

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 27-28, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8a.(9), Action Item

Prepared By: Dee Lam, Chief
Division of Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT ALLOCATION FOR A
LOCALLY-ADMINISTERED MULTI-FUNDED SENATE BILL 1 LOCAL
PARTNERSHIP PROGRAM (FORMULAIC)/STATE TRANSPORTATION
IMPROVEMENT PROGRAM/TRANSIT AND INTERCITY RAIL CAPITAL
PROGRAM PROJECT, PER LPP AND STIP GUIDELINES
WAIVER 24-100**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project allocation for the locally-administered multi-funded Senate Bill 1 (SB 1) Local Partnership Program (LPP) (Formulaic)/State Transportation Improvement Program (STIP)/Transit and Intercity Rail Capital Program (TIRCP) East San Fernando Valley North/South Transit Project - (ESFV) (PPNO 4296), in Los Angeles County, for the time period as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission extend the period of project allocation for the locally-administered multi-funded SB1 LPP (Formulaic)/STIP/TIRCP East San Fernando Valley North/South Transit Project - (ESFV) (PPNO 4296), in Los Angeles County, for the time period as identified in the attachment.

BACKGROUND:

The Los Angeles County Metropolitan Transportation Authority will not be able to request an allocation of programmed funds by the June 30, 2024, deadline, and is requesting an extension for the period of project allocation for the LPP (Formulaic) and STIP funds. The TIRCP funds do not require an allocation time extension and will be reprogrammed to Fiscal Year 2024-25. The attachment shows the details of the project and the explanation for the delays.

*"Provide a safe and reliable transportation network that
serves all people and respects the environment."*

Current LPP and STIP Guidelines stipulate that programmed funds are available for allocation only until the end of the fiscal year programmed. The Commission may approve a waiver to the timely use of funds deadlines, one-time only, for up to 20 months for STIP projects, and 12 months for LPP projects.

Attachment

“Provide a safe and reliable transportation network that serves all people and respects the environment.”

**Time Extension/Waiver – Project Allocation
Multi-Funded LPP (Formulaic) and STIP**

Project Number: 1

Applicant: Los Angeles County Metropolitan Transportation Authority

County: Los Angeles

District: 07

PPNO: 4296

Allocation Amount: \$242,453,000 (\$74,944,000 LPP (Formulaic), \$167,509,000 STIP

Phase: Construction

Number of Months Requested: 12 Months

Extended Deadline: 6/30/2025

Department Recommendation: Support

East San Fernando Valley North/South Transit Project - (ESFV)

The Los Angeles County Metropolitan Transportation Authority (Metro) request a 12-month time extension for the period of project allocation for the Construction (CON) phase of the East San Fernando Valley North/South Transit Project - (ESFV). Metro has experienced delays in the design schedule.

This project will be delivered in two phases using the Progressive Design Build (PD/B) delivery method and will be delivered in two phases. Phase 1 is for Preconstruction Services, and Phase 2 is for Design, Construction, Testing and Commissioning of the light rail train (LRT) system, to construct a North-South transit corridor to improve transit service in eastern San Fernando Valley in the City of Los Angeles. The alignment travels through the communities of Van Nuys, Panorama City, Arleta, and Pacoima within a complex rail network between the Metro Orange Line to the south and the Sylmar/San Fernando Metrolink Station to the north, via the Van Nuys Blvd median and along or adjacent to San Fernando Road to the north. The project scope consists of a new 6.7-mile median running at-grade LRT and eleven stations capable of accommodating up to three 90-foot rail cars and a 21-acre vehicle and storage facility to accommodate the operational and administrative functions of the new LRT line. The eleven stations will incorporate various first/last-mile oriented amenities, including bicycle parking, and linkages with Metro bus lines. The estimated total costs to deliver ESFV is \$3.7 billion and will require a continued and concerted coordination effort among Metro, community, landowners for right of way acquisitions, local and regional transit providers, and funding stakeholders including, but not limited to, the Department and Federal Transit Administration.

Metro was awarded \$74,944,000 in LPP (Formulaic) funds, \$167,509,000 in STIP funds, and \$804,000,000 in TIRCP funds; and expected to request allocations before the end of Fiscal Year 2023-24. However, due to the complexity with delivering the project within a

complicated transit network of all forms, types and sizes of utility services, Metro experienced delays during early project development. After market analysis and consideration of the existing general engineering baseline, Metro changed the delivery method of the ESFV from the standard design-build methodology to a progressive-design-build methodology in order to realize opportunities for improved overall design and construction performance to cede, define and apportion risk management responsibilities to the participant most able to deliver successful outcomes as measured through multiple lenses. The decision to change delivery methodology was approved by the Metro Board in October 2021 to provide the best opportunity for earliest entry into construction of the ESFV whereby the risk of design evolution would be measured and bolstered with contingencies, while much of the schedule risk would be borne by a contractor.

The Request for Proposal for solicitation of the ESFV contractor under a PD/B, was issued in July 2022. Through a lengthy and competitive process, a joint venture was selected and recommended by staff. In February 2023, the Metro board awarded a firm fixed price contract for Phase 1 for preconstruction services; and the Notice to Proceed with Phase 1 was issued to the contractor in April 2023. Since that time, Metro has continued work toward design validation, sequencing work for several blocks of heavy civil excavations simultaneously to facilitate access to target utility lines and expanded the scope to protect and or relocate many of these services to clear the path for the LRT guideway and stations.

Currently, Metro is continuing the process of negotiating early works packages (EWP) to advance work from Phase 2 in the areas of utility rearrangements, final design, and potential elements of construction. The next substantial work package is scheduled to include two longer and more densely populated segments of power infrastructure; field work is anticipated to start in July 2024. Metro is working closely with Caltrans to discuss the critical EWPs and their impact on the project schedule and budget. The requested 12-month time extension supports the additional design efforts required to support the start of construction anticipated to begin in summer 2025 through EWPs. As utilities advance, LRT construction will trail with guideway and station placements following closely behind. Trackwork, power, train control, communications, and systems testing close-out the starting plan.

Therefore, Metro is requesting a 12-month time extension for the period of project allocation for the LPP (Formulaic) and STIP funds of the CON phase from June 30, 2024 to June 30, 2025.