



## Board Report

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File #: 2025-1034, File Type: Contract

Agenda Number: 12.

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### CONSTRUCTION COMMITTEE MAY 20, 2026

**SUBJECT: K LINE EXTENSION TO TORRANCE PROJECT**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to execute Modification No. 13 to Contract No. AE63445000 with STV Incorporated (STV) in the amount of \$43,096,451 to advance project design from 15% advanced conceptual engineering level to 30% preliminary engineering level, and conduct extended third party coordination and approval activities for the K Line Extension to Torrance Project (formerly referred to as the C (Green) Line Extension), increasing the total contract value from \$33,404,805 to \$76,501,256, and extending the period of performance from June 30, 2026 to May 31, 2029.

#### **ISSUE**

On January 22, 2026, the Metro Board approved the Hawthorne Option as the 4.5-mile K Line Extension to Torrance (KLET) Project and certified the Project's Final Environmental Impact Report (EIR). Metro subsequently filed the Notice of Determination (NOD) in accordance with the California Environmental Quality Act (CEQA) with both the Los Angeles County Clerk and the California State Clearinghouse on January 26, 2026.

Staff seeks Board approval for a contract modification to advance project design from the current 15% advanced conceptual engineering level to a 30% preliminary engineering level, conduct extended third party coordination activities, and complete additional environmental analysis to support review and approval from federal and state agencies for segments of the alignment within Interstate 405 (I-405) and State Route 107 (Hawthorne Blvd) that require an encroachment permit(s). Execution of this Contract Modification is necessary to complete expanded engineering, field investigations, and advanced design development to a level that will support upcoming construction procurement activities.

#### **BACKGROUND**

Providing a rail connection to the South Bay has been a long-term regional goal to provide a fast and reliable mobility option, strengthen economic opportunities, and reduce environmental impacts associated with automobile use. Today, the South Bay region experiences severe congestion along

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the I-405 and nearby arterial roadways, and this is expected to grow in the future, as population and jobs are projected (2042) to grow by seven and 19 percent, respectively.

The Project is included in the 2020 Long Range Transportation Plan (LRTP) and the Southern California Association of Governments (SCAG) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). The Project has multiple sources of funding thus far from Measure R in 2008 (\$272 Million), Measure M in 2016 (\$619 Million), a state grant in 2018 (\$231 Million) from the California State Transportation Agency (CalSTA), and funds from Senate Bill (SB) 1 (\$9 Million). The Project will extend light rail service 4.5-miles from the Redondo Beach (Marine) Station to the Torrance Transit Center with two new stations. The project travels through the cities of Lawndale, Redondo Beach, and Torrance. The extension will operate as part of the K Line with direct access to Los Angeles Airport (LAX), and the Metro C and E Lines. Metro initiated environmental review for the project under California Environmental Quality Act (CEQA) with public scoping the 2021, following prior planning studies that helped refine the project scope over time resulting in the 2023 Draft EIR and 2025 Final EIR.

On January 22, 2026, the Board certified the Final EIR, completing the California Environmental Quality Act (CEQA) process, approved the Hawthorne Option as the Project, and approved a Motion led by Metro Board Members Mitchell, Dupont-Walker, Sandoval, and Butts regarding next steps. Certification of the Final EIR also includes approval of the Mitigation Monitoring and Reporting Plan and the Findings for Fact and Statement of Overriding Conditions.

The Hawthorne Option extends the K Line south of the existing Redondo Beach (Marine) Station. It leaves the Metro Right-of-Way (ROW) to run along I-405 in an elevated guideway, then turns onto Hawthorne Boulevard near 162nd Street to travel in the median, then turns southeast at 190<sup>th</sup> Street to travel primarily at-grade within the Metro ROW to continue south to Torrance. The project will be fully grade-separated from all roadways with an elevated light rail guideway supported by columns and straddle bents. An elevated station will be located in the median of Hawthorne Boulevard, adjacent to the South Bay Galleria, south of Artesia Blvd. The terminus station will be located at-grade at the Torrance Transit Center, adjacent to the bus plaza for easy bus/rail transfers and other first/last mile connections.

On January 23, 2020, the Board awarded firm fixed price Contract No. AE63445001 to STV to provide environmental, advanced conceptual engineering (ACE), and optional preliminary engineering (PE) services for the Project for work in support of the environmental clearance study and design services. Twelve modifications have been issued to date to add scoping and outreach meetings, analyze alternative alignments, extended environmental studies, reallocate initial task budgets, as well as extend the period of performance (reference Attachment B).

In March 2026, the Metro Board awarded a separate contract for Program Management Support Services (PMSS) to provide project and construction management support, evaluate construction phasing options to expedite the use of currently available funding, and to address high-risk elements prior to construction.

## **DISCUSSION**

Since Board approval of the Contract in 2020, Metro has executed several modifications to focus on alternative alignment analysis, extended environmental studies, design refinements in response to public comments, and evaluation of high-risk project elements requiring early design and coordination. These efforts have included coordination with Program Management and Operations, desktop geotechnical assessments, identification of third-party utility conflicts, and updated right-of-way research, among others.

Modification No. 13 will further advance the Project by supporting additional field engineering investigations-including geotechnical borings, utility potholing and trenching, and hazardous materials evaluations-and by progressing design from approximately 15 percent (Advanced Conceptual Engineering) to 30 percent (Preliminary Engineering). This work will incorporate the Board-approved Hawthorne Option, integrate updates to the Metro Rail Design Criteria (MRDC), address sustainability and systems requirements, and support the development of early works packages. Modification No. 13 will also advance additional environmental review with state and federal agencies for the areas where light rail encroaches into Federal Highway Administration (FHWA) jurisdiction along I-405 and Caltrans jurisdiction for SR 107. The effort will include exploring phasing concepts to determine if an initial operating segment (IOS) is feasible, assisting cities with First/Last Mile planning to enhance access to stations, and identifying early works activities that could reduce project costs and minimize delays.

Incorporating lessons learned from recent Metro rail projects, this modification increases the level of early field investigations, real estate rights analysis, freight track relocation planning, and utility conflict resolution. These activities are intended to identify high-risk cost drivers earlier in project development and to better manage potential future cost and schedule impacts.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this contract modification will not impact the safety of Metro's customers or employees.

### **FINANCIAL IMPACT**

The Fiscal Year 2026 budget includes approximately \$11 million in Cost Center 4350 (Mobility Corridors), Project 460304 "K Line Extension South to Torrance" for professional services and support and \$35.2 million in Cost Center 8510 (Program Management), Project 860304 "K Line Extension Torrance."

Since this is a multi-year contract, the Cost Center Manager, Project Manager and respective Cabinet Chiefs will be responsible for budgeting in future years.

### **Impact to Budget**

Funding for this action comes from Measure R 35% Transit Capital and Measure M 35% Transit Capital, which are not operating eligible funds.

### **EQUITY PLATFORM**

The Project will connect the South Bay with the rest of the Metro Rail network, increasing access to employment, education, housing, and regional centers, serving many EFCs along the C and K Lines, including those in communities such as Hawthorne, Gardena, West Carson, and Inglewood, where close to 50% of the population is low-income. The 2023 Metro Customer Satisfaction Survey shows that 75% of K Line riders come from very low-income households and 74% do not have access to an automobile for trips. Given that South Bay is home to many jobs and schools, expanding access to historically underserved communities helps expand economic mobility.

Based on Metro's 2023 Equity Focus Community data, only a small portion of Lawndale is considered an EFC. To better understand the communities within walking distance to proposed stations, Metro analyzed household income, car ownership, and demographics and found that 20% to 39.9% are low-income, 3% to 6% do not have access to vehicles, and 50% to 79% of the population is non-white for census tracts within a half-mile of the South Bay Transit Center Station. The Torrance Transit Center would serve census tracts where 10% to 19% of households are low-income, 20% to 49% are non-white, and 6% to 9% do not have access to a vehicle. The South Bay Galleria Station would connect to planned mixed-use development with housing, and the Torrance Transit Center rail station would connect to the City's bus transit center in Torrance, providing easy bus-to-rail transfers and providing a convenient and reliable transit option for communities with higher mobility needs.

During the environmental review process, Metro circulated materials and notices in English and Spanish, the predominant languages in the area, and held pop-up events at community events to increase awareness of the Project and engage groups who do not typically participate in community meetings. As part of the release of the Final EIR, Metro partnered with seven CBOs to raise project awareness and share project information with community members prior to the Metro Board taking an action on the project. Metro will continue to work with CBOs on First/Last Mile Planning and related community engagement.

STV Incorporated (STV) made 25.13% Small Business Enterprise (SBE) and 3.10% Disabled Veteran Business Enterprise (DVBE) commitments on this contract. The current level of participation is 22.32% SBE and 3.24% DVBE, representing a shortfall of the SBE commitment by 2.81% and exceeding the DVBE commitment by 0.14%. STV shortfall mitigation plan is outlined in the DEOD Summary (Attachment C).

## **VEHICLE MILES TRAVELED OUTCOME**

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.\* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT.

This project supports Metro's systemwide strategy to reduce VMT through planning activities that will

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improve and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

Metro conducted a preliminary analysis to show that the net effect of this project is to decrease VMT. The EIR identifies that the project would help reduce auto use by approximately 42,951 VMT per day. This would help the region meet climate change goals by reducing greenhouse gas emissions and regional energy use.

\*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Project supports the following strategic plan goals identified in Vision 2028:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling,

Goal 3: Enhance communities and lives through mobility and access to opportunity, and Goal 5:

Provide responsive, accountable, and trustworthy governance within the Metro organization.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to approve the contract modification. Delaying this contract modification to a future date would pose significant delays to the overall project schedule and risk that the project would be unable to meet its Measure M schedule. Each month of delay to construction is anticipated to increase overall project costs by approximately \$16.9 million.

### **NEXT STEPS**

Upon Board approval, staff will execute Modification No. 13 to Contract No. AE63445001 with STV to advance the project design from 15% advanced conceptual engineering level to 30% preliminary engineering level, advance third party coordination and pursue additional environmental clearance, where required. This effort will include advancing field engineering investigations, design and technical analysis, First/Last Mile planning, value engineering, and updated cost estimates to seek additional funding opportunities. Stakeholder engagement will continue, led by Metro Community Relations.

### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - Contract Modification/Change Order Log

Attachment C - DEOD Summary

Michael Harrington, Executive Officer, Program Management, (213) 379-1455

Cristina Ungureanu, Senior Manager, Mobility Corridors, (213) 922-2507

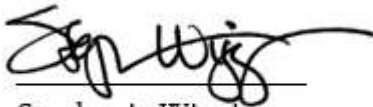
Georgia Sheridan, Senior Director, Countywide Planning and Development, (213) 547-4255

Mat Antonelli, Deputy Chief Program Management Officer, (213) 893 -7114

Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer, (213) 922-4471

Reviewed by:

Tim Lindholm, Chief Program Management Officer, (213) 922-7297



Stephanie Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

## K LINE EXTENSION TO TORRANCE PROJECT / AE63445000

1.	<b>Contract Number:</b> AE63445000		
2.	<b>Contractor:</b> STV Incorporated		
3.	<b>Mod. Work Description:</b> Advance project design from 15% advanced conceptual engineering level to 30% preliminary engineering level, conduct extended third party coordination and approval activities for the K Line Extension to Torrance Project (formerly referred to as the C (Green) Line Extension) and extend the period of performance through May 31, 2029.		
4.	<b>Contract Work Description:</b> Provide environmental and preliminary engineering design services on the K-Line Extension to Torrance Project (formerly referred to as the C (Green) Line Extension).		
5.	<b>The following data is current as of:</b> 5/13/26		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	01/23/20	<b>Contract Award Amount:</b> \$32,555,439
	<b>Notice to Proceed (NTP):</b>	01/23/20	<b>Total of Modifications Approved:</b> \$849,366
	<b>Original Complete Date:</b>	08/03/23	<b>Pending Modifications (including this action):</b> \$43,096,451
	<b>Current Est. Complete Date:</b>	05/31/29	<b>Current Contract Value (with this action):</b> \$76,501,256
7.	<b>Contract Administrator:</b> Lily Lopez		<b>Telephone Number:</b> (213) 922-4639
8.	<b>Project Manager:</b> Michael Harrington		<b>Telephone Number:</b> (213) 379-1455

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 13 issued to advance project design from 15% advanced conceptual engineering level to 30% preliminary engineering level, conduct extended third party coordination and approval activities for the K Line Extension to Torrance Project (formerly referred to as the C (Green) Line Extension) and extend the period of performance from June 30, 2026 through May 31, 2029.

This contract modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

On January 23, 2020, the Board awarded firm fixed price Contract No. AE63445000 to STV Incorporated to provide environmental, advanced conceptual engineering design, and optional preliminary engineering services on the K-Line Extension to Torrance Project.

A total of twelve modifications have been issued to date.

Refer to Attachment B – Contract Modification/Change Order Log.

**B. Cost Analysis**

The recommended price has been determined to be fair and reasonable based upon a technical analysis, the Independent Cost Estimate (ICE) and cost analysis.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Recommended Amount</b>
\$43,096,451	\$43,441,040	\$43,096,451

## CONTRACT MODIFICATION/CHANGE ORDER LOG

## K LINE EXTENSION TO TORRANCE PROJECT / AE63445000

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
1	Revise First Last Mile scope and reallocate hours to create scope for community neighborhood walks.	Approved	2/3/2020	\$0.00
2	Revise Scope of Services (SOS), Task 2 DEIR Preparation and Task 4 ACE to Support NEPA/CEQA (additional work) and reduced level of effort (LOE) for Task 7 Draft EIS/Final EIS.	Approved	2/22/2022	\$0.00
3	Revise SOS, Task 4 ACE to Support NEPA/CEQA (additional work) and reduced LOE for Task 7 Draft EIS/Final EIS.	Approved	7/15/2022	\$0.00
4	Revise SOS, Task 2 DEIR Preparation and Task 4 ACE to Support NEPA/CEQA (additional work) and reduced LOE for Task 7 Draft EIS/Final EIS.	Approved	9/30/2022	\$0.00
5	Revise SOS, Task 2 DEIR Preparation and Task 4 ACE to Support NEPA/CEQA (additional work) and reduced LOE for Task 7 Draft EIS/Final EIS.	Approved	12/16/2022	\$0.00
6	Revise SOS, Task 4 ACE to Support NEPA/CEQA and Task 5 Community Participation Support during EIS (additional work) and reduced LOE for Task 7 Draft EIS/Final EIS.	Approved	5/18/2023	\$0.00
7	Extend period of performance (POP) to 12/31/23.	Approved	6/12/2023	\$0.00
8	Extend POP to 12/31/24.	Approved	10/4/2023	\$0.00
9	Increase LOE for real estate investigations including field survey and ROW verification.	Approved	10/7/2023	\$446,663

10	Revisions to scope to facilitate preparation of the Final EIR and advance preliminary engineering. Extend POP to 12/31/25.	Approved	12/19/2024	\$234,779
11	Revisions to SOS under Task 5.2 - Outreach Support During FEIR.	Approved	3/5/2025	\$167,924
12	Extend POP to 6/30/26.	Approved	10/8/2025	\$0.00
<b>13</b>	Advance project design from 15% advanced conceptual engineering level to 30% preliminary engineering level, conduct extended third party coordination and approval activities and extend POP through 5/31/29.	<b>Pending</b>	<b>Pending</b>	<b>\$43,096,451</b>
	<b>Modification Total:</b>			<b>\$43,945,817</b>
	<b>Original Contract:</b>		<b>01/23/2020</b>	<b>\$32,555,439</b>
	<b>Total:</b>			<b>\$76,501,256</b>

## DEOD SUMMARY

## K LINE EXTENSION TO TORRANCE PROJECT / AE63445000

**A. Small Business Participation**

STV Incorporated (STV) made 25.13% Small Business Enterprise (SBE) and 3.10% Disabled Veteran Business Enterprise (DVBE) commitments on this contract. Based on payments, the project is 74% complete. The current level of participation is 22.32% SBE and 3.24% DVBE, representing a shortfall of the SBE commitment by 2.81% and exceeding the DVBE commitment by 0.14%. STV has a shortfall mitigation plan on file and contends that the shortfall is attributable to task phasing, as several SBE scopes are concentrated in Task 6, Preliminary Engineering, which is advancing on a limited basis, as concurred by Metro's Project Manager. STV reports that utilization is expected to increase as Task 6 progresses and that commitments will be met by project completion. In this modification, there are fifteen (15) SBE/DVBE subcontractors, representing 25.60% SBE and 2.88% DVBE participation.

<b>Small Business Commitment</b>	<b>25.13% SBE 3.10% DVBE</b>	<b>Small Business Participation</b>	<b>22.32% SBE 3.24% DVBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	BA, Inc.	6.59%	5.56%
2.	Chen Ryan Associates, Inc.	2.45%	0.20%
3.	Cityworks Design	2.01%	2.18%
4.	Coast Surveying	1.42%	2.25%
5.	Diaz Yourman & Associates	2.75%	2.24%
6.	Epic Land Solutions, Inc.	0.65%	0.51%
7.	McLean & Schultz	3.66%	2.35%
8.	SafeProbe, Inc.	0.53%	0.34%
9.	Sanchez/Kamps Associates Design dba SKA Design	0.88%	0.23%
10.	Soteria Company, LLC	1.34%	1.71%
11.	Terry A Hayes Associates, Inc.	1.16%	1.44%
12.	Vicus LLC	1.03%	1.58%
13.	Yunso Kim Design, Inc.	0.65%	0.75%
14.	Amheart Solutions	Added	0.03%
15.	FMG & Company	Added	0.94%
16.	VN Tunnel and Underground	Added	0.01%
	<b>Total</b>	<b>25.13%</b>	<b>22.32%</b>

	<b>DVBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	The LeBaugh Group, Inc.	3.10%	3.24%
	<b>Total</b>	<b>3.10%</b>	<b>3.24%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to SBE/DVBE 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 contract modification.

**C. Prevailing Wage Applicability**

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

**E. Manufacturing Careers Policy**

The Manufacturing Careers Policy (MCP) does not apply to this contract. The MCP is required on Metro's Rolling Stock RFPs, with an Independent Cost Estimate of at least \$50 million.