



Board Report

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Agenda Number: 36.

CONSTRUCTION COMMITTEE NOVEMBER 21, 2019

SUBJECT: DIVISION 20 PORTAL WIDENING AND TURNBACK FACILITY

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING AND ADOPTING minor changes to project definition and CEQA Addendum to the Final Environmental Impact Report (FEIR) for the Division 20 Portal Widening and Turnback Facility (Attachment A); and
- B. ESTABLISHING a Life-of-Project (LOP) Budget of \$801,749,577 for the Division 20 Portal Widening Turnback Project.

ISSUE

The Metro Board of Directors certified the Division 20 Portal Widening and Turnback Facility (Project) Final Environmental Impact Report (FEIR) on October 25, 2018. Since then, two components of the Project—a column to support the high-speed rail (HSR) and a ventilation shaft building—have been eliminated. Additionally, the Citizens Warehouse/Lysle Storage Company building (commonly known as the Pickle Works building) has been demolished due to a fire (unrelated to the Project). Therefore, mitigation measures previously adopted to minimize impacts to the Pickle Works building are no longer necessary. Pursuant to Public Resources Code section 21166 and California Environmental Quality Act (CEQA) Guidelines section 15164, Metro analyzed the potential environmental impacts of the changes in the Project definition and concluded that an addendum to the FEIR would be appropriate. As set forth in the analysis undertaken in the Addendum to the EIR the proposed refinements will not result in new or substantially more adverse impacts than those previously documented.

The establishment of the LOP Budget for the Division 20 Portal Widening and Turnback Project at the time of contract award is consistent with the recommendations in the Office of the Inspector General (OIG) Construction Management Best Practices Study Report and lessons learned regarding establishing final budgets, when adequate information (such as the receipt of hard bids) is available.

BACKGROUND

Metro committed to the Federal Transit Administration (FTA), as part of the Full Funding Grant Agreement (FFGA) for the Westside Purple Line Extension (WPLE) Section 1, to make appropriate infrastructure modifications to allow the Purple Line system to operate at reduced headways. The FFGA states that reduced headways must be achievable by late 2024. The Project will achieve the required headways for the Red and Purple Lines and enhance operational capacity at the division.

The Project elements include:

- Widening the tunnel portal that currently connects the Metro Red and Purple Lines to Division 20;
- Constructing new storage tracks;
- Reconfiguring existing tracks and access roads to accommodate a turnback facility;
- Installing a new Traction Power Substation (TPSS) and emergency backup power generator;
- Expanding the rail yard west, into areas previously occupied by the former Citizens Warehouse/Lysle Storage Company building, the LAPD Viertel's Central Division Police Garage, and the former National Cold Storage facility;
- Repurposing an existing building at 100-120 North Santa Fe Avenue for maintenance of way (MOW) activities;
- Modifying the 1st Street Bridge piers and providing a seismic upgrade to the Bridge superstructure; and
- Vacating portions of three City streets: Jackson, Banning, and Ducommun Streets east of Center Street.

On March 23, 2017, the Board approved the award of a professional services contract to complete preliminary engineering and final design for the Division 20 Portal Widening and Turnback Project. The Board also approved the award of a Construction Management Support Services contract on May 17, 2018. A task order was issued to begin abatement and early demolition work on the newly acquired properties for the project on October 8, 2018. Award of a separate power contract was issued on June 18, 2019 to begin procurement of a new traction power substation.

On January 5, 2019, a Request for Qualifications (RFQ)/Invitation-for-Bid (IFB) was issued for Contract No. C1136 using the lowest bid price to select a contractor to construct the project. Three bids were received on September 26, 2019 with an apparent lowest bidder and price identified. The bids ranged from \$439.8M to \$447.9M. The Metro Independent Cost Estimate (ICE) was \$431.5M (Project Chronology is summarized in Attachment C).

DISCUSSION

The Addendum to the Final EIR provides clarifications and analysis on the following items:

- The elimination of two project elements (a column to support the high-speed rail (HSR) and a ventilation shaft building)
- Demolition of the Citizens Warehouse/Lysle Storage Company building (commonly known as the Pickle Works building) due to a fire (unrelated to the Project), and
- Revised mitigation measures necessitated by aforementioned changes to the Project and its surrounding circumstances.

The elimination of the column to support HSR and the ventilation shaft building will result in reduced impacts. In addition, the fire and subsequent demolition of the Citizens Warehouse/Lysle Storage Company building changes the building's eligibility for the National Register of Historical Places. As a result, the mitigation measures previously identified to maintain and protect the building have been eliminated from the Project. Although the elimination of these items alters the Project and reduces its potential impacts, the EIR continues to serve as the appropriate document addressing the environmental impacts of project construction and operational activities pursuant to CEQA.

In particular, the analysis undertaken in the Addendum confirms that the proposed Project refinements will not result in new or substantially more severe adverse impacts than those previously documented in the EIR. Therefore, supplemental environmental review is not required under CEQA. (See Pub. Resources Code, § 21166; 14 Cal. Code Regs. ("CEQA Guidelines"), § 15162.)

Life of Project Budget

From inception, the Division 20 Portal Widening and Turnback Project has been funded on a fiscal year basis. The proposed LOP budget for this project has been based on total project costs incurred (including Metro labor, non-labor costs and right-of-way acquisition), bid price, anticipated scope changes, up to 20 additional Operations personnel, and contingency.

Funding in the amount of \$801.7 million (See Attachment D - Funding/Expenditure Plan) has been identified to be obtained from Red/Purple Line projects that were included in the 2014 Short Range Transportation Plan (SRTP) but are no longer required for Metro's operation of the Red and Purple Lines. Metro Program Management, Operations and Systems have evaluated the following SRTP projects and determined they are not required for Red/Purple Line Operations: North Hollywood Terminal, Train Control for reduced headways, Traction Power for reduced headways and Tunnel Improvements under Santa Monica Mountains. Two additional projects, Union Station Upgrades and Division 20 Improvements are also identified in the LRTP and will contribute to fund Division 20 Project.

Design-bid-build projects typically carry a ten percent contingency because the design is carried out to 100%. In this case twenty percent contingency is justifiable due to several high-risk factors:

- Construction occurs within an active railyard
- Multiple cut-overs are required to ensure service to the mainline is not impacted
- Multiple overlapping construction contracts including rail welding from WPLE Section 1, Link Union Station, and ESOC
- Schedule is critical as it is related to Metro's FFGA commitment for the opening of WPLE Section 1

Additionally for Board's information, as part of the overall expansion of the Division 20 yard, a separate shop expansion project will be required. Design work for this separate project is at a very early stage and will progress towards completion through Winter 2021. Staff will bring forward to the Board a separate LOP recommendation for that project at a later date once design is completed and construction costs are known.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety.

FINANCIAL IMPACT

The funding required for FY20 is included in the Adopted Budget under project 865519 Division 20 Portal Widening Turnback Facility, cost center 8510, in various accounts. The cost for the 19 additional FTEs required in Operations for this project is included in the proposed LOP. Five of the nineteen project FTEs will be addressed through the annual budget process in future fiscal years based on the assessment of project schedule and related annual staffing deployment needs. Likewise, the positions will taper off as the project comes to completion.

This is a multi-year project and it is the responsibility of the Project Manager and Chief Program Management Officer to budget for this project in future fiscal years.

Impact to Budget

The sources of funds for the recommended actions are Measure R 35%, Measure R 2%, SB1 - Local Partnership Program, and Cap & Trade Transit and Intercity Rail Capital Program (TIRCP). These funds are not eligible for Bus and Rail Operating expenses. The funding sources are subject to change based on availability and eligibility at the time of expenditure.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goals:

1. Provide high-quality mobility options that enable people to spend less time travelling;
2. Deliver outstanding trip experience for all users of the transportation system; and
3. Enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

Item A: The Board may consider not approving changes in the Project definition and the Addendum to the Final EIR. This is not recommended as the revisions, additions, and clarifications included in the updated Project definition and described in the Addendum will ensure that the Project's design and construction are informed by existing conditions and constraints. In particular, advancing construction without this new information could result in design or construction activities that may need to be revised, via a change order, after the construction contractor is on board. Change orders are costly and cause delays. The Addendum will allow for the appropriate level of clarification to move the Project forward in the near-term.

Item B: The Board may choose to not move forward with adopting an LOP budget. This is not recommended as the LOP is based on actual bids which provide an accurate forecast for construction costs.

NEXT STEPS

Upon Board approval of the changes in the Project definition and the Addendum, staff will file the Notice of Determination (Attachment B) and ensure all project activities are consistent with the revised mitigation measures.

ATTACHMENTS

- Attachment A - Addendum
- Attachment B - Notice of Determination
- Attachment C - Division 20 Chronology
- Attachment D - Funding Plan
- Attachment E - Division 20 Portal Widening & Turnback Facility FTE Plan

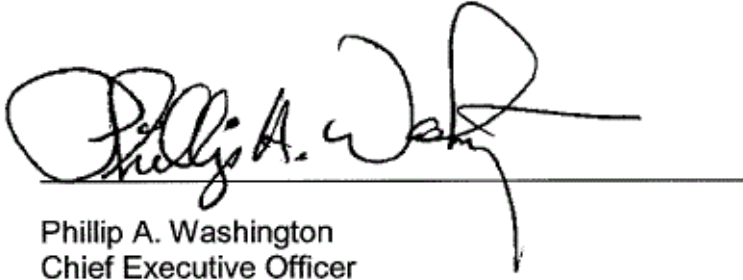
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