

CRENSHAW/LAX TRANSIT CORRIDOR PROJECT

Project Description and Background

The Crenshaw/LAX Transit Corridor is a north/south corridor that serves the cities of Los Angeles, Inglewood, Hawthorne and El Segundo as well as portions of unincorporated Los Angeles County. The proposed alignment extends 8.5 miles, from the intersection of Crenshaw and Exposition Boulevards to a connection with the Metro Green Line at the Aviation/LAX Station. The project provides for connections with the Los Angeles International Airport (LAX) as well as links to the Metro Green Line, the Exposition Line and countywide bus network. The Board adopted a light rail system for this corridor as the locally preferred alternative on December 10, 2009 and adopted a base project through certification of the Final Environmental Impact Report on September 22, 2011. A Record of Decision was obtained from the Federal Transit Administration on December 31, 2011 and a \$545,900,000 Transportation Infrastructure Finance and Innovation Act (TIFIA) loan was approved on September 28, 2012.

Recommended Contractor

Staff has recommended the award of a 60 month, firm fixed price contract to Walsh/Shea Corridor Constructors for the final design and construction of the Crenshaw/LAX Transit Corridor Project, in the amount of \$1,272,632,356 for the base project, an underground station at Leimert Park and a station at Hindry.

The recommended project cost has been determined to be fair and reasonable based upon adequate price competition, fact finding, discussions and a comparative price analysis with the independent cost estimate. The award is being recommended to highest ranked proposer for both price and technical based on a "Best Value" procurement process. The recommended proposer offered the lowest price proposal which is within 9% of the Metro's independent engineer's estimate.

The solicitation process has been completed. The recommended price proposal is within Life-of-Project budget but the current project allocated budget does not have the normal project contingences for this mega project. A request is being made to the Board to replenish \$160 million to establish adequate contingency levels. The board has the option not to award the contract or request a rebid although there would be no assurance of a better price without significant de-scoping of the project that would have impacts on contract terms in the Tiger II Capital Grant program and TIFIA Loan Agreement.

The source of additional funds proposed to award the base work is from the South Bay sub-region's Ramps and Interchanges project; the South Bay's Green Line Extension to LAX project; existing unobligated Call for Project grants in the Central Area sub-region; and the Central Area sub-region's Wilshire Bus Rapid Transit project.

Stations

Six base stations were included in the original project with two optional stations. The optional stations at Leimert Park and Hindry are included in the staff recommendation following the City of Los Angeles city council action on May 22nd to commit \$55 Million to the design and

construction of these stations and an adopted motion at the May 23rd Metro Board meeting to use \$80 million in Metro FY 14 reserves to fund the balance of the Leimert Park Station option.

This action will be subject to approval by FTA and the US DOT TIFIA Credit Council and execution of a grant agreement with the City of Los Angeles.

Procurement Process

For the Crenshaw/LAX contract, Metro selected design-build delivery methodology in a Best Value procurement where proposers were initially pre-qualified and invited to submit technical and price proposals that were scored against established criteria to make a best value determination. The Request for Proposals (RFP) permitted proposers to submit Alternative Technical Concepts (ATC's) to the technical requirements in the RFP that would be advantageous to the Project in terms of lower cost, improved quality, performance, reliability, or schedule. The ATC's were received, reviewed and approved or rejected by Metro prior to the proposal submittal date. Proposers were given complete discretion to incorporate ATC's approved by Metro into their proposal. Metro did not consider any ATC's that may have reduced the quality, performance, or reliability; or sought to relax the requirements in the RFP. Additionally, Metro did not consider an ATC if the implementation of the ATC would result in a significant change in definition of the Project as set forth in the Record of Decision, or require a supplemental environmental impact statement/report, or conflict with any action required by the Mitigation Monitoring Plan.

Undergrounding in Park Mesa Heights

Three proposers submitted initial ATC's for going underground from 48th through 59th Street in what's called the Park Mesa Heights segment. The Board has opted on several occasions to keep this segment at grade. If the Board now chooses to go underground, it would require environmental analysis before a contract could be awarded. That would take an estimated 9 months to 18 months. It would delay the project and could put federal funding at risk. Moreover, Metro would have to demonstrate for FTA that additional funding is available for the underground segment. Estimates for this approximately one mile segment are in the range of up to \$250 million.

There have been recent assertions that two of the proposers had bid to build an underground station at Slauson Avenue and a tunnel in the Park Mesa Heights segment within the existing budget. The proposals received and evaluated do not support those assertions.

Next Steps

The board report and staff recommendations will be presented to the Construction Committee on June 20th and full Board on June 27th. With a decision to award, notice to proceed will be issued in August followed by completion of final design with major construction work commencing in the spring of 2014. Revenue service is anticipated in 2019.