



Board Report

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Agenda Number: 17.

CONSTRUCTION COMMITTEE SEPTEMBER 16, 2016

SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 2 PROJECT

**ACTION: PRELIMINARY ENGINEERING REIMBURSEMENT AGREEMENT FOR
ENGINEERING SUPPORT BY THE CITY OF BEVERLY HILLS**

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to execute the Preliminary Engineering Reimbursement Agreement (PERA) for the Westside Purple Line Extension Section 2 Project.

BACKGROUND

The Westside Purple Line Extension Section 2 Project (Project) is a 2.59 mile heavy rail transit project that extends the Purple Line to Century City from the interim terminus at Wilshire/La Cienega Station of the Westside Purple Line Extension Section 1 Project that is currently in construction. The Project which begins within the City of Beverly Hills (COBH), consists of twin-bored tunnels and two subway stations. The first station is located near the intersection of Wilshire Boulevard and Rodeo Drive and the second is located within the City of Los Angeles in Century City near the intersection of Constellation Boulevard and Avenue of the Stars.

In January 2013, the Board authorized Advanced Preliminary Engineering for Project, including the design for advanced relocation of utilities, engineering support during the design-build solicitation process and design support services during construction. Presently, the Project's design/build contract is in the procurement phase. A Preliminary Engineering Reimbursement Agreement is required to compensate the COBH for engineering support to review the design and construction documents prepared by Metro's consultants and contractors during the Project's delivery.

DISCUSSION

Currently, there is no Master Cooperative Agreement (MCA) between Metro and the COBH, which would establish terms of agreement for reimbursement, by Metro, for services provided by the COBH in support of the Project. In the absence of an MCA, Metro staff has been meeting with COBH staff to establish a Memorandum of Agreement (MOA) for the Westside Purple Line Extension Section 1 Project, which would establish the terms and conditions necessary to provide for reimbursement for services rendered by COBH on the C1045 Design/Build Contract. Negotiations for an MOA for the Westside Purple Line Extension 2 Project have not yet been established, and the COBH continues to

perform services and accrue expenses in support of the Project. Therefore, the COBH requested that a PERA be processed to accommodate reimbursement, as an interim step, until an MOA is in place.

FY15-16 costs for this effort are estimated at \$1,357,138. Actual costs may vary depending upon final invoicing and level of effort required. Metro staff monitors these costs and the agreement provides that the City must notify Metro in advance of any variances.

On March 3, 2016 the COBH's City Council approved the draft PERA. Upon Board approval the PERA document will be executed, its terms implemented, and timely reimbursement to the COBH can be provided.

ALTERNATIVES CONSIDERED

The Board may choose not to execute this PERA, however not executing this PERA would require Metro to follow standard COBH over the counter review processes. Metro would not benefit from streamlined and expedited reviews, and other administrative benefits which are essential elements for a successful project.

FINANCIAL IMPACT

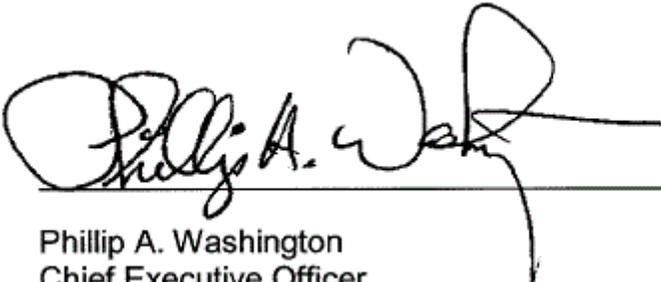
Funding for this action is included in the FY17 budget under Project 865522 (Westside Purple Line Section 2 Project), Cost Center 8510 (Construction Project Management), and Account 50316 (Professional Services). Since this is a multiyear project, the Chief Program Management Officer and the Project Manager will be accountable to budget the cost for future years. The approved FY17 budget is designated for the Westside Purple Line Extension Section 2 Project and does not have an impact to operations funding sources.

ATTACHMENT

Attachment A - Preliminary Engineering Reimbursement Agreement (PERA)

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