

**Board Report**

File #: 2016-0649, **File Type:** Contract

Agenda Number: 11.

**PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 19, 2016**

SUBJECT: RESTORATION OF HISTORIC STREETCAR SERVICE IN DOWNTOWN LOS ANGELES

ACTION: EXECUTE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. EXECUTE Modification No. 13 to Contract No. PS10-4320-2618 with HDR Engineering, Inc. to prepare the Draft and Final Environmental Assessment (EA) for the **Restoration of Historic Streetcar Service in Downtown Los Angeles**, in the firm fixed amount of \$361,149, increasing the total contract value from \$3,075,793 to \$3,436,942; and
- B. INCREASE Contract Modification Authority (CMA) specific to Contract No. PS10-4320-2618 in the amount of \$200,000, increasing the total authorized CMA amount from \$476,000 to \$676,000 to support potential additional environmental assessment work.

ISSUE

As directed by the Board in February 2010, Metro has been serving as a technical consultant and project manager under contract to the City of Los Angeles for purposes of completing an Alternatives Analysis, environmental review, and Small Starts application for the Downtown Los Angeles Streetcar Project (Project). The next step in the environmental process is compliance with the National Environmental Policy Act (NEPA).

As the Project Sponsor, federal co-lead agency and local lead agency, the City of Los Angeles (City) has requested that Metro proceed with NEPA clearance, including the preparation of the Draft and Final EA. This requires a modification to the scope of work in the existing consultant contract and extension of the performance period from December 31, 2016 to June 30, 2017. An increase in CMA is requested to support unforeseen additional environmental assessment work. Los Angeles Streetcar, Inc. (LASI) has provided sufficient funds necessary for Metro staff and third party consultant services for this work. Board approval of the contract modification and CMA increase is being requested so that work may proceed.

DISCUSSION

Background

At the February 25, 2010 meeting, the Metro Board authorized Metro staff assistance to the City for the Downtown Streetcar Project, predicated on the receipt of funds from the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) and execution of reimbursement agreements with Metro. On May 5, 2010, Metro entered into a funding commitment and repayment agreement with CRA/LA for this effort. This agreement states that Metro agrees to dedicate the staffing resources necessary to support the Project and that the City agrees to reimburse Metro for one hundred percent (100%) of the staff and consultant costs incurred by Metro.

At the March 24, 2011 meeting, the Metro Board awarded the firm fixed price Contract No. PS10-4320-2618 to HDR Engineering, Inc. to provide professional services for the Restoration of Historic Streetcar Service in Downtown Los Angeles for the preparation of the Alternatives Analysis (AA), Advanced Conceptual Engineering (ACE), environmental documentation, and Small Starts application. Metro, on behalf of the City and in cooperation with Federal Transit Administration (FTA), completed the AA which resulted in the selection by the City and CRA/LA of the Locally Preferred Alternative (LPA). The LPA was adopted by the Los Angeles City Council in January 2012.

Prior to the dissolution of CRA/LA in 2012, Project funds dedicated for completing the environmental document, ACE, and Small Starts application were transferred from CRA/LA to the City and LASI. A portion of these funds were advanced to Metro for related Project costs.

The environmental document was initially prepared as an Environmental Impact Report (EIR)/ EA. In March 2014, after completing an Administrative Draft EIR/EA, FTA requested that additional ridership analysis be conducted.

After discussion with FTA in 2015, the CEQA EIR and the NEPA EA were separated and are to be completed sequentially. Work on the Draft EIR began in July 2015. It was released for public comment on June 24, 2016. The Final EIR is being prepared.

The next step in the environmental process is compliance with NEPA. Metro and LASI completed an amendment to the funding agreement to fund this work effort. LASI has advanced funds to Metro to cover anticipated project costs for Metro staff and consultants.

DETERMINATION OF SAFETY IMPACT

There is no impact to the safety of our customers and/or employees.

FINANCIAL IMPACT

The additional cost to complete the environmental process for compliance with NEPA is \$674,754

including both consultant services and Metro labor, which had been paid by LASI to Metro as advanced payment. This additional cost is within the FY17 approved budget in Cost Center 4350, Transit Corridors, Project Number 405553, Downtown Streetcar Project Environmental.

Since this is a multi-year contract, the cost center manager and the Chief Planning Officer will be accountable for budgeting the cost in the future years.

Impact to Budget

The source of funding for this contract is the City of Los Angeles through LASI. As these funds are specified for this project under agreement with LASI, they are not eligible for bus and rail capital or operating expenses.

ALTERNATIVES CONSIDERED

The Board could choose not to authorize execution of the contract modification. This is not recommended as Metro and the City have reviewed and approved the proposed contract modification, and delay may compromise the pursuit of federal funding.

NEXT STEPS

Upon Board approval, staff will execute Modification No. 13 to Contract No. PS10-4320-2618 for the preparation of federal environmental documentation. Staff will continue to coordinate with the City and assist with the steps necessary to meet federal environmental and funding eligibility requirements for Small Starts.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - Proposed Downtown Los Angeles Streetcar Route
- Attachment D - Board Motion, February 18, 2016, Item No. 34
- Attachment E - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

RESTORATION OF HISTORIC STREETCAR SERVICE IN DOWNTOWN
LOS ANGELES/PS10-4320-2618

1.	Contract Number: PS10-4320-2618		
2.	Contractor: HDR Engineering, Inc.		
3.	Mod. Work Description: Preparation of Draft Environmental Assessment (EA) and Final EA		
4.	Contract Work Description: Professional services for the restoration of historic streetcar in downtown Los Angeles		
5.	The following data is current as of: 9/12/16		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	03/24/11	Contract Award Amount: \$2,260,000
	Notice to Proceed (NTP):	04/01/11	Total of Modifications Approved: \$815,793
	Original Complete Date:	02/28/13	Pending Modifications (including this action): \$361,149
	Current Est. Complete Date:	12/31/16	Current Contract Value (with this action): \$3,436,942
7.	Contract Administrator: Samira Baghdikian		Telephone Number: (213) 922-1033
8.	Project Manager: Peter Carter		Telephone Number: (213) 922-7480

A. Procurement Background

This Board Action is to approve Contract Modification No.13 issued in support of the preparation of the Draft Environmental Assessment (EA) and Final EA for the restoration of historic streetcar service in downtown Los Angeles. This Modification will also extend the period of performance from December 30, 2016 to June 30, 2017.

This Contract Modification was processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

On March 24, 2011, the Board approved award of Contract No. PS10-4320-2618 to HDR Engineering, Inc. in the firm fixed-price amount of \$2,260,000 for professional services for the restoration of historic streetcar service in downtown Los Angeles.

Refer to Attachment B – Contract Modification/Change Order Log for modifications issued to date.

B. Cost

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate, cost analysis, technical analysis, and fact finding.

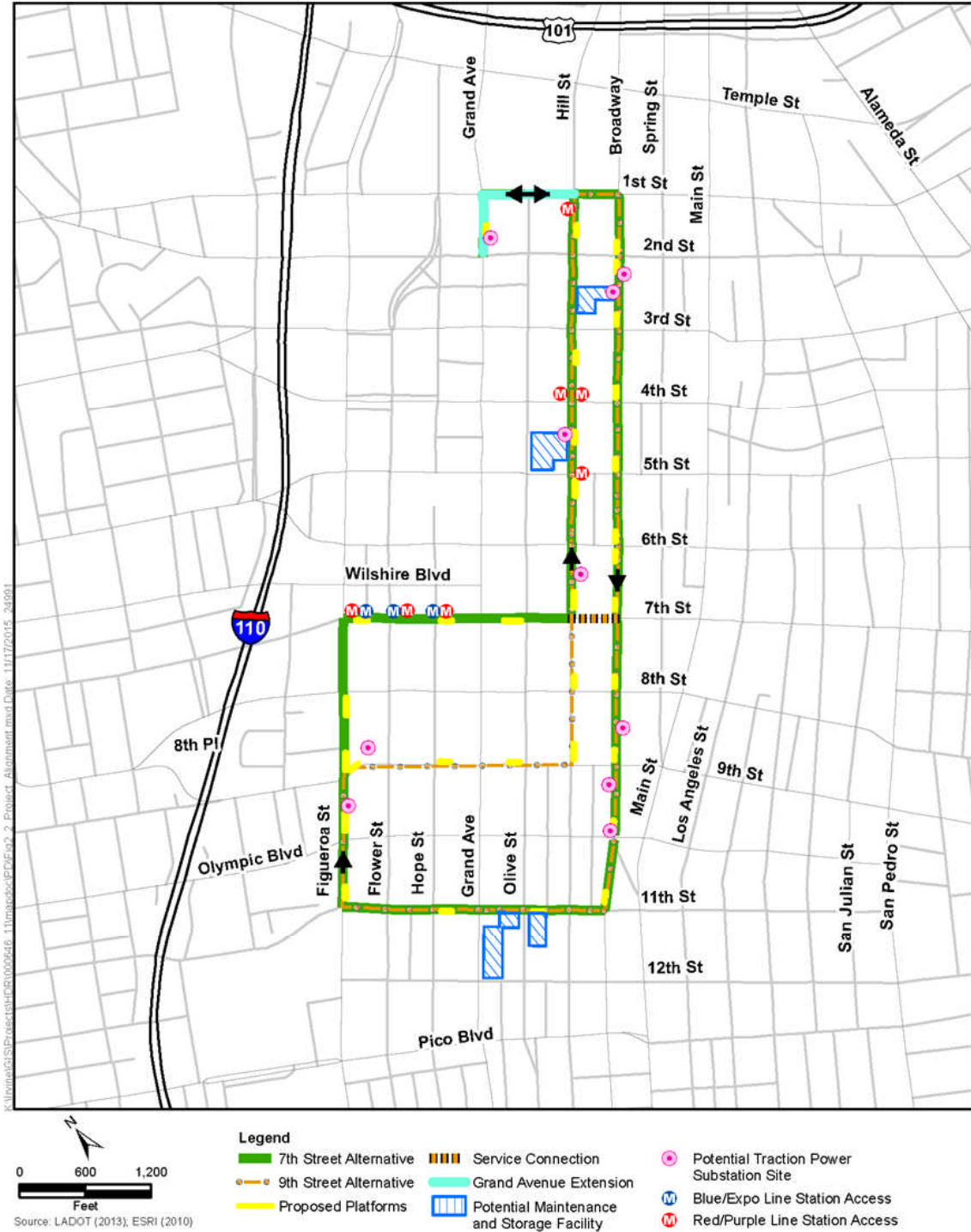
Proposal Amount	Metro ICE	Negotiated Amount
\$361,138	\$366,689	\$361,149

CONTRACT MODIFICATION/CHANGE ORDER LOG

RESTORATION OF HISTORIC STREETCAR SERVICE IN DOWNTOWN
LOS ANGELES/PS10-4320-2618

Mod. No.	Description	Status (approved or pending)	Date	Amount
1	Task 1: further develop the purpose and need for the Alternative Analysis	Approved	06/06/12	\$145,912
2	Task 5A: move from initial study to environmental impact report (EIR)	Approved	11/05/12	\$75,170
3	Task 5A: expanded scope of the EIR	Approved	02/28/13	\$339,793
4	Reallocation of funds from Task 5 to Task 1	Approved	08/11/13	\$0
5	Reallocation of funds from Task 5 to Task 2	Approved	03/06/14	\$0
6	Traffic study: increased level of effort	Approved	07/15/14	\$34,269
7	Administrative Draft EIR/EA: increased level of effort	Approved	10/03/14	\$84,722
8	Initial phase to consider two additional maintenance and storage facilities	Approved	11/21/14	\$25,530
9	Three-dimensional Massing Survey	Approved	12/18/14	\$6,220
10	Exercise Option "C"/Task 6 and extension of period of performance	Approved	06/30/15	\$0
11	Small Starts Speed Improvement Analysis and extension of period of performance	Approved	03/31/16	\$70,024
12	Final EIR, reallocation of funds from Task 5A and Task 6, and extension of period of performance	Approved	08/08/16	\$34,153
13	Preparation of Draft Environmental Assessment (EA) and Final EA and extension of period of performance	Pending	Pending	\$361,149
	Modification Total:			\$1,176,942
	Original Contract:			\$2,260,000
	Total:			\$3,436,942

Figure ES-2. Proposed Downtown Los Angeles Streetcar Route¹



¹ Platform locations subject to change in final design.

**HUIZAR
MOTION**

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On December 1, 2009, Federal Transportation Secretary Ray LaHood announced plans to award \$280 million in grants to support the Obama Administration's Livability Initiative.

Two distinct, non-competing programs have been developed and separate Notices of Funding Availability have been issued for \$130 million in exempt discretionary grants for Urban Circulator Systems on fixed rail (streetcars) to be funded through unallocated Discretionary New Starts/Small Starts Program funds; and \$150 million for bus and bus facility projects unallocated Discretionary Bus and Bus Facilities Program funds.

According to Secretary LaHood, the funds will be used to support "urban circulator projects such as streetcars, buses and bus facilities to support communities, expand business opportunities and improve people's quality of life while also creating jobs." According to the Federal Transit Administration, a maximum amount of \$25 million will be made available for individual projects that foster the redevelopment of districts into walkable, mixed use and high density environments.

The City of Los Angeles is preparing an application for a grant through the urban circulator / streetcar program, which does **not compete** with any other METRO funding applications.

A requirement of the grant is that environmental review be completed and construction be underway by the end of 2011. Based on the urgent need to expedite environmental review in order to move forward with this important job creation project, the Community Redevelopment Agency of the City of Los Angeles, which is working to advance the streetcar effort is requesting a partnership with METRO to complete the environmental review in a timely manner.

Federal Transit Administration staff has recognized the METRO'S considerable expertise and prior history related to environmental review of transit projects. CRA/LA is requesting that METRO serve as the "responsible agency" for the environmental review of the project and preparation of environmental documents to be submitted to the City of Los Angeles Bureau of Engineering as the lead agency.

This partnership will include CRA/LA reimbursing METRO for the expenses incurred, making this a budget-neutral partnership for METRO.

I THEREFORE MOVE that:

1. METRO serve as the lead agency for the coordination of expedited environmental review for the Downtown L.A. Streetcar and integrated Broadway Streetscape Master Plan.
- ~~2. METRO approve the appropriate budget and staffing resources necessary to do this work, subject to a legally binding agreement with the CRA/LA to reimburse Metro for 100% of the costs.~~
3. The Board authorize the CEO to execute this agreement.



Metro

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PLANNING & PROGRAMMING COMMITTEE

FEBRUARY 18, 2010

SUBJECT: DEVELOPMENT OF THE BRINGING BACK BROADWAY, LLC LOS ANGELES STREET CAR INITIATIVE

ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SUPPORT THE CITY OF LOS ANGELES FTA NEW STARTS SUBMITTAL AND ENVIRONMENTAL CLEARANCE FOR THE LOS ANGELES STREET CAR INITIATIVE INCLUDING ENTERING INTO AGREEMENTS WITH THE CITY OF LOS ANGELES.

RECOMMENDATION

Authorize the Chief Executive Officer to:

1. Support the City of Los Angeles' application to the Federal Transit Administration (FTA) under its 5309 Discretionary Grant program for development of the Bringing Back Broadway Los Angeles Street Car initiative;
2. Assist the City in completing the required environmental analysis and clearances;
3. Execute agreement(s) with the City of Los Angeles for MTA to be the responsible agency for the appropriate environmental clearances for this project;
4. Execute appropriate agreements with the City of Los Angeles to insure that MTA is reimbursed for all MTA incurred costs, including staff and consultant services, for environmentally clearing this project, and;
5. Initiate actions necessary to procure environmental consultants for this project.

ISSUE

The Los Angeles City Council passed a motion on December 16, 2009 authorizing the City of Los Angeles Community Redevelopment Agency (CRA) to prepare and submit an application to the FTA to seek funding under the Urban Circulator Systems discretionary grants component of the unallocated Discretionary New Starts/Small Starts Program funds. Subsequent to City Council action MTA received a request from

the Los Angeles Streetcar Initiative, Inc, representing the “Bringing Back Broadway” stakeholders for MTA to also manage the environmental clearances of this project consistent with FTA guidelines. The application will seek funding for the purpose of developing and constructing the proposed downtown Los Angeles Streetcar project, which is a major component of the City’s “Bringing Back Broadway” downtown revitalization initiative. The motion and subsequent City requests recognize Metro’s expertise in developing rail projects and a history of working with FTA.

POLICY IMPLICATIONS

The Los Angeles Street Car project is included in the strategic unfunded section of the Long Range Transportation Plan (LRTP). The project has not previously been the recipient of MTA development or planning funds. The proposed street car would provide additional circulation and transport options in the City’s Central Business District (downtown) for MTA patrons and serve to link via rail transit presently under-served areas in the downtown area. Staff participation with the City on the proposed project has been consistent with the intent and purpose of the recently Board adopted LRTP and is consistent with the priorities adopted by the Board.

The Downtown Streetcar project has the potential to create opportunities for Metro to refocus the bus service operations plan for the CBD. This could have the effect of allowing a reduction in the level of bus service in and to the downtown area, allow for potential reorganization of the City’s DASH service, and thereby reduce operating costs. Improvement of transit operations and reduction of operations costs are among the distinct advantages of this project.

MTA has historically provided technical support and information for City/County jurisdictions but has limited that role to technical advice. MTA has focused its limited resources to complete the LRTP and Measure R funded projects. MTA has also performed as the Lead Agency for other agencies in the preparation of environmental analyses and documentation.

OPTIONS

The Board of Directors could limit MTA’s involvement to technical support and not take on the additional efforts to environmentally clear this project. Clearing a project through both the FTA new starts process and the NEPA/CEQA environmental processes requires a specific level of detailed experience. MTA’s staff efforts are already dedicated to accelerating Measure R projects.

FINANCIAL IMPACT

Funding for this project is not included in the FY10 budget. However, it is anticipated that there will be minimal administrative costs to perform the recommendations for the remainder of FY10 and these costs could be absorbed within the FY10 budget. The City of Los Angeles will be reimbursing us for the costs associated with this project and will therefore be cost neutral. Since this is a multi-year project it will be the responsibility of the cost center manager and the Chief Planning Officer for budgeting expenditures in future years.

Impact to Bus and Rail Operating and Capital Budget

The funding for the environmental work to support this project will be from Proposition A, C, and TDA Administration funds. The Planning activities proposed in this report will have no impact on bus and rail operating and capital costs.

BACKGROUND

The Downtown Streetcar project is a key component of the Downtown Los Angeles Bringing Back Broadway revitalization initiative. The proposed streetcar project has been designed from the ground up to be a public-private partnership to finance planning and construction of the streetcar system. The core alignment is envisioned to connect the LA Live/Convention Center/Staples Center complex on the south of downtown with destinations such as Bunker Hill-City Hall-Little Tokyo in the north via Broadway. The project is designed to be extensible in the future when additional funds become available. The public/private partnership includes LA Streetcar, Inc. (LASI), CRA, downtown property and business owners and the City of Los Angeles. LASI is a non-profit entity organized to provide project management and planning functions for development of the project. Metro has provided technical assistance for the streetcar project and review of the initiatives potential impacts on current transit operations in the downtown area.

The City of Los Angeles is preparing an application for a grant through the urban circulator/streetcar program, which does not compete with any other MTA funding applications. FTA periodically allocates Section 5309 Bus and New Starts funds to innovative transit projects and Urban Circulator projects (including streetcars) to advance six livability principles adopted by the DOT-HUD-EPA Partnership for Sustainable Communities:

1. Provide more transportation choices.
2. Promote equitable, affordable housing.
3. Enhance economic competitiveness.

4. Support existing communities.
5. Coordinate policies and leverage investment.
6. Value communities and neighborhoods.

On December 1, 2009, Federal Transportation Secretary Ray LaHood announced plans to award \$280 million in grants to support the Livability Initiative.

Two distinct, non-competing programs and separate Notices of Funding Availability (NOFA) were issued for \$130 million in exempt discretionary grants for Urban Circulator Systems on fixed rail (streetcars) to be funded through unallocated Discretionary New Starts/Small Starts Program funds; and \$150 million for bus and bus facility projects unallocated Discretionary Bus and Bus Facilities Program funds. Per FTA guidelines, a maximum amount of \$25 million will be made available for projects that foster the redevelopment of districts into walkable, mixed use and high density environments.

The City of Los Angeles is preparing an application for a grant through the urban circulator/streetcar program, which does not compete with any other MTA funding applications. FTA staff has advised the city that detailed knowledge and experience with the FTA process is critical to meet the performance dates listed in the funding application. An additional requirement of the grant is that environmental review be completed during 2011 with a construction start beginning by the end of 2011. Based on this timeframe, the City has indicated the urgent need to expedite the environmental review requires that MTA agree to function as Lead Agency to prepare the environmental analysis in time.

In addition, the City of Los Angeles has requested MTA to secure and manage a project consultant in the preparation of the environmental analysis. The City is proposing to reimburse Metro for the cost of the environmental analysis.

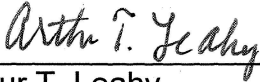
NEXT STEPS

- Work with the City to complete a scope of work for the project in cooperation with the City of Los Angeles.
- Coordinate meetings with FTA to assure an agreed upon NEPA and CEQA process including an acceptable Alternatives Analysis.
- Assist in procuring an environmental consultant under the previously approved consultant bench.
- Commence environmental review.
- Initiate discussions with the CPUC for preliminary review of “street running” options.

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Interim Chief Planning Officer



Arthur T. Leahy
Chief Executive Officer

DEOD SUMMARY

**RESTORATION OF HISTORIC STREETCAR SERVICE IN DOWNTOWN
LOS ANGELES/PS10-4320-2618**

A. Small Business Participation

HDR Engineering, Inc. (HDR) made a 20.06% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) commitment. Current DALP participation is 18.22%, a shortfall of 1.84%. The project is 89% complete. According to HDR, the DALP shortfall is due to scope changes by Metro that had negative impacts to DALP commitments. Metro’s project manager confirmed the scope changes.

HDR’s plan to mitigate its shortfall is to add Terry A. Hayes Associates, a DBE subcontractor, to perform on Contract Modification No. 13, subject to Metro approval. Based on this plan, HDR expects to increase its DALP Participation by 1.23%, and exceed its commitment by achieving DALP participation of 21.29%.

Small Business Commitment	DALP 20.06%	Small Business Participation	DALP 18.22%
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	Coast Surveying	Hispanic American	7.46%	2.79%
2.	Intueor Consulting	Asian Pacific American	6.62%	11.69%
3.	The Robert Group	African American	1.68%	1.00%
4.	V&A Inc.	Hispanic American	4.30%	2.74%
	Total		20.06%	18.22%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.