



**MTA BOARD
APRIL 28, 2005**

SUBJECT: MID-CITY/EXPOSITION TRANSIT CORRIDOR

ACTION: APPROVE ADDITIONS TO THE LIFE OF PROJECT BUDGET AND SUPPLEMENTAL CONTRACT ACTIONS FOR ENVIRONMENTAL CLEARANCE AND PRELIMINARY ENGINEERING

RECOMMENDATION

Authorize the Chief Executive Officer to proceed with the following actions to support the Mid-City/Exposition Transit Corridor project schedule (Attachment A):

- A. Amend the FY05 budget to add ~~\$800,000~~ \$500,000 to the Exposition project for a total Life of Project budget through FY05 Preliminary Engineering of ~~\$18.6~~ \$18.3million;
- B. Negotiate and execute a Change Order 4 to Contract Work Order (CWO) 7 to Contract PM022, Project Management Assistance (PMA) with URS Corporation in the amount not-to-exceed \$440,000 increasing the total CWO funding value from \$235,000 to \$675,000(Attachment B). In addition, authorize the exercise of a second, one-year option thereby extending the period-of-performance ~~for CWO7 will be extended from May 31, 2005 to May 31, 2006~~ in order to complete the work.
- C. Approve \$43.75 million for FY06 activities to support the Exposition project schedule, which will increase authorized expenditure authority through FY06 to a total not to exceed \$62.35 million.

ISSUE

In September 2004, the Board approved the use of borrowing to accelerate the Exposition project schedule from FY2012. A revised schedule has been developed to better define the

relationship between the revised completion date of the FEIS/FEIR, Preliminary Engineering and the preparation and award dates for a design/build construction contract.

The revised project schedule that has been developed in Attachment A shows a completion date in FY2010, however, the ability to meet this date requires that certain additional actions be taken in FY05 to complete Preliminary Engineering and prepare design-build bid documents, including development of a comprehensive, independent cost estimate. The proposed schedule envisions the completion of Preliminary Engineering in June 2005 and the issuance of an RFP for a design-build construction contract in late Summer 2005. Board certification of the FEIS/FEIR would occur in late 2005 so that a Record of Decision (federal approval of the environmental documents) would be completed on or before February 2006, and the project would be ready for the start of final design and construction at that time.

Supplemental funding in FY05 and FY06 is required to meet this schedule. Also, budget previously scheduled for expenditure in FY06 is now required in FY05 for completion of Preliminary Engineering as well as cost estimating and legal review of bid documents in accordance with Board approval in September 2004 to accelerate the project completion date from FY2012 to FY2010.

In addition, the Federal Transit Administration has advised Metro that additional work will be required on the Mid-City/Exposition Transit Corridor Environmental Impact Statement/Report (EIS/EIR) as a condition of their approval to release the document for public review. Staff is prepared to perform additional modeling runs and make FEIS revisions to address FTA's issues.

POLICY IMPLICATIONS

The recommended actions would keep this critical transportation project on schedule for completion in FY2010 and provide benefits to mobility and air quality for Los Angeles County. The Mid-City/Exposition Corridor LRT project is included in the Southern California Association of Governments' 2004 Regional Transportation Plan and in the 2001 Long Range Transportation Plan for Los Angeles County.

ALTERNATIVES CONSIDERED

The Board may choose not to approve all or any part of the recommendation. This would delay completion of Preliminary Engineering and our ability to award a design/build contract. Completion of the project by FY2010 requires that these items proceed without delay.

FINANCIAL IMPACT

Through the close of FY05, approximately \$17.8 million will have been expended on environmental studies and preliminary engineering. This amount, supplemented by the requested \$800,000, will increase the life of project budget to a total not to exceed \$18.6 million. The funding for this \$800,000 will be Prop C 25% bond funds.

For FY 06, an additional \$43.75 million is required to complete the environmental effort, obtain jurisdictional approvals, award a design/build contract and acquire critical right of way parcels to support the project schedule. This will increase authorized expenditure authority through FY 06 to a total not to exceed \$62.35 million. The funding for FY06 will also be Proposition C 25% funds as approved by the Board in September 2004.

Completing the environmental will also require revising the FEIS/FEIR to meet FTA's requests, circulation to the public, preparation of Findings & Mitigation Monitoring Programs plus the preparation of a New Starts Report, if appropriate. This could cost up to \$480,000. Sufficient funding exists in the overall project budget to cover these costs.

IMPACTS TO OTHER PROJECTS

No other projects are impacted by the increased effort to complete the FY 05 and FY 06 activities required to keep the Exposition project on its planned completion date of FY 2010.

BACKGROUND

In June 2001, the Board approved the Draft Environmental Impact Statement/Report (DEIS/DEIR) for the Mid-City/Exposition Transit Corridor and adopted light rail transit from downtown Los Angeles to Culver City as the Locally Preferred Alternative (LPA). Work on the Final Environmental Impact Statement/Report (FEIS/FEIR) commenced in 2002. Work on preliminary engineering was initiated in March 2003. In May 2004, the Board authorized the completion of preliminary engineering during FY05 and this effort is proceeding on schedule and within authorized funding.

In April 2004, an Administrative FEIS/FEIR was forwarded to the Federal Transit Administration (FTA) for review and approval. Approval by the FTA is required before the environmental document can be circulated for public review. The FTA requested a number of changes in September 2004 and these revisions were incorporated into the Administrative FEIS/FEIR that was resubmitted to FTA in December 2004.

In February 2005, the FTA advised Metro that further changes in the FEIS/FEIR would be required prior to public circulation. These changes had to do with the transportation forecast modeling contained in the document and the "project rating" which is assigned to all projects competing for funding under the federal New Starts (Section 5309) program. These changes will require additional time and budget to complete.

In September 2004, the Board of Directors approved the use of increased borrowing to potentially accelerate the completion date of the Mid-City/Exposition Light Rail Transit Project from FY2012 to FY2010. In order to achieve this accelerated timetable, a revised project schedule has been developed (Attachment A). This schedule requires completion of preliminary engineering by June 2005 and environmental clearance (Record of Decision) by February 2006. At that time, the project will be ready to move into the Final Design and Construction phase.

Currently, project procurement activities have been accelerated which require the preparation of a comprehensive independent cost estimate from the preliminary engineering documents and technical expertise to support the preparation and industry review of contract solicitation documents.

The cost estimate will give project staff specific information to evaluate and identify areas of project scope risk and uncertainty. Constructability reviews, value engineering studies and contract claims avoidance assessments will then be conducted in these project scope areas to ensure that the Design Build solicitation documents (requests for proposal) accurately reflect project requirements and are commercially practicable.

Furthermore, the preparation of this estimate prior to July 2005 will enable Metro to include this updated and more accurate cost information in its project funding plans and the FY06 Section 5309 FTA New Starts Rating Report submission due in August 2005.

The Project Management Assistance (PMA) Contract is a cost-effective means of providing as-needed, highly qualified expertise required to perform specialized temporary technical services that cannot be performed by existing Metro staff. On September 24, 2004 the Board authorized an increase to the initial services through May 31, 2005. This change will extend the period of performance through May 31, 2006. The independent cost estimate was not part of this authorization. The PMA Contract is funded on a Contract Work Order (CWO) basis that separates the Board authorized contract funding into manageable parts that allow for efficient cost control and budget management by Metro Project Managers. The increase in funding will provide for the necessary cost estimate required prior to the issuance of a Request for Proposals for selection of a Design-Build contractor.


NEXT STEPS

Develop a Financial Plan consistent with current estimated costs for the project.
Revise the final environmental document (FEIS/FEIR) to incorporate FTA requests. Also, complete preliminary engineering and initiate the bidding process for a design/build contract. More detail on the planned activities is shown in Attachment A, Exposition Project Schedule.

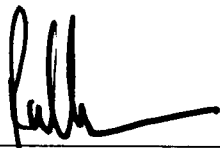
Attachments

- A Mid-City/Exposition Project Schedule
- B PMA Procurement Summary
- B-1 PMA Procurement History
- B-2 PMA List of Contractors/Subcontractors/Small Business Participation
- C-1 FY05 Cost Breakdown
- C-2 FY06 Cost Breakdown

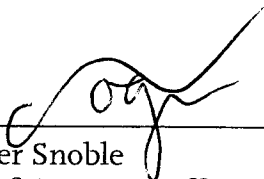
Prepared By: David Mieger, Director-Westside Area Planning Team
Carol Inge, DEO-Transportation Development & Implementation
Mark Perez, Director-Program Management
Joel Sandberg, DEO-Construction Project Management



James L. de la Loza
Chief Planning Officer

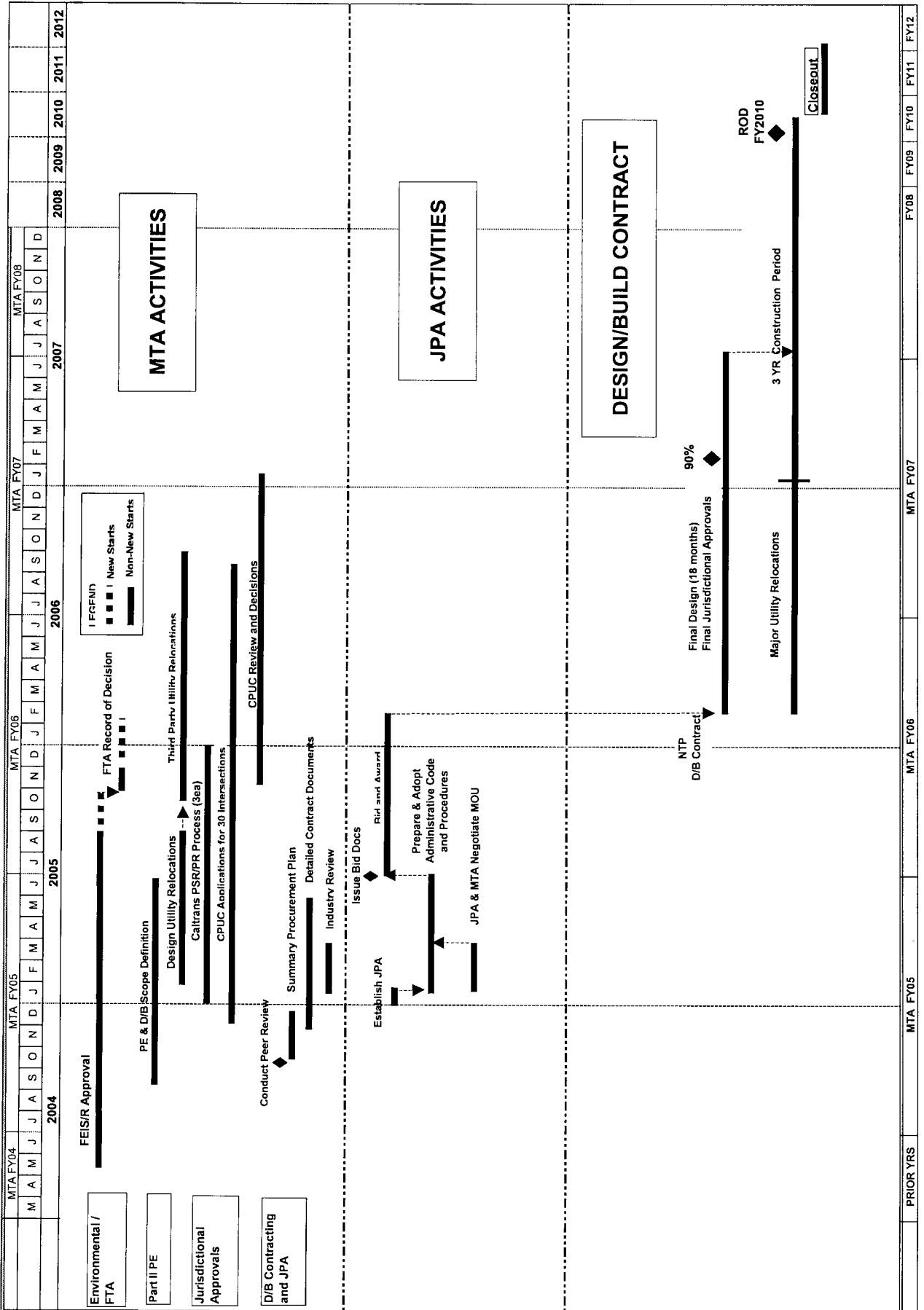


Richard Thorpe
Chief Capital Management Officer
Construction Project Management



Roger Snoble
Chief Executive Officer

EXPOSITION LRT (DRAFT) PROJECT SUMMARY SCHEDULE



PROCUREMENT SUMMARY
AUTHORIZE THE CEO TO EXERCISE CHANGE ORDERS FOR CWO-7
EXPOSITION LIGHT RAIL TRANSIT PROJECT INDEPENDENT ESTIMATE

	Contract Number: PM022		
	Recommended Vendors: URS Corp.		
3	Cost/Price Analysis Information:		
	Bid/Proposed Price: \$440,000 Same As In House Estimate	Recommended Negotiated Price: TBD	
	B. Details of Significant Variances: N/A		
	Contract Type: Labor Hour Contract		
	Procurement Dates: Not Applicable		
	A. RFP Issued: January 19, 2005		
	B. Advertised: Not Applicable		
	C. Pre-proposal Conference: Not Applicable		
	D. Proposals Due: February 4, 2005		
	E. Pre-Qualification Completed: Not Applicable		
	F. Conflict of Interest Form Submitted to Ethics: Not Applicable		
	Small Business Participation:		
	A. Bid Goal: Not Applicable.	Date Small Business Evaluation Completed: Not Applicable.	
	B. Small Business Commitment: 20% DBE goal based on the aggregate DBE attainment and participation percentages achieved by URS Corporation		
	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: Not Applicable	Bids/Proposals Picked up: Not Applicable	Bids/Proposals Received: Not Applicable
	Evaluation Information:		
	A. Bidders/Proposers Names: URS Corporation	Bid/Proposal Amount: In Revision	Best and Final Offer Amount: N/A
	B. Evaluation Methodology: Not Applicable		
	Protest Information:		
	A. Protest Period End Date: Not Applicable		
	B. Protest Receipt Date: Not Applicable		
	C. Disposition of Protest Date: Not Applicable		
	Contract Administrator: John K. Doidge	Telephone Number: 922-1034	
	Project Manager: Joel Sandberg	Telephone Number: 922-7223	

**PROCUREMENT HISTORY ACTION
EXPOSITION LIGHT RAIL TRANSIT PROJECT**

A. BACKGROUND ON CONTRACTOR

URS Corporation was founded in 1904. Corporate offices are located in San Francisco, California with a major regional office located at 915 Wilshire Boulevard, Suite 1800, Los Angeles, CA 90017. URS Corporation has served both public agencies and the private sector in Los Angeles for more than seventy-five (75) years.

URS has provided support in various capacities to the Metro for over ten (10) years. Some of the projects included work on the Metro Green Line, Metro Red Line Geotechnical and Environmental Services, Wilshire/La Brea Station Foundation Engineering and State Route 2 – Glendale Freeway Improvements.

B. PROCUREMENT BACKGROUND

Contract No. PM022 is an indefinite delivery, indefinite quantity, federally and locally funded Fixed Labor Hour contract to provide Program Management Assistance (PMA) to Metro. Following a full and open competition, the Board authorized award of this contract to URS Corporation to provide project management assistance services for the Metro Gold Line Eastside Extension, Mid-City/Wilshire Bus Rapid Transit Project, Capital Program Projects and Exposition Light Rail Transit Project.

The PMA Contract is funded on a Contract Work Order (CWO) basis. A separate CWO budget estimate is made for the PMA needs for each of the Projects. The CWO separates the funding into manageable parts, that allows for efficient cost control and budget management by the Project Office. Project Managers can request specific work as long as they stay within the total Board authorized funding limit. Whenever practical, a fixed price will be negotiated for the CWO, otherwise a labor hour CWO will be issued utilizing the hourly rates set forth in the contract. This contracting process allows the contractor to expeditiously accomplish and complete specific tasks in support of the transit corridor and Capital Projects as the requirements are encountered.

Contract No. PM022 was awarded for a three (3) year period of performance that ended on May 31, 2004. The contract includes two options to extend the performance period for one year. In March 2004 the Board approved the exercise of the first one (1) year option.

C. EVALUATION OF BIDS/PROPOSAL

URS Corporation submitted a responsive proposal utilizing previously agreed to rates and factors.

D. COST/PRICE ANALYSIS

In process. Upon conclusion of negotiations of the CWO, Procurement will ensure that the negotiated settlement is fair and reasonable.

LIST OF CONTRACTORS/SUBCONTRACTORS

PRIME CONTRACTOR

URS Corporation

SMALL BUSINESS SUBCONTRACTORS

TEC Management Consultants, Inc.
D'Leon Consulting Engineers, Corporation
LS Gallegos & Associates, Inc.

OTHER SUBCONTRACTORS

Booz Allen Hamilton, Inc.
J. L. Patterson & Associates
Rawon, Williams, Davis & Irwin, Inc.
Lewis and Zimmerman, Inc.
Accentech

SMALL BUSINESS PARTICIPATION

The Diversity and Economic Opportunity (DEOD) established a 20% Disadvantage Business Enterprise (DBE) goal for this CWO Contract. The primary recommended Project Management Assistance (PMA) Support Consultant, URS Corporation, formed a team and committed to utilize a sufficient number of DBE firms capable of performing the scopes of work identified in their proposal.

Achievement of the projects overall 20% DBE participation is based on the aggregate DBE attainment and participation percentages achieved by URS Corporation. There are no specific dollar commitments made to the designated DBEs. Compliance with the DBE program requirement will be monitored aggressively based on the PMA Support Consultants' good faith efforts to utilize the DBE firms listed to perform work exclusively, when DBE scopes of work are included in the CWOs.

A total of four (4) CWOs have been issued since contract award. Current DBE attainment¹ based on relevant contract amount² is 12.99%. Current DBE participation³ based on the total actual amount paid to date to prime is 14.45%.

Original Award Amount	\$7,766,665 (NTE)
Relevant Contract Value ²	\$6,766,663

Total Actual Amount Paid To Date To Prime

\$5,269,732

Attachment B-2 (CONT.)

<i>Subcontractor</i>	Commitment	Current Attainment ¹	Current Participation ³	Current Status
TEC Management Consultants	CWO	10.60%	11.79%	Performing
LS Gallegos & Associates	CWO	1.76%	1.96%	Performing
D'Leon Consulting Engineers	CWO	0.63%	0.70%	Performing
TOTAL	CWO			Expected to Meet Goal

¹*Current Attainment = Total Actual Amount Paid-to-Date to Subs ÷ Total Relevant Contract Amount*

²*Current Contract Amount = Original Contract Value + Contract Cost Modifications affecting DBE or SBE Scope of Work*

³*Current Participation = Total Actual Amount Paid-to-Date to Subs ÷ Total Actual Amount Paid-to-Date to Prime*

Mid-City/Exposition LRT Project
Proposed FY05 Budget Adjustment

<u>Budget Line Item</u>	<u>Amount</u>
PE Consultant – Additional Scope/SAFA's	\$300,000
PMA Consultant – Independent Cost Estimate	\$400,000
Outside Legal Services – Procurement Document Preparation	\$100,000
Total	\$800,000 \$500,000

Justification

~~PE Consultant – The action by the Metro Board in September to accelerate the Expo Project by two and a half years required the Preliminary Engineering (PE) to be completed in this fiscal year. That new requirement plus increases in the PE scope of work to address new requirements such as the Preliminary Hazards Analysis recently mandated by the CPUC and the need for additional hazardous materials investigation based on the contamination encountered by the Metro Orange Line Project has necessitated an increase in the PE budget established for FY05.~~

PMA Consultant – The adoption of a Negotiated Design-Build process for final design and construction of the Expo Project has necessitated use of additional PMA services for procurement process planning and development and for producing an independent cost estimate required by the procurement process. An increase in the FY05 budget for PMA services is necessary to cover these additional required services.

Outside Legal Services – The adoption of a Negotiated Design-Build process has also necessitated use of services from a legal firm specializing in innovative design-build contracts to assist in development of the required contract documents. This new requirement coupled with the decision to accelerate the project necessitates an increase in the FY05 budget for Outside Legal Services.

ATTACHMENT C-2

Mid-City Exposition LRT Project
Proposed FY06 Budget

Metro	\$ 3,032,600
Professional Services	\$ 4,730,000
Third Party	\$ 1,100,500
JPA	\$ 1,735,000
Utility Relocation	\$ 2,800,000
Right of Way	\$15,262,700
Design-Build Contract	\$15,000,000
Other	<u>\$ 89,200</u>
	\$43,750,000