



Sepulveda Transit Corridor Project



Planning & Programming Committee
Agenda Item: 2019-0490

Preliminary Development Agreement Summary

A PDA is a form of Early Contractor Involvement (ECI) in which a private developer participates in early project design

- > PDA teams compete for the right develop project design in collaboration with Metro and stakeholders
- > Limited right to submit an offer for firm fixed price delivery; competitive hard bid procurement if offer is not satisfactory

Value proposition: Contractor insights on critical early design decisions with incentive to optimize feasibility, improve performance, manage cost, accelerate delivery

Why PDA for Sepulveda?

- > Once-in-a-generation opportunity to redefine mobility in one of America's most challenging travel corridors.
- > Balancing mobility and performance with risk, cost, and constructability is an extraordinary challenge.
- > A PDA allows Metro to tap into the best minds in the field to deliver the most for available project funding.

Anticipated PDA Structure

Sepulveda PDA has been designed with a unique structure, involving two potential PDA Teams

- > Teams to support Transportation Solution Concept for subsequent development
- > Each team to refine concept to optimize feasibility
- > PDA Contractor work structured in five phases according to Metro's existing Project Development Process
- > Metro discretion to proceed after each phase of work

Compensation and Risk Sharing

The goal of this PDA is to incentivize attainment of feasibility, not to offload project development costs

- > Objective: Incentive for the best teams to come to the table early, while limiting opportunities for “gaming”
- > Compensation priced by phase through PDA proposals
- > Deferred compensation: opportunity for PDA Team profit increases as project nears feasibility
- > Monthly subcontractor payment certification
- > Metro ownership of final technical work products to utilize as it sees fit

Key Information

No change to process of conducting public and stakeholder outreach

- > All outreach to public and key project stakeholders will be conducted through Metro staff

No change to Metro Board's role in project decisions

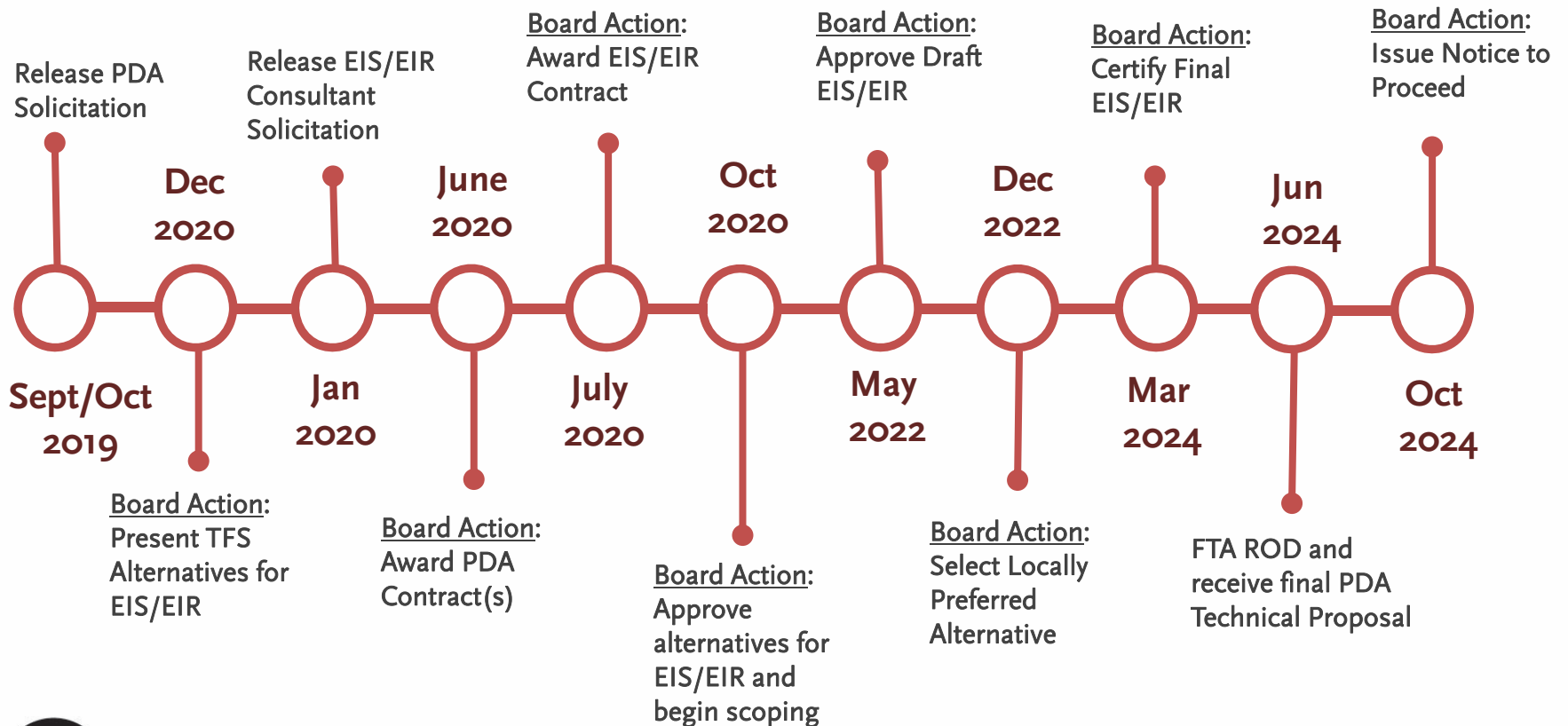
- > Approve PDA; Approve scoping; Select LPA; Approve delivery model ($\frac{2}{3}$ vote), Authorize project delivery contract; Set life-of-project budget

Small and Disadvantaged Business participation will be incorporated as with any project

- > Metro DEOD will set SBE/DBE goals for each PDA phase



Tentative Project Timeline



Metro

**Timeline assumes PDA Team continues supporting project development through final price proposal, with no external delays (e.g. litigation, etc.)*