



Board Report

File #: 2019-0050, File Type: Contract

Agenda Number:

CONSTRUCTION COMMITTEE FEBRUARY 21, 2019

SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT

ACTION: APPROVE LIFE OF PROJECT BUDGET AND CONTRACT AWARD

RECOMMENDATION

CONSIDER:

- A. AMENDING the Life-of-Project (LOP) Budget of \$1,374,826,466 to \$3,223,623,255 to include the Stations, Trackwork, Systems and Testing portion of the Westside Purple Line Extension Section 3 Project (Project), consistent with previous actions taken by the Board in February 2016, January 2017, and June 2018;
- B. AUTHORIZING the Chief Executive Officer (CEO) to award an 89-month firm fixed price contract under Request for Proposal (RFP) No. C45161C1152 to Tutor Perini/O&G, JV, the responsive and responsible Proposer determined to provide Metro with the best value for the final design and construction of the Westside Purple Line Extension Section 3 Project Stations, Trackwork, Systems and Testing, in the amount of \$1,363,620,000, subject to the Federal Transit Administration (FTA) approval of a Full Funding Grant Agreement (FFGA) and resolution of protest(s), if any;
- C. AUTHORIZING the withholding of funds, pursuant to the provisions of the Measure M Ordinance, from the Local Return/Regional Rail Subfund to pay for the 3% local agency contributions to the Project should no agreement with the local jurisdictions be approved or upon default of payment by a local jurisdiction; and
- D. APPROVING an additional 12 full time Metro staff for FY19 to strengthen the existing project management and support team.

ISSUE

In February 2016, the Board authorized staff to begin the necessary steps to advance the project delivery of the Westside Purple Line Extension Section 3 Project (Project) as part of the Shovel Ready Program of Projects, which included the advancement of other Measure R Projects. In

January 2017, the Board approved the Project delivery methodology of design-build.

In consideration of advancing the Project, three procurement packages were established to meet the desired project delivery schedule. The major project work was separated into two discrete design/build procurements: 1) C4043C1151, Tunnels and 2) C45161C1152, Stations, Trackwork, Systems and Testing. The third, the Advanced Utility Relocations contract, was awarded in October 2017 under the FTA pre-award authority.

In June 2018, the Board authorized the CEO to award the C1151 Tunnels contract, subject to the FTA approval of the Letter of No Prejudice (LONP), and to establish the LOP Budget for the Tunnels portion of the Project. The Contract was awarded on November 30, 2018 after receiving a Letter of No Prejudice (LONP) from the FTA. The LONP permitted Metro to award the contract, but not issue the Notice to Proceed (NTP) until the completion of the 23 CFR §771.130 (c) environmental review, which was received on December 21, 2018. The NTP was issued to Frontier-Kemper/Tutor Perini, JV on January 15, 2019. This action to award the Stations, Trackwork, Systems and Testing contract is subject to receiving an FFGA from the FTA. Staff has been working diligently with the FTA to secure an FFGA for the Project.

The recommended actions to amend the LOP Budget for the final phase of the Project and to award Contract C45161C1152 are consistent with the approval actions taken by the Board in February 2016, January 2017, and June 2018. The funding plan is outlined in Attachment C.

Amending the LOP Budget for the Stations, Trackwork, Systems and Testing portion of the 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 recommended price) is available.

As part of the approval process of the FFGA, staff was required to produce a Westside Purple Line Extension Section 3 Project Management Plan (PMP) and sub plans that would ensure that Metro has the capacity and capability to manage and oversee the Project safely, on-time and within budget. As part of the Metro budget process, to strengthen the existing project management and support team, staff will be requesting the need for additional Metro staff. These staff will support engineering, design, construction management, project controls, safety, third party coordination, community relations, and real estate, in accordance with the PMP and the needs of the Project.

BACKGROUND

The Westside Purple Line Extension Section 3 Project consists of approximately 2.56 miles of twin-bored tunnels and two underground stations located at Westwood/UCLA and Westwood/VA Hospital. Advanced utility relocation work has begun and is approximately 70% complete. That work began

under pre-award authority that was granted by the FTA in 2012 upon approval of the Record of Decision. The major design and construction work will be performed under two contracts; C1151 for the twin bore tunnels and C1152 for the stations, trackwork, systems and testing.

In January 2017, the Board authorized staff to use a design/build contracting delivery approach to complete the final design and construction of the Project and to solicit two contracts for the 2.56-mile dual track heavy rail extension and two new underground stations. The Board authorized the procurement under Public Utilities Code (PUC) Section 130242(a) and Public Contract Code Sections 22160 - 22169 to reduce project costs, expedite project completion and allow for an award to the lowest responsive and responsible bidder, or the negotiation and award of a design/build contract to a responsible proposer whose proposal is determined to be the best value to Metro.

A Request for Qualifications (RFQ)/Request for Proposals (RFP) two-phase negotiated procurement was implemented for the C1152 design/build delivery approach. An open procurement was advertised on September 15, 2017, which culminated with five firms meeting the RFQ requirements and subsequently invited to submit proposals in response to the second phase of the solicitation, the RFP. Additional details for the procurement process, including the evaluation results, are in Attachment A.

DISCUSSION

The recommended action to award the contract to the most advantageous proposer, Tutor Perini/O&G,JV, is based on a "Best Value" selection process. In accordance with Public Contract Code Sections 22160 - 22169, the RFP defined Best Value as a value determined by objective criteria and may include, but is not limited to price, features, functions, life-cycle costs, and other criteria deemed appropriate by Metro; and the Best Value Proposal as the most advantageous Proposal to Metro when evaluated in accordance with the Evaluation Criteria defined in the RFP.

The Source Selection Plan and the RFP established the weighted value assigned to the major evaluation criteria:

·	Project Management	45%
·	Technical Approach	20%
·	Price	<u>35%</u>
	<i>Subtotal</i>	100%
·	A Prompt Payment to Subcontractors Initiative	5% (bonus scoring)

Total 105%

After a thorough and extensive competitive procurement process, staff recommends Tutor Perini/O&G, JV as the contracting team for the final design and construction of the Westside Purple Line Extension Section 3 Project Stations, Trackwork, Systems and Testing.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects.

FINANCIAL IMPACT

Cumulative funds required through fiscal year 2019, in the amount of \$268,275,191, are included in Project 865523 Westside Purple Line Extension Section 3 Project, in Cost Center 8510 (Construction Project Management), and Account Number 53101 (Acquisition Building and Structure).

Since this is a multi-year Project, the Chief Program Management Officer and the Project Manager will be responsible for budgeting costs in future fiscal years.

On June 15, 2017, the Board authorized the Chief Executive Officer to enter into a stipend agreement with the unsuccessful responsive proposers for the Project, in the amount of \$1,250,000. A stipend is a common construction industry practice to compensate unsuccessful responsive and responsible proposers for the high cost of producing a competitive and comprehensive proposal. Both AECOM Westside Partners and Healy Dragados PL3S JV will receive a stipend in exchange for their work products, which entitles Metro's use of any such products.

Impact to Budget

The FY19 sources of funds for the recommended actions includes Section 5309 New Starts Funds advanced for FY19, Measure R 35% and Measure M 35%. The approved FY19 budget is designated for the Westside Purple Line Extension Project and does not have an impact to operations funding sources. The Project is not eligible for Propositions A and C funding due to the tunneling element of the Project. No other funds were considered.

Multiyear Impact

The sources of funds to support the \$3.224 Billion Project LOP are capital funds identified in the recommended Funding/Expenditure Plan as shown in Attachment C. Federal sources are identified with Measure R 35%, Measure M 35% and Local Returns funding the balance of project costs. The project cost was included and funded in the 2017 Long Range Transportation Plan Financial Forecast.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports Strategic Plan Goal #3 - Plan and deliver capital projects on time and budget while increasing opportunities for small business development and innovation. The recommendation supports the plan to deliver the Project in time to support the 2028 Olympic and Paralympic Games while broadening small business opportunities.

ALTERNATIVES CONSIDERED

The Board may choose to not move forward with the contract award and amending the LOP Budget for the second and final project phase. This is not recommended as this is an adopted project within the Long Range Transportation Plan, and not moving forward with the recommendations will delay the schedule, increase the cost of the Project, and jeopardize \$1.3 billion in New Starts funding from the FTA, as well as jeopardize completion of the Westside Purple Line Extension Section 3 Project by 2027.

NEXT STEPS

Upon approval by the Board and the receipt of an FFGA, Metro will issue a Notice-of-Award, execute a contract with the recommended Design/Build Contractor and once bonds, insurance, and project labor agreement requirements are met; issue a Contract Notice-to-Proceed. Thereafter, the LOP Budget will be amended accordingly per Recommendation A.

ATTACHMENTS

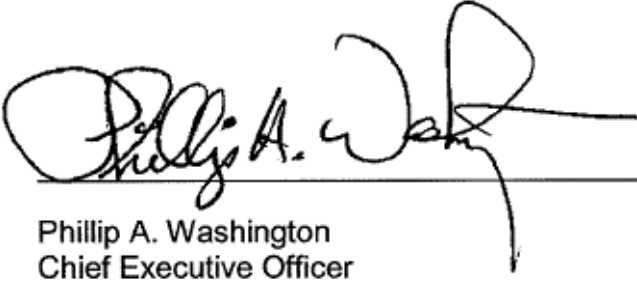
Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Funding /Expenditure Plan
Attachment D - Request for Project Staff Positions

Prepared by:

Kimberly Ong, Executive Officer, Project Management (213) 312-3143
Rick Wilson, Executive Officer, Program Control (213) 312-3108
Laurie Lombardi, Senior Executive Officer, Countywide Planning & Development
(213) 418-3251
Albert Soliz, Senior Manager, Contract Administration (213) 418-3110

Reviewed by:

Richard Clarke, Chief Program Management Officer, (213) 922-7557
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer