

Status Update: Capital Unsolicited Proposals

OEI

OFFICE OF EXTRAORDINARY
INNOVATION



LA Metro Board of Directors
Executive Management Committee
January 18, 2018

Unsolicited Proposal Status Update

To date, OEI has accepted **95** proposals, reviewed **83**, concepts, advanced **24** for detailed review, and is taking **11** to RFP or implementation.

- Engaged over **120** internal subject matter experts
- Received **13** proposals for megaprojects or major financing ideas
- Other innovation pilots include data management, micro transit, mobile tolling, unmanned vehicles, and more.

Summary of Major Projects

Three projects currently in pre-procurement:

- > **West Santa Ana Branch Transit Corridor**
 - To be procured as a competitive P3 (commercial structure TBD)
 - Focus on phasing to support early revenue service
- > **Sepulveda Pass Transit Corridor**
 - To be procured as a Preliminary Development Agreement (PDA)
 - Early developer involvement to support scoping & engineering
- > **Strategic Managed Lanes Network (not a P3)**
 - Procurement of toll bond underwriting pool to support system financing strategy & project acceleration

Summary of Major Projects

Two proposals declined further consideration:

- > **Metro Orange Line – Early LRT Conversion**
 - Limited opportunities for D/B or lifecycle cost savings, risk transfer, or innovation
 - Unresolvable cash flow/affordability challenges
- > **Parker Infrastructure Partners – Infrastructure Provider Framework**
 - Potential long term affordability issues
 - Misalignment of strategic approach & incentives
 - Significant execution risk

Summary of Major Projects

One new unsolicited proposal received for Metro major capital project

- > **Vermont Avenue Transit Corridor Project**
 - Proposed Bus Rapid Transit project
 - Schedule acceleration
 - Risk transfer & cost savings through P3 contract
 - Comprehensive technology enhancements
 - Currently in Phase I Review

Current P3 Development Activities

> West Santa Ana Branch P3

- Scoping/budgeting for technical, legal, & financial advisory teams
- Market Soundings & Risk Workshop/Risk Allocation Matrix
- Procurement Options Analysis & Value for Money (VfM) Report
- Preliminary Business Case for Commercial Model

> Sepulveda Pass Transit Corridor PDA

- Qualifications-based RFQ/RFP evaluation to determine optimal partner for project scoping & development, option for delivery
- Compete on risk sharing, project work plan, technical approach

Upcoming Project Milestones

> West Santa Ana Branch P3

- **Market Sounding – Spring 2018:** Industry forum of potential bidders to introduce project, schedule, key characteristics & parameters, gather feedback on procurement model
- **Commercial Market Report – Early Summer 2018:** Summary/synthesis of industry feedback and internal analysis to support shortlist of procurement options

> Sepulveda Pass Transit Corridor PDA

- **Development of Advisory & Project Team – Ongoing:** Establishment of P3 scope, project charter, schedule, team
- **Market Sounding – Late Spring 2018:** Industry forum of potential bidders focused on PDA terms and timeline



Thank You

Questions?