



Board Report

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Agenda Number: 16.

**FINANCE BUDGET & AUDIT COMMITTEE
APRIL 19, 2017**

SUBJECT: FUNDING RECOMMENDATION FOR METROLINK TRACK AND STRUCTURE REHABILITATION WORK

ACTION: APPROVE PROGRAMMING OF MEASURE R FUNDS

RECOMMENDATION

CONSIDER:

- A. APPROVING the SCRRA's request for additional funding for urgent structure and rail tie rehabilitation work up to \$18,381,025.
- B. PROGRAMMING up to \$18,381,025 in **Measure R 3% funds**.
- C. AUTHORIZING the Chief Executive Officer, or his designee, to negotiate and execute all necessary agreements between LACMTA and the SCRRA for the approved funding.

ISSUE

On December 1, 2016 Board of Director's meeting, the Board authorized the CEO to provide Metrolink with "pre-contract award authority" action plan that authorizes Metrolink to proceed with the development of the necessary scope(s) of work, advertise the contract opportunities, and structure the procurements with a series of options to provide flexibility with respect to the amount of funding available. Metrolink's actual award of contracts would not be authorized until such time as Metro's Board approves an appropriation by April 30, 2017 (refer to Attachment A).

Since then, staff in collaboration with SCRRA has performed several due diligence reviews between November 23, 2016 and February 28, 2017 inspecting 29 "Priority A" bridges, culverts and rail ties. Staff has completed the first round of due diligence review of Metrolink's "Priority A" urgent structure and rail tie rehabilitation work. Staff intends to work with SCRRA on a multi-phase approach and recommending an approval of up to \$18,381,025 of additional funding for Metrolink's urgent structure and rail tie rehabilitation work for the first phase. Metro along with the other SCRRA Joint Power Authority members have committed to working with SCRRA to fund the urgent structure and rail tie rehabilitation work to prevent slow orders.

DISCUSSION

Background

On November 18, 2016, Metrolink staff provided its Board of Directors with a report for track and structure rehabilitation funding that will be required in the next 18 months for track and within 36 months for bridges and culverts totaling approximately \$45,357,800 that were divided into two sets of priority groupings, A and B. Priority A is comprised of a total of \$29,417,000 and is regarded as a higher priority than Priority B projects totaling \$15,940,300. However, Metrolink indicated that both A & B projects are necessary to prevent the imposition of slow orders and service disruptions on the impacted segments beginning as early as June 2017. Metrolink staff has indicated that if funding is not made available by the Member Agencies, Metrolink will need to develop a plan for operations with deferred rehabilitation that will likely result in “slow orders” and service disruptions on the impacted segments beginning June 2017 (refer to Attachment B). A slow order is generally initiated when the railroad agency believes that conditions on or about the Rights of Way (ROW) prevent trains from operating at normally designated speeds which could result in substantial delays to riders or a reduction in service. Metrolink has estimated that Metro’s share of this appropriation is up to \$26,855,000 for Priority A and up to \$5,009,316 for Priority B for a total of \$31,864,316 million.

Due Diligence Review

In order to provide assurance to the Metro Board, prior to any multi-million dollar commitment of funding, that the highest priority rehabilitation projects are addressed in the most expeditious manner, particularly in the event of a risk to the operational safety of our passengers, staff performed due diligence review of Metrolink’s “Priority A” urgent structure and rail tie rehabilitation work from November 23, 2016 through March 27, 2017. Staff inspected as many ties, bridges, turnouts and culverts within the aforementioned time period to corroborate and validate Metrolink’s priority list so that it can be used to provide guidance for programming of funds for urgent structure and rail tie rehabilitation work (refer to Attachment C). Staff has also hired a consultant, WSP, to review and validate SCRRA’s state of good repair projects including performing a condition risk assessment to be used as a diagnostic tool for budget allocation.

Staff is working with SCRRA on a multi-phasing approach to Metrolink’s urgent structure and rail tie rehabilitation work totaling up to \$31,864,316, beginning with “Priority A” projects and followed by “Priority B” projects. Staff has inspected 29 bridges and culverts and over 10 miles of rail ties in the Valley, Ventura, San Gabriel and River Subdivisions under the “Priority A” projects. For the 29 bridges and culverts under “Phase A” projects inspected as part of phase 1, staff concurs with SCRRA that at least 10 bridges and culverts including ties and turnouts need to be replaced immediately within the next three years. The remaining 19 bridges and culverts under “Phase A” projects inspected as part of phase 1 appear to be in “fair to satisfactory” conditions and do not require immediate replacement within the next 3 years even though these structures are at least over 29 years old and older. However, since these structures are old and approaching their service life, staff is recommending that it be programmed for replacement within the next ten (10) years with continuous annual inspections. SCRRA staff concurs with Metro’s inspection report and has agreed to work with Metro to reprioritize their urgent structure rehabilitation work based on Metro’s due diligence review (refer to Attachment

F). Staff is recommending approval of up to \$18,381,025 of additional funding for Metrolink's urgent structure and rail tie rehabilitation work (refer to Attachment D). The list in Attachment D is meant to be used as a diagnostic tool for allocation of funds only. It is SCRRA's responsibility to provide an independent condition risk assessment to determine which structures should be replaced and in which order. In addition, staff included rehabilitation work on Los Angeles Union Station canopies, Sierra and Juniper crossing improvements on the San Gabriel Subdivision and East Bank improvements under "Priority B" on the River Subdivision as part of the \$18,381,025 since Union Pacific Railroad and other Joint Powers Authority (JPA) members have all committed to their share of the costs for the work.

SCRRA indicated that if the funding has been secured by all the JPA members by April 2017, they will award the contract in May 2017 and complete construction by May 2019 (refer to Attachment E). Staff has asked SCRRA for a more detailed project delivery and schedule including cash flow forecast on the urgent structure and rail tie rehabilitation work for the four Metrolink subdivisions on the Valley, Ventura, River and San Gabriel. Metro along with the other SCRRA Joint Power Authority members have committed to working with SCRRA to fund the urgent structure and rail tie rehabilitation work to prevent slow orders.

DETERMINATION OF SAFETY IMPACT

Maintaining Metro owned assets and infrastructure in a state of good repair will eliminate system failures which could result in additional cost to LACMTA or exposure to liability.

FINANCIAL IMPACT

Metro staff is requesting the programming of up to \$18,381,025 of Measure R 3%. Metro staff will appropriate additional funding on an annual basis in correlation to Metrolink's work plan and cash flow to complete the slow order projects.

ALTERNATIVES CONSIDERED

The Board could chose not to approve funding the Metrolink rehabilitation work of Metro owned ROW. This is not recommended since passenger safety and operational efficiency are among our agency's highest priorities. Further, if this rehabilitation work is not funded slow orders could be imposed.

NEXT STEPS

1. Continue to perform the due diligence review on the remaining balance of Metrolink's urgent structure and rail tie rehabilitation work totaling up to \$31,864,316.
2. Report back to the board with staff's assessment and a funding plan of the remaining urgent track and structure rehabilitation work as part of phase 2 by December 2017.

ATTACHMENTS

Attachment A - Metro Board Report, November 16, 2016

Attachment B - SCRRRA Board Report, November 18, 2016

Attachment C- Metrolink Asset Inspection Summary, March 23, 2017

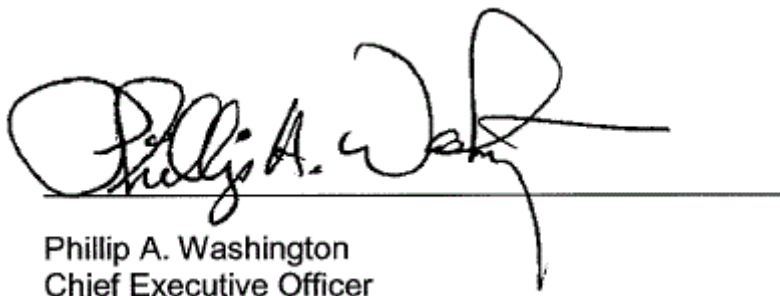
Attachment D- Funding Request for Metrolink's Urgent Structure and Rail Tie Rehabilitation (Slow Order) Work

Attachment E- SCRRRA Proposed Project Delivery Schedule for Urgent Structure and Rail Tie Rehabilitation (Slow Order) Work

Attachment F- MTA/SCRRRA Joint Review on Valley Subdivision

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