

**Metro**

Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Ter  
metro.net

**CONSTRUCTION COMMITTEE  
APRIL 17, 2014**

**SUBJECT: REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT**

**ACTION: AWARD DESIGN BUILD CONTRACT AND ESTABLISH LIFE OF  
PROJECT BUDGET**

**RECOMMENDATION**

- A. Authorize the Chief Executive Officer to award a 76 month firm fixed price contract under Request-for-Proposal No. C0980 with Regional Connector Constructors (a Joint Venture between Skanska USA Civil West California District, Inc., and Traylor Bros. Inc.), the responsive and responsible proposer determined to provide Metro with the Best Value for the final design and construction of the Regional Connector Transit Corridor Project, for a firm fixed price of \$927,226,995.
- B. Authorize the Chief Executive Officer to execute future individual contract modifications to Contract No. C0980 up to an amount not to exceed \$1,000,000 for each individual contract modification within the Board approved policy of 10% for contract modification authority.
- C. Establish a Life-of-Project (LOP) Budget of \$1,420,016,799 for the Regional Connector Transit Corridor Project, No. 860228.
- D. Establish a Life-of-Project (LOP) Budget of \$39,991,168 for the Regional Connector Transit Corridor Project, No. 800228, for Concurrent Non-FFGA Project Activities.

**ISSUE**

On July 28, 2011, the Board authorized staff to use a design-build process to complete the final design and construction of the Regional Connector Transit Corridor and to solicit a contract for the 1.9 mile dual track light rail system with three new stations. The Board authorized the procurement under Public Contract Code Section 20209.5 et seq.,

which allows for the negotiation and award of a design-build contract to a responsible proposer whose proposal is determined to be the best value to Metro.

The Source Selection Plan and RFP contain the weighted value assigned to each criterion. In accordance with Public Contract Code (PCC) 20209.5 – 20209.14 and the RFP, “Best Value” is expressly defined as a value determined by objective criteria and may include, but is not limited to, price, features, functions, life-cycle costs, and other criteria deemed appropriate by Metro; and the “Best Value Proposal” as the most advantageous Proposal to Metro when evaluated in accordance with the Evaluation Criteria defined in the RFP.

The recommended action is to award the contract to the highest ranked and most advantageous proposer based on a “Best Value” procurement process. The recommended contractor had the overall highest ranking, including the highest technical score, and the highest evaluated score for pricing, based on the criteria in the RFP.

The solicitation process has been completed. This report provides a recommendation for award of the contract within the Federal Transit Administration (FTA) approved Full Funding Grant Agreement (FFGA) and approved loan by the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Office.

## **DISCUSSION**

The Regional Connector Transit Corridor Project (the Project) consists of the design and construction of a 1.9-mile double track light rail transit subway in downtown Los Angeles with three new stations.

The Project will create an underground trunk line, connecting the existing Metro Gold Line, Metro Blue Line, and Metro Exposition Line light rail transit (LRT) systems through downtown Los Angeles. The existing Gold Line operates through north downtown, in the Little Tokyo area, and the existing Blue and Exposition Lines converge and terminate in south downtown, at the existing 7<sup>th</sup>/Metro underground Station. The Project will reconfigure the regional LRT systems, creating one North/South line, from Long Beach to Azusa, and one East/West line, from Santa Monica to East Los Angeles. Both lines will operate in a single trunk through downtown, and split in north downtown.

The Project will start at the existing 7<sup>th</sup>/Metro Station and then extend north to 2<sup>nd</sup> Street and Hope Street. The alignment will then turn east, travelling under 2<sup>nd</sup> Street to Central Avenue. The tracks will cross under the intersection of 1<sup>st</sup> Street and Alameda Street into a new underground rail junction.

Following the junction at 1<sup>st</sup> Street and Alameda, one set of tracks will proceed north, adjacent to Alameda Street, connecting to the existing Gold Line to Union Station. The other set will proceed east, along 1<sup>st</sup> Street connecting to the existing Gold Line tracks to East Los Angeles, emerging through a portal on 1<sup>st</sup> Street, near Hewitt Street.

The Project will include three new underground stations at 2<sup>nd</sup>/Hope, 2<sup>nd</sup>/Broadway, and 1<sup>st</sup>/Central Avenue. The Project will also include train control and signals, traffic controls, communications, traction power supply and distribution, and fare collection systems that will connect and operate with the existing systems.

The Project schedule includes phased pre-revenue operations, testing, and startup of East/West and North/South service. The East/West portion (Phase 1) of the reconfigured LRT system, connecting the existing Exposition Line and existing Gold Line to Pico/Aliso Station, will open first. The North/South portion (Phase 2), connecting the existing Blue Line and existing Gold Line to Union Station, will open a few months later. The Project schedule requires completion in September 2020.

Estimated daily linked trips on the Project using current year inputs are 58,580. This number is expected to grow to 100,980 daily linked trips by 2035.

Proposers were asked to price Options to:

1. Add a second entrance at the 2<sup>nd</sup>/Broadway Station.
2. Add an upper-level elevator entrance and pedestrian bridge at the 2nd/Hope Street Station.
3. Add a Fan Plant at Alameda.
4. Add an open roof with grating over an Alameda Crossover.
5. Add a ventilation under-duct at 2nd / Broadway Station Crossover.
6. Change the basis of design to a superfast fire growth rate at all locations.

None of the options above are being exercised at award. The first option listed is not being exercised as part of the recommended award because of the Tribune's planned future development of property at the site. The second option is not being exercised as part of the recommended award because it is for a betterment to be funded by the community at award and the community has not confirmed that the funding is available. The need for exercising the third through the sixth option will be determined up to 6 months after contract award. Should it be determined any of those options need to be exercised staff will come back to the Board for approval before exercising the options.

A significant risk to the Project is related to peak hour, night time, weekend, and holiday work hour variances. The Los Angeles Police Commission has approved a night time work hour variance limited to the next 6 months; any extension will require further approval. The other needed variances have not yet been approved by the City of Los Angeles. Staff is diligently working with the City to obtain the necessary approvals. If these necessary work hour variances are not approved and extended for the Project the cost impact would be approximately a 15% increase to the Contract Price and completion of the Project extended by approximately one year.

Staff also is working diligently with the Disney Music Hall and the Colburn Music School to ensure the successful resolution of noise and vibration to mitigate the potential impact to their facilities.

### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have any negative impact on established safety standards.

### **FINANCIAL IMPACT**

Funds are included in the proposed FY15 budget for the recommended contract award under Project 860228 – Regional Connector Transit Corridor, in Cost Center 8510 (Construction Project Management), and Account Number 53101(Acquisition Building and Structure).

Funds are included in the proposed FY15 budget for the Regional Connector Transit Corridor - Concurrent Non-FFGA Project Activities under Project 800228 – Regional Connector Transit Corridor, in Cost Center 8510 (Construction Project Management), and Account Number 53101(Acquisition Building and Structure). Activities that will be funded within Project 800228 include costs associated with the City of Los Angeles property commonly known as the Mangrove Estates, loss of goodwill since this is not an eligible Full Funding Grant Agreement (FFGA) expense, and the shared construction cost of the Eastern Yard facility. Since the activities are Concurrent Non-FFGA Project Activities, the FFGA budget will be preserved in order to not trigger additional review by the FTA and Congress. The items which are funded separately were developed in consultation with the FTA.

Since this is a multi-year Project, the Executive Director of Engineering and Construction and the Project Manager will be responsible for budgeting costs for future years, including any options exercised.

### **Impact to Budget**

The sources of funds for the projects are capital funds identified in the proposed LOP budgets as shown in Attachment B. The recommended LOP for Project No. 860228 was assumed in the LRTP for the Regional Connector Transit Corridor Project and does not have an impact to operations funding sources. The recommended LOP for Project No. 800228 does not have an impact on currently programmed operations funding sources. The Measure R Cost Management Process and Policy Analysis, Attachment C, describes the process available to close the funding gaps.

## **ALTERNATIVES CONSIDERED**

The Board may choose not to move forward with the award and approval of the LOPs. This is not recommended as this is an adopted project with the Long Range Transportation Plan and not awarding this contract at this time will delay the schedule and will increase the cost of the Project. If the Board does not approve the award or requests a re-solicitation of the contract the following consequences may occur:

- Extensive schedule delays with no assurance of better pricing without significant de-scoping of the project;
- No guarantee that the current proposers (or any others) will provide better proposals in response to a future solicitation with the variable market conditions that have been prevalent these last couple of years;
- Potential loss of funds under the FFGA; and
- Potential loss of funds under the TIFIA Loan Agreement.

## **NEXT STEPS**

Metro will issue a Notice of Award, execute a contract with the recommended contractor and once bonds, insurance, and project labor agreement requirements are met, issue a notice to proceed.

## **ATTACHMENTS**

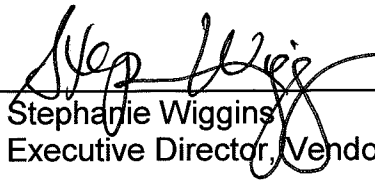
- A. Procurement Summary
- B. Funding/Expenditure Plans
- C. Measure R Cost Management Process and Policy Analysis

Prepared by: Girish Roy, Deputy Executive Officer - Project Management and Project Manager (213) 893-7119


Rick Wilson, Director of Project Controls (213) 922-3627

David Yale, Executive Officer, Countywide Planning & Development (213) 922-2469

Ivan Page, Director of Contract Administration (213) 922-6383

  
Stephanie Wiggins  
Executive Director, Vendor / Contract Management

  
Bryan Pennington Executive Director,  
Engineering & Construction

  
Arthur T. Leahy  
Chief Executive Officer

## PROCUREMENT SUMMARY

REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT  
PROJECT NO. 860228

1.	Contract Number: C0980	
2.	Recommended Vendor: REGIONAL CONNECTOR CONSTRUCTORS	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: January 8, 2013	
	B. Advertised/Publicized: January 14, 2013 – through March 2013	
	C. Pre-proposal/Pre-Bid Conference: February 5, 2013	
	D. Proposals/Bids Due: September 9, 2013	
	E. Pre-Qualification Completed: April 3, 2013	
	F. Conflict of Interest Form Submitted to Ethics: April 7, 2014	
	G. Protest Period End Date: April 26, 2014	
5.	Solicitations Picked up/Downloaded: 164	Bids/Proposals Received: 4
6.	Contract Administrator: Ivan Page	Telephone Number: (213) 922-6383
7.	Project Manager: Girish Roy	Telephone Number: (213) 893-7119

**A. Procurement Background**

This Board Action is for a design-build, “Best Value” procurement issued in support of a contract for the management, coordination, professional services, labor, equipment, materials and all other services necessary to perform the final design and construction of the Regional Connector Transit Corridor Project (Project).

A two-step negotiated procurement process was utilized in accordance with California Public Contract Code § 20209.5 - 20209.14 and Metro’s Acquisition Policy for a Firm Fixed Price contract.

In step one, a Request for Qualification (RFQ) was issued that required interested respondents to submit Statements of Qualifications (SOQ), which were evaluated based on criteria set forth in the RFQ. In step two, a Request for Proposals was issued to the pre-qualified respondents to submit separate technical and price proposals.

**Procurement Process – Step One**

California Public Contract Code Section 20209.5 et seq. requires Metro to pre-qualify design-build entities using a standardized questionnaire developed by the State of California Department of Industrial Relations (DIR). Metro has the discretion to add supplemental questions to the questionnaire, which Metro did to

match the experience and past performance of respondents to the level of complexity of this project.

The RFQ was issued on August 24, 2012. Five SOQs were received on October 29, 2013. Of the five SOQs received from respondents four respondents met the minimum pre-qualification requirements and were invited to submit proposals.

### Procurement Process – Step Two

The RFP was issued on January 8, 2013, requesting formal technical and price proposals in accordance with the requirements defined in the RFP. A pre-proposal conference was held on February 5, 2013, in the Board Room with representatives of approximately 177 firms in attendance; 4 jobsite visits held for the prime contractors and their designated subcontractors; 576 questions received and answered; and two separate set of inquiries received from bonding sureties to clarify contract terms.

Eleven amendments were issued during the solicitation phase of this RFP; amendment No. 1 issued on 2/24/13 to include a stipend approved by the Board, extend the proposal due date and make various revisions and clarifications to evaluation criteria, proposal submittal requirements and to the technical documents. No. 2 issued 4/2/13 to revise contract documents, clarify the requirements for alternate proposals and revise proposal submittal requirements. No. 3 issued to clarify contract requirements, revise technical project definition documents and extend the proposal due date. No. 4 issued 6/5/13 to extend the proposal due date, implement DBE race conscious goal requirements, and revise technical project definition documents. No. 5 issued 7/12/13 to extend the proposal due date, clarify the Contract Compliance Manual and DBE and other Instructions to Proposers, and revise technical project definition documents. No. 6 issued 8/8/13 to revise race conscious DBE goal requirements, contract documents, DBE instructions to proposers, price proposal form, and technical project definition documents. No. 7 issued 8/16/13 to revise technical project definition documents. No. 8 issued 8/23/13 to extend the proposal due date, revise submittal requirements and technical project definition documents.

A total of 4 proposals were received on September 9, 2013, from Dragados-Schiavone-Southland JV (DSS); Regional Connector Constructors (Skanska USA California West District and Traylor Bros. JV); Shimmick-Obayashi-FCC JV (SOF); and Shea-Walsh-Parsons Transportation Group JV (SWP).

RFP Amendment No. 9 was issued 12/23/13 to request Best and Final Offers (BAFO), establish BAFO submittal requirements, and clarify technical project definition documents. No. 10 issued 1/15/14 to include a new option and clarify technical project definition documents. BAFOs were received on January 30, 2014. Amendment No. 11, was issued 3/14/14 to revise the contract scope, delete work and establish more options for potential future work, and set forth revised proposal submittal requirements.



Final revised proposals were received on March 28, 2014.

The solicitation process included opportunities for the proposers to provide Metro with innovative and cost saving alternative proposals. In order to have an alternative proposal considered the proposers had to demonstrate that:

- It would not reduce quality, performance or reliability;
- It would not only seek to relax Metro requirements;
- It would not change the definition of the Project as set forth in the environmental Record of Decision or require a supplemental EIR/EIS;
- It would not have any negative impact on the Revenue Operations Date (ROD); and
- It would not add more than minimal risk to Metro or public and private properties as determined by Metro in its sole discretion.

Proposers were allowed the opportunity to submit alternate concepts in advance of submitting their formal proposal for an initial review by Metro. Metro reviewed and provided written notice to each proposer submitting an alternate concept. Proposers were not required to submit alternate concepts in advance of their proposal provided it met all the requirements of the RFP. Two proposers submitted in advance a total of 6 alternate concepts, 3 of which were rejected and 3 were neither accepted nor rejected, because of insufficient information. Proposers did include alternate technical concepts in their proposals, regarding such items as ventilation, room sizes in stations, construction approaches, and operational requirements.

## **B. Evaluation of Proposals/Bids**

A Proposal Evaluation Team (PET) consisting of engineers from Metro Engineering & Construction, Metro Operations, and the San Diego Association of Governments (SANDAG), was convened and conducted a thorough and comprehensive evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- |                      |     |
|----------------------|-----|
| • Project Management | 30% |
| • Technical Approach | 25% |
| • Price              | 45% |

The evaluation criteria are appropriate and consistent with criteria developed for the Crenshaw/LAX Project and Westside Purple Line Extension Project. Several factors were considered when developing the weights above, giving the greatest importance to the technical criteria under two categories, and the sub-factors under each category, except for one, were equally weighted. The evaluation criteria were developed pursuant to California Public Contract Code § 20209.8 (d). The weighting

assigned for the following minimum factors collectively represented at least 50% of the total weight given to all criteria factors: price, technical expertise, life cycle costs over 15 years or more, skilled labor force availability, and acceptable safety record, as prescribed by the code.

During the initial phase of the evaluation Subject Matter Experts (SME) were engaged to provide technical expertise and written assessments for the PET on the technical material submitted in the proposals. The PET met extensively in the months of October 2013 through March of 2014, to thoroughly review and evaluate the original and revised written proposals submitted. The PET asked extensive written clarification questions of each team, with written responses being submitted, to assess each team's proposed alternatives, technical approaches, and previous experience.

After the PET had scored the original written proposals, a request for a Best and Final Offer was issued to all 4 proposers, which was due and received on January 30, 2014. Discussions were held with each Proposer to clarify technical and commercial/pricing issues prior to BAFO submittal.

After the BAFOs were received the PET and Metro Management determined that another revision to the RFP and the proposals was necessary to address changes in the scope of work. Only two of the BAFO proposals were determined to be within the competitive range and those two proposers teams were invited to submit revised proposals.

The competitive range is determined on the basis of all evaluation factors in the RFP and includes all proposals that have a reasonable chance of being selected for an award. The proposers excluded from the competitive range were informed of such on February 21, 2014.

Metro entered into a final round of discussions with the two remaining proposers in the competitive range. After those final discussions a request for revised proposals (RFP Amendment 11) was issued on March 14, 2014. Revised Proposals were required and received on March 28, 2014. The PET completed its review and evaluation of the revised proposals on April 2, 2014.

### **Qualifications Summary of Firms Within the Competitive Range:**

#### **Dragados-Schiavone-Southland, Joint Venture (DSS)**

The DSS team is composed of Dragados USA, Inc. as the joint venture lead, with Schiavone Construction Co. LLC and Southland Contracting, Inc. DSS offers Metro an integrated team with resources and technical proficiency in project management, design, construction, and systems integration. Dragados has tunnel construction experience and transit design-build experience around the world. Dragados' parent company has completed LRT projects in Barcelona and Madrid, Dragados USA

leads the team building the SR 99 Alaskan Way Bored Tunnel Design-Build Project in Seattle, WA, along with its proposed subcontractor, HNTB, as their design lead on the Regional Connector. Schiavone has an extensive portfolio of tunneling projects, most of them beneath New York City, and it worked with Dragados on the East Side Access Tunnels and Caverns Project in Manhattan. Southland has excavated more than 150 miles of tunnels in the United States.

**Regional Connector Constructors, Joint Venture (RCC)**

The RCC team is a joint venture made up of Skanska USA Civil West California District, Inc., as the joint venture lead, and Traylor Bros. Inc. Skanska and Traylor have years of experience working with the proposed subcontractor, Hatch Mott McDonald (HMM), as their designer for the Regional Connector. They have experience together on many underground transit projects, including the Trans Hudson Design-Build project in New Jersey, where the design was successfully completed and the TBM manufactured prior to the state canceling the project. Skanska and HMM worked together at the No. 7 Line Subway Extension projects in New York. The team members have experience on the Metro Red Line (Segment 3), Foothill Gold Line, Gold Line Pasadena Extension, Gold Line Eastside Extension, and Expo 2 projects.

Based on a thorough and integrated assessment of the proposals, as performed and determined by the Proposal Evaluation Team, and in accordance with the specified evaluation factors and sub factors, the RCC proposal offers the “Best Value” and is the most advantageous to Metro. The final scores and ranking for the two proposals in the competitive range is summarized in the following table:

	<b>FIRM</b>	<b>Factor Weight</b>	<b>Final Weighted Score</b>	<b>Rank</b>
1.	<b>Regional Connector Constructors</b>			1
	Project Management (13 factors)	30%	23.18	
	Technical Approach (3 factors)	25%	21.11	
	Price (3 factors)	45%	41.95	
	<b>Total</b>	<b>100.00%</b>	<b>86.24</b>	
2.	<b>Dragados-Schiavone-Southland, Joint Venture</b>			2
	Project Management (13 factors)	30%	20.08	
	Technical Approach (3 factors)	25%	18.00	
	Price (3 factors)	45%	39.00	
	<b>Total</b>	<b>100.00%</b>	<b>77.08</b>	

**C. Cost/Price Analysis**

The recommended price has been determined to be fair and reasonable based upon adequate price competition, discussions, a full technical analysis, and a comparative price analysis, including Metro’s independent cost estimate. The recommended award is for the highest ranked proposer based on the “Best Value” procurement process. The recommended proposer offered the second lowest proposed award price, which is 13.5% lower than Metro’s independent cost estimate of \$1,072,300,761.

Benefit analyses by the PET of the RCC proposed early completion schedule, technical superiority, and willingness to shift and accept risk for Metro caused schedule delays demonstrates that Metro will realize added benefits and value from RCC that more than offsets the RCC price that is \$39,269,218 (4.4%) higher than the DSS price. An assessed savings, cost avoidance and value of other benefits, up to \$91.5 Million could be realized due to the RCC proposed early completion schedule of 115 days, technical superiority in all 13 discrete technical evaluation categories, and a nearly full acceptance of the contractor’s costs associated with schedule delays caused by Metro or any third party.

	<b>Bidder/Proposer Name</b>	<b>Total Evaluated Pricing</b>		<b>Award Price Best and Final Offer</b>
		<b>Original Proposal Amount</b>	<b>Best and Final Offer Amount</b>	
1.	Dragados-Schiavone-Southland	\$1,141,291,340	\$1,178,785,772	\$887,957,777
2.	Regional Connector Constructors	\$1,027,533,722	\$1,044,208,235	\$927,226,995
3.	Shimmick-Obayashi-FCC	\$1,235,204,580	\$1,281,668,636	N/A
4.	Shea-Walsh-Parsons Transportation Group	\$2,011,453,136	\$1,867,143,088	N/A

**D. Background on Recommended Contractor**

The recommended firm, Regional Connector Constructors is a joint venture between Skanska USA California West District, Inc. and Traylor Bros., Inc. The joint venture was formed for the Regional Connector Transit Corridor project with offices in downtown Los Angeles. Skanska is a 125-year old company and one of the largest construction organizations in the world. Skanska has 39 offices throughout the U.S., with its southern California Office located in Riverside, CA, Skanska has over 12,000 full-time construction industry professionals in the U.S. and has completed

15 design-build rail and transit projects totaling more than \$4.2 billion nationwide. These include the AirTrain JFK LRT in New York, the World Trade Center Transportation Hub in New York, the I-210 Gold Line Bridge, and the Expo Phase 2 project. Skanska is also the contractor on the BART Berryessa Design-Build Transit Extension. The Traylor Bros. southern California office is located in Long Beach, CA and it has a track record that features over 110 tunneling projects with more than 90 miles of bored tunnels, as well as a 50-year presence in southern California. Traylor's experience with Metro includes the Metro Gold Line Eastside Extension, with over 4.5 million safe work hours and zero ground loss, and the Metro Red Line Segment 3 Hollywood tunnels. Their tunneling work also includes the University Link (U220) in Seattle, and the Queens Bored Tunnels East Side Access project in New York, which was named the 2012 Project of the Year by the International Tunnel Association. Hatch Mott MacDonald (HMM) will be the lead designer, and responsible for systems integration along with Mass Electric. HMM's experience includes 30 years experience in Los Angeles which includes Metro's Crenshaw/LAX Transit Corridor and Metro Red Line Segment 3 Hollywood Tunnel as a construction manager. HMM has a 100 year tunneling history that dates back to the firm's involvement in the development of London's underground.

RCC's Project Manager, Mike Aparicio, has 27 years of experience in the heavy civil construction industry, including 20 years managing transportation and heavy civil construction projects and organizations. He has significant large-scale design-build experience, including the management of more than \$1.5 billion in design-build projects since 1997. He has an excellent record for successfully managing contractor, designer, subcontractor and owner interests, specifically on Los Angeles design-build transit contracts. Mike's background includes project manager for the Metro Gold Line Eastside Extension Project, and management roles for Expo 2, and the Pasadena Metro Gold Line projects. Frank Frandina, with HMM, is the Design Manager/Principal Engineer, licensed and registered in the State of California, with 39 years of experience managing the delivery of complex, high visibility transportation and utility projects, specializing in underground facilities, urban rapid transit systems, and design-build project delivery. Robert Fonkalsrud, P.E., with Skanska, is the Construction Manager, licensed and registered in the State of California, with 16 years of experience managing safety, quality, engineering and construction issues. Robert is the Segment Construction Manager on Expo 2 and has worked on the No. 7 Flushing Line Extension, the Harmon Yard Reconstruction project, the Rehabilitation of East River Tunnels, all design-build projects in New York, and the Bay Area Rapid Transit (BART) SFO Rail Extension design-build project in San Francisco.

#### **E. (1) Small Business Participation - Design**

The Diversity and Economic Opportunity Department (DEOD) established a Race Conscious Disadvantaged Business Enterprise (RC DBE) goal of 20% for Design. RCC met the goal and made a 23.72% DBE commitment.

<b>SMALL BUSINESS GOAL</b>	<b>DBE 20.00%</b>	<b>SMALL BUSINESS COMMITMENT</b>	<b>DBE 23.72%</b>
----------------------------	-------------------	----------------------------------	-------------------

	<b>DBE Subcontractors</b>	<b>% Committed</b>
1.	Abratique & Associates, Inc.	1.32%
2.	Anil Verma Associates, Inc.	11.22%
3.	Armand Consulting, Inc.	2.19%
4.	D'Leon Consulting Engineers	2.50%
5.	J.L. Patterson & Associates	1.10%
6.	McLean & Schultz	1.89%
7.	MARRS Services, Inc.	1.75%
8.	Transmetrics	1.75%
	<b>Total Commitment</b>	<b>23.72%</b>

**E. (2) Small Business Participation - Construction**

The Diversity and Economic Opportunity Department (DEOD) established a RC DBE goal of 18.00% for Construction. RCC made an 18.00% DBE commitment. To be responsive to DBE requirements, RCC was required to identify all known DBE subcontractors at time of proposal. RCC listed one DBE firm as noted below. In addition, RCC was required to submit a DBE Contracting Plan identifying construction opportunities to meet its DBE commitment. RCC must update its Contracting Plan monthly, as contract work is bid and awarded to DBE firms. DEOD reviewed and approved the Contracting Plan submitted by RCC.

<b>SMALL BUSINESS GOAL</b>	<b>DBE 18.00%</b>	<b>SMALL BUSINESS COMMITMENT</b>	<b>DBE 18.00%</b>
----------------------------	-------------------	----------------------------------	-------------------

	<b>DBE Subcontractors (Construction)</b>	<b>% Committed</b>
1.	Griego and Associates	0.01%
2.	Other Scopes identified for DBE Subcontracting:  Clear & Grub                      Haul-Off/Haul-On Trucking Demolition                              QA/QC Roadside Signs                      Milling/Grinding Sweepers                              Other Misc. Scopes Rebar                                      Minor Concrete Striping                                    PCC Paving Survey                                      Doors & Hardware Sawing                                      Fencing Asphalt Concrete Dike	17.99% (Committed for DBE Participation)
	<b>Total Commitment</b>	<b>18.00%</b>

**F. All Subcontractors Included with Recommended Contractor's Proposal**

	<b>Subcontractor</b>	<b>Services Provided</b>
1.	Abratique & Associates, Inc.	Traffic
2.	Anil Verma & Associates	Architectural
3.	Armand Consulting, Inc.	Communications
4.	Atelier Hitoshi Abe, Inc.	Little Tokyo Station
5.	ATS Consulting, Inc. (Acoustic Strategies, Inc.)	Noise & Vibration
6.	Consensus, Inc.	Community Outreach
7.	D'Leon Consulting Engineers	Inspector/CAD
8.	Griego and Associates	Fire Life Safety
9.	Group Delta Consultants, Inc.	Geotechnical
10.	GTSA Construction Consulting	Scheduling
11.	Hatch Mott MacDonald	Lead Designer
12.	JL Patterson & Associates	Track
13.	JMC2 (John M. Cruikshank Consultants, Inc.)	Traffic
14.	Kroner Environmental Services, Inc.	Environmental Compliance
15.	Kumamoto Associates	Community Outreach
16.	MARRS Services Corp	Multidisciplinary Engineering Design
17.	MASS Electric Construction, Co.	Traction Power/Systems
18.	McLean & Schultz	Independent Check
19.	Shannon & Wilson	Geotech & Environmental
20.	Steiny and Company, Inc.	Station Electrical/ Communication Equip.
21.	Transmetrics	Multidisciplinary Engineering Design
22.	University Mechanical & Engineering Contractors	Mechanical
23.	URS Corporation Americas	Civil/Structural

REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT

Funding/Expenditure Plans  
(Dollars in Millions)

Capital Project 860228	Prior	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	Total	% of Total
<b>Uses of Funds</b>												
Construction	0.1	1.3	11.8	150.7	188.5	192.8	181.8	180.6	12.8	0.0	920.5	64.8%
Right-of-Way	0.0	0.3	34.8	30.9	8.1	0.0	0.0	0.0	0.0	0.0	74.2	5.2%
<b>Vehicles</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7.7</b>	<b>4.3</b>	<b>4.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>16.3</b>	<b>1.1%</b>
Prof. Services	30.2	21.6	15.8	42.6	48.9	32.0	28.0	17.6	11.3	9.9	258.0	18.2%
Project Contingency	0.0	0.0	3.1	4.9	20.0	26.7	28.2	24.3	14.2	5.5	126.9	8.9%
Subtotal Project	30.3	23.3	65.5	229.2	273.1	255.8	242.4	222.5	38.3	15.3	1,395.8	98.3%
Environmental/Planning	22.9	0.6	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	24.2	1.7%
<b>Total Project Cost</b>	<b>53.2</b>	<b>23.9</b>	<b>66.1</b>	<b>229.4</b>	<b>273.1</b>	<b>255.8</b>	<b>242.4</b>	<b>222.5</b>	<b>38.3</b>	<b>15.3</b>	<b>1,420.0</b>	<b>100.0%</b>
<b>Sources of Funds</b>												
Federal 5309 New Starts	0.0	0.0	65.0	100.0	100.0	100.0	100.0	100.0	104.9	0.0	669.9	47.2%
Measure R 35% (TIFIA Loan Proceeds)	0.0	0.0	0.0	61.9	0.0	0.0	55.9	17.9	6.2	18.1	160.0	11.3%
Lease Revenues	0.0		0.0	0.0	0.0	0.0	6.0	58.2		0.0	64.2	4.5%
Repayment fr State of Cap Proj Loans	50.3	11.8	0.6	0.0	45.3	40.5	57.3	36.3	-86.7	-2.8	152.6	10.7%
TDA	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0%
STIP Regional Improvement Program	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6	0.2%
City of Los Angeles contribution	0.0	0.0	0.0	0.0	5.0	7.0	6.0	10.0	14.0	0.0	42.0	3.0%
High Speed Rail Bonds	0.0	0.0	0.0	0.0	0.0	97.7	17.1	0.0	0.0	0.0	114.9	8.1%
Prop 1B PTMISEA	0.0	12.1	0.4	3.5	122.9	10.6	0.0	0.0	0.0	0.0	149.5	10.5%
CMAQ	0.0	0.0	0.0	64.0	0.0	0.0	0.0	0.0	0.0	0.0	64.0	4.5%
<b>Total Project Funding</b>	<b>53.2</b>	<b>23.9</b>	<b>66.1</b>	<b>229.4</b>	<b>273.1</b>	<b>255.8</b>	<b>242.4</b>	<b>222.5</b>	<b>38.3</b>	<b>15.3</b>	<b>1,420.0</b>	<b>100.0%</b>



**ATTACHMENT B (Con't)**

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT**

**Funding/Expenditure Plans  
(Dollars in Millions)**

<b>Capital Project 800228</b>	<b>Prior</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>Total</b>	<b>% of Total</b>
<b>Uses of Funds</b>						
Construction	0.0	0.0	5.2	5.2	<b>10.5</b>	26.2%
Right-of-Way	0.0	24.0	3.8	0.0	<b>27.7</b>	69.4%
Vehicles	0.0	0.0	0.0	0.0	<b>0.0</b>	0.0%
Prof. Services	0.0	0.1	0.3	0.3	<b>0.7</b>	1.6%
Project Contingency	0.0	0.3	0.4	0.4	<b>1.1</b>	2.8%
Subtotal Project	0.0	24.4	9.7	5.9	<b>40.0</b>	100.0%
Environmental/Planning	0.0	0.0	0.0	0.0	<b>0.0</b>	0.0%
<b>Total Project Cost</b>	<b>0.0</b>	<b>24.4</b>	<b>9.7</b>	<b>5.9</b>	<b>40.0</b>	<b>100.0%</b>
<b>Sources of Funds</b>						
Measure R 2%	0.0	0.0	5.2	5.2	10.5	26.2%
State Repayments Fund 3562	0.0	24.4	0.7	0.7	25.8	64.4%
Lease Revenues	0.0	0.0	3.8	0.0	3.8	9.4%
<b>Total Project Funding</b>	<b>0.0</b>	<b>24.4</b>	<b>9.7</b>	<b>5.9</b>	<b>40.0</b>	<b>100.0%</b>

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT**

**Measure R Cost Management Process and Policy Analysis**

**Introduction**

The Measure R Cost Management Process and Policy (the Policy) was adopted by the LACMTA Board of Directors in March 2011. The intent of the Policy is to inform the LACMTA Board of Directors regarding potential costs increases to Measure R-funded projects and the strategies available to close any funding gaps. LACMTA staff has identified the Regional Connector Transit Corridor project as a project which warrants such an analysis due to a cost increase resulting from awarding the design-build contract. The evaluation of the project for compliance with the Policy used the most currently available cost estimate.

The Regional Connector provides a 1.9 mile connection between Little Tokyo/Arts District Station and the 7<sup>th</sup> Street/Metro Center Station in Downtown Los Angeles. Prior to April 2014, the project cost estimate was \$1.39947 billion, which results in a funding gap of \$60.5 million over the current cost estimate of \$1.460 billion. We reported the \$1.399 billion cost estimate in June 2013 as part of the action to approve the Long Range Transportation Plan (LRTP) financial forecast update. Please see the body of this staff report for more detailed information on the components of this cost increase. This analysis is intended to lay out a specific plan of action to close the current gap of \$60.5 million.

**Measure R Cost Management Policy Summary**

The adopted Final Unified Cost Management Process and Policy stipulates the following:

"If increases in cost estimates occur, the MTA Board must approve a plan of action to address the issue prior to taking any action necessary to permit the project to move to the next milestone. Increases in cost estimates will be measured against the 2009 Long Range Transportation Plan as adjusted by subsequent actions on cost estimates taken by the MTA Board. Shortfalls will first be addressed at the project level prior to evaluation for any additional resources using these methods in this order:

- 1) Value engineering and/or scope reductions;
- 2) New local agency funding resources;
- 3) Shorter segmentation;
- 4) Other cost reductions within the same transit corridor or highway corridor;
- 5) Other cost reductions within the same sub-region; and finally,

- 6) Countywide transit cost reductions and/or other funds will be sought using pre-established priorities.”

We followed the six steps prescribed by the policy to address the funding gap and developed the following plan of action to address it:

### **Value Engineering and/or Scope Reductions**

The LACMTA Board had previously considered and concurred with a staff on the Locally Preferred Alternative (LPA) recommendation to eliminate the 5<sup>th</sup> and Flower Station. During the advancement of Preliminary Engineering, additional value engineering studies were adopted into the design. A pocket track on the Flower Street alignment section was eliminated. The 2<sup>nd</sup>/Hope Station profile was raised which saved on the overall depth of the station box structure. The 2<sup>nd</sup>/Broadway and 1<sup>st</sup>/Central Stations relocated the concourse and ticketing area from below grade to the above grade station plaza area which reduced the overall station footprints. Also, the final design and construction of the station structures and tunnels were combined into one procurement contract which eliminated the interface between several contractors. Therefore, all possible value engineering and scope reductions consistent with the approved Project definition and alignment have been already accomplished.

### **New Local Agency Funding Resources**

The City of Los Angeles and Metro staff have agreed to recommend a City contribution of \$41.984 million to the project. The proposed agreement was approved by the City of Los Angeles Transportation Committee on April 9, 2014. The full City Council is expected to approve the agreement on April 22, 2014. Consistent with all other Measure R 3% local agency contribution agreements, the City of Los Angeles is not expected to pay for cost increases unless they are for betterments specifically requested by the City of Los Angeles. We do not recommend changing the understanding reached with the City of Los Angeles.

### **Shorter Segmentation**

Given that the goal of the Regional Connector project is to provide seamless travel between two points, it is not possible to shorten the project. The two end points of the project (Little Tokyo/Arts District Station and 7<sup>th</sup> Street/Metro Center Station) are 1.9 miles apart and there is no possible way to shorten the segment between these points and be consistent with the LPA and the operational objectives of the project and the requirements of the \$670 million Full Funding Grant Agreement.

### **Other Cost Reductions within the Same Transit Corridor**

As the Regional Connector links several corridors, we looked at possible cost reductions along all connected corridors. The corridors included in this analysis were Exposition Light Rail Transit Corridor, Gold Line Foothill Extension Corridor, Gold Line

Eastside Transit Corridor Extension Phase II, and the Westside Purple Line Extension Section I. The Exposition and Gold Line Foothill Extension projects are under construction and no savings are anticipated. The Gold Line Eastside Extension Phase II project is not funded in the first decade, making it impossible to reduce its scope and move funds from that project to the Regional Connector. Finally, scope changes to the Westside Purple Line Extension Section 1 are not possible due to pending receipt of Federal New Starts funds, TIFIA loan, and environmental clearance considerations.

**Other Cost Reductions within the Same Sub-region**

Within the Central Area sub-region (see Map 1) of the Regional Connector, staff identified five potential projects for cost reductions to be used towards the \$60.5 million funding gap. These projects are the Exposition Light Rail Transit, Westside Purple Line Extension Section I, Crenshaw/LAX Transit Corridor, Wilshire Bus Rapid Transit (BRT) and the bus Division 13 project. Exposition Light Rail Transit and Westside Purple Line Extension Section 1 were considered and eliminated in the previous Transit Corridor step. The Crenshaw/LAX project is under construction. Environmental clearance and life-of-project budget have already been approved. Furthermore, scope changes to the project at this juncture could impact its TIFIA loan.

The Wilshire BRT project is partly in the Westside sub-region beginning at the Beverly Hills/City of Los Angeles boundary (about 54%) and partly in the Central sub-region in the City of Los Angeles (about 46%). This LRTP project is to be distinguished from the relatively smaller and modest current project funded with Federal grants. The larger Wilshire BRT project was previously deferred by the LACMTA Board and its funding was transferred to other projects and is no longer available. The bus Division 13 project is under construction and no savings are anticipated.

**Countywide transit cost reductions and/or other funds**

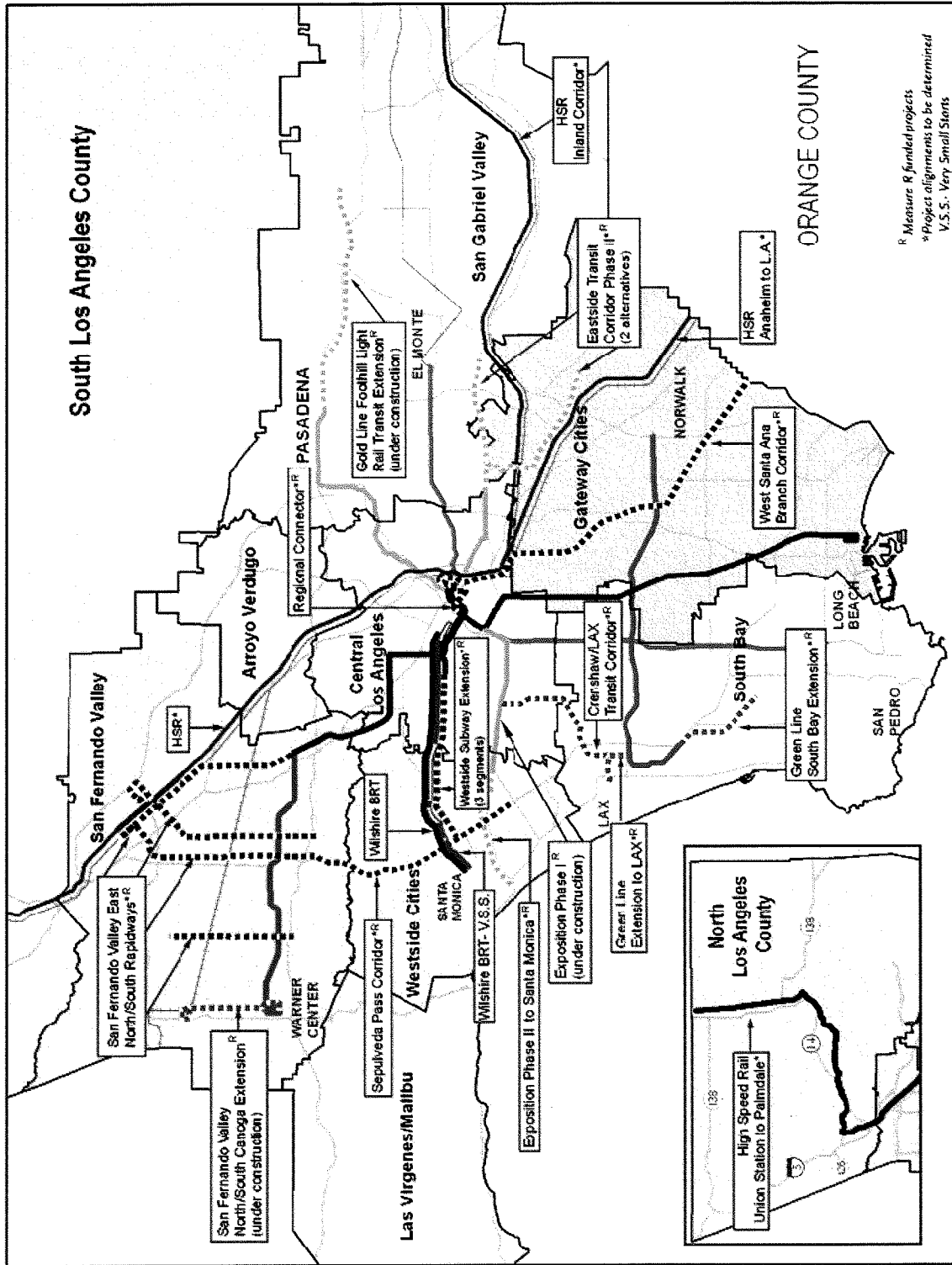
Because the Regional Connector project will significantly benefit the County as a whole, Countywide resources are appropriate to fund this \$60.5 million gap.

- Measure R 2% (System Improvements, Rail Yards, Rail Cars) \$ 10.5 M
- Lease revenues \$ 3.8 M
- State Repayment of Capital Project Loans (Fund 3562) \$ 46.2 M
- Total \$ 60.5 M

The Countywide Measure R 2% funds are available for undefined future improvements and yards and are proposed to fund the \$10.5 million for the rail yard share. The remainder of the funds come from future project resources.

Map 1: 2009 LRTP – Transit Corridors

2009 LRTP - Transit Corridors



Path I MAPS: SUPP 2010.6.15\_BoardRequest\_Measures/MXD/Transit/Comcast\_30\_10\_revised\_2012.mxd  
 Date: 1/26/2012, 11:19:13AM