



Board Report

File #: 2019-0677, File Type: Contract

Agenda Number:

REGULAR BOARD MEETING FEBRUARY 27, 2020

SUBJECT: METRO CENTER STREET PROJECT (FORMERLY ESOC)

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. Award a firm fixed price contract, Contract No. C52151C1169-2 to S.J. Amoroso Construction Co., Inc., the responsive and responsible Proposer determined to provide Metro with the best value for the design and construction of the Metro Center Street Project (Project), in the amount of \$129,365,128.00;
- B. Align the Life-of-Project Budget (LOP) of \$112.7 million to \$206 million including \$109.5 million of Prop 1B California Transit Security Grant Program funds awarded to the Project by the State;
- C. Execute Modification No. 9 to Contract No. AE451150019779 with HDR Engineering Inc. to provide Design Support During Construction in the amount of \$1,976,222 increasing the Total Contract Value from \$6,528,181 to \$8,504,403 and increase the Contract Modification Authority (CMA) for HDR Engineering Inc. in the amount of \$400,000; and,
- D. Execute all agreements, task orders and contract modifications necessary up to the LOP budget to complete the above actions.

ISSUE

In March 2016, the Metro Board established the Life of Project budget (LOP) in the amount of \$112.7 million based on the grant funds awarded to the Project. Since then - four years later, the preliminary engineering design, environmental work and selection of the design/build contractor have been completed. This Board action will award the design/build contract to S.J. Amoroso Construction Co., Inc. deemed to provide the best value for the design and construction of the Project (See Attachment A -1, Procurement Summary) and align the LOP budget to \$206 million to the current market conditions and fund the design and construction of the Metro Center Street Project.

DISCUSSION

The Metro Center Street project comprises of the co-location of four operations centers: Emergency Operations Center (EOC), Security Operations Center (SOC), Rail Operations Center (ROC), and Bus Operations Center (BOC) to centralize communications and coordination, improve day-to-day operations, and enhance Metro's security, disaster and terrorism response capability. Metro's current Emergency Operations Center is operating at capacity, and needs to be expanded to accommodate Metro's new rail lines and upcoming special events including the World Cup, National Championships, and Olympics.

In addition, Metro does not have a Security Operations Center. The new SOC is needed to provide 24/7 security surveillance of Metro's transit system by security professionals with specialized training to improve overall rider safety on Metro's rail and bus lines. The Project will be constructed in two phases with the first phase consisting of the full build out of the EOC, SOC, at-grade parking, and infrastructure to accommodate the future ROC and BOC. The second phase will consist of the construction of the tenant improvements for the ROC and BOC on one entire floor of the Metro Center Street project building. The Project will achieve a LEED Gold certification with the capability to be in operations continuously for 72 hours in case of loss of water, power, and gas due to a natural disaster.

Life of Project Budget

With the base contract and provisional sum award to S.J. Amoroso in the amount of \$129,365,128.00, staff is requesting approval of the LOP in the amount of \$206 million to accurately realign and reflect the design and construction costs, infrastructure provisions to accommodate the ROC/BOC, third party costs, design support during construction, construction support services, and other agency support costs including a 20% construction contingency as shown in Attachment B - Funding/Expenditure Plan.

In March 2016, the Board established the LOP budget for the Project in the amount of \$112.7 million and awarded HDR Engineering Inc. a contract for preliminary engineering design. At the time, the \$112.7 million LOP included \$57.67 million for design and construction of the Project based conceptual planning phase. Since then, the preliminary engineering work and the evaluation of the design builders' proposals based on current market conditions have been completed.

The current market conditions in Southern California are very challenging. California markets are inundated with work especially with the passage of Senate Bill 1 which provides approximately \$5 billion in infrastructure improvements each year, combined with Measure R and Measure M programs and other private, state and local programs including LAX airport, which have flooded the construction market with several public works projects ongoing around the same time period. Therefore, fewer contractors are available to bid on jobs and bids have been trending higher. Additionally, a number of factors have driven up the prices of construction materials, beyond the average inflation rates in the four year period since 2016.

HDR Engineering Contract Modification

In March 2016, the Board awarded HDR Engineering, Inc. \$5,936,638 to prepare preliminary engineering design for the Metro Center Street Project. Due to the changes to the project Staff

recommended action also include \$1,976,222 million to HDR Engineering Inc. to provide design support during construction for the emergency and security operations centers.

Project Status

Metro has received California State Prop 1B grant in the amount of \$109.5 million since 2011 and the State has requested that Prop 1B grant funds be expended by 2022. Therefore, early environmental and demolition work began in August 2019 and will be completed in April 2020 in preparation for the design builder’s work. The approval of the staff recommended actions will enable to Project to expend the Prop 1B funds by 2022.

DETERMINATION OF SAFETY IMPACT

The Project will be designed and constructed consistent with Metro’s design and construction safety standards. This Board action will not impact established safety standards for Metro’s design and construction projects.

FINANCIAL IMPACT

In FY 11, Metro received a Proposition 1B California Transit Security Grant Program (CTSGP) California Transit Assistance Fund (CTAF) grant to fund the design and construction of an Emergency Operations Center (EOC). The CTAF grant was subsequently reduced to \$109.5 million due to less available funds from bond sales. Funding Sources are shown on Table 2 below.

Funding Source	Amount (\$ millions)
Prop 1B California Transit Security Grant Program	\$109.5
Eligible State or/and Local Funds based on availability at time of expenditure	\$96.5
TOTAL	\$206.0

Staff is requesting to establish the new LOP budget of \$206 million for the Project, in cost center 2610 System Security and Law Enforcement, project number 212121 to accommodate the costs. Since this is a multi-year project, the Chief System Security and Law Enforcement Officer and Chief Program Management Officer, Program Management will be accountable for budgeting the costs in future years.

Impact to Budget

The Prop 1B California Transit Security Grant Program funds are specific for this project as designated in the Grant award to this project. Additional funding for this project may have to come from other federal, state or local eligible Bus and Rail Operating funds and SGR funds.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. The Project will be designed and constructed to support future ROC and BOC operations within the building. The Project will enhance Metro's ability to plan and respond to special events. The Project supports Strategic Goal 4: Transform LA County through regional collaboration and national leadership. The Project is one of the few consolidated transit operation centers in the nation that will house emergency, security, rail, and bus operations within the same facility for efficiency of operations. Lastly, the Project supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the LA Metro organization. The Project is being designed and constructed in close coordination with the community and third party stakeholders as well as internal stakeholders within Metro to streamline Metro's systems and processes for efficient operations.

ALTERNATIVES CONSIDERED

The alternative would be to not approve the recommended actions to advance the design and construction of the Project. This is not recommended as Metro will need to return \$109.5 million to the State including over \$18 million that has already been expended if the Project does not move forward.

NEXT STEPS

Execution of the design-build contract is subject to the resolution of any timely and properly submitted protest. A Notice to Proceed (NTP) to the Design/Build Contractor after execution of the contract and meeting all other contract requirements for an NTP. The Project is estimated to be complete by December 2023. Upon Board approval, staff will also execute Modification No. 9 to Contract No. AE451150019779 with HDR Engineering, Inc.

ATTACHMENTS

Attachment A-1 - Procurement Summary, S.J. Amorosa Construction Co., Inc.

Attachment A-2 - Procurement Summary, HDR Engineering, Inc.

Attachment B - Funding/Expenditure Plan

Attachment C - Contract Modification/Change Order Log, HDR Engineering, Inc.


Attachment D-1 - DEOD Summary, TBA Construction Firm

Attachment D-2 - DEOD Summary, HDR Engineering, Inc.

Prepared by: Jeanet Owens, Senior Executive Officer, Regional Rail, (213) 418-3189
Carolina Coppolo, Executive Officer, Vendor/Contract Mgmt (213) 922-4471
Ivan Page, Executive Officer, Vendor/Contract Mgmt (213) 922-6383

Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051

Aston Greene, Chief Sys Sec & Law Enforcement Officer (Interim), (213) 922-3604



Phillip A. Washington
Chief Executive Officer