



## Board Report

File #: 2023-0735, File Type: Contract

Agenda Number: 15.

### EXECUTIVE MANAGEMENT COMMITTEE FEBRUARY 15, 2024

**SUBJECT: SOUTHEAST GATEWAY LINE**

**ACTION: APPROVE CONTRACT AWARD**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to award a cost-plus fixed fee contract, Contract No. AE107133000, for a period of 5 years, with two, 5-year options, to WSP USA, Inc., for Program Management Support Services (PMSS) for the Slauson/A Line to Pioneer segment of the Southeast Gateway Line Project (formerly referred to as the West Santa Ana Branch Transit Corridor) in an amount not to exceed \$99,999,105, subject to the resolution of any properly submitted protest(s), if any.

#### **ISSUE**

Staff is seeking the Board's approval of a contract award to provide program management and construction management support services to meet the Board's expectation of delivering the Locally Preferred Alternative (LPA) segment of the Southeast Gateway Line Project, formally known as West Santa Ana Branch Project. It allows staff to continue the momentum already established in our ongoing coordination with third-party stakeholders, which is key to ensuring the successful completion of project-related agreements.

#### **BACKGROUND**

The Project roadmap is comprised of the following parallel workstreams:

- Planning - completing final environmental clearance,
- Early Due Diligence (EDD) - addressing high risk items such as utilities, unknown soils conditions, and third-party agreements, and
- LRT Project Delivery - continuing to evaluate various contract delivery methods most beneficial to Metro.

A component of the EDD workstream includes the award of several contracts to address the high-risk elements of the project prior to the light rail construction. The Advanced Engineering (AE) contract was the first of those contracts and was approved by the Board in November 2023. While the AE contract provides design services to support Metro's efforts in meeting FTA requirements to advance

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through the New Starts federal funding program, the PMSS is also critical in enabling the project to transition seamlessly from environmental clearance to implementation as well as assisting Metro staff in delivering the project.

## **DISCUSSION**

To advance the delivery of the Southeast Gateway Line project, staff will need additional consultant support services to provide the following, which is included in the recommended PMSS contract:

- manage the design,
- continue coordination and negotiations with critical third-parties such as utility owners, Union Pacific Railroad (UPRR), Port of Long Beach, Port of Los Angeles, Caltrans, Army Corps of Engineers, and the California Public Utilities Commission, and
- provide program and construction management support services of the upcoming Construction Manager/General Contractor (CM/GC) early works procurement consisting of utility adjustments, freight relocation, and grade crossings.

In particular, cost estimating and negotiations support with the CM/GC will be critical as staff establish strategies to ensure successful negotiations and bring costs down.

Additionally, the PMSS consultant will provide support with Light Rail Transit (LRT) core scope procurement activities once a contract delivery model is selected for the LRT. The PMSS contract provides all these services.

Staff intends to return to the Board for award of a CM/GC contract for utility adjustment, freight realignment, and grade crossings, anticipated for Board action by fall/winter of 2024.

## **DETERMINATION OF SAFETY IMPACT**

There is no impact to safety.

## **FINANCIAL IMPACT**

The FY24 budget contains \$19.5M in Cost Center 8510 (Program Management), Project 460201 for professional services. Since this is a multi-year contract, the Project Manager and Chief Program Management Officer will be responsible for budgeting in future years.

### **Impact to Budget**

Currently, the funds for this project are provided by the Measure R 35%, Measure M 35% and State Grant SB1. No other funding sources are considered for this effort. These funds are not eligible for operating charges.

## **EQUITY PLATFORM**

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This Project will benefit communities through the addition of a new high-quality reliable light rail transit which will increase mobility and connectivity for the historically under-served and transit-dependent communities along the corridor. Approval of the contract will allow staff to advance the project and maintain the schedule to complete the line for service by 2035. The Disadvantaged Business Enterprise (DBE) goal for this procurement is 30% of the contract value; the recommended firm exceeded this goal by making a 30.16% commitment.

The Southeast Gateway Line is comprised largely of Environmental Justice (EJ) communities. In 2017 (the first year of environmental analysis), minority residents comprised 65 percent of the total Study Area population, with Hispanic/Latino groups alone accounting for 51 percent of the total population. In addition, 44 percent of Study Area residents live below the poverty level, which is higher than the county average of 33 percent. The entire LPA qualifies as an EJ corridor and the corridor cities of Bellflower, Paramount, South Gate, Cudahy, Bell, and Huntington Park are also identified as LA Metro's Equity Focus Communities. Since initiating the Project Study, staff has conducted extensive outreach efforts for corridor communities, and has continued to engage project stakeholders through a variety of forums, platforms, languages, and access methods, including special outreach efforts to people of color, low-income, and limited English proficiency populations, and persons with disabilities. Project development has been directly influenced by this engagement, as discussed above. Metro staff will continue to reengage communities as a part of the completion of the final environmental document, as well as the Slauson/A Line to LAUS Study, to help define the project, including alignment profile, station locations, and design.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Project supports the following strategic plan goals identified in Vision 2028: Goal 1: Provide high- quality mobility options that enable people to spend less time traveling, Goal 3: Enhance communities and lives through mobility and access to opportunity and Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

As one of Program Management's Strategic Initiatives, Metro has a continued focus on developing in-house personnel and hiring experienced staff to deliver large complex projects and is working toward achieving a 50/50 consultant to Metro staff ratio.

The PMSS contract is required to supply the necessary resources to start and develop the Southeast Gateway Line project. Metro's Program Management department will undertake a market analysis to evaluate Metro's capabilities to bring the right talent in-house. As the project progresses through its phases, Metro will assess core management competencies of construction, engineering, quality, schedule, budget, and third-party managers to be maintained in house while supplementing these with specialist resources from the PMSS team. Staffing plans will be reviewed regularly to ensure a balance between consultant and Metro staff. Project leadership will continue to focus on filling open positions within the project's organization and utilize consultants where necessary to successfully deliver the project.

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**ALTERNATIVES CONSIDERED**

The Board could choose not to approve the contract award. Delaying this contract award to a future date would pose significant delays to the overall project schedule and risk that the project would be unable to meet its Measure M schedule.

**NEXT STEPS**

Upon Board approval, staff will execute Contract No. AE107133000 with WSP USA, Inc. for Program Management Support Services. These activities are needed to continue advancing the Project per Board direction.

**ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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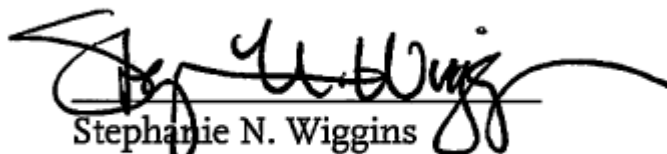
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