



Board Report

File #: 2020-0563, File Type: Project

Agenda Number: 35.

EXECUTIVE MANAGEMENT COMMITTEE OCTOBER 15, 2020

SUBJECT: METRO CENTER PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed-price contract, Contract No. C52151C1169-2 to S.J. Amoroso Construction Co. LLC, the responsive and responsible Proposer determined to provide Metro with the best value for the design and construction of the Metro Center Project (Project) in the amount of \$81,487,000;
- B. ALIGN the Life-of-Project Budget (LOP) of \$112.7 million to \$130,688,310 including \$113.5 million state Prop 1B California Transit Security Grant (CTSG) fund, \$7.3 million Federal Emergency Management Agency (FEMA) Transit Security Program grant funds and approximately \$9.888 million of TDA Art 4 local funds;
- C. AMEND the FY 21 LACMTA budget for the Project by \$44,101,978 using Prop1B CTSG funds.
- D. NEGOTIATE the Chief Executive Officer to negotiate and execute all agreements, task orders and contract modifications, including design-build options necessary up to the LOP budget to complete the above actions.

ISSUE

In March 2016, the Metro Board established the Life of Project budget (LOP) in the amount of \$112.7 million based on the grant funds awarded to the Project. Since then - four years later, the preliminary engineering design, environmental work and selection of the design/build contractor have been completed. This Board action will award the design/build contract to S.J. Amoroso Construction Co. LLC deemed to provide the best value for the design and construction of the Project (See Attachment A, Procurement Summary) and align the LOP budget to \$130,688,310 million to fund the design and construction of the Metro Center Project which comprises of the emergency operations center (EOC) and security operations center (SOC) including the option to accommodate a future 2nd floor for a

new rail operations center (ROC) and/or bus operations center (BOC), if funding becomes available.

DISCUSSION

The Metro Center Project comprises the co-location of the EOC and a new SOC to enhance Metro's security, disaster and counter-terrorism response capabilities. Metro's current Emergency Operations Center is operating at capacity and needs to be expanded to accommodate Metro's new rail lines and upcoming National Special Security Events (NSSE), including the World Cup, College National Championships, and the Olympics. Since Metro does not have a SOC, this new SOC is needed to provide 24/7 security surveillance and situational awareness of Metro's transit system by security professionals with specialized training to improve overall rider safety on Metro's rail and bus lines. The new EOC will enhance coordination and communication with regional partners to prevent, minimize, or respond to and recover from any type of major incident, serious hazards, or terrorist attack.

Due to the unprecedented financial constraints as a result of the COVID-19 pandemic, the Metro Center Project significantly reduced the scope of the Project from a four-story 80,000 square foot building to a one-story 26,000 square foot building for the EOC and SOC to meet the minimum requirements of the state grants. An option is included to accommodate a future 2nd floor for the ROC and/or BOC if funding becomes available. The Metro Center Project will achieve a LEED Gold certification with the capability to be in operations continuously for 72 hours in case of loss of water, power, and gas due to a natural disaster.

The Metro Center Project was presented to the Board in February 2020 with a LOP of \$206 million, including provisions to accommodate the future Rail Operations Center (ROC) and Bus Operations Center (BOC). The Board deferred action in February due to questions about the procurement process. Since then, due to the financial constraints of the COVID-19 pandemic, the Project scope has been significantly scaled back to include the design and construction of only the EOC and SOC. This action aligns the Project budget to the grant funding available due to the COVID-19 financial constraints Metro is facing.

The Metro Center Project began initial environmental and demolition work on August 2019 and completed it on March 2020 in preparation for the design builder's work.

LOP Alignment

With the base contract and provisional sum award to S.J. Amoroso Construction Co. LLC in the amount of \$81,487,000, staff is requesting approval of the LOP in the amount of \$130,688,310 million to accurately realign and reflect the design and construction costs, third party costs, design support during construction, construction support services, and other agency support costs including a 13% contingency as shown in Attachment B - Funding/Expenditure Plan. The Metro Center Project is approximately 92% funded with State grant funds with the remaining \$9,888,310 million funded by future TDA Art 4 funds. All state funds will be expended for the Project for the first two years in FY 21 and FY 22. Staff will continue to apply for additional federal and state grant funds in FY 22 and FY 23 with the goal that the Metro Center Project will be fully funded by federal and state grants.

Rail Operations Center/Bus Operations Center (ROC/BOC)

Due to the financial challenges Metro is facing as a result of COVID-19, the Metro Center Project significantly reduced the scope of the Project with an option to accommodate a future 2nd floor for the ROC/BOC. Staff is working on evaluating the expansion and upgrade of the existing ROC and ancillary facilities to seamlessly integrate the Gold Line Phase 2B, Westside Purple Line Sections 2 and 3 rail extensions. This includes conducting studies and investigations, contracting professional and construction services, performing design, upgrades, and expansions at the existing ROC and ancillary facilities, as required. Staff will provide recommendations to the Board on the ROC/BOC at a future meeting.

State Grants

The Metro Center Project is approximately 92% funded with State grant funds in the amount of \$120.8 million. The California State Office of Emergency Services (CalOES) awarded \$112.7 million of Proposition 1B California Transit Security Grant Program (CTSGP) for a new emergency operations center in 2011. In 2017, CalOES reduced the amount to \$109.5 million. However, the grant funds earned interest of up to \$4 million, which brings the total to \$113.5 million. In addition, System Security and Law Enforcement (SSLE) was awarded a FEMA Transit Security Grant of which \$7.3 million will be used for the Metro Center Project (i.e., CCTV, Security Intelligence, and Cyber-Security initiatives).

Since 2011, the Project has expended approximately \$26.23 million of Prop 1B CTSGP funds. The second set in the amount of \$38 million will expire in March 2021 and all funds must be expended by March 2021 and invoiced to CalOES by June 2021. The last set of Prop1B CTSGP funds in the amount of \$45 million will expire in March 2022 and must be invoiced to CalOES by June 2022.

DETERMINATION OF SAFETY IMPACT

The Project will be designed and constructed consistent with Metro’s design and construction safety standards. This Board action will not impact established safety standards for Metro’s design and construction projects.

FINANCIAL IMPACT

In FY11, Metro received a Proposition 1B California Transit Security Grant Program (CTSGP) fund for the design and construction of an Emergency Operations Center (EOC). The CTSGP grant was subsequently reduced to \$109.5 million due to less available funds from bond sales; however, an interest of approximately \$4 million was earned, resulting in a total of \$113.5 million. In June 2020, Metro System Security and Law Enforcement also secured a \$12.18 million FEMA Transit Security Program grant, of which \$7.3 million is designated to the Metro Center Project (i.e., CCTV, Security Intelligence, and CyberSecurity). The Funding Sources are shown on Table 2 below:

Table 2- Funding Source	Amount (\$)
-------------------------	-------------

Prop 1B: California Transit Security Grant Program Funds (\$109.5M + \$4M interest ^a)	\$113.5 M
Federal Emergency Management Agency (FEMA) Transit Security Grant Program TDA Article 4 Local Funds	\$7.3 M \$9.88 M
TOTAL	\$130.7M

^a Approximate interest amount of \$4 million is subject to change

Staff is requesting to add \$44,101,978 to the FY21 budget for the Project, in cost center 2610 System Security and Law Enforcement, project number 212121 for project expenses to meet the state funding deadlines. Since this is a multi-year project, the Chief System Security and Law Enforcement Officer, and Chief Program Management Officer, Program Management will be accountable for budgeting the costs in future years.

Impact to Budget

The FY21 budget will be amended to include \$44,101,978 in Prop 1B CTSGP fund. TDA Article 4 funds are eligible for Metro Bus Operations and State of Good Repair expenses.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. The Project will enhance Metro’s ability to plan and respond to special events. The Project also supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the LA Metro organization. The Project is being designed and constructed in close coordination with the community and third party stakeholders as well as internal stakeholders within Metro to streamline Metro’s systems and processes for efficient operations.

ALTERNATIVES CONSIDERED

The alternative would be to not approve the staff recommended actions to advance the design and construction of the Project. This is not recommended as a new EOC and SOC are needed to enhance Metro’s security, disaster, and counter-terrorism response capabilities, especially in support of special events such as the Super Bowl, World Cup, and 2028 Olympics. Metro has already expended \$26 million for land acquisition, environmental clearance, planning, preliminary engineering design, and demolition work since 2011. If the Metro Center Project does not move forward, Metro will return \$113.5 million of state grant funds and reimburse approximately \$26 million to CalOES for expenditures already spent on the Project.

NEXT STEPS

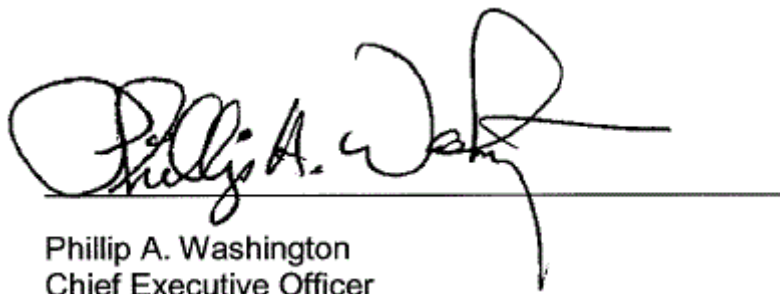
Execution of the design-build contract is subject to the resolution of any timely and properly submitted protest. A Notice to Proceed (NTP) to the Design/Build Contractor after the execution of the contract and meeting all other contract requirements for an NTP will be issued by November 2020. The Metro Center Project is anticipated to be complete by 2023. Staff will also return to the Board in December 2020 for recommendations on the ROC/BOC.

ATTACHMENTS

Attachment A - Procurement Summary,
Attachment B - Funding/Expenditure Plan
Attachment C - DEOD Summary,

Prepared by: Kate Amisshah, Principal Engineer, Regional Rail, (213) 418-3224
Rafael Vasquez, Principal Contract Administrator, Vendor/Contract Management, (213) 418-3036
Aston Greene, Executive Officer, Security & Law Enforcement, (213) 922-2599
Jeanet Owens, Sr Executive Officer, Regional Rail, (213) 418-3189

Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051
Nalini Ahuja, Chief Financial Officer, (213) 922-3088
Robert Green, Chief Security & Law Enforcement, (213) 922-4811



Phillip A. Washington
Chief Executive Officer