



**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE  
JANUARY 18, 2018**

**SUBJECT: ORAL UPDATE ON P3 MEGAPROJECT  
PROPOSALS**

**ACTION: RECEIVE ORAL REPORT**

**RECOMMENDATION**

RECEIVE oral report on P3 megaproject proposals.

**DISCUSSION**

Update to the Board on P3 megaproject proposals.

# Status Update: Capital Unsolicited Proposals

# OEI

OFFICE OF EXTRAORDINARY  
INNOVATION



LA Metro Board of Directors  
Executive Management Committee  
January 18, 2018

# Unsolicited Proposal Status Update

To date, OEI has accepted **95** proposals, reviewed **83**, concepts, advanced **24** for detailed review, and is taking **11** to RFP or implementation.

- Engaged over **120** internal subject matter experts
- Received **13** proposals for megaprojects or major financing ideas
- Other innovation pilots include data management, micro transit, mobile tolling, unmanned vehicles, and more.

# Summary of Major Projects

## Three projects currently in pre-procurement:

- > **West Santa Ana Branch Transit Corridor**
  - To be procured as a competitive P3 (commercial structure TBD)
  - Focus on phasing to support early revenue service
- > **Sepulveda Pass Transit Corridor**
  - To be procured as a Preliminary Development Agreement (PDA)
  - Early developer involvement to support scoping & engineering
- > **Strategic Managed Lanes Network (not a P3)**
  - Procurement of toll bond underwriting pool to support system financing strategy & project acceleration

# Summary of Major Projects

## Two proposals declined further consideration:

- > **Metro Orange Line – Early LRT Conversion**
  - Limited opportunities for D/B or lifecycle cost savings, risk transfer, or innovation
  - Unresolvable cash flow/affordability challenges
- > **Parker Infrastructure Partners – Infrastructure Provider Framework**
  - Potential long term affordability issues
  - Misalignment of strategic approach & incentives
  - Significant execution risk

# Summary of Major Projects

## **One new unsolicited proposal received for Metro major capital project**

- > **Vermont Avenue Transit Corridor Project**
  - Proposed Bus Rapid Transit project
  - Schedule acceleration
  - Risk transfer & cost savings through P3 contract
  - Comprehensive technology enhancements
  - Currently in Phase I Review

# Current P3 Development Activities

## > West Santa Ana Branch P3

- Scoping/budgeting for technical, legal, & financial advisory teams
- Market Soundings & Risk Workshop/Risk Allocation Matrix
- Procurement Options Analysis & Value for Money (VfM) Report
- Preliminary Business Case for Commercial Model

## > Sepulveda Pass Transit Corridor PDA

- Qualifications-based RFQ/RFP evaluation to determine optimal partner for project scoping & development, option for delivery
- Compete on risk sharing, project work plan, technical approach



# Upcoming Project Milestones

## > West Santa Ana Branch P3

- **Market Sounding – Spring 2018:** Industry forum of potential bidders to introduce project, schedule, key characteristics & parameters, gather feedback on procurement model
- **Commercial Market Report – Early Summer 2018:** Summary/synthesis of industry feedback and internal analysis to support shortlist of procurement options

## > Sepulveda Pass Transit Corridor PDA

- **Development of Advisory & Project Team – Ongoing:** Establishment of P3 scope, project charter, schedule, team
- **Market Sounding – Late Spring 2018:** Industry forum of potential bidders focused on PDA terms and timeline





**Thank You**

**Questions?**