

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
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metro.net**CONSTRUCTION COMMITTEE
JANUARY 16, 2014****PROJECT: PATSAOURAS PLAZA BUSWAY STATION (PPBS)****ACTION: APPROVE INCREASE TO LIFE-OF-PROJECT BUDGET****RECOMMENDATION**

Approve an increase to the Life-of-Project (LOP) budget for the PPBS Project (CP 202317) by \$14,181,000 from \$16,803,000 to \$30,984,000.

ISSUE

The PPBS LOP budget of \$16,803,000 was approved by the Board on October 19, 2011, for the design and construction of a new passenger station within the existing El Monte Busway adjacent to Union Station as a component of the ExpressLanes Project. In September 2012, contractor bids were rejected because they exceeded the LOP by a range of \$7 to \$11 million. In order to reduce costs on the project, Metro revised the project design and on July 5, 2013 issued a Revised PPBS Invitation for Bid. On October 18, 2013, Metro received four qualified bids with a low bid amount of \$19,992,000, approximately \$4 million less than the previous low bid.

Staff is now requesting the budget authority required to award the design/build contract in the amount of \$19,992,000. Further, the revised budget includes soft costs (consulting, design, environmental, utilities, staff labor) and an appropriate contingency reserve required to complete the project, for a total revised LOP budget of \$30,984,000.

BACKGROUND

The PPBS project is a component of the overall Los Angeles Congestion Relief Demonstration (CRD) Project to enhance and expand transit service and create High Occupancy Toll lanes in the I-10 and I-110 freeway corridors. During preliminary engineering it was found that the PPBS would have a significant positive impact for our patrons and service delivery on the Silver Line system.

The entrance to the existing HOV and El Monte Busway lanes at Union Station has been in need of reconfiguration to allow for the more efficient ingress and egress of pedestrians, buses and automobiles for some time. Currently, the passengers boarding/alighting areas are not located contiguous with Union Station, but rather are situated at the corner of Alameda Street and the Busway entrance/ramp terminus - more than a 1/4-mile distance from the plaza. There is no direct pedestrian connection to Union Station currently and there are no passenger amenities such as lighting, Closed Circuit Television (CCTV), information displays, or landscaping. This issue has only become more acute upon revenue operation of the LA CRD and the Silver Line, since ridership on the Silver Line has increased significantly and passengers are forced to walk a 1/4-mile from Union Station to make transit connections such as the Red Line, Gold Line, and Metrolink.

To resolve these issues and provide a more user-friendly passenger experience, a number of potential configurations were evaluated. The preferred configuration is to relocate the existing passenger boarding/alighting areas to the southeast side of Union Station and Patsaouras Plaza. By providing a more convenient connection between the Silver Line, rail and conventional bus transit with reduced pedestrian walking distance, by a quarter-mile, will encourage mode shift to regional and local buses, heavy industrial rail, light rail and commuter trains. In addition, this new configuration will also improve the overall operational efficiency of Patsaouras Plaza. The visible changes that would result from the proposed project include the proposed station platform with the addition of benches, shelters, light posts, directory stands, elevators and stairs connecting the busway station to Union Station and Patsaouras Plaza. These proposed changes would be consistent with surrounding land uses, which are primarily designated for transportation uses.

FTA Grant

In an effort to provide funding for the project, staff has vigorously pursued funding and opportunities to fund this important and much-needed project. As part of this effort, in October 2011, PPBS was awarded a Sustainable and Livable Communities Grant from the FTA in the amount of \$9,679,000, which was the largest single grant award in the Country for this category at the time.

The PPBS Sustainable and Livable Communities Grant was the result of a planning process which coordinated transportation and land-use decisions. Using the Harbor Transitway and El Monte Busway corridors, the Silver Line runs from Harbor Gateway Transit Center in the south, through Union Station, to the new El Monte Station in the east.

The El Monte Transit Center underwent significant change to be part of the El Monte Transit Village, an affordable housing, commercial and LEED certified designed transit oriented development. Metro is also in the process of developing a Master Plan for Union Station that would significantly change the current landscape to include transit oriented development. Furthermore, the Harbor Gateway Transit Center has undergone

renovations and is experiencing high passenger ridership. PPBS would provide direct union Station connection to all these sites via the Silver Line, transforming the Silver Line into an environmentally sustainable transportation system by providing improved connections to future residential and commercial areas at all major stations along the Silver Line and significantly improving transit service at union Station.

Project Status

A rendering of the station and a table showing the revised LOP budget are shown on Attachments A and B. As discussed above, the current approved LOP of \$16,803,000 was approved by the Board in October 2011, prior to the first bidding attempt. A table comparing the previous LOP and the new proposed LOP follows below:

Cost Category	Previous LOP (2011)	Additional Funds Needed	Proposed New LOP (2014)
Design/Prof. Services	\$1,500,000	\$1,098,000	\$2,598,000
Construction Contract	\$11,251,000	\$8,741,000	\$19,992,000
Construction Mgmt.	\$1,775,000	\$125,000	\$1,900,000
Special Conditions (3rd Party)	\$250,000	\$500,000	\$750,000
Staff Labor	\$700,000	\$2,227,000	\$2,927,000
Contingency	\$1,327,000	\$1,490,000	\$2,817,000
Grand Total	\$16,803,000	\$14,181,000	\$30,984,000

As the table demonstrates, additional funding is required to complete the project in all major cost categories, primarily due to the higher bid pricing, project complexity, known underground conditions, and relatively high project risk. The budget also includes an increased contingency reserve of 10%.

Since the initial bid opening in September 2012, Metro, Caltrans, FTA staff and our consultants participated in several value engineering and design workshops to review the various project related issues and risks and to explore potential costs savings. Further, debriefing meetings were held with each bidding contractor to further discuss the areas of risk which lead to the high bidding prices. Based on the results of these meetings, contract documents (drawings and specifications) were revised to reflect changes to the scope of work that staff has determined can be implemented within the confines of Metro’s project criteria.

Metro staff and consultants revised the Advanced Conceptual Engineering package to capture cost saving ideas from the value engineering and design workshops. In July 2013, Metro released the Revised PPBS Invitation for Bid. On October 18, 2013, Metro received four technically qualified bids that ranged from \$19,992,000 to \$28,979,000.

Metro's Independent Cost Estimate (ICE) was \$26,715,000. The lowest bid was from OHL USA and demonstrates that Metro's effort to repackage the bid to capture cost savings was successful: the bid is \$6.7 million lower than Metro's ICE; and, most importantly, \$4.1 million lower than the original lowest qualified bid from September 2012. A comparison table is provided below:

Current Lowest Bid (Oct 2013)	\$ 19,992,000
Previous Lowest Bid (Sep 2012)	\$ 24,110,048
Metro ICE	\$ 26,775,000

Based on the engineering and design work conducted to date, as well as the difficult project constraints and geometries imposed by the El Monte Busway and the Patsaouras Plaza, staff believes the current lowest bid of \$19,992,000 represents the best value Metro can achieve for PPBS within the project's context and desired outcome.

DETERMINATION OF SAFETY IMPACT

This Board action will not have any adverse safety impacts on Metro's Construction projects, Operations, our employees, and/or patrons.

FINANCIAL IMPACT

This Board action would establish a revised LOP budget for the PPBS in the amount of \$30,984,000. The new funding required would be programmed into the Fiscal Year (FY) 15 and FY 16 budgets, and thus would not affect the current year or FY 14 budgets.

The source of the funding for the revised LOP budget of \$30,984,000 is comprised of:

- \$9,679,000 - Federal Grant funds
- \$16,590,000 - Prop C25 Highway funds
- \$1,200,000 - Federal Section 5307 (CRD) funds
- \$300,000 - PC40;
- \$3,215,000 - Ramirez Flyover (Union Station escrow)

The funding would be programmed into the FY 14 - 16 Capital Program in Cost Center 8510, Construction Procurement, under Capital Project No. 202317 (Patsaouras Plaza Busway Station), Account 53101, Acquisition of Building and Structures.

Since this a multi-year project, the cost center manager and the Executive Director, Transit Project Delivery would be responsible for budgeting project costs in future fiscal years. The project budget and funding plan is included in Attachment B.

Impact to Bus and Rail Operating and Capital Budget

Other than the \$9,679,000 from Federal Grant funds, the new proposed funding would come from local Prop C 25% Highway funds, CRD funds, and funding from the former Ramirez Flyover project. As such, these funds could be used for other eligible highway projects, but could not be used for typical bus and rail operating or capital expenditures.

ALTERNATIVES CONSIDERED

The Board of Directors may choose not to authorize the revised LOP budget for the PPBS. This alternative is not recommended, since rejection of the revised LOP would prevent staff from completing this transit improvement project. FTA has advised staff that completion of this transit improvement project is in their view a critical component of the ExpressLanes project, and that failure to move forward with the project would result in losing the \$9,679,000 FTA Sustainable and Livable Communities Grant. As such, FTA prefers the completion of the Patsaouras Plaza Busway Project regardless of the cost increases.

NEXT STEPS

Upon approval of this action by the Board, staff will award the design/build contract for PPBS. Final design will take 12 months and construction will take 18 months. Given this schedule, the PPBS project would be complete and open for revenue service in September 2016.

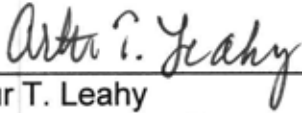
ATTACHMENTS

- A. Project Rendering
- B. Patsaouras Plaza Busway Station Project LOP Funding and Expenditure Plan

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ATTACHMENT A

Patsaouras Plaza Busway Station Rendering



**ATTACHMENT B
FUNDING/EXPENDITURE PLAN**

Patsaouras Plaza Busway Station Project LOP Funding and Expenditure Plan

Use of Funds	Inception – FY14	Remaining FY14	FY15	FY16	FY17+	Capital Costs Total
Design Phase						
Design Costs and Bid Support by STV	1,098,000	-	-	-	-	1,098,000
Other Metro Departments	993,000	-	-	-	-	993,000
Agency Costs	434,000	-	-	-	-	434,000
Design Phase Total	966,000	-	-	-	-	966,000
Construction Phase						
Construction Contract		1,000,000	7,500,000	9,500,000	1,992,000	19,992,000
Design Support During Construction		50,000	250,000	150,000	50,000	500,000
Construction Management		50,000	500,000	1,150,000	200,000	1,900,000
Other Professional Services		25,000	175,000	550,000	250,000	1,000,000
Special Conditions (3 rd Party)		50,000	300,000	350,000	50,000	750,000
Agency Costs: Project Control, Procurement support, Safety, Communications, etc.		90,000	550,000	750,000	110,000	1,500,000
Contract Modification Authority		-	-	-	2,817,000	2,817,000
Construction Phase Total		1,265,000	9,275,000	12,450,000	5,637,000	28,459,000
Total Project Cost	966,000	1,265,000	9,275,000	12,450,000	5,637,000	30,894,000
Source of Funds						
Source of Funds	Inception – FY14	Remaining FY14	FY15	FY16	FY17	Capital Costs Total
Federal – Bus Livability	1,025,000	1,265,000	7,275,000	114,000	-	9,679,000
Federal – Section 5307 (CRD)	1,200,000	-	-	-	-	1,200,000
PC 40	300,000	-	-	-	-	300,000
Prop C 25 (Highway)	-	-	2,000,000	12,336,000	2,254,000	16,590,000
Ramirez Flyover (Union Station escrow)	-	-	-	-	3,215,000	3,215,000
Total Project Funding	2,525,000	1,265,000	9,275,000	12,450,000	5,469,000	30,984,000