



Board Report

File #: 2022-0529, **File Type:** Contract

Agenda Number: 25.

REVISED
CONSTRUCTION COMMITTEE
OCTOBER 20, 2022

SUBJECT: SEPULVEDA TRANSIT CORRIDOR PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. AWARD AND EXECUTE Contract No. AE82658000 to Anser Advisory Management, LLC for Program Management/Pre-Development Agreement (PDA) Oversight Services for the Sepulveda Transit Corridor Project in the amount of \$26,221,895 for the four-year base term, and \$14,440,545 for the two-year option term, for a total contract value of \$40,662,440, subject to resolution of protest(s), if any; and
- B. APPROVE Contract Modification Authority in the amount of 10% of the contract award value and authorize the CEO to execute individual Contract Modifications within the Board-approved Contract Modification Authority.

ISSUE

On January 18, 2022, Metro issued a Request for Proposals (RFP No. AE82658) seeking a Program Management/Pre-Development Agreement Oversight Services Contractor (PM/PDAOSC) to assist the Program Management Department in managing and supporting the delivery of the Sepulveda Transit Corridor Project (Project). The performance period shall be a period of four (4) years, with an option for an additional two (2) years. Board approval is needed to award Contract No. AE82658000 to allow the contractor to begin work and provide oversight over the two PDA contractors. Approval of this contract supports the advancement of the Pre-Development Agreement (PDA) process.

BACKGROUND

Metro is environmentally clearing a new fixed-guideway transit project running between the San Fernando Valley (“Valley”) and Los Angeles International Airport (“LAX”), through the Westside of Los Angeles (“Westside”). The section of Interstate 405 (“I-405”) between these high-demand areas

remains one of the most congested urban freeway corridors in the United States. More than 400,000 people move through this area every weekday. Much of this crowding is a result of the geography of the area and the limited number of roads and public transport options running north-south through the Santa Monica Mountains.

To address the need for additional transportation capacity, the initial phase of the Project, if approved, would connect the San Fernando Valley to West Los Angeles (“Valley to Westside”) and ultimately extend a final project phase south to LAX (“Westside-LAX Extension”). Each project phase is included in Metro’s Measure M Expenditure Plan, which specifies delivery of the Valley to Westside project phase by 2033-35 and delivery of the Westside to LAX project phase by 2057-59.

Pre-Development Agreement Approach

A pre-development agreement (PDA) is a form of early contractor involvement where a private project developer participates in early project definition and design in partnership with the project owner. PDA contractors provide technical work products, including cost estimates, constructability reviews, technical analyses, etc. that support the ongoing development of a project as it progresses through the environmental review and approval processes.

In July 2019, the Board approved a finding that using a PDA approach pursuant to Public Utilities Code Section 130242 will achieve certain private sector efficiencies in the integration of the planning, design, and construction of the Project (file 2019-0490).

The PDA project development period includes clear phases and milestones, which occur in parallel with, but separate from, the preparation of environmental documents to satisfy the requirements of NEPA and CEQA. In each phase, a PDA contractor advances the design of its proposed alternatives at Metro’s direction, considering public and stakeholder feedback received by Metro through the environmental process.

Metro is currently considering six project alternatives in addition to the No Build alternative. These alternatives are:

- Alternative 1: Monorail with aerial alignment in Interstate 405 (I-405) corridor and electric bus connection to UCLA
- Alternative 2: Monorail with aerial alignment in Interstate 405 (I-405) corridor and aerial automated people mover connection to UCLA
- Alternative 3: Monorail with aerial alignment in Interstate 405 (I-405) corridor and underground alignment between the Getty Center and Wilshire Bl
- Alternative 4: Heavy rail with underground alignment south of Ventura Bl and aerial alignment generally along Sepulveda Bl in the San Fernando Valley
- Alternative 5: Heavy rail with underground alignment, including along Sepulveda Bl in the San Fernando Valley
- Alternative 6: Heavy rail with entirely underground alignment, including along Van Nuys Bl in the San Fernando Valley and southern terminus station on Bundy Dr

The PDA contractors are designing alternatives 1 through 5, and Alternative 6 is being designed by the environmental consultant’s design team under a separate contract.

After the Board establishes a Locally Preferred Alternative (LPA) for the Project, which is anticipated to occur at the end of PDA Phase 3, Metro may elect to continue pre-development work with a PDA contractor if the Board selects its proposed alternative as the LPA. At that point, the other PDA contract would expire. Alternatively, Metro could terminate both PDA contracts and proceed with the alternative developed by the design team of the environmental consultant or approve the no-build alternative.

If the Board selects as the LPA a PDA team's alternative, then during PDA Phase 4, the selected PDA contractor will advance the engineering of the selected mode, configuration, and alignment to a level of detail necessary to submit an Implementation Proposal.

DISCUSSION

With the significant size and aggressive implementation schedule for delivering Metro's Sepulveda Transit Corridor Project, Metro requires a Contractor to assist the Program Management Department in managing and supporting the delivery of the Project.

The Contractor shall serve as advisors, managers, and support as an extension of Metro technical staff, as needed. The Contractor will assist in the oversight and completion of ongoing and future work associated with the planning and management of the Project. Metro will provide overall direction for the Project and assign its personnel to perform specific job responsibilities. The Contractor shall be able to scale its workforce to accommodate the estimated needs of this highly dynamic Project on an annual basis.

Due to the potential variability in program requirements, the scope and labor hours for the Contractor shall be based on each Task Order. Metro shall have the sole discretion in defining and making changes in positions and tasks assigned to the Contractor. Given the need to oversee two large PDA contractor teams, the oversight services team may need to scale up or down and exercise flexibility and agility in its approach. Also, additional oversight and review needs may arise, given the innovative approaches proposed by the two PDA contractors.

EQUITY PLATFORM

The Sepulveda Transit Corridor is consistent with the Metro Equity Platform in that the alternatives help address accessibility for residential and employment centers, support for transit-oriented communities' policies, support for first/last-mile connections, and investment in disadvantaged communities. The project will provide a much needed connection from the underserved area of the San Fernando Valley to employment opportunities in Westside. Going forward, the Project will use the 2022 working definition of Equity Focus Communities neighborhood designation along with other metrics as appropriate to guide analyses and to conduct robust community engagement.

The selected firm made an SBE commitment of ~~25.09~~22.52% and a DVBE commitment of 3.96%. This commitment exceeds the DEOD goal of 22% SBE and 3% DVBE included in the RFP.

DETERMINATION OF SAFETY IMPACT

These actions will not have any impact on the safety of Metro customers and/or employees because this project is in the planning process phase and no capital or operational impacts result from this Board action.

FINANCIAL IMPACT

The amount of \$5,950,000 was requested in the FY23 budget in Project 460305 (Sepulveda Transit Corridor) in Cost Center 8510 to assist the Program Management Department in managing and support the Program Management/Pre-Development Agreement Oversight Services for the Sepulveda Transit Corridor Project. This is a multi-year project requiring expenditure authorizations in fiscal year increments until a Board Authorized Life of Project Budget is adopted. It is the responsibility of the Cost Center Manager, Project Manager, and Chief Program Management Officer to budget for this project in the future fiscal years and within the cumulative contract limits.

Impact to Budget

The Sepulveda Transit Corridor Project is included in Metro's current Long Range Transportation Plan (LRTP), as approved by the Metro Board in 2020, which is consistent with the Measure M expenditure plan approved by LA County voters in 2016. Funding for the Project in the Expenditure Plan is divided into three phases with approximately \$9.7 billion in total funding (2015 dollars). Phase 1, with \$260 million in funding, includes the implementation of Metro ExpressLanes on the I-405 between the 10 and 101 Freeways with an opening date of Fiscal Year (FY) 2026. Phase 2, with approximately \$5.7 billion in funding, includes a fixed-guideway transit service between the San Fernando Valley and the Westwood area of Los Angeles, with an opening year of FY 2033 to 2035. Phase 3, with approximately \$3.8 billion in funding, involves extending the Phase 2 project southward to LAX, with an opening year of FY 2057 to 2059.

These funds are earmarked for the Sepulveda Transit Corridor project and are not eligible for Metro bus and rail capital and operating expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Sepulveda Transit Corridor Project will support the first goal of the Vision 2028 Metro Strategic Plan by providing high-quality mobility options that enable people to spend less time traveling. Travel times are forecast to be less than 30 minutes for Valley-Westside (from the Ventura County Metrolink Line in the north to the Expo Line in the south), and less than 40 minutes for Valley-Westside-LAX (from Metrolink to the Crenshaw/LAX Line). This performance is highly competitive with travel by car on the I-405 freeway.

The project will also support the strategic plan's goals by enhancing communities and lives through mobility and access to opportunity by adding a new high-quality mobility option, closing a gap in the rail network that provides outstanding trip experiences and enhances communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Board could choose not to approve any or all of the recommendations. This is not recommended as this work is necessary to provide oversight over the two PDA contractor teams and maintain the Measure M delivery schedule.

NEXT STEPS

Upon Board approval, staff will execute Contract No. AE82658000 with Anser Advisory Management, LLC to provide Program Management/Pre-Development Agreement (PDA) Oversight Services for the Sepulveda Transit Corridor Project.

ATTACHMENTS

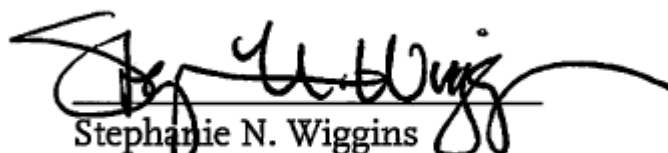
Attachment A - Procurement Summary

Attachment B - DEOD Summary

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