not limited to, the design, construction, and operation of rail and bus transit systems and other transportation facilities in Los Angeles County.

B. Whereas Utility, a Delaware limited liability company is a provider of telecommunications services.

C. Whereas MTA proposes to design, construct and operate facilities necessary and convenient for various public rail, and busway transit systems within the County of Los Angeles, this Agreement will cover and apply to all of MTA' s proposed projects which currently include, without limitation, the following projects:

1. The Metro Regional Connector Project (the "Regional Project"), which is an approximately 1.9 mile light rail line currently proposed to traverse portions of the City of Los Angeles between 7th and Metro Station and the Metro Eastside Goldline Project.

2. The Metro Westside Subway Extension Project (the "Westside Project"), which is an heavy rail line currently proposed to traverse portions of the City of Los Angeles and City of Beverly Hills, under Wilshire Blvd, between Wilshire/Western Station and VA Hospital.

3. The Metro Crenshaw/LAX Project (the "Crenshaw Project"), which is an approximately 1.8 mile light rail line currently proposed to traverse portions of the City of Los Angeles and City of Inglewood, along Crenshaw BLVD, Florence and Aviation between the Expo stations and Metro Green line.

4. MTA shall from time to time initiate new Rail and Bus Transit Projects within Los Angeles County and the Parties do hereby agree that this Agreement will apply to any and all MTA initiated Rail and Bus Transit Projects.

D. Whereas MTA historically has used the "Design/Bid/Build" method of project delivery for its rail transit projects. However, MTA also anticipates utilizing various alternative contracting methods (Design/Build) for project delivery of above referenced rail and busway transit projects.

E. Whereas from time to time the construction or improvement of MTA's rail and busway transit systems (including but not limited to those described in Recital B above) will require the Rearrangement of portions of certain Utility Facilities. The Parties desire to cooperate to the end that such Rearrangements be held to a minimum consistent with MTA's requirements and that Rearrangements, when required, be effected quickly and with as little interference with the operations of either Party.

NOW, THEREFORE, in consideration of the covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Utility and MTA agree as follows:

Article 1

General Provisions

1.1 Scope of Agreement

1.1.1 This Agreement addresses the three Transit Projects described in Recital B above as well as any other subsequent MTA projects, which meet the definition of "Transit Project", set forth below. This Agreement describes (a) the procedures MTA and Utility will follow in identifying, planning, designing and effecting all Rearrangements of Utility Facilities that are necessary in order for MTA to construct, operate and maintain its Transit Projects, and (b) the manner in which Utility and MTA will be reimbursed for their respective costs of such activities. Both MTA and Utility agree that each will cooperate and coordinate with the other in all activities covered by this Agreement, amendments and any supplemental agreements hereto. The Parties hereby agree that upon execution of this agreement all existing agreements between the Parties (or affiliates of the Parties) related to the issues in this Agreement shall be automatically terminated and shall be of no further force or effect as of the Effective Date of this Agreement. However, any projects that are currently underway, shall continue until completed and approved under the same work order number, which will be transferred to a new Form 60 as required herein, and shall be constructed in accordance with the standards and plans originally approved by the Parties.

1.1.2 This Agreement shall not negate or modify the terms and conditions of (a) any legally binding easements or other use and/or occupancy agreements between Utility and MTA with respect to the occupancy by Utility of, or any interest of Utility in real property owned by or under the operating jurisdiction of MTA, (b) any such easements or other agreements between Utility and any former owner of real property now or hereafter owned by MTA, and to which MTA has become or hereafter becomes a successor either by assignment or by operation of law, or of (c) any such easements or other agreements between Utility and any other governmental agency with respect to real property owned by or under the operating jurisdiction of such governmental agency, and in which MTA has a statutory or other right to install Transit Project Facilities.

1.2 Duration of Agreement

The initial term of this Agreement (the "Initial Term") shall commence on the Effective Date and shall terminate on June 30, 2028. This Agreement shall automatically be

renewed for consecutive one year terms commencing on the day following the last day of the Initial Term and on each subsequent anniversary of such day, unless either Party provides written notice of termination to the other no later than ninety (90) days prior to the end of any term (including the Initial Term).

1.3 Definitions

For the purpose of this Agreement, the following terms shall have the meanings set forth below:

1.3.1. Abandonment is the permanent termination of service of an existing Utility Facility (or portion thereof) as authorized by Utility, and, if the Facility or portion thereof is not being removed from its existing location, the work necessary to permit such Facility to remain in place in accordance with applicable law.

1.3.2. Betterment is a Replacement Facility, or component thereof, that will increase or upgrade the level of service, service life, capacity, capability efficiency or function of a Replacement Facility over that which is being provided by the corresponding Conflicting Facility ("upgrade"). However, the following shall not be considered Betterments:

a. An upgrade that is necessary to accommodate the Subject Transit Project.

b. An upgrade resulting from Design or Construction in accordance with the applicable Utility Standards as set forth in Section 2.6; provided, however, that any upgrade beyond the minimum level required by such applicable Utility Standards shall be considered to be a Betterment.

c. Upgrade beyond the minimal applicable requirements of the Transit Project's final environmental impact report shall be considered a Betterment.

d. Replacement of devices or materials no longer regularly manufactured with the next highest grade or size.

Certain revisions or additions to Utility Standards may also be a Betterment, as set forth in Section 2.5. Betterment shall also include any new or upgraded facilities or portion thereof added to a Replacement Facility at Utility's request for the purpose of improving Utility Facilities or services, and which are not otherwise excluded from the definition, of Betterment as set forth above. Betterments shall be entirely financed at the expense of Utility.

1.3.3. Busway Project is any busway system of MTA, which is constructed for the public transportation of passengers. A Busway Project may be located on an exclusive busway or may share the roadway with other vehicles. "Busway Project" may refer to any one of the busways, and any portion or section thereof, as the context may require.

1.3.4. Conflicting Facility is an existing Utility Facility, which MTA determines is so situated as to require Rearrangement in order to construct and operate the Subject Transit Project.

1.3.5 Construction or Construct is work of removal, demolition, replacement, relocation, restoration, alteration, realignment, building, fabrication, landscaping, or supporting those related tasks that are customarily reflected in a construction contract.

1.3.6. Contract is any MTA contract involving the Design and/or Construction of Transit Project Facilities and/or related Rearrangements.

1.3.7. Contractor is an entity engaged under Contract with the MTA.

1.3.8. Construction Costs are those types of costs that are customarily reflected in a Construction Contract.

1.3.9. Cost is defined as all authorized direct and indirect costs as further described in; Article 8 for costs incurred by Utility, in Article 9 for costs incurred by MTA and subject to the provisions of Article 11.

1.3.10. County is the County of Los Angeles, California.

1.3.10a Crenshaw/LAX Project has the meaning set forth in Recital B of this Agreement

1.3.11. Cutoff Date means the earliest date on which Utility received written notice (i) identifying a Utility Facility site as land proposed to be included in any Project, or (ii) of MTA's acquisition of title in respect to a Utility Facility site.

1.3.11a. Days means calendar days unless specifically stated differently in a set of contract documents

1.3.12. Design means that engineering, architectural and other design work along with the resulting maps, plans, drawings, computer software, estimates and specifications, which are necessary to affect Rearrangements.

1.3.13. Design Development is the phase of the Design process,that develops a clear indication of the final design solutions for requirements outlined in the Preliminary Engineering Design phase. At the completion of Design Development, major features of the architectural, structural and third party interfaces have advanced in conjunction with performance specifications, thereby providing the basis for Final Design.

1.3.14. Dispute has the meaning set forth in .Article 13.

1.3.15. Effective Date is the date on which this Agreement has been fully executed on behalf of both MTA and Utility.

1.3.16. Environmental Law means all local, state, and federal laws, rules, regulations, ordinances, orders and requirements pertaining to any Project environmental work, as well as Hazardous Materials.

1.3.17. Deleted

1.3.18. Expired Service Life Value has the meaning set forth in Section 9.7.

1.3.19. Deleted

1.3.20. Facility is defined as personal property identified within the route, such as structures and improvements located on real properties under the jurisdiction of the County, City, public or private Utility, or the MTA and shall include, but not be limited to, streets, highways, bridges, alleys, public or private rights of way, storm drains, sanitary sewers, landscaping, trees, traffic signals, street lights, parking meters, police and fire alarm systems, manholes, ducts, cables, and fibers.

1.3.21. Final Design is the phase of the Design process that provides the detailed design and technical specifications for all temporary and permanent project facilities. This phase addresses and resolves all Design review comments, construction issues, and third party comments and finalizes all engineering, architectural, and system designs necessary for complete construction documents. The term also includes the products of such phase of the Design process.

1.3.22. Hazardous Materials means "hazardous substances" as that term is defined in Division 20, Chapter 6.8 of the California Health & Safety Code.

1.3.23 MTA means the Los Angeles County Metropolitan Transportation Authority, and it's officers, employees, agents, contractors, subcontractors, consultants and sub consultants.

1.3.24. MTA Representative is the person, or person holding a specified position, designated by the MTA pursuant to Section 1.4.

1.3.25. Preliminary Engineering ("PE") Design is the phase of the Design process which takes a project from a conceptual state to a level of project Design definition that describes the project's technical and architectural approach in order to determine environmental and community impacts, interfaces with utilities and existing infrastructure/facilities, operational characteristics, an estimate of project costs and a project execution schedule. The term also includes the products of such phase of the Design process. The PE Design phase for a Transit Project is initiated at the conclusion of the Draft Environmental Impact Statement and after the selection of the locally preferred alignment.

1.3.26. Project Plans are MTA's drawings, plans and specifications for a Subject Transit Project, which MTA has identified as the plans on which Design of the affected Rearrangements should be based. Utility acknowledges that Project Plans may or may not be at a Final Design level.

1.3.27. Protected Materials are any pale ontological, archeological, cultural, or similar resources requiring protection pursuant to applicable law during Construction.

1.3.28. Rearrangement is all work on Utility's Facilities that is necessary to accommodate a Transit Project including without limitation, Design, removal, replacement, alteration, reconstruction, restoration, support, protection in place, Abandonment or relocation of a Conflicting Facility or portion thereof, whether permanent or temporary.

1.3.29. Regional Connector Project has the meaning set forth in Recital B of this Agreement

1.3.30. Replacement Facility is a Utility Facility that may be constructed or provided under the terms of this Agreement as a consequence of the Rearrangement of a Conflicting Facility or portion thereof and which meets applicable Utility Standards (Betterments which the Parties agree to incorporate therein). A Replacement Facility may be an entirely new Utility Facility, or an existing Utility Facility, as modified by the Rearrangement work.

1.3.31. Schedule means the schedule for Design and Construction of a particular Rearrangement, which shall be mutually agreed upon by MTA and Utility,

1.3.32. Service Life means life of a said utility facility.

1.3.33. Subject Transit Project, when referenced in connection with a particular Rearrangement, means the Transit Project which necessitates such Rearrangement; provided, however, that if MTA enters into more than one Contract for Construction of a particular Transit Project, then where the context so requires, the term "Subject Transit Project" shall refer to that portion of such Transit Project which is being Constructed by a particular Contractor and which necessitates such Rearrangement,

1.3.34 Substitute Facility means a Utility Facility equal, in terms of level of service, capacity, service life, capability, appearance, efficiency and function, to the corresponding Conflicting Facility that requires Rearrangement, but which also includes any upgrades to any of the foregoing that would not be considered Betterments pursuant to this Agreement, but may involve Service Life Credits

1.3.35 Temporary Facility is a Utility Facility constructed for the purpose of ensuring continued service during a Rearrangement and/or any work on a Utility Facility to accommodate the construction of a Transit Project, but which will be removed, relocated or restored to its original condition after such construction activities are completed.

1.3.36 Transit Project(s) are defined as light and heavy rail, including subways, bus, bike, and other transportation or transit related projects collectively, and a 'Transit Project" is defined as an individual Transit Project , as the context may require. Where the context so requires, 'Transit Project" refers to the Design and Construction undertaken by or at the direction of MTA in order to create a new light rail, heavy rail, subways, bus and other transportation or transit related project, or in order to reconstruct, alter, extend or maintain an existing light rail, heavy rail, subway, bus or other transportation related project. Freeway, toll road and highway projects shall be included as Transit Projects to the extent Caltrans' third party agreement does not cover the entire scope of the project.

1.3.37. Transit Project Facility means a Facility that is a component of or an appurtenance to a Transit Project.

1.3.38. Transit Project Right of Way means (a) real property owned (or intended for acquisition) by MTA and used (or proposed to be used) for Transit Project purposes, and (b) those portions of public streets or rights-of-way on which are located (or proposed to be located) any Transit Project Facilities or which are otherwise used (or proposed to be used) by MTA for Transit Project purposes.

1.3.39 Utility is defined for purpose of this Agreement, as XO Communications), and, as the context may require, its officers, employees, agents, contractors and subcontractors.

1.3.40 Utility Facility is defined as any structure, improvement or other facility

impacted by the construction of a Transit Project, that is used for the provision of the particular form of service(s) offered by Utility to the public and shall include, but not be limited to, wires, cables, poles, cross-arms, anchors, guys, fixtures, vaults, conduits, duct banks, vents, fittings, pipelines and manholes together with any and all equipment, apparatus or structures appurtenant thereto or associated therewith. The term "Utility Facility" does not include any buildings of Utility or any facilities therein or any other property of Utility whether or not devoted to public use, which is not included within the definition of "Utility Facility" and/or impacted by the construction of a Transit Project as set forth above.

1.3.41 Utility Representative means the person, or the persons holding the specified position(s), designated by Utility pursuant to Section 1.4

1.3.42 Utility Standards means the latest edition of Utility's written design and safety standards that are in effect as of the Effective Date, as the same may be modified from time to time thereafter, but only to the extent that such modifications do not result in Betterments pursuant to Section 2.5.

1.3.43 Westside Subway Extension Project has the meaning set forth in Recital B of this Agreement.

1.3.44 Work Order is that document which MTA shall issue to Utility authorizing MTA's funding for Utility's performance of Design, Design review, inspection, Construction and/or supply of materials and equipment, under the terms and conditions of this Agreement. Utility's failure to execute a Work Order shall not excuse Utility's performance of any obligation under this Agreement.

1.4 Utility Representative and MTA Representative

1.4.1 Utility Representative.

For each Transit Project, Utility shall designate a person, or the holder of a specified office or position, to act as the Utility Representative for such Transit Project. A single individual may be the Utility Representative for more than one Transit Project, to the extent necessary depending on the requirements of the Transit Project(s) to which he or she is assigned. The Utility Representative(s) shall assist MTA in the delivery of such Transit Project(s) and each component thereof in a timely manner. The Utility Representative(s) will have the responsibility and authority (i) to manage and coordinate interaction of Utility with MTA and its contractors, (ii) to produce to MTA the necessary billings, work documents and reports on production, Cost and Work Order status, (iii) to undertake reviews, provide comments and issue approvals as required by this Agreement, and (iv) to cause Utility to pay MTA's billings for its Costs that are reimbursable hereunder. Utility may change a designated Utility Representative by providing written notification to MTA fourteen (14) days prior to the change or as soon as reasonably practicable, if the change must be made sooner.

1.4.2 MTA Representative.

For each Transit Project, the Chief Executive Officer of MTA shall designate a person, or the holder of a specified office or position, to act as the MTA Representative for such Transit Project. At MTA's option, a single individual may serve as the MTA Representative for any number of Transit Projects. The MTA Representative will have the responsibility to manage and coordinate MTA interaction with Utility, and to cause production of the necessary Design and Construction documents for Utility review and/or approvals as called for under this Agreement, to issue Work Orders, and to undertake reviews and issue approvals as required by this Agreement. The MTA may change its designated MTA Representative by providing written notification to

Utility fourteen (14) days prior to the change, or as soon as reasonably practicable, if the change is to be made sooner.

1.5 Coordination and Cooperation

1.5.1 Coordination

It is acknowledged that the timely completion of each Transit Project will be influenced by the ability of MTA and Utility to coordinate their activities, communicate with each other, and respond promptly to reasonable requests. As information becomes available for each Transit Project, MTA agrees to provide information to Utility within 10 days of receipt of such plans for the Project as will enable Utility to determine which Utility Facilities may be impacted thereby,. The Parties will agree on the plans and specifications for each arrangement in accordance with the procedures described herein, but prior to the MTA giving formal notice to Utility of a required Rearrangement.

1.5.2 Cooperation

Rearrangement of a Utility Facility may be necessary in order to accommodate a Transit Project for either or both of the following reasons: (a) a physical conflict between the Transit Project (including its construction, operation, maintenance or use) and the Utility Facility, and/or (b) an incompatibility between the Transit Project Facilities as designed and the Utility Facility based on the requirements of Utility Standards, MTA's applicable standards, or applicable law (even though there is no physical conflict),. MTA shall report to Utility about the physical conflict or incompatibility at least 100 calendar days prior to requiring such Rearrangement. In the case of an emergency, the solution shall be jointly handled on a case by case basis while both parties review and agree on a solution. Relocation of Utility Facilities will be avoided whenever it is possible to do so without causing increased costs for or delay in a Transit Project. When reasonably possible in accordance with the foregoing as determined by MTA, Utility Facilities will be left in place and protected.

When relocation or other Rearrangement of Utility Facilities cannot be avoided in accordance with the foregoing, Utility agrees to such Rearrangement as MTA determines is reasonably necessary and to cooperate with MTA's requirements for the Subject Transit Project, in accordance with the provisions of this Agreement subject to the following:

a. Where MTA does not possess superior rights over the utility; MTA is obligated to pay all reasonable costs incurred by Utility for Rearrangment of the Utility Facility per MTA's request and/or need;
b. MTA shall give Utility at least 100 days (unless prior rights are involved) written notice before requiring Rearrangement of the Utility Facilities; and
c. Utility's service will not be interrupted and Utility shall be allowed, if necessary, to place a temporary utility facility on the impacted property until such time as the Replacement Facility is operational.

Where there are joint users of any such Utility Facilities or any part thereof or space thereon or therein, Utility shall use its best efforts to cooperate with MTA in identifying all joint users for the sole purpose of ensuring the joint users interests are addressed by the Project.

1.6. MTA Contractor.

The parties acknowledge that MTA, at its sole discretion, may utilize various Design and Construction contracting methodologies to construct Transit Projects along with any necessary Rearrangements . The MTA's determination of a Contract's scope of work shall not impact the processes governed by this Agreement. Without limiting the generality of the foregoing, Utility acknowledges that development of a Transit Project will require strict compliance with the scheduling requirements of this Agreement, and that failure to meet the deadlines set forth in this Agreement or in the applicable Work Order could cause MTA and/or its Contractor to incur substantial costs as a result of such delay, or may result in utility needing to take measures to avoid delay to the ~~Subject~~ Transit Project. The consequences of Utility's failure to meet a deadline are addressed in Section 11.4.

1.7 Interpretation and Application of Utility Standards

171 Design and Construction

With respect to both Design and Construction, in interpreting applicable Utility Standards, and in exercising any discretion granted to Utility staff by applicable Utility Standards, Utility shall make such interpretations and exercise such discretion in a manner so as to

impose the minimum requirements necessary to fulfill the reasonable goals of public health, safety and functionality. Any Design or Construction issues affecting Rearrangements which are not addressed by applicable Utility Standards shall be resolved in such a manner as to impose the minimum requirements necessary to make a Replacement Facility the equivalent (in terms of level of service, capacity, service life, capability, appearance, efficiency and function) to the Conflicting Facility it replaces and to otherwise minimize Rearrangement work..

1.7.2 Disagreements

If a disagreement arises between Utility and MTA (or its Contractors) with respect to a Design issue, then upon receiving notice of such disagreement, the MTA Representative shall promptly investigate and notify Utility of his or her determination as to the appropriate resolution of such disagreement in accordance with this Agreement. If, within fourteen (14) days after, receiving the MTA Representative's written notice, Utility notifies MTA that it disagrees with the MTA Representative's determination, the dispute shall be resolved in accordance with Article 13. If Utility does not timely give such notice of disagreement, then the MTA Representative's determination shall prevail. Prior to resorting to the terms of Article 13 for resolution of the dispute, the Parties shall meet and confer in a joint working group consisting of appropriate MTA, Contractor and Utility staff members selected by each Party for the purpose of resolving the dispute.

1.7.3 Non Conformance

If either Party issues a written non-conformance notice in accordance with Article 6, MTA's Representative shall investigate the matter within ten (10) days after receipt of a notice of nonconformance and will notify the issuing party of his/her determination within twenty (20)days about whether (a) correction of the completed work is necessary in order to meet MTA's or Utility's standards or to prevent public health and/or safety risks, and/or to achieve the agreed upon level of functionality for a Rearrangement required by the Design approved by the Parties, or (b) correction is not necessary in order to achieve such purposes. If, within seven (7) days after receiving the MTA Representative's notice, Utility notifies MTA that it disagrees with MTA's determination, then the dispute shall be resolved in accordance with Article 13. If Utility does not timely give such notice, then the MTA Representative's determination shall prevail. Prior to resorting to the terms of Article 13 for resolution of the dispute, the Parties shall meet and confer in a joint working group consisting of appropriate members selected by each Party to attempt to resolve the dispute. If the MTA Representative, joint working group, or the

Mediator(s) used pursuant to Article 13, as applicable, determine that correction is necessary, then the Party responsible for such work shall cause its contractors to correct or resolve the nonconformance. If the MTA Representative, joint working group, or such Mediator(s), as applicable, determines that correction is not necessary, then such nonconformance shall be deemed waived. Correction of any nonconformance waived pursuant to this Section 1.7.3 shall not be a condition to Utility's acceptance of a completed Rearrangement.

Article 2
Design

2.1 Design Coordination

The MTA Representative and the Utility Representative shall use their best efforts to agree upon written general guidelines, working relationships and administrative policies to implement the approval procedures with respect to Design review, and coordination of Construction, right-of-way acquisition and Rearrangement of Utility Facilities in order to permit the timely Construction of Transit Projects. All such guidelines, relationships, policies, procedures and coordination shall be consistent with this Agreement and, in the event of any conflict between the provisions thereof and this Agreement, the provisions of this Agreement shall prevail. MTA shall consult with the Utility Representative in establishing the schedule for Design of each Rearrangement to be consistent with MTA's schedule for each Transit Project.

2.2 Identification of Utility Facilities

2.2.1 Within sixty (60) calendar days after Utility's receipt of written request from MTA, Utility shall identify and disclose to MTA the nature and location of all Utility Facilities, which are located on, in, under or over the locations, which MTA indicates, may be affected by a Transit Project. Utility and MTA shall take reasonable actions to verify, such information. Utility shall be responsible for all costs and expenses incurred by MTA (including, without limitation, costs of delay and other costs incurred by MTA or paid by MTA to its contractors to the extent resulting from or which arise out of Utility's failure to timely disclose all such Utility Facilities.

2.2.2 If Utility agrees it owes the amount due, Utility shall pay to MTA any amount due pursuant to this Section 2.2 within ninety (90) calendar days after receipt of demand

therefore. If Utility disputes the amount due or disputes that it owes any amount, the dispute shall be resolved in accordance with Article 13. However, prior to resorting to the terms of Article 13, the Parties shall meet and confer in a joint working group consisting of appropriate members selected by each Party to attempt to resolve the dispute.

2.3 Design by Utility

Unless MTA and Utility agree that MTA or its contractor shall Design a particular Rearrangement, Utility shall Design each Rearrangement. Prior to commencing Design, Utility shall submit a Form 60 for Design hours and upon MTA approval of same, and Utility's receipt of a Work Order for Design from MTA along with the related Project Plans, Utility shall proceed with Design of such Rearrangement in accordance with the following:

2.3.1. Utility shall diligently perform its Design work in conformance with the Design schedule for the Rearrangement that is mutually agreed upon by MTA and Utility, subject to Section 2.3.4. Utility shall coordinate with MTA as is necessary to develop plans satisfactory to both MTA and Utility for each Rearrangement, with appropriate traffic control plans, subject to the requirements of this Agreement. The schedule for Utility's completion of Design, coordination requirements, review procedures, and related provisions shall be included as attachments to the Work Order, which shall also include the not-to-exceed cost of completing the Design of the specific Rearrangements based upon the Form 60. Betterments shall be addressed in accordance with Section 2.5. If a dispute over the Design Schedule occurs, the dispute shall be resolved in accordance with Article 13. Prior to resorting to the terms of Article 13, the Parties shall meet and confer in a joint working group consisting of appropriate members selected by each Party to attempt to resolve the dispute.

2.3.2 Utility shall prepare a complete set of Design plans, traffic control plans, and specifications for each Rearrangement, together with (a) Utility's itemized estimate of the total Cost of work, and (b) an estimate of the time needed to perform the required Rearrangement Construction. During Utility's Design process for each Rearrangement, MTA shall have the right to review and comment on the plans and specifications as well as on the Cost and time estimates. In order to facilitate such review, Utility shall

submit to MTA its Design product for each Rearrangement at the completion of the Preliminary Engineering and Design Development phases; provided, however, that MTA shall provide any comments on such Design products to Utility within 30 days after receipt, and if MTA comments are not received by Utility within the thirty (30) day period, Utility's Design plans and specifications shall be deemed approved. All final Designs, including time and cost estimates, shall be subject to MTA's written approval. Unless otherwise expressly provided for herein, Utility may not change the plans and specifications prior to or during the progress of Construction, except with prior written concurrence of MTA, MTA's review and approval of any Design furnished by Utility shall be solely for purposes of assessing compatibility of the Rearranged Utility Facilities with the Subject Transit Project, coordination with MTA's work on the Subject Transit Project, and Cost issues. MTA has and undertakes no duty to review such Designs for their quality, suitability for the intended purpose or for the adequacy of Rearranged Utility Facilities (as designed) for the purposes for which they are intended to be used.

2.3.3 Utility shall be responsible for errors in and omissions from any Designs prepared or provided by Utility, its consultants or contractors.

2.3.4 Utility shall apply and obtain all necessary permits and approvals from all local jurisdictions in order to perform work.

2.3.5 The following scheduling provisions shall apply:

a. Utility shall deliver the Final Design for each Rearrangement to MTA for its review and approval in accordance with the schedule established in the applicable Work Order authorizing such Design work.

b. As soon as reasonably practicable, Utility shall submit to MTA any modified Design necessitated by MTA's review and comments pursuant to Section 2.3.2, but not later than thirty (30) days, or such later date as the Parties may mutually agree, after Utility's receipt of MTA's comments.

c. Following any modification by MTA of Construction plans for the Subject Transit Project, Utility shall have a reasonable amount of time, as the Parties may mutually agree, in which to complete redesign of its Rearrangements. Each Party shall reasonably exercise its right to approve the timing for submittals of a revised Design, considering

MTA's schedule for the Subject Transit Project, Utility's workload for carrying out its public utility duties, the type of Utility Facilities involved, theextent of the modification of the Construction plans for the Subject Transit Project, and the extent of the resulting changes necessary to the Rearrangement Design.

2.4 Design Performed by MTA

If MTA and Utility mutually agree that MTA shall Design a specific Rearrangement, MTA shall issue Work Orders for Utility to review plans and specifications as required, and the following procedures shall govern:

2.4.1. Coordination of Design and the development of the Design plans and specifications shall be accomplished through the MTA Representative who shall confer from time to time with the Utility Representative, except to the extent that responsibility for same has been delegated to MTA's Contractors in accordance with Section 2.8.

2.4.2. MTA or its Contractor shall submit to Utility plans and specifications for each Rearrangement: at the Preliminary Engineering, Design Development ~~kid~~ and Final Design stages for Utility review/approval or comment consistent with the requirements of this Agreement; provided that the schedule for such submittals and responses shall conform to the following requirements:

a. Within ten (10) business days after receipt of up to 3 Design submittals (the "Review for Completeness Period"),
   i. Utility shall inform MTA whether the submittal is sufficiently complete for Utility review purposes, and
   ii. If not sufficiently complete, Utility shall so notify MTA, or shall return the submittal to MTA together with a written identification of those portions that are not sufficiently complete and a description of the missing information listing the deficiencies.
b. The provisions of this Section 2.4.2 also will apply to any re-submittal of a Design. by MTA, whether in response to a Utility notice or return of an incomplete submittal, or in response to substantive Utility comments.

2.4.3. Utility's approval of the Final Design for any Rearrangement will not be withheld if the submittal is consistent with (a) the most recent previous submittal, modified as appropriate to

respond to Utility comments on such submittal and to reflect any subsequent changes agreed to by Utility and MTA, or (b) earlier submittals which have been approved by Utility. However, Utility shall have the right to make new comments on any material changes from previous submittals. Approval shall run parallel with the Review of Completeness Period.

2.5 Betterments

2.5.1. During the Preliminary Engineering Design phase but not later than the applicable Pre-Solicitation Comment Due Date for each Rearrangement, Utility shall inform MTA what Betterments, if any, Utility desires so that MTA can review the Betterments and determine whether they satisfy the requirements set forth in Section 2.5.2. Each Design furnished by Utility shall specifically identify any Betterments included in such Design. MTA may also identify Betterments included in Designs furnished by Utility or in comments provided by Utility on MTA-finished Designs, by giving written notice thereof to Utility during the Design review process.

2.5.2. It is understood and agreed that MTA shall have no obligation for the Cost of any Betterment (whether or not identified pursuant to Section 2.5.1), and that no Betterment may be performed in connection with any Rearrangement (whether Designed or Constructed by Utility or by MTA) that is incompatible with the Subject Transit Project or which cannot be performed within the constraints of applicable law, any applicable governmental approvals, the schedule for the Subject Transit Project and/or the Design. Utility shall bear the Cost of all Betterments included in each Rearrangement in accordance with Article 9.

2.5.3. For a Rearrangement to be Constructed by MTA, the price which Utility shall pay for each included Betterment shall equal the estimated incremental additional Cost for the Rearrangement resulting from such Betterment, calculated in accordance with Section 9.6.

2.6 General Design Criteria for Rearrangements

2.6.1. Utility shall notify MTA of any revisions or additions to the Utility Standards, identified in Exhibit 2 promptly after their formal issuance or adoption. The Design and Construction of each Rearrangement, whether undertaken by Utility or by MTA (or by their contractors), shall conform to the Utility Standards identified in Exhibit 2 and which exist as of the

Effective Date, together with any revisions or additions thereto which are required to be incorporated into the Utility Standards pursuant to the following provisions (such standards, together with any such required revisions and additions, are sometimes referred to in this Agreement as "applicable Utility Standards"):

a. The Design shall incorporate any revisions or additions to the Utility Standards of which Utility has notified MTA on or before the earlier of (i) thirty (30) calendar days after their formal issuance or adoption, or (ii) the applicable Pre-Solicitation Comment Due Date.

b. The Design also shall incorporate any revisions or additions to the Utility Standards of which Utility notifies MTA after the deadline established pursuant to subparagraph (a) above but prior to the scheduled deadline for the non-Designing Party's final comments on the Final Design for the Rearrangement, provided that (i) such revisions or additions do not require Design changes necessitating re-submittal of the Design to the non- Designing Party and do not increase the cost of and/or time for Construction of either the Rearrangement or the Subject Transit Project as initially estimated, or (ii) such revisions or additions result from changes in federal or State laws, rules or regulations which mandate incorporation of the changes into the Design.

2.6.2. In all cases, Utility Standards shall be interpreted in accordance with Section 1.7.1. If Utility proposes an increase in requirements of, or variance from, the applicable Utility Standards (pursuant to this Section 2.6) for the Design or Construction of any Rearrangement, such increase or variance may be incorporated into such Rearrangement only if agreed to by MTA in its sole discretion; in such event, the increase or variance shall be considered a Betterment and shall be addressed in accordance with Section 2.5. MTA shall receive a credit or reimbursement for any additional Costs that it incurs due to such Betterment in accordance with Section 9.6.

2.6.3. Utility agrees that it shall not adopt any new Utility Standards, or otherwise amend or supplement any existing Utility Standards, for the sole or primary purpose of affecting any Transit Project. All Utility Standards shall be applied to the Rearrangements hereunder in the same manner as they are applied by Utility to projects that are (a)

financed primarily by. Utility, (b) comparable to the Rearrangements of Utility Facilities hereunder, and (c) constructed for Utility by its own employees or by its contractors.

2.7 MTA or Utility may make changes to a previously approved Design prior to or during the progress of Construction only with written concurrence of the other Party. Except where changes are required to accommodate an unanticipated site condition or a change in a site condition, MTA shall have no obligation to consent to or approve any requested changes that will (a) necessitate re-submittal of Design to Utility, (b) delay Construction of the Subject Transit Project or any portion thereof, or (c) increase the cost of Construction of either the Rearrangement or the Subject Transit Project. The increased Cost, if any, attributable to changes in approved plans or specifications requested by Utility and approved by MTA shall be borne by Utility unless the change in approved plans or specifications was necessitated by an unanticipated site condition or a change in a site Construction Staging Plans site construction staging plans (as described below).

During Design of a Transit Project, MTA shall develop construction staging plans. Construction staging plans shall provide for, among other-things, the handling of vehicular and pedestrian traffic on streets adjacent to Transit Project construction and shall show construction phases, street closings, detours, warning devices and other pertinent information. To assist MTA in coordination and the development of construction staging plans, Utility shall furnish to MTA during Design the following information in writing, together with such other relevant information as MTA may reasonably request:

a. Utility Facilities in which service must be maintained without interruption.
b. Utility Facilities in which service may be permanently abandoned.
c. Utility Facilities which may be temporarily abandoned and the maximum allowable duration of such temporary abandonment.
d. Estimates of duration of street closures or restrictions necessary to construct Rearrangements of Utility Facilities.
e. Rights-of-way, which must be acquired for Replacement Facilities and Rearrangements.

2.8 Delegation of MTA Duties to MTA Contractors Proposed sequence of Construction of Utility Facility Rearrangements.

Without limiting MTA's right to delegate other tasks hereunder to its Contractors, MTA shall have the right to delegate to its Contractors the task of coordinating directly with Utility with respect to Design matters, including without limitation the submittal of Design for Utility review and discussion of Utility comments. Upon its entry into a Contract with a Contractor to which MTA intends to make such a delegation, MTA shall notify Utility in writing as to (a) the name of such Contractor (and relevant contact information), (b) the tasks hereunder that have been delegated to such Contractor, and (c) any modification to the notice requirements of Section 15.2. Utility agrees to coordinate its efforts and cooperate with such Contractor and with MTA as reasonably requested by MTA or such Contractor in accordance with such notification.

Article 3
Permits

After approval of the Final Design of a Rearrangement as set forth in Article 2, the Party performing the Design or its contractor shall obtain all necessary licenses and permits required by municipal, county and state authorities for the Rearrangement of Utility Facilities within, under, over, or above any public street, highway, bridge, or other public way; provided, however, MTA shall be responsible for obtaining (or causing its Contractor(s) to obtain) all such permits and licenses required for any Construction to be performed by its Contractor(s) in accordance with Article 5. Each Party shall use reasonable efforts (the cost of which shall be considered a Cost hereunder) to assist the other Party in securing Permits. Each Party shall comply with the terms of all applicable permits in carrying out its assigned work hereunder.

Article 4

Acquisition of Replacement-Right-of-Way

4.1 Acquiring Right-of-Way

The need to acquire private rights-of-way for the relocation of Utility's Conflicting Facilities shall be determined during Design and, if needed, may be acquired by MTA or Utility following approval of location and type by both Parties prior to acquisition. MTA, or Utility, at no cost or expense to Utility, will acquire the required private rights-of-way to allow for the Rearrangements in an orderly manner so as not to impair MTA's schedule; provided, however, that if Utility cannot acquire said private right-of-way, they shall be acquired by MTA upon proper and timely notification. The location and type of said replacement rights-of-way shall be mutually agreed upon in accordance with this Agreement. However, to the extent the proposed Design will permit, Rearrangements shall be located in public ways. Utility shall convey to MTA, at no cost to MTA, all rights, title and interest Utility possesses in the existing Utility real property interests (except franchise rights and except where Utility owns the property in fee) (a) upon or within which Utility Facilities are located and which have been taken out of service by the Rearrangement or have been abandoned in place and not removed or dismantled, and (b) that are required for the construction of the Subject Transit Project. Where replacement rights are to be needed by Utility within Transit Project Right-of-Way owned by MTA, MTA shall be responsible for providing such replacement rights, subject to the rights and needs of the MTA. Subject to the provisions of this Section 4.1, all real property interests obtained shall be in a legally binding form reasonably acceptable to Utility. The cost of any temporary construction easements or other real property rights (e.g., for installation of temporary Utility Facilities) that are needed for any Rearrangement Construction Utility is performing shall be considered a "Cost" hereunder. MTA will be responsible for obtaining any temporary construction easements or other real property rights that are needed for Rearrangement Construction that MTA is performing and the cost of such easements or other rights shall be considered a "Cost" hereunder. The Parties shall use their best efforts in acquiring right-of-way so as not to impair MTA's schedule. Within sixty (60) calendar

days after request by MTA, Utility shall furnish to MTA copies of any non-privileged, non-confidential agreements or other documents evidencing Utility's franchise, easements, or other existing rights in real property for its Utility Facilities that are located within a proposed Transit Project area. Utility's cost to provide such documentation shall be reimbursed by MTA.

4.2 Reimbursement for Real Property Interest Costs

Real property interest Costs shall be invoiced separately from other Cost items, but shall be reimbursable to the extent provided in Articles 8 and 9.

4.3 Right of Entry

Each Party shall permit the other immediate entry upon, and use of, all of such Party's right-of-way located within or near the route of a Transit Project whenever necessary for a purpose related to construction of the Transit Project or related to the maintenance, operation or inspection of Utility Facilities during Transit Project construction, and where not inconsistent in time or manner of exercise either with Utility's discharge of its duty as a public utility or with MTA's discharge of its duties with respect to the Transit Project; except that MTA shall not enter any Utility facility, such as a manhole or a cross-connect box, unless a Utility Representative is present and Utility's shall not enter any MTA active ROW or MTA contractor controlled area without prior written notice.

4.4 Quitclaim by Utility

For any Utility Facilities located within the Transit Project Right-of-Way owned by MTA that are being Abandoned in place or dismantled, but are not being replaced by a Rearranged Facility, upon request by MTA, Utility shall quitclaim to MTA (or otherwise terminate by appropriate documentation) all of Utility's right, title and interest in and to any such portion of such Transit Project Right-of-Way on which such Utility Facilities were located.

4.5 Joint Use

If Utility Facilities located in Transit Project Right-of-Way are not required to be Rearranged hereunder and a quitclaim is not required to be provided to MTA pursuant to Section 4.4 (e.g., the Utility Facility is relocated within the original Facility area, the Utility Facility is merely protected in place, or there is no existing Utility easement in the easement area), then Utility shall execute an agreement in form and substance satisfactory to MTA and Utility whereby Utility agrees to the joint use of the subject property by both Utility and MTA.

Article 5
Construction of Rearrangements

5.1 Responsibility for Construction

Utility shall perform (through its contractors) all Construction for each Rearrangement, unless, during the process of Design Engineering, MTA and Utility mutually agree that MTA shall perform all or part of the Construction for a Rearrangement. The Party performing Construction may perform such Construction either prior to Construction of the Subject Transit Project, concurrently with such Construction, or through a combination of said alternatives, as mutually agreed by the Parties.

5.2 MTA Construction of Rearrangements

5.2.1 If agreed by the Parties pursuant to Section 5.1 that MTA shall perform the Construction of a Rearrangement, MTA may advertise, award and administer the Construction of such. ~~R~~Rearrangement. Utility agrees to coordinate its efforts and cooperate with MTA's Contractors performing Construction, as reasonably requested by MTA or such Contractor.

5.2.2. MTA shall be responsible for all claims and stop notices or mechanic's liens filed by MTA's contractor, sub-contractors, and material and labor providers for work performed on Utility Facilities.

5.2.3. MTA shall notify Utility at least ten (10) days prior to commencing the Construction for each Rearrangement so that Utility may make arrangements for such inspection and record keeping as Utility may desire or as may be required pursuant hereto.

5.3 Utility Construction of Rearrangements.

MTA shall issue a Work Order to Utility for the Construction of all or part of a Rearrangement that Utility shall perform, and Utility will advertise, award and administer a contract(s) for the Construction of the Rearrangement. In such event:

5.3.1. Utility shall commence and diligently prosecute the Construction of such Rearrangement to completion as authorized by Work Order, in conformance with the time schedule set forth in the Work Order. Such Construction shall coincide closely and be coordinated with MTA's Construction schedule for the Subject Transit Project, including the schedule for Construction of Rearrangements of utility, cable, pipeline, and other facilities in the same segment or portion of the Transit Project; provided, however, that the schedule for work by Utility shall allow Utility a reasonable period of time for performance of its responsibilities hereunder. MTA shall coordinate Utility's work with other facility owners and contractors performing work that may connect complement or interfere with Utility's work hereunder or with Utility Facilities.

5.3.2 In the event that Temporary Facilities are necessary to effect the arrangement being Constructed by Utility, Utility may use lands owned or controlled by MTA for the purpose of erecting such Temporary Facilities thereon, provided that MTA shall have approved in writing the location and duration of such Temporary Facilities.

5.3.3. Utility shall notify MTA at least seven (7) business days prior to commencing the Construction for each Rearrangement so that MTA may make
arrangements for such inspection and record keeping as MTA may desire.

5.3.4. For all work by Utility's forces or its contractors pursuant to Section 5.1, MTA shall include-a copy of the environmental requirements of the Project as an attachment to the applicable Work Order). All such work shall comply with such Work Order requirements as well as with the environmental controls established in the Construction

Contract or Contract, as applicable, for the Subject Transit Project, including without limitation construction noise and vibration control, pollution controls, archeological and paleontological coordination and requirements with respect to biological resources, historic properties, and parklands. In case of inconsistency, the more stringent requirements shall prevail.

5.3.5 A separate Work Order will be issued for Construction of each Rearrangement.

5.4 Maintenance

Utility shall schedule, in concurrence with MTA, any routine maintenance of Utility Facilities that may be necessary after the completion of the Rearrangement so as not to interfere with the Transit Project Construction or its operation once completed.

5.5 "As-Built" Drawings

MTA and Utility shall each maintain a set of "as-built" plans of Rearrangements performed by MTA and Utility, respectively, during the progress of construction. Within sixty (60) days following the completion and acceptance of each Rearrangement, the Party that performed the work shall furnish the other Party with reproducible "as-built" drawings showing such re-arrangement as installed by the performing Party and all contract records pertaining to such as-builts. All "as-built" plans (whether provided by MTA or by Utility) shall be in a format, which conforms to MTA's requirements for the Subject Transit Project, as specified in the applicable Contract. If the drawings submitted by either Party are incomplete or non-conforming to such required format, they will be returned to that Party for correction at its sole expense.

5.6 Underground Service Alert

Prior to any commencement of underground work by either Party, the Party performing such work, or its Contractor, shall notify Underground Service Alert in accordance with California law. In addition, MTA shall cause its Contractors to ascertain from Utility and plainly mark before any excavations are made and during all time that work is being performed by MTA's Contractors in such area, the exact location of all Utility Facilities which may be below the surface of the ground or otherwise not plainly visible, as identified by Utility. Except as

provided in the Design for the Rearrangement of Utility Facilities or as otherwise approved by Utility, MTA and its contractors shall not interfere with the operation of Utility Facilities. If any other Utility Facilities are damaged by MTA's Contractors in the course of construction work, except to the extent such damage arises from the negligence or willful misconduct of Utility or Utility's Contractor Utility shall immediately repair the damage as required to maintain service to its customers and, except as otherwise set forth in Section 2.2, MTA shall reimburse, or shall cause its Contractor to reimburse, Utility for its actual and reasonable costs incurred to repair the damaged Utility Facilities (or, if approved by both MTA and Utility, MTA's Contractor shall repair the damage at no cost to Utility (except as otherwise set forth in Section 2.2). If any of MTA's property is damaged by Utility or its contractors in the course of its construction work, except to the extent such damage arises from the negligence or willful misconduct of MTA or its Contractor, Utility shall immediately report such damage to MTA and shall repair, in parallel with the repairs as required to maintain services to its customers, the damage at its sole cost to the reasonable satisfaction of MTA or, at MTA's election, MTA shall cause such damage to be repaired and Utility promptly, upon receipt of written documentation verifying such costs, shall reimburse MTA for MTA's actual and reasonable costs incurred in connection with such repair.

5.7 Utility Activities

If Utility plans to undertake any activities (including without limitation construction of new facilities, repairs or modifications to existing Utility Facilities, and similar activities) in the immediately adjacent to a Transit Project or Rearrangement Construction, Utility will coordinate such activity with MTA so that such activity will not delay or otherwise interfere with such Construction, and MTA shall reasonably cooperate with Utility with regard to same. However, if MTA determines that such activity will delay or otherwise conflict with such Construction, MTA shall have the right to condition the implementation of such activity on scheduling adjustments and/or other modifications as MTA deems appropriate to ensure its Project Schedule will not be directly delayed by this proposed work, and if the proposed adjustments or modifications do not resolve the delay or conflict, or Utility refuses to make such adjustments or modifications to its construction schedule, Utility shall not implement such activity. The provisions of this Section 5.7 shall not apply in emergency situations;

however, in such situations Utility will coordinate with MTA to the extent feasible in light of the circumstances, subject to all related safety requirements described herein.

Article 6
Inspection

6.1 Inspection During Construction

6.1.1. All work performed by either Party on Rearrangements pursuant to this Agreement that affects Construction of a Transit Project shall be subject to MTA and Utility inspection and final approval. MTA and Utility also may inspect the Construction of Rearrangements to ensure that the work has been performed in conformance with the Design approved by the Parties.

6.1.2. All Rearrangement Construction of Utility Facilities by MTA shall be inspected by Utility. Utility shall provide inspectors to observe and inspect the Rearrangement of Utility Facilities so that upon completion of Construction, Utility will have a basis for acceptance of the work. All such inspection services shall be authorized by MTA under the appropriate Work Order. Utility's inspectors shall make a good faith effort to be available, upon MTA's request and at MTA's expense, as needed throughout Construction to support MTA's schedule for the Subject Transit Project. Utility's inspectors shall cooperate and coordinate with the MTA Representative and MTA's Contractors and shall coordinate with the MTA Representative so as to provide safe access to Project sites by Utility inspectors.

At the inspections provided in accordance with Sections 6.1.1 and 6.1.2, above, each Party shall inform the other of any deficiencies or discrepancies in any work discovered in the course of such inspection. Utility will provide immediate verbal notice of nonconformance to MTA's Representative as well as to MTA staff or Contractors (as designated by the MTA Representative), followed by a written nonconformance notice not later than five (5) business days after discovery. Likewise, MTA will provide immediate verbal notice of nonconformance to the Utility Representative (or to such other Utility staff as may be designated by the Utility Representative), followed by a written nonconformance notice

not later than five (5) business days after discovery. Each nonconformance notice shall include an explanation of the notifying Party's desired resolution. Work shall not be stopped as a result of any such nonconformance unless (i) proceeding with the work will prevent resolution of the deficiency or discrepancy; (ii) the additional work cannot be properly performed without resolution of the deficiency or discrepancy, or (iii) otherwise determined and agreed upon by Utility and MTA. All notices of nonconformance provided by either Party shall be addressed in accordance with Section 7.3.

6.2 Final Inspection

As soon as the work of any specific Rearrangement has been completed, the Party which performed the Construction work shall notify the other Party in writing that the Rearrangement is ready for final inspection. All final inspections by Utility will be completed within seven (7) days following Utility's receipt of written request for same from MTA's Contractor. All final inspections by MTA shall be completed within seven (7) days following MTA's receipt of written request for same by Utility or Utility's Contractor. The final inspection of any Rearrangement or Transit Project Facility shall be attended by the MTA Representative and the Utility Representative. Each Party will provide to the other Party's Representative immediate verbal notice of any deficiencies or discrepancies in any Construction work discovered in the course of the final inspection, followed by a written nonconformance notice within one (1) business day thereafter. Each nonconformance notice shall include an explanation of the notifying Party's desired resolution. Work shall not be stopped as a result of any such nonconformance unless otherwise determined and agreed upon by Utility and MTA. All notices of nonconformance provided by either Party shall be addressed in accordance with Section 1.7.3. Both Parties' inspectors shall be available to observe and inspect any corrective work performed. Promptly upon completion of the Rearrangement of a Utility Facility, by MTA's Contractors (including if applicable, completion, of any corrective work performed), MTA shall furnish in writing to Utility its notice of completion. Promptly thereafter, Utility shall furnish to MTA in writing its notice of acceptance of the Rearrangement. Upon such acceptance, title to such Utility Facility shall automatically vest in Utility (if not already so vested), and Utility shall assume full responsibility for such Utility Facility. Notwithstanding the foregoing, and except as further limited by this Agreement, MTA shall have responsibility and liability

for correction of any latent defects in any Rearrangement work performed by MTA's contractors and not discovered by Utility prior to acceptance.

6.3 Materials Testing

Utility shall have the right to test materials used in Construction of Utility Facilities by MTA's Contractors, upon 24 hours prior written notice to MTA and the Contractor. MTA shall have the right to have its witnesses attend all such tests. Utility shall provide copies of the testing reports within 24 hours after each test, as well as providing to MTA access to the samples used and to the testing laboratory for inspection of its equipment. Testing shall be authorized by MTA under an appropriate Work Order, and the costs thereof, including any travel expenses incurred for off-site inspection and testing, shall be considered Costs of Rearrangement.

Article 7

Disposition of Salvaged Materials

7.1 Salvage by MTA

MTA may not salvage materials from the Conflicting Facility belonging to Utility during the course of its work on a Rearrangement, unless agreed to in writing by Utility. If MTA desires to use salvaged materials, subject to the consent of Utility, materials removed shall be stored by MTA until such time as the progress of work allows the reinstallation of such materials. Materials that are not to be reused and that Utility desires to retain shall be returned by MTA to a mutually suitable location. If the materials removed by MTA are not reusable by MTA and are not desired by Utility, such materials shall become the property of MTA unless the approved Design provides otherwise.

7.2 Salvage by Utility

Salvaged materials which are removed by Utility and not reused in a Rearrangement shall be retained by Utility.

7.3 Salvage Credits

MTA shall receive a credit or payment, as provided in Article 9 of this Agreement, for salvage, storage and transporting of such materials described herein which are retained by Utility.

Article 8

Reimbursements to Utility

8.1 Reimbursements to Utility

The issuance of a Work Order (following MTA receipt of a Utility estimate using Exhibit 1(Form 60) or other form required by MTA as described in Article 11) shall obligate MTA to reimburse Utility, subject to the terms of this Agreement, for the ``Costs," as hereinafter defined, of all activities or work performed or materials acquired by Utility, its consultants or contractors pursuant to such Work Order, to the extent only that such activities, work or materials are within the scope of this Agreement as established pursuant to Section 1.1, and except to the extent that such Costs are not MTA's responsibility pursuant to this Agreement or, pursuant to the agreements referred in Section 1.1.2. For purposes of determining the amounts due from MTA to Utility pursuant to this Article 8, the term "Cost" shall mean all actual, allowable, allocable and reasonable direct and indirect costs necessarily incurred by Utility and attributable to such activities, work or materials, less credits to MTA as provided in Article 9 of this Agreement. Subject to the foregoing, direct costs shall include allowable direct labor, equipment and materials costs spent specifically for work performed under this Agreement. MTA's obligation to reimburse Utility for Costs shall be subject to the limitations established in Article 11.

8.2 Reimbursement for Abandoned Conflicting Facility

In those cases wherein MTA and Utility agree that the construction of a Transit Project will eliminate the service need for a specific Conflicting Facility, such Conflicting Facility may be Abandoned by Utility, and MTA shall not be required to replace or compensate Utility for such Conflicting Facility, except for reasonable and necessary Costs incurred in severing and demolishing such Conflicting Facility and in restoring the

sub-ground and ground surfaces as appropriate; provided, however, that under no circumstances shall MTA be responsible for any Abandonment, remediation or other Costs relating to the presence or existence of any environmental hazard on, in, under or about a Conflicting Facility or other Utility Facility, including but not limited to the presence of any Hazardous Materials, except to the extent the presence or existing of such environmental hazard arises from the act or omission of MTA, employees, agents or contractors. Subject

to the consent of Utility, MTA may elect to undertake the activities described in this Section 8.2, the Costs of which shall be reimbursable to MTA as provided in Article 9.

Article 9
Reimbursements and Credits to MTA

9.1 Credits to MTA Where Utility Performs Work

MTA shall receive a credit against work performed by Utility under this Agreement at MTA's expense, for salvage, Betterments and Expired Service Life Value of Utility Facilities. The amount of credits shall be determined as provided below in this Article 9. All credits pertaining to a particular Rearrangement or other item of work hereunder shall be reflected on the applicable invoice(s) submitted by Utility.

9.2 Payments to MTA Where MTA Performs Work

Where MTA performs work hereunder, MTA shall receive compensation from Utility (by credit or payments as provided below) for salvage and Expired Service Life Value of Utility Facilities as applicable, as well as for Costs incurred by MTA for Betterments, and for any other Costs incurred by MTA that are Utility's responsibility pursuant to this Agreement. The amount of compensation shall be determined as provided below in this Article 9. To the extent possible, MTA may take such compensation in the form of credits against amounts owed by MTA to Utility in connection with the Rearrangement for which the compensation is owed. MTA shall invoice Utility for any remaining amounts due in accordance with Section 11.6, and Utility shall make payments to MTA in accordance with Section 11.7.

9.3 MTA's Costs

For purposes of determining the amounts due from Utility to MTA pursuant to this Article 9, the term "Cost" shall mean all actual, allowable and reasonable direct and indirect costs incurred by MTA and attributable to activity or work performed or materials acquired in performing a task pursuant to this Agreement. Subject to the foregoing, direct costs shall include allowable direct labor, equipment and materials costs spent specifically for work performed under this Agreement, and shall include but not be limited to those associated with Design, project review, construction management, permit fees, inspection, processing,

remediation plan development and implementation, real property acquisition and contract administration. Indirect costs shall include administrative and overhead costs at the rate therefore established by MTA from time to time. MTA shall maintain its standard forms of records showing actual time expended and costs incurred under each Work Order.

9.4 Survey; Review of Records

The amount of credits or payments, as applicable, due MTA for salvage and Expired Service Life Value shall be determined by mutual agreement based upon Utility's applicable books, records, documents and other data of Utility. To assist in the determination of credits or payment due MTA under this Agreement, if any, MTA and Utility may conduct an inspection survey and/or inventory of each Conflicting Facility during Design Engineering. Pursuant to a Work Order, Utility shall provide MTA, to the extent such exist and are known and available, with drawings, plans or other records necessary to conduct such survey or inventory. The survey shall describe the physical attributes of the Conflicting Facility such as number, length, diameter, dimensions, and type of material. The survey shall further describe, for each Conflicting Facility, the date of construction or installation; the present condition; the expected service life of each Conflicting Facility as derived from Utility's records; and whether materials contained therein are salvageable. The results of such survey shall also be applied in the determination of Betterments, as necessary.

9.5 Salvage

As applicable, credit shall be allowed or Utility shall pay for salvage for items of materials and equipment recovered from the Conflicting Facility in the performance of Rearrangement work which are subsequently retained by Utility in accordance with Section 7.2. The amount of a salvage credit or payment, if any, shall equal the estimated cost to Utility to acquire like or similar used materials (as depreciated), as determined by mutual agreement, plus storage and transportation Costs.

9.6 Betterments

As applicable, credit shall be allowed or Utility shall pay for Betterments in accordance with the following: The amount of a Betterment credit, if any, shall be the estimated cost of the Replacement Facility, minus the estimated cost of a Substitute Facility. The amount of Betterment credit, if any, shall be a fixed amount determined by

the Parties during Design engineering based upon estimates provided by Utility and its contractors and agreed to by the MTA.

9.7 Expired Service Life

9.7.1 MTA shall receive a credit for the Expired Service Life Value of each Conflicting Facility being replaced if the Replacement Facility will have an expected period of useful service greater than the period which the existing Conflicting Facility would have had, had it remained in service and the Rearrangement not been made. For purposes of this Agreement, "Expired Service Life Value" shall mean the depreciated value of the Conflicting Facility as determined by Utility utilizing its standard depreciation calculation. The amount of credit or payment for Expired Service Life Value shall be set forth by Utility on a Form 60. If MTA disputes the Expired Service Life Value of any Conflicting Facility, the dispute shall be resolved in accordance with Article 13. Prior to resorting to Article 13 for resolution of the dispute, the Parties shall meet and confer in a joint working group consisting of appropriate members selected by each Party to attempt to resolve the dispute.

Article 10
Indemnity and Insurance

10.1 Indemnity

Indemnification by Utility. Subject to the limitations of applicable laws, Utility shall indemnify, protect, defend and hold harmless LACMTA, its respective governing board members, officers, employees, authorized agents, engineers, contractors and subcontractors from and against any and all claims, damages, losses, liabilities, costs and expenses (including reasonable attorneys' and expert witness fees and costs) (collectively, "Claims and Expenses") that arise out of or as a result of any negligent act, omission or willful misconduct of Utility or its officers, agents, employees, engineers, contractors or subcontractors in carrying out the obligations of the Utility under this Agreement or any Work Order executed pursuant hereto. ,

10.2 Indemnification by MTA

Subject to the limitations of applicable laws, LACMTA shall indemnify, protect, defend and hold harmless the Utility, its successors and assigns and its shareholders, officers, directors, employees, authorized agents, engineers, contractors, and subcontractors from and against any and all Claims and Expenses that arise out of or as a result of intentional negligent acts, omission or willful misconduct of LACMTA, its officers, agents, employees, engineers, contractors or subcontractors in carrying out the obligations of the LACMTA under this Agreement or under any Work Order executed pursuant hereto.

Article 11

Insurance

11.1. Any Design Contract, Construction Contract or other Contract entered into by LACMTA or Utility in connection with a Rearrangement shall contain a provision that requires the contractor, as part of the liability insurance requirements, to provide endorsement CG 20 10 (1985 or equivalent forms) to each policy of commercial general liability insurance that names as additional insureds to such policy (not subject to any premiums or assessments) Utility and LACMTA and their respective officers and employees etc. as additional insureds (not subject to any premiums or assessments). Unless otherwise mutually agreed by the Parties, the following shall be the minimum insurance coverage and limits for both LACMTA and Utility:

a. The Commercial General Liability insurance coverage shall have a minimum limit of $2 million combined single limit of liability for bodily injury, property damage and personal injury per occurrence, $4 million general annual aggregate and $4 million products/completed operations aggregate.

b. Commercial Automobile Liability insurance covering the ownership, maintenance or use of all owned, leased, non-owned and hired vehicles used in the performance of the Work; including loading and unloading, with limits of $2 million combined single limit for bodily injury and property damage liability.

c. Workers' Compensation statutory limits policy in conformance with the laws of the State, and employer's liability insurance (for bodily injury or disease) with minimum limits of $1 million per accident for bodily injury by accident, $1 million

per employee for bodily injury by disease, and $1 million policy limit for bodily injury by disease.

d. Contractor's Pollution Liability (CPL) insurance with a total combined limit of liability of no less than $1 million per occurrence and $2 million in the aggregate. The CPL policy shall include coverage for cleanup costs, third-party bodily injury and property damage resulting from pollution conditions caused by contracting operations. The CPL shall also provide Non-Owned Disposal Site (NODS) coverage for transportation and off-site disposal of materials.

11.2 The companies affording insurance coverage must have a rating of A- or better and a Financial Size Category rating of VII or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies. Each contractor shall also require all subcontractors performing work for a Rearrangement or who may enter upon the work site to maintain the same insurance requirements listed above.

11.3. Prior to commencement of work, a Certificate evidencing the required coverage shall be provided directly by the insurers to Utility and LACMTA. Utility recognizes and agrees that all or part of such insurance can be provided by LACMTA through a program of self-insurance.

11.4. If Utility is itself performing work for a Rearrangement, Utility may self-insure and agrees to protect MTA, its officers and employees at the same level with respect to types of coverage and minimum limits of liability as MTA would have required of third party insurance, and Utility agrees that such self-insurance shall include all duties, obligations and responsibilities of an insurance company with respect to any claim made under such self-insurance program. At least 30 days prior to the implementation of any self-insurance program, Utility shall provide to MTA certification that Utility meets the requirements of this Article 11.4 If Utility does not self-insure in accordance with this Article 11, Utility shall itself obtain insurance complying with the requirements of Sections 11.1 and 11.2 above.

Article 12
Work Orders and Billings

12.1 Work Performed by Utility

12.1.1. All work performed by Utility under this Agreement shall be initiated by Work Orders as provided herein. Utility's obligation to perform work hereunder, which is fully reimbursable by MTA, shall arise upon the issuance by MTA of an authorized Work Order Utility's review of Project documents and drawings furnished by MTA may not be subjected to complete re-engineering or technical study by Utility. However, where MTA has prior existing rights, Utility may be obligated to perform work necessary to support MTA's Project without the issuance of a Work Order and Construction schedule for each Transit Project.

12.2 Work Orders

MTA shall issue Work Orders to Utility, following Utility's submittal of estimates in the form then required by MTA (currently Form 60 as set forth in Exhibit A, as the same may be amended or replaced from time to time by notice from MTA to Utility), to authorize Utility's performance of all work and the purchase of all materials and equipment required under the terms and conditions of this Agreement. Utility shall complete (either through its own, forces or through its consultants, contractors or subcontractors) all work authorized by any Work Order. Except as otherwise provided in Section 11.3.4., Contractors engaged by Utility to perform work covered by this Agreement shall comply with all applicable labor and other laws . Utility shall cooperate with MTA and take such actions as the MTA may reasonably request, to ensure such compliance. Each Work Order issued under the terms of this Agreement shall specify the work to be performed and any materials or equipment to be acquired, the maximum amount of money which Utility may expend therefore, and a schedule, including the estimated starting and finishing dates for work so authorized. Work Orders shall set forth schedules that are consistent with and supportive of MTA's Design and Construction schedule and that are agreed to by Utility. Utility shall not be authorized to do any work, and shall not be paid, credited or reimbursed for Costs or expenses associated with any work that is not authorized by a Work Order, unless otherwise mutually agreed in writing. Under no circumstances shall Utility receive payment for, or reimbursement of, any Costs associated with

or related to Betterments, and the issuance of a Work Order authorizing Utility work or other activity respecting a Betterment shall not constitute the agreement of MTA to make any payments to Utility in respect thereto.

12.3 Work Order Changes

12.3.1. Utility shall not order or direct work that would cause Construction Costs to exceed the maximum amount allowable therefore in any Work Order, without the prior approval of MTA as set forth in a Work Order revision in accordance with Section 11.3.4. Utility agrees to use its best efforts to perform such work within the maximum amount specified therefore in each Work Order. Utility agrees to notify MTA if at any time Utility has reason to believe that the Construction Costs that it expects to incur under any Work Order in the next 60 days, when added to all Construction Costs previously incurred under such Work Order, will exceed 75% of the maximum Construction Costs specified in the Work Order, or if at any time Utility has reason to believe that the total Construction Costs under said Work Order will be in excess of ten percent (10%) greater or less than previously estimated. Utility may request revision of Work Orders to increase the maximum allowable Construction Costs thereunder, in the event of anticipated Construction Cost overruns. MTA will consider, and may not unreasonably withhold its approval of, any increase in the maximum allowable amount of construction Costs that is, caused by (i) a necessary change in the scope of the subject Construction, or (ii) a delay or increase in Utility's Costs that are not caused by Utility (or its contractors, suppliers or agents), provided that Utility notifies MTA within five (5) days of the Utility Representative becoming aware of the event or situation causing such anticipated change. MTA may withhold its approval of any other increase in Construction Costs above the maximum allowable amount authorized in the applicable Work Order. Without MTA's prior approval, Utility will not be reimbursed for Construction Costs expended in excess of maximum amounts allowable therefore and authorized in a Work Order.

12.3.2. Utility shall not order or direct work that would cause Non-Construction Costs to exceed the maximum amount allowable therefore in any Work Order, without the prior written approval of MTA as set forth in a Work Order revision in accordance with Section 11.3.4. Utility agrees to use its best efforts to perform such work within the maximum amount specified therefore in each Work Order. Utility agrees to notify MTA if at any time Utility has reason to believe that the Non-Construction Costs that it expects to incur under any Work Order in the next 60 days, when added to all Non-Construction Costs previously

incurred under such Work Order, will exceed 75% of the maximum Non-Construction Costs specified in the Work Order, or if at any time Utility has reason to believe that the total Non,-Construction Costs under said Work –Order will be in excess of ten percent (10%) greater or less than previously estimated. Utility may request written revisions of Work Orders to increase the maximum allowable Non-Construction Costs thereunder, in the event of anticipated Non-Construction Cost overruns. MTA will consider, and may not unreasonably withhold its approval of, any increase in the maximum allowable amount of Non-Construction Costs that is caused by (i) a necessary change in the scope of the subject Construction, or (ii) a delay or increase in Utility's Costs that is not caused by Utility (or its contractors, suppliers or agents), provided that Utility notifies MTA within five (5) days of the Utility Representative becoming aware of the event or situation causing such anticipated change. MTA may withhold its approval of any other increase in Non-Construction Costs above the maximum allowable amount authorized in the applicable Work Order. Without MTA's prior approval, Utility will not be reimbursed for Non-Construction Costs expended in excess of maximum amounts allowable therefore and authorized in a Work Order.

12.3.3. Utility agrees to notify MTA if at any time Utility has reason to believe that the estimated finishing date of any work under a Work Order will be later than the date authorized in the Work Order. Utility will request written revision of the Work Order in the event of anticipated completion delays and MTA will consider, and may not unreasonably withhold, its approval of the revision to the Work Order to reflect the change in the finishing date, unless the delay is caused solely as a result of actions by the Utility or its contractor(s).

12.3.4. Any revision to a Work Order requested by Utility shall be submitted in writing to MTA for its prior approval and MTA shall act promptly on any such request. If MTA fails to respond in writing to a requested revision within fourteen (14) days after receipt thereof, the revision shall be deemed accepted, unless the revision is requested because of a delay or action by the Utility or its contractor(s) that causes a need to revise the Work Order; provided, however, that the Parties may mutually agree to extend such period before its expiration. Notwithstanding the foregoing, any proposed revision occasioned by emergency field construction difficulties may be submitted to MTA orally, by telephone, and confirmed in writing by Utility within three (3) business days; in such event, MTA agrees to immediately act and the MTA Representative shall convey MTA's decision orally, to be confirmed in writing within three' (3) business days. All Work Order revision requests shall include an

estimate for the Work Order revision in the form then required MTA (currently Form 60, as the same may be amended or replaced from time to time by prior written notice from MTA to Utility). Without MTA's prior approval, Utility will not be reimbursed for costs to correct defective performance by Utility, its consultants or contractors.

12.3.5. MTA may terminate, in writing upon thirty (30) days' notice with written reasons for such termination any Work Order at any time in its sole discretion, but MTA shall reimburse Utility in accordance with this Agreement for Costs, if any, already incurred by Utility there under, and those costs, necessary to restore Utility's Facilities in the process of Rearrangement to a permanent condition suitable for the provision of service to the public. If restoration is found to be necessary, MTA will authorize the Costs therefore in its written termination of the Work Order.

12.4 Deadlines and Delays

12.4.1. Utility shall perform its work under this Agreement in accordance with the deadlines and, schedules established in the applicable Work Order. Subject to Sections 11.3.3, 11.3.4, 12.4.2, and 15.12, if Utility fails to meet a deadline established in this Agreement or in the applicable Work Order for Construction or any other activity, then Utility shall be responsible for all actual documented costs and expenses incurred by MTA (including, without limitation, costs of delay and other reasonable and documented costs incurred by MTA or paid by MTA to its Contractors) and arising out of such delay, unless such delay was not caused by Utility. Utility shall pay to 'MTA any amount it agrees is due pursuant to this Section 11.4.1 within 90 days after receipt of demand therefore. If Utility disputes the amount MTA contends is due or disputes that any amount is due, the dispute shall be resolved in accordance with Article 13 and the time period for payment of such disputed amount shall be tolled until the final resolution of such dispute. Prior to resorting to Article 13 for resolution of the dispute, the Parties shall meet and confer in a joint working group consisting of appropriate members selected by each Party to attempt to resolve the dispute.

12.4.2. If MTA or its Contractor fails to complete any work hereunder by the applicable deadlines established in this Agreement or in the respective Work Orders, then any affected deadlines and Costs for Utility's Construction or other activities under this Agreement or any Work Order shall be revised accordingly.

12.5 Procedures for Utility Billings to MTA

12.5.1 The Parties agree that the following procedures will be observed for submission of monthly billings by Utility to MTA on a progress basis for work performed by Utility under a specific Work Order. Utility shall maintain separate accounting records for each Work Order authorized by MTA.

Utility shall submit to MTA, within thirty (30) days after the end of each month, a "Project Labor Report" identifying by task both Utility staff (and applicable consultant) hours charged for administrative, design, inspection and management services and Utility direct field labor.

Following the commencement of a specific Rearrangement or other work under a given Work Order, Utility's billings (in an electronic format where possible) shall be submitted to MTA's Representative within 60 days of the monthly period when the work was performed. This billing shall specify all Costs incurred for that billing period including copies of invoices and other Cost data. Signed individual labor time sheets including clear identification of MTA's Work Order number and Project title shall be maintained for audit on file in Utility's accounting center. Utility shall provide a full description of any labor charges during the billing period that were not identified in the Project Labor Report, if requested by MTA, in order to resolve any questionable Utility charges. Each billing shall show all applicable credits, shall be noted as either in-progress or as final, and shall include a certification that the charges were appropriate and necessary to performance of the referenced Work Order and have not previously been billed or paid. The final billing, with a recapitulation of prior progress billings and a notation that all work covered by a given Work Order has been performed and billed for, shall be submitted to MTA within one hundred twenty (120) days after completion and acceptance of the work covered by the Work Order.

12.5.2. Utility agrees to retain, or cause to be retained, for inspection and audit by MTA or other governmental auditors for the period required pursuant to Section 11.8, all records and accounts relating to the work performed by Utility under this Agreement; provided, however, that if any actions brought under the dispute resolution provisions of this Agreement have not been finally resolved by the foregoing deadline, then any records that pertain to any such actions shall be maintained until such actions have been finally resolved.

12.6 Procedures for MTA Billings to Utility

12.6.1. In those cases in which MTA performs work payable by Utility under the terms of this Agreement, MTA shall submit regular progress billings to Utility, which shall (a) specify Costs incurred for that billing period, (b) bear the MTA work order number, (c) be supported by copies of data that support the Costs incurred, (d) be addressed to the Utility Representative, and (e) be maintained by MTA for inspection and audit as required pursuant to Section 11.8. Each billing shall be noted as either progress or final, and shall include a certification that the charges identified in such billing were appropriate and necessary to performance of the reference contract and have not previously been billed or paid. The progress billing shall indicate actual work performed during the billing period, the direct and indirect Costs thereof, Utility's share of such Costs, and any amount thereof being paid through the application of credits against amounts owed by MTA to Utility. The final billing, with a notation that all work covered by a given work order has been performed and billed for, shall be submitted to Utility as soon as practicable (but no later than six months one hundred twenty (120) days) following the completion of the work, shall recapitulate prior progress billings, and shall show inclusive dates upon which work billed therein was performed.

12.6.2. MTA agrees to retain, or cause to be retained, for inspection and audit by Utility or other governmental auditors for the period required pursuant to Section 11.8, all records and accounts relating to all work performed by MTA for Utility under this Agreement; provided, however, that if any actions brought under the dispute resolution provisions of this Agreement have not been finally resolved by the foregoing deadline, then any records that pertain to any such actions shall be maintained until such actions have been finally resolved.

12.7 Payment of Billings

Payment of each bill properly submitted pursuant to Section 11.5 or 11.6 shall be due within sixty (60) days of receipt thereof; provided, however, that (a) all such payments shall be conditional, subject to post-audit adjustments, (b) final payment for each Rearrangement shall be contingent upon final inspection (and acceptance, where applicable) of the work by the Party billed for such work, which inspection (and acceptance, where applicable) will not be unreasonably withheld or delayed, and (c) MTA may withhold credit amounts due Utility under the Work Order for which the bill was submitted if Utility has not posted such credits on the bill within sixty (60) days after submittal of requests for same by MTA.

12.8 Inspection and Audit

Upon reasonable notice, each Party (and its authorized representatives) shall have reasonable rights to inspect and audit during normal business hours, the other's relevant non-privileged records relating to its performance hereunder (and all Costs incurred with respect thereto) for each Transit Project and related Rearrangements, from the date hereof through and until expiration of four (4) years after the later of (a) the accepted completion of all Rearrangements for such Transit Project and (b) payment of all final billings owed to such Party related to such Transit Project and related Rearrangements, or such later date as is required under other provisions of this Agreement or by law. Each Party shall bear its own costs and expenses in connection with undertaking any inspection and audit, and in responding thereto. Examination of a document or record on one occasion shall not preclude further review or reexamination of such document or record on subsequent occasions. By providing any of its records to the other Party for examination, the Party providing such records represents and warrants that such records are accurate and complete. The Parties shall mutually agree upon any financial adjustment found necessary by any audit. If the Parties are unable to agree on such adjustment, then the matter shall be resolved pursuant to Article 13. The rights granted pursuant to this Section 11.8 shall not obligate either Party to inspect or audit the other Party's records nor shall either Party be entitled to utilize or rely on the other Party's audit results, absent such other Party's consent.

Article 13
Hazardous Materials and Protected Materials

13.1 Investigation of Sites and Preparation of Environmental Impact Reports

13.1.1 As between Utility and MTA, MTA shall be responsible, at MTA expense, for the investigation of potential Hazardous Materials sites and Protected Materials sites within the area that would directly impact Construction of a Transit Project or a Rearrangement of Utility Facilities hereunder.

13.1.2 MTA shall prepare, at its sole cost and expense, all environmental impact reports/statements required by local, state or federal law for the Construction of a Transit Project or a Rearrangement of Utility Facilities hereunder.

13.2 Indemnity by Utility

Utility shall indemnify, defend at MTA's request, and hold harmless MTA, its respective governing boards,-officers, directors, employees, authorized agents, engineers, contractors, and subcontractors, and their respective successors and assigns, from and against any claims, judgments, damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims) and losses, including attorney's fees, consultant's fees, and expert fees that arise during or after work or actions to the extent arising out of (i) the release of Hazardous Materials within any site for a Rearrangement of Utility Facilities, to the extent such release is directly caused by activities or omissions of Utility, its employees, representatives, agents, shippers, contractors, or invitees, and (ii) Utility's breach of Utility's representations and warranties in this Subsection 12.2

13.3 Responsibility For Remedial or Protective Action

13.3.1 At least seven (7) days before Utility commences its Rearrangement, MTA shall provide to Utility a copy of all environmental impact reports and soil tests prepared in connection with the Transit Project and shall disclose to Utility all information of which it is aware concerning the existence of any Hazardous Material and/or Protected Materials within any site for a Rearrangement of Utility Facilities. If the ~~info~~ information provided reveals the existence of ~~a~~ Hazardous Materials and/or Protected Materials in an area in which Utility will be working and MTA is required by an Environmental Law or otherwise to take some action with respect to the Hazardous Materials such as containment, cleanup, removal, restoration or other remedial work ("Remedial Work"), Utility shall not commence its Construction until the required Remedial Work has been completed by MTA at MTA's sole cost and expense. However, if the presence of Hazardous Materials that are in violation of applicable Environmental Laws is directly caused by the Utility or its facilities, Utility will take immediate action at its sole cost and expense to complete the Remedial Work necessary under Environmental Law.

13.3.2 If, after it commences work, Utility discovers the existence of a Hazardous Substance in the site on which it is working on a Rearrangement, Utility shall immediately suspend its work and notify MTA of its discovery. MTA shall immediately determine if any Remedial Work is reasonably necessary or required by any Environmental Law. If any Remedial Work is reasonably necessary or required by any Environmental Law, MTA shall immediately

commence, or cause to be commenced, and thereafter diligently prosecute to completion, all such Remedial Work at its sole cost and expense. Utility shall not continue its work until MTA has completed the Remedial Work in accordance with the law(s) that required it. However, if the presence of Hazardous Materials that are in violation of applicable Environmental Laws is directly caused by the Utility or its facilities, Utility will take immediate action at its sole cost and expense to complete the Remedial Work necessary under Environmental Laws. The Party discovering Hazardous Materials and/or Protected Materials shall make any required notifications to federal, state, and/or local agency(ies) in accordance with applicable law.

13.4 Indemnity by MTA

MTA shall indemnify, defend at Utility's request, and hold harmless Utility and its affiliated companies and their officers, employees, agents and contractors from any and all claims, judgments, damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims) and losses, including attorneys' fees, consultant fees, and expert fees that arise during or after Utility's work on the Transit Project from or in connection with the presence or suspected presence of Hazardous Materials on a site on which Utility performed work for a Rearrangement, unless (i) the presence of Hazardous Materials that are in violation of applicable Environmental Laws is directly caused by activities or omissions of Utility, its employees, representatives, agents or Contractors or (ii) any soil contamination or Hazardous Material existing prior to the Rearrangement work, including any such contamination or Hazardous Materials discovered during Construction work performed for the relocation and (iii) MTA’s breach of MTA’s representations and warranties in this Subsection 12. 4.

Article 14

Resolution of Disputes

In the event of a claim or dispute arising out of or relating to this Agreement, both parties shall make good faith efforts to resolve the claim or dispute through negotiation,

including mediation. All disputes shall be subject to the provisions of this Article. Utility and MTA shall act promptly and diligently to mutually resolve any disputes which may arise with respect to this Contract.

14.1 Continuation of Performance

14.1.a. MTA Discretion – The existence and details of a dispute notwithstanding, both parties shall continue, without delay, their performance hereunder, except for any performance which MTA, in its sole and absolute discretion, determines should be delayed as a result of such dispute. MTA shall continue to pay sums not in dispute, during any such period of continued performance.

14.1.b. Failure to Continue Performance – If Utility fails to continue its performance hereunder, which MTA in its sole and absolute discretion, determines should not be delayed as a result of such dispute, then any additional costs which may be incurred by MTA as a result of Utility's failure to continue to so perform shall be borne by Utility, and Utility shall make no claim whatsoever against MTA for such costs. Utility shall promptly reimburse MTA for such MTA costs, as determined by MTA or MTA may deduct all such additional costs form any amounts due to Utility from MTA.

14.2 Resolution Processing the event of any dispute between the Parties with respect to this Agreement:

a. Utility and MTA shall submit the matter to their respective Project Managers and Contract Administrators to resolve the dispute.
b. If the Project managers and Contract Administrators are unable to resolve the dispute within a reasonable time not to exceed five (5) days from the date of submission of the dispute to them, then the matter shall immediately be submitted to Utility's Chief Executive Officer and to MTA's Chief Executive Officer, or their designees, to resolve the dispute.
c. In the event that contractor's CEO and MTA's CEO are unable to resolve the dispute within a reasonable time, not to exceed twenty (20) days, from the date of submission of the dispute to them, then each party

may assert is other rights an remedies provided under this Agreement and /or any rights and remedies as provided by Law.

14.3 Documentation of Disputes

All disputes utilizing this dispute resolution procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all levels described in this Article, the efforts to resolve a dispute shall be undertaken by conference between the parties' respective representatives, either orally, by face-to-face meeting or by telephone, or in writing by exchange of correspondence.

Article 15
Federal and Other Requirements

15.1 Inspection and Audit

This Agreement, as to certain Transit Projects, may be subject to a financial assistance agreement with the U.S. Department of Transportation, Federal Transit Administration, and as such is subject to the following terms and conditions as to such Transit Projects only:

Utility agrees to comply with all financial record keeping, reporting and such other requirements that are imposed by law as a condition to or requirement of funding obtained by MTA from third parties (provided that MTA gives reasonable notice of such requirements to Utility in writing at least thirty (30) days before requiring compliance with the same). Utility shall permit the authorized representatives of MTA, the U.S. Department of Transportation, the Comptroller General of the United States, and any other government agency providing funding or oversight on a Transit Project, to inspect and audit (and if required by law to copy) during normal business hours and upon reasonable notice, all non-privileged relevant records maintained by Utility relating to performance by Utility, its contractors and subcontractors (as appropriate) under any Work Order issued to Utility for such Transit Project or Rearrangements of Utility Facilities related thereto, from the date of this Agreement through and until expiration of three (3) years after the later of (a) the accepted completion of all Rearrangements for such Transit Project and payment of all final billings owed to Utility related to such Transit Project

and related Rearrangements, or (b) such later date as is required by the rules and regulations of any such government agency (provided that MTA gives reasonable prior written notice of such later date to Utility). Each Party shall bear its own costs and expenses in connection with undertaking any audit, and in responding thereto. Examination of a document or record on one occasion shall not preclude further examination of such document or record on subsequent occasions.

Utility shall agree to comply with Buy America regulations as identified in Title 49 USC § 5323(j)(1) and the applicable regulations in 49 CFR Part 660 and 661. Utility's material list shall be provided to MTA upon Utility completing its 85% design level plans. Material list shall identify each material to be used on the relocation and whether the material is compliant with Buy America or not. Should material not be compliant, an action plan by Utility shall be generated and submitted to MTA within 30 calendar days. Action plan shall include a summary of options to obtain compliant material in order to meet MTA schedule.

15.2 Prohibited Interests

No member, officer or employee of MTA, or of a local public body, during his or her tenure or for one (1) year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof. To MTA's knowledge, no board member, officer or employee of MTA has any interest; whether contractual; non contractual, financial or otherwise in this transaction, or in the business of Utility.

15.3 Equal Employment Opportunity

In connection with the performance of this Agreement, Utility and MTA shall not discriminate against any employee or applicant for employment because of age, race, religion, color, sex, national origin or disability. The Utility and MTA shall act in compliance with applicable laws to ensure that applicants are employed, and that employees are treated during their employment, without regard to their age, race, religion, color, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

15.4 Disadvantaged Business Enterprise

In connection with the performance of this Agreement, Utility will cooperate with MTA in meeting all applicable federal regulations with regard to the maximum utilization of disadvantaged business enterprises, and both Parties will use their best efforts to ensure that disadvantaged business enterprises shall have the maximum practicable opportunity to compete for subcontract work under this Agreement.

15.5 Prior Approval

This Agreement and all amendments thereto are subject to U.S. Department of Transportation, Federal Transit Administration review and approval.

15.6 Non-Discrimination

Without limiting any other provision of this Article 14, Utility and MTA agree to comply, and to cause all of their contractors to comply, with all applicable state and federal non-discrimination laws, rules and regulations.

15.7 Buy America

This contract shall be construed in accordance with the Federal, State and Local law of California. Including Title 49.661.13 of which, the Utility shall adhere to the Buy America clause set forth therein.

15.8 Debarment and Suspension

The Utility shall comply with the FTA requirement of" debarment and suspension" as identified in the attached link:
http://www.fta.dot.gov/documents/09_Debarment_and_Suspension_TriennialGuidance_FY2011.pdf

Article 16
Miscellaneous Provisions

16.1 Approvals, Further Documents, and Actions

16.1.1. Any acceptance, approval, consent, permission, satisfaction, agreement, authorization or any other like action (collectively, "Approval") required or permitted to, be given by any Party hereto pursuant to this Agreement or any Work Order:

a. Must be in writing to be effective (except as otherwise specifically allowed by this Agreement); and
b. Shall not be unreasonably withheld, conditioned or delayed; and if Approval is withheld, such withholding shall be in writing and shall state with specificity the reasons for withholding such Approval, and every effort shall be made to identify with as much detail as possible what changes are required for Approval.

16.1..2 The Parties agree to execute such further documents, agreements, instruments, and notices, and to take such further actions, as may be necessary or appropriate to effectuate the transactions contemplated by this Agreement.

16.1.3 Except as otherwise provided in this Agreement, all notices or communications pursuant to this Agreement shall be in writing and shall be sent or delivered to the following:

To Utility:
Gegi Leeger
Director – Regulatory Contracts
XO Communications Services, LLC.
13865 Sunrise Valley Drive
Herndon, VA 20171

To MTA:

Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, California. 90012

Any notice or demand required shall be, given (a) personally, (b) by certified or registered mail, postage prepaid, return receipt requested, or (c) by reliable messenger or overnight courier to the address of the respective Parties set forth above.

Any notice served personally shall be deemed delivered upon receipt, and served by certified or registered mail or by reliable messenger or overnight courier shall be deemed delivered on the date of receipt as shown on the addressee's registry or certification of receipt or on the date receipt is refused as shown on the records or manifest of the U.S. Postal Service or such courier. Utility or MTA may from time to time designate any other address or addressee or additional addressees for this purpose by written notice given to the other Party in accordance with this Section 15.1.4.

16.2. Alternate Notice. The Parties may also designate other procedures for the giving of notice as required or permitted under the terms of this Agreement, but each such alternate procedure shall be described, in writing and signed by the MTA Representative and by the Utility Representative.

16.3 Assignment; Binding Effect

Neither Party shall assign its interest in this Agreement without prior consent of the other Party. Any permitted assignment shall bind and inure to the benefit of the respective successors and permitted assigns of the Parties

16.4 Waiver

The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition, or of any breach of any term, covenant, representation, or warranty contained herein, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or waiver of any other condition or of any breach of any other term, covenant, representation or warranty.

16.5 Entire Agreement; Modification

No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the Parties hereto and no oral understanding or agreement not incorporated herein shall be binding on either of the Parties hereto.

16.6.1. In accomplishing all work and performing all other acts required under this Agreement, time is of the essence.

16.6.2. All references to "days" herein shall be deemed to refer to calendar days, unless otherwise specified.

16.7 Legal Rights

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California. The rights and remedies of MTA and Utility for default in performance under this Agreement or any Work Order are in addition to any other rights or remedies provided by law. As used in this Agreement, the masculine, feminine and neuter, genders, and the singular and plural numbers shall each be deemed to include the other or others whenever the context so indicates.

16.8 Headings

The headings that appear at the commencement of each Article and Section are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between any heading and the Article or Section itself, the Article or Section itself and not the heading shall control as to construction.

16.9 Incorporation of Exhibits and Addenda

Every Exhibit and Addendum to which reference is made in this Agreement is hereby incorporated in this Agreement by this reference.

16.10 Counterpart Originals

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be the original, and all of which together shall constitute one and the same instrument.

16.11 Force Majeure

Neither Party shall be held liable for any loss or damage due to delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence; such causes may include acts of God, acts of civil or military authority, government regulations (except those promulgated by the Party seeking the benefit of this section), embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions,

earthquakes, nuclear accidents, floods, strikes, power blackouts, other major environmental disturbances or unusually severe weather conditions; provided, however, that lack of funds or funding from the Respective Party shall not be considered to be a cause beyond a Party's control and without its fault or negligence. The foregoing events do not constitute force majeure events where they are reasonably foreseeable consequences of Construction. If any of the foregoing events occur, Utility agrees, if requested by MTA, to accelerate its efforts hereunder if reasonably feasible in order to regain lost time, so long as MTA agrees to reimburse Utility for the incremental actual costs of such efforts.

16.12 Construction

The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against either of the Parties.

16.13 Survival

The representations, warranties, indemnities, waivers and dispute resolution provisions set forth in this Agreement, all payment obligations hereunder incurred prior to termination of this Agreement, and all other provisions that by their inherent nature should survive termination of this Agreement, shall survive the termination of this Agreement for any reason whatsoever, and shall remain in effect unless and until terminated or modified in writing by mutual agreement.

16.14 Benefit

Nothing in the provisions of this Agreement is intended (a) to create duties for, obligations to, or rights in third parties not parties to this Agreement, except to the extent that, specific provisions (such as the indemnity provisions) identify third parties and provide that they are entitled to benefits hereunder, or (b) to affect the legal liability of either Party to the Agreement by imposing any standard of care with respect to the development, design, construction, operation or maintenance of highways, Transit Projects and other public facilities that is different from the standard of care imposed by law.

16.15 Severability

If any part of this Agreement is found to be invalid or unenforceable by a ruling or decision reached in a accordance with Article 13, or otherwise by a court having proper jurisdiction, such finding shall not invalidate the remaining portions hereof, but such provisions shall remain in full force and effect to the fullest extent permitted by law; provided, however, that the Parties shall immediately renegotiate, reasonably and, in good faith, the terms or provisions found to be invalid, as well as any other terms and provisions as necessary to achieve as nearly as possible the Parties' original contractual intent.

16.16 Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

"UTILITY"

XO COMMUNICATIONS SERVICES, LLC

By: _____
Name: Steven C. Pecorella
Title: Vice President, Network Field Ops & Construction
Date: _____

APPROVED AS TO FORM:

FOR: XO COMMUNICATIONS SERVICES, LLC.

By: _____

Karen M. Potkul

Corporate Counsel

"MTA"

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____

Name: Phillip A. Washington

Title: Chief Executive Officer

Date: _____

APPROVED AS TO FORM AND LEGALITY:

FOR: LOS ANGELES COUNTY METROPOLITON TRANSPORTATION AUTHORITY

RICHARD D. WEISS

ACTING COUNTY COUNSEL

BY: _____

DEPUTY

Exhibit 1

FORM 60

(See Attached)

Exhibit 2

Utility Standards

(See Attached)

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

File #: 2016-0850, **File Type:** Budget **Agenda Number:** 36.

REVISED
CONSTRUCTION COMMITTEE
NOVEMBER 16, 2017

SUBJECT: UNION STATION RESTROOM EXPANSION AND RENOVATION PROGRAM

ACTION: APPROVE A LIFE OF PROJECT BUDGET OF $7.95 MILLION FOR UNION STATION RESTROOM EXPANSION AND RENOVATION PROGRAM

RECOMMENDATION

APPROVE a Life of Project (LOP) budget for Los Angeles Union Station (LAUS) New and Existing Public Restroom Facilities Program improvements of $7.95 million for the following:

A. construction of new public restroom facilities for $5.35 million; and

B. renovation of existing public restroom facilities for $2.6 million.

ISSUE

The existing Union Station restroom facilities are severely deficient. The current restrooms are not code compliant per Metro's standards, not to mention the standards set by the City of Los Angeles, the State of California's Title 24, Building Code (CBC), California Amendments and the federal Americans with Disabilities Act of 1990 (ADA), as noted in the Blackseth Union Station Site Inspection Disabled Access Report dated November 2013. The existing 30-year-old plumbing infrastructure was not designed to handle the number of patrons who pass through Union Station on a daily basis, and is well beyond its expected life-span resulting in the condition of the restrooms being Union Station's primary source of complaints from the public.

The station experiences an average of 100 full restroom closures annually due to improper use of the plumbing system by the public. The restroom closures can range in duration from 45 minutes to 4 hours, depending upon the extent of the repair. The closure of the west restrooms forces patrons, including elderly and disabled, to travel nearly 1,000 feet down the passageway to the east restroom facilities. Responding to emergency work orders generated by restroom issues is the single largest engineering staff demand. Restroom maintenance calls disrupt regular preventative maintenance and repair schedules which negatively impact the efficient and safe operation of the station. Security officers and janitorial crews responding to restroom closures cause regular shift coverage to be

disrupted.

The above recommendations are supported by Metro's risk managers, facility managers, ADA and security professionals as necessary to bring Union Station into regulatory compliance and risk mitigation to a significant degree. The approval of these improvements for this Metro-owned facility supports Metro's commitment to providing a safe, operational, accessible and beneficial facility for the public's use and comfort.

DISCUSSION

The existing Los Angeles Union Station building is over seventy-seven (77) years old. The current set of passenger concourse public restroom facilities were not properly maintained and renovated by the previous owner. The original public restroom design had 55 toilets, 17 urinals, and 46 lavatories. The prior owners' decisions resulted in many non-compliant modifications. Today there are only 17 ~~15~~ toilets, 5 urinals, 10 lavatories, and 2 baby-changing areas. These restroom facility reductions occurred despite an increase from a 1939 daily average of 33 trains in and out (serving approximately 7,000 people) to a present daily average of 511 trains in and out, and 900 buses in and out (serving approximately 75,000 people). In short, although the LAUS foot traffic has increased by 11 times its original (low volume), the former compliant minimum fixture quantity or capacity has declined to less than one-third (1/3) of the original city-approved design.

Previously, to protect and preserve Union Station, the Board approved a variety of capital projects including exterior paint, wood and metal restorations, passageway restoration, way-finding signage, roof renovation and installation of HVAC, all of which have been completed. The Board also authorized the current fire, life, and safety/ADA multi-year capital project as a significant step toward the safety of Union Station as a transit facility and attractive public destination.

However, there remain outstanding deferred maintenance and modernization steps to make Union Station's public restroom facilities consistent with Metro's current standards and compliant with CBC and ADA regulations. Due to heavy use, the restrooms are at the end of their useful life span. They will require a major infrastructure renovation within the next 12 to 18 months. We have consulted with our historic preservation architect on making Union Station compliant with CBC and ADA codes without sacrificing the station's historic character in the process.

Findings

The proposed renovation of the existing restrooms and construction of two new set of restrooms behind the AMTRAK ticket counter and a concrete wall toward the train yard (See Attachment A) will create a newer, more efficient, usable space inside historic structure without downsizing of public common areas or tenant square footage. A series of investigations by structural engineers, shoring engineers and soils experts have resulted in positive constructability studies of a new location within the existing passenger concourse area. Renovation and construction of the new facilities will have minimal impact to building occupants or the public.

Considerations

The two new sets of restrooms will operate independently of the existing set of restrooms, which will allow one set to be closed periodically for maintenance and repair, while the other set will remain open and operational. This will alleviate all future full restroom closures and negative impacts to the public. Additionally, the selection of an alternative vacuum plumbing system could reduce water consumption by sixty percent (60%) and prevent main line blockages, allowing engineering to address any fixture clogs locally without closing the entire facility. Additionally, the selection of this plumbing system will allow for future expansion or integration, if necessary, to facilitate new tenants or additional restroom facilities. The selected location for these new facilities has been coordinated with LinkUS to ensure future projects will not be adversely impacted by these facilities.

The primary benefits are customer satisfaction, code compliance, operational improvements and increased energy efficiency, while reducing water consumption and maintenance costs. The project will be scheduled in two phases in an effort to minimize the impacts to the public. The new restrooms will be constructed first, so that they are completely operational prior to renovation of the existing restrooms. This approach will allow Union Station to maintain an operational set of restrooms at all times.

This proposed new capital project has been cleared through the CEQA Categorical Exemption process as documented in the memorandum dated June 9, 2017 prepared by ICF for Metro. (See Attachment B). This capital project is part of a Ten-Year Capital Plan summarized in Attachment C.

DETERMINATION OF SAFETY IMPACT

Approval of this item will improve the integrity of the historic building by providing Union Station with energy-efficient, water-saving, code-compliant public restroom facilities, including accessibility for individuals with disabilities.

FINANCIAL IMPACT

Approval of this action will establish a $7.95 million Life of Project budget for the Union Station New and Existing Public Restroom Improvement Project. Funds will be allocated to Cost Center 4520 - Union Station Operations and Management, Account 50316 - Professional and Technical Services.

Funding for this project will come from Proposition C 40% Discretionary Cash and Debt, which is consistent with the funding source for the existing Union Station capital projects. These funds are eligible for Metro Planning, Construction and Bus/Rail Operations. An additional $150,000 will be allocated to this project by utilizing the previously-approved Project 210145 funding for the ADA improvements that are required for the restrooms.

Impact to Budget

Cash flow is critical for funding this new project. The required cash flow for the project are forecasted as follows:

Union Station Capital Program Improvements for construction of new public restroom facilities and renovation of existing public restroom facilities.

1. FY19 funding for Construction of new public restroom facilities for $5.35 million
2. FY19 funding for Renovation of existing public restroom facilities for $2.6 million

ALTERNATIVES CONSIDERED

An alternative would be to continue operations without the aforementioned project. This is not recommended because this would compromise Metro's commitment to public safety and expose the agency to liabilities for CBC and ADA deficiencies. Continuing operations without upgrading the restroom facilities and infrastructure will increase annual repairs, maintenance and operating costs as well as increase the number of complaints by patrons and tenants, all of which do not support Metro's initiative to transform Union Station into a premier destination within the City of Los Angeles.

Another alternative is to limit the renovation to the existing restroom facility for $2.6 million. This alternative is not recommended. It would require the complete shutdown of the existing facilities during construction. It will neither provide the additional plumbing fixtures required to become compliant with California Building Codes and ADA requirements, nor would it eliminate complaints or public impacts due to full closures of the facilities for repairs and maintenance.

NEXT STEPS

Upon the Board's approval and authorization, the bid packaging will be completed for Morlin Asset Management to proceed with the project.

ATTACHMENTS

Attachment A - Maps of Existing and New Union Station Passenger Concourse Restrooms
Attachment B - ICF Memo: CEQA Categorical Exemption for L.A. Union Station Renovations Projects, June 9, 2017
Attachment C - Summary Ten-Year Capital Plan

Prepared by: Richard G. Darby, Manager, Transportation Planning, (213) 922-2365
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Calvin E. Hollis, SEO, Countywide Planning & Development, (213) 922-7319
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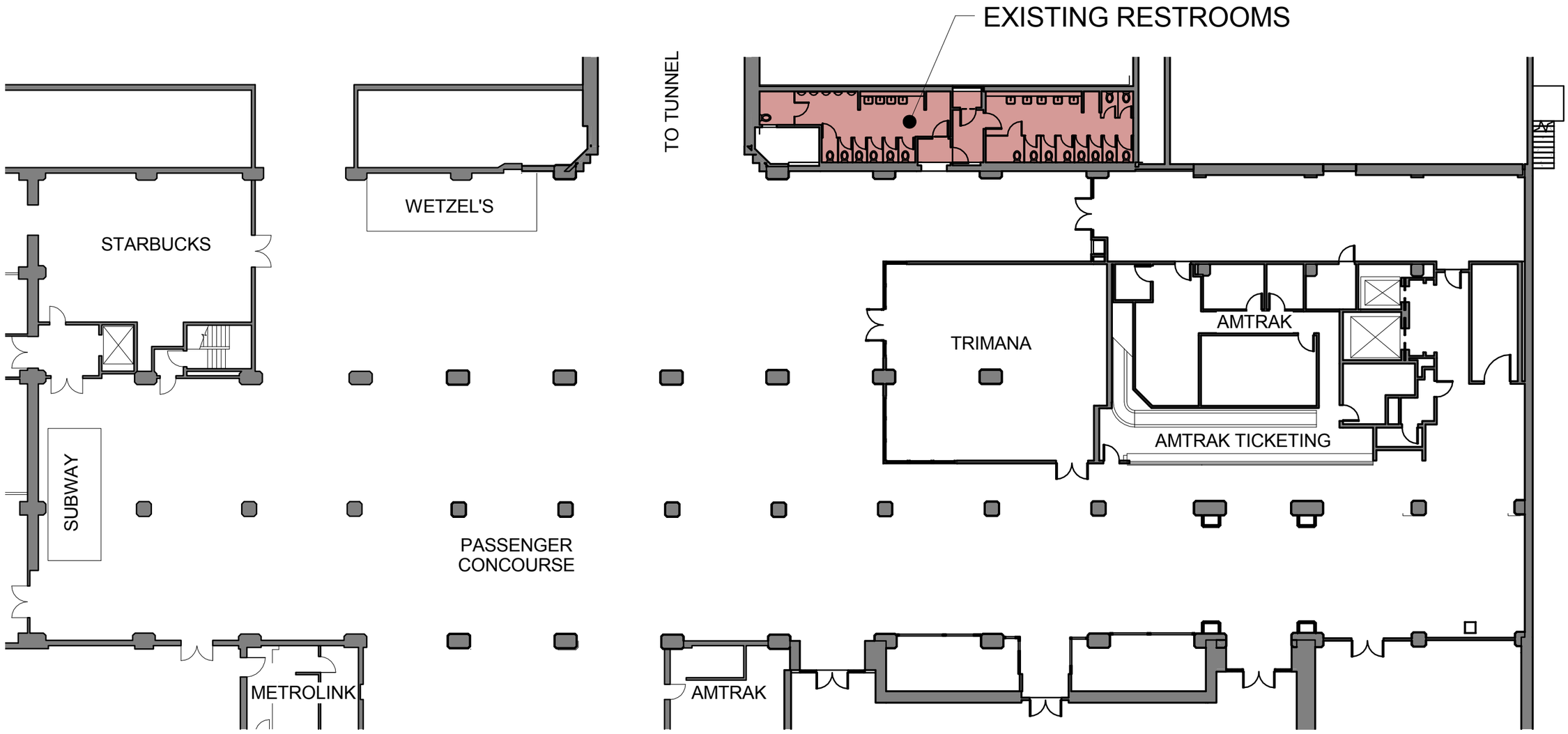
Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

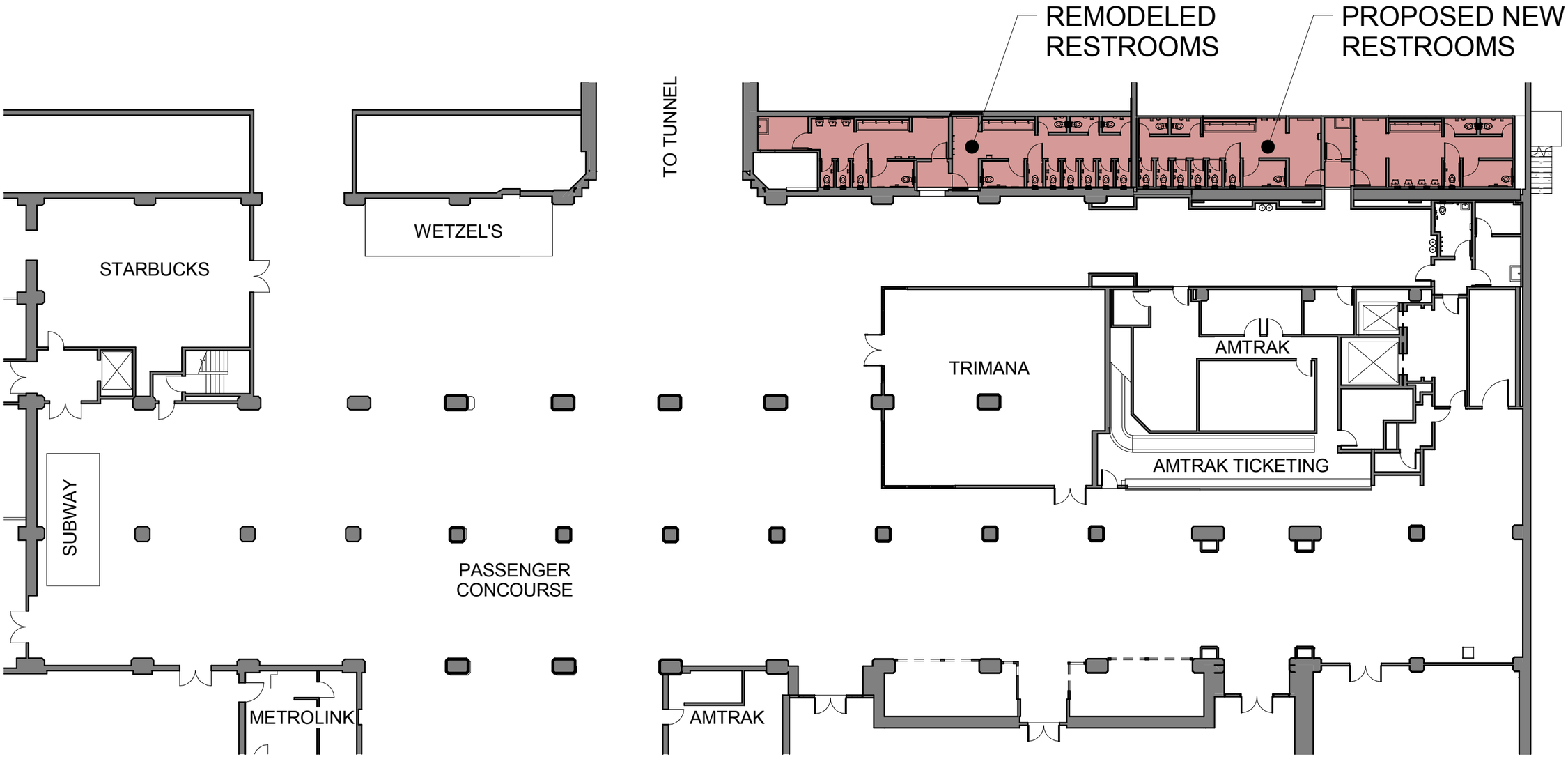


Architectural
Resources Group

PASSENGER CONCOURSE

EXISTING RESTROOMS

LOS ANGELES UNION STATION
11216.01.018
03/27/17

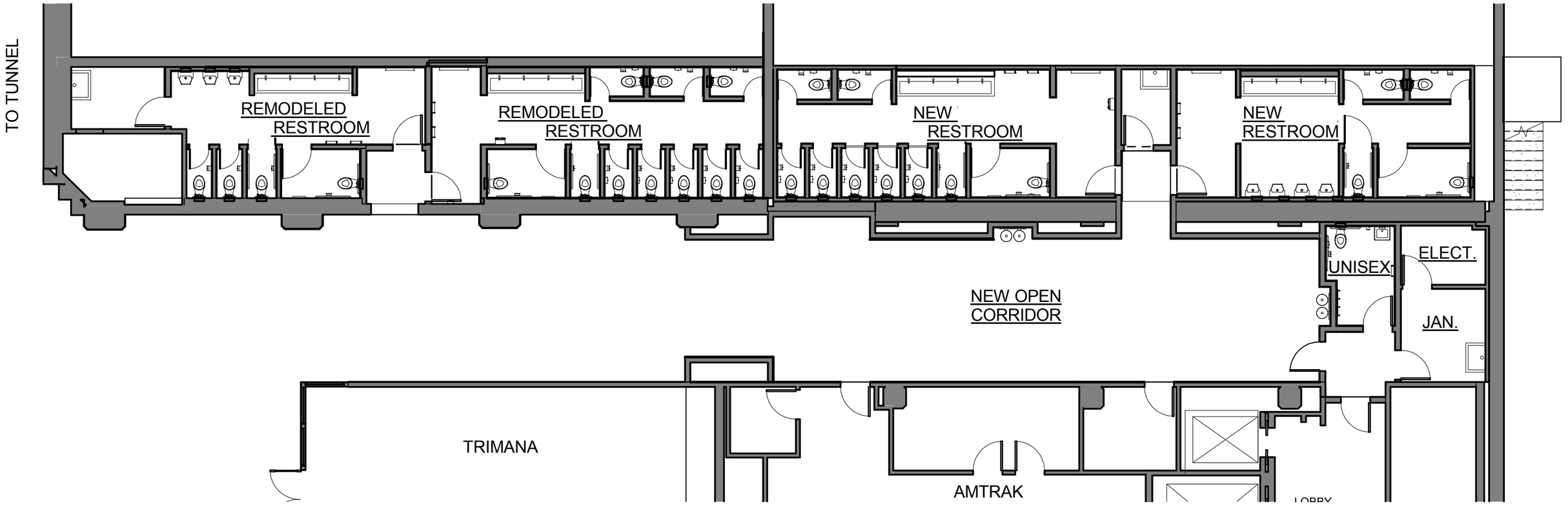


Architectural
Resources Group

PASSENGER CONCOURSE

PROPOSED RESTROOMS

LOS ANGELES UNION STATION
11216.01.018
03/27/17



Architectural Resources Group

PASSENGER CONCOURSE

PROPOSED RESTROOMS

LOS ANGELES UNION STATION
11216.01.018
03/27/17

ATTACHMENT B

Memorandum

To:	Andrina Dominguez, ENV SP, Environmental Specialist
From:	Namrata Cariapa ICF
Date:	June 9, 2017
Re:	**CEQA Categorical Exemption for L.A. Union Station Renovations Projects**

1. Introduction and Project Description

The Los Angeles County Metropolitan Transportation Authority (Metro) proposes to perform improvements at the historic Los Angeles Union Station (LAUS), located at 800 North Alameda Street, Los Angeles, California 90012. The proposed improvements that are the subject of this memorandum include a restroom expansion (Restroom Expansion Project), which involves remodeling and expanding the existing restrooms on the historic west side of Union Station, and Union Station East Phase V Wayfinding Signage (Signage Project), which seeks to unify the east campus of the property and the Metro Parking Garage with signage from the historic west side. Together, these renovation projects compose the Los Angeles Union Station Renovations Projects (proposed Project). These actions, which are exempt from the California Environmental Quality Act (CEQA), pursuant to Section 15301, Existing Facilities, represent Class 1 exemptions, consisting of "the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination." This memorandum documents why the proposed Project would not result in a significant impact on the environment and is therefore exempt from CEQA.

1.1 Restroom Expansion Project

The restroom expansion would involve remodeling existing restrooms on the historic west side of Union Station and constructing an expanded restroom facility. The restroom expansion would consist of demolition of tenant storage space, partial demolition of a utility tunnel, excavation of dirt infill below the utility tunnel's slab floor, construction of new restrooms and egress areas, and remodeling the adjacent existing restrooms. The proposed design would increase the total number of water closets in the women's restrooms by nine, the total number of water closets in the men's restrooms by four, and the total number of men's urinals by four. The restroom expansion would also involve construction/installation of a unisex employee restroom, janitor's closet, two drinking

fountains/water bottle filling stations, and two service sinks. See Attachment 1 for existing conditions regarding the restroom facilities and Attachment 2 for the proposed restroom expansion plan.

1.2 Union Station East Phase V Wayfinding Signage Project

The Signage Project was developed through the Los Angeles Union Station Master Plan in 2015 as part of the Master Wayfinding Program. This improvement would include construction of a new main parking garage gantry as well as an "airport style" sign, directing drivers to a new pickup/ drop-off area. The existing gantry structure at the main parking garage entrance would be replaced with new structural columns and sign panels. The "airport style" sign structure would consist of a 27-foot-high galvanized steel column with a 32-foot-wide by 10-foot-high cantilevered sign attached. The sign would be fabricated to applicable Los Angeles Department of Transportation and California Department of Transportation standards and specifications and would be illuminated. All signage improvements are proposed along Vignes Street; existing signage at this location would be removed. See Attachments 3 and 4 for existing conditions and proposed signage locations. Attachments 5 and 6 show the proposed signage plans for the "airport style" signage and parking structure gantry.

2. California Environmental Quality Act

The proposed Project constitutes a project, as defined by CEQA (California Public Resources Code Section 21000 et seq.). The CEQA Guidelines, Section 15367, state that a "lead agency" is "the public agency that has the principal responsibility for carrying out or approving a project." Therefore, Metro is the lead agency responsible for the proposed Project.

Section 21084 of the Public Resources Code requires the CEQA Guidelines to include a list of the classes of projects that would not have a significant effect on the environment and, therefore, would be exempt from the provisions of CEQA. In accordance with Section 21084, CEQA Guidelines Section 15300 identifies those classes of projects that ordinarily do not have a significant impact on the environment. Section 15300.2 identifies exceptions to the use of CEQA exemptions. As described in Section 15300.2, a categorical exemption shall not be used if the project would result in a significant effect, a significant cumulative effect, damage to scenic resources, or a substantial adverse change in the significance of a historical resource. A categorical exemption shall also not be used for a project located on a site that is included on any list compiled pursuant to Section 65962.5 of the Government Code.

2.1 CEQA Determination

As lead agency, Metro has determined, based on the information and analysis summarized in this memorandum (see Section 3, below), that the proposed Project would not result in a significant effect on the environment. None of the exceptions identified in Section 15300.2 of the CEQA Guidelines are applicable to the proposed Project. Therefore, the proposed Project is considered to be exempt from CEQA, per Article 19, Section 15303, Class 3, New Construction or Conversion of Small Facilities. This categorical exemption applies to the construction and location of a limited number of new small facilities or structures, the installation of new small pieces of equipment or facilities in small structures, and the conversion of existing small structures from one use to another when only minor modifications are made to the exterior of the structures. The exemption includes a list of structures with maximum allowable sizes.

3. Environmental Analysis

The proposed Project has been evaluated, based on the environmental resource areas identified in the Initial Study Checklist (Appendix G of the CEQA Guidelines).

The site for the proposed Project is located in a developed urban area that contains no agricultural, forestry, mineral, or sensitive or special-status biological resources; therefore, the proposed Project would result in no impacts on those resources. Additionally, the proposed Project would not alter land forms, create unstable slopes, or be located in proximity to an active earthquake fault; therefore, it would not exacerbate any existing geologic hazards.

Because of the limited amount of excavation and soil disturbance that would occur as a result of construction of the proposed Project, which would be confined mostly within the LAUS building, the proposed Project would not result in adverse soil erosion impacts.

No residences or businesses would be displaced as a result of the proposed Project, and no housing would be provided. Therefore, the proposed Project would not result in population or housing impacts.

No recreational resources are located on the Project site or immediately adjacent to proposed construction activities. The proposed Project would not create an additional demand for public services; therefore, new or expanded public service facilities (e.g., police, fire, park facilities) would not be required.

The proposed Project would not physically divide a community because the proposed improvements, which would be relatively minor in scale, would be located within LAUS. The improvements would not displace any businesses or housing or diminish access to adjacent land uses. The proposed improvements would also not conflict with any applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect (see the more detailed impact discussions that follow). Therefore, the proposed Project would not result in adverse land use impacts.

Impacts related to other environmental resources are discussed below.

3.1 Aesthetics

The site for the proposed Project is located within the Los Angeles Union Station Historic District (LAUSHD). The LAUSHD has substantial value as an aesthetic resource for the thousands of employees, customers, and visitors who utilize the space every day. The proposed Project would be designed to integrate into the historic fabric of the LAUS building and would not degrade or damage the existing visual character or quality of the LAUSHD, for the reasons described below. The proposed Project would not substantially degrade the existing visual character or quality of the site and its surroundings. The Signage Project, which was included in the Master Wayfinding Program that was completed for historic Union Station in 2015, seeks to unify the east campus of the property and the Metro Parking Garage with signage from the historic west side. Therefore, the new signage would be compatible with recent signage renovations. Additionally, the new signs would be located along Vignes Street, outside the boundaries of the LAUSHD, and therefore would not have an adverse effect on the visual setting of the historic structures within the LAUSHD.

As described in the memorandum prepared by Architectural Resources Group (ARG) (see Attachment 7 to this memorandum), the Restroom Expansion Project would require no change to the defining characteristics of LAUS and its site environment. In addition, the Restroom Expansion Project would occur within the existing envelope of the LAUS building and would not be visible from the exterior of the station.

The proposed Project would not create a new source of substantial light or glare that would adversely affect day or nighttime views in the area. Furthermore, the new signage would not generate substantial light or glare, and the proposed lighting would be consistent with existing lighting for signage at the location for the Signage Project and throughout the LAUS campus.

The Restroom Expansion Project would occur within the envelope of the LAUS building; therefore, all light related to the restrooms would be contained within the building.

The proposed Project would not be located within or adjacent to a scenic vista or state scenic highway. Therefore, no significant impacts related to aesthetics would occur.

3.2 Air Quality

Construction activities would have minor impacts related to air quality (e.g., the generation of dust and use of construction equipment that would emit air pollutants). The increases in air pollutants would be negligible given the limited extent and duration of construction. As per all construction projects at Union Station, the areas under construction would be barricaded to protect the public. Construction would be short term. Unpleasant smells from paint and adhesives are anticipated, but all products that would be used during construction would adhere to low volatile organic compound (VOC) standards.

Operation of the proposed Project would result in minor indirect impacts on air quality. These would be related to the minor increases in energy consumption that would result from operating the renovated restrooms, drinking fountains/water bottle filling stations, and two service sinks. Therefore, no significant impacts related to air quality would occur.

3.3 Cultural Resources

Given the historic nature of LAUS, a memorandum was prepared by a qualified architect that evaluated the proposed Project's potential impacts on the LAUSHD. This memorandum is provided as Attachment 7.

As described in the attached memorandum, the Restroom Expansion Project would meet the Secretary of the Interior's Standards for Rehabilitation. These standards are applied under CEQA to evaluate the appropriateness of a project. Page 2 of Attachment 7 notes that:

> A project that has been determined to conform with the Secretary of the Interior's Standards for the Treatment of Historic Properties can generally be considered to be a project that will not cause a significant impact (14 California Code of Regulations [CCR] Section 15126.4(b)(1)). In fact, in most cases, if a project meets the standards, it can be considered categorically exempt from CEQA (14 CCR Section 15331).

The memorandum analyzes the Restroom Expansion Project in light of 10 standards from the Secretary of the Interior's Standards for Rehabilitation. For all 10 standards, the Restroom Expansion Project either meets the Secretary of the Interior's Standards for Rehabilitation or the standards do not apply. A description of the standards can be found in Attachment 7. In addition, according to the geotechnical technical report prepared by Irvine Geotechnical for the Restroom Expansion Project, the soil beneath the site for the proposed Project contains fill; it does not contain any archaeological or paleontological resources or human remains (Irvine Geotechnical 2015 [*Geotechnical Engineering Exploration, Proposed Bathroom and Amtrak Ticketing Facility, Union Station*]).

Because the Signage Project is included in the Master Wayfinding Program, the new signage has already been determined to meet the Secretary of the Interior's Standards for Rehabilitation. Therefore, no significant impacts related to cultural resources would occur. Also, see the discussion of aesthetics in Section 3.1, above.

3.4 Greenhouse Gas Emissions

Given the limited project footprint and extent of construction, construction activities, including the use of construction equipment, would result in negligible increases in greenhouse gas emissions. Operation of the proposed Project would also result in very minor incremental increases in greenhouse gas emissions from the minimal increases in energy consumption that would result from operating the renovated restrooms, drinking fountains/water bottle filling stations, two service sinks, and new signage. Therefore, the proposed project would not result in a substantial contribution to cumulative greenhouse gas emissions impacts.

3.5 Hazards and Hazardous Materials

Construction of the proposed Project would include minor demolition of existing structures. According to a records search conducted on May 25, 2017, the site for the proposed Project does not contain any hazardous cleanup, permit, or other sites and is not listed as a contaminated groundwater site (EnviroStor [http://www.envirostor.dtsc.ca.gov/public/]; GeoTracker [http://geotracker.waterboards.ca.gov/gama/]).

Construction and demolition activities involving the handling of asbestos-containing materials, lead-based paint, or any other similar hazardous materials are strictly regulated. Construction personnel involved with the proposed Project would handle these materials in accordance with all applicable laws and regulations. Construction would occur northeast and approximately 300 feet away from the La Petite Academy day care center at LAUS; however, because hazardous materials would be properly managed and transported in compliance with the above-mentioned regulations, there would not be a risk at the academy related to hazardous materials. All construction work would be conducted in such a way as to ensure the safety of construction workers and the general public. Similarly, if any abatement of hazardous materials, such as lead-based paint or asbestos-containing materials, is required, these materials would be properly managed and transported in compliance with all applicable regulations, thereby minimizing the risk to construction workers and the general public posed by these hazards.

3.6 Hydrology and Water Quality

The nearest waterway to the site for the proposed Project is the channelized Los Angeles River, approximately 0.6 mile to the east. The proposed Project would not create a new direct connection to this water body. The nearest coastline is approximately 15 miles to the west. Construction would utilize best management practices (BMPs) in compliance with stormwater statutes, regulations, and permits to ensure proper control of runoff. The site for the proposed Project site is paved; the proposed Project would not change the permeability of the Project site. Therefore, no significant impacts related to hydrology or water quality would occur.

3.7 Noise

Construction activities would have minor impacts related to noise (e.g., from the use of tools and construction equipment). As per all construction projects at Union Station, the area would be barricaded to protect the public. Construction would be short term. Operation of the proposed Project would not result in any impacts related to noise.

3.8 Transportation/Traffic

Construction of the proposed Project would require workers to travel to the construction site, material and equipment deliveries, and waste hauling. However, given the minor scale of the renovations, the proposed Project would not generate significant amounts of traffic that would significantly affect transportation within and around LAUS or in the region. Temporary barricades to restrict pedestrian circulation would be installed around the perimeter of the Restroom Expansion Project site. All portions of LAUS not immediately adjacent to the Restroom Expansion Project site would remain accessible during construction.

Installation of the large sign on Vignes Street, under the Signage Project, would very likely require closure of one lane of traffic at the Metro Parking Garage entrance. This work would be done at night so as to avoid peak vehicular and bus traffic hours. Therefore, no significant impacts related to transportation or traffic would occur.

Attachments:

Attachment 1: Existing Conditions (restroom facilities)

Attachment 2: Proposed Restroom Expansion Plan

Attachment 3: Signage Locations

Attachment 4: LAUS Signage Existing Conditions

Attachment 5: “Airport Style” Signage

Attachment 6: Parking Structure Gantry Plan

Attachment 7: ARG Cultural Resources Memo

Attachment 1: Existing Conditions (restroom facilities)

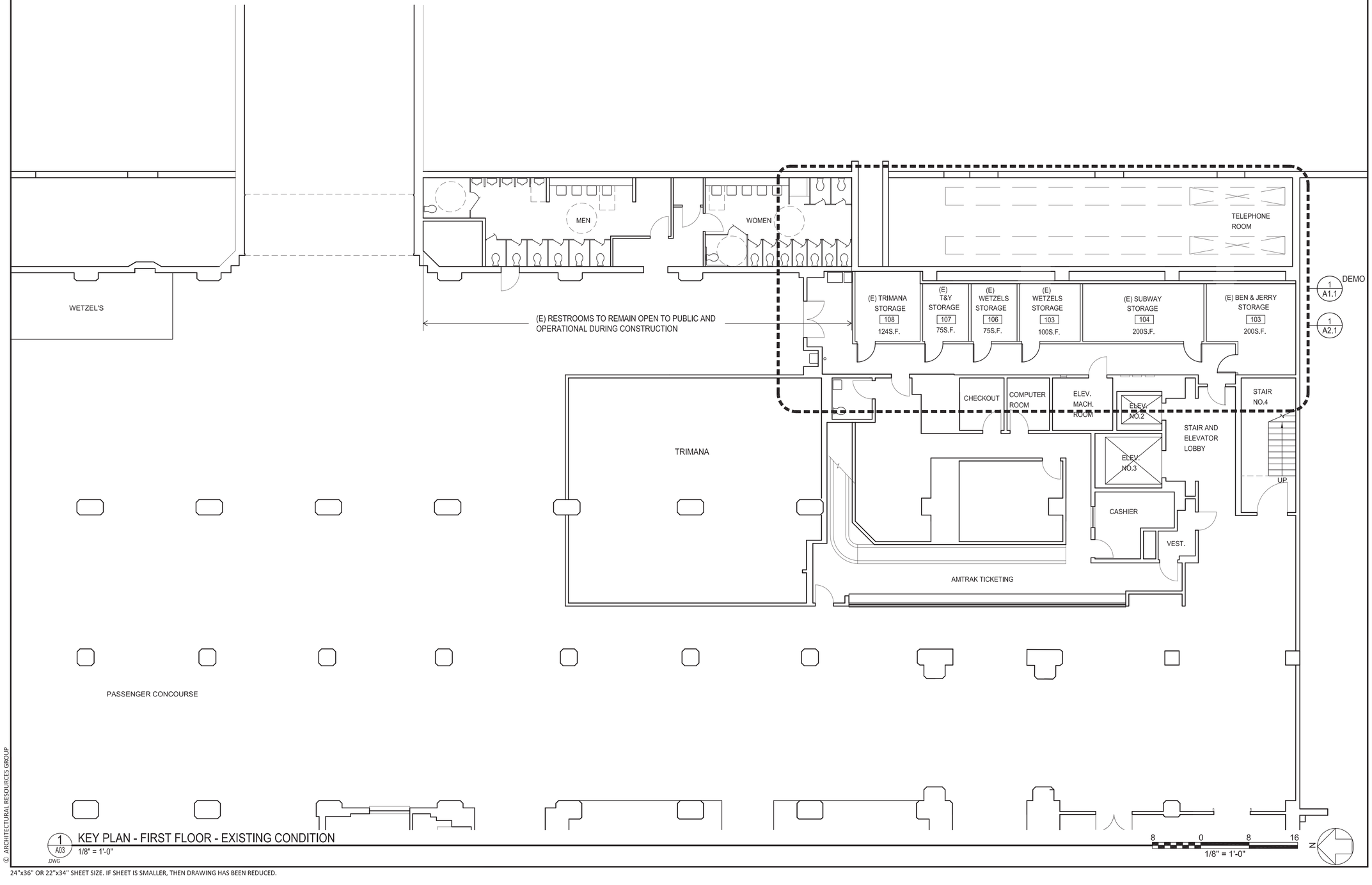


Restroom Facility Entrance


Men’s Restroom Facility


Women’s Restroom Facility

Attachment 2: Proposed Restroom Expansion Plan



1 A03 .DWG KEY PLAN - FIRST FLOOR - EXISTING CONDITION

1/8" = 1'-0"

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24"x36" OR 22"x34" SHEET SIZE. IF SHEET IS SMALLER, THEN DRAWING HAS BEEN REDUCED.

Architectural Resources Group

8 Mills Place, Suite 300
Pasadena, California 91105
626.583.1401

arg-la.com

NO. DESCRIPTION DATE

LOS ANGELES UNION STATION

PASSENGER CONCOURSE RESTROOM PHASE 1 - STORAGE RELOCATION

800 N. ALAMEDA
LOS ANGELES, CA

SHEET TITLE

KEY PLAN - FIRST FLOOR

ISSUANCE
SCHEMATIC DESIGN

6/2/2016

PROJ NO.
11216.01.18

DRAWN
AP

CHECKED
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DRAWING NO.
A0.3
SHEET OF 00

Attachment 3: Signage Locations

Existing Union Station Sign

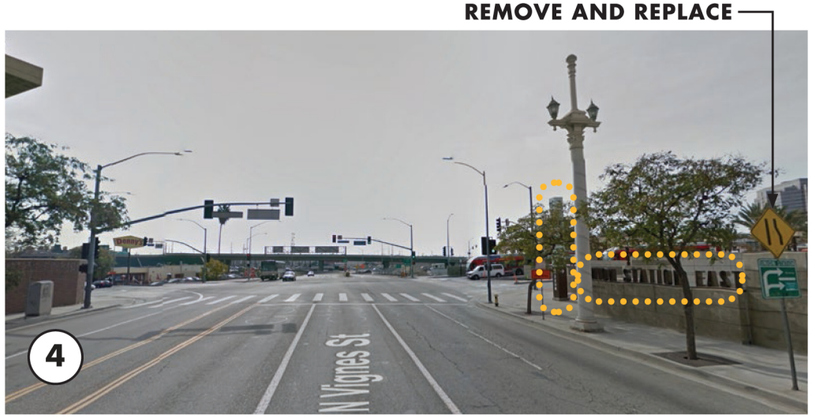
Proposed Union Station Sign

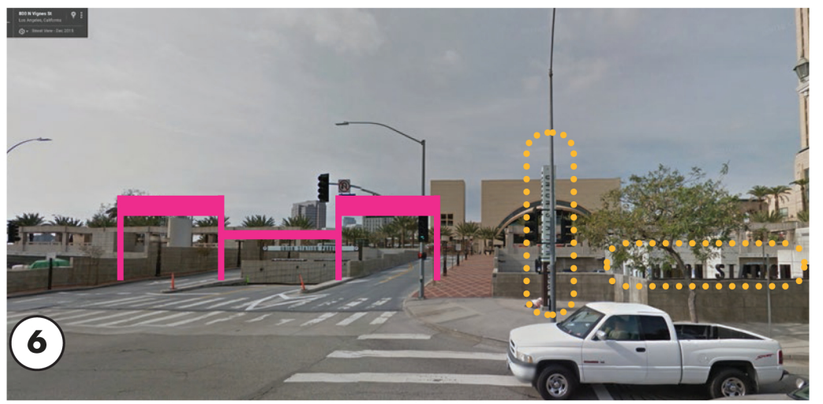














Metro

MORLIN Asset Management, LP

SELBERT PERKINS DESIGN

PROJECT
UNION STATION SIGNAGE
DESIGN ADDS

PHASE
BID PACKAGE
10 FEBRUARY 2017

DESCRIPTION
VIGNES STREET VISUAL ANALYSIS

SHEET
05

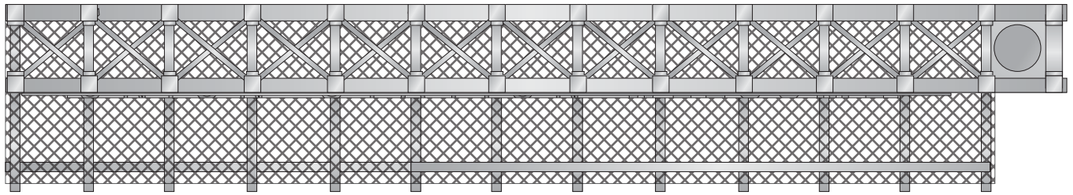
Attachment 4: LAUS Signage Existing Conditions



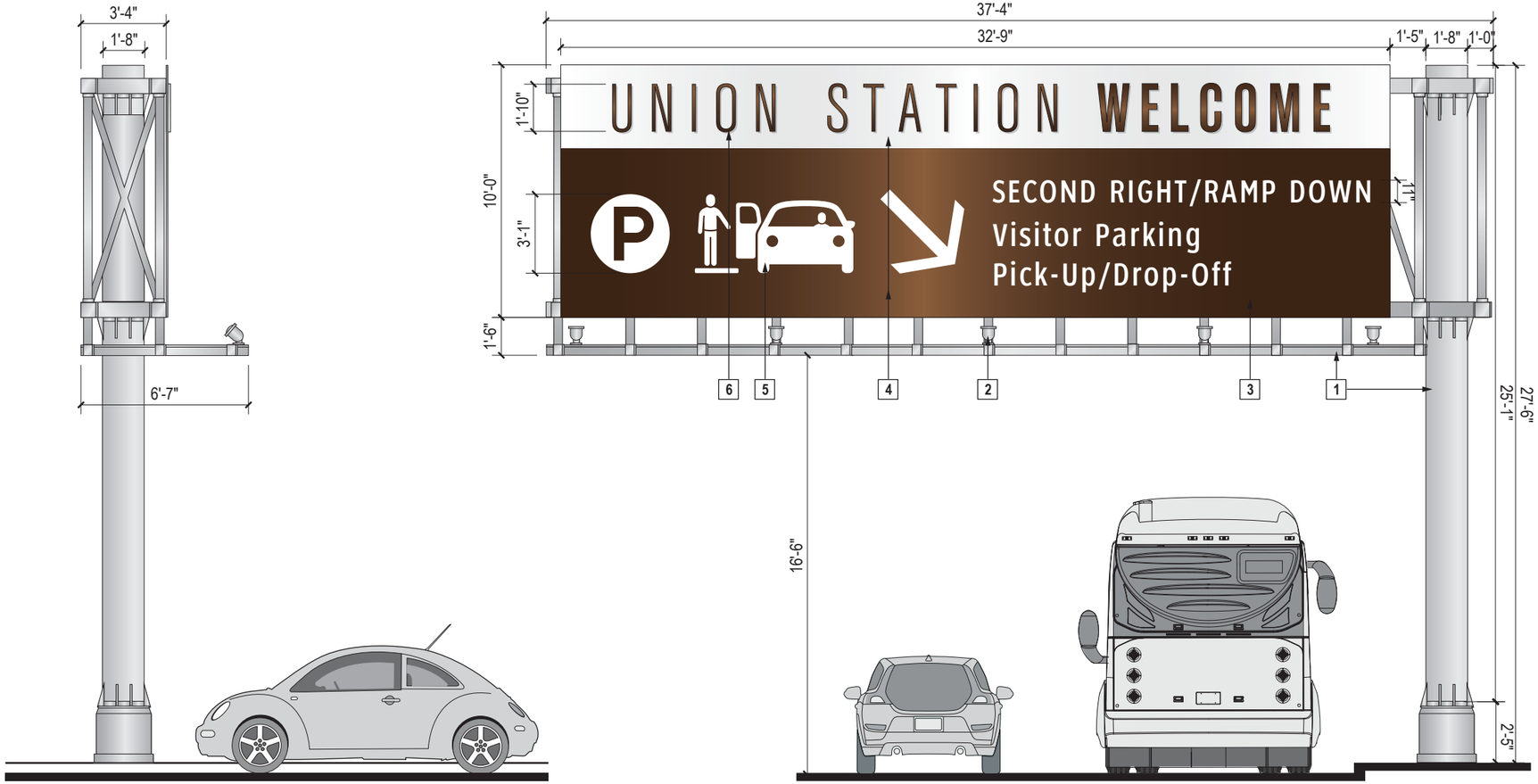
Existing Conditions


Architectural Rendering

Attachment 5: “Airport Style” Signage



3 **TOP VIEW DETAIL**
scale: 3/16" = 1'-0"



2 **SIDE ELEVATION**
scale: 3/16" = 1'-0"

1 **ELEVATION**
scale: 3/16" = 1'-0"

NOTES

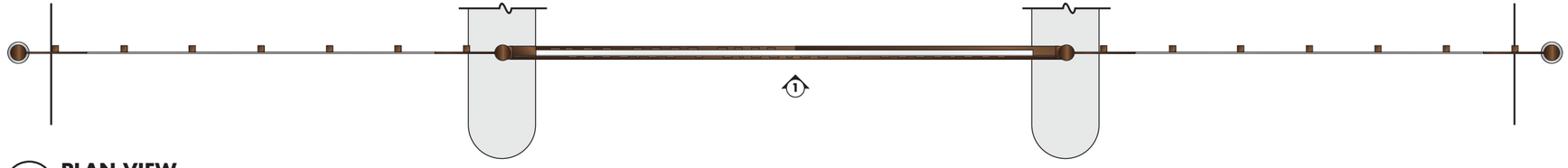
1. **Cantilever Sign Structure:** Galvanized steel structural column, footing, support truss and access deck. Fabricator to engineer to applicable LADOT and CalTrans standards and specifications.
2. **Lighting:** Uplights mounted to access decking.
3. **Sign Panel:** Aluminum sheeting to comply with ASTM B209.
4. **Retroreflective Sheeting:** 3M Diamond Grade sheeting **(V1).**
5. **Symbols and Text:** Laser cut 3M Diamond Grade sheeting **(V2).**
6. **Dimensional Letterforms:** 1.5" D painted aluminum attached to the sign panel with concealed mechanical fasteners **(P1).**

FABRICATOR TO PRICE BOTH OPTIONS 1 AND 2.

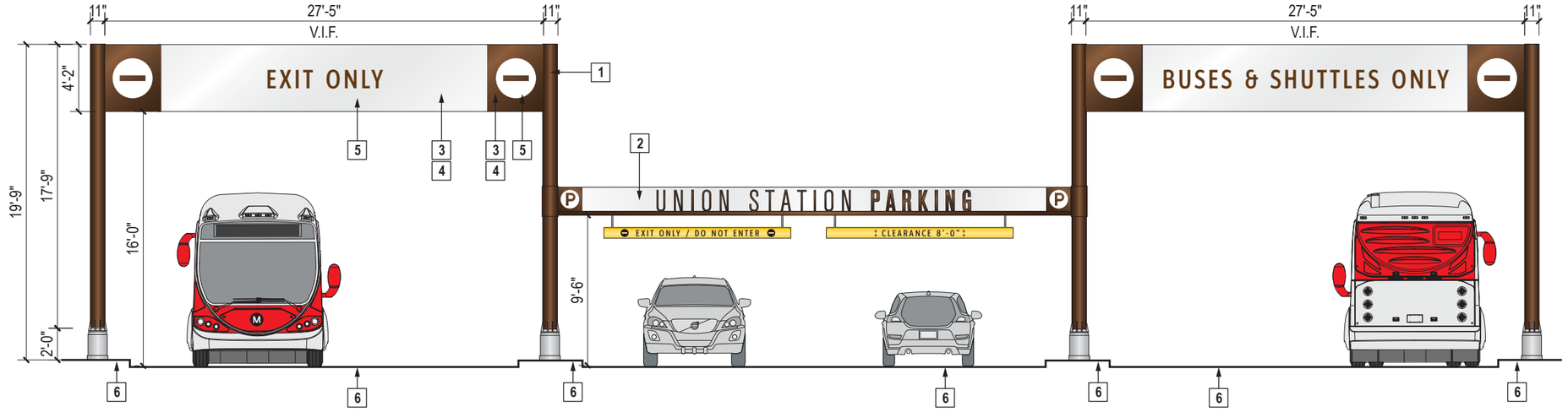
Attachment 6: Parking Structure Gantry Plan

NOTES

1. **Sign Structure:** Painted structural columns **(P1)** mounted to existing curbs . Fabricator to engineer structure, footings and all attachments.
2. **Existing Internally Illuminated Gantry:** Remove existing gantry, clearance bars and columns. Replace gantry between new structural columns as shown.
3. **Sign Panel:** Aluminum sheeting to comply with ASTM B209. Provide stiffeners and backing as required
4. **Retroreflective Sheeting:** 3M Diamond Grade sheeting, colors as shown.
5. **Symbols and Text:** Laser cut 3M Diamond Grade sheeting, colors as shown.
6. **Field Verification:** Fabricator to verify all existing conditions including driveway widths, sidewalk widths and support walls.



2 PLAN VIEW
scale: 1/8" = 1'-0"



VIGNES ENTRY WEST

1 ELEVATION
scale: 1/8" = 1'-0"

Metro | MORLIN Asset Management, LP | SELBERT PERKINS DESIGN

PROJECT
UNION STATION SIGNAGE
DESIGN ADDS

PHASE
BID PACKAGE
10 FEBRUARY 2017

DESCRIPTION
SIGN S2: ENTRY DRIVE GANTRY – OPTION 1

SHEET
10

Attachment 7: ARG Cultural Resources Memo

8 Mills Place, Suite 300
Pasadena, California 91105

Memorandum

To	Kenneth E. Pratt L. A. Metro Director of Union Station Property Management Countywide Planning and Development Dept.
Project:	Union Station Restroom Expansion *Standards* Analysis
Project No.:	11216 BG018, L. A. Union Station On-Call/Restroom Expansion
Date:	March 20, 2017
Via:	Email

At the request of Morlin Asset Management, Architectural Resources Group (ARG) has reviewed the proposed design for the Restroom Expansion at the southeast end of the historic passenger concourse in Los Angeles Union Station ("Union Station," "the Station"). We have prepared this analysis to determine for your information whether the proposed project meets the *Secretary of the Interior's Standards for Rehabilitation* (the *Standards*) in terms of its potential impact to the historic Los Angeles Union Station National Register District. Due to the District's National Register listing, it is a historic resource for purposes of the California Environmental Quality Act (CEQA). The intent is to demonstrate whether the proposed project will have an adverse impact to historic resources (the Union Station National Register District).

The Proposed Project

The proposed project involves remodeling existing restrooms and constructing new restrooms at the southeast end of the passenger concourse. This memo is based on the construction document drawings dated January 11, 2017. The proposed project comprises the demolition of tenant storage space, the partial demolition of a utility tunnel, the excavation of dirt infill below the utility tunnel's floor slab, the construction of new restrooms and egress, and the remodeling of adjacent existing restrooms. The proposed design will increase the total number of water closets in the women's restrooms by nine, the total number of water closets in the men's restrooms by four, and the total number of men's urinals by four. The project also involves the construction/installation of an employee unisex restroom, janitor's closet, two drinking fountains/water bottle filling stations, and two service sinks.

ARG Qualifications

Architectural Resources Group is the architect for the proposed project. ARG has served as the on-call architect for Metro/Morlin Management at Union Station since 2011 (and previously for prior ownership since 2007). ARG has over 35 years of architecture, planning, and conservation practice in California focused mainly on historic resources, both in their rehabilitation and in the design of additions and new

construction at historic properties. Most of the firm's projects are designed and executed according to the *Secretary of the Interior's Standards for Rehabilitation,* frequently under the review of local government preservation authorities, the State Office of Historic Resources, or the National Park Service. ARG maintains three offices, located in San Francisco, Pasadena, and Portland, OR, with over fifty staff. All ARG professional staff meet the *Secretary of the Interior's Professional Qualifications Standards* in architecture, architectural history, or history. ARG was selected as the Firm of the Year in 2006 by the California Council of the American Institute of Architects, the first historic preservation firm to be so honored.

The Secretary of the Interior's Standards for Rehabilitation

The *Secretary of the Interior's Standards for Rehabilitation* (the *Standards*) are a set of treatment standards for historic buildings developed by the National Park Service. The *Standards* are used at the federal, state, and often the local level to provide guidance regarding the suitability of various elements of a proposed project that could affect a historic resource. The *Standards* are employed under CEQA by the lead agency to determine the appropriateness of such a proposed project. As noted in *the California Office of Historic Preservation Technical Assistance Series #1, California Environmental Quality Act (CEQA) and Historical Resources:*

> A project that has been determined to conform with the *Secretary of the Interior's Standards for the Treatment of Historic Properties* can generally be considered to be a project that will not cause a significant impact (14 CCR § 15126.4(b)(1)). In fact, in most cases if a project meets the *Standards* it can be considered categorically exempt from CEQA (14 CCR § 15331).[1]

The National Park Service notes the following regarding the use of the *Standards*:

> The *Standards* (Department of Interior regulations, 36 CFR 67) pertain to historic buildings of all materials, construction types, sizes, and occupancy. They encompass the building's exterior and the interior; its related landscape features, site, and environment; and attached, adjacent, or related new construction. The *Standards* are to be applied to specific rehabilitation projects in a reasonable manner, taking into consideration economic and technical feasibility.

Further, Rehabilitation as a treatment approach for historic properties is defined as follows:

> "the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural values."

[1] Document can be found on line at:
http://ohp.parks.ca.gov/pages/1069/files/11%20online%20resources.pdf

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Pasadena, California 91105

Following is a discussion of the appropriateness of the proposed project's design based on conformance with the ten *Standards.*

1. **A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.**

   The proposed project meets Standard #1. The proposed location for the restroom expansion is in a space currently occupied by an unexcavated dirt area below a pipe tunnel. The pipe tunnel's floor slab sits approximately 10' above the ground level of the passenger concourse. The construction of the new restrooms requires a roughly 72' long by 18' wide by 10' deep dirt area under the tunnel's floor slab to be excavated. The tunnel's floor flab and north wall will be demolished during excavation, and an opening will be cut in the concrete wall abutting the dirt infill to the west. Though the tunnel and space below it will undergo alterations, these areas were not historically and are not currently character-defining features of Union Station. As such, changes to the tunnel and ground below it will not have an impact on the defining characteristics of the Station and its site and environment.

   The proposed project also includes remodeling the existing public restrooms and replacing the existing tenant storage with a corridor providing egress to the new restrooms, a janitor's closet, and an employee unisex restroom. The existing restrooms and storage were constructed in the 1980s and 1990s, and replaced original back-of-house spaces, including a distribution center and tenant locker rooms and restrooms. The restroom remodel and storage demolition require no change to the defining characteristics of the Station and its site and environment.

2. **The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.**

   The proposed design meets Standard #2. The project applies to existing non-historic restrooms, non-historic tenant storage, and a utility tunnel/ground under the utility tunnel. No historic materials or features that characterize the Station will be affected. As such, the overall historic character of Union Station will be retained and preserved.

3. **Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.**

   The design of the proposed project meets Standard #3. The additional features proposed for the new and remodeled restrooms are distinct from the historic materials and features and easily discerned as contemporary additions.

4. **Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.**

   Standard #4 is not applicable. No features of this description are affected by the project.

5. **Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.**

   Standard #5 is not applicable. No distinctive features, finishes, construction techniques, or examples of craftsmanship will be affected by this project.

6. **Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.**

   Standard #6 is not applicable. The proposed restroom expansion and remodel does not involve the treatment or repair of historic materials.

7. **Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.**

   Standard #7 is not applicable. The proposed project does not involve the cleaning or surface treatment of any historic materials.

8. **Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.**

   Construction of the new restrooms will require the excavation of a roughly 72' long by 18' wide by 10' deep dirt area under the floor slab of an existing pipe chase. In order to comply with Standard #8, ARG recommends that a Cultural Resource Management (CRM) firm be consulted for an assessment of archaeological sensitivity; if the consultant finds the area has potential to contain intact subsurface resources, a Monitoring and Discovery Plan should be in place prior to the commencement of this phase of the project and an archaeological monitor should be on site for all ground disturbance.

9. **New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.**

The proposed project meets Standard #9. The construction of new restrooms will require the partial demolition of a utility tunnel, excavation of the ground below the tunnel, and demolition of non-historic tenant storage. None of these spaces contain historic materials that characterize the Station. The new restrooms and remodeled existing restrooms will be designed with architectural features and materials that are compatible with, but differentiated from the historic features and materials in the passenger concourse.

10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

The proposed design meets Standard #10. The restroom expansion and remodel is in back-of-house and utility spaces. The restroom remodel is occurring within the existing envelope of the building, and although the restroom expansion involves some excavation, the new construction will not be visible from the exterior of the Station. For these reasons, the essential form and integrity of the Station and its environment would be unimpaired if these changes were to be removed in the future.

We would be happy to discuss the project further and provide whatever guidance we can to see this enhancement of facilities successfully incorporated into the historic property.

Sincerely,

Evanne St. Charles
Architectural Historian and Historic Preservation Planner

cc: Christopher Smith, Principal, ARG
Jen Dunbar, AIA, Senior Associate, Project Manager/Project Architect, ARG

ATTACHMENT C

SUMMARY TEN-YEAR CAPITAL PLAN

The Los Angeles Union Station (Union Station) Ten-Year Project Projection identifies the known major Capital Improvement Projects for the station. The attached spreadsheet, Cost Center 4520 – 10 Year Budget, divides those projects into: (a) current Capital Projects underway with Project Numbers; and (b) Identified Future Projects with Project Numbers as TBD.

We have one current Capital Improvement Project in progress in the station; Fire, Life, Safety/ADA and LED lighting. Currently, that project is progressing on schedule and within budget.

Identified Future Projects were prioritized on the basis of state of good repair, public safety, compliance with law, enhancing Union Station as a Transit Oriented Destination and being "customer-centric", and meeting passenger needs for Metro, Amtrak and Metrolink. The restroom project is the number one Identified Future Project for Union Station out of a total of nine Future Projects listed.

All of the proposed projects are motivated by the foregoing criteria. Major projects include:

- The Ticket Concourse restaurant concept would be placed behind the Ticket Counter and seat approximately one hundred diners. The main floor area of the Ticket Concourse would remain available for event booking.
- Passenger Concourse Restack includes the co-location of businesses and services that have customers and functions in common and the creation of a European-style food hall offering a variety of eateries and experiences. This project is triggered by implementation of the LinkUS project which relocates certain Amtrak facilities into the new concourse.
- The Amtrak Bus Parking Security facility is a future project for which Amtrak would be asked to provide a capital contribution.

The balance of the projects represent ongoing restoration and refurbishment projects required to maintain the historic structure. As with any plan, modifications to the list and their individual projected timing may be amended as more knowledge evolves.

		Non-Labor Expenses										Assumptions Detail				
Project Numb	Project Name	18	19	20	21	22	23	24	25	26	27	plied Assumpti	If other assumption, explain	Justification	Project Priority (Low/Medium/High)	
610061	OWNED PROPERTY	3,880,692.00	3,206,677	3,306,062	3,408,589	3,514,358	3,623,476	3,736,053	3,852,200	3,972,034	4,095,677	CPI	CPI assumed 3-percent and cost inflation of 5-percent for insurance.	Operating Expense Reimbursment to Thir-Party Management Company.	High	
210145	UNION STATION FLS-ADA & LED	6,674,000.00	6,675,000										Second part half of project work	Continuation of Board Directed Project.	High	
320011	UNION STATION	60,000.00	61,068	62,186	63,398	64,698	65,940	67,199	68,496	69,832	71,194	CPI	3-percent cost infaltion assumed	Cost for Audit of Union Station required annually.	High	
TOTAL	**TOTAL**		9,942,745	3,368,248	3,471,987	3,579,056	3,689,416	3,803,252	3,920,696	4,041,866	4,166,871					

		Non-Labor Expenses										Assumptions Detail			Description and Scope	
Project Numb	Project Name	18	19	20	21	22	23	24	25	26	27	Applied Assun	If other assumption, explain	Justification	Description (if new)	Scope of Work
TBD	Men's & Women's Restrooms - Union Station		7,950,000									Other	Cost estimated and provided as total Expected project cost.	Required to bring to needed capacity for current and future use of station. Current restroom facilities are not meeting passenger needs for Amtrak, Metrolink, or Metro ridership.	Construction of New Men's and Women's Restrooms & Renovation of Existing M/W Restrooms	Construction of New Men's and Women's Restrooms & Renovation of Existing M/W Restrooms
320011	State of Good Repair -metals resonation (every 5 years) -wood restoration (every 6 years) -Parking lot slurry/stripe (every 6 years) -station wide repainting (every 5 years) - tile replacement (4th year and as needed)	0	0	2,000,000	2,500,000	1,000,000	0	0	0	2,000,000	1,500,000	Other	Cost estimated and provided as total Expected project cost.	Projects are required to ensure safe and well maintained station for passengers. Deferring items listed will only increase total costs in later budget year.	Continue to maintain Union Station existing infrastructure as required to provide for long-term asset life and avoidance of increased costs due to deferred maintenance.	Restoration of Metal Windows & Doors, Restoration of Wood Counters & Chairs, Station-wide Slurry & Stripe, Interior & Exterior Painting including patching of concrete spalls throughout, Recreation of historic tile & replacement of damaged tiles throughout main station
TBD	Amtrak Bus Plaza Security							3,500,000				Other	Cost estimated and provided as total Expected project cost.	Required to ensure safe and productive business environment for Amtrak bus terminal operations.	Installation of Security Booth, Parking Control Gates & Pedestrian Safety Fencing @ Amtrak Bus Plaza	Installation of Security Booth, Parking Control Gates & Pedestrian Safety Fencing @ Amtrak Bus Plaza
TBD	Ceiling Restoration				1,500,000	1,500,000						Other	Cost estimated and provided as total Expected project cost.	Years of neglect prior to Metro ownership have left historically protected ceiling in poor condition. Continued deferred maintenance will only increase costs for restoration in coming years. Lower cost alternatives to replace celling tiles are not possible due to preservation requirements.	Cleaning & Painting of Waiting Room Ceiling & Ticket Concourse Ceiling	Cleaning & Painting of Waiting Room Ceiling & Ticket Concourse Ceiling
TBD	Parking Lot G Renovation						4,725,000					Other	Cost estimated and provided as total Expected project cost.	Required to ensure needed parking requirements and capacity are met as well as replacement of collapsed utility lines, inefficient lighting, and corroded asphalt.	Installation of Parking Control Gates, New underground utilities, lighting, asphalt & striping	Installation of Parking Control Gates, New underground utilities, lighting, asphalt & striping
TBD	Ticket Concourse Restaurant									3,200,000	3,200,000	Other	Cost estimated and provided as total Expected project cost.	Required to bring high quality tenant aligned with Metro vision for Union Station. Tenant will be a revenue producer and source of income for Metro once in place.	Landlord work associated with new Ticket Concourse Tenant	Landlord work associated with new Ticket Concourse Tenant
TBD	Expansion Joint Renovation			750,000								Other	Cost estimated and provided as total Expected project cost.	Required to ensure plumping systems are adequate and will be able to maintain daily ridership projections for Union Station into the future as well as reduce leaks, avoid damage to underlying foundation, and reduce causes of public health issues related to and associated with moisture.	Renovation of copper expansion joints throughout main building including new waterproofing system	Renovation of copper expansion joints throughout main building including new waterproofing system
TBD	Passenger Concourse Restack								5,000,000	5,000,000	5,000,000	Other	Cost estimated and provided as total Expected project cost.	Required to accommodate future transit projects as outlined in LinkUSA and other plans for Union Station's growth as LA's Rail Hub.	Multi-phased reconfiguration of Passenger Concourse	Multi-phased reconfiguration of Passenger Concourse
TBD	Landscaping Renovation									1,500,000	1,500,000	Other	Cost estimated and provided as total Expected project cost.	Beatification project to ensure Union Station Represents Los Angeles as premier economic driver of Southern California during lead up to expected international events of 2028.	Landscaping Renovation @ Historic Station	Landscaping Renovation @ Historic Station
			7,950,019	2,750,020	4,000,021	2,500,022	4,725,023	3,500,024	5,000,025	11,700,026	11,200,027					

UNION STATION RESTROOM EXPANSION & RENOVATION

Construction Committee

November 16, 2017

AGENDA

- Existing Conditions
- Operational Challenges
- Code Requirements
- Expansion Feasibility Study
- Preparing for the Future



EXISTING CONDITIONS

* The current restrooms were built in the early 2000's, or roughly 15 years ago.

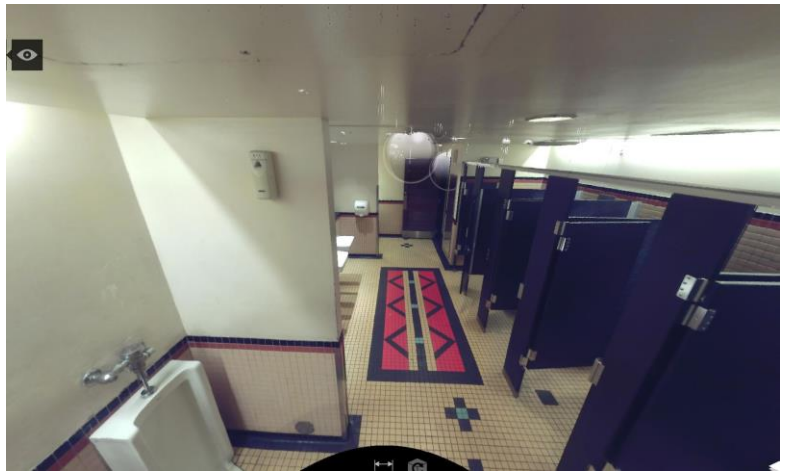
* Heavy use has rapidly been deteriorating infrastructure causes approximately 100 full restroom closures annually.

* The existing plumbing system is not able to handle the heavy abuse from patrons putting non-waste items in toilets.

*The facilities do not meet current code requirements for access or fixture count based upon the number of patrons who visit Union Station.

* The plumbing fixtures utilize more water, and the lighting and mechanical systems use more energy than necessary due to age.

* Lack of proper ventilation causes interior area to smell bad. This air also sits stagnant in the in the Passenger Concourse impacting patrons to the Shoe Shine Booth, Trimana, Amtrak, Metrolink . . .



Existing Men's Restroom



Existing Women's Restroom

OPERATIONAL CHALLENGES

Current Restroom Facility @ Union Station causes negative impact on:

Engineering time spent responding to restroom issues is 45% of emergency work orders. Other work orders become delayed.

Security coverage when facilities are closed causes guard coverage at other areas of the station to be reduced so guards can cover the restroom closure.

Janitorial crews spend increased times cleaning facilities, causing other shift work to be delayed.

Public complaints about lack of facilities.

Passenger complaints negatively impact Metro, Metrolink & Amtrak ridership and associated amenities (e.g., retail and services).

Tenants receive complaints from customers, negatively impacting their business. Employees of tenants have no restroom facilities available within state mandated distance of work area.

CODE REQUIREMENTS

Current Restroom Facilities do not meet California Plumbing Code:

* One set of restrooms is deficient by 7 toilet fixtures.
* Lavatory count is deficient by 3 fixtures.
* Drinking Fountain count is deficient by 4 fixtures.
* There are no wheelchair accessible ADA compliant stalls in either existing restrooms - CBC 213.3.1
* No Ambulatory Accessible Compartment exists – CBC 213.3.1

Los Angeles Union Station Fixture Count Analysis [without Ticketing Concourse]

Existing Conditions

				WC	Urinals		Lavs	DF	Service Sink
Passenger Concourse	Men			7	5		4	1	1
	Women			10	0		5		
Traxx	1 Unisex			1	0		1	0	
Total Restrooms				WC	Urinals		Lavs	DF	Service Sink
	Uni			1	0		1	1	1
	Men			7	5		4		
	Women			10	0		5		

Minimum Required Fixture Count

Group B				WC	Urinals		Lavs	DF	Service Sink
	Men	225.15		4	3		4	2	1
	Women	225.15		11			5		
Group A2 (restaurants)									Service Sink
	Men	91.16667		2	1		1	2	1
	Women	91.16667		3			1		
Group A3 (assembly)									Service Sink
	Men	83.06667		1	1		1	1	1
	Women	83.06667		3			1		
Total Restrooms				WC	Urinals		Lavs	DF	Service Sink
	Men			7	5		6	5	3
	Women			17	0		7		

ADA notes:

1) Where toilets are provided, at least one compartment shall be wheelchair-accessible.

2) In addition to the accessible compartment, where six (6) or more toilet compartments are provided, or where the combination of urinals and water closets totals six (6) or more fixtures, at least one compartment shall be an "Ambulatory Accessible Compartment." CBC 213.3.1

EXPANSION FEASIBILITY STUDIES

* Soils Testing & Reports includes environmental and a CEQA Categorical Exemption (CE) are completed

* Exploratory Demolition of structural walls to determine materials & construction of original building

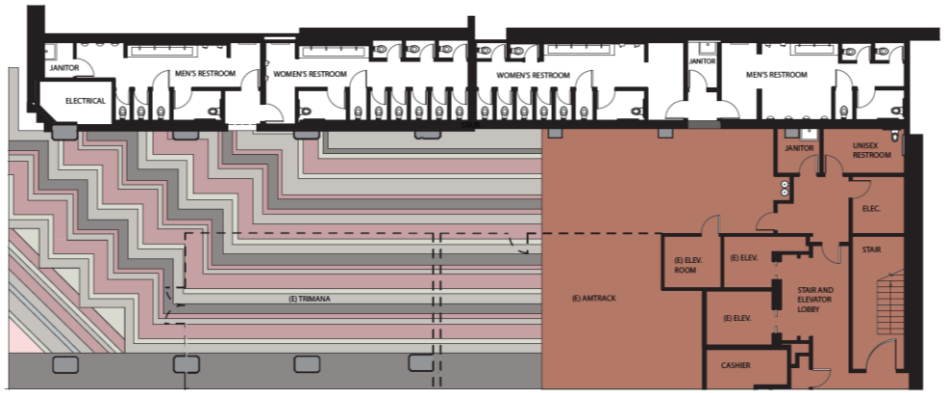
* Removal of dead or unused electrical & plumbing infrastructure

* Laser scanning & modeling of entire Passenger Concourse & existing restroom facilities

* Structural & Shoring pre-engineering studies nearly complete

* Electrical & plumbing surveys of all surrounding infrastructure to determine use of the most efficient systems.

Existing Restrooms to be renovated in Phase 3



New Expanded Restroom Area to be constructed in Phase 2.

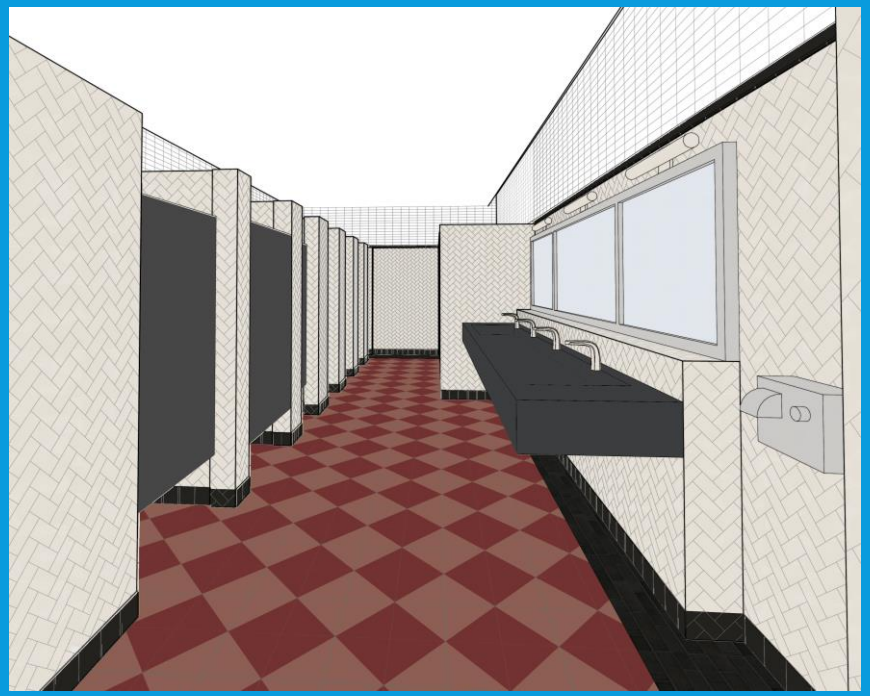
PREPARING FOR THE FUTURE





Views of the historic restrooms

PREPARING FOR THE FUTURE



Some of the proposed finish selections



PREPARING FOR THE FUTURE

- New facilities will be completely independent of each other. If one restroom needs to be closed for maintenance, there will still be a fully functioning set of restrooms at all times.
- State-of-the-Art Plumbing system will virtually eliminate opportunities for main line blockages. All clogs will be locally accessible at the toilet fixture, allowing engineering to resolve the issue quickly.
- Water consumption with new Plumbing system will decrease by 60%.
- New energy efficient lighting increases sustainability efforts.
- HVAC system will provide proper air flow and will be tied to new Central Plant system. This will provide more efficiency than stand-alone package units and allow engineering to control the system more effectively.
- Heavy duty fixtures, cement wall partitions and high ceilings will deter vandalism.
- No structural/shoring impacts to LinkUS project or Master Plan project.
- Positive public experience.
- Fewer complaints from patrons or tenants.

COMMENTS / NOTES

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

Metro

Board Report

File #: 2017-0767, **File Type:** Federal Legislation / State Legislation (Position) **Agenda Number:** 15.

EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 16, 2017

SUBJECT: FEDERAL AUTONOMOUS VEHICLE LEGISLATION

ACTION: ADOPT STAFF RECOMMENDED POSITIONS

RECOMMENDATION

ADOPT staff recommended positions:

A. **HOUSE RESOLUTION 3388 (Latta) -** Safely Ensuring Lives Future Deployment and Research In Vehicle Evolution Act - **WORK WITH AUTHOR**

B. **SENATE 1885 (Thune) -** American Vision for Safer Transportation through Advancement of Revolutionary Technologies Act **- WORK WITH AUTHOR**

ATTACHMENTS

Attachment A - H.R.3388 (Latta) and S.1885 (Thune) Legislative Analysis
Attachment B - H.R. 3388 Bill Language
Attachment C - S.1885 Bill Language

Prepared by: Michael Davies, Sr. Manager Government Relations, (213) 922-3769

Reviewed by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



Phillip A. Washington
Chief Executive Officer

powered by Legistar™

ATTACHMENT A

BILL: **HOUSE RESOLUTION BILL 3388 / U.S. SENATE BILL 1885**

AUTHOR: **CONGRESSMAN ROBERT E. LATTA (R-OHIO) / U.S. SENATOR JOHN THUNE (R-SOUTH DAKOTA)**

SUBJECT: **FEDERAL AUTONOMOUS VEHICLE LEGISLATION**

STATUS: **H.R. 3388 PASSED BY U.S. HOUSE OF REPRESENTATIVES**
S. 1885 PASSED BY THE SENATE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION – PENDING CONSIDERATION BY FULL SENATE

ACTION: **WORK WITH AUTHOR**

RECOMMENDATION

Staff recommends the Board of Directors adopt a Work With Author position on H.R. 3388 and S.1885 to ensure that the State of California, Los Angeles County and individual cities across Los Angeles County are able to appropriately regulate the operation of autonomous vehicles on their roadways to safeguard public safety.

ISSUE

Congress is working in both chambers to approve autonomous vehicle legislation that would set the stage for the continuing development of autonomous vehicles across the United States. While the Federal Government has jurisdiction over vehicle design, construction and performance, States and localities have jurisdiction over when, where and how autonomous vehicles operate. Both the House and the Senate bills contain sections providing federal preemption over State and local laws, which has raised concerns over the ability of States and local governments to control and ensure the safe operation of autonomous vehicles. An additional concern is that neither the House nor Senate bills address data sharing between the private sector and States and local governments.

DISCUSSION

As firms developing autonomous vehicles continue to develop and test Highly Autonomous Vehicles (HAV), it is important to establish clear guidelines that are uniform throughout the country in order to not stifle innovation in this new and growing industry. At the same time, it is important for States and local governments who will have HAVs being tested on their streets and highways be able to ensure the safety of the public as well as to regulate the operation of these new vehicles in an effective and efficient manner. Two bills have been considered in Congress have been drafted to establish uniform standards for autonomous vehicles. Congressman Robert Latta (R-OH) has authored H.R. 3388, the Safely Ensuring Lives Future Deployment and Research In Vehicle Evolution Act, or the SELF DRIVE Act. U.S. Senator John Thune

(R-SD) has authored S. 1885, the American Vision for Safer Transportation through Advancement of Revolutionary Technologies Act, or the AV START Act. Both the SELF DRIVE Act and the AV START Act provide for a process for research and require federal rulemaking on how autonomous vehicle manufacturers inform consumers of research outcomes. The SELF DRIVE Act has passed the U.S. House of Representatives and the AV START Act was favorably reported out of the Committee on Commerce, Science and Transportation and is currently awaiting consideration by the full Senate.

H.R. 3388 contains language preempting State and local laws that place an "unreasonable restriction" on design, construction and performance of HAVs. The term "performance" as it relates to motor vehicles or HAVs has not been defined in any statutes, regulations, or guidelines. Instead, the term performance is referenced in the definitions of "motor vehicle safety" and "motor vehicle standard" within Chapter 301 of the United States Code, which regulates motor vehicle safety. The National Highway Traffic Safety Administration (NHTSA) has been delegated the authority to regulate the safety, design and performance aspects of motor vehicles and motor vehicle equipment, and States continue to be responsible for regulating the human driver and vehicle operations. Because the HAV system is considered the "driver" in an HAV, there are circumstances in which States and local governments must regulate the in-use "performance" of the HAV system as the driver, rather than the equipment.

While S. 1885 initially included the exact same preemption language as H.R. 3388, the language was removed during the Committee markup. The Committee adopted an amendment that modified the bill by removing language specifically reserving for State and local governments the authority to regulate typically State and local concerns such as law enforcement and traffic laws. This language should be reinserted in S. 1885 and combined with the suggested clarification on the term performance before being passed by the Senate.

If H.R. 3388 and S. 1885 were amended to clearly state that the term performance, as it relates to preempting state laws, excludes all local and state traffic laws, States and local governments would be in a much stronger position to ensure public safety as it relates to the operation of autonomous vehicles on their roadways.

Another concern is that neither H.R. 3388 nor S. 1885 addresses data sharing between the private sector and States and local governments. Both bills should be modified to require private sector entities to share anonymized automated vehicle operation and performance data with State and local governments to ensure that States and local governments are able to ensure the safe operation of automated vehicles on our roadways.

DETERMINATION OF SAFETY IMPACT

Without properly addressing the issue of data sharing and defining the term "performance" and making clear that "performance" does not preempt or preclude continued enforcement of and compliance with local traffic laws, States and local

governments may not be able to effectively ensure the safe and efficient operation of Highly Autonomous Vehicles on local streets.

FINANCIAL IMPACT

There is no financial impact determined at this time.

ALTERNATIVES CONSIDERED

Our agency could consider the option of not being involved in the development of federal legislation with respect to autonomous vehicles. Metro staff does not recommend this alternative.

NEXT STEPS

Should the Board adopt a position to work with the authors on both bills, staff will communicate the Board's position to the authors and their professional staff and work to ensure that our Board-adopted recommendation is reflected in the final legislation Congress adopts with respect to autonomous vehicles. Staff will continue to keep the Board informed as this issue is addressed throughout the 115th Congress.

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115TH CONGRESS
1ST SESSION

H. R. 3388

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 7, 2017

Received; read twice and referred to the Committee on Commerce, Science, and Transportation

AN ACT

To amend title 49, United States Code, regarding the authority of the National Highway Traffic Safety Administration over highly automated vehicles, to provide safety measures for such vehicles, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Safely Ensuring Lives Future Deployment and Research In Vehicle Evolution Act" or the "SELF DRIVE Act".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purpose.
Sec. 3. NHTSA authority and State preemption for autonomous motor vehicles.
Sec. 4. Updated or new motor vehicle safety standards for highly automated vehicles.
Sec. 5. Cybersecurity of automated driving systems.
Sec. 6. General exemptions.
Sec. 7. Motor vehicle testing or evaluation.
Sec. 8. Information on highly automated driving systems made available to prospective buyers.
Sec. 9. Highly Automated Vehicle Advisory Council.
Sec. 10. Rear seat occupant alert system.
Sec. 11. Headlamps.
Sec. 12. Privacy plan required for highly automated vehicles.
Sec. 13. Definitions.

SEC. 2. PURPOSE.

The purpose of this Act is to memorialize the Federal role in ensuring the safety of highly automated vehicles as it relates to design, construction, and performance, by encouraging the testing and deployment of such vehicles.

SEC. 3. NHTSA AUTHORITY AND STATE PREEMPTION FOR AUTONOMOUS MOTOR VEHICLES.

Section 30103 of title 49, United States Code, is amended—

(1) by amending subsection (b) to read as follows:

"(b) PREEMPTION.—

"(1) HIGHLY AUTOMATED VEHICLES.—No State or political subdivision of a State may maintain, enforce, prescribe, or continue in effect any law or regulation regarding the design, construction, or performance of highly automated vehicles, automated driving systems, or components of automated driving systems unless such law or regulation is identical to a standard prescribed under this chapter.

"(2) MOTOR VEHICLE STANDARD.—When a motor vehicle safety standard is in effect under this chapter, a State or political subdivision of a State may prescribe or continue in effect a standard applicable to the same aspect of performance of a motor vehicle or motor vehicle equipment only if the standard is identical to the standard prescribed under this chapter.

"(3) RULES OF CONSTRUCTION.—

"(A) IN GENERAL.—Nothing in this subsection may be construed to prohibit a State or a political subdivision of a State from maintaining, enforcing, prescribing, or continuing in effect any law or regulation regarding registration, licensing, driving education and training, insurance, la -

tions, safety and emissions inspections, congestion management of vehicles on the street within a State or political subdivision of a State, or traffic unless the law or regulation is an unreasonable restriction on the design, construction, or performance of highly automated vehicles, automated driving systems, or components of automated driving systems.

"(B) MOTOR VEHICLE DEALERS.—Nothing in this subsection may be construed to prohibit a State or political subdivision of a State from maintaining, enforcing, prescribing, or continuing in effect any la lation regarding the sale, distribution, repair, or service of highly automated vehicles, automated driving systems, or components of automated driving systems by a dealer, manufacturer, or distributor.

"(C) CONFORMITY WITH FEDERAL LAW.—Nothing in this subsection shall be construed to preempt, restrict, or limit a State or political subdivision of a State from acting in accordance with any other Federal law.

"(4) HIGHER PERFORMANCE REQUIREMENT.—However, the United States Government, a State, or

a political subdivision of a State may prescribe a standard for a motor vehicle, motor vehicle equipment, highly automated vehicle, or automated driving system obtained for its own use that imposes a higher performance requirement than that required by the otherwise applicable standard under this chapter.

"(5) STATE ENFORCEMENT.—A State may enforce a standard that is identical to a standard prescribed under this chapter."; and

(2) by amending subsection (e) to read as follows:

"(e) COMMON LAW LIABILITY.—

"(1) IN GENERAL.—Compliance with a motor vehicle safety standard prescribed under this chapter does not exempt a person from liability at common law.

"(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to preempt common law claims.".

SEC. 4. UPDATED OR NEW MOTOR VEHICLE SAFETY STANDARDS FOR HIGHLY AUTOMATED VEHICLES.

(a) IN GENERAL.—Chapter 301 of subtitle VI of title 49, United States Code, is amended by inserting after section 30128 the follow

"§ 30129. Updated or new motor vehicle safety standards for highly automated vehicles

"(a) SAFETY ASSESSMENT CERTIFICATION.—

"(1) FINAL RULE.—Not later than 24 months after the date of the enactment of this section, the Secretary of Transportation shall issue a final r le requiring the submission of safety assessment certifications regarding how safety is being addressed by each entity developing a highly automated vehicle or an automated driving system. Such rule shall include—

"(A) a specification of which entities are required to submit such certifications;

"(B) a clear description of the rele

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onstrate that such entity's vehicles are likely to maintain safety, and function as intended and contain fail safe features, to be included in such certifications; and

"(C) a specification of the circumstances under which such certifications are required to be updated or resubmitted.

"(2) INTERIM REQUIREMENT.—Until the final rule issued under paragraph (1) takes effect, safety assessment letters shall be submitted to the National

Highway Traffic Safety Administration as contemplated by the Federal Automated Vehicles Policy issued in September 2016, or any successor guidance issued on highly automated vehicles requiring a safety assessment letter.

"(3) PERIODIC REVIEW AND UPDATING.—Not later than 5 years after the date on which the final rule is issued under paragraph (1), and not less frequently than every 5 years thereafter, the Secretary shall—

"(A) review such rule; and

"(B) update such rule if the Secretary considers it necessary.

"(4) RULES OF CONSTRUCTION.—

"(A) NO CONDITIONS ON DEPLOYMENT.—Nothing in this subsection may be construed to limit or affect the Secretary's authority under any other provision of la

loyment or testing of highly automated vehicles on review of safety assessment certifications.

"(B) NO NEW AUTHORITIES.—No new authorities are granted to the Secretary under this section other than the promulgation of the rule pursuant to paragraph (1).

"(5) REVIEW AND RESEARCH.—To accommodate the development and deployment of highly automated vehicles and to ensure the safety and security of highly automated vehicles and motor vehicles and others that will share the roads with highly automated vehicles, not later than 180 days after the date of the enactment of this section, the Secretary shall—

"(A) initiate or continue a review of the Federal motor vehicle safety standards in effect on such date of enactment; and

"(B) initiate or continue research regarding new Federal motor vehicle safety standards.

"(b) RULEMAKING AND SAFETY PRIORITY PLAN.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Secretary shall make available to the public and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a rulemaking and safety priority plan, as necessary to accommodate the development and deployment of highly automated vehicles and to ensure the safety and security of highly automated vehicles and motor ve-

hicles and others that will share the roads with highly automated vehicles, to—

"(A) update the motor vehicle safety standards in effect on such date of enactment;

"(B) issue new motor vehicle safety standards; and

"(C) consider how objective ranges in performance standards could be used to test motor vehicle safety standards, w

ld be appropriate for such testing, and whether additional authority would facilitate such testing.

"(2) INCLUSION OF PRIORITIES.—

"(A) PRIORITIES.—The plan required by paragraph (1) shall detail the overall priorities of the National Highway Traffic Safety Administration for the 5 years following the issuance of the plan, including both priorities with respect to highly automated vehicles and priorities with respect to other safety initiatives of the Administration, in order to meet the Nation's motor vehicle safety challenges.

"(B) IDENTIFICATION OF ELEMENTS THAT MAY REQUIRE STANDARDS.—For highly automated vehicles, the National Highway Traffic

Safety Administration should identify elements that may require performance standards including human machine interface, sensors, and actuators, and consider process and procedure standards for software and cybersecurity as necessary.

"(3) PERIODIC UPDATING.—The plan required by paragraph (1) shall be updated every 2 years, or more frequently if the Secretary considers it necessary.

"(4) RULEMAKING PROCEEDINGS ON UPDATED OR NEW MOTOR VEHICLE SAFETY STANDARDS.—

"(A) IN GENERAL.—Not later than 18 months after the date of enactment of this section, the Secretary shall initiate the first rulemaking proceeding in accordance with the rulemaking and safety priority plan required by paragraph (1).

"(B) PRIORITIZATION OF SUBSEQUENT PROCEEDINGS.—The Secretary shall continue initiating rulemaking proceedings in accordance with such plan. The Secretary may change at any time those priorities to address matters the Secretary considers of greater priority. If the Secretary makes such a change, the Secretary

shall complete an interim update of the priority plan, make such update availa le to the public, and submit such update to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 301 of subtitle VI of title 49, United States Code, is amended by inserting after the item relating to section 30128 the following new item:

"30129. Updated or new motor vehicle safety standards for highly automated vehicles.".

SEC. 5. CYBERSECURITY OF AUTOMATED DRIVING SYSTEMS.

(a) IN GENERAL.—Chapter 301 of subtitle VI of title 49, United States Code, is amended by inserting after section 30129 (as added by section 4) the following new section:

"§ 30130. Cybersecurity of automated driving systems

"(a) CYBERSECURITY PLAN.—A manufacturer may not sell, offer for sale, introduce or deliver for introduction into commerce, or import into the United States, any highly automated vehicle, vehicle that performs partial driving automation, or automated driving system unless such manufacturer has developed a cybersecurity plan that includes the following:

"(1) A written cybersecurity policy with respect to the practices of the manufacturer for detecting and responding to cyber attacks, unauthorized intrusions, and false and spurious messages or vehicle control commands. This policy shall include—

"(A) a process for identifying, assessing, and mitigating reasonably foreseeable vulnerabilities from cyber attacks or unauthorized intrusions, including false and spurious messages and malicious vehicle control commands; and

"(B) a process for taking preventive and corrective action to mitigate against vulnerabilities in a highly automated vehicle or a vehicle that performs partial driving automation, including incident response plans, intrusion detection and prevention systems that safeguard key controls, systems, and procedures through testing or monitoring, and updates to such process based on changed circumstances.

"(2) The identification of an officer or other individual of the manufacturer as the point of contact with responsibility for the management of cybersecurity.

"(3) A process for limiting access to automated driving systems.

"(4) A process for employee training and supervision for implementation and maintenance of the policies and procedures required by this section, including controls on employee access to automated driving systems.

"(b) EFFECTIVE DATE.—This section shall take effect 180 days after the date of enactment of this section.".

(b) ENFORCEMENT AUTHORITY.—Section 30165(a)(1) of title 49, United States Code, is amended by inserting "30130," after "30127,".

(c) CLERICAL AMENDMENT.—The analysis for chapter 301 of subtitle VI of title 49, United States Code, is amended by inserting after the item relating to section 30129 (as added by section 4) the following new item:

"30130. Cybersecurity of automated driving systems.".

SEC. 6. GENERAL EXEMPTIONS.

Section 30113 of title 49, United States Code, is amended—

(1) in subsection (b)(3)(B)—

(A) in clause (iii), by striking "; or" and inserting a semicolon;

(B) in clause (iv), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(v) the exemption would make easier the development or field evaluation of—

"(I) a feature of a highly automated vehicle providing a safety le l at least equal to the safety level of the standard for which exemption is sought; or

"(II) a highly automated vehicle providing an overall safety le l at least equal to the overall safety le l of nonexempt vehicles.";

(2) in subsection (c), by adding at the end the following:

"(5) if the application is made under subsection (b)(3)(B)(v) of this section—

"(A) such development, testing, and other data necessary to demonstrate that the motor vehicle is a highly automated vehicle; and

"(B) a detailed analysis that includes supporting test data, including both on-road and validation and testing data showing (as applicable) that—

"(i) the safety level of the feature at least equals the safety level of the standard for which exemption is sought; or

"(ii) the vehicle provides an overall safety le l at least equal to the overall safety le l of nonexempt vehicles.";

(3) in subsection (d), by striking "A manufacturer is eligible" and all that follows and inserting the following:

"(1) ELIGIBILITY UNDER SUBSECTION (b)(3)(B)(i).—A manufacturer is eligible for an exemption under subsection (b)(3)(B)(i) of this section (including an exemption under subsection (b)(3)(B)(i) relating to a bumper standard referred to in subsection (b)(1)) only if the Secretary determines that the manufacturer's total motor vehicle production in the most recent year of production is not more than 10,000.

"(2) ELIGIBILITY UNDER SUBSECTION (b)(3)(B)(iii).—A manufacturer is eligible for an exemption under subsection (b)(3)(B)(iii) of this section only if the Secretary determines the exemption is for not more than 2,500 vehicles to be sold in the United States in any 12-month period.

"(3) ELIGIBILITY UNDER SUBSECTION (b)(3)(B)(ii), (iv), or (v).—A manufacturer is eligible for an exemption under subsection (b)(3)(B)(ii), (iv), or (v) of this section only if the Secretary deter-

mines the exemption is for not more than 100,000 vehicles per manufacturer to be sold, leased, or otherwise introduced into commerce in the United States in any 12-month period.

"(4) LIMITATION ON NUMBER OF VEHICLES EXEMPTED.—All exemptions granted to a manufacturer under subsections (b)(3)(B)(i) through (v) shall not exceed a total of (i) 25,000 vehicles manufactured within the first 12-month period, (ii) 50,000 vehicles manufactured within the second 12-month period, (iii) 100,000 vehicles manufactured within the third 12-month period, and, (iv) 100,000 vehicles manufactured within the fourth 12-month period. Any renewals under subsections (b)(3)(B)(i) through (v) shall not exceed a total of 100,000 vehicles manufactured within a 12-month period.";

(4) in subsection (e), by striking "An exemption or renewal" and all that follows and inserting the following:

"(1) EXEMPTION UNDER SUBSECTION (b)(3)(B)(i).—An exemption or renewal under subsection (b)(3)(B)(i) of this section may be granted for not more than 3 years.

"(2) EXEMPTION UNDER SUBSECTION (b)(3)(B)(iii).—An exemption or renewal under sub-

section (b)(3)(B)(iii) this section may be granted for not more than 2 years.

"(3) EXEMPTION UNDER SUBSECTION (b)(3)(B)(ii), (iv), or (v).—An exemption or renewal under subsection (b)(3)(B)(ii), (iv), or (v) of this section may be granted for not more than 4 years."; and

(5) by adding at the end the following:

"(i) LIMITATION ON CERTAIN EXEMPTIONS.—No exemption from crashworthiness standards of motor vehicle safety standards shall be granted under subsection (b)(3)(B)(v) until the Secretary issues the safety assessment certification rule pursuant to section 30129(a) and the rulemaking and safety priority plan pursuant to section 30129(b) and one year has passed from the date by which the Secretary has issued both such rule and such plan. This subsection shall not apply to exemptions from occupant protection standards if the exemption is for a vehicle that will not carry its operator or passengers. This subsection shall not apply to exemptions from crashworthiness standards if the exemption sought is for a standard addressing the steering control system and it is for a vehicle that—

"(1) will not have a steering control system;

"(2) provides impact protection to an occupant in the front left seat at a le l at least equal to the le l provided in nonexempt vehicles; and

"(3) provides a safety le l at least equal to the safety le l of the standard for which the exemption is sought.

"(j) REPORTING REQUIREMENT.—A manufacturer granted an exemption under subsection (b)(3)(B)(ii), (iv), or (v), shall provide information about all crashes of which it has actual knowledge involv les, regardless of whether a claim is submitted to the manufacturer, in accordance with part 579 of title 49, Code of Federal Regulations.

"(k) PROCESS AND ANALYSIS.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Secretary of Transportation shall publish in the Federal Register a notice that details the process and analysis used for the consideration of exemption or renewal applications under subsection (b)(3)(B)(v).

"(2) PERIODIC REVIEW AND UPDATING.—The notice required by paragraph (1) shall be reviewed every 5 years and updated if the Secretary considers it necessary.

"(l) EXEMPTION DATABASE.—

"(1) IN GENERAL.—The Secretary shall establish a publicly availa le and searchable electronic database of each motor vehicle for which an exemption from motor vehicle safety standards prescribed under this chapter or a bumper standard prescribed under chapter 325 has been granted.

"(2) VEHICLE IDENTIFICATION NUMBER.—The database established under paragraph (1) shall be searchable by Vehicle Identification Number and shall include no information identifying the vehicle owner.".

SEC. 7. MOTOR VEHICLE TESTING OR EVALUATION.

Section 30112(b)(10) of title 49, United States Code, is amended—

(1) by striking "that prior to the date of enactment of this paragraph";

(2) in subparagraph (A), by striking "motor vehicles into the United States that are certified" and inserting "into the United States motor vehicles that are certified, or motor vehicle equipment utilized in a motor vehicle that is certified,";

(3) in subparagraph (C), by striking the period at the end and inserting "; or";

(4) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and moving their margins 2 ems to the right;

(5) by striking ''evaluation by a manufacturer that agrees not to sell or offer for sale'' and inserting the following: ''evaluation by—

''(A) a manufacturer that agrees not to sell or lease or offer for sale or lease''; and

(6) by adding at the end the following:

''(B) a manufacturer of highly automated vehicles, automated driving systems, or components of automated driving systems that agrees not to sell or lease or offer for sale or lease the highly automated vehicles, automated driving systems, or components of automated driving systems at the conclusion of the testing or evaluation and—

''(i) has submitted to the Secretary—

''(I) the name of the individual, partnership, corporation, or institution of higher education and a point of contact;

''(II) the residence address of the individual, partnership, corporation,

or institution of higher education and State of incorporation if applicable;

"(III) a description of each type of motor vehicle used during development of highly automated vehicles, automated driving systems, or components of automated driving systems manufactured by the individual, partnership, corporation, or institution of higher education; and

"(IV) proof of insurance for any State in which the individual, partnership, corporation, or institution of higher education intends to test or evaluate highly automated vehicles; and

"(ii) if applicable, has identified an agent for service of process in accordance with part 551 of title 49, Code of Federal Regulations.".

SEC. 8. INFORMATION ON HIGHLY AUTOMATED DRIVING SYSTEMS MADE AVAILABLE TO PROSPECTIVE BUYERS.

(a) RESEARCH.—Not later than 3 years after the date of enactment of this Act, the Secretary of Transpor-

tation shall complete research to determine the most effective method and terminology for informing consumers for each highly automated vehicle or a vehicle that performs partial driving automation about the capabilities and limitations of that vehicle. The Secretary shall determine whether such information is based upon or includes the terminology as defined by SAE International in Recommended Practice Report J3016 (published September 2016) or whether such description should include alternative terminology.

(b) RULEMAKING.—After the completion of the study required under subsection (a), the Secretary shall initiate a rulemaking proceeding to require manufacturers to inform consumers of the capabilities and limitations of a vehicle's driving automation system or feature for any highly automated vehicle or any vehicle that performs partial driving automation.

SEC. 9. HIGHLY AUTOMATED VEHICLE ADVISORY COUNCIL.

(a) ESTABLISHMENT.—Subject to the availa lity of appropriations, not later than 6 months after the date of enactment of this Act, the Secretary of Transportation shall establish in the National Highway Traffic Safety Administration a Highly Automated Vehicle Advisory Council (hereinafter referred to as the ''Council'').

(b) MEMBERSHIP.—Members of the Council shall include a diverse group representative of business, academia and independent researchers, State and local authorities, safety and consumer advocates, engineers, labor organizations, environmental experts, a representative of the National Highway Traffic Safety Administration, and other members determined to be appropriate by the Secretary. Any subcommittee of the Council shall be composed of not less than 15 and not more than 30 members appointed by the Secretary.

(c) TERMS.—Members of the Council shall be appointed by the Secretary of Transportation and shall serve for a term of three years.

(d) VACANCIES.—Any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

(e) DUTIES AND SUBCOMMITTEES.—The Council may form subcommittees as needed to undertake information gathering activities, develop technical advice, and present best practices or recommendations to the Secretary regarding—

(1) advancing mobility access for the disabled community with respect to the deployment of auto-

mated driving systems to identify impediments to their use and ensure an awareness of the needs of the disabled community as these vehicles are being designed for distribution in commerce;

(2) mobility access for senior citizens and populations underserved by traditional public transportation services and educational outreach efforts with respect to the testing and distribution of highly automated vehicles in commerce;

(3) cybersecurity for the testing, deployment, and updating of automated driving systems with respect to supply chain risk management, interactions with Information Sharing and Analysis Centers and Information Sharing and Analysis Organizations, and a framework for identifying and implementing recalls of motor vehicles or motor vehicle equipment;

(4) the development of a framework that allows manufacturers of highly automated vehicles to share with each other and the National Highway Traffic Safety Administration relevant, situational information related to any testing or deployment event on public streets resulting or that reasonably could have resulted in damage to the vehicle or any occupant thereof and validation of such vehicles in a manner that does not risk public disclosure of such informa-

tion or disclosure of confidential business information;

(5) labor and employment issues that may be affected by the deployment of highly automated vehicles;

(6) the environmental impacts of the deployment of highly automated vehicles, and the development and deployment of alternative fuel infrastructure alongside the development and deployment of highly automated vehicles;

(7) protection of consumer privacy and security of information collected by highly automated vehicles;

(8) cabin safety for highly automated vehicle passengers, and how automated driving systems may impact collision vectors, overall crashworthiness, and the use and placement of airbags, seatbelts, anchor belts, head restraints, and other protective features in the cabin;

(9) the testing and deployment of highly automated vehicles and automated driving systems in areas that are rural, remote, mountainous, insular, or unmapped to evaluate operational limitations caused by natural geographical or man-made features, or adverse weather conditions, and to enhance

the safety and reliability of highly automated vehicles and automated driving systems used in such areas with such features or conditions; and

(10) independent verification and validation procedures for highly automated vehicles that may be useful to safeguard motor vehicle safety.

(f) REPORT TO CONGRESS.—The recommendations of the Council shall also be reported to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

(g) FEDERAL ADVISORY COMMITTEE ACT.—The establishment and operation of the Council and any subcommittees of the Council shall conform to the requirements of the Federal Advisory Committee Act (5 U.S.C. App.).

(h) TECHNICAL ASSISTANCE.—On request of the Council, the Secretary shall provide such technical assistance to the Council as the Secretary determines to be necessary to carry out the Council's duties.

(i) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Council, the Secretary may detail, with or without reimbursement, any of the personnel of the Department of Transportation to the Council to assist the Council in carrying out its duties. Any detail shall not in-

terrupt or otherwise affect the civil service status or privileges of the Federal employee.

(j) PAYMENT AND EXPENSES.—Members of the Council shall serve without pay, except travel and per diem will be paid each member for meetings called by the Secretary.

(k) TERMINATION.—The Council and any subcommittees of the Council shall terminate 6 years after the date of enactment of this Act.

SEC. 10. REAR SEAT OCCUPANT ALERT SYSTEM.

(a) IN GENERAL.—Chapter 301 of subtitle VI of title 49, United States Code, is amended by inserting after section 30130 (as added by section 5) the following new section:

"§ 30131. Rear seat occupant alert system

"(a) RULEMAKING REQUIRED.—Not later than 2 years after the date of enactment of this section, the Secretary shall issue a final r ll new passenger motor vehicles weighing less than 10,000 pounds gross vehicle weight to be equipped with an alarm system to alert the operator to check rear designated seating positions after the vehicle motor or engine is deactivated by the operator.

"(b) PHASE-IN.—The rule issued pursuant to subsection (a) shall require full compliance with the rule be-

ginning on September 1st of the calendar year that begins 2 years after the date on which the final r le is issued.

"(c) DEFINITIONS.—For purposes of this section—

"(1) the term 'passenger motor vehicle' has the meaning given that term in section 32101; and

"(2) the term 'rear designated seating position' means any designated seating position that is rearward of the front seat.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 301 of subtitle VI of title 49, United States Code, is amended by inserting after the item relating to section 30130 (as added by section 5) the following new item:

"30131. Rear seat occupant alert system.".

SEC. 11. HEADLAMPS.

(a) SAFETY RESEARCH INITIATIVE.—Not later than 2 years after the date of enactment of this Act, the Secretary of Transportation shall complete research into the development of updated motor vehicle safety standards or performance requirements for motor vehicle headlamps that would improve the performance of headlamps and improve overall safety.

(b) RULEMAKING OR REPORT.—

(1) RULEMAKING.—After the completion of the research required by subsection (a), the Secretary shall initiate a rulemaking proceeding to revise the motor vehicle safety standards regarding headlamps

if the Secretary determines that a revision of the standards meets the requirements and considerations set forth in subsections (a) and (b) of section 30111 of title 49, United States Code.

(2) REPORT.—If the Secretary determines that a revision to the standard described in paragraph (1) does not meet the requirements and considerations set forth in such subsections, the Secretary shall submit a report describing the reasons for not revising the standard to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

SEC. 12. PRIVACY PLAN REQUIRED FOR HIGHLY AUTOMATED VEHICLES.

(a) PRIVACY PLAN.—A manufacturer may not sell, offer for sale, introduce or deliver for introduction in interstate commerce, or import into the United States, any highly automated vehicle, vehicle that performs partial driving automation, or automated driving system unless the manufacturer has developed a privacy plan that includes the following:

(1) A written privacy plan with respect to the collection, use, sharing, and storage of information about vehicle owners or occupants collected by a

highly automated vehicle, vehicle that performs partial driving automation, or automated driving system. Such policy shall include the following:

(A) The practices of the manufacturer with respect to the way that information about vehicle owners or occupants is collected, used, shared, or stored.

(B) The practices of the manufacturer with respect to the choices offered to vehicle owners or occupants regarding the collection, use, sharing, and storage of such information.

(C) The practices of the manufacturer with respect to the data minimization, de-identification, and retention of information about vehicle owners or occupants.

(D) The practices of the manufacturer with respect to extending its privacy plan to the entities it shares such information with.

(2) A method for providing notice to vehicle owners or occupants about the privacy policy.

(3) If information about vehicle owners or occupants is altered or combined so that the information can no longer reasonably be linked to the highly automated vehicle, vehicle that performs partial driving automation, or automated driving system from

which the information is retrieved, the vehicle owner, or occupants, the manufacturer is not required to include the process or practices regarding that information in the privacy policy.

(4) If information about an occupant is anonymized or encrypted the manufacturer is not required to include the process or practices regarding that information in the privacy policy.

(b) STUDY.—The Federal Trade Commission shall conduct a study and submit a report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the highly automated vehicle marketplace, including an examination of the following issues:

(1) Which entities in the ecosystem have access to vehicle owner or occupant data.

(2) Which entities in the highly automated vehicle marketplace have privacy plans.

(3) What are the terms and disclosures made in such privacy plans, including regarding the collection, use, sharing, and storage of vehicle owner or occupant data.

(4) What disclosures are made to consumers about such privacy plans.

(5) What methods are available to enable deletion of information about vehicle owners or occupants from any data storage system within the vehicle (other than a system that is critical to the safety or operation of the vehicle) before the vehicle is sold, leased, or rented, or otherwise occupied by a new owner or occupant.

(c) FEDERAL TRADE COMMISSION ENFORCEMENT.—A violation of subsection (a) shall be treated as a an unfair or deceptive act or practice within the meaning of section 5(a)(1) of the Federal Trade Commission Act (15 U.S.C. 45(a)(1)). The Federal Trade Commission shall enforce this section in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this Act.

(d) EFFECTIVE DATE.—This section shall take effect 180 days after the date of enactment of this section and shall only apply to highly automated vehicles, vehicles that perform partial driving automation, or automated driving systems first introduced after the effective date of this section.

SEC. 13. DEFINITIONS.

(a) AMENDMENTS TO TITLE 49, UNITED STATES CODE.—Section 30102 of title 49, United States Code, is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (1) through (13) as paragraphs (2), (3), (4), (5), (8), (9), (10), (11), (12), (13), (15), (16), and (17), respectively;

(B) by inserting before paragraph (2) (as so redesignated) the following:

"(1) 'automated driving system' means the hardware and software that are collectively capable of performing the entire dynamic driving task on a sustained basis, regardless of whether such system is limited to a specific operational design domain.";

(C) by inserting after paragraph (5) (as so redesignated) the following:

"(6) 'dynamic driving task' means all of the real time operational and tactical functions required to operate a vehicle in on-road traffic, excluding the strategic functions such as trip scheduling and selection of destinations and waypoints, and including—

"(A) lateral vehicle motion control via steering;

"(B) longitudinal vehicle motion control via acceleration and deceleration;

"(C) monitoring the driving environment via object and event detection, recognition, classification, and response preparation;

"(D) object and event response execution;

"(E) maneuver planning; and

"(F) enhancing conspicuity via lighting, signaling, and gesturing.

"(7) 'highly automated vehicle'—

"(A) means a motor vehicle equipped with an automated driving system; and

"(B) does not include a commercial motor vehicle (as defined in section 31101).";

(D) by inserting after paragraph (13) (as so redesignated) the following:

"(14) 'operational design domain' means the specific conditions under which a given driving automation system or feature thereof is designed to function."; and

(E) by adding at the end the following:

"(18) 'vehicle that performs partial driving automation' does not include a commercial motor vehicle (as defined in section 31101)."; and

(2) by adding at the end the following:

"(c) REVISIONS TO CERTAIN DEFINITIONS.—

"(1) If S International (or its successor organization) revises the definition of any of the terms defined in paragraph (1), (6), or (14) of subsection (a) in Recommended Practice Report J3016, it shall notify the Secretary of the revision. The Secretary shall publish a notice in the Federal Register to inform the public of the new definition unless, w

lic comment on the new definition, the Secretary notifies SAE International (or its successor organization) that the Secretary has determined that the new definition does not meet the need for motor vehicle safety, or is otherwise inconsistent with the purposes of this chapter. If the Secretary so notifies SAE International (or its successor organization), the existing definition in subsection (a) shall remain in effect.

"(2) If the Secretary does not reject a definition revised by SAE International (or its successor organization) as described in paragraph (1), the Secretary shall promptly make any conforming amendments to the regulations and standards of the Secretary that are necessary. The revised definition shall apply for purposes of this chapter. The require-

ments of section 553 of title 5 shall not apply to the making of any such conforming amendments.

"(3) Pursuant to section 553 of title 5, the Secretary may update any of the definitions in paragraph (1), (6), or (14) of subsection (a) if the Secretary determines that materially changed circumstances regarding highly automated vehicles have impacted motor vehicle safety such that the definitions need to be updated to reflect such circumstances.".

(b) DEFINITIONS IN THIS ACT.—As used in this Act—

(1) the term "automated driving system" has the meaning given such term in subsection (a) of section 30102 of title 49, United States Code, subject to any revisions made to the definition of such term pursuant to subsection (c) of such section;

(2) the term "highly automated vehicle" has the meaning given such term in subsection (a) of section 30102 of title 49, United States Code, not subject to any revision under subsection (c) of such section; and

(3) the term "vehicle that performs partial driving automation" has the meaning given such term in subsection (a) of section 30102 of title 49, United

States Code, not subject to any revision under subsection (c) of such section.

Passed the House of Representatives September 6, 2017.

Attest: KAREN L. HAAS,
Clerk.

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GPO

II

115TH CONGRESS
1ST SESSION

S. 1885

To support the development of highly automated vehicle safety technologies, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28, 2017

Mr. THUNE (for himself, Mr. PETERS, Mr. BLUNT, and Ms. STABENOW) introduced the follow ll; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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A BILL

To support the development of highly automated vehicle safety technologies, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "American Vision for Safer Transportation through Advancement of Revolutionary Technologies Act" or the "AV START Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

Sec. 3. Relationship to other laws.
Sec. 4. Expedited resolution of highly automated vehicles conflicts with standards.
Sec. 5. Highly automated vehicles testing.
Sec. 6. Highly automated vehicles exemptions.
Sec. 7. Inoperative controls.
Sec. 8. Levels of driving automation.
Sec. 9. Safety evaluation report.
Sec. 10. Highly Automated Vehicles Technical Safety Committee.
Sec. 11. Highly automated vehicles rulemaking.
Sec. 12. Consumer education.
Sec. 13. Traffic safety and law enforcement.
Sec. 14. Cybersecurity.
Sec. 15. Savings provision.

SEC. 2. DEFINITIONS.

(a) IN GENERAL.—In this Act:

(1) AUTOMATED DRIVING SYSTEM; DEDICATED HIGHLY AUTOMATED VEHICLE; HIGHLY AUTOMATED VEHICLE; MANUFACTURER; MOTOR VEHICLE; MOTOR VEHICLE EQUIPMENT.—The terms ''automated driving system'', ''dedicated highly automated vehicle'', ''highly automated vehicle'', ''manufacturer'', ''motor vehicle'', and ''motor vehicle equipment'' have the meanings given such terms in section 30102 of title 49, United States Code, as amended by subsection (b).

(2) NHTSA.—The term ''NHTSA'' means the National Highway Traffic Safety Administration.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(b) MOTOR VEHICLE SAFETY CHAPTER.—Section 30102(a) of title 49, United States Code, is amended—

(1) by redesignating paragraphs (5) through (13) as paragraphs (8) through (16) respectively;

(2) by redesignating paragraphs (3) and (4) as paragraphs (5) and (6), respectively;

(3) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively;

(4) by inserting before paragraph (2), as redesignated, the following:

"(1) AUTOMATED DRIVING SYSTEM.—In describing a Level 3, 4, or 5 automated driving system (as defined by SAE International standard J3016, published on September 30, 2016, or subsequently adopted by the Secretary), the term 'automated driving system' means the hardware and software that is collectively capable of performing the entire dynamic driving task on a sustained basis, regardless of whether the system is limited to a specific operational design domain.";

(5) by inserting after paragraph (3), as redesignated, the following:

"(4) DEDICATED HIGHLY AUTOMATED VEHICLE.—The term 'dedicated highly automated vehicle' means a highly automated vehicle designed to be operated exclusively (as defined by the SAE International standard J3016, published on September

30, 2016) by a Level 4 or 5 automated driving system (as defined by the SAE International standard J3016, published on September 30, 2016, or subsequently adopted by the Secretary) for all trips.''; and

(6) by inserting after paragraph (6), as redesignated, the following:

''(7) HIGHLY AUTOMATED VEHICLE.—The term 'highly automated vehicle' means a motor vehicle with a gross vehicle weight of 10,000 pounds or less that is equipped with a Level 3, 4, or 5 automated driving system (as defined by SAE International standard J3016, published on September 30, 2016, or subsequently adopted by the Secretary).''.

SEC. 3. RELATIONSHIP TO OTHER LAWS.

(a) IN GENERAL.—Section 30103 of title 49, United States Code, is amended—

(1) in subsection (b), to read as follows:

''(b) PREEMPTION.—

''(1) HIGHLY AUTOMATED VEHICLES.—No State or political subdivision of a State may maintain, enforce, prescribe, or continue in effect any law or regulation regarding the design, construction, or performance of highly automated vehicles, automated driving systems, or components of automated driving systems unless such law or regulation is

identical to a standard prescribed under this chapter.

"(2) MOTOR VEHICLE STANDARD.—When a motor vehicle safety standard is in effect under this chapter, a State or political subdivision of a State may prescribe or continue in effect a standard applicable to the same aspect of performance of a motor vehicle or motor vehicle equipment only if the standard is identical to the standard prescribed under this chapter.

"(3) RULES OF CONSTRUCTION.—

"(A) IN GENERAL.—Nothing in this subsection may be construed to prohibit a State or a political subdivision of a State from maintaining, enforcing, prescribing, or continuing in effect any law or regulation regarding registration, licensing, driving education and training, insurance, law enforcement, crash investigations, safety and emissions inspections, congestion management of vehicles on the street within a State or political subdivision of a State, or traffic unless the law or regulation is an unreasonable restriction on the design, construction, or performance of highly automated vehicles,

automated driving systems, or components of automated driving systems.

"(B) MOTOR VEHICLE DEALERS.—Nothing in this subsection may be construed to prohibit a State or political subdivision of a State from maintaining, enforcing, prescribing, or continuing in effect any law or regulation regarding the sale, distribution, repair, or service of highly automated vehicles, automated driving systems, or components of automated driving systems by a dealer, manufacturer, or distributor.

"(C) CONFORMITY WITH FEDERAL LAW.—Nothing in this subsection shall be construed to preempt, restrict, or limit a State or political subdivision of a State from acting in accordance with any other Federal law.

"(4) HIGHER PERFORMANCE REQUIREMENT.—However, the United States Government, a State, or a political subdivision of a State may prescribe a standard for a motor vehicle, motor vehicle equipment, highly automated vehicle, or automated driving system obtained for its own use that imposes a higher performance requirement than that required

by the otherwise applicable standard under this chapter.

"(5) STATE ENFORCEMENT.—A State may enforce a standard that is identical to a standard prescribed under this chapter."; and

(2) in subsection (e), to read as follows:

"(e) COMMON LAW LIABILITY.—

"(1) IN GENERAL.—Compliance with a motor vehicle safety standard prescribed under this chapter does not exempt a person from liability at common law.

"(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to preempt common law claims.".

(b) LICENSING.—Notwithstanding section 30103 of title 49, United States Code, as amended by subsection (a), a State may not issue a motor vehicle operator's license for the operation or use of a dedicated highly automated vehicle in a manner that discriminates on the basis of disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

SEC. 4. EXPEDITED RESOLUTION OF HIGHLY AUTOMATED VEHICLES CONFLICTS WITH STANDARDS.

(a) DEFINITIONS.—In this section:

(1) DIRECTOR.—The term ''Director'' means the Director of the John A. Volpe National Transportation Systems Center of the Department of Transportation.

(2) DYNAMIC DRIVING TASK.—The term ''dynamic driving task'' has the meaning given the term by SAE International standard J3016, published on September 30, 2016.

(3) SAFETY STANDARD.—The term ''safety standard'' means a Federal motor vehicle safety standard prescribed under chapter 301 of title 49, United States Code.

(b) REFERENCES TO HUMAN DRIVERS.—Not later than 180 days after the date of the enactment of this Act, the Director or other designated entity, after consultation with stakeholders, shall prepare and submit to the Secretary a report that identifies each provision, requirement, specification, or procedure in a safety standard with a reference to features of the equipment that—

(1) are necessary only for the performance of the dynamic driving task by a human driver;

(2) specify a location or reference point within a vehicle by reference to the position of a human driver; or

(3) serve a purpose of providing information to, or receiving input from, a human driver engaged in performing the dynamic driving task.

(c) SUBSTITUTION OF CONFORMING REFERENCES TO AUTOMATED SYSTEMS.—

(1) IN GENERAL.—In each provision of the report prepared under subsection (b) identifying the text of a regulation from a safety standard, a test procedure, or a method for determining compliance with a safety standard, the Director or designated entity shall include—

(A) an alternative reference to an automated system that is suitable for assessing, through an objective test procedure, the compliance of a dedicated highly automated vehicle, or of a highly automated vehicle operating in automated mode, with the safety standard; or

(B) a determination that—

(i) the rele

-

ance of a dynamic driving task by a human driver; and

(ii) no alternative reference to an automated system is practicable.

(2) CONDITIONS.—In carrying out paragraph (1), the Director or designated entity—

(A) shall ensure that all requirements remain objective and practicable;

(B) may not modify the purpose of any safety standard; and

(C) may specify different references for—

(i) dedicated highly automated vehicles that are intended for human occupancy; and

(ii) dedicated highly automated vehicles that are not designed, intended, or marketed for human occupancy.

(d) RULEMAKING.—

(1) COMMENCEMENT.—Not later than 90 days after the date on which the Director or designated entity submits the report under subsection (b), the Secretary shall commence a rulemaking proceeding to incorporate the report by reference into the relevant safety standards, except as provided in paragraph (3).

(2) FINAL RULE.—Not later than 1 year after the Director or other entity submits the report under subsection (b), the Secretary shall issue a final r

the rele

(3).

(3) ALTERNATIVE TEXT.—If the Secretary determines that one or more of the revisions to a regulation contained in the report submitted under subsection (b) is not objective, is not practicable, or does not meet the need for motor vehicle safety, the Secretary shall incorporate alternative regulatory text.

(4) INCORPORATION BY REFERENCE.—If the Secretary does not complete the rulemaking proceeding under this subsection within 1 y

(b), the revisions to regulations contained in such report shall be incorporated by reference into the rele

.

(c) S ISION.—Nothing in this section may be construed to prohibit the Secretary from maintaining different test procedures for highly automated vehicles that retain the capability to be operated by a human driver when such vehicles are not operating in an automated mode.

SEC. 5. HIGHLY AUTOMATED VEHICLES TESTING.

Section 30112(b) of title 49, United States Code, is amended—

(1) in paragraph (9), by striking "or" at the end;

(2) in paragraph (10)—

(A) in the matter preceding subparagraph (A), by inserting "(except for a highly automated vehicle)" after "the introduction of a motor vehicle"; and

(B) in subparagraph (C), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(11) the introduction of a motor vehicle into interstate commerce solely for the purposes of testing, e , or demonstration of a highly automated vehicle or automated driving system if—

"(A) the testing, evaluation, or demonstration of the vehicle is only conducted by employees, agents, or fleet management contractors of the manufacturer of the highly automated vehicle, the automated driving system, or any component thereof;

"(B) such manufacturer agrees not to sell, lease, or offer for sale or lease, the vehicle or system at the conclusion of the testing, evaluation, or demonstration; and

"(C) such manufacturer has submitted appropriate manufacturer identification information that is similar to information submitted by manufacturers subject to a Federal motor vehicle safety standard under part 566 of title 49, Code of Federal Regulations, before the commencement of such testing or evaluation.".

SEC. 6. HIGHLY AUTOMATED VEHICLES EXEMPTIONS.

(a) IN GENERAL.—Section 30113 of title 49, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "this section," and inserting the following: "this section—

"(1) the term";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(2) the term 'new motor vehicle safety feature' includes any feature that enables a highly automated vehicle or an automated driving system, regardless of whether an exemption has already been granted for a similar feature on another model or models.";

(2) in subsection (b)—

(A) by amending paragraph (2) to read as follows:

"(2) The Secretary may begin a proceeding under this subsection when a manufacturer applies for an exemption or a renewal of an exemption. The Secretary shall publish notice of the application and provide an opportunity to comment. An application for an exemption or for a renewal of an exemption shall be filed at a time and in the way, and contain such information, this section and the Secretary require. The Secretary shall grant or deny an exemption for a highly automated vehicle not later than 180 days after receiving an application for such exemption from a manufacturer."; and

(B) in paragraph (3)(B)(iv), by inserting "or introducing or delivering into interstate commerce" after "selling";

(3) in subsection (d)—

(A) by inserting "(1)" after "ELIGIBILITY.—"; and

(B) by striking the second sentence and inserting the following:

"(2) A manufacturer is eligible for an exemption under clause (ii), (iii), or (iv) of subsection (b)(3)(B) only if the Secretary determines that—

"(A) the exemption is for not more than 2,500 vehicles to be sold in the United States in any 12-month period; or

"(B) the vehicle is a highly automated vehicle; and

"(i) during the 12-month period beginning on the date of the enactment of the AV START Act, the exemption is for not more than 50,000 vehicles to be sold or introduced into interstate commerce in the United States;

"(ii) d 12-month period immediately following the period described in clause (i), the exemption is for not more than 75,000 vehicles to be sold or introduced into interstate commerce in the United States; and

"(iii) d -month period following the period described in clause (ii), the exemption is for not more than 100,000 vehicles to be sold or introduced into interstate commerce in the United States.

"(C) A manufacturer of a highly automated vehicle may petition the Secretary to expand the exemption under paragraph (2)(B) to more than 100,000 vehicles in any 12-month

period after the exemption has been in place for 5 years.''; and

(4) in subsection (e), by inserting '', unless the vehicle is a highly automated vehicle'' before the period at the end.

(b) SUNSET.—A manufacturer's eligibility for an exemption from a provision, clause, sentence, or paragraph in a motor vehicle safety standard under section 30113(d)(2)(B) of title 49, United States Code, as amended by subsection (a), shall end on the date on which a standard (except for a standard promulgated under section 4 of this Act) that amends the provision, clause, sentence, or paragraph from which an exemption is sought takes effect, with due consideration for any lead time specified for compliance.

SEC. 7. INOPERATIV

—

(1) by inserting ''(1)'' before ''A manufacturer''; and

(2) by adding at the end the following:

''(2) The prohibition under paragraph (1) shall not apply to a manufacturer that intentionally allows a device or element of design installed on or in a motor vehicle or item of equipment in compliance with an applicable motor

vehicle safety standard to be temporarily disabled during the time that an automated driving system is performing the entire dynamic driving task.''.

SEC. 8. LEVELS OF DRIVING AUTOMATION.

(a) USE OF SAE INTERNATIONAL'S TAXONOMY AND DEFINITIONS.—The Secretary shall use the taxonomy and definitions for automated driving systems set forth in SAE International standard J3016, published on September 30, 2016, for the various levels of automation for motor vehicles.

(b) REVIEW.—

(1) IN GENERAL.—The Secretary—

(A) shall review the taxonomy and definitions for automated driving systems set forth by SAE International to ensure that such taxonomy and definitions are clear and objective; and

(B) may provide feedback to SAE International for potential updates.

(2) USE OF REVISED STANDARD.—

(A) DETERMINATION.—Not later than 120 days after SAE International revises the standard referred to in subsection (a), the Secretary, after publishing notice of the revision in the Federal Register, shall determine whether to

adopt the revised standard to identify the various levels.

(B) EFFECT OF DECISION NOT TO ADOPT THE REVISED STANDARD.—If the Secretary decides not to adopt the revised standard—

(i) the Secretary shall notify SAE International of the Secretary's decision; and

(ii) the definitions referred to in subsection (a) shall remain in effect.

SEC. 9. SAFETY EVALUATION REPORT.

(a) IN GENERAL.—Subchapter I of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

"§ 30107. Highly automated vehicles safety evaluation report

"(a) IN GENERAL.—

"(1) REQUIREMENT.—Each manufacturer introducing a new highly automated vehicle or automated driving system into interstate commerce shall provide a safety evaluation report, in accordance with this section, that describes how the manufacturer is addressing the safety of such vehicle or system.

"(2) SUBMISSION.—Each manufacturer described in paragraph (1) shall—

"(A) submit a report to the Secretary—

"(i) upon testing a highly automated vehicle or automated driving system; and

"(ii) not later than 90 days before selling, offering for sale, or otherwise commercializing a highly automated vehicle or automated driving system; and

"(B) annually submit, until the vehicle or system is no longer being sold, offered for sale, or otherwise introduced into interstate commerce by the manufacturer or until the system is no longer being incorporated into new motor vehicles by the manufacturer, an updated report to the Secretary that—

"(i) may disclose that no significant changes were made to the vehicle or system; and

"(ii) shall provide aggregate results of any significant safety deviation from expected performance disclosed in the previous report.

"(3) REVIEW.—The Secretary—

"(A) shall review each report submitted under paragraph (2); and

"(B) may require that the manufacturer submit additional or clarifying information.

"(4) LIMITATION.—The Secretary may not condition the manufacture, testing, sale, offer for sale, or introduction into interstate commerce of a highly automated vehicle or automated driving system based on a review of a safety evaluation report or additional information submitted under this section.

"(b) SAFETY EVALUATION REPORT SUBJECT AREAS.—Each report submitted by a manufacturer under subsection (a) shall describe how the manufacturer is addressing, through a documented assessment, testing, and validation process, each of the subject areas described in paragraphs (1) through (9).

"(1) SYSTEM SAFETY.—The avoidance of unreasonable risks to safety, including—

"(A) assurance that systems, including hardware and software, perform intended functions;

"(B) the mitigation of unreasonable risks to safety caused by a malfunction of the automated driving system; and

"(C) sense of objects, motorcyclists, bicyclists, pedestrians, and animals in or crossing the path of travel through the automated driving system.

"(2) DATA RECORDING.—The collection by the vehicle of automated driving system performance information and incident and crash data—

"(A) to record the occurrence of malfunctions, disengagements, degradations, or failures;

"(B) to aid in the analysis of the cause of any issues described in subparagraph (A);

"(C) to enable efforts to work with other entities to address data recording and sharing; and

"(D) with respect to event data recorder information, that complies with the collection and sharing requirements under the FAST Act (Public Law 114–94).

"(3) CYBERSECURITY.—The minimization of cybersecurity risks to safety and the exchange of information about any vulnerabilities discovered from field incidents, internal testing, or external security research.

"(4) HUMAN-MACHINE INTERFACE.—

"(A) The methods of informing the human driver or operator about whether the automated driving system is functioning properly.

"(B) For a Level 3 vehicle, the methods to address driver reengagement.

"(C) The use of a human-machine interface by people with disabilities through visual, auditory, or haptic displa .

"(5) CRASHWORTHINESS.—Practicable protection for all occupants given any planned seating positions or interior configurations.

"(6) CAPABILITIES.—The capabilities and limitations of the highly automated vehicle or automated driving system.

"(7) POST-CRASH BEHAVIOR.—The post-crash behavior of the highly automated vehicle or automated driving system if sensors or critical systems are damaged in a crash.

"(8) ACCOUNT FOR APPLICABLE LAWS.—The account of applicable traffic laws and rules of the road, based on operational design domain, in the development of a highly automated vehicle or automated driving system.

"(9) AUTOMATION FUNCTION.—

"(A) The expected operational design domain in which the highly automated vehicle or automated driving system is designed to operate, including any roadway and infrastructure assets required for the operation of the highly automated vehicle or automated driving system, such as roadside equipment, pavement markings, signage, and traffic signals, and how it will respond if that operational design domain unexpectedly changes.

"(B) The automated driving system's expected object and event detection and response capabilities, including behavioral competencies and crash avoidance capability.

"(C) The ability of the highly automated vehicle or automated driving system to transition to a minimal risk condition when a malfunction is encountered.

"(D) The performance of the vehicle through the manufacturer's development and implementation of tests, including simulation, test track, and on-road testing.

"(c) CERTIFICATION OF INAPPLICABLE CATEGORIES.—A manufacturer that is solely testing a vehicle

or system may certify that one or more of the categories set forth in subsection (b) do not apply.

"(d) PUBLICLY AVAILABLE.—The Secretary shall make any report submitted by a manufacturer under this section publicly available as soon as practicable, except the Secretary may not make publicly availa le any information relating to a trade secret or confidential business information, or which is privileged. The manufacturer may submit information related to a trade secret or confidential business information separately from the report.

"(e) OFFICIAL SIGNATURE.—Each report submitted by an entity under this section shall be reviewed by a senior official of the entity who—

"(1) is knowledgeable about the information contained in the report; and

"(2) shall certify that, based on the official's knowledge, the report does not contain any untrue statement of a material fact.

"(f) TERMINATION OF OBLIGATION TO DISCLOSE INFORMATION.—

"(1) IN GENERAL.—A manufacturer's obligation to provide information on a specific category under subsection (b) shall end on the effective date of a motor vehicle safety standard applicable to the same aspect of vehicle or system performance as is

covered by the category, with due consideration for any lead time specified for compliance.

"(2) EFFECT OF NEW STANDARD.—In adopting any standard applicable to highly automated vehicle performance, the Secretary shall—

"(A) identify the category under subsection (b) to which the standard relates, if any; and

"(B) specify what information is no longer required to be included in the report as a result of the new standard.

"(g) RULE OF CONSTRUCTION.—

"(1) SUBMISSIONS.—A manufacturer may submit a safety evaluation report for vehicles introduced into interstate commerce before the date of the enactment of the AV START Act.

"(2) SAVINGS PROVISIONS.—Nothing in this section may be construed to amend, limit the authority, or prohibit the use of the information included in the report under chapter 301 of title 49, United States Code.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 301 of title 49, United States Code, is amended by inserting after the item relating to section 30106 the following:

"30107. Highly automated vehicles safety evaluation report.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 90 days after the date of the enactment of this Act.

SEC. 10. HIGHLY AUTOMATED VEHICLES TECHNICAL COMMITTEE.

(a) ESTABLISHMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish a Highly Automated Vehicles Technical Committee (referred to in this section as the "Committee") to provide a forum for stakeholders to discuss, prioritize, and make technical recommendations for highly automated vehicle and automated driving system safety.

(b) MEMBERSHIP.—

(1) VOTING MEMBERS.—The Secretary—

(A) shall appoint 15 voting members to the Committee who—

(i) are specially qualified to serve on the Committee because of their technical knowledge of automated driving systems, vehicle-to-vehicle infrastructure systems, or the impact of such systems on Federal motor vehicle safety standards; and

(ii) shall include representatives of SAE International, automated vehicle proving grounds designated by the Depart-

ment of Transportation, highly automated vehicle and automated driving system manufacturers, safety organizations, State and local government agencies, and other organizations directly or indirectly impacted by NHTSA regulations; and

(B) may appoint new members to the Committee at any time.

(2) COMPENSATION.—Members of the Committee shall serve without compensation.

(3) CHAIRPERSON.—The Secretary, or the Secretary's designee, shall act as Chairperson of the Committee, but will not have voting rights, except to break a tie.

(c) DUTIES.—

(1) RECOMMENDATIONS.—The Committee shall provide consensus-based recommendations to the Secretary on rulemaking, policy, and guidance regarding highly automated vehicle safety, including—

(A) the identification and creation of performance standards; and

(B) the harmonization of national highly automated vehicle safety standards with international standards.

(2) SCOPE.—The Committee shall study issues relating to highly automated vehicles, including—

(A) system safety;

(B) automated steering and braking;

(C) crashworthiness for vehicles with unconventional seating positions or vehicles not intended for human occupancy;

(D) e

(E) accessibility for people with physical, sensory, or other disabilities, including for those who rely on mobility devices;

(F) potential conflicts with existing Federal motor vehicle safety standards; and

(G) any other issue the Secretary considers appropriate.

(3) SUPPORT.—The NHTSA Office of Rulemaking and the NHTSA Office of Vehicle Safety Research shall provide support services to the Committee.

(4) MEETINGS.—The Committee shall meet not less frequently than 4 times per year. Committee meetings shall be open to the public, except in circumstances in which a meeting is likely to discuss—

(A) internal personnel rules and practices of the NHTSA;

(B) matters specifically exempted from disclosure by statute;

(C) trade secrets or confidential or privileged business information;

(D) matters involving criminal accusation or official censure;

(E) information of a personal nature that, if disclosed, would constitute an unwarranted invasion of personal privacy; or

(F) investigatory records that might interfere with enforcement proceedings.

(5) WORKING GROUPS.—

(A) IN GENERAL.—The Committee may establish temporary working groups, as necessary, to address specific issues. Each working group shall include at least 1 member who represents a manufacturer of highly automated vehicles or automated driving systems and other individuals who are subject matter experts on the issue before the working group.

(B) DIS ILITY ACCESS.—The Committee shall establish a working group to develop voluntary best practices regarding highly auto-

mated vehicle accessibility for people with physical, sensory, or other disabilities, including for those who rely on mobility devices. Such best practices shall address the physical accessibility of highly automated vehicles and human-machine interface accessibility through visual, auditory, or haptic displa . The working group shall include representatives from national organizations representing individuals with disabilities.

(d) RECOMMENDATIONS FOR HIGHLY AUTOMATED VEHICLES.—

(1) IN GENERAL.—On a periodic basis, the Committee shall release recommendations on voluntary standards regarding highly automated vehicle safety.

(2) WORK PLAN.—Not later than 180 days after the Committee is established under subsection (a), the Committee shall submit a work plan to the Secretary for carrying out this section.

(3) REPORT.—Not later than 5 years after the date of the enactment of this Act, the Committee shall submit a report containing recommendations of consensus-based, feasible, and objective standards to the Secretary for potential rulemaking governing

highly automated vehicles that meet the need for motor vehicle safety.

(e) CONSULTATION AND PUBLICATION OF REPORTS.—

(1) IN GENERAL.—The Secretary shall consult with the Committee, as appropriate, on highly automated vehicle safety matters, including the development and implementation of relevant policies, programs, and rulemaking.

(2) RECOMMENDED AGENDA.—The Secretary shall regularly provide recommendations to the Committee regarding the agenda of the Committee and areas in which Committee activity would benefit and complement Department of Transportation efforts.

(3) REPORTS.—The Secretary shall make any report or recommendation developed under this section publicly availa le.

(f) FACA.—The Committee shall not be subject to the requirements under the Federal A

(5 U.S.C. App.).

(g) TERMINATION.—The Committee shall terminate upon the submission of the final report required under subsection (d)(3) unless the Secretary determines that the Committee should continue.

SEC. 11. HIGHLY AUTOMATED VEHICLES RULEMAKING.

(a) IN GENERAL.—The Secretary shall review and seek public comment on the recommendations for standards made by the Highly Automated Vehicles Technical Committee under section 10(d)(3).

(b) DETERMINATION.—Not later than 1 year after the receipt of the recommendations referred to in subsection (a), the Secretary shall—

(1) make a determination whether to approve one or more of the recommendations, based on an identified need for motor vehicle safety; and

(2) begin a rulemaking proceeding on the recommendations approved pursuant to paragraph (1) on the safety of highly automated vehicles.

(c) RULE OF CONSTRUCTION.—Nothing in this section may be construed to restrict the authority of the Secretary under section 30111 of title 49, United States Code. Any Federal motor vehicle safety standard adopted pursuant to this section shall meet the requirements under such section 30111.

SEC. 12. CONSUMER EDUCATION.

(a) ESTABLISHMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish a working group on responsible education efforts for advanced driver assist systems and automated driving systems.

(b) DUTIES.—The working group established under subsection (a) shall—

(1) identify recommended education and responsible marketing strategies that may be voluntarily employed by industry to inform consumers, vehicle owners and operators, and other stakeholders about advanced driver assistance systems and automated driving systems as they become available or are soon to be introduced into interstate commerce; and

(2) submit a report containing the findings and recommendations of the working group to Congress and making such report available to the public.

(c) CONSIDERATIONS.—The working group shall consider topics pertaining to—

(1) intent, capabilities, and limitations of advanced driver assistance systems and automated driving systems;

(2) engagement and disengagement methods, including methods to address driver engagement in lower levels of automation;

(3) human-machine interfaces;

(4) emergency fallback scenarios;

(5) operational boundary responsibilities;

(6) response in the event of a crash or system failure;

(7) potential mechanisms that could change function behavior in service; and

(8) consistent nomenclature and taxonomy for safety features and systems.

(d) MEMBERSHIP.—

(1) IN GENERAL.—The Secretary shall appoint, as members of the working group, individuals with expertise in automated driving systems and driver assistance systems, including—

(A) representatives of—

(i) motor vehicle manufacturers;

(ii) manufacturers of automated driving systems and driver assistance systems (including components);

(iii) motor vehicle dealers;

(iv) motor vehicle owners and operators, including fleet managers, vehicle rental companies, and transportation network companies;

(v) consumers or consumer advocacy groups;

(v) automated vehicle proving grounds designated by the Department of Transportation;

(v) public health organizations;

(v) marketing professionals;

(i) entities with national experience in consumer education; and

(x) enabling technology companies; and

(B) any other members the Secretary considers appropriate.

(2) COMPENSATION.—Members of the working group shall serve without compensation.

(3) CONSULTATION.—The Secretary shall consult with the Federal Trade Commission about the recommendations of the working group, as appropriate.

(e) TERMINATION.—The working group established under this section shall terminate on the date that is 2 years after the date of the enactment of this Act.

SEC. 13. TRAFFIC SAFETY AND LAW ENFORCEMENT.

(a) RESEARCH.—The Secretary, in coordination with State and local transportation and highway safety entities, State and local law enforcement entities, and other rel-

evant parties, shall research the traffic safety implications of highly automated vehicles, including—

(1) the intersection of conventional and highly automated vehicles; and

(2) law enforcement impacts, including—

(A) enforcing applicable laws;

(B) identifying whether a vehicle was in automated mode at the time of a crash;

(C) lawfully accessing event data information; and

(D) determining how a highly automated vehicle should respond to law enforcement.

(b) COORDINATION OF SAFETY.—The Secretary, in coordination with State, local, and law enforcement agencies, may develop a process for State and local entities to provide information, on a voluntary basis, to the Secretary to assist the Department of Transportation in identifying defects related to motor vehicle safety of highly automated vehicles.

(c) CRASH DATA.—Not later than 3 years after the date of the enactment of this Act, the Secretary shall revise the crash investigation data collection system to include the collection of crash report data elements that distinguish whether the vehicle involved in a crash is a highly automated vehicle, including the level of automation and

whether the vehicle was in automated mode at the time of a crash.

SEC. 14. CYBERSECURITY.

(a) IN GENERAL.—Subchapter I of chapter 301 of title 49, United States Code, as amended by section 9, is further amended by adding at the end the following:

"§ 30108. Cybersecurity risks to the safety of highly automated vehicles

"(a) DEFINITIONS.—In this section:

"(1) CYBERSECURITY INCIDENT.—The term 'cybersecurity incident' has the meaning given the term 'incident' in section 227(a) of the Homeland Security Act of 2002 (6 U.S.C. 148(a)).

"(2) CYBERSECURITY RISK.—The term 'cybersecurity risk' has the meaning given the term in section 227(a) of the Homeland Security Act of 2002 (6 U.S.C. 148(a)).

"(3) CYBERSECURITY VULNERABILITY.—The term 'cybersecurity vulnerability' has the meaning given the term 'security vulnerability' in section 102 of the Cybersecurity Information Sharing Act of 2015 (6 U.S.C. 1501).

"(b) CYBERSECURITY PLAN.—

"(1) IN GENERAL.—Each manufacturer of a highly automated vehicle or automated driving sys-

tem shall de lop, maintain, and execute a written plan for identifying and reducing cybersecurity risks to the motor vehicle safety of such vehicles and systems.

"(2) REQUIREMENTS.—The plan required under paragraph (1) shall include a process for—

"(A) the risk-based prioritized identification and protection of safety-critical vehicle control systems and the broader transportation ecosystem, as applicable;

"(B) the efficient detection and response to potential vehicle cybersecurity incidents in the field;

"(C) facilitating expeditious recovery from incidents as they occur;

"(D) the institutionalization of methods for the accelerated adoption of lessons learned across industry through voluntary exchange of information pertaining to cybersecurity incidents, threats, and vulnerabilities, including the consideration of a coordinated cybersecurity vulnerability disclosure policy or other related practices for collaboration with third-party cybersecurity researchers;

"(E) the identification of the point of contact of the manufacturer with responsibility for the management of cybersecurity;

"(F) the use of segmentation and isolation techniques in vehicle architecture design, as appropriate; and

"(G) supporting voluntary efforts by industry and standards-setting organizations to develop and identify consistent standards and guidelines relating to vehicle cybersecurity, consistent, and to the extent appropriate, with the cybersecurity risk management activities described in section 2(e) of the National Institute of Standards and Technology Act (15 U.S.C. 272(e)).

"(3) INSPECTION.—The Secretary may inspect any cybersecurity plan developed by a manufacturer under this subsection to enable the Secretary to decide whether the manufacturer has complied, or is complying, with this chapter or a regulation prescribed or order issued pursuant to this chapter.

"(4) PROTECTIONS FOR DISCLOSURE.—The Secretary may, by notice and comment rulemaking, establish a requirement that manufacturers subject

to subsection (b) develop a summary of its plan that is suitable for public disclosure, as appropriate.

"(c) COORDINATED CYBERSECURITY VULNERABILITY DISCLOSURE.—The Secretary may work cooperatively with manufacturers of highly automated vehicles and automated driving systems to incentivize manufacturers to voluntarily adopt a coordinated vulnerability disclosure policy and practice in which a security researcher privately discloses information related to a discovered vulnerability to a manufacturer and allows the manufacturer time to confirm and remediate the vulnerability—

"(1) so that manufacturers build relationships with security researchers to mitigate cybersecurity risks; and

"(2) to discover and mitigate cybersecurity vulnerabilities in highly automated vehicles or automated driving systems that present a risk to motor vehicle safety (as defined in section 30102 of title 49, United States Code).

"(d) COORDINATION.—All Federal agencies undertaking research on cybersecurity risks associated with highly automated vehicles shall coordinate with the Secretary on their findings.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 301 of title 49, United States Code, is amended by

inserting after the item relating to section 30107, as added by section 9, the following:

"30108. Cybersecurity risks to the safety of highly automated vehicles.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 18 months after the date of the enactment of this Act.

SEC. 15. SAVINGS PROVISION.

Nothing in this Act may be construed to alter any existing authority under subtitle VI of title 49, United States Code, relating to motor vehicles with a gross vehicle weight of 10,001 pounds or more.

○

Metro

Board Report

File #: 2017-0699, **File Type:** Contract **Agenda Number:** 9.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 16, 2017

SUBJECT: COMMUNICATIONS SUPPORT SERVICES BENCH

ACTION: AWARD CONTRACTS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. AWARD seven-year, task order based bench Contract Nos. PS44432001 through PS44432010, with the following firms: Arellano Associates, Celtis Ventures, Communications Lab, Community Connections, Consensus, Dakota Communications, ETA Agency, Lee Andrews Group, MBI Media, and the Robert Group, for Communications Support Services, for a not-to-exceed amount of $9,505,568 for the base three-year term effective January 1, 2018 through December 31, 2020, plus $5,393,760 for each of the two, two-year options, for a combined total amount not-to-exceed $20,293,088, subject to resolution of protest(s), if any; and

B. EXECUTE Task Orders under these Contracts for communications support services in a total amount not-to-exceed $9,~~6~~5~~0~~5,568.

ISSUE

With the passage of Measure M in November 2016, the agency's work effort will expand greatly. To optimize the agency's existing communications workforce and to ensure adherence to Metro's External Communications Policy, this growing work effort will be accomplished through a combination of agency staff and contracted services through this bench award. In addition, there are numerous processes that require Communications support such as the Long Range Transportation Plan, the NextGen Bus Service Study and efforts to increase ridership and enhance the customer experience. The Metro Communications Department developed this bench contract concept to supplement the agency's current and future communications needs. The bench is set to augment existing and future staff on Metro planning, design and construction projects and perform tasks on numerous other projects, programs, and initiatives as the need arises.

The Communications staff recommends awarding contracts to 10 teams to serve on this on-call bench contract. There is a ~~SBE/~~ Disadvantaged Business Enterprise (DBE), Small Business Enterprise (SBE), and Disabled Veteran Business Enterprise /~~(~~DB~~e~~VBE) goal for this~~e~~ contract depending on the funding source: ~~bench is~~ 20% ~~percent~~ DBE for federally funded projects, 17%

~~percent~~ SBE and 3% DVBE for locally funded projects.~~, 17 percent DBE for federally funded projects, and 3 percent for DVBE firms.~~ Staff will issue task orders as needed to one of the ten full-service multi-disciplinary teams selected to serve on this bench.

DISCUSSION

The Metro Communications Department is comprised of six departments: Art and Design Programs, Community Relations, Customer Care, Government Relations, Marketing, and Public Relations. While the on-call bench contracts could supplement functions in any of these six departments, the intent is to provide an extension of the work effort in the Community Relations, Marketing, and Public Relations Departments. The bulk of the work expected through the bench will support the Community Relations Department in executing public engagement, public information and community outreach activities on current and future projects.

The Community Relations Department serves as the public face of Metro's projects, programs and initiatives by supporting internal/external communications functions through the planning, design, construction, and operations phases of Metro's fast growing transportation system. Many of these projects require a high-level of targeted communications and engagement with Metro customers, residents, elected officials, business groups, homeowner groups and other interested stakeholders. Community Relations is responsible for implementing programs to engage a wide range of stakeholders including, but not limited to, cities, businesses, neighborhood and homeowner groups, environmental advocates, environmental justice advocates, minority groups, limited English proficiency and underserved communities, and disabled organizations, older adults, students, and other targeted community groups that are or may be impacted by Metro operations, future projects, construction activities, and other initiatives.

The Marketing Department is responsible for establishing and managing Metro's branding, marketing activities and advertising. This includes campaign development, copywriting, graphic design, digital and social media, marketing videos, website design and maintenance, printing services, advertising, and specialized TAP card programs.

The Public Relations Department oversees and implements all agency media relations, special press and promotional events, and develops written content in the form of press releases, rider alerts, blogs, news-related digital and social media, talking points, articles, guest columns and opinion editorials.

In the development of this approach, an emphasis was placed on "teaming", encouraging proposers to team with a number of firms to broaden their scope of services, experience and areas of discipline. This, in turn, provides a wide range of opportunities for small, disadvantaged and veteran-owned businesses to contribute to the development and growth of Metro's system and services.

In addition to providing opportunities to many firms, this approach also streamlines procurement processes for Metro and the business community by consolidating numerous, laborious and costly contracting opportunities into one contract. This approach prevents individual procurement processes when services are needed, and creates efficiencies for the business community and Metro.

DETERMINATION OF SAFETY IMPACT

Contractors may be required to conduct tasks on Metro property where construction may be taking place. All safety requirements will be met with requisite training and clearance as established by Metro Safety, Construction and Operation protocols.

FINANCIAL IMPACT

The funding for this bench contract will parallel that of the benefiting projects charged which may include sales tax, grants, fares, and other funding sources within the agency. There is no single source that will unilaterally fund this contract. As specific work efforts arise, task orders will be issued and funded from the corresponding project budget upon approval by the responsible project manager, or by the relevant department.
The External Communications Policy establishes that all processes and materials intended to represent Metro and its services, programs and projects to external audiences must be created, reviewed and/or approved by Metro's Communications Department. To accommodate the multitude of needs for each department, the Communications staff will facilitate any communications support needed through this bench contract.
Therefore, project managers and respective cost center managers from the various departments will budget for future communications-related task orders related to their project, program or initiative that will be provided through this contract.

IMPACT TO BUDGET

The Communications Department has anticipated the work needed through this contract for FY18 and has funds available in the Community Relations, Public Relations and Marketing cost centers to cover these expected task orders. In addition, funds are available in individual project and departmental budgets to cover the activities to support their efforts.
Moving forward, the funds to support the various departments' projects, programs and initiatives will either be budgeted within their cost centers each Fiscal Year, or through individual life of project budgets.
The funding sources used will correspond to the respective projects' funding plans charged and consist of federal, state or local funds.
This bench contract will also mitigate the need to pursue numerous procurements for communications services, saving time and money as an overall positive impact to the agency budget.

ALTERNATIVES CONSIDERED

1. Pursue procurement processes and solicit proposals for each individual task when the requirement arises. This alternative is not recommended as it would place an undue burden on the small business community, requiring them to expend significant and costly resources to respond to multiple procurement processes each year. It also would require extensive staff time to develop a scope of work, internal estimate and proceed with a competitive procurement for each individual task. This would also delay the provision of services and prevent the opportunity to expedite services when needed. Additionally, procuring services on a per-assignment basis would impose significant additional burden on the Communications

and Vendor/Contract Management departments.

2. Utilize existing Communications staff to provide the required support services. This alternative is also not feasible as Metro's current Communications staff is being fully utilized to support existing projects, programs and initiatives. Due to these commitments, it would be a major challenge for current staff to provide the necessary additional support required for future projects, programs and initiatives. If this alternative were exercised, Metro would need to hire additional staff with expertise in several disciplines to perform the desired work. Based on staffing trends, it is unlikely the agency can support this effort in-house.
3. Direct departments to procure services for their own needs. This option puts an undue burden on the small business community, requiring them to expend significant and costly resources to respond to multiple procurement processes each year. It also is counter to Metro's External Communications Policy, which is designed to consolidate, optimize and strategically coordinate communications services across the agency.

NEXT STEPS

Upon Board approval, staff will establish the Communications Support Services Bench contracts with each of the selected firms effective January 1, 2018. Once contracts are executed, staff will begin issuing task orders as needed.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: Yvette ZR Rapose, Deputy Executive Officer, (213) 418-3154
Antwaun Boykin, Sr. Contract Administrator (213) 922-1056

Reviewed by: Pauletta Tonilas, Chief Communication Officer, (213) 922-3777
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

COMMUNICATIONS BENCH / PS44432000

1.	**Contract Numbers:** PS44432001-010	
2.	**Recommended Vendors**: Arellano Associates; Celtis Ventures; Communications Lab; Community Connections; Consensus; Dakota Communications; ETA Agency; Lee Andrews Group; MBI Media; The Robert Group	
3.	**Type of Procurement (check one):** ☒ **RFP** ☐ **IFB** ☐ **IFB–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: July 27, 2017	
	B. Advertised/Publicized August 3, 2017	
	C. Pre-proposal Conference: August 10, 2017	
	D. Proposals Due: August 31, 2017	
	E. Pre-Qualification Completed: Pending	
	F. Conflict of Interest Form Submitted to Ethics: October 5, 2017	
	G. Protest Period End Date: November 20, 2017	
5.	**Solicitations Picked up/Downloaded**: 51	**Proposals Received**: 17
6.	**Contract Administrator**: Antwaun Boykin	**Telephone Number**: **(**213) 922-1056
7.	**Project Manager**: Yvette ZR Rapose	**Telephone Number**: **(**213) 418-3154

A. Procurement Background

This Board Action is to approve the award of bench Contract Nos. PS44432001 through PS44432010 issued in support of the Metro Communications Department for a seven-year term inclusive of two, two-year options. The Contracts will be effective January 1, 2018 through December 31, 2024, plus two, two-year options, for a total amount not-to-exceed $20,293,088. These services will be performed on an “as-needed” basis for which task orders will be issued. Board approval of contract awards are subject to resolution of properly submitted protests.

Request for Proposals (RFP) No. PS44432 was issued in accordance with Metro’s Acquisition Policy and the contract type is task order based.

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

- Amendment No. 1, issued on August 11, 2017 provided documents from the pre-proposal conference ;
- Amendment No. 2, issued on August 24, 2017 provided a revised Cost Proposal ;

B. Evaluation of Proposals

A total of 17 proposals were received on the due date of August 31, 2017.
The firms are listed below in alphabetical order:

1. Arellano Associates
2. Celtis Ventures

3. Communications Lab
4. Community Connections
5. Consensus
6. Dakota Communications
7. ETA Agency
8. Lee Andrews Group
9. MBI Media
10. Noble Insight
11. North Star Alliances
12. PRR
13. Sensis
14. T&T/Saeshe
15. The Robert Group
16. Xerxes Studio
17. Zeldesign

A Proposal Evaluation Team (PET) consisting of staff from Metro Communications, Marketing, and Public Relations was convened and conducted a comprehensive technical evaluation of the proposals received.

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

- Teaming Effort, Key Personnel Experience and Capabilities on the Contracting Team — 30 percent
- Experience in Transportation, LA County and Working in Diverse Communities — 25 percent
- Understanding of Work Scope and Approach for Implementation — 30 percent
- Cost — 15 percent

Several factors were considered when developing these weights, giving the greatest importance to teaming effort, key personnel experience and capabilities on the contracting team, as well as, understanding of work scope and approach for implementation.

On August 31, 2017, the members of the PET were given copies of 16 written technical proposals to begin their evaluation. On September 1, 2017, one proposal was determined to be non-responsive because it did not meet the requirements of providing the services included in the statement of work. On September 18, 2017, the members of the PET met to determine the competitive range based on the evaluation criteria factors established in the solicitation. On September 22, 2017, six of the 16 firms were determined to be outside of the competitive range. From September 25, 2017 to September 27, 2017, the remaining 10 firms within the competitive range were contacted for additional discussion and clarification. Each proposing team was provided an opportunity to discuss their qualifications and respond to questions from the evaluation committee. In general, each team's presentation was designed to address questions submitted by the PET in order to clarify and discuss requirements of the RFP, and highlight their experience with all aspects of the required tasks. The PET concluded the evaluations on September 27, 2017.

The recommended firms for the bench are listed below in alphabetical order:

No.	Contract No.	Firm
1	PS44432001	Arellano Assosicates
2	PS44432002	Celtis Ventures
3	PS44432003	Communications Lab
4	PS44432004	Community Connections
5	PS44432005	Consensus
6	PS44432006	Dakota Communications
7	PS44432007	ETA Agency
8	PS44432008	Lee Andrews Group
9	PS44432009	MBI Media
10	PS44432010	The Robert Group

Nine of the recommended firms above are Metro certified SBE and/or DBE.

Qualifications Summary of Firms:

Arellano Associates

Arellano Associates (AA) is a Chino Hills based communications firm with over 23 years of experience. AA is a Metro certified SBE and DBE consulting firm specializing in communications and public outreach, community and government relations, and strategic planning and marketing programs. They offer a team of professionals who provide comprehensive communications and planning services for the full spectrum of public projects from planning to construction or implementation.

Celtis Ventures

Celtis Ventures (CV) is a Redondo Beach based communications firm with five years of experience. CV utilizes incisive strategies, creativity, brand transformation expertise and a targeted mix of digital, social, print, video and mobile tactics in communications and public outreach.

Communications Lab

Communications Lab (CL) is a communications firm based in the City of Orange with 12 years of experience. CL is a Metro certified SBE and DBE firm. CL has provided communications and public outreach for the Orange County Transportation Authority, Southern California Edison, and San Diego Gas and Electric.

Community Connections

Community Connections (CC) is a Los Angeles based communications firm with over 20 years of experience. CC is a Metro certified SBE and DBE firm. CC is an outreach specialist with experience working with and for public agencies and municipalities.

Consensus

Consensus is a Los Angeles based communications firm with over 30 years of experience. Consensus is a Metro certified SBE firm. Consensus specializes in public relations, public affairs and communications, the firm has provided services for the Orange County Transportation Authority, Caltrans, and the U.S. Veterans Administration for West Los Angeles.

Dakota Communications

Dakota Communications (DC) is a Los Angeles based communications firm with over 20 years of experience. DC is a Metro certified SBE and DBE firm. DC has experience building community support for public policy initiatives and programs advanced by corporate, business, governmental, non-profit and community-based organizations. DC has conducted outreach and public education campaigns for a variety of clients including Los Angeles Community College District and Los Angeles World Airport.

ETA Agency

ETA Agency (ETA) is a Long Beach based communications firm with 12 years of experience. ETA is a Metro certified SBE and DBE firm. ETA Agency specializes in community relations, increasing awareness and garnering public support for the public and private sector. ETA has experience working with government agencies, including Long Beach Transit, Newport Beach Police Department and Pasadena Fire Department.

Lee Andrews Group

Lee Andrews Group (LAG) is a Los Angeles based communications firm with over 20 years of experience. LAG is a Metro certified SBE and DBE firm. LAG has experience managing multiple community outreach projects and providing support and guidance to local government agencies and private entities. LAG has provided community and public outreach for Alameda Corridor-East Construction Authority and the City of Bakersfield.

MBI Media

MBI Media (MBI) is a Covina based communications firm with 28 years of experience. MBI is a Metro certified SBE and DBE firm. MBI specializes in Community Relations, Marketing, Public Relations and Multi-Media production. MBI has performed public outreach services for Metrolink and Los Angeles County Department of Public Works.

The Robert Group

The Robert Group (TRG) is a Los Angeles based communications firm with 25 years of experience. The Robert Group is a Metro certified SBE and DBE firm. TRG is a public affairs firm with expertise in community outreach, strategic communications, and governmental relations. TRG has worked with public sector governmental agencies such

as the City of Los Angeles Bureau of Sanitation and the City of Los Angeles Department of City Planning.

C. Price Analysis

The recommended fixed unit rates from all firms have been determined to be fair and reasonable based upon adequate price competition. Each individual task order will be competed and will comply with all requirements of Metro's Acquisition Policy and the terms and conditions of these Contracts. The contractors will propose according to the requirements of the task order, an independent cost estimate, technical evaluation, and cost/price analysis will be performed, as appropriate, on all task orders issued.

D. Background on Recommended Contractors

All ten firms listed above are recommended for award. These firms have been evaluated and determined to be qualified to work on Metro assignments on an as-needed, task order basis. Having multiple contracts ensures that Metro Communications Department will have a variety of on-call providers to support its communication and outreach efforts.

ATTACHMENT B

DEOD SUMMARY

COMMUNICATIONS BENCH / PS44432000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 20% Disadvantaged Business Enterprise (DBE) goal for task orders awarded with federal funds, and a 20% small business participation goal, inclusive of 17% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for task orders awarded with non-federal funds. Communications Bench proposers were required to submit DBE/SBE/DVBE affidavits confirming their commitment to the applicable goals, and participants met or exceeded the goal with varied commitments as listed below. Proposers were also required to list all known DBE, SBE and DVBE firms that will perform any portion of the work without specific dollar commitments.

The Communications Bench is subject to the Small Business Prime (Set-Aside) Program requirements. Of the ten proposers selected for the Bench contract, eight are DBE and SBE primes, one is a SBE prime only and one is a non-DBE/SBE prime. Metro also encouraged medium-sized businesses to propose pursuant to the Medium-Size Business Enterprise Program (MSZ) requirement; however, the agency did not receive more than one medium-size firm's proposal, and therefore MSZ does not apply to the bench.

Overall DBE/SBE/DVBE participation for the Bench will be determined based on the total aggregate of all task orders issued and awarded.

Prime: Arellano Associates

Small Business Goal	**20% DBE 17% SBE 3% DVBE**	**Small Business Commitment**	**20% DBE 17% SBE 3% DVBE**

	DBE Prime/Subcontractors	**Ethnicity**	**% Committed**
1.	Arellano Associates	Hispanic American Female	TBD
2.	VMA Communications	Hispanic American Female	TBD
		Total DBE Commitment	**20%**

	SBE Prime/Subcontractors	**% Committed**
1.	Arellano Associates	TBD
2.	AVS Consulting	TBD
3.	D. Barton Doyle	TBD
4.	Jarrett Walker + Associates	TBD
5.	Two Hundred	TBD
6.	VMA Communications	TBD
7.	Wilson, Sparling & Associates	TBD
8.	Matthew Zehner, LLC dba Zehner Group	TBD

	Total SBE Commitment	**17%**
	DVBE Subcontractors	**% Committed**
1.	Sunset Cliffs Productions	TBD
	Total DVBE Commitment	**3%**

Prime: Celtis Ventures

Small Business Goal	**20% DBE 17% SBE 3% DVBE**	**Small Business Commitment**	**20% DBE 17% SBE 3% DVBE**

	DBE Subcontractors	**Ethnicity**	**% Committed**
1.	Arellano Associates	Hispanic American Female	TBD
		Total DBE Commitment	**20%**
	SBE Subcontractors		**% Committed**
1.	Arellano Associates		TBD
2.	The Walking Man		TBD
		Total SBE Commitment	**17%**
	DVBE Subcontractors		**% Committed**
1.	Proforma DVE Global Marketing		TBD
2.	Flagship Marketing		TBD
		Total DVBE Commitment	**3%**

Prime: Barrios and Associates LLC dba Communications Lab

Small Business Goal	**20% DBE 17% SBE 3% DVBE**	**Small Business Commitment**	**40% DBE 40% SBE 5% DVBE**

	DBE Prime	**Ethnicity**	**% Committed**
1.	Barrios and Associates LLC dba Communications Lab	Hispanic American Female	TBD
		Total DBE Commitment	**40%**
	SBE Prime/Subcontractors		**% Committed**
1.	Barrios and Associates LLC dba Communications Lab		TBD
2.	The Walking Man		TBD
		Total SBE Commitment	**40%**
	DVBE Subcontractors		**% Committed**
1.	Brentwood Reprographics		TBD
		Total DVBE Commitment	**5%**

Prime: Community Connections, LLC

Small Business Goal	20% DBE 17% SBE 3% DVBE	Small Business Commitment	20% DBE 17% SBE 3% DVBE

	DBE Prime/Subcontractors	Ethnicity	% Committed
1.	Community Connections, LLC	Hispanic American Female	TBD
2.	Alas Media, Inc.	Hispanic American Female	TBD
3.	Allied Interpreting Service, Inc.	Caucasian Female	TBD
4.	Capital Government Contract Specialists, Inc.	Hispanic American	TBD
5.	Cynthia M. Ruiz & Associates	Hispanic American Female	TBD
6.	Judith Norman Transportation Consultant dba JNTC	African American Female	TBD
7.	Magna Sol Corporation	Hispanic American Female	TBD
8.	Young Communications Group, Inc.	African American Female	TBD
		Total DBE Commitment	**20%**

	SBE Prime/Subcontractors	% Committed
1.	Community Connections, LLC	TBD
2.	Alas Media, Inc.	TBD
3.	Allied Interpreting Service, Inc.	TBD
4.	Capital Government Contract Specialists, Inc.	TBD
5.	Cynthia M. Ruiz & Associates	TBD
6.	Magna Sol Corporation	TBD
7.	Young Communications Group, Inc.	TBD
	Total SBE Commitment	**17%**
	DVBE Subcontractors	**% Committed**
1.	Capital Government Contract Specialists, Inc.	TBD
	Total DVBE Commitment	**3%**

Prime: Consensus Inc.

Small Business Goal	20% DBE 17% SBE 3% DVBE	Small Business Commitment	20% DBE 17% SBE 3% DVBE

	DBE Subcontractors	Ethnicity	% Committed
1.	Translating Services, Inc. dba Lazar Translating & Interpreting	Caucasian Female	TBD
2.	Saucedo Professional	Hispanic American Female	TBD

	Group, Inc.		
3.	Friendly Filmworks	Hispanic American	TBD
4.	LA1, Inc.	Asian Pacific American	TBD
5.	The Glue	Caucasian Female	TBD
6.	Deborah Murphy Urban Design & Planning	Caucasian Female	TBD
7.	Davis & Associates dba D&A Communications	African American Female	TBD
		Total DBE Commitment	**20%**

	SBE Prime/Subcontractors	**% Committed**
1.	Consensus Inc.	TBD
2.	Translating Services, Inc. dba Lazar Translating & Interpreting	TBD
3.	Community Arts Resources	TBD
4.	Saucedo Professional Group, Inc.	TBD
5.	Imprenta Communications Group	TBD
6.	Friendly Filmworks	TBD
7.	LA1, Inc.	TBD
8.	The Glue	TBD
9.	Deborah Murphy Urban Design & Planning	TBD
	Total SBE Commitment	**17%**

	DVBE Subcontractors	**% Committed**
1.	Deborah Murphy Urban Design & Planning	TBD
	Total DVBE Commitment	**3%**

Prime: Dakota Communications

Small Business Goal	**20% DBE 17% SBE 3% DVBE**	**Small Business Commitment**	**65% DBE 65% SBE 3% DVBE**

	DBE Prime/Subcontractors	**Ethnicity**	**% Committed**
1.	Dakota Communications	African American	TBD
2.	JKH Consulting	African American Female	TBD
3.	360 Total Concept Inc.	African American Female	TBD
		Total DBE Commitment	**65%**

	SBE Prime/Subcontractors	**% Committed**
1.	Dakota Communications	TBD
2.	JKH Consulting	TBD
3.	360 Total Concept Inc.	TBD
	Total SBE Commitment	**65%**

	DVBE Subcontractors	**% Committed**
1.	V-Solutions Consulting	TBD
	Total DVBE Commitment	**3%**

Prime: ETA Agency, Inc.

Small Business Goal	20% DBE 17% SBE 3% DVBE	Small Business Commitment	30% DBE 30% SBE 3% DVBE

	DBE Prime/Subcontractors	Ethnicity	% Committed
1.	ETA Agency, Inc.	Female Caucasian	TBD
2.	Barrantes Enterprises, Inc. dba The Sierra Group	Hispanic American Female	TBD
3.	J-U Carter, Inc. dba J-U Public	Caucasian Female	TBD
4.	Zeldesign, dba ZHA – Harrison Associates	African American Female	TBD
		Total DBE Commitment	**30%**
	SBE Prime/Subcontractors		**% Committed**
1.	ETA Agency, Inc.		TBD
2.	Barrantes Enterprises, Inc. dba The Sierra Group		TBD
3.	Matthew Zehner, LLC dba Zehner Group		TBD
4.	Zeldesign, dba ZHA – Harrison Associates		TBD
5.	The Walking Man		TBD
		Total SBE Commitment	**30%**
	DVBE Subcontractors		**% Committed**
1.	Bedrosian & Associates		TBD
		Total DVBE Commitment	**3%**

Prime: Lee Andrews Group

Small Business Goal	20% DBE 17% SBE 3% DVBE	Small Business Commitment	80% DBE 80% SBE 3% DVBE

	DBE Prime/Subcontractors	Ethnicity	% Committed
1.	Lee Andrews Group	Hispanic American Female	TBD
2.	DeAngelis Design	Caucasian Female	TBD
3.	Del Richardson & Assoc.	African American Female	TBD
4.	Effect Strategies LLC	Caucasian Female	TBD
5.	North Star Alliance	Hispanic American	TBD
6.	Paragon Language Services	Caucasian Female	TBD
7.	Tovar Geospatial Services	Hispanic American	TBD
8.	Trifiletti Consulting	Hispanic American Female	TBD
		Total DBE Commitment	**80%**
	SBE Prime/Subcontractors		**% Committed**
1.	Lee Andrews Group		TBD
2.	DeAngelis Design		TBD
3.	Del Richardson & Associates		TBD

4.	Effect Strategies LLC	TBD
5.	North Star Alliance	TBD
6.	Paragon Language Services	TBD
7.	Trifiletti Consulting	TBD
8.	Matthew Zehner, LLC dba Zehner Group	TBD
	Total SBE Commitment	**80%**
	DVBE Subcontractors	**% Committed**
1.	J-Rock Communications	TBD
	Total DVBE Commitment	**3%**

Prime: MBI Media

Small Business Goal	**20% DBE 17% SBE 3% DVBE**	**Small Business Commitment**	**80% DBE 80% SBE 3% DVBE**

	DBE Prime/Subcontractors	**Ethnicity**	**% Committed**
1.	MBI Media	Caucasian Female	TBD
2.	Alas Media, Inc.	African American Female	TBD
3.	North Star Alliance	Hispanic American	TBD
4.	House 47	Caucasian Female	TBD
5.	Sir Speedy Printing	Caucasian Female	TBD
6.	Young Communications	African American Female	TBD
		Total DBE Commitment	**80%**
	SBE Prime/Subcontractors		**% Committed**
1.	MBI Media		TBD
2.	Alas Media, Inc.		TBD
3.	North Star Alliance		TBD
4.	House 47		TBD
5.	The Walking Man		TBD
		Total SBE Commitment	**80%**
	DVBE Subcontractors		**% Committed**
1.	Continental Interpreting		TBD
		Total DVBE Commitment	**3%**

Prime: The Robert Group

Small Business Goal	**20% DBE 17% SBE 3% DVBE**	**Small Business Commitment**	**75% DBE 33% SBE 3% DVBE**

	DBE Prime/Subcontractors	**Ethnicity**	**% Committed**
1.	The Robert Group	African American Female	TBD
2.	Effect Strategies, LLC	Caucasian Female	TBD

3.	Trifiletti Consulting, Inc.	Hispanic Female	TBD
		Total DBE Commitment	**75%**
	SBE Prime/Subcontractors		**% Committed**
1.	The Robert Group		TBD
2.	Effect Strategies LLC		TBD
3.	Emerson & Associates		TBD
4.	Trifiletti Consulting		TBD
5.	VPE Public Relations		TBE
6.	The Walking Man		TBD
		Total SBE Commitment	**33%**
	DVBE Subcontractors		**% Committed**
1.	Brentwood Reprographics, Inc.		TBD
		Total DVBE Commitment	**3%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to these Contracts.

C. Prevailing Wage Applicability

Prevailing Wage requirements are not applicable to this project.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to these Contracts.

File #: 2017-0772, **File Type:** Resolution **Agenda Number:** 45.

FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 15, 2017

SUBJECT: SB1: STATE TRANSIT ASSISTANCE STATE OF GOOD REPAIR PROGRAM (STASGR)

ACTION: APPROVE RESOLUTION FOR RECIPIENT CERTIFICATIONS AND ASSURANCES

RECOMMENDATION

APPROVE the Resolution in Attachment A to:

A. AUTHORIZE the Chief Executive Officer (CEO) or his designee to receive STASGR funds from the State Controller's Office (SCO); and

B. CERTIFY that Metro will comply with STASGR Recipient Certifications and Assurances, and authorize the CEO or his designee to execute all required documents and any amendments with the California Department of Transportation.

ISSUE

The California Department of Transportation (Caltrans) issued the formal draft of the SB1 State of Good Repair Program Guidelines on October 6, 2017. The guidelines state that in order to qualify for eligibility to receive funding allocations, potential recipients must submit a signed, dated and Board-approved Certifications and Assurances document and a signed and dated Authorized Agent Form to Caltrans. Therefore, staff is seeking Board approval to submit the resolution contained in Attachment A.

DISCUSSION

On April 28, 2017, Governor Brown signed Senate Bill 1 (SB1) into law. Section 19 of SB1 modifies the State Transit Assistance (STA) program to provide new funding to transit operators in California for eligible state of good repair capital projects. The STASGR is funded from a portion of the new Transportation Improvement Fee on vehicle registrations commencing January 1, 2018.

Even with only six months' worth of revenues in Fiscal Year 2018, the State Controller's Office (SCO) estimates the STASGR will provide $105 million statewide, with more than $31.6 million coming to Los Angeles County. Fiscal Year 2019 is projected to be approximately double that amount. The funds will be distributed using the STA formula, so the Municipal Operators also will receive funding

from this program. While the funding is formula driven, all eligible recipients are required to submit to Caltrans lists of capital projects on which they plan to use the funds. These projects must be approved by Caltrans before the SCO will release the funds. Metro staff will meet with the Municipal operators to ensure all eligible recipients in the county are updated and aware of program requirements, submittals and deadlines.

Since this is a new program, Caltrans is in the process of drafting guidelines. The formal draft of the guidelines was issued on October 6 and is expected to be finalized in mid-December. Metro staff have distributed the draft guidelines to the eligible operators in the county and are participating in the review process. The program schedule in the formal draft gives a January 31, 2018 deadline for submission of all required documentation in order to be eligible for the first quarterly distribution. Agencies that miss this deadline risk forfeiture of their first quarter funds.

Two of the required documents are standard procedural forms: the Authorized Agent form and the Certifications and Assurances form. A Board-adopted resolution accompanying the Certifications and Assurances form is required by Caltrans. Since the Metro Board is not scheduled to meet again until just before the January 31 deadline, staff is requesting approval of the resolution in Attachment A so Metro may submit the necessary documents in a timely manner.

DETERMINATION OF SAFETY IMPACT

The requested actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

Adoption of the STASGR resolution and authorization of the CEO to execute the required documents and receive STASGR funds will enable Metro to access a significant new funding source to support the agency's state of good repair program.

Impact to Budget

By itself, this action has no impact on the FY18 budget. Staff is currently reviewing state of good repair projects to determine the optimal candidates for the initial submittal to claim Metro's share of the STASGR funding.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the resolution in Attachment A. Staff does not recommend this alternative because delays would risk loss of Metro's initial quarterly STASGR fund allocation amount.

NEXT STEPS

- Execute and submit the required forms and Board-adopted resolution to Caltrans;
- Meet with Municipal Operators to ensure they are aware of program requirements, submittals

and deadlines;
- Develop Metro state of good repair project list for initial submittal.

ATTACHMENTS

Attachment A - Resolution to Execute STASGR Certifications and Assurances and Authorized Agent Forms

Prepared by: Timothy Mengle, Director, OMB, (213) 922-7665

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



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

Los Angeles County Metropolitan Transportation Authority

Board Resolution

Authorization for the Execution of Certifications and Assurances for the State Transit Assistance State of Good Repair Program

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (Metro) is the Regional Transportation Planning Agency (RTPA) for Los Angeles County and may receive funding from the State Transit Assistance State of Good Repair Program (STASGR) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 (2017) named the Department of Transportation (Department) as the administrative agency for STASGR; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing STASGR funds to eligible project sponsors (local agencies); and

WHEREAS, Metro wishes to receive STASGR funds for transit state of good repair projects in accordance with applicable statutes, regulations and guidelines; and

WHEREAS, Metro wishes to delegate authorization to execute these documents and any amendments thereto to the Chief Executive Officer (CEO), or his designee;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that the fund recipient agrees to comply with all conditions and requirements set forth in the Certifications and Assurances document and applicable statutes, regulations and guidelines for all STASGR funded transit projects.

NOW THEREFORE, BE IT RESOLVED that the CEO or his designee is authorized to execute all required documents of the STASGR program and any Amendments thereto with the California Department of Transportation.

C E R T I F I C A T I O N

The undersigned, duly qualified and acting as the Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, November 30, 2017.

_____
Michelle Jackson
LACMTA Secretary

Dated:

(SEAL)

File #: 2017-0686, **File Type:** Policy **Agenda Number:** 8.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 16, 2017

SUBJECT: MEASURE M EARLY PROJECT DELIVERY STRATEGY

ACTION: APPROVE POLICY

RECOMMENDATION

APPROVE the policy for a Measure M Early Project Delivery Strategy, outlined in Attachment A.

ISSUE

This item proposes a uniform policy for determining when Measure M projects can be delivered earlier than scheduled, as allowed by the Ordinance. Attachment A is the proposed Policy. Attachment B is an explainer about it, including the rationale and frequently asked questions. A comprehensive policy to transparently and uniformly guide decision-making about how and when projects can be delivered earlier increases the likelihood that project acceleration can be achieved. Furthermore, stating the fundamental responsibilities for collaboration between Metro and its many partners helps to keep projects on schedule and within budget.

BACKGROUND

Policy Authority

The Measure M Ordinance approved by Los Angeles County voters allows for project acceleration. Section 11, paragraph b states: *"By two-thirds (2/3) vote, the Metro Board of Directors may amend the "Schedule of Funds Available" columns listed in Attachment A to accelerate a project, provided that any such amendments shall not reduce the amount of funds assigned to any other project or program as shown in the "Measure M Funding 2015$" column of Attachment A or delay the Schedule of Funds Available for any other project or program."* This is essentially a hold harmless clause, which in laymen's terms could be interpreted to mean that "projects can be accelerated as long as doing so does not delay or otherwise negatively impact other projects".

Policy Need

During development of the Measure M Ordinance in 2016, many stakeholders expressed a desire to have projects delivered earlier. Therefore, the aforementioned authority was written into the

Ordinance to allow for project acceleration. Despite the enabling language, a policy framework for an early project delivery strategy does not exist. This has resulted in requests for early delivery of individual projects lacking supporting evidence, inefficient use of resources in addressing the requests and disappointment by proponents who have not been provided clarity in how to accelerate a project.

Policy Benefits

The faster projects in Measure M can be completed, the sooner Metro can expand access to opportunity for the residents of Los Angeles County. These projects improve mobility for all those who live, work, play and visit the region. A strategic framework for how to accomplish early project delivery enables attaining it. That achieves all of the benefits set forth in the preamble of the Measure M Ordinance.

Policy Approach

The four categories of strategic inputs for early project delivery - Funding, Partnerships, Process and Innovations - were identified because those are the areas most impactful in driving how projects are completed. These strategic inputs are project accelerators that could partially support facilitating early project delivery. Multiple inputs are generally needed to achieve early project delivery. For projects at risk of delay, a disclosure and recovery plan must be prepared.

Policy Process

A screening tool is used to suggest the propensity for early project delivery. If the propensity exists, then staff conducts a further analysis to confirm the likelihood of early project delivery. For projects with potential for acceleration, the Board considers and then makes the final decision, following a public process set forth in controlling law.

Policy Iteration

At its September 21, 2017 regular meeting, the Executive Management Committee (EMC) reviewed a concept for establishing a policy and factors for determining when a Measure M project can be accelerated or decelerated (File #2017-0596). EMC forwarded the concept to the Board for discussion at its September 28, 2017 regular meeting without recommendation. At that time, they conveyed a favorable view of the concept of acceleration, while finding a need for a guiding policy.

- The need and emphasis for the policy should be about early project delivery.
- Be clear that the screening tool itself does not result in a decision; generally multiple factors are needed to trigger early project delivery.
- Forward to Policy Advisory Council, Measure M Independent Taxpayers Oversight Committee and conduct stakeholder engagement.

The Board provided similar feedback. Concerns were also raised about addressing the potential for project delays/deceleration at an equivalent level to early project delivery/acceleration, when the goals are to standardize how projects are evaluated for early delivery and articulate how Metro and its many partners can collaborate to deliver Measure M projects on schedule and within budget. Staff

has also undertaken ongoing stakeholder engagement since the Board meeting. As a result of this iterative process, this is the third draft of the Policy.

Policy Changes

A Policy is proposed for Board consideration in Attachment A, based on Board feedback received in September and stakeholder engagement in October and November; an explainer is provided in Attachment B. The draft Policy has been substantively re-crafted to focus on a strategy for early project delivery. Instead of a "deceleration" component, the draft Policy now articulates fundamental responsibilities for maintaining project schedules. Other notable revisions made in response to specific Board input include:

- Removing the reference to other priorities in the Funding section
- Adding an early project delivery input for savings from the time value of money
- Removing the reference to a future Transit-oriented Communities Policy and replacing that with general language about advancing Metro goals and policies that promote the integration of land use and transportation
- Adjusting some of the funding percentages pertaining to local and sub-regional contributions as potential strategic inputs for early project delivery
- Generalizing the early project delivery inputs to more readily be transportation mode neutral

The score assigned to each input has been added along with various text, all of which advance the initial concept into a further developed policy document with greater clarity. The point value assigned to each input is based on the relative strength of the input to contribute toward achieving early project delivery. The three percentage ranges that define low, medium and high propensity for project acceleration are simplistically set at thresholds of a third.

DISCUSSION

This version of the Policy recognizes and emphasizes the goal of the Board, Metro's partners and the public to focus efforts on an early project delivery strategy, while also being clear what the fundamental responsibilities are to ensure projects can be completed on schedule and within budget. The Policy is structured yet flexible. With the clarity provided by the Policy, energies can be more effectively focused on actually achieving early delivery of projects.

FINANCIAL IMPACT

The impacts of early project delivery decisions would be case-specific. Analysis of budget and long range financial programming would be an essential part of the analysis that would accompany any considerations under this proposed approach.

Impact to Budget
Fiscal year budget impacts would be case-specific to the projects and schedules involved.

ALTERNATIVES CONSIDERED

The Board could consider revising the Policy for Early Project Delivery Strategy as presented by staff, or recommend that a Policy not be adopted. Should the Board elect not to adopt a Policy, the Chief Executive Officer requests that alternative direction be provided by the Board to ensure a transparent, unbiased and consistent process is in place to guide any decisions that will be forthcoming regarding early project delivery.

NEXT STEPS

Implementation of the Policy, if adopted by the Board.

ATTACHMENTS

Attachment A - Proposed Metro Board Policy: Early Project Delivery Strategy
Attachment B - About Metro's Proposed Policy: Early Project Delivery Strategy

Prepared by: Manjeet Ranu, Senior Executive Officer, Countywide Planning & Development, (213) 418-3157

Reviewed by: Phillip A. Washington, Chief Executive Officer, (213) 922-7555
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Richard Clarke, Chief Program Management Officer, (213) 922-7382
Joshua Schank, Chief Innovation Officer, (213) 922-7447



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A
Proposed Metro Board Policy: Early Project Delivery Strategy

EFFECTIVE DATE:
[date]

TITLE
- This Policy shall be referred to as the **Early Project Delivery Strategy**.

PURPOSE
- This Policy establishes clear, uniformly applied criteria to determine if a Measure M Project can be delivered faster than scheduled in the Measure M Expenditure Plan. A comprehensive policy allows for rigorous and expeditious analyses and determinations. It provides for transparency and financial accountability. Projects can be accelerated as long as others are not negatively impacted, pursuant to the Measure M Ordinance.

PROCESS
1. Identify multiple inputs that suggest a potential for acceleration. A screening tool will then be utilized to assist in identifying the inputs that potentially have occurred and whether an initial assessment of the propensity for acceleration is warranted.
2. If warranted, staff will then conduct an analysis to confirm the ability to accelerate a project schedule, determine the extent to which a project could be accelerated and what would be the impacts of that action.
3. The Board of Directors will review the staff analysis and may: (a) give direction to subsequently provide notice and take action pursuant to controlling law; (b) decline to find for early project delivery; or (c) direct staff to undertake further analysis.

GENERALLY
- Multiple acceleration inputs are typically needed to result in accelerating a project schedule.
- A project's funding, schedule, scope or legal/regulatory environment are integral to the acceleration inputs.
- Acceleration inputs considered may also indirectly relate to the project if they are demonstrated to substantially advance system performance or adopted policies of the Board.
- Acceleration inputs are intended to be transportation mode-neutral, unless otherwise indicated (e.g., mode-specific funding revenues or fees).
- Funding considerations must be consistent with all applicable local, state, and/or federal rules and regulations; and Board-adopted debt policy.

DEFINITION
- **Accelerator:** a single strategic input that could partially support facilitating early delivery of a Measure M project.

STRATEGIC INPUTS FOR EARLY PROJECT DELIVERY

	Accelerator	Points
Funding (30 points)	1. **New Revenue.** Has new, committed funding become available at an amount greater than 25% of the total project construction cost?	15
	A. Is this funding discretionary?	2
	B. Is this funding somehow conditional to the project or time-sensitive?	5
	C. Is funding cash flow available sooner as a result of a delayed project?	3
	D. Are confirmed surplus funds available from another project in the same subregion, based on a final Life of Project budget?	2
	E. Would there be cost savings of at least 25% based on the time value of money resulting from this funding accelerator?	3
Partnerships (30 points)	2. **Regional Responsibility.** Have one or more of the local jurisdictions within which the project is located substantially advanced or committed to advancing the implementation of one or more Metro Board adopted goals and policies that support the integration of transportation and land use for which Metro is reliant upon its local partners to achieve?	6
	3. **Process Streamlining.** Have all responsible local agencies streamlined permitting processes and executed or committed to executing necessary memoranda of agreements prior to awarding of the project construction contract?	~~3~~ 5
	4. **Additional Support.** Is the local jurisdiction and/or other local partner contributing at least 10% more than the required 3% contribution or 5% of the project cost within that jurisdiction from other sources?	5
	5. **Value Capture.** Is a local improvement, financing district or other value capture financing tool existing or will be established within three years of the groundbreaking date for the purpose of funding at least 10% of the project cost within the jurisdiction in which the financing tool is established?	5
	6. **Advance Funding.** Is there a proposal by a local jurisdiction or other party to advance funding, which would deliver all or a functional segment of the project 10% ~~faster~~ earlier?	5
	7. **Impact Fees.** Is there a program to collect a fee in-lieu of providing required parking and/or local traffic ~~mitigation fees/~~improvements, with revenues allocated to ~~transit passes and other~~ transportation demand management (TDM) strategies that are directly dependent on and in support of Metro's project, or a goods movement impact fee program to fund improvements, in conformance with California and federal laws?	~~3~~ 4
	~~8. Is there a goods movement impact fee program to fund improvements in conformance with California and federal laws?~~	~~3~~

	Accelerator	Points
Process (25 points)	9. **Streamlined Review.** Is this project currently undergoing or can commit to a streamlined planning and environmental review process that does not exceed three years in duration?	5
	10. **Clearance Complete.** Has this project concluded the planning and environmental review process, needing no more than a refresh of the environmental document(s), not exceeding one year in duration to complete (Operation Shovel Ready)?	10
	11. **Phased Completion.** Can this project be designed to phase improvements to achieve early action, incremental benefits?	8
	12. **Property Availability.** Has at least 75% of the required right-of-way and site acquisitions been completed or is anticipated to be completed within one year?	2
Innovations (15 points)	13. **Alternative Solutions.** Is there an equal or superior, less costly improvement to accomplish the capacity and performance intended by the transportation project?	3
	14. **Technological Innovations.** Are there technological innovations that will reduce the planned capital and/or operating cost of the project?	3
	15. **Consolidated Delivery.** Is there an opportunity to combine two or more projects/segments to achieve economy of scale and minimize impacts of multiple back-to-back construction over a long period of time such that the combined project construction cost is reduced by at least 25%?	3
	16. **Delivery Method.** Is this project the subject of a public-private partnership proposal or other unsolicited proposal that can reduce the estimated construction cost by a minimum of 10% or accelerate the delivery date by at least 5 years?	6

PROPENSITY FOR EARLY PROJECT DELIVERY

High:	67-100	Automatically advances to staff analysis and Board consideration
Medium:	34-66	Advances to staff review, which determines whether Board consideration is warranted
Low:	0-33	Does not advance to staff review nor Board consideration
Exception:	N/A	Project acceleration can unambiguously be demonstrated by an exceptional condition regardless of scoring (e.g., unexpected full funding from outside source)

MEASURE M PROJECT EVALUATION READINESS TOOL (M-PERT)

- M-PERT is an evaluation tool only—not a determinative decision tool.
- Required initial screening step (unless exceptional condition, per above).
- All Measure M projects ordered as listed in the Expenditure Plan are included.
- The above acceleration strategic inputs are set forth as "yes" or "no" questions to answer.
- A score given to each input to measure its relative strength in impacting project timing; a "yes" answer returns the possible score for that input, as listed above.
- An overall score given as a low, medium and high indicator for acceleration.
- An accounting of evaluations conducted is logged and reported.
- The M-PERT tool is for use by Metro staff, Board Directors and their deputy staff.

MAINTAINING PROJECT SCHEDULES: HOW TO HELP METRO DELIVER PROJECTS

	Responsibilities
Funding	• Protect all funding sources allocated to the project, per Metro's financial plan.
	• Keep the project within the budgeted cost identified in the Measure M Expenditure Plan.
Partnerships	• Request design features that have a rational nexus to potential project impacts.
	• Minimize permitting requirements and ensure that ministerial actions are a staff-level decision, done timely.
	• Establish and maintain an effective, genuine public and stakeholder engagement process.
Process	• Select a Locally Preferred Alternative that can be constructed within budget or augmented with reasonably expected, new outside funding sources that are needed to achieve desired community goals and compatibility.
	• Pursue constructive conflict resolution, creativity and solutions that are in rough proportionality to the problem to avoid litigation delays.
	• Thoroughly address environmental issues and avoid project design features that trigger costly mitigation measures.
Innovations	• Rely upon current, proven technology for the project design, rather than await speculative innovations.
	• Seek any necessary regulatory reform and streamlining to allow the rapid deployment of any available state-of-the-art, proven technologies that can increase capacity, reduce travel times or improve safety, which can help keep the project on time and at or below budget.

DISCLOSURE AND RECOVERY PLAN

- A disclosure and recovery plan shall be prepared for a project at risk for delay.

ANNUAL REPORTING AND EVALUATION

- The CEO shall report annually on activities and actions pertaining to this Policy, including projects being considered for early project delivery, the number of screening inquiries conducted for each project using M-PERT and projects under or being considered for a Disclosure and Recovery Plan.

Los Angeles County
Metropolitan Transportation Authority

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Metro

ATTACHMENT B – ABOUT METRO'S PROPOSED POLICY: EARLY PROJECT DELIVERY STRATEGY

Highlights

- Establishes uniform criteria. Guides decision-making about the propensity for early project delivery with uniform, transparent criteria.
- Promotes cooperation and discipline. Encourages effective collaboration between Metro and its many partners to promote timely delivery of Measure M projects.
- Know how to help. Gives advice on how to maintain project delivery schedules.
- Protects performing projects. Because Measure M prohibits accelerating a project schedule to the detriment of any other project, any change to one project schedule does not affect the others.
- Board of Directors makes the decision. Changes to a project schedule requires a two-thirds vote of the Board of Directors, following a public noticing period.

Background

During development of the Measure M ordinance in 2016, many stakeholders expressed a desire to have projects delivered earlier. Therefore, Measure M provides flexibility in the use of funds to allow schedule acceleration. The Measure M ordinance includes permissive language for project acceleration, as long as doing so does not delay any other project. The voters approved the Measure M ordinance in November 2016.

Overview

- What is the proposed Early Project Delivery Strategy?
  This comprehensive policy was prepared to guide decision-making on the propensity for a project to be delivered earlier than scheduled in Measure M. This includes opportunities to accelerate the schedule for an individual Measure M transportation improvement project and opportunities to improve project schedule performance. Four categories encompassing multiple inputs affecting the timing of a project include: Funding, Process, Partnerships and Innovations.

Purpose and Need

- Why is it needed?
  A clear, uniformly applied set of criteria allows for objective decision-making about the schedule status for an individual project, following a rigorous analysis. This promotes transparency and financial accountability.

- Why is Metro articulating responsibilities about maintaining project delivery schedules?
  There is much that Metro can do to responsibly and effectively lead and manage the delivery of the Measure M projects. However, Metro needs the support and cooperation of its many partners to deliver the projects the voters understood to be a sacred promise of government when they approved Measure M with 71 percent of the vote. These many partners have permitting authority, influence project design and participate in the environmental review process. Balancing the benefit of engagement by both Metro and its partners within voter-approved budget and schedule requirements takes effective collaboration. This Policy is transparent about how Metro and its many partners can work together within a disciplined framework to deliver the promise and potential of this transformative transportation infrastructure investment program.

Process

- How does it work?
  The first step is an initial screening review using a streamlined evaluation tool in which every input is posed as a question with a yes-no answer. A point value is assigned to each input based on the strength of the input to accelerate. The higher the point value, the greater the propensity for acceleration. The second step is a detailed staff analysis. A project shown by the screening tool to have low potential does not advance into staff analysis. Moderate and high potential projects do. All staff analyses are reported to the Board, but only high potential projects automatically advance to Board review. Moderate potential projects are considered for Board review following a review of the results in the staff analysis. The third step is Board consideration of the staff analysis. The Board may find that acceleration exists and take action after following the procedural requirements in Measure M. The Board may also direct staff to undertake more analysis, or decline to take any action.

- Who determines whether a project has the potential for acceleration?
  The Metro Board of Directors is the final decision-maker on project acceleration. The decision must follow the law set forth in Measure M. A two-thirds vote is required to accelerate a project schedule. *(Section 11, Measure M ordinance)*

- How is the proposed Policy consistent with Measure M?
  Per the Measure M ordinance, a project schedule can be accelerated as long as others are not negatively impacted.

- If a project is accelerated, do all the other projects get delayed?
  No. Per the Measure M ordinance, a project cannot be accelerated if it delays other projects. Only the individual schedule for the accelerated project changes, when it can be done independently.

- Are there required inputs that must occur to accelerate a project?
  No. Generally, multiple inputs need to occur for these complex, Measure M projects to accelerate. Therefore, there is no mandatory input out of all the inputs identified in the Policy. An exception is when an acceleration occurrence clearly would result in changing the timing of project delivery (e.g., unexpected full project-specific funding from the federal/state government). However, this is an exceptional circumstance.

Contact
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metro.net

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EXAMPLE EARLY PROJECT DELIVERY SCENARIO (FICTITIOUS NAMES USED)

Acceleration

Citius Transit Corridor is scheduled to open in 2035. A new Funding source is allocated from the federal government for 35 percent of the cost and may only be used for this project, if the project can be completed by 2028. The Federal Transit Administration agrees to a streamlined environmental review Process because Metro has demonstrated that it has narrowed the range of alternatives during a feasibility study after significant public engagement. The cities of Collins Fort and Valley Carmel are working in a collaborative Partnership with Metro by initiating the establishment of an Enhanced Infrastructure Financing District to assist in the early funding of stations and project betterments, while the Rockstacker Council of Governments commits five years of a portion of its multi-subregional program funds. An unsolicited proposal for a public-private partnership includes extraordinary Innovations that demonstrate an ability to deliver and operate the project much faster and cheaply, including technological innovations for modular construction techniques. Deputy staff for Board Director Speedy apply the M-PERT screening tool, which returns a moderate potential for acceleration. Metro staff conducts an analysis and finds that the time value of money savings can fund operations and maintenance costs for the seven years of early operation. The Metro Board of Directors accepts the staff recommendation to accelerate the project, public noticing procedures are completed and the Board votes unanimously to accelerate the project to a delivery year of 2028. All other project schedules in the Measure M schedule remain unchanged because the inputs that created the opportunity for an accelerated project completion only affects Citius Transit Corridor.

Los Angeles County
Metropolitan Transportation Authority

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MEASURE M PROJECT EVALUATION READINESS TOOL (M-PERT)

Purpose

- The M-PERT tool allows for a streamlined, initial screening review to determine whether an acceleration is likely.

How it Works

- The screening tool includes the all of the individual inputs in the Policy, each with a point value relative to the strength of the input to move a project toward acceleration. Multiple inputs are needed to for these Measure M projects to potentially be accelerated, unless an exceptional circumstance has occurred.

Users

- Because the tool allows for a streamlined screening-level evaluation of complex information that relies on deep, existing familiarity of individual project information, the M-PERT is for use by Metro staff, Board Directors and their deputy staff. Other stakeholders and the public can ask their Board representative to conduct a screening review using the tool, if there is reason to believe an acceleration is likely.

Measure M Early Project Delivery Strategy

Executive Management Committee
November 16, 2017

Board of Directors
November 30, 2017

Metro

The Value of a Comprehensive Policy

- Establishes clear, uniformly applied criteria
- Allows rigorous and expeditious analyses and determinations
- Provides for transparency and financial accountability

Policy Development Process Background

- Revisions based on Board and stakeholder input
- Concerns about addressing project delays at equivalent level to early project delivery
- Goals:
  - Standardize evaluation for early delivery
  - Articulate how Metro and partners can collaborate to deliver projects on schedule and budget






Policy Highlights

- Establishes uniform criteria
- Promotes cooperation and discipline
- Know how to help
- Protects performing projects
- Board of Directors makes the decision

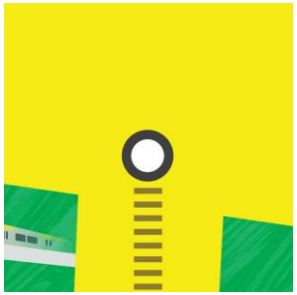
Strategic Inputs for Early Project Delivery

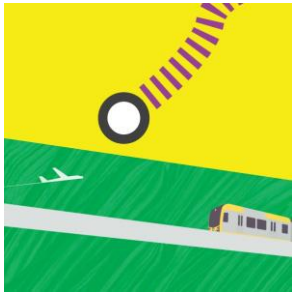
- Funding
- Partnerships
- Process
- Innovations



Approach

- **Accelerator:** a single strategic input that could partially support facilitating early delivery of a Measure M project
- Articulates fundamental responsibilities for maintaining project schedules
- Disclosure and recovery plan for projects at risk for delay





Evaluation Process

- Identify applicable acceleration inputs and apply screening tool
- Staff conducts analysis if tool demonstrates propensity for early project delivery, along with impacts in taking action
- Board of Directors review
  - Decide to subsequently provide notice and take action
  - Decline to find for early project delivery
  - Direct staff to undertake further analysis



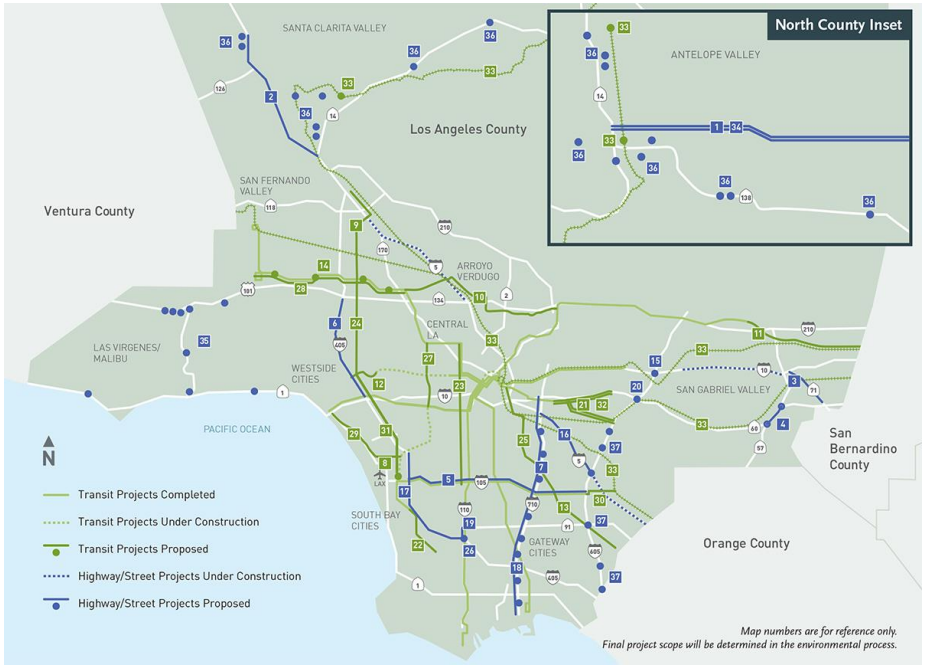




Recommendation

- APPROVE the policy for a Measure M Early Project Delivery Strategy





Discussion

File #: 2017-0686, **File Type:** Policy **Agenda Number:** 8.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 16, 2017

SUBJECT: MEASURE M EARLY PROJECT DELIVERY STRATEGY

ACTION: APPROVE POLICY

RECOMMENDATION

APPROVE the policy for a Measure M Early Project Delivery Strategy, outlined in Attachment A.

ISSUE

This item proposes a uniform policy for determining when Measure M projects can be delivered earlier than scheduled, as allowed by the Ordinance. Attachment A is the proposed Policy. Attachment B is an explainer about it, including the rationale and frequently asked questions. A comprehensive policy to transparently and uniformly guide decision-making about how and when projects can be delivered earlier increases the likelihood that project acceleration can be achieved. Furthermore, stating the fundamental responsibilities for collaboration between Metro and its many partners helps to keep projects on schedule and within budget.

BACKGROUND

Policy Authority

The Measure M Ordinance approved by Los Angeles County voters allows for project acceleration. Section 11, paragraph b states: *"By two-thirds (2/3) vote, the Metro Board of Directors may amend the "Schedule of Funds Available" columns listed in Attachment A to accelerate a project, provided that any such amendments shall not reduce the amount of funds assigned to any other project or program as shown in the "Measure M Funding 2015$" column of Attachment A or delay the Schedule of Funds Available for any other project or program."* This is essentially a hold harmless clause, which in laymen's terms could be interpreted to mean that "projects can be accelerated as long as doing so does not delay or otherwise negatively impact other projects".

Policy Need

During development of the Measure M Ordinance in 2016, many stakeholders expressed a desire to have projects delivered earlier. Therefore, the aforementioned authority was written into the

Ordinance to allow for project acceleration. Despite the enabling language, a policy framework for an early project delivery strategy does not exist. This has resulted in requests for early delivery of individual projects lacking supporting evidence, inefficient use of resources in addressing the requests and disappointment by proponents who have not been provided clarity in how to accelerate a project.

Policy Benefits

The faster projects in Measure M can be completed, the sooner Metro can expand access to opportunity for the residents of Los Angeles County. These projects improve mobility for all those who live, work, play and visit the region. A strategic framework for how to accomplish early project delivery enables attaining it. That achieves all of the benefits set forth in the preamble of the Measure M Ordinance.

Policy Approach

The four categories of strategic inputs for early project delivery - Funding, Partnerships, Process and Innovations - were identified because those are the areas most impactful in driving how projects are completed. These strategic inputs are project accelerators that could partially support facilitating early project delivery. Multiple inputs are generally needed to achieve early project delivery. For projects at risk of delay, a disclosure and recovery plan must be prepared.

Policy Process

A screening tool is used to suggest the propensity for early project delivery. If the propensity exists, then staff conducts a further analysis to confirm the likelihood of early project delivery. For projects with potential for acceleration, the Board considers and then makes the final decision, following a public process set forth in controlling law.

Policy Iteration

At its September 21, 2017 regular meeting, the Executive Management Committee (EMC) reviewed a concept for establishing a policy and factors for determining when a Measure M project can be accelerated or decelerated (File #2017-0596). EMC forwarded the concept to the Board for discussion at its September 28, 2017 regular meeting without recommendation. At that time, they conveyed a favorable view of the concept of acceleration, while finding a need for a guiding policy.

- The need and emphasis for the policy should be about early project delivery.
- Be clear that the screening tool itself does not result in a decision; generally multiple factors are needed to trigger early project delivery.
- Forward to Policy Advisory Council, Measure M Independent Taxpayers Oversight Committee and conduct stakeholder engagement.

The Board provided similar feedback. Concerns were also raised about addressing the potential for project delays/deceleration at an equivalent level to early project delivery/acceleration, when the goals are to standardize how projects are evaluated for early delivery and articulate how Metro and its many partners can collaborate to deliver Measure M projects on schedule and within budget. Staff

has also undertaken ongoing stakeholder engagement since the Board meeting. As a result of this iterative process, this is the third draft of the Policy.

Policy Changes

A Policy is proposed for Board consideration in Attachment A, based on Board feedback received in September and stakeholder engagement in October and November; an explainer is provided in Attachment B. The draft Policy has been substantively re-crafted to focus on a strategy for early project delivery. Instead of a "deceleration" component, the draft Policy now articulates fundamental responsibilities for maintaining project schedules. Other notable revisions made in response to specific Board input include:

- Removing the reference to other priorities in the Funding section
- Adding an early project delivery input for savings from the time value of money
- Removing the reference to a future Transit-oriented Communities Policy and replacing that with general language about advancing Metro goals and policies that promote the integration of land use and transportation
- Adjusting some of the funding percentages pertaining to local and sub-regional contributions as potential strategic inputs for early project delivery
- Generalizing the early project delivery inputs to more readily be transportation mode neutral

The score assigned to each input has been added along with various text, all of which advance the initial concept into a further developed policy document with greater clarity. The point value assigned to each input is based on the relative strength of the input to contribute toward achieving early project delivery. The three percentage ranges that define low, medium and high propensity for project acceleration are simplistically set at thresholds of a third.

DISCUSSION

This version of the Policy recognizes and emphasizes the goal of the Board, Metro's partners and the public to focus efforts on an early project delivery strategy, while also being clear what the fundamental responsibilities are to ensure projects can be completed on schedule and within budget. The Policy is structured yet flexible. With the clarity provided by the Policy, energies can be more effectively focused on actually achieving early delivery of projects.

FINANCIAL IMPACT

The impacts of early project delivery decisions would be case-specific. Analysis of budget and long range financial programming would be an essential part of the analysis that would accompany any considerations under this proposed approach.

Impact to Budget
Fiscal year budget impacts would be case-specific to the projects and schedules involved.

ALTERNATIVES CONSIDERED

The Board could consider revising the Policy for Early Project Delivery Strategy as presented by staff, or recommend that a Policy not be adopted. Should the Board elect not to adopt a Policy, the Chief Executive Officer requests that alternative direction be provided by the Board to ensure a transparent, unbiased and consistent process is in place to guide any decisions that will be forthcoming regarding early project delivery.

NEXT STEPS

Implementation of the Policy, if adopted by the Board.

ATTACHMENTS

Attachment A - Proposed Metro Board Policy: Early Project Delivery Strategy
Attachment B - About Metro's Proposed Policy: Early Project Delivery Strategy

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Chief Executive Officer

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Metro

Board Report

File #: 2017-0718, **File Type:** Contract **Agenda Number:** 10.

REGULAR BOARD MEETING
JANUARY 25, 2018

SUBJECT: METRO SYSTEM ADVERTISING (LICENSE TO SELL AND DISPLAY ADVERTISING ON BUS AND RAIL)

ACTION: APPROVE ADVERTISING CONTRACT AWARDS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. AWARD Contract No. PS41099B - License to Sell and Display Advertising on Metro Bus System to OUTFRONT Media Group, LLC for 10 years, generating an aggregate minimum guarantee of $262,250,000 revenue for Metro, subject to resolution of protest(s), if any;

B. AWARD Contract No. PS41099R - License to Sell and Display Advertising on Metro Rail System to Intersection Parent, Inc. for 10 years, generating an aggregate minimum guarantee of $42,902,200 revenue for Metro, subject to resolution of protest(s), if any; and

C. AMEND the FY18 Budget to add three (3) Full Time Employees (FTEs) to support implementation of digital advertising and the new revenue contracts; FTEs will be funded by revenues generated from No. PS41099B and No. PS41099R.

ISSUE

Metro's current system advertising contract (License To Sell and Display Advertising on Metro Bus and Rail System) expired December 31, 2017. The contract has been extended to allow time to finalize the approval and contract execution process. The procurement for new revenue-generating contracts began in April 2017 with a public Request for Proposals (RFP) process.

The agency's expanded advertising policy coupled with recent innovations in advertising allow for leveraging technology to enhance the customer experience. Staff is recommending the award of two separate contracts - one for bus advertising to a firm with extensive experience, longevity and solid performance, and one for rail advertising to a firm that offers innovative digital technology to enhance the customer experience through new amenities for Metro customers and the communities Metro serves.

DISCUSSION

Background

Metro has an advertising policy as a way of utilizing the agency's assets to generate revenue. To implement the policy, Metro contracts with a professional advertising firm to sell, schedule, produce and install advertising on the Metro system. In January 2016, the Metro Board of Directors approved the Risk Allocation Matrix (RAM) and creation of an Internal Savings Account intended as tools to ensure long-term financial stability and mitigate projected budget shortfalls. Expanded advertising was identified as a significant initiative contributing to the sustainability of Metro's current and future operations and expansions.

In February 2017, the Metro Board of Directors approved the revised System Advertising Policy in order to implement the RAM initiative of expanded advertising as an agency revenue generator.

A Request for Proposals (RFP) process was initiated in April 2017 with intent to award a 10-year contract.

Goals

The contract approach centered around three primary goals:

1. **Enhance the customer experience** by upgrading all current static map cases to digital customer information panels (CIPs), thus, enabling real-time management and flexibility of customer information.
2. **Reduce costs** by securing free and guaranteed advertising space and no print/production costs to the agency.
3. **Increase revenue-generation** by maximizing the agency's vast and growing capital assets including the bus and rail fleet, rail stations, transitway stations, parking facilities, and Division facilities; and migrating to digital advertising.

Enhancing the Customer Experience

Transitioning to a digital advertising model affords a unique opportunity for the agency to leverage its system advertising program to not only increase revenues, but also enhance the customer experience by providing new amenities for Metro customers and the communities Metro serves.

This new digital technology will include interactive screens to display customer information, system and neighborhood maps, vehicle arrival information, service alerts and disruptions, and other agency information.
Some of the displays will also provide customer amenities such as free Wi-Fi, free 911 emergency calls and other calls nationwide, USB charging stations, and neighborhood and city information on an interactive tablet.

Conversion to Digital Displays

Staff has mapped out a plan to modernize the agency's advertising approach by transitioning from static map cases and signage to digital advertising over a five-year period. This will involve upgrading the display of ads to digital advertising screens and customer information panels across the rail system.

Metro's current and future rail stations will feature digital screens to share real-time customer information. Additionally, the screens will be placed at stations along the Orange Line and Silver Line, as well as the El Monte and Harbor Gateway Transit Centers.

For the first year of the contract, the contractor will audit all rail stations in Metro's system and develop an installation plan based on those that are install-ready. A proposed design for each station will be reviewed and approved by the relevant Metro departments.

Procurement Process

Attachment A - Procurement Summary provides full procurement process, where the RFP followed the best value process:

- Two proposals were received and oral presentations were held in September by both Respondents.
- Best and Final Offers, along with a final oral presentation, were requested, which were provided by Respondents in October. Final scoring and decision was completed in October by the evaluation committee.
- The evaluation committee was comprised of staff from Marketing, Countywide Planning, Office of Budget and Finance, Operations, and Signage and Environmental Design; with advisors from: Marketing, Vendor/Contract Management, and Universal Studios Hollywood (non-Metro).

Contract Terms

- 10 years with midpoint performance audit at the end of 5th year
- Minimum annual guarantee (MAG) revenue payments
- Revenue share of 55% to Metro beyond the MAG (years 1-5)
- Revenue share of 70% to Metro beyond the MAG (years 6-10)
- Full financial audit access and detailed reporting requirements
- Full compliance with Metro's standard terms and conditions, Fire Life Safety, and ADA compliance
- Commitment to install and maintain digital screens for the customer information and advertising

OUTFRONT Media Group, LLC

OUTFRONT Media Group, LLC (OUTFRONT) is proposing guaranteed revenues of $262,250,000 to Metro over the 10-year contract term for the bus system. They will provide static advertising on and in the agency's bus fleet.

OUTFRONT is an industry leader in transit advertising with 80 years of knowledge and experience - 35 years of direct service experience with Metro. OUTFRONT demonstrates a solid financial history with a consistent record of fulfilling their revenue payments to Metro and all other transit agencies including NY MTA, WMATA, and MBTA.

With a strong national and local sales team, expert knowledge in sales management and operations of commercial advertising, staff is confident OUFRONT will fulfill their bus revenue guarantee to Metro over the 10-year contract term.

As the incumbent, their experience with Metro and their intricate knowledge of agency Bus Operations is advantageous to Metro, requiring no new training or transition. OUTFRONT has been and will continue to utilize the services of a certified Disadvantaged Business Enterprise (DBE) firm to fulfill advertising operations on the agency's bus fleet.

Intersection Parent, Inc.
Intersection Parent, Inc. (Intersection) is proposing guaranteed revenues of $42,902,200 to Metro over the 10-year contract term for the rail system. They are also committed to a capital investment of $19,700,000 to install new digital equipment to implement customer information and digital advertising on Metro's rail system.

Intersection is an industry leader in municipal out-of-home advertising with 15 years of knowledge and expertise. They are also a leader in product innovation involving technology in public spaces. Intersection has a proven track record with NY MTA deploying interactive On-the-Go customer kiosks, and with New York City deploying digital screens that include customer amenities - a technology known as LinkNYC.

In their proposal and demonstration to Metro, Intersection better addressed the agency's goal of enhancing the customer experience through innovative and digital technology with three offerings: LinkLA, interactive customer information panels, and station activations.

Intersection proposes deploying LinkLA on Metro's system providing free Wi-Fi, USB charging stations, an interactive tablet with Metro and community resources, and free 911 calls and calls nationwide for use by Metro customers and the communities Metro serves. Intersection embraces advancing the participation of DBE, SBE and women-owned businesses on Metro's municipal contracts.

DETERMINATION OF SAFETY IMPACT

Digital and interactive information will improve the customer experience by providing relevant and timely content to Metro customers, including safety information. Once the displays are installed and ready for use, Metro staff will manage agency information on all digital screens. In the event of an emergency, digital screens can be used to display emergency information with a take-over message on a single screen, station-wide, the entire rail line, or system-wide.

The light emanating from digital screens and customer information panels provide additional lighting within each station - a safety benefit to all riders. Additionally, the screens are designed with a self-dimming feature at night to reduce glare and light pollution.

All new equipment, placement, and impact to passenger flow will be reviewed by System Safety to meet Metro Fire Life Safety Criteria, and Civil Rights to meet ADA Compliance. All contractors and subcontractor personnel will be trained and certified in Metro Rail Safety training.

FINANCIAL IMPACT

This is a revenue-generating contract and requires no capital funds to support it. This 10-year

contract meets three main goals:

- Enhance the customer experience
- Increase cost savings towards the agency's annual budget
- Generate significant revenue for the agency

Revenues to Metro

Metro will generate a minimum guarantee of $30,515,221 annually and $305,152,214 over 10 years in combined revenues from both contracts. Metro has also incorporated a shared revenue component to the contract so that the agency benefits from revenue generated over and beyond the minimum annual guarantee (MAG). In years 1-5 of the contract term, Metro will receive 55 percent of any additional revenue beyond the MAG. In years 6-10, Metro will receive 70 percent of additional revenues beyond the MAG. The revenue generated through this contract also contributes to the agency's ability to implement the "28 by 28" initiative to deliver major projects by the time Los Angeles hosts the 2028 Olympic and Paralympic Games.

Cost Savings

Metro will save approximately $2,937,240 per year in cost savings and $29,372,400 over the 10-year duration of both contracts in free and guaranteed advertising space and print/production costs for the purpose of agency awareness, outreach and advertising campaigns. Historically, Metro has paid for the print/production cost of advertising on our own system.

Contractor Capital Investment

Intersection Parent, Inc. is committed to making a $19,700,000 capital investment in the installation of new innovative digital customer information and advertising equipment on the rail system. This is a commitment by the contractor to invest in Metro's technology infrastructure, new digital equipment, and efforts to improve the customer experience - at no cost to the agency.

Impact to Budget

While no capital funds are needed to support these revenue-generating contracts, labor support agency-wide is required to effectively rollout, implement, manage, and maintain advertising activities. Three new full-time employees (FTEs) are necessary to manage the program, manage the installation of new advertising infrastructure, and ensure seamless operations across the agency. Funding for the FTEs will be provided by revenues generated from commercial advertising on Metro's system (No.PS41099B and No.PS41099R), and will be pursued through the mid-year 2018 budget process to fully deliver this initiative:

Digital Advertising Installation and Rollout

- Full-Time Employee (FTE) - Project Manager staffed as a project position for a defined timeframe to implement installation and rollout of digital advertising infrastructure on the Metro system and coordinate activities from the following internal departments:
    - Engineering/Safety staff to review and approve station proposals in order to meet Metro Fire Life Safety Criteria.
    - Civil Rights/ADA Compliance staff to review and approve station proposals in order to meet ADA Compliance.
    - Countywide Planning staff to review and approve station proposals in order to

meet Metro Rail Design Criteria.
- Signage Design staff to review and approve station proposals in order to meet Customer Station Signage Criteria.
- Information Technology staff to review and approve station proposals in order to meet IT Architecture and Infrastructure Standards.

Ongoing Advertising Efforts

- Full-Time Employee (FTE) - Digital Communications Administrator to manage the agency's free and guaranteed content in new advertising systems for static and digital advertising.
- Full-Time Employee (FTE) - Communications Officer to audit and provide quality control to ensure agency free and guaranteed advertising is executed by all contractors.

ALTERNATIVES CONSIDERED

The Board may choose to not award the revenue contracts for system advertising.
This is not recommended as it would contradict the RAM initiative.

The existing advertising contract with OUTFRONT Media expired December 31, 2017. Staff has extended the contract to allow time for Board approval and the contract execution process. If the Board chooses not to award a new contract, Metro would have to continue to extend the current contractor on a temporary basis while undergoing a new procurement process. However, both proposers are leaders in the industry and submitted impressive proposals, so staff would not expect another procurement to result in much of a different outcome.

Another alternative is that Metro suspends its advertising program while pursuing a new procurement process, which would negatively impact the agency's budget (up to $2,000,000 in monthly revenue) given the substantial revenue generated through the advertising program.

NEXT STEPS

Upon Board approval, staff will execute both contracts:

1. Contract No. PS41099B with OUTFRONT Media Group, LLC to provide a License to Sell and Display Advertising on Metro Bus System.

2. Contract No. PS41099R with Intersection Parent, Inc. to provide a License to Sell and Display Advertising on Metro Rail System, and

Staff will coordinate knowledge transfer between the contractors to ensure no gap or disruption of advertising efforts or revenue payments to the agency.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Financial Summary
Attachment C - DEOD Summary
Attachment D - PowerPoint Presentation

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

METRO SYSTEM ADVERTISING - LICENSE TO SELL AND DISPLAY ADVERTISING ON METRO BUS AND RAIL SYSTEMS/PS41099B and PS41099R

1.	**Contract Numbers**: PS41099B & PS41099R	
2.	**Recommended Vendors**: A. Outfront Media Group, LLC. B. Intersection Parent, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: April 27, 2017	
	B. Advertised/Publicized: April 20, 2017	
	C. Pre-Proposal Conference: May 11, 2017	
	D. Proposals Due: August 14, 2017	
	E. Pre-Qualification Completed: September 7, 2017	
	F. Conflict of Interest Form Submitted to Ethics: September 25, 2017	
	G. Protest Period End Date: November 20, 2017	
5.	**Solicitations Picked up/Downloaded**: 47	**Bids/Proposals Received**: 2
6.	**Contract Administrator**: James A. Nolan	**Telephone Number**: 213-922-7312
7.	**Project Manager**: Lan-Chi Lam	**Telephone Number**: 213-922-2349

A. Procurement Background

This Board Action is to approve ten-year Contracts Nos. PS41099B and PS41099R issued to provide a License to Sell and Display Advertising on Metro Bus and Rail Systems. The goal in the selection of firms was to maximize the value of the total revenue to Metro while ensuring compliance with Metro's advertising standards. Board approval of contract awards are subject to resolution of any properly submitted protest(s).

The Request for Proposals (RFP) was issued on April 27, 2017 as a competitive solicitation, in accordance with Metro's Acquisition Policy and the contract types are License Agreement Services Contract with Fixed Revenue Share Percentage with Minimum Annual Guarantee.

A Pre-Proposal Conference was held on May 11, 2017 with 16 attendees representing eight companies.

Four amendments were issued during the solicitation phase of this RFP;

- Amendment No. 1 issued May 31, 2017, extended the due date to July 12, 2017 and directed that all RFP questions/clarification requests be received by July 9, 2017.
- Amendment No. 2 issued July 5, 2017, extended the due date to July 31, 2017.

- Amendment No. 3 issued July 24, 2017, extended the due date to August 7, 2017 and provided revised RFP documents. Also provided Non-disclosure agreement for access to additional station diagrams.
- Amendment No. 4 was issued July 31, 2017 to extend the due date to August 14, 2017, and provided revised RFP documents and pricing forms.

Two proposals were received on August 14, 2017, as follows in alphabetical order:

1. Intersection Parent, Inc.
2. Outfront Media Group, LLC

Both proposals were deemed responsible and responsive to the requirements of the RFP.

B. Evaluation of Proposals

This solicitation was conducted in accordance, and complies with, Metro's Acquisition Policy for a competitive negotiated procurement as well as with Metro's revised Board approved System Advertising Policy. A Proposal Evaluation Team (PET) consisting of staff from Metro Marketing, Signage and Wayfinding, Systemwide Planning, Finance and Operations Department was convened and conducted a comprehensive technical evaluation of the proposals received. The proposals were first evaluated according to minimum qualifications required by the RFP.

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

- Revenue 35 percent
- Qualifications of Firm 30 percent
- Business Plan and Case Studies 35 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar revenue procurements.

During the week(s) of August 17, through October 30, 2017 the PET met and evaluated the firms in accordance with the applicable evaluation criteria. The PET's recommendation is to award two contracts, one for bus and one for rail, to the highest rated firm(s) in each respective category as this method has been successful in the past and allows flexibility to award to the proposer best qualified in each distinct area.

The recommended firms are listed below:

Bus Advertising PS41099B
Outfront Media, LLC

Rail Advertising PS41099R
Intersection Parent, Inc.

1	BUS SYSTEM ADVERTISING	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Firm #1 Outfront Media, LLC**				
3	Revenue	90.40	35.00%	31.64	
4	Qualifications of Firm	92.53	30.00%	27.76	
5	Business Plan and Case Studies	54.51	35.00%	19.08	
6	**Total**		**100.00%**	**78.48**	**1**
7	**Firm # 2 Intersection Parent, Inc.**				
8	Revenue	79.37	35.00%	27.78	
9	Qualifications of Firm	85.80	30.00%	25.74	
10	Business Plan and Case Studies	68.11	35.00%	23.84	
11	**Total**		**100.00%**	**77.36**	**2**

1	RAIL SYSTEM ADVERTISING	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Firm #1 Intersection Parent, Inc.**				
3	Revenue	77.37	35.00%	27.08	
4	Qualifications of Firm	86.80	30.00%	26.04	
5	Business Plan and Case Studies	84.29	35.00%	29.50	
6	**Total**		**100.00%**	**82.62**	**1**
7	**Firm # 2 Outfront Media, LLC**				
8	Revenue	86.51	35.00%	30.28	
9	Qualifications of Firm	85.53	30.00%	25.66	
10	Business Plan and Case Studies	53.94	35.00%	18.88	
11	**Total**		**100.00%**	**74.82**	**2**

C. Revenue Fairness Analysis

The recommended Revenue Share/Minimum Annual Guarantee (MAG) has been determined to be fair and reasonable based upon adequate competition and in comparison with Metro's Revenue Estimates. Additionally, at the end of each year,

each firm shall pay to Metro the amount, if any, by which the revenue share for each contract year exceeds the MAG paid to Metro for that contract year.

D. Background on Recommended Contractor(s)

Intersection Parent, Inc, (Intersection) formerly Titan, located in New York City, NY, was established in 2016. Intersection employs over 600 people in ten offices around the United States. Intersection has provided advertising revenue services to SEPTA, DART, NJ Transit, NYMTA, BART and Chicago Transit Authority, among others.

Outfront Media Group, LLC (Outfront)

Outfront Media Group was established in 1968, and is located in New York City, NY. Outfront employs 2,181 people. In addition to Metro, Outfront provides similar services to NYMTA, Boston's MBTA, Washington DC's WMATA, Atlanta's MARTA, Miami-Dade Transit, Detroit, MI DOT, OCTA, and Long Beach Transit, as well as other agencies.

ATTACHMENT B

RFP No. PS41099 – System Advertising Financial Summary

Best and Final Offer (BAFO)

Financial Comparison – Revenues & Capital Investments

BUS REVENUES		
	INTERSECTION	**OUTFRONT**
Minimum Annual Guarantee (MAG)	**$241,690,525**	**$262,250,000**
Additional Revenue Share (subject to actual gross receipts)	$51,303,970	$19,281,765
Est. Metro share	$292,994,495	$281,531,765

RAIL REVENUES		
	INTERSECTION	**OUTFRONT**
Minimum Annual Guarantee (MAG)	**$42,902,214**	**$47,750,000**
Additional Revenue Share (subject to actual gross receipts)	$183,508,473	$17,318,235
Est. Metro share	$226,410,687	$65,068,235

CAPITAL INVESTMENTS	
INTERSECTION	**OUTFRONT**
$19,750,000	**$22,650,000**
754 Customer Info Panels (interactive) 57 LinkLA units (interactive) 10 Station activations (interactive)	735 Digital advertising displays 400 ON Smart Liveboards (interactive) 25 PALO kiosks (interactive)
Optional Expansion	
$12,500,000	
143 LinkLA units (interactive)	

ATTACHMENT B

RFP No. PS41099 – System Advertising Financial Summary

Agency Cost Savings

Estimated Cost Savings – 10% Ad Usage

ADVERTISING COSTS SHEET (PRODUCTION & MEDIA SPACE)			
ITEM	**2016 ANNUAL SALES (ACTUALS)**	**PRODUCTION UNIT COST**	**MEDIA SPACE UNIT COST**
Rail Full Wraps	148	$13,500	$5,500
Bus Full Wraps	121	$9,000	$5,500
Bus Supra King Wraps	n/a	$1,500	$5,000
Rail Kings	7,620	$30	$450
Bus Kings	44,016	$30	$450
Bus Tail Kings	n/a		$225
Bus Tail Wraps	n/a		$225

**Production and media space unit cost provided by Outfront Media*

METRO 10% AD USAGE (PRODUCTION & MEDIA SPACE COSTS)			
ITEM	**10% METRO ALLOTMENT**	**PRODUCTION TOTAL COST**	**MEDIA SPACE TOTAL COST**
Rail Full Wraps	14	$202,500	$82,500
Bus Full Wraps	12	$108,000	$66,000
Bus Supra King Wraps			
Rail Kings	762	$22,860	$342,900
Bus Kings	4,401	$132,030	$1,980,450
Bus Tail Kings			
Bus Tail Wraps			
Totals		$465,390	$2,471,850
		GRAND TOTAL	**$2,937,240**

ATTACHMENT B

RFP No. PS41099 – System Advertising Financial Summary

Contract Comparison

Current Contracts vs New Contracts

	CURRENT CONTRACTS	NEW CONTRACTS
Bus Revenue	$104,250,000	$262,250,000
Bikes Racks (additional) *	$136,063	*included above*
Additional Revenue Share	-	$19,281,765
Rail Revenue	$5,750,000	$42,902,214
2-Sheets (additional) *	$316,058	*included above*
Additional Revenue Share	-	$183,508,473
Totals	**$110,452,121**	**$507,942,452**
	5 Year contract	10 Year contract
	Minimum annual guarantee (MAG) only	Revenue share + MAG

**Does not include Additional Revenues for 2017*

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 is not applicable to the system advertising contract, which will not utilize any federal, state and/or local funds.

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.

ATTACHMENT D

Metro System Advertising Contract Recommendation to Award

Communications Department
Vendor/Contract Management Department

January 25, 2018

Metro

Opportunities Through New Contract

- This new contract is an opportunity to enhance the customer experience through digital technology.
- Allows Metro to provide customers with real-time information and amenities like free WiFi, free calls, an interactive tablet, and USB charging stations.
- Supports Metro's goal to advance innovation and technology.
- Revenue generated through this contract will contribute to Metro delivering the 28 by '28 initiative.

Contract Goals

1. **Enhance the customer experience**
   Leverage technology to enhance the customer experience by upgrading static map cases to digital customer information panels (CIPs), and enabling real-time management and flexibility of customer information.

2. **Reduce cost**
   Secure free and guaranteed advertising space and no print/production costs to the agency.

3. **Increase revenue generation**
   Maximize agency's vast and growing capital assets to generate additional revenue.

Two Proposals

Intersection

OUTFRONT media

Intersection Parent, Inc		Outfront Media Group, LLC
• National media and technology company (formerly Titan Outdoor) • Privately held company		• Incumbent contractor (formerly CBS Outdoor) • Publicly traded company
Clients: CTA, NJ Transit, SEPTA, BART, City of Philadelphia, LinkNYC, LinkU.K.		Clients: NYC MTA, MBTA, WMATA, LA Metro, LADOT, CALTRAIN

Staff Recommendation – Two Contracts

- **Award two contracts – one to each proposer**

- **Metro benefits from the strengths and expertise of each contractor**
  - Extensive experience and longevity in commendable performance of one firm
  - Innovation and forward-thinking technology to enhance the customer experience

Award Recommendation - Bus

OUTFRONT media

Metro Bus System Contract

- $262.25M in revenue to Metro over 10 years
- 35 years commendable service history for Metro
- Solid payment history with Metro
- Intricate knowledge of agency and Bus Operations
- No training or transition needed
- Utilizes certified DBE for installation management

Award Recommendation - Rail



Metro Rail System Contract

- $42.9M in revenue to Metro over 10 years
- $19.7M in capital investment
- Improves the customer experience through innovation, utilizing digital advertising and customer information
- Delivers amenities for customers and station communities: free Wi-Fi, USB charging, 911 calls, interactive tablet, service disruptions, time-sensitive messaging
- Embraces advancing the participation of DBEs, SBEs and women-owned businesses on our municipal contracts

Procurement Summary

Metro

Procurement: Schedule

April 2017	**Request for Proposals issued**
June 2017	**Questions received, responses posted**
August 2017	**Two Proposals received**
September 2017	**Oral Presentations**
October 2017	**Evaluations**
October 2017	**Best and Final Offers requested and submitted**

Procurement: Evaluation Team

Scoring Committee

- Marketing
- Countywide Planning
- Office of Management & Budget
- Operations
- Signage & Environmental Design

Advisors (non-scoring)

- Marketing, Vendor/CA
- Universal Studios Hollywood (non-Metro)

Procurement: Evaluation Criteria

Qualifications of Firm **30 percent**

- Technical expertise
- Strength & stability of firm
- Past performance

Business Plan & Case Studies **35 percent**

- Understanding the scope of work
- Details of business/work plan
- Optional deliverables, case studies

Revenue **35 percent**

- Minimum guarantee

Procurement: Final Scoring

Bus System

- **Outfront Media Group, LLC** **78.48**
- **Intersection Parent, Inc** **77.36**

Rail System

- **Intersection Parent, Inc** **82.62**
- **Outfront Media Group, LLC** **74.82**



Enhancing the Customer Experience

Metro

Enhancing the Customer Experience

Opportunity to enhance the customer experience by leveraging innovative technology and digital content

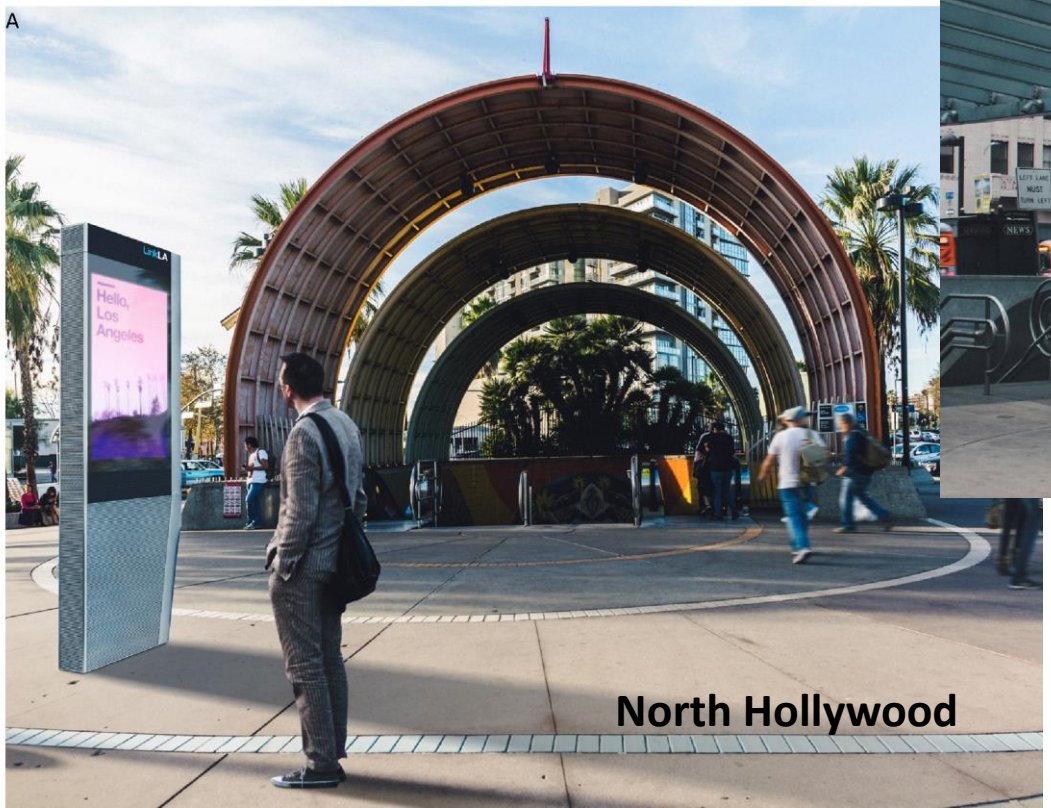
- Digital customer information panels that are versatile, replacing static map cases.
- Provides new amenities for customers & station communities such as free Wi-Fi, USB charging, free 911 and nationwide calls, and interactive tablet
- No capital cost to Metro – digital equipment funded by advertising revenues

Intersection

Link LA Customer Info Kiosks

- 55-inch wide screens
- Placed on Metro property only
- Metro customer information
- Community information





Renderings for illustrative purposes only. Subject to change based on street conditions and siting criteria.

Intersection

Customer Amenities

- Agency/community info
- Emergency messaging
- Free Wi-Fi
- Free calls including 911
- Interactive tablet
- USB charging





Customer Information Panels

Intersection

- 70-inch screens
- Placed on Metro property only

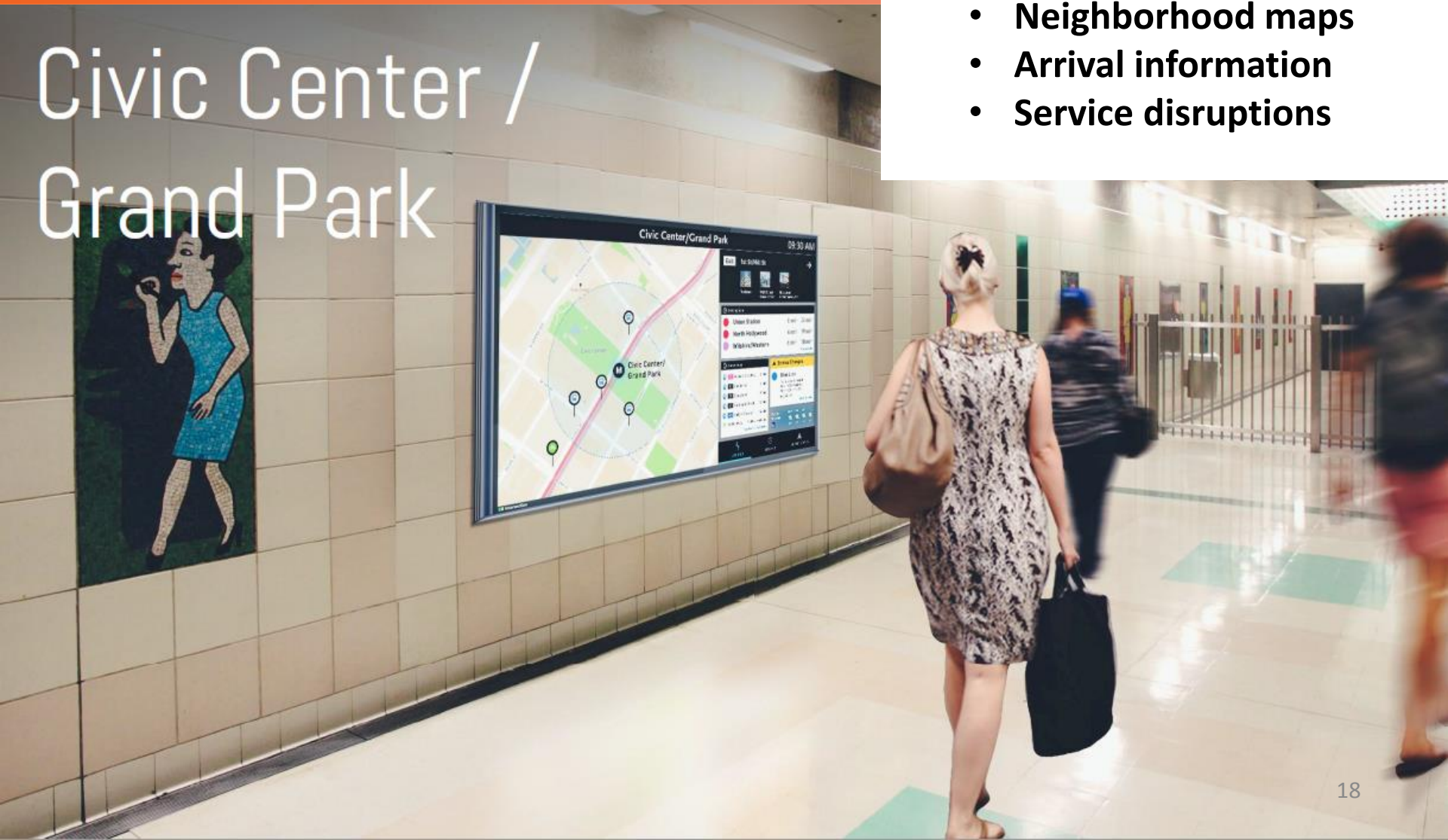


Freestanding Digital CIP on station platform with platform-specific METRO system map

Customer Information Panels

Intersection

- System maps
- Station maps
- Neighborhood maps
- Arrival information
- Service disruptions



Intersection

Customer Information Displays

- Digital screens include a self-dimming feature at night
- Light emanating from the screens provides an added safety benefit to riders
- Metro staff can share information in real-time and make updates as a situation evolves
- Digital signage program will apply to all Metro rail stations, major Orange Line and Silver Line stations, the El Monte Transit Hub and the Harbor Gateway Transit Hub

Digital Conversion Plan

Proposed Rollout Approach

- The contractor will audit Metro's system and provide a list of stations, their readiness for digital conversion, and logistics needs.
- Proposed design for each station/hub will be reviewed and approved by relevant Metro departments.
- Metro will reach out to cities prior to digital conversion.

Schedule

- Year 1: Audit the system, proposal approvals
- Years 2-5: Digital rollout

Reducing Costs & Increasing Revenue Generation

Metro

Background/History

- Expanded advertising identified as significant tactic to increase revenue in the Risk Allocation Matrix (RAM) approved by the Board in January 2016.

- System Advertising Policy was revised and now includes digital advertising, and was approved by the Board in February 2017.

- Metro's current Bus & Rail Advertising contract has been extended to allow time for new contract approval.

Reducing Cost & Increase Revenue

Reduce Cost

- Secure free and guaranteed advertising space and no print/production costs to the agency.

Increase Revenue

- Maximize agency's vast and growing capital assets to generate additional revenue.

Outfront – 35 Years of Partnership

- **35 years of commendable service history**
- **Solid payment history with Metro**



OUTFRONT media

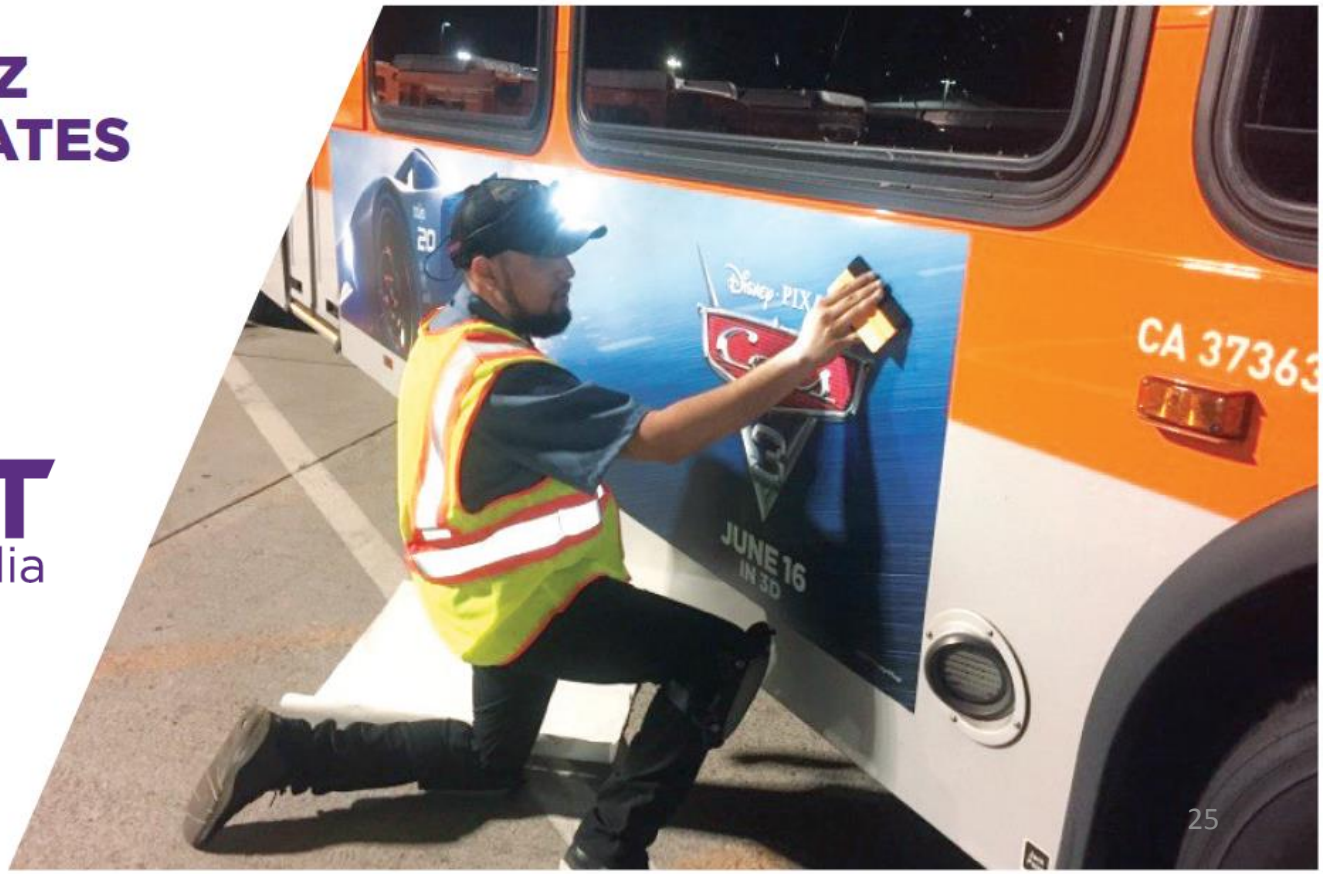


Outfront – 35 Years of Partnership

- **Intricate knowledge of Bus Operations**
- **Utilize certified DBE for posting management**

J. PEREZ ASSOCIATES INC.

OUTFRONT media



Minimum Guaranteed Revenues

Combined revenues to Metro for 10 years

Bus Revenue	$262,250,000
Rail Revenue	$42,902,214
10-Year Total	**$305,152,214**

Rail Capital Investment

Committed capital investment for rail system

754 Customer Info Panels 57 LinkLA units 10 Station activations	$19,750,000
143 LinkLA units	$12,500,000 (optional)

Annual Agency Cost Savings

Metro 10% Ad Usage (Production & Media Space Costs)

ITEM	10% METRO ALLOTMENT	PRODUCTION TOTAL COST	MEDIA SPACE TOTAL COST
Rail Full Wraps	14	$202,500	$82,500
Bus Full Wraps	12	$108,000	$66,000
Rail Kings	762	$22,860	$342,900
Bus Kings	4,401	$132,030	$1,980,450
Totals		**$465,390**	**$2,471,850**
		Annual Savings	**$2,937,240**

10-Year Total Contract Value

Rail Revenue	$42,902,214
Bus Revenue	$262,250,000
Capital Investments	$19,750,000
Agency Cost Savings	$29,372,400
Total Contract Value (minimum)	**$354,274,614**

Forward-Thinking Contract

- 10 years with midpoint audit at end of 5th year
- Minimum annual guarantee (MAG) commitment
- Revenue share beyond MAG commitment
  - 55% to Metro (years 1-5)
  - 70% to Metro (years 6-10)
- Full audit access and detailed reporting
- Full compliance with Metro's standard terms and conditions, Fire Life Safety, and ADA compliance
- Commitment to install and maintain digital screens



Metro

File #: 2017-0744, **File Type:** Contract **Agenda Number:** 13.

EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 16, 2017

SUBJECT: DIGITAL MEDIA CONTRACTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute:

A. Contract Ratification and Modification No. 1 to Contract No. PS71103378 with Steve Hymon (editor of The Source) for writing, editing and supervisory services for the Public Relations Digital Media group, to extend the contract term from July 1, 2016 to June 30, 2018 increasing the total authorized not-to-exceed amount by $398,972.75 from $145,000 to a new total of $543,972.75; and

B. Contract Ratification and Modification No. 1 to Contract No. PS71103377 with Maria Luisa Arredondo-Pagaza (editor of El Pasajero) for editing, writing and translation services for the Public Relations Digital Media group, to extend the Contract term from July 1, 2016 to June 30, 2018 increasing the total authorized not-to-exceed amount by $156,201.25 from $150,000 to a new total of $306,201.25.

ISSUE

The Contracts to perform digital media services for Metro's two blogs continued beyond their completion period as a result of inadequate management of the contracts during staff transitions including a lack of documentation. Staff exceeded their authority by continuing to fund the two Contracts in order to pay for the services these two small businesses provided. Staff is requesting modifications in the amount of $398,972.75 for Contract No. PS71103378, and $156,201.25 for Contract No. PS71103377, which includes a ratification request of $271,492.25 for Contract No. PS71103378, and $93,856 for Contract No. PS71103377.

The Vendor/Contract Management Department and the Communications Department have proceeded to corrective action on these Contracts to ensure such incidents do not occur in the future.

DISCUSSION

Contract with Steve Hymon

Steve Hymon is contracted with Metro to perform editorial oversight and production of the agency's

two blogs and digital media channels managed through the Public Relations Department. Mr. Hymon is an integral part of the Public Relations team as the founder and editor of *The Source*, Metro's award-winning blog. His additional duties include reviewing and editing documents, collaborating with the editor and writer of Metro's Spanish-language blog, *El Pasajero*, guiding the digital media team that handles Metro Service Alerts, and contributing to the agency's social media channels including Facebook, Twitter, Snapchat, YouTube and Instagram.

The Source is one of the most heavily visited local government blogs in the United States. Content includes articles, photographs, podcasts and video on agency services, projects and programs - much of which is used by national and local news outlets, on Metro's social media channels and outside websites. *The Source* receives nearly 170,000 views per month and responds to thousands of comments annually.

Steve writes about important and sensitive topics relating to the agency's services, projects and programs. He has excellent judgment as well as research and writing skills. His background in journalism is critical in order to gauge how reporters may react (positively and negatively) to information posted on the blog and Metro's social media channels. With Metro undergoing massive expansion, Steve's deep knowledge of a variety of projects and agency issues, as well as local politics and how they impact and shape Metro and the County is invaluable.

The Source editor must be cognizant that she/he has a voice and point-of-view that many readers will associate with the agency. The editor must have a nuanced understanding of tone and how best to communicate often complex and controversial topics with riders, stakeholders, potential Metro customers, media and agency critics.

Steve also oversees and contributes to the content creation of *El Pasajero* so that it complements articles on *The Source*. He is responsible for hosting monthly editorial meetings and creating the editorial calendar. He is available outside of regular business hours including early mornings, nights and weekends.

Steve moderates 5,000 to 6,000 comments left on the blog each year and to respond when appropriate. He is responsible for answering the approximately 100 emails received from readers each month and to help the social media team respond to comments left on Twitter, Facebook and Instagram.

Still imagery continues to be a critical part of the blog and the agency's PR efforts. Steve has a command of professional grade cameras, lenses and photo processing software - and is able to distribute pro-quality images to media and stakeholders and other websites, sometimes minutes after images are shot. He also helps to oversee video efforts and sometimes shoot and edit short videos.

Beginning in January 2016, Steve increased the level of work hours as part of Metro's rail line extension openings and Measure M public education effort.

As a former transportation reporter at the L.A. Times who covered Metro, and as the editor of Metro's *The Source* for nearly eight years, Steve has extensive knowledge of Metro, the agency's policies, the political environment in Los Angeles County, Measure R and Measure M, and other relevant agency matters. With Metro running around-the-clock operations, Steve is also available 24/7 to write and digitally publish important messages from Metro across a variety of digital platforms as well as

respond to questions from customers and readers on the blog and other social media streams. His service and skillset add great value to Metro, and it would be difficult to replace that by ceasing his Contract.

Steve is in the midst of several important projects for the agency that would be disrupted by making a change at this time. These include a series of videos that we have begun to shoot for a variety of major capital projects, as well as a video to promote the expansion of the Metro system between now and the 2028 Olympics and Paralympics Games that will take place in our region.

Contract with Maria Luisa Arredondo-Pagaza

Maria Luisa Arredondo-Pagaza heads a Metro certified Small Business Enterprise (SBE) that has editorial responsibility for the agency's Spanish language blog, *El Pasajero,* which is managed through the Public Relations Department. *El Pasajero* is designed to increase the awareness of Metro's programs, projects and services through the generation of original content aimed specifically to the Latino community in Los Angeles County.

Ms. Arredondo-Pagaza is an essential part of the Public Relations team. She is the founder, editor and regular contributor of *El Pasajero*. She has taken on additional duties including supervising a new part-time Spanish language writer.

El Pasajero views are measurable and are part of the KPI's reported on by Public Relations. The blog received nearly 40,000 unique page views in FY18 Q1. *El Pasajero* is one of the only Spanish language local government blogs in the United States. Content includes articles, photographs, podcasts and video on agency services, projects and programs - some of which is used by national and local news outlets, on Metro's social media channels and outside websites.

Ms. Arredondo-Pagaza is bi-lingual and able to write about important and sensitive topics relating to the agency's services, projects and programs. She exercises excellent judgment as well as strong research and writing skills. Her background in journalism is critical in order to gauge how reporters may react (positively and negatively) to information posted on *El Pasajero*. With Metro undergoing massive expansion, Maria Luisa's deep knowledge of a variety of projects and agency issues, as well as local politics and how they impact and shape Metro and the County is invaluable.

Maria Luisa Arredondo-Pagaza is an important asset for Metro because of her extensive and deep knowledge of the Latino community and Los Angeles politics. She has more than 30 years of experience in journalism and translation in Mexico and the United States. She worked 17 years for *La Opinion* newspaper as a reporter and editor of several sections including the front page.

As the editor for *El Pasajero*, Maria Luisa is cognizant that she has a voice and point-of-view that many readers will associate with the agency. She has a nuanced understanding of tone and how best to communicate often complex and controversial topics with riders, stakeholders, potential Metro customers, media and agency critics.

Ms. Arredondo-Pagaza works under the supervision of *The Source* editor, Steve Hymon, to ensure

that the content creation of *El Pasajero* complements articles on *The Source*. She participates in monthly editorial meetings and assists in the creation of the editorial calendar. Additionally, she must frequently be available outside of regular business hours including early mornings, nights and weekends.

Finally, Ms. Arredondo-Pagaza is responsible for coordinating, editing and posting the work of the other writers. She must also moderate comments left on the blog and respond when appropriate. In addition, she also answers mail messages received from readers and helps the social media team respond to comments left on Twitter, Facebook and Instagram.

DETERMINATION OF SAFETY IMPACT

The approval of this recommended action will not have any direct impact on the safety of our customers and employees.

FINANCIAL IMPACT

The Public Relations Department has budgeted funds in the amount of: $181,440 for The Source - Contract No. PS71103378, and $93,170 for The El Pasajero - Contract No. PS71103377 in its FY18 budget to accommodate this ongoing work effort for Digital Media Services.

Impact to Budget

Funding for digital media services costs will parallel allocated project funding and may include sources like fares, transportation sales taxes, and federal and state funds. The impact will vary year-to-year based on project and digital media to support Metro programs and initiatives.

In FY18, Public Relations have allocated $181,440 for The Source - Contract No. PS71103378, and $93,170 for The El Pasajero - Contract No. PS71103377 for Digital Media Services within its digital media services budget (Public Relations: Project 306005 (Public Affairs Project), Task 01.001, Account 50316 Professional and Technical Services).

ALTERNATIVES CONSIDERED

An alternative is ceasing the Contracts and performing these services using other Metro staff. This is not recommended because of the volume of work currently in process. A change at this time would disrupt the work load distribution in the department and create a backlog of writing and editorial assignments at a time when other staff are focused on communications for day-to-day operations, planning and construction projects, media requests, and other major policy matters or agency initiatives.

NEXT STEPS

Upon Board approval of the requested recommendations, staff will execute the Contract ratifications

and modifications and staff will continue to monitor contract services.

ATTACHMENTS

Attachment A-1 - Procurement Summary Contract No. PS71103377
Attachment A-2 - Procurement Summary Contract No. PS71103378
Attachment B1 - Contract Modification/Change Order Log Contract No. PS71103377
Attachment B-2 - Contract Modification/Change Order Log Contract No. PS71103378
Attachment C-1 - DEOD Summary Contract No. PS71103377
Attachment C-2 - DEOD Summary Contract No. PS71103378

Prepared by: Joni Goheen, Deputy Executive Officer Public Relations
(213) 922-6931
Reviewed by: Pauletta Tonilas, Chief Communications Officer
(213) 922-3777
Debra Avila, Chief Vendor/Contract Management Officer
(213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

WEB WRITER/REPORTER FOR EL PASAJERO / PS71103377

1.	**Contract Number**: PS71103377			
2.	**Contractor**: Maria Luisa Arredondo-Pagaza			
3.	**Mod. Work Description**: Modification No. 1 allows the Contractor to continue providing web writer/reporter services for Metro's Spanish language blog 'El Pasajero'			
4.	**Contract Work Description**: Web Writer/Reporter for Metro's Spanish language blog 'El Pasajero'			
5.	**The following data is current as of**: 11/1/2017			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Effective:	July 1, 2014	**Contract Award Amount:**	$150,000.00
	Notice to Proceed (NTP):	July 15, 2014	**Pending Modifications (including this action):**	$156,201.25
	Original Complete Date:	June 30, 2016		
	Current Est. Complete Date:	June 30, 2018	**Current Contract Value (with this action):**	$306,201.25
7.	**Contract Administrator**: Greg Baker		**Telephone Number**: 213-922-7577	
8.	**Project Manager**: Joni Goheen		**Telephone Number**: 213.922.6931	

A. Procurement Background

This Board Action is to approve Modification No. 1 to Contract No. PS71103377 in order for the Contractor to continue to provide web writer/reporter services through June 30, 2018 for Metro's Spanish language blog 'El Pasajero'.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price. All other terms and conditions remain in effect.

On July 1, 2014, Contract No. PS71103377 was issued to Maria Luisa Pagaza in a not to exceed amount of $150,000 to provide Web Writer/Reporter services for Metro's Spanish language blog 'El Pasajero'. A Limited Notice to Proceed letter was issued to the Contractor on July 15, 2014. The original Period of Performance (POP) was from July 1, 2014 through June 30, 2016.

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Price Analysis

The recommended firm fixed hourly rate has been determined to be fair and reasonable based upon historical data. Maria Luisa Arredondo-Pagaza's current hourly rate reflects an annual increase of 3% since 2014.

PROCUREMENT SUMMARY

WEB EDITOR-IN-CHIEF/PRIMARY WRITER/REPORTER FOR THE SOURCE / PS71103378

1.	**Contract Number**: PS71103378			
2.	**Contractor**: Steve Hymon			
3.	**Mod. Work Description**: Modification No. 1 allows the Contractor to continue providing web editor-in-chief/primary writer/reporter services for Metro's blog 'The Source'			
4.	**Contract Work Description**: Web Editor-In-Chief/Primary Writer/Reporter for Metro's blog 'The Source'			
5.	**The following data is current as of**: 11/1/2017			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Effective:	July 1, 2014	**Contract Award Amount:**	$145,000.00
	Notice to Proceed (NTP):	July 15, 2014		
	Original Complete Date:	June 30, 2016	**Pending Modifications (including this action):**	$398,972.75
	Current Est. Complete Date:	June 30, 2018	**Current Contract Value (with this action):**	$543,972.75
7.	**Contract Administrator**: Greg Baker		**Telephone Number**: 213-922-7577	
8.	**Project Manager**: Joni Goheen		**Telephone Number**: 213-922-6931	

A. Procurement Background

This Board Action is to approve Modification No. 1 to Contract No. PS71103378 in order for the Contractor to continue to provide editor-in-chief/primary writer/reporter services through June 30, 2018 for Metro's blog 'The Source'.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate. All other terms and conditions remain in effect.

In early 2014 Metro Procurement staff released a solicitation for a consultant to provide editor-in-chief/primary writer/reporter services for Metro's blog 'The Source'.

On July 1, 2014, Contract No. PS71103378 was issued to Steve Hymon in a not to exceed amount of $145,000 to provide web editor in chief/primary writer/reporter services for The Source. On July 15, 2014, a Limited Notice to Proceed was issued to the Contractor. The original Period of Performance (POP) was from July 1, 2014 through June 30, 2016.

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Price Analysis

The recommended firm fixed hourly rate has been determined to be fair and reasonable based upon historical data. Steve Hymon's current hourly rate reflects an annual increase of less than 2% since 2014.

CONTRACT MODIFICATION/CHANGE ORDER LOG

WEB WRITER/REPORTER FOR EL PASAJERO / PS71103377

Mod. No.	Description	Status (approved or pending)	Date	$ Amount
1	Continue to provide editor-in-chief/primary writer/reporter services for Metro's blog (The Source)	Pending	Pending	$62,345.25
	Ratification amount for services provided July 1, 2016 through October 31, 2017			$93,856.00
	Total Modification Amount			$156,201.25
	Original Contract:			$150,000.00
	Total:			$306,201.25

ATTACHMENT B-2

CONTRACT MODIFICATION/CHANGE ORDER LOG

WEB EDITOR-IN-CHIEF/PRIMARY WRITER/REPORTER FOR THE SOURCE / PS71103378

Mod. no.	Description	Status (approved or pending)	Date	$ Amount
1	Continue to provide editor-in-chief/primary writer/reporter services for Metro's blog The Source)	Pending	Pending	$127,480.50
	Ratification amount for services provided July 1, 2016 through October 31, 2017			$271,492.25
	Modification Total			$398,972.75
	Original Contract:			$145,000.00
	Total:			$543,972.75

ATTACHMENT C-1

DEOD SUMMARY

WEB WRITER/REPORTER FOR EL PASAJERO / PS71103377

A. Small Business Participation

The Diversity and Economic Opportunity Department did not recommend a goal for this procurement for editing and translation services for Metro's Spanish language blog "El Pasajero." Maria Luisa Arredondo-Pagaza, an SBE certified Prime, made a 100% SBE commitment, performing the work with its own workforce.

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.

ATTACHMENT C-2

DEOD SUMMARY

WEB EDITOR-IN-CHIEF/PRIMARY WRITER/REPORTER FOR THE SOURCE / PS71103378

A. Small Business Participation

The Diversity and Economic Opportunity Department did not recommend a goal for this procurement for editor-in-chief services for Metro's blog, "The Source." It is expected that Steve Hymon will perform this scope of work with its own workforce.

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.

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

File #: 2017-0696, **File Type:** Program **Agenda Number:** 16.

**PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 15, 2017**

SUBJECT: 2018 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM

ACTION: APPROVE 2018 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM FOR LOS ANGELES COUNTY

RECOMMENDATION

APPROVE the programming of up to $481,845,000 for the 2018 Los Angeles County Regional Transportation Improvement Program (RTIP) as shown in Attachment A.

ISSUE

In August 2017, the California Transportation Commission (CTC) adopted the 2018 State Transportation Improvement Program (STIP) Fund Estimate, which provides new funding capacity over the five-year STIP period from Fiscal Year (FY) 2019 through FY 2023. In September 2017, the Board approved the State and Federal Funding Evaluative Criteria Framework designed to strategically guide Metro's considerations and pursuits of state and federal discretionary and formula funding programs.

Board adoption of the 2018 Regional Transportation Improvement Program (RTIP) for Los Angeles (LA) County will help secure formula funds for projects that are less competitive for other discretionary programs and those that have a low tolerance for risk. Approving this recommendation is consistent with the Board-approved 2009 Long Range Transportation Plan priorities, and meets the State and Federal Funding Evaluative Criteria.

DISCUSSION

Background

The STIP is a five-year capital improvement program of transportation projects on and off the State Highway System. Every two years, the CTC adopts a new STIP cycle adding two new years of funding capacity to the rolling five-year program. The last STIP was adopted by the CTC in May 2016. The 2018 STIP covers the five-year period from FY 2018-19 (FY 2019) through FY 2023. The STIP contains two portions. The first portion, the RTIP, accounts for 75% of the total STIP and is directly programmed by Regional Transportation Planning Agencies and County Transportation Commissions. The RTIP portion is the subject of the recommendations of this report. The second

portion is the Interregional Transportation Improvement Program (ITIP), which consists of the remaining 25% of the STIP and is directly programmed by Caltrans.

Relationship to the 2016 STIP

In the 2016 STIP, the revised final STIP Fund Estimate (FE) was negative, resulting in project deletions rather than new programming. Roughly $74 million was deleted from LA County's program. The 2018 STIP FE fully restores $754 million in statewide deletions. Additionally, it provides $1.5 billion for the regions and the state to program additional projects. In developing the 2018 RTIP, staff first restored prior funding commitments previously deleted from the 2016 STIP, consistent with CTC priorities (Attachment B). Next, staff utilized the Evaluative Criteria Framework to ensure that the program of projects proposed satisfies each of the principles the framework sets forth (Attachment C).

Proposed 2018 RTIP

Consistent with the Evaluative Criteria Framework, staff aimed to strategically apply formula funds for projects that are less likely to compete well in discretionary programs and those that have a low tolerance for risk. In addition, staff looked to reduce the charge rate associated with Caltrans support activities by looking for opportunities to fund those costs with state dollars, which are subject to a lower Indirect Cost Rate Proposal (ICRP). Based on these considerations and the assessment of the other criteria, staff recommends programming STIP funds for the program of projects as shown in Attachment A and described in Attachment B.

In order to be positioned to receive funding up to the maximum LA County target of $481,845,000, Los Angeles County Metropolitan Transportation Authority (Metro) must prepare an RTIP proposing the programming of those dollars for eligible projects through the STIP period. In addition to the total target shares of $317,185,000, the 2018 STIP includes an Advanced Project Development Element (APDE) target for LA County of $54,170,000. Programming APDE would allow Metro to advance a portion of future STIP shares to fund project development work, including environmental and design elements. Up to an additional $110,490,000 could be advanced to LA County projects from future shares under the maximum target if other counties program less than their total targets. Board-approved programming must be submitted to the CTC by the December 15, 2017 deadline for the 2018 STIP process. Therefore, staff seeks board approval of the 2018 RTIP (Attachment A) and the three tiers of funding as follows:

2018 RTIP Programming Tiers		
Tiers	**Target**	**Programming Amounts**
Tier 1	2018 Los Angeles Total Target	Up to $ 317,185,000
Tier 2	APDE Target	Up to $ 54,170,000
Tier 3	Maximum Target	Up to $ 110,490,000
Total		**$481,845,000**

Interregional Transportation Improvement Program

Caltrans is responsible for developing the Interregional Transportation Improvement Program (ITIP), consistent with the Interregional Transportation Strategic Plan (ITSP), which the CTC adopts as a component of the STIP. Staff worked with Caltrans District 7 to propose three projects in LA County

for the 2018 ITIP, of which Caltrans Headquarters has included one in their Draft 2018 ITIP. The Draft ITIP includes $7 million for the Rosecrans Marquardt Grade Separation project, proposed in FY 2020. Staff continues to work with Caltrans and the CTC to include ITIP funding for the I-5 Corridor Improvements Project between the I-605 and the I-710, which is a part of Operation Shovel-Ready. We are seeking a total of $16 million for that project in FY 2019.

DETERMINATION OF SAFETY IMPACT

Adoption of the 2018 RTIP will authorize staff to seek funds to make safety and other mobility improvements in several areas of the county.

FINANCIAL IMPACT

Approval of the 2018 RTIP for LA County would have no negative financial impact to the county. The 2018 RTIP fulfills prior and anticipated funding commitments for transportation projects within LA County.

Impact to Budget

The approval of the 2018 RTIP has no impact to the FY 2018 budget.

ALTERNATIVES CONSIDERED

The Board could elect to reject the staff recommendation for the 2018 RTIP. This option is not recommended as it would force LA County to surrender the formula funds available through the 2018 STIP period. This would be detrimental to the project funding for the projects proposed herein. Staff has identified a geographically and modally balanced set of priority projects, which is consistent with state guidelines and the evaluation criteria framework approved by the Board in September 2017.

NEXT STEPS

With Board approval of our recommendation, staff will proceed with and monitor the following steps to securing the 2018 LA County RTIP submittal:

- Submit RTIP request to CTC - December 15, 2017
- CTC Southern California STIP hearing - January 25, 2018
- CTC publishes staff recommendations - February 28, 2018
- CTC adopts STIP - March 21-22, 2018

ATTACHMENTS

Attachment A - 2018 RTIP for Los Angeles County
Attachment B - Projects Proposed for Programming
Attachment C - Evaluative Criteria Framework to Guide 2018 RTIP Development

Prepared by: Zoe Unruh, Principal Transportation Planner, Countywide Planning & Development, (213) 922-2465
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Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077

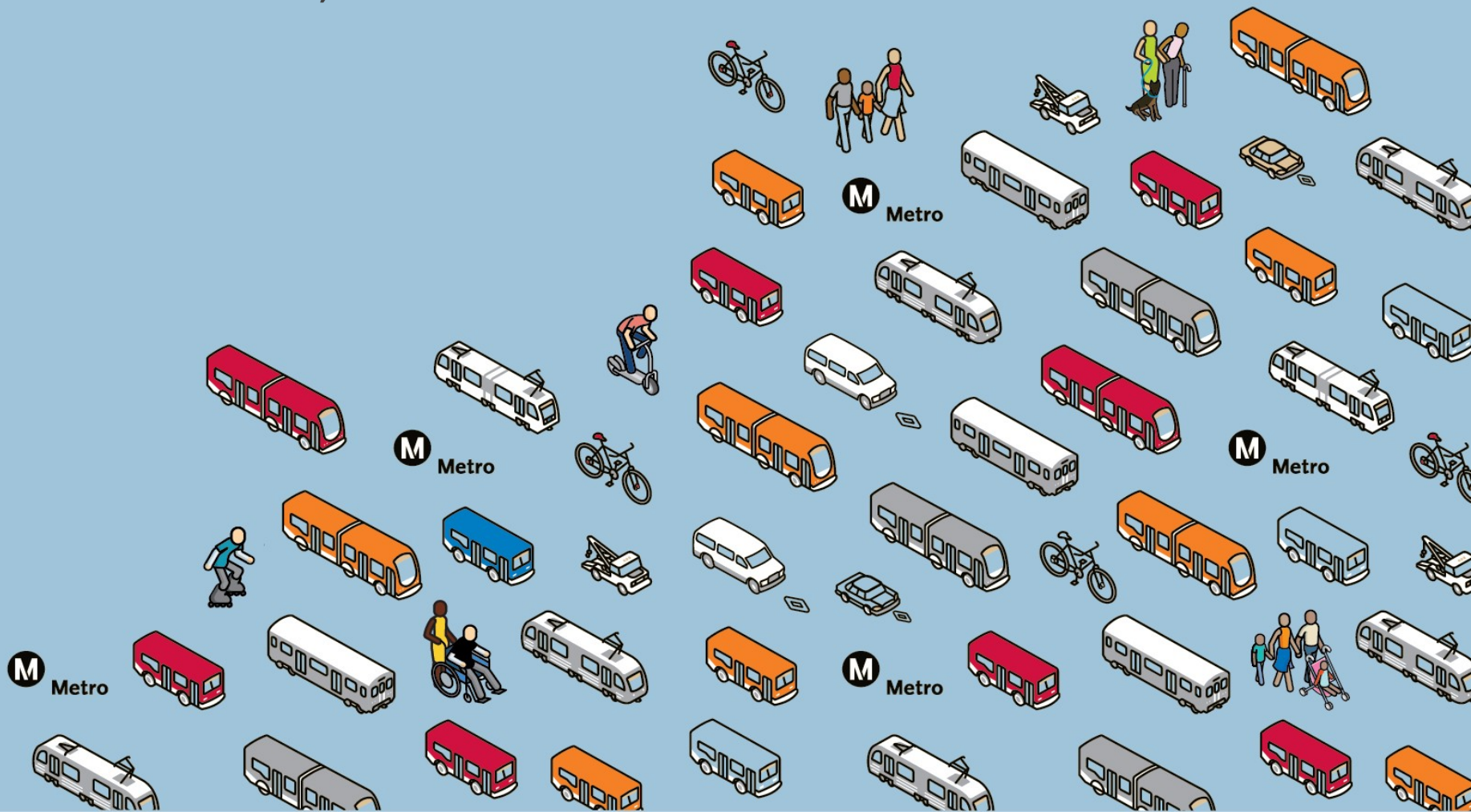


Phillip A. Washington
Chief Executive Officer

2018 Regional Transportation Improvement Program

Metro Board Meeting

November 30, 2017



State Transportation Improvement Program (STIP) Overview

- **5 years of programming, updated every 2 years.**
- **Regions control 75%, Caltrans controls 25%.**
- **Regions receive formula target shares.**
- **Project eligibility is broad, but funding has criteria.**
- **Board approval of the Regional Transportation Improvement Program (RTIP) is required.**



- **The 2016 STIP Cycle required project**

Regional Transportation Improvement Program (RTIP) Priorities

- **Restore prior project deletions.**

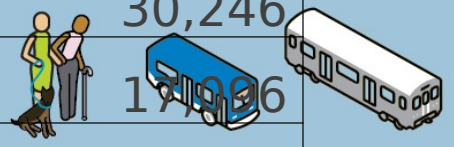
- **Evaluative Criteria Framework Adherence:**
  - Sustain Measure M and pre-Measure M/LRTP priorities and schedules
  - Project alignment with program criteria
  - Assess the need for certainty versus relative risk tolerance (use of formula versus discretionary funds)
  - Support geographic balance over entire program portfolio
  - Consistency with Board policies and directives.
  - Consistency with the LRTP and SCAG's RTP

Metro



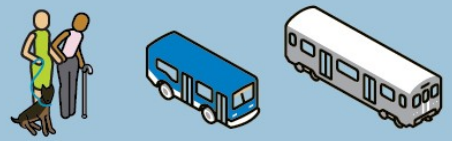
Tier 1-Los Angeles County's Total Target

Tier 1 Requests	Total for FY19 - FY23 ($s in 1000s)
Planning Programming & Monitoring (PPM)	12,005
SR 138 Segment 6	19,750
SR 138 Segment 13	71,000
SR 138 Segment 4	39,950
SR 71 Freeway Conversion	20,000
East San Fernando Valley Transit Corridor	107,138
Bus Acquisition-Project 1	30,246
Bus Acquisition-Project 2	17,096
Total -Total Target	



Tier 2-Los Angeles County's Advanced Planning and Development Element (APDE) Target

Tier 2 Requests (APDE)	Total for FY19 - FY23 ($s in 1000s)
I-710 Early Action Project/ Shoemaker	14,000
I-605/I-5 Interchange Improvements	18,170
I-605/SR-91 Interchange Improvements	22,000
Total - Tier 2 APDE Requests	**54,170**

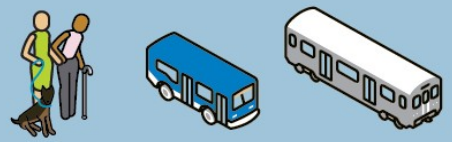


Tier 3-Los Angeles County's Maximum Target

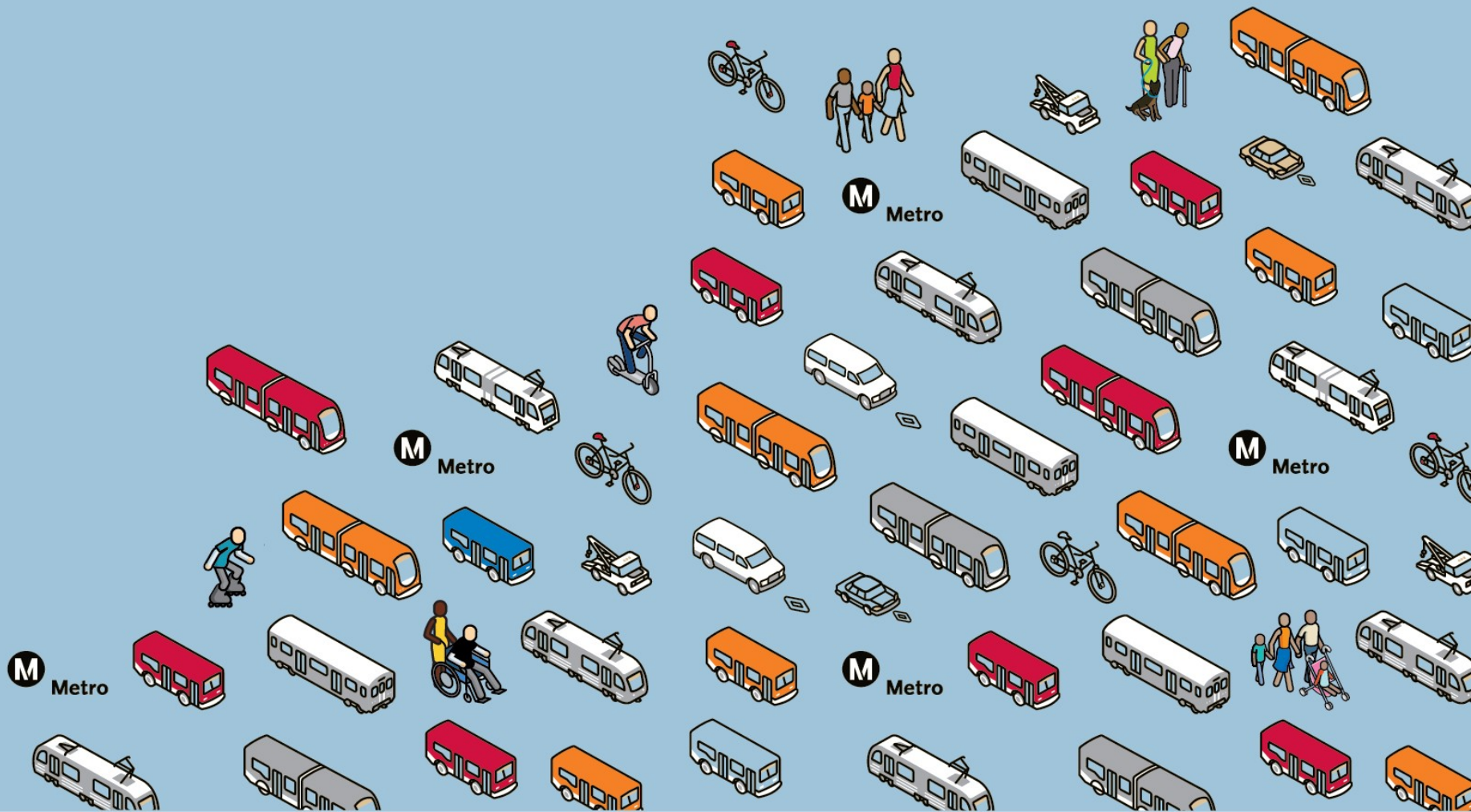
Tier 3 Requests (Potential Additional Shares)	Total for FY19 - FY23 ($s in 1000s)
East San Fernando Valley Transit Corridor	98,490
I-405 Crenshaw Blvd Ramp Improvement	12,000
Total - Tier 3 Requests	**110,490**

Total for Tiers 1, 2, and 3= $481,845,000

Metro



Thank you



2018 LOS ANGELES COUNTY REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM

			Programming Year						Project Phase					
	Tier 1 Requests	**PPNO**	**FY18/19**	**FY19/20**	**FY20/21**	**FY21/22**	**FY22/23**	**Total**	**R/W**	**Con**	**E&P**	**PS&E**	**R/W Sup**	**Con Sup**
1	Planning Programming & Monitoring (PPM)	9001			4,002	4,002	4,002	12,005			12,005			
2	SR 138 Seg 6	4356	19,750					19,750		15,000				4,750
3	SR 138 Seg 13	4357	4,000				67,000	71,000		55,000		4,000		12,000
4	SR 138 Seg 4	4353	5,250	15,700		19,000		39,950	9,000	15,000		5,250	6,700	4,000
5	SR 71	2741			20,000			20,000						20,000
6	East San Fernando Valley Transit Corridor	07-4296			34,630	17,775	54,733	107,138	34,630	54,733		17,775		
7	Bus Acquisition-Project 1			30,246				30,246		30,246				
8	Bus Acquisition-Project 2						17,096	17,096		17,096				
9	**Total -Total Target Requests**		**29,000**	**45,946**	**58,632**	**40,777**	**142,831**	**317,185**	**43,630**	**187,075**	**12,005**	**27,025**	**6,700**	**40,750**
	Tier 2 Requests (APDE)	**PPNO**	**FY18/19**	**FY19/20**	**FY20/21**	**FY21/22**	**FY22/23**	**Total**	**R/W**	**Con**	**E&P**	**PS&E**	**R/W Sup**	**Con Sup**
10	710 Early Action Project/ Shoemaker		14,000					14,000				14,000		
11	I-605/I-5 Interchange Improvements				18,170			18,170				18,170		
12	I-605/SR-91 Interchange Improvements		22,000					22,000				22,000		
13	**Total - Tier 2 APDE Requests**		**36,000**	**-**	**18,170**	**-**	**-**	**54,170**	-	-	-	**54,170**	-	-
	Tier 3 Requests (Potential Additonal Shares)	**PPNO**	**FY18/19**	**FY19/20**	**FY20/21**	**FY21/22**	**FY22/23**	**Total**	**R/W**	**Con**	**E&P**	**PS&E**	**R/W Sup**	**Con Sup**
14	East San Fernando Valley Transit Corridor	07-4296	-			59,460	39,030	98,490	-	39,030		59,460		
15	I-405 Crenshaw Blvd Ramp Improvement					12,000		12,000					-	12,000
16	**Total - Tier 3 Requests**		**-**	**-**	**-**	**71,460**	**39,030**	**110,490**	**-**	**39,030**	**-**	**59,460**	**-**	**12,000**
17	**Total of Tiers 1, 2 and 3**		**65,000**	**45,946**	**76,802**	**112,237**	**181,861**	**481,845**	**43,630**	**226,105**	**12,005**	**140,655**	**6,700**	**52,750**

2018 INTERREGIONAL TRANSPORTATION IMPROVEMENT PROGRAM PROJECTS IN LOS ANGELES COUNTY

	Highway	**PPNO**	**FY18/19**	**FY19/20**	**FY20/21**	**FY21/22**	**FY22/23**	**Total**	**R/W**	**Con**	**E&P**	**PS&E**	**R/W Sup**	**Con Sup**
18	I-5 Corridor Improvements (I-605 to I-710)		16,000					16,000			16,000			
	Transit													
19	Rosecrans Marquardt Grade Separation			7,000				7,000		7,000				
20	**Total**		**16,000**	**7,000**	**-**	**-**	**-**	**23,000**	**-**	**7,000**	**16,000**	**-**	**-**	**-**

EXISTING 2016 STIP PROGRAMMING

	Project	**PPNO**	**FY18/19**	**FY19/20**	**FY20/21**	**FY21/22**	**FY22/23**	**Total**	**R/W**	**Con**	**E&P**	**PS&E**	**R/W Sup**	**Con Sup**
21	LRVs	4025	26,200	26,700	27,800	-	-	**80,700**		80,700				
22	Planning Programming & Monitoring (PPM)	9001	4,617	-	-	-	-	**4,617**		4,617				
23	**Totals**		**30,817**	**26,700**	**27,800**	**-**	**-**	**85,317**	**-**	**85,317**	**-**	**-**	**-**	**-**
	AMENDMENT TO EXISTING PROGRAMMING	**PPNO**	**FY18/19**	**FY19/20**	**FY20/21**	**FY21/22**	**FY22/23**	**Total**	**R/W**	**Con**	**E&P**	**PS&E**	**R/W Sup**	**Con Sup**
24	Amended PPM 2016	9001	(2,309)	2,309				-		4,617				
25	**2016 STIP Program Amended Totals**		**28,508**	**29,009**	**27,800**	**-**	**-**	**85,317**	**-**	**85,317**	**-**	**-**	**-**	**-**

Projects Proposed for Programming in the 2018 Los Angeles State Transportation Improvement Program

In developing the 2018 RTIP, staff utilized the Evaluative Criteria Framework to ensure that the program of projects proposed satisfies each of the principles the framework sets forth (ATTACHMENT C). Based on that assessment, staff recommends the following:

- The SR-138 Segment 6 is a project that will serve to relieve congestion and enhance safety along the Route 138 Corridor. Programming is proposed for FY 19 for the Construction Phase ($19.8 million). This project had been previously programmed in FY 17, but was deleted from the 2016 STIP due to negative funding capacity. Funding the 2016 deletions is the highest priority for the CTC and programming this project restores a prior funding commitment.

- The SR-138 Segment 13 is proposed for FY19 and FY23 for Design ($4 million) and Construction ($67 million). This project had been previously programmed in FY17, but was deleted from the 2016 STIP due to negative funding capacity. Funding the 2016 deletions is the highest priority for the CTC and programming this project restores a prior funding commitment.

- The SR-138 Segment 4 is proposed for FY19, FY 20 and FY22 for the Project Study and Engineering Phase ($5.3 million), Right of Way ($15.7 million) and Construction ($19 million). This project is the final segment of the SR 138, and completing it will allow the full benefits from the investments across the corridor to be realized.

- The SR-71 is a project that proposes to upgrade 3.2 miles of existing four-lane expressway to an eight-lane freeway on Route 71 from Interstate 10 to Route 60 in Los Angeles County. Programming is proposed for FY21 for the Construction Support Phase ($20 million).

- The East San Fernando Valley Transit Corridor Project will provide improved north/south transit service in the eastern San Fernando Valley along Van Nuys Boulevard and San Fernando Road. Programming is proposed for FY 21 for the Right-of-Way Phase ($34.6 million) and for FY22 and FY23 for the Design and Construction Phases ($72.5 million). The project is expected to be delivered under a design-build contract, and the funding proposed would support the design and construction of the project.

- The Bus Acquisition Project 1 is required to maintain a state of good repair of our bus fleet through a replacement schedule that allows Metro's buses to be retired and replaced after the end of their "useful life" as defined by the FTA. Programming is proposed for FY20 ($30.2 million). This funding supports the

ongoing fleet replacement and upgrading required to support Metro's bus operations and ensure Metro's fleet is in a state of good repair.

- Programming for the Bus Acquisition Project 2 is proposed for FY23 ($17.1 million). This funding will fund a scheduled future bus replacement. This project supports the ongoing fleet replacement and upgrading required to support Metro's bus operations and ensure Metro's fleet is in a state of good repair.

- Planning, Programming, and Monitoring (PPM) funds are proposed for continuation to fund the planning activities of Metro and is proposed for FY21 ($4 million), FY22 ($4 million), and FY23 ($4 million).

In addition to the projects programmed for Los Angeles County's total target share, staff proposes to establish a second tier to utilize the full Advanced Project Development Element (APDE) target of 25% off the shares forecasted for the next STIP cycle to fund project development activities. Shares will be advanced from the next share period. The following projects are proposed for APDE, Tier II:

- The I-710 Early Action Shoemaker Bridge includes the replacement of the existing bridge and reconfiguration of the associated connector roads to downtown Long Beach. APDE would be proposed for FY19 to fund the Project Study and Engineering Phase ($14 million).

- The I-605/SR 91 Interchange Improvements Project is being collaborated by the Gateway Cities Council of Governments, the City of Cerritos, and the City of Artesia who are proposing to make improvements on the westbound SR-91 between Shoemaker Ave and the I-605/SR-91 interchange. APDE would be proposed for FY19 to fund the Project Study and Engineering Phase ($22 million).

- The I-605/I-5 Interchange Improvements Project proposes improvements Florence Ave to Paramount Blvd. APDE would be proposed for FY21 to fund the Project Study and Engineering Phase ($18.2 million).

Lastly, staff is recommending a third tier of projects should other regions under-program, leaving additional funding capacity available. Tier III is proposed as follows:

- The I-405 Crenshaw Blvd Ramp Improvement Project proposes to improve operational conditions on the I-405, and its on-and-off ramps at Crenshaw Boulevard and 182nd Street in Torrance. Programming is proposed for FY22 for the Construction Phase ($12 million).

- The East San Fernando Valley Transit Corridor Project (see description above) is being proposed to receive additional funding to be programmed for the Construction Phase in FY22 and FY23 for a total of ($98.5 million).

Additionally, staff is amending the $4.6 million in prior PPM programming for FY19 to instead be spread over FY19 ($2.3 million) and FY20 ($2.3 million) in order to avoid a gap in PPM funding in FY20. The CTC typically views PPM as a high priority for allocation.

ATTACHMENT C

Evaluative Criteria Framework to Guide the 2018 RTIP Development

In selecting projects to submit for funding through the 2018 State Transportation Improvement Program (STIP), staff used the Evaluative Criteria Framework. The framework was approved at the September 2017 Board meeting. The framework was applied as follows:

1. Sustain Measure M and other Pre-Measure M/LRTP Priorities and Schedules

Staff evaluated Metro's existing priorities as established in the LRTP, Measure R and Measure M expenditure plans to identify project schedules that coincide with the STIP programming and allocation constraints. The 2018 STIP includes funds in each of five years, FY 2018-19 through 2022-23. This step of the review consisted mainly of identifying projects ready either for:

1) pre-development funding only, such that they might compete for future cycle SB-1 or other discretionary programs for construction funds; or
2) funding through construction.

Many of Metro's projects satisfy this criterion and have project phases underway within the 5-year STIP program, including all of the projects proposed in the 2018 RTIP.

2. Match competitiveness of Projects to New/Expanded Programs Criteria

STIP funding is relatively flexible. Eligibility is broad in the STIP program, and all projects identified in the first step of review were deemed eligible, however, the guidelines contain a number of points which staff took into consideration when identifying projects.

Firstly, projects deleted through the 2016 STIP are the first priority for funding from the 2018 STIP, and for Los Angeles County, these include:

- SR-138 Segment 6
- SR-138 Segment 13.

Secondly, performance information requirements established with the adoption of the 2016 STIP Guidelines places emphasis on projects which reduce greenhouse gas emissions, as well as other measures including efficiency and effectiveness. In building the program for the 2018 STIP, staff sought a modally balanced submittal to help ensure acceptable results for the performance reporting requirements. The inclusion of the bus acquisition projects and the East San Fernando Valley support the performance goals within the STIP.

Additional consideration is required to ensure all projects proposed are eligible for the mix of state and federal funds sources for the State Highway Account which funds the STIP. Beginning with the 2018 STIP Fund Estimate Public Transportation Account funds are no

longer available for the STIP. Therefore, staff analyzed all transit projects to determine whether they were eligible for either fuel excise tax funds protected by Article 19 (dedicated right-of-way, infrastructure only, no rolling stock) or federal funds. Projects not clearly eligible for federal funds or Article 19 state funds were screened out.

3. Certainty (Formula) vs. Risk (Competitive/Discretionary)

With the limited availability of formula funds, staff focused on the strategic use of STIP formula funds on projects that are less likely to compete well in discretionary programs and those that have a low tolerance for risk. Additionally, Caltrans applies a reduced Indirect Cost Rate Proposal (ICRP) for work they perform when that work is paid for by state dollars. Thus, staff also sought strategic programming opportunities that would achieve cost savings on the (ICRP) applied by Caltrans for projects on the state highway system. For the projects included in the RTIP, the following rationale was applied:

- State Route 71 had an existing funding gap due to the cancellation of the FASTLANES grants. In response to the funding gap, staff committed to looking at SB 1 funding sources to fully fund this project. Based on the project's relative potential to compete for state discretionary programs, the significant risk to the existing funding commitment of repurposed federal earmarks, and the opportunity to secure ICRP savings, staff identified the SR 71 as an ideal candidate for STIP formula funds.

- The delivery of the SR 138 Segments 4, 6, and 13 are dependent on the availability of state funds, as there are no explicit funding commitments for these segments identified in Measure M. Lacking the potential to put forward any local match reduces the ability of these projects to seek funds through other SB 1 discretionary grant programs. Funding these projects with STIP formula funds makes it possible to complete the remaining segments of the SR 138 with certainty while securing a reduced ICRP rate for Caltrans support activities.

- The East San Fernando Valley Transit Corridor Project had a funding gap as a result of the state's cancellation of the Traffic Congestion Relief Program (TCRP), which STIP formula funds provide opportunity to address. Additionally, this project assumes a large share of non-Measure M dollars, and thus is expected to compete in other SB 1 funding programs. Therefore, using formula funds for a portion of the non-Measure M share of the project cost offsets some of the risks associated with aiming to complete the projects non-Measure M funding entirely through discretionary grants.

- The Bus Acquisition projects are essential to Metro's overall bus fleet management strategy, and Metro's ability to maintain our fleet in a state of good repair. Any risk to the forecasted replacement schedule would have an impact on maintaining operating schedules and delivering bus service. These projects are best suited for the certainty afforded by formula funding sources.

With regard to the Advance Project Development Element (APDE) formula funds, staff sought opportunities to initiate project development work that could help support future SB 1 discretionary program candidate projects. The I-605/I-5 Interchange Improvements Project, I-605/SR-91 Interchange Improvements Project, and the I-710 Early Action Project/Shoemaker each had eligible phases of work within the 2018 STIP timeframe. In addition, with Caltrans performing the project development work, Metro is able to secure a reduced ICRP for these activities.

4. Geographic Balance

Including the Bus Acquisition project, the RTIP program funds projects in all of the nine subregions. The projects by subregion are as follows:

Gateway Cities:

- I-605/I-5 Interchange Improvements
- I-710 Early Action Project/Shoemaker
- I-605/SR-91 Interchange Improvements

North County:

- SR-138 Segment 6
- SR-138 Segment 13
- SR-138 Segment 4

San Fernando Valley:

- East San Fernando Valley Transit Corridor

San Gabriel Valley:

- SR-71

South Bay:

- I-405 Crenshaw Blvd. Ramp Improvement (Also included in the Measure R Expenditure Plan)

Arroyo Verdugo, Central Los Angeles, Gateway Cities, Las Virgenes/Malibu San Fernando Valley, San Gabriel Valley, South Bay, and Westside Cities:

- Bus Acquisition 1
- Bus Acquisition 2

5. **Consistency with Board policies and directives**

The projects identified for funding in the 2018 STIP are consistent with Board policies and directives. STIP funds are part of the state and federal funds assumed in the development of the Measure M Expenditure Plan. STIP funds as part of the funding plans of the Measure M projects will help to keep the projects fully funded and deliverable in a timely manner.

6. **Consistency with Metro Long Range Transportation Plan and Southern California Association of Governments (SCAG) Regional Transportation Plan (RTP)**

All of the projects identified for STIP funding are Measure M, Measure R and/or LRTP projects. Each project is consistent with the priorities set forth in the Metro LRTP and is included in the SCAG RTP.

File #: 2017-0723, **File Type:** Contract **Agenda Number:** 19.

PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 15, 2017

SUBJECT: SEPULVEDA TRANSIT CORRIDOR

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

A. AWARD AND EXECUTE a 20-month firm fixed price Contract No. PS4044200 to Sepulveda Mobility Partners, a joint venture between HNTB Corporation and WSP USA, Inc. (formerly Parsons Brinckerhoff) to prepare the Sepulveda Transit Feasibility Study and Technical Compendium, in the amount of $6,537,482.39, subject to resolution of protest(s), if any; and

B. APPROVE Contract Modification Authority (CMA) for Contract No. PS4044200 in the amount of $980,622 to support the cost of any unforeseen issues that may arise during the course of the Contract.

ISSUE

On April 26, 2017, Metro issued a Request for Proposals (RFP No. PS40442) seeking a qualified contractor to conduct the Sepulveda Transit Feasibility Study and Technical Compendium (Study). The 20-month Study will analyze a variety of options for adding new rail transit service between the San Fernando Valley and Los Angeles International Airport (LAX) (see Attachment C). The results of the Study will support initiation of the environmental review process and further consideration of a Public Private Partnership (P3) delivery method.

Staff is requesting Board authorization to award the Contract.

BACKGROUND

The section of Interstate 405 (I-405) between the San Fernando Valley and LAX remains one of the nation's most congested urban freeway corridors. With more than 500,000 people moving through this section every weekday, the level of congestion shows that the demand greatly exceeds the capacity of the I-405 alone. Much of this is a result of the geography of the area and the limited number of roads and public transport options running north-south through the Santa Monica Mountains and on to LAX. In 2014, the Sepulveda Transit Corridor Improvement Project completed construction of a new northbound carpool lane between the 10 and 101 Freeways, including new on-

and off-ramps, bridges and retaining walls. However, these improvements have not resulted in the congestion relief hoped for by many commuters who travel the I-405 daily.

Previous Studies
The 2012 Sepulveda Transit Corridor Systems Planning Study evaluated the potential for additional transit and/or highway improvements beyond the scope of the Sepulveda Transit Corridor Improvement Project, ultimately identifying six preliminary concepts warranting further technical study. Several of those concepts will be considered as part of this Study.

In 2015, Metro completed the Sepulveda Transit Corridor Project: Analysis of Financial Strategy report, which identified strategic financial options to consider once the scope of the transportation investment for the Sepulveda corridor was better defined. The report recommended several next steps, including the exploration of alternative project delivery methods, a need for more project definition and an approach to securing environmental approvals.

Public Private Partnership (P3)
In 2016, Metro received Unsolicited Proposals for the Sepulveda Transportation Corridor which offered different approaches for adding innovation, accelerating project delivery, and reducing cost. Metro's Office of Extraordinary Innovation (OEI) is assessing whether a P3 project delivery method could be the best approach for the Sepulveda Transit Corridor Project. The P3 evaluation will proceed as a separate initiative from the Study. See Attachment D for an excerpt from the presentation provided to the Board in July 2017 showing the OEI process in parallel with this Study.

Project Funding
The Sepulveda Transit Corridor Project is included in Metro's 2009 Long Range Transportation Plan (LRTP) and accelerated by the Measure M expenditure plan approved in 2016. Funding for the Project is broken down into three phases with approximately $9.7 billion in total funding. Phase 1, with $260 million in funding, includes implementation of Metro ExpressLanes on the I-405 between the 10 and 101 Freeways with an opening date of Fiscal Year (FY) 2026. Phase 2, with approximately $5.7 billion in funding, includes a fixed-guideway transit service between the San Fernando Valley and the Westwood area of Los Angeles, with an opening year of FY 2033. Phase 3, with approximately $3.8 billion in funding, involves extending the Phase 2 project southward toLAX, with an opening year of FY 2057.

DETERMINATION OF SAFETY IMPACT
Award of the Contract will have no adverse impact to the safety of our customers and/or employees.

FINANCIAL IMPACT
The FY18 budget includes $3,575,000 in Cost Center 4350 (Transit Corridors), Project 460305 (Sepulveda Transit Corridor). Since this is a multi-year Contract, the cost center manager and Chief Planning Officer will be responsible for budgeting funds in future years.

Impact to Budget
The source of funds in FY18 is Proposition A, Proposition C, and Transportation Development Act Administration Funds which is not eligible for bus and rail operating and capital expenditures.

ALTERNATIVES CONSIDERED

The Board could choose not to award the Contract. This is not recommended as it may delay the Measure M groundbreaking date of 2024.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS4044200 with Sepulveda Mobility Partners. Going forward, the title of this study will be the Sepulveda Transit Feasibility Study and Technical Compendium. Public outreach services will be provided through a separate contract which is scheduled to commence in parallel with this Study. See Attachment E for a preliminary milestone schedule for the Study.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Study Area Map
Attachment D - OEI Parallel Process
Attachment E - Preliminary Milestone Schedule

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

SEPULVEDA PASS TRANSIT FEASIBILITY STUDY AND TECHNICAL COMPENDIUM /PS4044200

1.	**Contract Number**: PS4044200	
2.	**Recommended Vendor**: Sepulveda Mobility Partners (Joint Venture (JV) of HNTB Corporation and WSP USA, Inc.)	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: April 26, 2017	
	B. Advertised/Publicized: April 24, 2017	
	C. Pre-Proposal Conference: May 16, 2017	
	D. Proposals Due: August 14, 2017	
	E. Pre-Qualification Completed: October 30, 2017	
	F. Conflict of Interest Form Submitted to Ethics: August 14, 2017	
	G. Protest Period End Date: November 17, 2017	
5.	**Solicitations Picked up/Downloaded**: 119	**Bids/Proposals Received**: 4
6.	**Contract Administrator**: Lily Lopez	**Telephone Number**: (213) 922-4639
7.	**Project Manager**: Cory Zelmer	**Telephone Number**: (213) 922-1079

A. Procurement Background

This Board Action is to approve Contract No. PS4044200 issued in support of the Transit Feasibility Study and Technical Compendium (Study) for the Sepulveda Pass Transit Corridor. The intent of the Study is to clarify the design features and overall feasibility of potential fixed guideway transit solutions, based on new information gathered about the corridor environment and integration with existing or planned Metro facilities. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price.

Three amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on May 23, 2017, provided revised documents related to the Scope of Services;
- Amendment No. 2, issued on June 8, 2017, extended the proposal due date;
- Amendment No. 3, issued on July 7, 2017, provided revised documents related to the Scope of Services, Evaluation Criteria and List of Certified SBE Firms as a result of the expanded study area.

A pre-proposal conference was held on May 16, 2017, and was attended by 53 participants representing 30 firms. During the solicitation phase, 44 questions were asked and responses were released prior to the proposal due date.

A total of 119 firms downloaded the RFP and were included in the planholders list. A total of four proposals were received on August 14, 2017 from the following firms:

1. AECOM Technical Services, Inc. (AECOM)
2. Hatch Associates Consultant, Inc. (Hatch)
3. HDR Engineering, Inc. (HDR)
4. Sepulveda Mobility Partners (SMP)

AECOM voluntarily withdrew its proposal.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Countywide Planning, Construction, Program Management/Delivery, Office of Extraordinary Innovation, and Operations 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 Skills and Experience of Team 15 percent
- Experience and Capabilities of Personnel of the Team 15 percent
- Effectiveness of Team Management Plan 15 percent
- Understanding of Work and Approach for Implementation 35 percent
- Cost Proposal 20 percent

The evaluation criteria are appropriate and consistent with criteria developed for other similar feasibility study procurements. Several factors were considered when developing these weights, giving the greatest importance to the understanding of work and approach for implementation. The PET evaluated the proposals according to the pre-established evaluation criteria.

During the week of September 4, 2017, the PET completed its independent evaluation of the three proposals and determined that all of the firms were deemed within the competitive range. The three firms within the competitive range are listed below in alphabetical order:

1. Hatch
2. HDR
3. SMP

After initial evaluations, the PET determined that oral presentations by the firms within the competitive range were required. During the week of September 11, 2017, the firms conducted their oral presentations. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the PET's questions. In general, each team addressed the requirements of the RFP, experience with all aspects of the required scope, and stressed each firm's commitment to the success of the project. Each team was asked questions relative to each firm's proposed staffing plans, perceived challenges associated with the project, identification of potential risks within the study area, approach for successfully delivering the project and previous experience.

Fact finding meetings were held with all three firms to ensure that the assumptions included in the cost proposal accurately reflected the intent and expectations of what the work required along the entire corridor. All firms were provided an opportunity to clarify any assumptions that were not accurately reflected in their initial cost proposal.

Qualifications Summary of Firms within the Competitive Range:

SMP

SMP JV team demonstrated successful delivery of projects similar to the Sepulveda Pass Corridor for Metro such as the Purple Line Extension (PLE), the Crenshaw/LAX Transit Corridor, Expo Phase 2, and the Regional Connector. The team has demonstrated expertise in planning, ridership forecasting, tunneling, and guideway design with designing aerial, at-grade and tunnel alignments/stations for light rail transit (LRT) and heavy rail transit (HRT), and monorail at Newark Airport. Their experience with the West Santa Ana Branch connection to Union Station and Airport Metro Connector involved station to station experience and pedestrian circulation. Expo II and PLE involve terminal design with high-capacity operations.

SMP's management approach and understanding of work was well developed. For management, the SMP team provided a more detailed approach to engaging key Metro Department's and staff at specific milestones during the study. The team acknowledged that an iterative approach would be necessary to vet new ideas and concepts, but that to maintain the schedule, they would need to progress multiple tasks simultaneously. Lastly, the team understood the need to evaluate the northern and southern portions of the study area in a sequential manner starting with the north section.

Hatch

The Hatch team demonstrated LRT and tunneling experience, including Regional Connector tunnel design, maintenance facility, and transit connection study to the airport in Vancouver. The proposal demonstrated limited experience in the areas of modeling, risk analysis and fixed guideway planning for LRT and HRT modes. Thus, the proposal lacked a sound understanding of the project area as various themes

outlined in the Scope of Services were repeated in the proposal without concrete evidence of how they would be delivered. Availability of key staff was a concern as their proposed key staff members (inclusive of the Project Manager (PM) and Deputy PM) have other ongoing project commitments. The proposed approach was high-level and required Metro to monitor and identify action items throughout the process.

The proposed PM has over 15 years of experience in civil engineering design and construction management and is the concept design lead, but did not demonstrate extensive experience with fixed guideway transit design, with exception of High Speed Rail project. To augment the experience of the PM, a Project Sponsor was proposed to provide oversight and guidance.

HDR

The HDR team demonstrated experience in completing similar projects that involve fixed guideway transit. The design lead has primarily streetcar projects as relevant experience. Some of the proposed process diagrams under the planning component, did not yield much detail on designing and analyzing the concepts or how future phasing would be addressed. During the oral presentations, the firm's proposed accelerated schedule did not clarify how task overlap would be addressed. The proposed approach was high-level and required Metro to monitor and identify action items throughout the process.

The proposed PM has nearly two decades of local experience in planning, design and analysis of transportation infrastructure projects, but no extensive experience leading similar projects involving fixed guideway transit was demonstrated. To augment the experience of the PM, a Project Sponsor was proposed to provide oversight and guidance.

Following is a summary of the PET scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**SMP**				
3	Degree of Skills and Experience of Team	87.53	15.00%	13.13	
4	Experience and Capabilities of Personnel of the Team	88.33	15.00%	13.25	
5	Effectiveness of Team Management Plan	84.00	15.00%	12.60	
6	Understanding of Work and Approach for Implementation	87.80	35.00%	30.73	
7	Cost Proposal	82.75	20.00%	16.55	
8	**Total**		**100.00%**	**86.26**	**1**
9	**HDR**				
10	Degree of Skills and Experience of Team	83.80	15.00%	12.57	
11	Experience and Capabilities of Personnel of the Team	81.53	15.00%	12.23	
12	Effectiveness of Team Management Plan	80.53	15.00%	12.08	
13	Understanding of Work and Approach for Implementation	74.20	35.00%	25.97	
14	Cost Proposal	100.00	20.00%	20.00	
15	**Total**		**100.00%**	**82.85**	**2**
16	**Hatch**				
17	Degree of Skills and Experience of Team	85.27	15.00%	12.79	
18	Experience and Capabilities of Personnel of the Team	77.87	15.00%	11.68	
19	Effectiveness of Team Management Plan	82.27	15.00%	12.34	
20	Understanding of Work and Approach for Implementation	78.60	35.00%	27.51	
21	Cost Proposal	89.35	20.00%	17.87	
22	**Total**		**100.00%**	**82.19**	**3**

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon previous MAS audit findings, an independent cost estimate, cost analysis, technical analysis, fact finding, and negotiations.

Based on fact finding discussions held with all three firms, both Hatch and HDR confirmed that their initial cost proposal captured all the requirements and

assumptions of the project; thus, their respective cost proposal remained unchanged. SMP adjusted its cost proposal based on Metro's clarifications for key tasks that will involve two distinct phases of work, and potentially deliverables, to address the Phase 2 and Phase 3 projects identified in the Measure M expenditure plan.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated
1.	SMP	$6,041,239.81	**$10,151,807**	$6,537,482
2.	Hatch	$5,595,993.65	**$10,151,807**	N/A
3.	HDR	$4,999,982.00	**$10,151,807**	N/A

D. Background on Recommended Contractor

The recommended firm, SMP, a Joint Venture (JV) of HNTB Corporation and WSP USA Inc., is located in Los Angeles and collectively have been in business for 235 years (103 years for HNTB and 132 years for WSP). The JV offers cross-disciplinary services across various sectors including transportation and infrastructure, engineering, and construction management.

The team is based in downtown Los Angeles with over 30 years of Metro transit planning experience, including the expertise from the I-405 widening project, the PLE, and the Westside Mobility Study. Furthermore, the proposed PM has over 40 years of industry experience managing rail transit projects from planning through construction, most recently in Los Angeles, San Diego, and Houston. The PM has expertise in major transit planning, various modes of LRT, HRT, Bus Rapid Transit, alternative modes, monorail, and environmental clearance. Also, other key members have experience in feasibility studies and alternatives analysis of transit and highway corridors throughout Southern California, including the ridership forecasting and financial analysis task of the 2012 Sepulveda Pass Corridor Systems Planning Study, the SR-710 North Study Alternative Analysis and the ridership forecasts, transit and highway design, and alignment studies, preliminary engineering, and final design.

HNTB and WSP have worked on several Metro projects and have performed satisfactorily.

The proposed team is comprised of staff from SMP and 17 subcontractors, of which 12 are Metro certified SBEs and one is DVBE certified.

DEOD SUMMARY

SEPULVEDA PASS TRANSIT FEASIBILITY STUDY AND TECHNICAL COMPENDIUM / PS4044200

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 27% (SBE) goal, inclusive of a 24% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Sepulveda Mobility Partners exceeded the goal by making a 29.38% SBE and 3.07% DVBE commitment.

Small Business Goal	**24% SBE 3% DVBE**	**Small Business Commitment**	**29.38% SBE 3.07% DVBE**

	SBE Subcontractors	**% Committed**
1.	Terry A. Hayes Associates, Inc.	2.67%
2.	Dunbar Transportation Consulting LLC	1.27%
3.	Wagner Engineering & Survey, Inc.	1.61%
4.	Connectics Transportation Group, Inc.	1.93%
5.	V & A Inc.	2.53%
6.	D'Leon Consulting Engineers	3.22%
7.	Trifiletti Consulting, Inc.	1.80%
8.	BA Inc.	2.54%
9.	LENAX Construction Services, Inc.	6.22%
10.	System Metrics Group, Inc.	1.24%
11.	Translink Consulting	1.83%
12.	Geospatial Professional Solutions, Inc.	2.52%
	Total Commitment	**29.38%**

	DVBE Subcontractors	**% Committed**
1.	MA Engineering	3.07%
	Total Commitment	**3.07%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial

Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection, construction management and other support trades.

D. Project Labor Agreement/Construction Careers Policy

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

Attachment C - Study Area Map

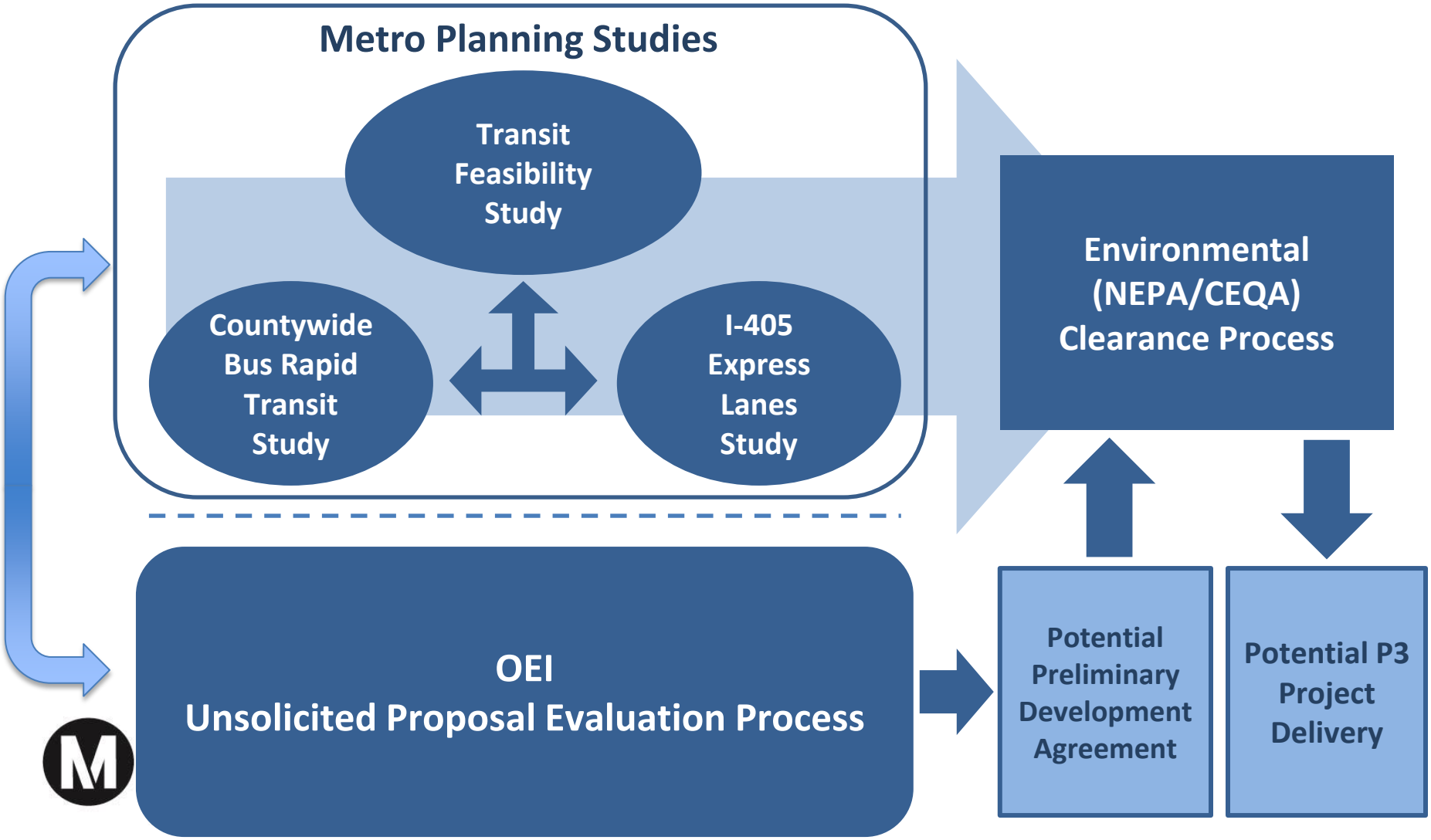
Sepulveda Transit Corridor
Study Area



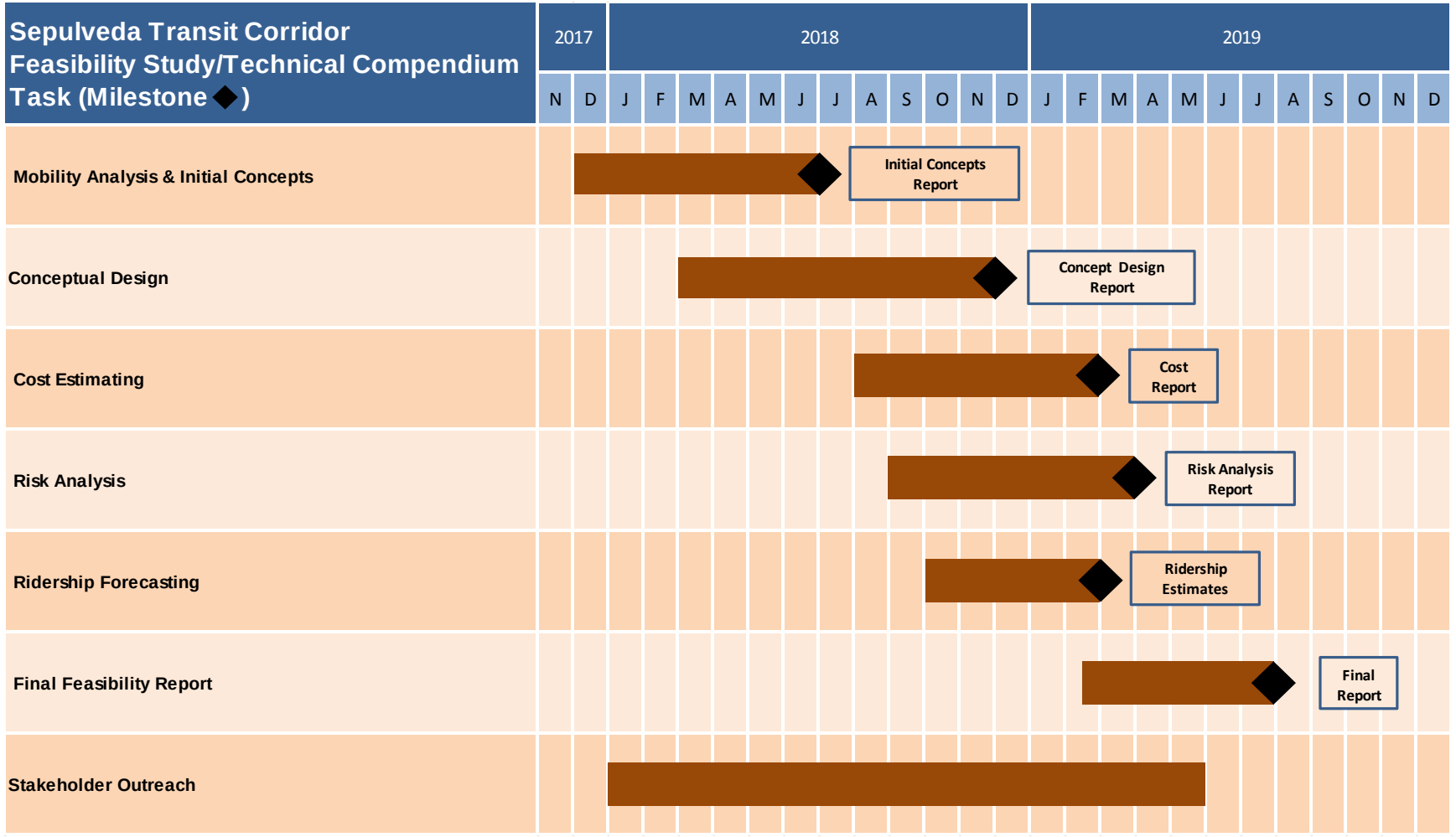
Metro

Attachment D

Relationship Between OEI and Metro Planning



Attachment E – Preliminary Milestone Schedule



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

File #: 2017-0643, **File Type:** Contract **Agenda Number:** 30.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 16, 2017**

SUBJECT: P2000 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION PROGRAM

ACTION: EXERCISE OPTIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. EXERCISE system component Option #3 Communications - New Vestibule Information and Map Displays for the P2000 Light Rail Vehicle Midlife Modernization Program (Contract No. OPP2000) to Alstom Transportation Inc. in the firm fixed amount of $2,803,953, increasing the total Contract Value from $130,673,440 to $133,477,394;

B. EXERCISE system component Option #4 Communications - New Audio Communication System for the P2000 Light Rail Vehicle Midlife Modernization Program (Contract No. OPP2000) to Alstom Transportation Inc. in the firm fixed amount of $3,054,526, increasing the total Contract Value from $133,477,394 to $136,531,920;

C. AMEND and increase the FY18 Budget in Cost Center 3043 in the amount of $31,404,998 for mobilization costs and accelerated project milestones from $13,415,079 to $44,820,077; and

D. EXECUTE Contract Modifications under this Contract for up to $1,000,000 per Contract Modification.

ISSUE

Contract No. OPP2000 approved by the Board in March 2017 with Alstom Transportation Inc. authorized performance of the midlife modernization and replacement of critical components on the fifty-two (52) Siemens P2000 vehicles in order to maintain a State of Good Repair. The recommended actions above authorize Alstom Transport Inc. to perform additional P2000 system component replacements that were defined as Contract Options in the original Contract, as follows:

Recommendation A: This action authorizes Alstom Transportation Inc. to replace the interior announcement signs with larger Thin Film Transistor monitors or a LACMTA approved equivalent, suitable for displaying graphic information as well as multiline, moving text.

Recommendation B: This action authorizes Alstom Transportation Inc. to replace the existing Audio Communication System that integrates identified LACMTA Furnished Equipment and provides the functionality specified as applicable per Technical Specification (TS) Section 13.4.1 Audio System (which shall include: Onboard Audio Controls, PA System, AADS, PIC System, Cab-to-cab Intercom, and LACMTA Furnished Equipment Radio System).

Recommendation C: Within the existing LOP of the project, shift money from the later years forward to FY18. The original FY18 budget was an estimate developed prior to contract award. Subsequent to contract award and Notice to Proceed (NTP) the contractor submitted a schedule which advances several milestones from the later years. To support the contractor's approach the FY18 budget needs to be increased by $31,404,998 from $13,415,079 to $44,820,077; budgets for the later years will be reduced accordingly. Approval of this recommendation will ensure the rail fleet remains in a State of Good Repair by permitting early delivery of a modernized P2000 fleet.

Recommendation D: will allow Metro and the Contractor to negotiate future change orders in a timely manner to ensure that the maximum cost and schedule benefits can be realized. The P2000 Midlife Overhaul delivery schedule is very aggressive. This added delegation of authority will allow staff to mitigate impacts to the program schedule that may arise from change orders currently contemplated. The request for an increase in CMA from $500,000 to $1,000,000 for individual changes is consistent with Board authorized CMA's for other Rolling Stock programs, such as Contracts for A650 Midlife Overhaul, P3010 and P2550, Light Rail Vehicles, and the 45-foot CNG Composite Buses. Staff does not seek any changes to the CMA for aggregate changes, which is 10% of the total Contract value.

DISCUSSION

The P2000 fleet currently operates on Metro's Green, Blue and Expo Lines. The primary objective of the project is to obtain safe, reliable, high quality overhauled LRVs on-time and within budget, and to create new jobs for Los Angeles County that can be tied directly to the Midlife Overhaul Program. This project also includes a training element through which Alstom Transportation will provide training to Metro staff on how to operate and maintain the modernized fleet.

The Scope of Work for the P2000 LRV Midlife Modernization Program is based on a conditioned based assessment (CBA) used to identify the critical systems and components impacting performance. The Scope includes the following critical systems and components: Vehicle Door Systems, Propulsion System, Friction Brake System, Trucks, Automatic Train Control (ATC)/Automatic Train Operation (ATO) System, Heating and Air Conditioning (HVAC) System, and Communication System.

Performing the Midlife Modernization Program is in accordance with the Rail Fleet Management Plan FY2015-FY2040 (Draft, May 24, 2016, v.8). The plan outlines the anticipated program to expand rail fleets to accommodate anticipated growth in ridership; line extensions; and to overhaul or replace vehicles reaching mid-life or end of life, as appropriate. Exercising these two options for the

Communication System during the preliminary design phase is extremely critical to ensure proper trainline integration of the Communication System with the remaining essential systems especially with those linked to passenger and operator interface. Delay in exercising these two (2) Options may potentially impact successful integration of these systems, delay vehicle delivery, and result in increased overhaul costs.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise (DBE) goal for this procurement as it is not applicable (please refer to Attachment B). This procurement falls under the Federal Transit Administration's (FTA) Transit Vehicle Manufacturer (TVM) goal in accordance with 49 Code of Federal Regulations (CFR) Part 26.49. Alstom Transportation Inc. reported 9.23% TVM goal and qualifies under the FTA's eligible list.

DETERMINATION OF SAFETY IMPACT

The approval of this Contract award will have a direct and positive impact to system safety, service quality, system reliability, maintainability and overall customer satisfaction. The P2000 Light Rail Vehicle Midlife Modernization Program will permit Metro to maintain the SGR on the LRV fleet.

FINANCIAL IMPACT

The Project LOP not only includes funds for the LRV Midlife Modernization ($140,079,867) Program; there are also funds allocated for Professional Services, Metro Labor, and Project Contingency, totaling $160,800,000. The $5,858,479 needed for Options 3 and 4 has already been included in the LRV Midlife Modernization project budget as options for exercising. The Project LOP is $160,800,000 and will not change. The $31,404,998 FY18 budget amendment is schedule related only and this amount will be redistributed based on updated milestone schedules and expenditure reforecasts reprogrammed during Metro's annual budget process.

The amendment amount will be added to the FY18 budget in Cost Center 3043, under CP 206044. Currently, there is $13,415,079 budgeted in the FY18 budget in Cost Center 3043, under CP 206044, P2000 Light Rail Vehicle Modernization Program.

Since this is a multi-year contract, the cost center manager will be responsible for dispersing the cost for subsequent years.

Impact to Budget

The source of funds for this action is Federal Section 5337 State of Good Repair Funds provided under the Transportation Improvement Program (TIP). Other eligible source of funds include Proposition A 35% and Measure R 2% which is eligible for rail capital activities. Concurrently, staff is actively pursuing additional State and Federal sources such as FAST Act and other eligible federal sources to further supplement this project. Staff is also pursuing additional State and Local funding sources such as Cap and Trade and similar sources as they become available to meet the project funding needs.

ALTERNATIVES CONSIDERED

Staff considered using in-house Metro resources to perform this work. This approach is not recommended as Metro does not have sufficient resources and Subject Matter Experts available to perform this work.

The Board of Directors may choose not to authorize the Options award for this project; however, this alternative is not recommended by Metro staff because the fifty-two Siemens P2000 vehicles are approximately 14-17 years old. The Communication System is experiencing parts obsolescence issues, lack of vendor support and outdated technology. These deficiencies diminish the performance and maintainability of the fleet. Exercising these two options for the Communication System during the preliminary design phase is extremely critical to ensure proper trainline integration of the Communication System with the rest of the essential systems especially with those linked to passenger and operator interface. Delay in exercising these two (2) Options may potentially impact successful integration of these systems, delay vehicle delivery, and result in increased overhaul costs. It is critical to maintaining a SGR on the fifty-two Siemens P2000 LRVs and to enable the Maintenance department to effectively plan and schedule its work.

NEXT STEPS

Upon Board approval, the subject Options will be exercised with Alstom Transportation, Inc.

ATTACHMENTS

Attachment A - Funding/Expenditure Plan
Attachment B - Procurement Summary
Attachment C - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

CP206044 P2000 LIGHT RAIL VEHICLE MODERNIZATION PROGRAM
FUNDING / EXPENDITURE PLAN

Uses of Funds	ITD thru FY17	FY18	FY19	FY20	FY21	FY22	Total	% of Total
Midlife Overhaul 52 Siemens LRVs	$7,808,823.09	$43,012,877.02	$19,093,724.17	$30,395,862.82	$33,204,685.90	$6,563,894.00	$140,079,867.00	87.11%
Professional Services	$744,953.74	$1,387,200.00	$1,843,826.34	$1,862,026.34	$1,348,626.33	$268,000.00	$7,454,632.75	4.64%
MTA Administration	$1,313,419.61	$420,000.00	$605,335.55	$605,335.55	$527,667.77	$467,667.77	$3,939,426.25	2.45%
Contingency	$0.00	$0.00	$0.00	$0.00	$0.00	$9,326,074.00	$9,326,074.00	5.80%
Total Project Cost	**$9,867,196.44**	**$44,820,077.02**	**$21,542,886.06**	**$32,863,224.71**	**$35,080,980.00**	**$16,625,635.77**	**$160,800,000.00**	**100.00%**
Sources of Funds								
Local (PA Rail 35%) / State / Federal	$9,867,196.44	$44,820,077.02	$21,542,886.06	$32,863,224.71	$35,080,980.00	$16,625,635.77	$160,800,000.00	100.00%
Total Project Funding	**$9,867,196.44**	**$44,820,077.02**	**$21,542,886.06**	**$32,863,224.71**	**$35,080,980.00**	**$16,625,635.77**	**$160,800,000.00**	**100.00%**

ATTACHMENT B

PROCUREMENT SUMMARY

OPTIONS FOR THE P2000 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION PROGRAM / OPP2000

1.	**Contract Number**: OPP2000			
2.	**Contractor**: Alstom Transportation, Inc.			
3.	**Mod. Work Description**: Exercise Options : **a)** Option No. 3: Communications – New Vestibule Information and Map Displays **b)** Option No. 4: Communications – New Audio Communication System			
4.	**Contract Work Description**: This program is to maintain the light rail vehicles (LRVs) in a state of good repair where the overhaul and component replacement is priority to enhance safety, availability and reliability. The Contractor shall be responsible for transportation of the LRVs from Metro's property to its designated repair facility, performing all necessary tasks and activities described in the Contract Technical Specification and then returning the overhauled vehicles back to Metro ready for revenue service.			
5.	**The following data is current as of October 13, 2017 :**			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	March 23, 2017	**Contract Award Amount:**	$130,673,440.72
	Notice to Proceed (NTP):	June 1, 2016	**Total of Modifications Approved:**	None
	Original Complete Date:	August 1, 2021	**Pending Modifications (including this action):**	$ 5,858,479.70
	Current Est. Complete Date:	August 1, 2021	**Current Contract Value (with this action):**	$136,531,920.42
7.	**Contract Administrator**: Nicole Dang		**Telephone Number**: 213-922-7438	
8.	**Project Manager**: Annie Yang		**Telephone Number**: 213-922-3454	

A. Procurement Background

This Board Action is to approve Contract Modification No. 1 issued in support of exercising Option No. 3 for Communications – Vestibule Information Displays for a firm-fixed price of $2,803,953.55, and Option No. 4 for Communications – New Audio Communications System for a firm-fixed price of $3,054,526.15, increasing the total Contract Value from $130,673,440.72 to $136,531,920.51. The firm-fixed price amount for each option was competitively solicited during the procurement phase of the Base Contract Award.

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

This Contract with Alstom Transportation Inc. is for a 50 months term and was approved by the Board of Directors on March 23, 2017 under Agenda Number 7. The exercise of these Contract Options will not impact the 50 month term.

B. Cost/Price Analysis

The recommended firm-fixed price amount for these Contract Options was deemed fair and reasonable through adequate price competition and negotiations conducted during the initial solicitation. These Contract Options are being exercised within the validity of the Option price and are not subject to escalation.

ATTACHMENT C

DEOD SUMMARY

OPTIONS FOR P2000 LIGHT RAIL VEHICLE (LRV) MIDLIFE MODERNIZATION PROGRAM / OPP2000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this procurement. The contract work will be performed by Alstom Transportation, Inc., Transit Vehicle Manufacturer (TVM). Alstom Transportation, Inc. submitted an FY17 TVM Certification with their proposal, and is currently on Federal Transit Administration's (FTA), T list of eligible TVMs. In compliance with 49 Code of Federal Regulation Part 26.49, TVMs report directly to FTA.

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.

Overview of Items 23, 24, 25 and 30

System Safety, Security & Operations Committee

Metro

November 2017

Rail Vehicle Maintenance, Overhaul & Modernization

Maintenance	• Preserve level of performance
Overhaul	• Heavy maintenance repair/replacement at specific OEM intervals (age/mileage) • No change to the design
Modernization	• Improve systems and performance • Approximate mid-life • Upgrade the system designs

Metro

Fleet Plan 10 Year Horizon

Series	Maintenance	Overhaul	Modernize	Retire	Replace
P865	Yes	No	No	In process	P3010
P2020	Yes	Yes	No	Future	P3010
P2000	Yes	Yes	Yes	Future	Future
P2550	Yes	Yes	Yes	Future	Future
P3010	Yes	To be Scheduled	2030 ±	Future	Future
A650 Base	Yes	No	No	Future	HR4000 Base
A650	Yes	Yes	Yes	Future	HR4000 Option

Fleet Plan

❑ P2020 LRT Car Series

- **Delivered:** 15
- **Lines :** Blue and Expo Lines
- **Overhaul Program**
  - Ten components
  - Program LOP $ 30,000,000
  - Contract for air hose replacement - Completed
  - Contract for axle assembly, gearbox/roller, cab slider, body repair, seat removal for bikes, wheelchair, cameras and propulsion – On-Going
  - Contract for Friction Brake– Nov 2017 (Item 23)

❑ P2000 LRT Car Series

- **Delivered:** 52
- **Lines:** Green, Blue and Expo Lines
- **Overhaul Program**
  - Nine components
  - Program LOP $ 26,360,100
  - Contracts for air hose replacement and non-power axle bearing replacement – Completed 2012
  - Contracts for power axle, car battery, couple, exterior and interior paint – On-going
  - Contracts for Friction Brake and Air Compressor – Nov 2017 (Item 25)
- **Modernization**
  - Renew systems:
    - Carbody; Door; HVAC; Electrical; Propulsion; Trucks; Braking Equipment; Communication; Automatic Train Control; Trainline; Destination Signs
  - Exercise optional features (Item 30)
  - Contract to Alstom
  - LOP $160,800,000
  - Projected Completion August 2021

Metro

Fleet Plan

❑ P2550 LRT Car Series

- **Delivered:** 50
- **Lines :** Gold Line
- **Overhaul Program**
  - Nine components
  - Program LOP $ 35,007,540
  - Contracts for axle assemblies, and coupler awarded – June & Sept 2017
  - Contract for Friction Brake – Nov 2017 (Item 25)
  - Contracts for propulsion, pantograph, battery, doors, truck and suspension systems – Anticipated 2018/2019
- **Modernization**
  - Renew systems:
    - Carbody; Door; HVAC; Electrical; Propulsion; Trucks; Braking Equipment; Couplers; Communication; Battery
  - Specification Prep Phase
  - Contract to STV Incorporated (Item 24)
    - Consultant $1,421,086 –Nov 2017
  - Estimated LOP TBD
  - Projected Start 2020

❑ A650 Subway Car Series

- **Delivered:** 74
- **Lines :** Red Line
- **Overhaul Program**
  - Ten components
  - Program LOP $ 30,000,000
  - Contracts for air compressor, HVAC compressor, passenger door, and car battery replacement – Completed
  - Contracts for friction brake, traction motor, gearbox, coupler, AC, and DC – On-Going
- **Modernization**
  - Renew systems:
    - Propulsion; Trucks; Friction Brakes; Doors; Communication; Interiors; Signal System, HVAC
  - Design and engineering phase
  - Contract to Talgo
  - LOP $72,970,494
  - Projected Completion December 2021


Thank you
Metro

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

File #: 2017-0705, **File Type:** Program **Agenda Number:** 34.

CONSTRUCTION COMMITTEE
NOVEMBER 16, 2017

SUBJECT: SMALL BUSINESS BONDING ASSISTANCE PILOT PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer to award a Contract to Merriwether & Williams Insurance Services (MWIS) for a not to exceed amount of $1,315,417 for a one year Bonding Assistance Pilot Program, effective January 1, 2018 to February 28, 2019, which includes a 2-month ramp-up period;

B. ADOPT a resolution, Attachment A, authorizing the Chief Executive Officer and other Authorized Officers to negotiate and execute a $4,000,000 line of credit with Bank of America at a cost of $18,000 and to execute as needed, individual standby letters of credit at a cost of $2,000 each or 2% of the value of each letter of credit executed, whichever is greater, for the pilot year;

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

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

D. AMENDING the FY18 budget for $1,413,417 to include the contract with MWIS, and the associated line of credit and standby letter of credit fees.

ISSUE

The Small Business community has expressed concerns that obtaining the necessary bonding for small contractors has been a barrier to participating in Metro construction contracts. The City of Los Angeles has also identified bonding as a barrier for small contractors and implemented the Citywide Bonding Assistance Program in 2005.

The City's Administration Office issued a Request for Proposal (RFP) in October 2015 for continuation of their existing program and asked Metro to participate in the RFP process. Metro

participated in the RFP process after receiving approval from the Board on May 20, 2015. Metro was included in the City's RFP as an optional provision for Metro to contract for services included under the terms of the original RFP. The City's RFP Panel selected Merriwether & Williams Insurance Services (MWIS) as the broker. The program and contractor were approved in April 2016 by the City of Los Angeles. The approved program allows Metro the opportunity to piggyback off of the City's program by executing a no cost Memorandum of Understanding (MOU) with the City and entering into its own contract with the broker.

BACKGROUND

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

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

MWIS

MWIS, a certified small business, administers the City's CDBAP. Metro will have its own contract with MWIS to administer Metro's one year pilot program by piggybacking off the City's CDBAP. As part of this Contract, MWIS will subcontract with a certified small business and DVBE firm. MWIS has committed to a 10% goal (7% SBE and 3% DVBE). Metro recommends the establishment of a $4,000,000 program line of credit with a $250,000 maximum or 40% (whichever is lower) per transaction cap dollar amount. The City's CDBAP has the same established limits. Metro assembled a Bonding Task Force, consisting of key departments such as the Diversity & Economic Opportunity Department, Risk Management, Treasury, Vendor/Contract Management, and Project Construction Management. For the one-year pilot program, the Task Force decided to utilize the same program parameters, such as the Line of Credit and the per transaction cap dollar amount, as those established in the City's CDBAP.

A one-year Pilot Program will afford Metro time to conduct its own assessment, evaluate the program as it relates to future Metro projects, modify the Program as necessary and determine if Metro should continue with the City or create its own stand-alone program. Further, the $4 million program line of credit and the per transaction $250,000 cap are justified given that this is a Pilot Program and that the Program can be changed to better fit Metro upon completion of the one-year pilot.

The City's CDBAP, along with other programs administered by MWIS, have included up to a 40% bond guarantee amount even though their average guarantee is 23%. Metro will therefore be seeking

a bond guarantee amount up to 40% to go with the per transaction cap of $250,000. Metro feels that by starting small, Metro minimizes its risk by only taking on a piece of the risk in the event of a default. Metro would have zero discretion on regaining a loss from a bonding company in the event of a default.

In addition, Metro will be conducting a one-year assessment of what services need to be conducted on an on-going basis by a provider and what services can be brought in house and whether additional FTE(s) positions are necessary (as part of the evaluation of the Pilot).

Metro will require that MWIS maintain accurate records of all program transactions, monitor all issuances of collateral through contract completion, report monthly to Metro on all transactions including outstanding collaterals, and provide a 12-month report that provides Metro with program specific data that Metro can utilize in order to determine if the program will require any changes and or modifications.

DISCUSSION

The Program will assist in providing DBE, SBE and DVBE firms the maximum opportunity to expand their bonding capacity on Metro construction contracts as a prime contractor or subcontractor. There are firms that are willing and able to bid on, compete for, work, and complete public works construction contracts but are unable to do so due to the inability to secure the required bonding or because they cannot meet the strict financial requirements demanded by financial institutions. In offering bonding assistance to these firms, Metro will provide a bond guarantee to qualified contractors looking to increase their bonding capacity.

The Program will be available to all SBE/DBE/DVBE prime contractors and subcontractors and is applicable to all Metro construction contracts that require bonding.

The Program will require that participants be assessed and put through a strict evaluation process in order to determine the contractors' credit worthiness. The program will require MWIS to conduct contractor consultations and make an assessment of the contractor in order to determine if they are qualified for bonding/prequalification. MWIS will then assess the contractor's bonding capacity, discern any deficiency reduction and identify available collateral support to facilitate the needed bondability. MWIS will also facilitate training sessions for contractors on industry specific topics (in depth coverage of specific topics such as "Bidding and Estimating" and "Contract Award and Management"), conduct matchmaking opportunities with Metro prime contractors and provide contract completion monitoring and risk mitigation support on all projects with Metro backed by bond collateral.

The Program will not be restrictive nor will it be capped. One misconception is that the per transaction amount of $250,000 is too low and it is restrictive to contractors that are looking to increase their bonding capacity in a larger amount. The $250,000 per transaction amount is not restrictive and in no way is it representative of the actual bonding amount that the contractor will obtain. The $250,000 amount provides a maximum bonding Guarantee amount (assumed risk) that the Agency is willing to take on in the event of a default. Sureties are more likely to award a higher bond guarantee to program participants as a result of Metro assuming some part of the risk.

Furthermore, the City's program has a low default rate with only one default in the last 12 years.

The Program will not alleviate the Contractor or the surety of the entire bonding obligation. Another misconception about the bonding assistance program is that it awards bond guarantees to new contractors who have no public work experience or high risk contractors that cannot secure commercial bonding on their own. Although the program is open to new and emerging contractors, there are strict checks and balances in place to evaluate these contractors and verify that they are solvent, established firms that can perform the contract. Further, the Program is designed to assist new and emerging as well as intermediate contractors that are looking to build upon their capacity. The majority of the participants in the City's Program fall into the latter. The Program is designed to assist contractors in building up their bonding capacity and not for Metro to take on their entire risk or alleviate the Surety and Contractor of all their responsibility. The Program is not intended to provide bonding assistance to small businesses that can secure a commercial bond on their own nor is it intended to grant credit to non-viable firms.

Miscellaneous Program expenses include, but are not limited to, the cost of the line of credit for one year ($18,000) and $2,000 or 2% for each letter of credit executed (whichever is greater).

After the expiration of the 12 months, MWIS will provide Metro with a Program Stewardship Report that will detail all program transactions, outstanding collateral and, in the event that the Pilot Program is not renewed, a closeout cost proposal for monitoring of outstanding collateral.

FINANCIAL IMPACT

The cost to execute a $4,000,000 Line of Credit with Bank of America, Metro's contracted financial institution, is 0.45% of the total amount, or $18,000 for one year. In addition, the fee to execute individual stand-by letters of credit is up to $80,000 per year, depending on the number executed.

Metro is also requesting the approval of a contract with MWIS for a One-Year Pilot in the amount of $1,315,417.

Impact to Budget

The MWIS contract and the Line of Credit fees will be added to Cost Center 2130. Funding will come from General Funds, which are eligible for Metro Bus and Rail operations and capital expenses. Costs for individual letters of credit will be paid by the projects for which the contractors are providing services.

ALTERNATIVES CONSIDERED

Staff conducted an extensive benchmarking of bonding assistance Programs that are currently being administered by various agencies around the country. DEOD reviewed a total of 19 Bonding Assistance Programs throughout the country. Of the 19 programs surveyed, ten operated under the Merriweather & Williams Insurance Services (MWIS) model, with MWIS as the Administrator; two other models were similar to the MWIS model, offering a Bond Guarantee; six offered Bonding Education courses with no Bond Guarantee amounts; one (Denver RTD's Subcontractor

Performance Self Insured Program) is a Self-Insured Program.

Staff recommends a one-year Pilot Program with the City. The RFP process is complete and requires the execution of a no cost MOU with the City. If Metro was to initiate a stand-alone program, Metro would need to initiate a new RFP. The City's program also allows Metro to negotiate its own contract with the selected broker and participate in a shared cost model with the City. Metro's benchmarking has already established that 12 of the 19 agencies that provide bonding assistance utilize programs that are similar to the City's program. Initiating a standalone program at this time is not recommended due to the lack of available data for development of a stand-alone program.

NEXT STEPS

- Upon Board approval, staff will executive a Contract with MWIS for a One-Year Pilot Program.
- Executive a No Cost Memorandum of Understanding with the City of Los Angeles for a One-Year Pilot Program.
- Execute line of credit with Bank of America and set-up the process to execute individual stand-by letters of credit as needed.
- Program Launch in March 2018.

ATTACHMENTS

Attachment A: Board Resolution to Authorize Line of Credit

Prepared by: Dr. Irma L. Licea, Director DEOD, (213) 922-2207
Tashai Smith, DEO DEOD, (213) 922-2128
Miguel Cabral, EO DEOD, (213) 418-3270

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



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

BOARD RESOLUTION

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

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

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

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

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

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

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

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

Board Report

File #: 2017-0780, **File Type:** Informational Report **Agenda Number:** 51.

REGULAR BOARD MEETING
NOVEMBER 30, 2017

SUBJECT: TWENTY-EIGHT BY '28 PROJECT LIST-TRANSPORTATION INVESTMENT GUIDE IN TANDEM WITH THE 2028 OLYMPIC AND PARALYMPIC GAMES

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the draft Twenty-Eight by '28 list provided in Attachment A.

ISSUE

At the September Board Meeting, Chair Garcetti announced the "Twenty-Eight by '28 Initiative" to highlight projects for completion by the 2028 Olympic and Paralympic Games. At the direction of the Chair, staff has developed a draft candidate list of projects that includes Measure R, Measure M and other projects already slated for completion by 2028, as well as "aspirational" project schedules that propose to be accelerated by 2028 ("aspirational" is defined as a project that has a current delivery date later than 2028).

Pursuant to the Measure M Ordinance, project acceleration may only occur if doing so does not delay the delivery of any other project. Accordingly, the 2028 Games presents an opportunity to advocate for accelerated resources, particularly from the state and federal government, to achieve early project delivery of the aspirational schedules and additional projects.

By identifying projects with aspirational schedules alongside projects already planned to be delivered by 2028, the Board would be highlighting-but not committing-those projects for early project delivery. The proposed policy for a Measure M Early Project Delivery Strategy, if adopted, would apply prior to the Board making a binding decision on advancing a project earlier than scheduled in the Measure M Expenditure Plan. Not all Measure M investments scheduled for completion by 2028 are included in this list. Inclusion does not supersede any commitments made in the Measure M Ordinance.

BACKGROUND

As a transportation agency, Metro fundamentally provides access to opportunity. Recognizing the

importance of how transportation affects the quality of life in Los Angeles County, Metro has led with the voter-approved Measures R and M ordinances, which identify new mobility projects throughout the County. Subsequently, Los Angeles was awarded the 2028 Summer Olympic and Paralympic Games. In about ten years, the confluence of the array of new long-term transportation investments led by Metro and the 2028 Games represents an opportunity to strive to achieve what is already planned or needed, earlier. In doing so, the outcome for Los Angeles County could be a more livable, successful and equitable region. This will benefit Los Angeles County for generations after transportation projects are completed and the 2028 Games have concluded. The 2028 Games represents a clear, relatable milestone to crystalize what could be accomplished in the next ten years by working collaboratively as a region.

Qualitative criteria to select the projects on the draft candidate list for the Twenty-Eight by '28 Initiative include:

- Currently scheduled for completion by 2028;
- Supports high-capacity access to key regional activity centers and corridors;
- Provides a vital link in Los Angeles County's developing high-capacity transit network;
- Supports the integration of land use and transportation to accommodate new mixed income housing opportunities in areas to be served by transit, along with economic development opportunities; and
- Eases congestion at existing bottlenecks and congested corridors.

The Twenty-Eight by '28 list includes:

- Seventeen projects already slated for completion, of which four are Measure R projects and 13 are Measure M projects.
- Eight additional Measure M project schedules are deemed "aspirational". This includes four Measure M mega projects that require accelerated resources to deliver significantly earlier. The I-405 South Bay Curve Improvements project is one of the four mega projects, which is included due to expressions of interest by the state government.
- Three additional projects-MicroTransit, I-10 Express Lanes extension to the San Bernardino County line, and Blue Line Signal and Washington/Flower Junction Improvements-are not entirely funded by Measure R or Measure M. These projects would require resources.

The Twenty-Eight by '28 draft candidate project list is provided in Attachment A, and Attachment B maps the list in relation to the sports park clusters and other venue sites for the 2028 Games.

Metro's updated financial forecast concludes that all Measures R and M commitments can be fulfilled under baseline assumptions. This includes inflationary impacts to costs over the 40-year period of the forecast. However, any addition of new projects or early delivery of existing projects will require one or more of the following trade-offs:

- Additional debt financing
- Cost offsets through innovations, scope changes or delivery efficiencies
- Reassessment of investment priorities

- New, unanticipated revenues

With that context, it is understood that this proposed concept is both pragmatic and aspirational, which has value as an initiative that is clear to the public and stakeholders on what Metro could accomplish during the next 10 years and tandem with the opening of the 2028 Olympic and Paralympic Games.

DISCUSSION

Staff has conducted an analysis of financial feasibility for constructing, operating and maintaining these projects. The capital cost, excluding operating and debt service costs, is $23.9 billion (year of expenditure dollars) greater than forecasted revenues available by 2028 and relies on assumptions that state and federal funding sources for certain projects will be available as anticipated. Of that, $16.2 billion or 68 percent is due to four mega aspirational project schedules. Staff has not yet applied the M-PERT (Measure M Project Evaluation Readiness Tool) as part of the Early Project Delivery screening process to each Measure M project proposed for acceleration, pending approval of the policy and Board direction on the Twenty-Eight by ’28 concept. Not all Measure M investments scheduled for completion by 2028 are included in this list. Inclusion does not supersede any commitments made in the Measure M Ordinance.

FINANCIAL IMPACT

There is no financial impact in this Receive and File action. Nor would there be financial impact should the Board subsequently adopt the Twenty-Eight by ’28 list. The financial impact of an early delivery for a project would be determined when the opportunity exists to accelerate its delivery, guided by the proposed Policy for a Measure M Early Project Delivery.

ALTERNATIVES CONSIDERED

No alternatives to the proposal were offered for consideration.

NEXT STEPS

Staff will place this item on the Board’s January 25, 2018 agenda for action. The action would be to approve the Twenty-Eight by ’28 Initiative with a list of candidate projects. The ability to actually deliver a particular project earlier than scheduled will be determined on a case-by-case basis, per the proposed policy for a Measure M Early Project Delivery Strategy. That policy provides a framework guiding how to accelerate the eight projects proposed for early project delivery, along with any other Measure M project not a part of the Twenty-Eight by ’28 list. The ability to deliver any of the three new projects will be determined as the projects are developed and the project scope, cost and funding plan are presented to the Board.

ATTACHMENTS

Attachment A - Draft Twenty-Eight by ’28 Project List
Attachment B - Project Location and Games Venues Map

Prepared by: Manjeet Ranu, Senior Executive Officer, Countywide Planning & Development, (213) 418-3157
Laurie Lombardi, Senior Executive Officer, Countywide Planning & Development, (213) 418-3251

Reviewed by: Phillip A. Washington, Chief Executive Officer, (213) 922-7555
Stephanie Wiggins, Deputy Chief Executive Officer, (213) 922-1023
Therese W. McMillan, Chief Planning Officer, (213) 922-7077
Richard Clarke, Chief Program Management Officer, (213) 922-7382



Phillip A. Washington
Chief Executive Officer

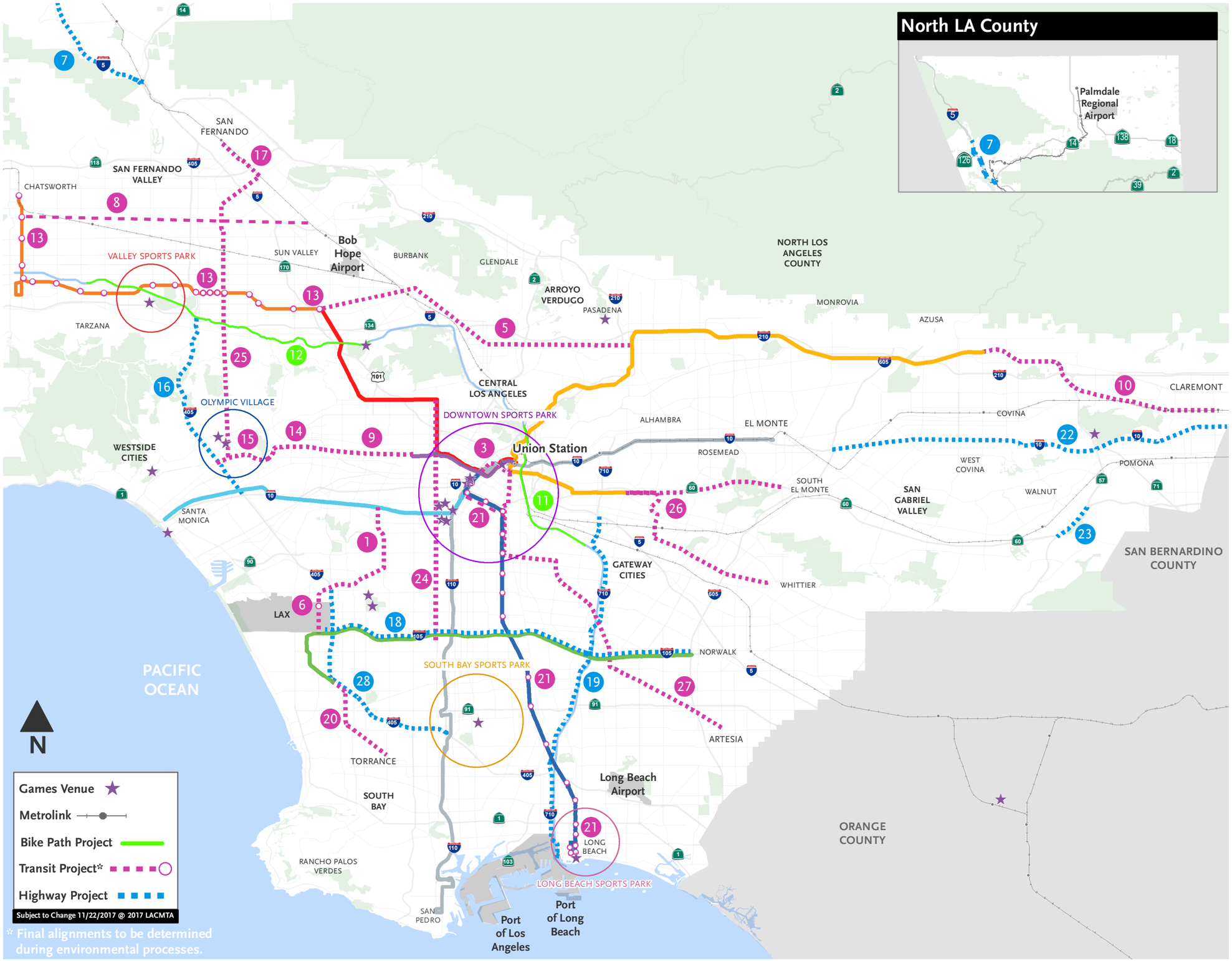
ATTACHMENT A: DRAFT TWENTY-EIGHT BY '28 PROJECT LIST

Project	Target Completion Date	Current Completion Date	Sub-region
1. Crenshaw/LAX Line	2019	2019	cc, sb
2. MicroTransit **	2019	2019	TBD
3. Regional Connector	2021	2021	cc
4. New Bus Rapid Transit Corridors (Phase 1)	2022	2022	TBD
5. Orange and Red Lines to Gold Line Transit Connector (North Hollywood to Pasadena)	2022	2022	sf, av
6. Airport Metro Connector Station	2023	2023	sb
7. I-5 North County Capacity Enhancements	2023	2023	nc
8. North San Fernando Valley	2023	2023	sf
9. Purple Line Extension Section 1	2023	2023	cc
10. Gold Line Foothill Extension to Claremont (with ability to extend to Montclair)	2025	2025	sg
11. LA River Waterway & System Bike Path	2025	2025	cc, gc
12. LA River Bike Path and Mobility Hub – San Fernando Valley	2025	2025	sf
13. Orange Line Travel Time and Safety Improvements	2025	2025	sf
14. Purple Line Extension Section 2	2025	2025	cc, w
15. Purple Line Extension Section 3	2026	2026	w
16. Sepulveda Pass ExpressLanes	2026	2026	sf, w
17. East San Fernando Valley	2027	2027	sf
*18. I-105 ExpressLanes**	2027	2029	cc, gc, sb
*19. I-710 South Corridor Early Action**	2027	2032	gc
*20. South Bay Light Rail Extension**	2027	2030	sb
21. Blue Line Signal and Washington/Flower Junction Improvements**	2028	2028	cc
*22. I-10 ExpressLanes I-605 to San Bernardino Line***	2028	2030	gc, sg
*23. SR-57/60 Interchange Improvements**	2028	2031	sg
24. Vermont Transit Corridor	2028	2028	cc
*25. Sepulveda Transit Corridor**	2028	2033	sf, w
*26. Gold Line Eastside Extension to Whittier or South El Monte**	2028	2035	gc, sg
*27. West Santa Ana Branch**	2028	2041	cc, gc
*28. I-405 South Bay Curve Improvements**	2028	2047	sb

* *accelerated project*

** non-Measure R nor Measure M project

DRAFT TWENTY-EIGHT BY '28 PROJECT LIST— TRANSPORTATION INVESTMENT GUIDE IN TANDEM WITH THE 2028 OLYMPICS AND PARALYMPIC GAMES



Transit Projects

1. Crenshaw/LAX Line

3. Regional Connector

5. Orange and Red Lines to Gold Line Transit Connector (North Hollywood to Pasadena)*

6. Airport Metro Connector Station

8. North San Fernando Valley*

9. Purple Line Extension Section 1

10. Gold Line Foothill Extension to Claremont (with ability to extend to Montclair)

13. Orange Line Travel Time and Safety Improvements

14. Purple Line Extension Section 2

15. Purple Line Extension Section 3

17. East San Fernando Valley

20. South Bay Light Rail Extension*

21. Blue Line Signal and Washington/Flower Junction Improvements

24. Vermont Transit Corridor*

25. Sepulveda Transit Corridor*

26. Gold Line Eastside Ext. to Whittier or South El Monte*

27. West Santa Ana Branch*

Highway Projects

7. I-5 North County Capacity Enhancements

16. Sepulveda Pass ExpressLanes

18. I-105 ExpressLanes

19. I-710 South Corridor Early Action

22. I-10 Express Lanes I-605 to San Bernardino Line

23. SR-57/SR-60 Interchange Improvements

28. I-405 South Bay Curve Improvements

Bike Path Projects

11. LA River Waterway & System Bike Path

12. LA River Bike Path and Mobility Hub - San Fernando Valley

Not shown: MicroTransit, New Bus Rapid Transit Corridors (Phase 1)