



Board Report

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**EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 15, 2020**

SUBJECT: REGIONAL RAIL STRATEGIC FINANCIAL ADVISORY ON-CALL SERVICES

ACTION: AWARD CONTRACTS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. AWARD six, five-year base on-call contracts with two, one-year option terms, for Regional Rail Strategic Financial Advisory On-Call Services to the firms listed below for a total not-to-exceed amount of \$6 million for the initial five-year base contract and \$1 million for each one-year option term, for a total not-to-exceed cumulative amount of \$8 million, subject to resolution of protest(s) if any.

Discipline 1: Financial Advisory Support Services

1. Deloitte Transactions and Business Analytics LLP - Contract No. PS66571-2000
2. Ernst & Young Infrastructure Advisors, LLC - Contract No. PS66571-2001
3. InfraStrategies LLC - Contract No. PS66571-2002
4. Sperry Capital, Inc. - Contract No. PS66571-2003

Discipline 2: Strategic Advisory/Advocacy Services

1. WSP USA, Inc. - Contract No. PS66571-2004
2. Deloitte Transactions and Business Analytics LLP - Contract No. PS66571-2005; and

- B. EXECUTE or delegate the execution of Task Orders within the approved not-to-exceed cumulative value of \$8 million.

ISSUE

The Metro Regional Rail Program requires strategic financial advisory services to provide innovative strategies to bridge the funding gap for capital regional rail projects that integrate commuter rail, intercity rail, and future high speed rail in the Metro-owned railroad corridors especially since all these projects are not listed in the Measure M program. Upon the award of the on-call contracts, individual task orders will be issued to the selected firms on a rotating basis, based on previously Metro board authorized funding.

BACKGROUND

The Metro Regional Rail Program includes commuter and intercity rail capital projects in Los Angeles County, in coordination with regional, intercity and interstate passenger rail operators such as Southern California Regional Rail Authority (SCRRA), Amtrak and Los Angeles - San Diego - San Luis Obispo Rail Corridor (LOSSAN), including planning and coordination efforts with the California High Speed Rail Authority (CHSRA) and DesertXpress Enterprise LLC (aka Virgin Trains USA) for future high speed rail service connecting Los Angeles County to northern and southern California, and coordination with freight to ensure that capital projects are compatible with shared-use agreements for freight operations. The Metro Regional Rail capital program improves regional mobility in Los Angeles County including modernizing Los Angeles Union Station to transform it into a World Class transit and mobility hub. Metro owns approximately 140 route miles of right-of-way with 152 at-grade crossings in Los Angeles County that are operated and maintained by SCRRA. Within Los Angeles County, the Metro Regional Rail covers the Valley, Ventura, San Gabriel, River and San Bernardino Subdivisions.

DISCUSSION

The estimated value of capital projects managed by Metro Regional Rail has grown up to \$5 billion such as the Link Union Station Project Phase B, Doran Broadway Brazil Grade Separation, Brighton to Roxford Double Track Project, Lonehill to White Double Track Project and other regional rail projects. Over \$1.3 billion in awarded grants and other funds have been committed on Link Union Station, Rosecrans Marquardt Grade Separation, Antelope Valley Line Program, and Doran Street Grade Separation Active Transportation Projects, etc. Therefore, Metro Regional Rail requires strategic financial advisory services to provide innovative strategies to bridge the funding gap for such projects in various phases of the project delivery process.

Under the Financial Advisory Support Services on-call contracts (Discipline 1), specific tasks may include development of an attainable funding and implementation plan, feasibility analysis for potential transit oriented opportunities along the regional rail corridor, revenue stream strategies and analyses, financial transaction support during negotiations with public and private funding partners, and other financial advisory services.

Under the Strategic Advisory/Advocacy Services on-call contract (Discipline 2), specific tasks mainly include providing technical support materials to Metro's Government Relations Department for any legislative needs, coordination with local, advocacy and regulatory agencies, policy research and

analysis, grassroots strategies and activation, and other strategic advisory or advocacy services.

Staff recommends the total contract amount of \$6 million for Regional Rail Strategic Financial Advisory On-call Services over five years, with two, one-year options of \$1 million each year, for a total not-to-exceed contract amount of \$8 million. The task order assignments issued under these on-call contracts are tasks that must be initiated and completed in a relatively short period of time.

DETERMINATION OF SAFETY IMPACT

The approval of these on-call contracts will not have any impact on the safety of our customers and employees.

FINANCIAL IMPACT

Award of Regional Rail Strategic Financial Advisory On-Call Services contracts would have no financial impact, since funding for future task orders under these contracts will come from project budgets approved by the Metro Board. Each task order awarded to a contractor will be funded with a source of funds identified at the time of task order initiation. Since this is a multi-year contract, the Chief, Program Management will be responsible for budgeting costs in future years, including any options exercised.

Impact to Budget

There is no impact to the FY21 budget at this time. The sources of funds for future task orders under the on-call contracts vary for each task order, and may include State Transit and Intercity Rail Capital Program, Measure R 3% and other federal, state and local funds.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations support Metro Regional Rail's partnership with other rail operators to improve service reliability and mobility, provide better transit connections throughout the network and serves to implement the following strategic plan goals:

- Goal 1.2: Improve LA County's overall transit network and assets;
- Goal 2.1: Metro is committed to improving security;
- Goal 3.3: Genuine public and community engagement to achieve better mobility outcomes for the people of LA County; and
- Goal 4.1: Metro will work with partners to build trust and make decisions that support the goals of the Strategic Plan.

ALTERNATIVES CONSIDERED

The Metro Board could choose not to approve the recommendations. This is not recommended as

the award of these on-call services would help Metro Regional Rail to develop strategies to bridge the funding gaps for projects under the Regional Rail program, and allow Metro Regional Rail to respond quickly to Board directions.

NEXT STEPS

Upon Board approval, staff will execute the on-call contracts.

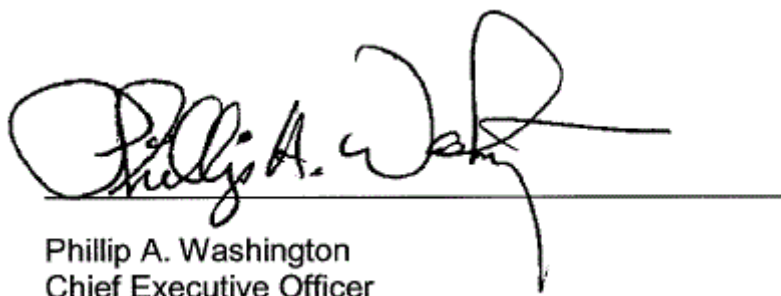
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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