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Metropolitan Transportation Authority

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**PLANNING AND PROGRAMMING COMMITTEE
JANUARY 16, 2013
CONSTRUCTION COMMITTEE
JANUARY 17, 2013**

SUBJECT: GOLD LINE FOOTHILL EXTENSION PHASE 2A

**ACTION: AMEND FUNDING AGREEMENT TO PERMIT FUNDING FOR MTA
BETTERMENTS**

RECOMMENDATIONS

Authorize the CEO to amend the Gold Line Foothill Extension Funding Agreement to allow projected savings on MTA Project Costs to pay for MTA requested operational and safety betterments and other MTA Project Costs. MTA will cap its MTA Project Costs at \$173.6 million.

ISSUE

The current Life of Project (LOP) budget for the Foothill Extension is \$741 million. Of this, MTA is allocated \$173.6 million for costs such as staff time and equipment purchases including traction power substations, fare vending equipment, and railcars associated with Phase 2A ("MTA Project Costs"). Recently, MTA staff has identified a projected cost savings of \$6 million out of its \$173.6 million MTA Project Costs allocation. Concurrently, as design of the Foothill Extension Phase 2A from Pasadena to Azusa continues MTA staff has identified betterments that would improve the safety and operability of the project. A betterment is a change requested by MTA or any third party that will improve the level of service and/or capacity, capability, appearance, efficiency or function over that which was required by the MTA Design Criteria at the time the design-build contracts were advertised for bid.

The current funding agreement requires MTA to fund MTA requested betterments from sources other than the \$810.5 million allocated to the Authority. Staff is requesting Board approval to amend the Funding Agreement to allow MTA Project Costs be used for operational and safety betterments. The Funding Agreement would also be

amended to cap MTA Project Costs at \$173.6 million. Should MTA spend more than the \$173.6 million on MTA Project Costs, such excess will be funded from either the MTA betterment funds or sources other than the \$810.5 million allocated to the Authority. These proposed amendments have been agreed to by Foothill Authority staff.

DISCUSSION

The Gold Line Foothill Extension Phase 2A is being managed cooperatively between MTA and the Authority wherein the Authority is responsible for the design and construction of the project while Metro is funding, overseeing the design and construction, and operating the project upon completion. The collaboration between the two agencies is guided by the Funding Agreement and Master Cooperative Agreement (MCA). The Funding Agreement provides the guidelines and mechanism by which Metro will fund the project while the MCA provides the guidelines and mechanism by which Metro oversees the design, construction, testing, and start-up of the project.

The Gold Line Foothill Extension has three components: the I-210 bridge in Arcadia, alignment and O&M facility, and parking facilities. Currently, the I-210 bridge is complete. The alignment and O&M facility are in design and a design-build contract for the parking facilities is expected to be awarded in early 2013.

Bi-weekly coordination meetings are held between MTA and the Authority to discuss project contract, design, and construction matters. Throughout this design review process, a number of betterments have been requested from various MTA departments in order to improve operability or safety. Betterments are defined as items that were not included in the MTA Design Criteria at the time the design-build contracts were advertised for bid. Currently the LOP budget for the Foothill Extension is \$741 million and of this amount, \$173.6 million is allocated to MTA to pay for MTA Project Costs. However, the Funding Agreement specifically provides that MTA will use funds other than the \$810.5 million allocated to the Authority to pay for betterments. Thus, MTA project management notified all other departments requesting betterments to identify funding sources outside of the project.

MTA recently prepared a cost re-forecast of its \$173.6 million MTA Project Cost and identified an under run of \$6 million. The savings resulted from labor under runs and better than anticipated equipment procurement costs. Under the current provisions of the Funding Agreement, these savings would not be available for betterments. The recommended action allows the savings to pay for potential MTA betterments, unexpected cost increases in Metro Project Costs and requires a cost cap of MTA Project Costs. Any betterments would be approved at CEO discretion. In the event of an overrun on MTA Project Costs, MTA must use a portion of the betterment funds or additional funding from other sources than Foothill project funds.

DETERMINATION OF SAFETY IMPACT

Approval of the recommended action may permit the funding of additional safety improvements on Foothill Extension Phase 2A.

FINANCIAL IMPACT

There is no impact to the Foothill Extension Phase 2A project budget as a result of this recommended action.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the proposed cost cap and betterment provisions of the funding agreement. However, this is not recommended as additional funding outside the project would be required to fund MTA directed operational and safety related betterments.

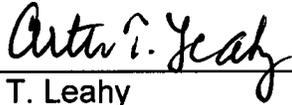
NEXT STEPS

Upon Board approval, staff will work with the Authority to amend the Funding Agreement consistent with the recommended action.

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