



Board Report

File #: 2022-0440, **File Type:** Contract

Agenda Number: 26.

**CONSTRUCTION COMMITTEE
AUGUST 18, 2022**

SUBJECT: METRO G LINE BUS RAPID TRANSIT IMPROVEMENTS PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed price Contract No. PS85661000 to Valley Transit Partners, for Phase 1 Preconstruction Services of the Progressive Design-Build contract for the Metro G Line Bus Rapid Transit Improvements Project (Project) in the amount of \$43,997,256, subject to the resolution of protest(s) if any;
- B. ESTABLISH a Preconstruction Phase-of-Project Budget (Preconstruction Budget) for the Project in the amount of \$149,683,000; and
- C. NEGOTIATE and EXECUTE all project-related agreements and modifications to existing contracts within the authorized Preconstruction Budget.

ISSUE

Staff is seeking the Board's approval for two items: (1) to award a Progressive Design-Build firm fixed price Contract No. PS85661000 to Valley Transit Partners in the amount of \$43,997,256; and (2) to establish a Preconstruction Budget in the amount of \$149,683,000. The Preconstruction Budget is inclusive of all previously awarded contracts, incurred expenses to date of \$30,145,000, and anticipated additional preconstruction activities performed by existing professional services contracts for the Project, all as summarized in the expenditure and funding plan for the Preconstruction Budget as shown in Attachment A.

BACKGROUND

The Project seeks to provide safe and cost-effective improvements to the operating speeds, capacity, and safety of the existing G Line busway while addressing passenger needs and minimizing disruption to the San Fernando Valley residents. The proposed improvements include grade

separations over Van Nuys Boulevard and Sepulveda, enhanced signal priority technology, electronic bus connectivity, and a four-quadrant railroad style gating system. The proposed gating-system is intended to reduce incidents between vehicles and Metro buses and increase the speeds of buses along the corridor which will reduce travel times for riders. The Project is a Measure M deliverable, with an anticipated revenue date of July 2026.

In March of 2020 the Board approved the use of Progressive Design-Build for this Project. In order to move the Project through the Preconstruction Phase of the Progressive Design-Build process, the Project will utilize the Progressive Design-Build contract that is the subject of this action, and will continue to utilize support from previously awarded and existing contracts, agreements, and Metro labor, as listed below and further explained in Attachment A:

- Measure W Stormwater Infiltration scope using the as needed CEQA/NEPA support services contract with ICF to revalidate CEQA to ensure staff are meeting grant funding requirements (Contract No. PS20111 Board Report 2016-0887 - \$2,394,000);
- Construction Support Services from PMA Consultants LLC which was the first medium sized business set aside professional services contract (Contract No. PS70129 Board Report 2021-0362 \$3,967,000);
- As needed program management support services provided by KTJV's on call support contract (Contract No. AE35279 Board Report 2017-0188 - \$3,950,000);
- Supplemental engineering support during the PA&ED and the ongoing PS&E phase with Mott MacDonald (Contract No. AE36687 Board Report 2017-0262 \$12,686,000); and
- Metro Labor (\$10,649,000), Right of Way Acquisitions (\$2,394,000), Third Party costs with the City of Los Angeles and local utilities (\$3,558,000), and Legal Support (\$1,509,000).

DISCUSSION

Progressive Design-Build is a delivery method wherein the Contractor and their designer are brought in early to progress design and evaluate constructability of a project from approximately 30% design to approximately 80-90% design. Through the development of design, the Contractor becomes knowledgeable about the details of the Project, most important of which is the Project risks and risk mitigation strategies. The Contractor will provide cost estimates throughout the design development process and at each major milestone of the Project.

Progressive Design-Build works best on projects with sequence and schedule sensitivities and where design is complex, difficult to define, and/or subject to change. Those criteria exist on the subject Project due to the interfaces with other transit projects that are currently in the planning stages (and therefore are subject to design and schedule changes), emerging technology elements related to the crossing gates, and necessary interfaces with third party stakeholders. Utilizing the Progressive Design-Build delivery method will provide for the efficient management of risks, appropriate collaboration with the selected qualified contractor to deliver a complex project, and the optimization of interface management between internal Metro departments, other projects, and third-party stakeholders. Progressive Design-Build is one of the strategies being applied by the Program Management Department to address Project risks and current cost escalation trends in the construction industry.

The Progressive Design-Build contract for the Project will be delivered in two phases, as described in more detail below:

- Phase One Preconstruction Services (Phase One) expressly sets out the work that the Contractor will perform, such as design and early works construction packages. Phase One also establishes the performance and outcome-based specifications for Phase Two Construction (Phase Two). All Phase One work is performed within the Board approved Preconstruction Budget.
- Upon issuance of Notice to Proceed (NTP) for Phase One, the Contractor and Metro will work side by side to review constructability, undertake value engineering and innovation tasks, conduct site investigations, assess market conditions, provide cost estimates, perform risk assessments, and develop a design and construction schedule for the Project.
- Throughout Phase One, the Contractor will provide Metro with Opinions of Probable Construction Cost (OPCC) which are open book detailed cost estimates that will enable staff to evaluate the overall projected Project costs against the Project budget and make necessary adjustments to scope and/or schedule that protect the affordability of the Project.
- To optimize the Project schedule, early work packages for discrete scopes of work included in Phase Two may be defined and Metro and the Contractor may agree to firm pricing, after which Metro may issue NTP prior to issuance of the full Phase Two NTP. Examples of these early works packages may include gating proof-of-concepts, gated intersection design, operations and maintenance plans, and early electrical equipment installations. A line item for early works packages is included within Attachment A.
- If a final negotiated OPCC is reached, staff will seek Board approval to award all of Phase Two work to the Contractor. If a final OPCC cannot be reached, Metro will have the option to terminate the contract with the Contractor and package the design documents into a separate bid package. This off-ramp will be available to Metro throughout the course of Phase One and will be evaluated at each OPCC.
- Throughout Phase One negotiations, the following parameters will be maintained to mitigate discrepancies and lead to a positive outcome:
 - the Contractor's fee and margin originally proposed will be retained in all OPCCs;
 - if Metro and the Contractor cannot reach an agreement on the Phase Two pricing and terms, Metro may exercise its right to "off-ramp" as described above, ensuring accountability for the Contractor to effectively work with Metro through all phases;
 - the Phase One specification sets out the form and frequency of OPCCs to provide for multiple checkpoints for Metro;
 - the Progressive Design-Build contract sets out the form of the price proposal for Phase Two and the information that the Contractor is required to submit;
 - the Progressive Design-Build contract sets out a clear governance structure for managing Phase One, including establishment of working groups that include members from Metro, the Contractor team and any relevant third parties; and

- the process for establishing all OPCCs will employ transparent open-book methods and the use of independent cost estimates to enable validation of pricing.
- Phase Two work begins upon successful negotiations for all work associated with the Project and includes constructing all work not included in Phase One or early works packages. When the Project proceeds into Phase Two, staff will return to the Board to set the Life of Project budget (LOP). The LOP will be inclusive of all previous costs, including the Preconstruction Budget and the negotiated final price for all Phase Two work. Board approval of the LOP and a successfully negotiated construction contract with Metro allows the Contractor to proceed into Phase Two .

As an essential element of the Preconstruction Phase, staff recommends the award of a firm fixed price contract for the Project for the Phase One Preconstruction Services as further explained in the Procurement Summary in Attachment B and DEOD Summary in Attachment C.

DETERMINATION OF SAFETY IMPACT

The recommended Board action will have no detrimental safety impact.

FINANCIAL IMPACT

The funds required in FY23 for the preconstruction work are included in the adopted budget under project 871405. This is a multi-year project and with Board approval, budgeting for the future fiscal years (FY24, FY25, and FY26) will be the responsibility of the Project Manager, Cost Center Manager, and the Chief Program Management Officer.

Impact to Budget

The award and execution of the Progressive Design-Build Contract and all necessary support costs for the Preconstruction Budget are funded with Measure M 35% Construction, as well as a \$30M Measure W Grant from the County of Los Angeles. The Funding and Expenditure Plan for this Project from inception to Preconstruction is included in the Expenditure and Funding Table, provided as Attachment A. The funding sources - Measure M 35% Construction, SB1 LPP, and Measure W - are not eligible for Metro bus and rail operations.

EQUITY PLATFORM

The Project, which passes through or is adjacent to 18 Equity Focused Communities, will improve transit passenger experience and pedestrian safety through the construction of grade separations, vehicle and pedestrian crossing gates, first/last mile improvements, and ADA accessible features along the entire G Line alignment. More than 80% of riders connect to bus transit by walking, and the improved ADA curb ramps, and pedestrian crossing gates will create a more positive experience for both patrons and pedestrians. The end to end run time will be reduced by more than 15 minutes through signal priority, separating the alignment from traffic at Van Nuys Boulevard and Sepulveda Boulevard, and installing gates at the intersections. Impacts to the community due to this action will

primarily be realized during the construction phase, where noise and vibration pollution and construction traffic may create an unpleasant and sometimes untenable situation for individuals near the alignment, and bus and bicycle path detours will create delays and confusion for some patrons. Additional consideration will be given to the potential impacts created by bus and bike detours, and lessons learned will be drawn from the recent A Line and L Line bus detours, such as proper and timely notification provided in multiple languages, concise and prominently located signage, and having Metro Ambassadors to minimize impacts related to the disruption.

To ensure maximum opportunity for participation on this contract, Metro staff conducted an industry forum that included extensive outreach to the small business community, including those within the Disabled Veterans Business Enterprise and the Small Business Enterprise programs. The solicitation was available for download from Metro's Vendor Portal, was advertised in four leading publications within Los Angeles County (Los Angeles Daily News, Watts Times, La Opinion and the Asian Journal), and notifications were sent to small businesses based on applicable North American Industry Classification System (NAICS) codes. The Proposal Evaluation Team was comprised of personnel from various Metro Departments that was gender diverse and have relevant background and experience. The selected firm made an SBE commitment of 18.35% and a DVBE commitment of 3.73%. This commitment exceeds the DEOD goal of 17% SBE and 3% DVBE.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic goals:

Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.

One of the Project's main objectives is to reduce end to end travel times on the G Line.

Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system.

The addition of safety features and the reconstruction of stations at Van Nuys and Sepulveda will improve the trip experience for users of the transportation system.

Strategic Goal 4: Transform LA County through regional collaboration and national leadership.

Collaboration with the elected officials, citizens, and Metro patrons of San Fernando Valley continues to positively impact the Project.

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with award of the contract and establishment of the Preconstruction Budget. This is not recommended as Metro will incur undesirable schedule delays and cost increases if the Project does not move forward. Furthermore, delay to the Project will have detrimental effects on the available LPP funding dollars.

NEXT STEPS

After Board approval, staff will execute Contract No. PS85661000 with Valley Transit Partners to begin Phase One work. As the design nears completion level and assuming successful OPCC negotiations for Phase Two work, staff will return to the Board for approval of an LOP budget and seek further authority for the Chief Executive Officer to execute project agreements and contract modifications within the LOP budget.

ATTACHMENTS

Attachment A - Expenditure and Funding Plan

Attachment B - Procurement Summary

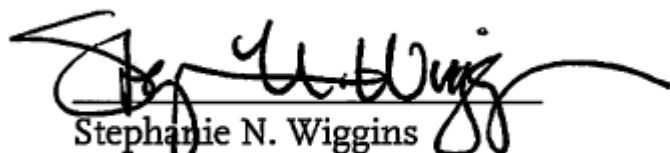
Attachment C - DEOD Summary

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