Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2026-0754, **File Type:** Contract **Agenda Number:** 19.

EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 19, 2026

SUBJECT: SEPULVEDA TRANSIT CORRIDOR

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 14 to Contract No. PS66773HRT with Sepulveda Transit Corridor Partners, LLC (STCP) to provide additional technical services in the amount of $29,645,334.25 for design and project development to advance the approved Sepulveda Transit Corridor Locally Preferred Alternative (LPA), increasing the contract value from $87,353,033.75 to $116,998,368;

B. AUTHORIZE additional Contract Modification Authority (CMA) for Contract No. PS66773HRT in the amount of $2,964,533.43 and authorize the CEO to execute individual Contract Modifications within the Board-approved CMA; and

C. AMEND the adopted FY27 budget to increase non-labor funding for Project #460305 by $26,500,000 from $59,023,199 to $85,523,199.

ISSUE

At its January 2026 meeting, the Board selected the Locally Preferred Alternative (LPA) for the Sepulveda Transit Corridor as heavy rail transit underground between Van Nuys Metrolink Station and the E Line Expo/Sepulveda station modified to provide connections to the Metro G Line and East San Fernando Valley (ESFV) light rail line at Van Nuys Boulevard. The Sepulveda Transit Corridor is a Measure M and Metro Pillar Project. In addition, the Board authorized further design refinements and advancement of the LPA to address project cost, risk, and comments received on the Draft Environmental Impact Report (EIR).

Staff is seeking the Board's approval of a contract modification to provide engineering and project development services to continue the advancement of the Project. This modification will allow staff to advance Project design up to approximately 30 percent level providing for more detailed project design to better understand and address project cost and risk. The contractor will also finalize the project delivery strategy and contract packaging approach. Finally, the modification would provide further analysis and planning to support the project funding and financing approach.

BACKGROUND

The Sepulveda Corridor is a vital link for the communities of greater Los Angeles, connecting residents in the San Fernando Valley and communities to the north to the Westside's bustling employment hubs and cultural landmarks. The natural barrier created by the Santa Monica Mountains makes traveling between the San Fernando Valley and the Westside difficult and slow. The I-405 is one of the most congested corridors in the country-ranked #17 nationally and #4 in California-and transit service between the San Fernando Valley and the Westside is limited. The Sepulveda Transit Corridor Project (the Project) would add a critical regional connection to the transportation network, linking the San Fernando Valley with the Westside and providing a fast, safe and reliable alternative to the congested I-405 freeway.

In 2016, Los Angeles County voters approved Measure M, which included transit improvements between the San Fernando Valley, the Westside, and Los Angeles International Airport (LAX). Measure M identifies the implementation of the Project in two phases: 1) Segment between the San Fernando Valley and the Westside; and 2) Extension to LAX. Between 2017 and 2019, Metro conducted the Sepulveda Transit Corridor Feasibility Study, which identified three feasible heavy rail alternatives and one feasible monorail alternative between the San Fernando Valley and the Westside. The Board received the findings of the study in 2019.

At its July 2019 meeting, the Board approved a finding that using a pre-development agreement (PDA) approach pursuant to Public Utilities Code Section 130242 will achieve certain private sector efficiencies in the integration of the planning, design, and construction of the Project. A PDA is a form of early contractor involvement where a private project developer participates in early project definition and design in partnership with the project owner. This is the first project Metro has utilized a PDA. Subsequently, at its March 2021 meeting, the Board approved the award of PDAs with two contractor teams for the further definition and design development of the contractors' transit alternatives. In August 2021, a Notice to Proceed was issued to these teams, which resulted in five PDA alternatives being carried forward for environmental study. In addition, elements from the Feasibility Study that were not proposed by either PDA team were incorporated into a sixth alternative for environmental review by Metro's environmental consultant.

The Project began the CEQA environmental clearance process on November 30, 2021, and the scoping period extended for 74 days through February 11, 2022. In July 2024, one of the alternatives (Alternative 2) was removed from further consideration at the request of one of the PDA teams. The Draft EIR, which evaluated the five remaining alternatives, was released on June 2, 2025 for a 90-day public review and comment period through August 30, 2025. On January 22, 2026, the Board unanimously selected the LPA and identified an Initial Operating Segment (IOS) between the Metro G and D Lines. Over 400 supportive comments were received by the Board Clerk ahead of these actions and approximately 100 people spoke at the Planning and Programming Committee or full Board Meeting in support of the LPA or the Project. The LPA includes the elements proposed by Sepulveda Transit Corridor Partners (STCP), one of the PDA teams.

Since the Board's action, progress has been made on multiple fronts. In April and May, five public meetings were held to inform the public about the LPA and next steps including the approach to

advance a Recirculated Draft EIR in parallel with the NEPA environmental process to avoid a delay in the environmental schedule. Draft and Final versions of the Planning and Environmental Linkages Study were released which streamline NEPA and allow the NEPA process to focus on the LPA.

Design refinements, which were discussed when the LPA was selected and during the Spring public meetings, continue to be advanced including:

- Refined alignment and station designs resulting from differences in tunnel and station configurations in areas where the LPA generally follows the alignment of Alternative 6
- Initial Operating Segment (IOS) between Metro D and G Lines
- New location for Maintenance and Storage Facility (MSF)
- Other potential refinements in response to agency and public input received,

Based on this preliminary work, Metro and the Federal Transit Administration (FTA) are holding a scoping period for the Project between Monday, October 19 and Monday, November 23, 2026. Comments received during this scoping period will inform development of a Recirculated Draft EIR under CEQA and a draft environmental document under the National Environmental Policy Act (NEPA) as well as project design. Scoping is an opportunity for the community and stakeholders to provide input on the LPA, IOS, project elements (such as MSF locations), and potentially significant environmental impacts and issues that should be evaluated in the environmental process. NEPA environmental clearance is required for the project to obtain federal funding. A joint State and federal environmental document will cover both California and federal environmental requirements and lead to state and federal approvals being achieved concurrently.

In addition, since the Board's LPA action, the evaluation of project delivery considerations, including contracting, project funding, and financing, has been advanced with a focus on opportunities to deliver service to customers as soon as possible.

DISCUSSION

Scope of Modification

To advance the delivery of the Project, with a focus on the Board-identified IOS, Modification 14 will:

- Advance design from approximately 15 percent (Advanced Conceptual Engineering) to 30 percent (Preliminary Engineering)
- Consider comments received from the community and stakeholders, including during the 2025 Draft EIR circulation and the 2026 NEPA and CEQA scoping period
- Incorporate stakeholder and 3rd party coordination critical to addressing cost and schedule risks
- Update all cost estimates
- Refine financial plan and financial model to reflect the advancing design, procurement and operating requirements
- Finalize the project delivery strategy and contract packaging approach
- Continue engagement with stakeholders, such as Los Angeles Department of Water and Power, University of California, Los Angeles, and the City and County of Los Angeles
- Support community meetings updating the public on the process and other project information

The contract modification authority increase will provide flexibility to address changes in conditions or

assumptions quickly given the early stage and complexity of the Project.

With the Board's direction on the LPA and IOS, this modification advances project design and delivery strategy in parallel with the environmental process. This approach is intentional to prepare the project for implementation while identifying and addressing high-risk cost drivers earlier in project development, without any impacts to schedule.

Project Delivery Strategy Approach

The project delivery strategy identified by STCP includes procuring multiple construction contracts (due to the scale of the Project) with an objective of obtaining fixed-price costs for each contract, ultimately providing cost certainty to Metro. While bringing on multiple construction contractors had previously been contemplated, the updated approach includes early contractor involvement during the 30% design development phase, rather than as part of more advanced design. This approach is informed by industry best practice for large, complex capital infrastructure delivery. Bringing contractors on board before 30% design completion allows for earlier contractor input on design, which ensures designs are constructable in the most time and cost-efficient way possible, facilitates the transition to contractor ownership of design, and ultimately leads to cost certainty.

The procurement of construction contractors would be done in parallel with the environmental process and design advancement. These activities are often done in series; by doing them in parallel, Metro seeks to accelerate the delivery of the Project. Contractor input will also inform the design evaluated in the environmental process, minimizing future changes and delays.

Following STCP procurement of construction contractors, staff will return to the Board for additional modifications to support early contractor involvement, inclusive of small businesses. Also, staff will return to the Board with results of a P3 Business Case, tentatively planned in 2027. That item would inform future Board action on additional modifications to the PDA, if any, which could include additional design anticipated to obtain a fixed price for the Project. The P3 Business Case and subsequent actions would also inform Board action on entering into a formal P3 agreement.

DETERMINATION OF SAFETY IMPACT

These actions will not have any impact on the safety of Metro customers and/or employees because this project is in the planning phase.

FINANCIAL IMPACT

The adopted FY27 budget includes $59.0 million for non-labor costs for the Sepulveda Transit Corridor project. The FY27 budget would be increased by $26.5 million resulting in a total FY27 non -labor budget of $85.5 million. The project number is 460305 and the account number is 50316 for professional services. Since this is a multi-year program, the Cost Center Manager, Project Manager, and Chief Program Management Officer will be responsible for budgeting in future years.

Impact to Budget

The sources of funds are Measure R and Measure M 35% Transit Construction funds. These funds are not eligible for bus or rail operating expenses.

EQUITY PLATFORM

The Project will connect the San Fernando Valley and Westside with fast, reliable and safe transit providing increased access to jobs, housing, education, healthcare and major destinations. Equity Focus Communities (EFCs) within the Study Area are around UCLA and at the north end of the corridor around Van Nuys. For the Draft EIR alternatives, the total number of people living in EFCs within a ½ mile distance of a rail station ranges from 22,700 to 33,000. By 2045, it is forecast that the Project would carry between 17,300 and 30,500 people each day who are coming from EFCs depending on the DEIR alternative. Because the LPA utilizes general station locations of two different DEIR alternatives, these figures will be updated as the LPA design and corresponding analysis is updated.

Starting with scoping for the Draft EIR in November 2021, the Project identified six goals, one of which was “Improve Accessibility and Promote Equity.” The objectives associated with this goal were “Improve Access for Equity Focus Communities” and “Target Infrastructure and Service Investments Toward Those with the Greatest Mobility Needs.” The Project goals and objectives inform the development and evaluation of alternatives throughout the environmental process. Additionally, an equity impact analysis was undertaken for the Project to provide a focused review of alternatives through an equity lens.

Since initiating the Project, Metro has conducted a broad range of activities, including booths at events with bilingual staff, outreach at transit stops and coordination with elected officials representing the communities throughout the Project area. Since the start of the environmental process, Metro has hosted 30 public meetings and participated in over 105 booths at community or other events. This resulted in a public meeting attendance of over 5,000 people and in-person engagement of an additional 10,500 people at other community events. Also, bilingual meeting notices, fact sheets, eblasts and newspapers ads have been utilized to reach Spanish-speaking stakeholders.

The Project team deployed a robust CBO partnering strategy designed to build critical awareness and engagement in the Project to increase community involvement within EFCs, empowering stakeholders to participate throughout the duration of the study. For these efforts, the CBO partners led several notification tactics, including door-to-door distribution, public counter drop-offs, and flyers at transit intercepts in predominantly Spanish-speaking, lower-income communities.

Public input throughout the process has driven the development of alternatives and the over 8,000 comment submissions received during the Draft EIR circulation informed the staff recommendation on the LPA. Staff remains committed to continued extensive engagement and outreach efforts with corridor communities as the LPA is refined and the environmental process continues. Special outreach efforts will continue to be made to reach out to people of color, low income, limited English proficiency populations and persons with disabilities.

For Contract No. PS66773HRT, STCP made various Disadvantaged Business Enterprise (DBE)

commitments for this contract: Phase 1, 30.18%; Phase 2, 25.79%; Phase 3, 23.71%; and for Phase 4, 24.94%. However, the U.S. Department of Transportation (USDOT) has issued an Interim Final Rule that makes changes to the DBE Program, including the suspension of goals, counting participation, and enforcement effective October 3, 2025. While the DBE commitment is not a factor in the staff recommendation, there are 26 Metro certified small businesses participating on this contract.

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 item supports Metro's systemwide strategy to reduce VMT through investment activities that will 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.

VMT has already been analyzed for this item through the VMT analysis completed for the Sepulveda Transit Corridor Draft EIR. The analysis identified a reduction in VMT due to the implementation of the Project compared to conditions without the Project, which demonstrates an overall VMT benefit. Specifically, the VMT analysis in the Draft EIR identifies that all Draft EIR Alternatives demonstrate a reduction in daily regional VMT ranging from a reduction of 341,800 (Alternative 1) to a reduction of 775,100 (Alternative 5) compared to the Horizon Year (2045) No Project Alternative conditions. Updated analysis will be performed on the LPA and its corresponding IOS to quantify the forecasted VMT reduction for each as part of future work.

*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 2: Deliver outstanding trip experiences for all users of the transportation system;
- Goal 3: Enhance communities and lives through mobility and access to opportunity;
- Goal 4: Transform LA County through regional collaboration and national leadership; and
- Goal 5: Provide responsive, accountable and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the recommendation. This would interrupt design and project development work on the project and delay advancement of the project towards construction.

NEXT STEPS

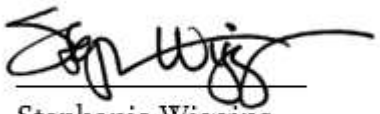
Upon Board approval, staff will execute Modification No. 14 to Contract No. PS66773HRT with STCP for additional technical services to support engineering and project development.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary

Prepared by: I. Salama, Deputy Executive Officer, Program Management
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Reviewed by: R. Sosa, Chief Planning Officer
M. Antonelli, Chief Vendor/Contract Management Officer



Stephanie Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

SEPULVEDA TRANSIT CORRIDOR PROJECT / PS66773HRT

1.	**Contract Number**: PS66773HRT			
2.	**Contractor**: Sepulveda Transit Corridor Partners, LLC			
3.	**Mod. Work Description**: Additional technical services for design and project development to advance the approved Sepulveda Transit Corridor Locally Preferred Alternative (LPA) and advance design from 15% advanced conceptual engineering to 30% preliminary engineering.			
4.	**Contract Work Description**: Pre-development services for a proposed Heavy Rail technology transit solution concept for the Sepulveda Transit Corridor Project.			
5.	**The following data is current as of**: 11/4/26			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	3/25/21	**Contract Award Amount:**	$69,882,427.00
	Notice to Proceed (NTP):	8/3/21	**Total of Modifications Approved:**	$17,470,606.75
	Original Complete Date:	5/21/24	**Pending Modifications (including this action):**	$29,645,334.25
	Current Est. Complete Date:	3/6/27	**Current Contract Value (with this action):**	$116,998,368.00
7.	**Contract Administrator**: M. Yi			
8.	**Project Manager**: I. Salama			

A. Procurement Background

This Board Action is to approve Modification No. 14 to provide additional technical services for design and project development to advance the approved Sepulveda Transit Corridor Locally Preferred Alternative (LPA) and advance design from 15% advanced conceptual engineering to 30% preliminary engineering.

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

On March 25, 2021, the Board awarded firm fixed price Contract No. PS66773HRT to Sepulveda Transit Corridor Partners, LLC (STCP) in an amount Not-To-Exceed (NTE) $69,882,427 for pre-development services for a proposed Heavy Rail technology transit solution concept for the Sepulveda Transit Corridor Project.

On January 22, 2026, the Board selected the Locally Preferred Alternative (LPA) for the Sepulveda Transit Corridor as a heavy rail transit underground between the Van

Nuys Metrolink Station and the E Line Expo/Sepulveda station modified to provide connections to the Metro G Line and East San Fernando Valley (ESFV) Light Rail Line at Van Nuys Boulevard.

Thirteen 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 an Independent Cost Estimate (ICE), technical evaluation, fact finding, and negotiations.

Proposal Amount	Metro ICE	Negotiated Amount	Net Modification Amount
$100,908,072.00	$63,095,108.00	$59,500,000.00	$29,645,334.25*

* The total amount for work to be performed under Modification No. 14 is $59,500,000, inclusive of the remaining work through Phase 5. After deducting the remaining contract authority of $29,854,665.75, the net contract increase for Modification No. 14 is $29,645,334.25.

Staff successfully negotiated cost savings of $41,408,072 due to scope alignment, consolidation of scope elements, reductions in level of effort, and elimination of redundant work.

CONTRACT MODIFICATION/CHANGE ORDER LOG

SEPULVEDA TRANSIT CORRIDOR PROJECT / PS66773HRT

Mod. No.	Description	Status (approved or pending)	Date	Amount
1	Addition/removal of subcontractors.	Approved	12/15/21	$0
2	Waiver of Metro right to require interim acceptance of PDA Phase 1 prior to issuance of NTP2.	Approved	4/8/22	$0
3	Draft final Preliminary Definition of Alternatives Report.	Approved	6/15/22	$0
4	Work for Alternative 5 and associated options.	Approved	8/31/22	$2,725,388.00
5	Revised Contractor's Project Manager and Other Key Personnel and Approval of Subcontractors.	Approved	7/25/23	$0
6	Amended Paragraphs B and C of RR-04 of Appendix 11.	Approved	11/30/23	$0
7	Revised SOW and CDRL for PDA Phase 3.	Approved	1/11/24	$1,411,026.00
8	Revised Environmental Site Assessment language.	Approved	5/10/24	$0
9	Extension of Period of Performance (POP) for PDA Phase 3 by 30-days and review of draft environmental technical reports.	Approved	5/17/24	$0
10	This Modification supersedes Modification No. 9 and adds supplemental work for PDA Phase 3 and extends Phase 3 to 12/20/24	Approved	6/20/24	$1,512,703.00
11	Extended PDA Phase 3 to 8/20/25.	Approved	12/21/24	$0
12	Extended PDA Phase 3 to 2/20/26.	Approved	8/13/25	$0
13	Updates to Conceptual Engineering to incorporate Metro direction (net contract increase)	Approved	5/6/26	$11,821,489.75
14	Provide additional technical services for design and project development to advance the approved Sepulveda Transit Corridor Locally Preferred Alternative (net contract increase)	**Pending**	**Pending**	**$29,645,334.25**

	Modification Total:			**$47,115,941.00**
	Original Contract:		3/25/21	**$69,882,427.00**
	Total:			**$116,998,368.00**

DEOD SUMMARY

SEPULVEDA TRANSIT CORRIDOR PROJECT / PS66773HRT

A. Small Business Participation

Sepulveda Transit Corridor Partners, LLC (STCP) made various Disadvantaged Business Enterprise (DBE) commitments for this contract: Phase 1, 30.18%; Phase 2, 25.79%; Phase 3, 23.71%; and for Phase 4, 24.94% on this contract. However, the U.S. Department of Transportation (USDOT) has issued an Interim Final Rule that makes changes to the DBE Program, including the suspension of goals, counting participation, and enforcement effective October 3, 2025. While the DBE commitment is not a factor in the staff recommendation, there are twenty-six Metro certified small businesses participating on this contract.

B. Living Wage Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will 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 (PLA/CCP)

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.

Exploring a transit alternative to the 405.

SEPULVEDA TRANSIT CORRIDOR PROJECT



Executive Management Committee
File 2026-09754
November 19, 2026

Metro

Recommendation

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 14 to Contract No. PS66773HRT with Sepulveda Transit Corridor Partners, LLC (STCP) to provide additional technical services in the amount of $29,645,334.25 for design and project development to advance the approved Sepulveda Transit Corridor Locally Preferred Alternative (LPA) increasing the contract value amount from $87,353,033.75 to $116,998,368;

B. AUTHORIZE additional Contract Modification Authority (CMA) for Contract No. PS66773HRT in the amount of $2,964,533.43 and authorize the CEO to execute individual Contract Modifications within the Board-approved CMA; and

C. AMEND the adopted FY27 budget to increase non-labor funding for Project #460305 by $26,500,000 from $59,023,199 to $85,523,199.

Locally Preferred Alternative (LPA)



LA Metro Board unanimously selected Modified Alternative 5 as the LPA on January 22, 2026

- Approximately 12.3 miles underground
- 7 underground stations
- Automated heavy rail trains in a single bore tunnel
- Northern segment along Van Nuys Bl
- Southern segment with UCLA campus station and along Sepulveda Bl
- Initial Operating Segment (IOS):
  - Between Metro G Line (San Fernando Valley) and Metro D Line (Westside)
  - Four underground stations
- Updated maintenance and storage to support IOS
- Refined alignment through Santa Monica Mountains

Metro

Key Scope Elements in Modification

To advance the delivery of the Project, with a focus on the Board-identified IOS, Modification 14 would:

- Advance design from approximately 15 percent to 30 percent
- Consider comments received from the community and stakeholders, including during the 2025 Draft EIR circulation and the 2026 NEPA and CEQA scoping period
- Incorporate stakeholder and 3rd party coordination critical to addressing cost and schedule risks
- Update all cost estimates
- Refine financial plan and financial model to reflect the advancing design, procurement and operating requirements
- Finalize the project delivery strategy and contract packaging approach
- Support future community meetings updating the community on the process and other project information
- Continue engagement with stakeholders, such as Los Angeles Department of Water and Power, University of California, Los Angeles, and the City and County of Los Angeles

Next Steps

> Staff will execute Modification No. 14 to Contract No. PS66773HRT with STCP for additional technical services to support engineering and project development.





Metro