



Board Report

File #: 2019-0256, File Type: Contract

Agenda Number: 33.

CONSTRUCTION COMMITTEE MAY 16, 2019

SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 3 PROJECT

ACTION: APPROVE CONTRACT AWARD CONSISTENT WITH THE LETTER OF NO PREJUDICE

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to award Contract C45161C1152 to Tutor Perini/O&G, JV, for the final design and construction of the Westside Purple Line Extension Section 3 Project Stations, Trackwork, Systems and Testing in the amount of \$1,363,620,000, pursuant to the Federal Transit Administration (FTA) approved Letter of No Prejudice (LONP) instead of a Full Funding Grant Agreement at this time.

ISSUE

In February 2019, staff brought the Stations, Trackwork, Systems and Testing Contract (Stations Contract) to the Board to approve awarding the remaining final design and construction needed to complete the Westside Purple Line Extension Section 3 Project (Section 3 Project), subject to the FTA approval of a Full Funding Grant Agreement (FFGA). After Board approval and through discussions with the FTA, it was determined that approval of the FFGA would not be possible prior to price proposals expiring for the Stations Contract on May 30, 2019, and therefore it would be necessary to request a LONP from the FTA. Metro proceeded on March 5, 2019 by requesting a LONP from the FTA in the amount of \$1.452 billion. FTA issued the LONP on April 18, 2019. By receiving this LONP, it allows Metro to actually award and execute the contract, and subsequently issue the NTP for the Stations Contract as approved by the Board in February 2019. The approval of the LONP preserves the project timeline for construction and secures the favorable price received from the contractor, while Metro continues to work with the FTA to receive the Section 3 Project FFGA later this year.

BACKGROUND

The Westside Purple Line Extension Section 3 Project consists of approximately 2.56 miles of twin-bored tunnels and two underground stations located at Westwood/UCLA and Westwood/VA Hospital.

In February 2016, the Board authorized staff to begin the necessary steps to advance the project delivery of the Section 3 Project as part of the Shovel Ready Program of Projects, which included the

advancement of other Measure R Projects. In January 2017, the Board approved the Project delivery methodology of design-build.

In consideration of advancing the Section 3 Project, three procurement packages were established to meet the desired project delivery schedule. The major project work was separated into two discrete design/build contracts: 1) C1151, Tunnels and 2) C1152, Stations, Trackwork, Systems and Testing. The third contract, C1153, Advanced Utility Relocations (AUR), was awarded in October 2017 under the FTA pre-award authority that was granted by the FTA in 2012 upon approval of the Record of Decision. This AUR contract is approximately 90% complete.

In June 2018, the Board authorized the CEO to award the C1151 Tunnels contract, subject to the FTA approval of a LONP, and to establish the Life of Project (LOP) Budget for the Tunnels portion of the Section 3 Project. The Contract was awarded on November 30, 2018 after receiving the LONP from the FTA. The LONP permitted Metro to award the contract, but not issue the NTP until the completion of the 23 CFR §771.130 (c) environmental review, which was received on December 21, 2018. The NTP was issued on January 15, 2019. The contractor is proceeding with final design.

In February 2019, the Board authorized the CEO to award the C1152 Stations contract, subject to the FTA approval of an FFGA, and to amend the LOP Budget to include the Stations portion of the Section 3 Project.

DISCUSSION

The LONP allows the Section 3 Project to incur costs using non-federal resources with the understanding that the costs incurred after the LONP may be reimbursable as eligible expenses or may be eligible for credit toward local matching share once the FFGA is approved by the FTA.

Consistent with Board policy, our agency has been working with the FTA to secure federal New Starts funding for the Section 3 Project through the Capital Investment Grants (CIG) Program. The multi-year funding agreement through which the CIG Program funds transit projects is achieved through an FFGA, which outlines the terms and flow of dollars (year over year) that will be committed to a transit project through the annual congressional appropriations process. We are seeking an FFGA in the amount of \$1.3 billion of New Starts funding for the Section 3 Project. The FFGA is expected to be approved by FTA by the end of summer 2019.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects.

FINANCIAL IMPACT

Cumulative funds required through fiscal year 2019, in the amount of \$202 million, are included in Project 865523 Westside Purple Line Extension Section 3 Project, in Cost Center 8510 Construction Project Management. Since this is a multi-year Project, the Chief Program Management Officer and the Project Manager will be responsible for budgeting costs in future fiscal years.

Impact to Budget

The sources of funds for the recommended action include Section 5309 New Starts Funds, Measure R 35% and Measure M 35%. These funds are designated for the Westside Purple Line Extension Project Section 3 and do not have an impact to operations funding sources at this time. The Project is not eligible for Propositions A and C funding due to the tunneling element of the Project. No other funds were considered for FY19 and FY20. Until a Full Funding Grant Agreement is secured, Metro will have to fund this project with local funds.

Multiyear Impact

Federal sources are planned with Measure R 35%, Measure M 35% and Local Return funding the balance of project costs. The project cost was included in the 2017 Long Range Transportation Plan Financial Forecast.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Strategic Plan Goal #3 - Plan and deliver capital projects on time and budget while increasing opportunities for small business development and innovation. The recommendation supports the plan to deliver the Project in time to support the 2028 Olympic and Paralympic Games while broadening small business opportunities.

ALTERNATIVES CONSIDERED

The Board may choose to not move forward with the award of the contract and issuance of an NTP. This is not recommended as this is an adopted project within the Long Range Transportation Plan, and not moving forward with the recommendation will jeopardize completion of the Section 3 Project by 2027 and may result in additional costs to the project.

NEXT STEPS

Staff will continue to work with the FTA to enable completion of their final evaluation of the Section 3 Project and the eventual issuance of an FFGA later this year. Staff will also move forward with issuing the Notice to Proceed for the Stations Contract for the Section 3 Project.

ATTACHMENTS

None

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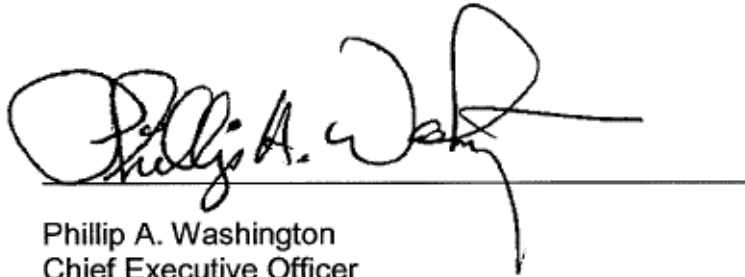
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