

MOTION
By Director Parks

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According to Los Angeles Department of Transportation (LADOT), Metro requires that project sponsors bill quarterly for construction projects. LADOT uses revolving accounts to fund Call projects and the City must pay three months of contractor invoices, submit invoices to Metro within 60 days and Metro reimburses the City within 30 days. This system results in the City spending six months of cost before being reimbursed which unnecessarily ties up local funds on projects that are under construction. Allowing the City to bill Metro on a monthly basis would reduce the amount of local money that is necessary to front-fund a project by 67%. While this is not significant for small projects or for the design phase of major projects, in the construction phase of projects that cost \$1 million or more, a significant amount of City funds are unnecessarily tied up. For a \$10 million construction phase, quarterly billing would require \$5 million in front-funding, while only about \$1.7 million would be required if the City were allowed to bill on a monthly basis.

I THEREFORE MOVE that the CEO accept reimbursement requests on a monthly basis from the City of Los Angeles, rather than quarterly, for the construction phase of projects where construction costs exceed \$1 million.