

# **Metro**

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



## **Agenda - Final**

**Thursday, January 26, 2017**

**9:00 AM**

**One Gateway Plaza, Los Angeles, CA 90012,  
3rd Floor, Metro Board Room**

### **Board of Directors - Regular Board Meeting**

*John Fasana, Chair*

*Eric Garcetti, 1st Vice Chair*

*Sheila Kuehl, 2nd Vice Chair*

*Kathryn Barger*

*Mike Bonin*

*James Butts*

*Jacquelyn Dupont-Walker*

*Robert Garcia*

*Janice Hahn*

*Paul Krekorian*

*Ara Najarian*

*Mark Ridley-Thomas*

*Hilda Solis*

*Carrie Bowen, non-voting member*

*Phillip A. Washington, Chief Executive Officer*

**METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES**  
(ALSO APPLIES TO BOARD COMMITTEES)

**PUBLIC INPUT**

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

**CONDUCT IN THE BOARD ROOM** - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

**REMOVAL FROM THE BOARD ROOM** The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

**INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD**

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded on CD's and as MP3's and can be made available for a nominal charge.

## DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

## ADA REQUIREMENTS

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## LIMITED ENGLISH PROFICIENCY

A Spanish language interpreter is available at all Board Meetings. Interpreters for Committee meetings and all other languages must be requested 72 hours in advance of the meeting by calling (213) 922-4600 or (323) 466-3876.



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**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

## CALL TO ORDER

## ROLL CALL

APPROVE Consent Calendar Items: 2, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24\*\*, 26, 27\*\*, 31, 32, 33, 34, 39, 40, 41, 44, 46, 47, 52 and 53.

Consent Calendar items are approved by one motion unless held by a Director for discussion and/or separate action.

\*\*Items require 2/3 vote of the Board.

## CONSENT CALENDAR

- 2 APPROVE **Minutes of the Regular Board Meeting held December 1, 2016.** [2016-0963](#)

Attachments: [ATTACHMENT A - Dec 1, 2016 Minutes](#)

## **AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE (4-0) AND CONSTRUCTION COMMITTEE (3-0) MADE THE FOLLOWING RECOMMENDATION:**

- 8 CONSIDER: [2016-0867](#)

A. APPROVING up to \$500,000 in **Measure R 20% Highway Funds for design and construction of two temporary signals for the properties at 16810 -16900 Valley View Avenue in Cities of La Mirada and Cerritos**; and

B. AUTHORIZING the Chief Executive Officer to execute the necessary agreements with Caltrans to implement the mitigation.

Attachments: [Valley View Temp. Signal Picture 2.pdf](#)

**FINANCE, BUDGET AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

9 CONSIDER:

[2016-0774](#)

- A. ADOPTING the **Investment Policy** as revised in Attachment A.
- B. APPROVING the **Financial Institutions Resolution** authorizing financial institutions to honor signatures of LACMTA Officials, Attachment B; and
- C. DELEGATING to the Treasurer or his/her designees, the **authority to invest funds for a one year period**, pursuant to California Government Code ("Code") Section 53607.

Attachments:     [Attachment A - 2017 LACMTA Investment Policy prelim](#)  
                          [Attachment B - Financial Resolution 01'17 prelim](#)

**FINANCE, BUDGET AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

10 CONSIDER:

[2016-0935](#)

- A. ADOPTING the **Resolution authorizing LACMTA Officials to execute and sign an agreement with the State Board of Equalization for implementation of Measure M**, Attachment A;
- B. APPROVING agreement to set-up systems to administer and operate Measure M, Attachment B, at a one-time cost up to \$175,000; the funds are included in the FY17 budget;
- C. APPROVING agreement to provide on-going administration and operation of Measure M, Attachment C;
- D. ADOPTING the Resolution authorizing examination of Measure M sales tax records by Metro and audit consultant staff, Attachment D; and
- E. AUTHORIZING the CEO or his designee to take all actions necessary to achieve the foregoing.

The attachments are in substantially final form.

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- Attachments:     [Attachment A - RESOLUTION - Authority to Sign Contracts](#)  
[Attachment B - Agreement for Preparation to Administer and Operate](#)  
[Attachment C - Agreement for State Administration Measure M](#)  
[Attachment D - District Resolution](#)

**FINANCE, BUDGET AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

- 11     AUTHORIZE the Chief Executive Officer to execute a right-of-way contract of sale (Contract) with the **State of California, Department of Transportation (Caltrans) to construct High Occupancy Vehicle (HOV) lanes on the Interstate 5 Freeway between Burbank Boulevard and Buena Vista Street (Project).** [2016-0941](#)
- Attachments:     [Attachment A - Contract of Sale Key Terms](#)

**PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

- 13     ADOPT the **Development Guidelines (Attachment C) for the joint development of the 1.08-acre Metro-owned property at the Mariachi Plaza Gold Line Station.** [2016-0890](#)
- Attachments:     [Attachment A - Site Map](#)  
[Attachment B - Letter to Los Angeles City Planning Department](#)  
[Attachment C - Mariachi Plaza Development Guidelines](#)

**PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

- 14     CONSIDER: [2016-0938](#)
- A. APPROVING the **SCAG 2017 ATP Regional Program Implementation Project List for Los Angeles County including the assignment of ten points for consistency with regional, local, and Metro plans and a contingency list to be used should additional ATP funds be made available**, as shown in Attachment A; and
- B. AUTHORIZING the Chief Executive Officer to commit \$2,169,000 to the Metro-sponsored project, *Reconnecting Union Station to the Historic Cultural Communities in DTLA*, required in order to secure partial ATP funding of \$3,157,000.

- Attachments:
- [Attachment A - Regional Implementation Projects List for LA County](#)
  - [Attachment B - Statewide Awards for LA County](#)
  - [Attachment C - SCAG ATP Project Selection Processes](#)
  - [Attachment D - Metro Grant Assistance Summary](#)
  - [Attachment E - Impact to the Call for Projects](#)

**PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

- 15 AUTHORIZE the Chief Executive Officer to: [2016-0940](#)
- A. EXECUTE Modification No. 3 to Task Order No. PS2999200FFO2TO1 under Contract No. PS4010-3041-FF-XX, with **Kleinfelder, Inc., for the Union Station Master Plan (USMP), to provide additional environmental services** in the amount of \$82,533, increasing the Total Task Order Value from \$839,362 to \$921,895;
  - B. INCREASE Contract Modification Authority (CMA) specific to Task Order No. PS2999200FFO2TO1 for USMP in the amount of \$150,000, increasing the total CMA amount from \$100,000 to \$250,000, to support additional services related to USMP;
  - C. EXECUTE Modification No. 7 to Contract No. PS4330-2863, with Gruen Associates, for the USMP, to provide planning services in support of a Request for Interests and Qualifications (RFIQ), in the amount of \$209,532, increasing the Total Contract Value from \$5,901,125 to \$6,110,657, and extend the performance period from March 2017 to June 30, 2019; and
  - D. INCREASE Contract Modification Authority (CMA) specific to Contract No. ~~PS4330-2869~~ **PS4330-2863** for the USMP in the amount of \$150,000-increasing the total CMA amount from \$721,825 to \$871,825 to support additional services related to the USMP.

- Attachments:
- [Attachment A-1 - Procurement Summary PS2999200FFO2TO1](#)
  - [Attachment A-2 - Procurement Summary PS4330-2863](#)
  - [Attachment B-1 - Task Order Log PS2999200FFO2TO1](#)
  - [Attachment B-2 - Contract Modification Change Order Log PS4330-2863](#)
  - [Attachment C-1 - DEOD Summary PS4010-3041](#)
  - [Attachment C-2 - DEOD Summary PS4330-2863](#)

**PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

16 CONSIDER:

[2016-0945](#)

A. APPROVING the **FY 2017 Solicitation for Proposals for FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5316 Job Access and Reverse Commute (JARC) and Section 5317 New Freedom Program funds**, for which Metro is the Designated Recipient for the urbanized areas of Los Angeles County, including the following:

1. The Allocation Process shown in Attachment A;
2. The solicitation funding marks estimated up to \$9,692,287 for Section 5310 projects, \$8,013,181 for Section 5316 projects, and \$665,306 for Section 5317 projects, for a combined total of \$18,370,774; and
3. The Application Package shown in Attachment B.

B. ALLOCATING \$10,139,411 in Section 5310 funds for Access Services as identified by the FY 2017 Funding Allocation Process, for Traditional Capital Projects, to support complementary paratransit service that the American with Disabilities Act of 1990 (ADA) requires.

**Attachments:**      [Attachment A - FY17 Funding Allocation Process](#)  
[Attachment B - Application for 2017 Solicitation for Proposals, Revised](#)  
[Attachment C - Schedule of Activities - FY 2016 Solicitation for Proposals](#)

**PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

17 CONSIDER:

[2016-0952](#)

A. AMENDING the **2009 Long Range Transportation Plan (LRTP) to include the projects and programs in the Measure M Expenditure Plan**; and

B. WORKING with the **Southern California Association of Governments (SCAG) to amend the 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and the Federal Transportation Improvement Program (FTIP) to include the same projects**, as necessary.



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Attachments:      [Attachment A - Measure M Ordinance](#)

**PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

18      CONSIDER: [2016-0962](#)

- A. APPROVING programming of funds for **third party costs for the L.A. County Grade Crossing and Corridor Safety Program** in the amount of \$500,000 of Measure R 3% funds;
- B. APPROVING programming of funds for **third party costs for the Brighton to Roxford Double Track Project** in the amount of \$2,176,700 of Measure R 3% funds;
- C. APPROVING programming of funds for the **Metrolink San Bernardino Line Diesel Multiple Unit (DMU) Study** in the amount of \$400,000 of Measure R 3% funds; and
- D. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary third-party and other agreements, referenced above;

Attachments:      [Attachment A - Third Party Costs](#)

**PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

19      APPROVE: [2016-0967](#)

- A. The recommended **Alternative 2 Northerly Point of Access and Salem Sperry Grade Separation** for the environmental documents and preliminary engineering design phase; and
- B. Third party costs of up to \$2 million for the City of Glendale, City of Los Angeles, Southern California Regional Rail Authority and other third parties and authorize the Chief Executive Officer (CEO), or his designee, to negotiate and execute all agreements necessary for this action.

Attachments:      [Attachment A - June 2015 Board Report](#)  
[Attachment B - Northerly Point-of-Access and Salem Sperry Overpass](#)  
[Attachment C - Recommended Alternative 2 - Salem Sperry Overpass](#)  
[Attachment D - Recommended Alternative 2 - Northerly Point-of-Access \(J-Hool](#)  
[Attachment D1 - Recommended Alternative 2 - Northerly Point-of-Access \(P-Ho](#)  
[Attachment E - Director Najarian Board Motion](#)

**PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

- 20 CONSIDER **Motion by Antonovich and Najarian** that the Metro Board of Directors direct the CEO to report back to the Board in March 2017 with a status update on the High Desert Multipurpose Corridor Project, including important milestones reached, next steps, collaborative efforts between staff and the HDMC JPA, and opportunities for advancement of the project. [2016-0949](#)

**CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

- 23 AUTHORIZE the Life-of-Project (LOP) budget of \$13,185,000 for a **three-year Fuel Storage Tank Project managed through Environmental Compliance and Sustainability Section (ECSS)**. [2016-0886](#)  
Attachments: [Attachment A - Cost Estimates](#)

**CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

- 24 CONSIDER: [2016-0828](#)
- A. FINDING that use of the design-build contracting delivery approach pursuant to Public Utilities Code Section 130242(a) will achieve certain private sector efficiencies in the integration of the design and construction of the **Westside Purple Line Extension Project - Section 3** by providing for the award of a design-build contract to the lowest responsive and responsible bidder; and
- (REQUIRES 2/3 VOTE)
- B. APPROVING the use of the design-build contracting delivery approach pursuant to Public Contract Code 22160 - 22169 to reduce project costs, expedite project completion and allow for either an award to the lowest responsive and responsible bidder, or the negotiation and award of a design-build contract to a responsible proposer whose proposal is determined to be the best-value to Metro.

**CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

- 26** INCREASE the authorized funding for Contract No. EN077 with **Arcadis US, Inc. (AUS), to fund additional Environmental Hazardous Materials and Construction Services Task Orders** in an amount not-to-exceed \$3,255,000 increasing the total Contract Value from \$38,000,000 to \$41,255,000. [2016-0932](#)

Attachments: [Attachment A - Procurement Summary.pdf](#)  
[Attachment B - Contract Modification-Change Order Log.pdf](#)  
[Attachment C - DEOD Summary.pdf](#)  
[Attachment D - Summary of Current and Proposed Work Requiring AUS Service](#)

**CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

- 27** CONSIDER: [2016-0944](#)

A. FINDING that awarding contracts for a design-build delivery, pursuant to Public Utilities Code Section 130242 (a), will achieve certain private sector efficiencies in the integration of design, project work, and components related to real property renovation, improvements, and construction work at Metro transit facilities in Los Angeles County as defined by the projects listed in Attachment A; and

(REQUIRES 2/3 VOTE)

B. AUTHORIZING the Chief Executive Officer to award design-build contracts for **renovations, improvements, and construction at Metro transit facilities related to projects** listed in Attachment A.

Attachments: [Attachment A - Projects Proposed for Design-Build Approach.pdf](#)

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

31 AUTHORIZE the Chief Executive Officer to: [2016-0839](#)

- A. AWARD a firm fixed price Contract No. OP67538000 with **Penske Motor Group, the lowest responsive and responsible bidder for 110 Hybrid Sedans** for \$2,936,769 inclusive of sales tax and environmental fees, subject to resolution of protest(s), if any; and
- B. PROCEED with the solicitation and procurement of 10 Zero Emissions Electric Vehicles (EVs) in order to determine their feasibility and operational viability within Union Station Gateway (USG), bus and rail operating locations.

**Attachments:** [Attachment A - Procurement Summary](#)  
[Attachment B - DEOD Summary](#)

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

32 AUTHORIZE the Chief Executive Officer to award a two year, indefinite delivery/indefinite quantity Contract No. VM67502000 for **engine oil to Rosemead Oil Products, Incorporated**, the lowest responsive and

responsible bidder for a not to exceed amount of \$805,281 inclusive of sales tax for the base year, and not-to-exceed amount of \$821,569 inclusive of sales tax for a one year option, for a total contract amount of \$1,626,850, subject to resolution of protest(s), if any.

**Attachments:** [Attachment A - Procurement Summary](#)  
[Attachment B - DEOD Summary](#)

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

33 AUTHORIZE the Chief Executive Officer to reject all bids in response to IFB No. OP28589 for **Metro Red/Purple Line Tunnel Washing Services**, [2016-0910](#)

cancel the procurement and issue a new Invitation for Bids for the Tunnel Washing Services.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

**34** AUTHORIZE the Chief Executive Officer to award four-year contracts to the following four lowest, responsive and responsible bidders for **non-inventory paper supplies** for an indefinite delivery, indefinite quantity for a total amount not-to-exceed \$3,000,000, inclusive of sales tax, effective February 2, 2017, subject to resolution of protest(s), if any. [2016-0968](#)

- A. Contract No. PS2039471406-2000/001 with Bashboy Enterprises dba California Printing Consultants for a total contract amount not to exceed \$600,000,
- B. Contract No. PS2039471406-2000/002 with Gorilla Stationers for a total contract amount not to exceed \$150,000,
- C. Contract No. PS2039471406-2000/003 with Spicer's Paper, Inc. for a total contract amount not to exceed \$2,100,000; and
- D. Contract No. PS2039471406-2000/004 with Veritiv Operating Company for a total contract amount not to exceed \$150,000.

Attachments:      [Attachment A - Procurement Summary](#)  
                                 [Attachment B - DEOD Summary](#)

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

**39** AWARD a sole source 60-month indefinite quantity/indefinite delivery Contract No. MA6274900 for the **overhaul of 52 friction brake systems for Breda A650 Red Line cars to Wabtec Passenger Transit (Wabtec)**, the original equipment manufacturer (OEM), for a not-to-exceed amount of \$2,857,400, inclusive of one service option. [2016-0847](#)

Attachments:      [Attachment A - Procurement Summary](#)  
                                 [Attachment B - DEOD Summary](#)

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

**40** AUTHORIZE the Chief Executive Officer to: [2016-0975](#)

- A. AWARD a firm fixed unit rate Contract No. OP671430003367 for **uniform rental services with Prudential Overall Supply**, for a not-to-exceed amount of \$3,372,104 for the three-year base period and \$3,372,104 for the one, three year option, for a combined total of \$6,744,208 effective February 1, 2017 through January 31, 2023; and
- B. EXECUTE Modification No. 11 for the existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply to extend the period of performance by four (4) months, through July 31, 2017 and request additional authority in the amount of \$260,000, increasing the contract value from \$5,165,029 to \$5,425,029

**Attachments:**      [Attachment A - Procurement Summary Uniforms](#)  
[Attachment A-1 Contract Modification - Change Log](#)  
[Attachment B - DEOD Summary](#)

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

**41** CONSIDER **Motion by Garcetti, Solis, Bonin and Dupont-Walker** that the Board direct the CEO to: [2017-0020](#)

- A. Immediately initiate a holistic assessment of MTA's long-term needs at Division 20 and accommodation of future Arts District station access, including:
  - 1. Turn-back facility improvements,
  - 2. Rail car storage, maintenance facility, and vehicle test track needs required to start service on the Purple Line Extension Section 3 in 2024 per the Measure M ordinance,
  - 3. Rail service expansion to the Arts District with station options at 1st Street, 3rd Street, and/or 6th Street, with connections into the Arts District, to MTA's LA River Waterway & System Bikepath project, and to the 6th Street Viaduct Replacement project,
  - 4. Consideration of additional property required to meet all the above needs;

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FURTHER MOVE that the MTA Board direct the CEO to:

- A. Design Division 20 so as to not preclude new stations and necessary track(s) in the future if funding is identified for an Arts District station(s) on the Red/Purple Line.
- B. Work with the City of Los Angeles to develop creative strategies to establish innovative funding mechanisms dedicated to off-set the costs of new stations in the Arts District.
- C. Provide an initial report back on all the above during the April 2017 Board cycle.

**EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

44 ADOPT staff recommended positions: [2016-1001](#)

- A. **AB 1 (Frazier)** - Transportation Funding **SUPPORT WORK WITH AUTHOR**
- B. **SB 1 (Beall)** - Transportation Funding **SUPPORT WORK WITH AUTHOR**

Attachments: [Attachment A - AB 1 & SB 1\(1\)](#)

**EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

46 APPROVE: [2016-1008](#)

- A. the renewal of the Project Labor Agreement (PLA), and Construction Careers Policy (CCP), as amended;
- B. the updated PLA (Attachment A) which covers certain Metro Construction and Joint Development (JD) projects,
- C. the updated CCP (Attachment B) which covers certain Metro Construction and Joint Development projects; and
- D. the updated Metro JD Policy (Attachment C) to incorporate Metro's PLA and CCP and separate the JD Policy from the JD Procedures.

Attachments: [A. Updated Project Labor Agreement 1-27-2017](#)  
[B. Updated Construction Careers Policy 1-27-16](#)  
[C. Updated Joint Development Policy 1-27-2017](#)  
[D. Letter of Support](#)

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**AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

47 CONSIDER: [2016-0999](#)

- A. RECEIVING AND FILING the **Countywide ExpressLanes Strategic Plan** Executive Summary (Attachment A) full report available at [http://libraryarchives.metro.net/DB\\_Attachments/170111\\_Strategic\\_Plan\\_with\\_Appendices.pdf](http://libraryarchives.metro.net/DB_Attachments/170111_Strategic_Plan_with_Appendices.pdf) , and;
- B. AUTHORIZING the CEO to initiate planning studies including a comprehensive financial plan for Tier 1 projects as outlined in Attachment B and submit those projects as a network to the California Transportation Commission to request tolling authority.

**Attachments:** [Attachment A-Countywide Express Lanes Strategic Plan Executive Summary](#)  
[Attachment B - Tiers 1 2 and 3 Projects](#)  
[Attachment C- Nov 2014 Motion #59](#)  
[ExpressLanes Strategic plan presentation](#)

**EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):**

52 CONSIDER **Motion by Director Kuehl** that the Board direct the CEO to: [2017-0030](#)

- A. Meet with environmental stakeholders and representatives of Caltrans District 7, the County of Los Angeles, the Los Angeles County Flood Control District, the Regional Water Quality Control Board, state and federal fish and wildlife agencies, and other potentially interested parties to discuss any interest in a RAMP approach for multijurisdictional cooperation in biological mitigations, and explore the development of a conservation greenprint that identifies and helps prioritize areas of high ecological value, water resources, and wildlife movement corridors;
- B. Convene a working group of environmental stakeholders and Metro/Caltrans project managers for Transit, Highway and Active Transportation projects to develop an early screening process for biological evaluation to be applied to the review of projects scheduled for planning and/or construction over the next thirty years. Screening shall not only include any likelihood of direct and indirect impacts to plant and/or animal species, habitats, biological systems, and wildlife corridors, but also an evaluation of multiple Metro projects with regard to commonalities in ecosystems, animal and plant type, habitat,



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watershed, and scheduled timing of implementation. Project evaluation should also determine whether current review and implementation status renders the project inappropriate for inclusion in a RAMP; and

C. Prepare a report back to the Board within 120 days on the preliminary results of the consultations and a proposed early screening process to be considered for all major Metro transportation projects, as well as an approach to identifying high value conservation lands, water resources, and wildlife movement corridors.

53 CONSIDER:

[2016-0731](#)

- A. APPROVING the **Airport Metro Connector (AMC) 96th Street Transit Station Project** which will add a new Metro rail station to the Crenshaw/LAX Line at 96th Street;
- B. CERTIFYING the Final Environmental Impact Report (Final EIR). Attachment A contains the Project Overview. The Final EIR is available upon request or at [www.metro.net/projects/lax-extension](http://www.metro.net/projects/lax-extension) <<http://www.metro.net/projects/lax-extension>>;
- C. ADOPTING the:
1. Mitigation Monitoring and Reporting Plan (MMRP) (Attachment B); and
  2. Findings of Fact (Attachment C)
- D. AUTHORIZING the Chief Executive Officer (CEO) to file the Notice of Determination (NOD) (Attachment D) with the Los Angeles County Clerk and State of California Clearinghouse; and
- E. RECEIVING AND FILING the quarterly project status report including architectural and engineering design services and coordination with the Los Angeles World Airports (LAWA) and the Crenshaw/LAX Project, as directed by the Metro Board in July 2014 (Attachment E).

**Attachments:**      [Attachment A – Project Overview](#)  
                                 [Attachment B – Mitigation Monitoring and Reporting Program](#)  
                                 [Attachment C – Findings of Fact](#)  
                                 [Attachment D – Notice of Determination](#)  
                                 [Attachment E – July 2014 Metro Board motion](#)  
                                 [Attachment F - June 2014 Board Motion](#)

NON-CONSENT

- 3 Report by the **Chair**. [2016-0964](#)
- 4 Report by the **Chief Executive Officer**. [2016-0965](#)
- 4.1 RECEIVE **Annual State of the Agency Address** from Chief Executive Officer, Phillip A. Washington. [2017-0003](#)  
*Attachments:* [State of the Agency 2017-PDF](#)

**CONSTRUCTION COMMITTEE FORWARDED WITHOUT RECOMMENDATION DUE TO ABSENCES AND CONFLICTS:**

- 22 AUTHORIZE the Chief Executive Officer (CEO) to execute: [2016-0885](#)
- A. a five year cost-plus fixed fee Contract No. PS20109 to **LSA Associates, Inc. for sustainability climate change adaptation and greenhouse gas emissions reduction** (GHG) services on task orders, with an initial amount not-to-exceed \$6,365,000 inclusive of three base years (not to exceed \$3,742,143) with two one-year options (year one = \$1,274,468 and year two = \$1,348,109), subject to resolution of protest(s), if any; and
- B. individual Task Orders and changes within the Board approved contract amount.
- Attachments:* [Attachment A - Procurement Summary](#)  
[Attachment B - DEOD Summary](#)  
[Attachment C - Forecasted GHG Emissions Cost](#)

**CONSTRUCTION COMMITTEE FORWARDED WITHOUT RECOMMENDATION DUE TO ABSENCES AND CONFLICTS:**

- 25 AUTHORIZE the Chief Executive Officer to execute: [2016-0887](#)
- A. a five-year cost-plus fixed fee Contract No. PS20111, with **ICF International for CEQA/NEPA Environmental Services and Support** on Task Orders, inclusive of two one-year options with an initial amount not-to-exceed \$25,604,000, inclusive of three base years (not to exceed \$15,076,003) with two one-year options (year one = \$5,211,497 and year two = \$5,315,727), subject to resolution of

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protest(s)subject to resolution of protest(s), if any; and

- B. individual Task Orders and changes within the Board approved contract amount.

**Attachments:**     [Attachment A - Procurement Summary-0887](#)  
                          [Attachment B - DEOD SummaryProcurement Summary](#)  
                          [Attachment C - Forecasted Environmental Compliance Work](#)

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE FORWARDED WITHOUT RECOMMENDATION DUE TO ABSENCES AND CONFLICTS:**

- 38     AUTHORIZE the Chief Executive Officer to execute a Contract Modification exercising three one-year options to: [2016-0768](#)

- A. Contract No. OP39602795A with **LTK Engineering Services for Element A, Consultant for Light Rail Vehicle Acquisition, Technical Support Services**, in an aggregate amount of \$5,972,304, increasing the total Contract amount from \$15,236,445 to a total not-to-exceed amount of \$21,208,749; and
- B. Contract No. OP39602795B with CH2M Hill Inc. for **Element B, Consultant for Light Rail Vehicle Acquisition, Program Management Support Services**, in an aggregate amount of \$2,291,639, increasing the total Contract amount from \$6,087,246 to a total not-to-exceed amount of \$8,378,885.

**Attachments:**     [Attachment A OP39602795A Procurement Summary](#)  
                          [Attachment A OP39602795B Procurement Summary](#)  
                          [Attachment B OP39602795A Contract Modification Log](#)  
                          [Attachment B OP39602795B Modification Log](#)  
                          [Attachment C2 - DEOD Summary](#)  
                          [Attachment C1 - DEOD Summary](#)

**EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION AS AMENDED (3-0):**

- 45     ADOPT the **proposed 2017 Federal and State Legislative Program**. [2016-1005](#)

FASANA amendment in Attachment B, Goal 12.

**Attachments:**     [Attachment A - 2017 Federal Legislative Program](#)  
                          [Attachment B - 2017 State Legislative Program](#)

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**PLANNING AND PROGRAMMING COMMITTEE FORWARDED WITHOUT RECOMMENDATION DUE TO ABSENCES AND CONFLICTS AND CONSTRUCTION COMMITTEE FORWARDED AS AMENDED WITHOUT RECOMMENDATION DUE TO ABSENCES AND CONFLICTS:**

48 CONSIDER:

[2016-0980](#)

- A. AUTHORIZING the Chief Executive Officer (CEO) to negotiate and execute contract modification(s) to Contract No. C0988 with **Walsh/Shea Corridor Constructors (WSCC), for final costs associated with construction on accommodations so as not to preclude a future Light Rail Transit (LRT) Station at 96th Street** and implement an agreement on critical cost and schedule impacts in an amount of \$59,150,000 increasing the total contract value from \$1,311,627,532 to \$1,370,777,532, no impact to Crenshaw/LAX Project Life-of-Project Budget;
- B. AMENDING the FY17 budget by \$28,600,000 for Project 460303 Airport Metro Connector Accommodations from \$10,760,760 to \$39,360,760 for the allocable portion of its costs related to the \$59,150,000 under Recommendation A; and
- C. AUTHORIZING the CEO for a pilot period of 1 year to negotiate and execute project-related agreements, including contract modification(s) up to the authorized Life-of-Project budget, to streamline project management of the Crenshaw/LAX Transit Project subject to monthly reporting requirements, that would include any pending project-related agreements, change orders/contract modifications and any significant changes to contract contingency to the Board of Directors. This action would allow the board to see in advance all project-related agreements and change orders.

**Attachments:**

[Attachment A - Procurement Summary.pdf](#)

[Attachment B - Contract Modification-Change Order Log.pdf](#)

[Attachment C - DEOD Summary.pdf](#)

[Attachment D - WSCC-Metro Agreement.pdf](#)

[Attachment E - WSCC-Metro Agreement.pdf](#)

**CONSTRUCTION COMMITTEE FORWARDED WITHOUT RECOMMENDATION DUE TO ABSENCES AND CONFLICTS:**

49 CONSIDER:

[2016-0973](#)

- A. INCREASING the Life of Project (LOP) Budget on the **Regional**

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**Connector Transit Corridor Project** by \$199 million from \$1,551,840,570 to \$1,750,840,570;

- B. AMENDING the FY17 Budget on the Regional Connector Transit Corridor Project by \$30.6 million from \$220,730,000 to \$251,330,000;
- C. AUTHORIZING the CEO to execute Contract Modification No. 74 with Regional Connector Constructors (RCC) in the amount not to exceed \$50,600,000, for delays and schedule mitigation measures, electrical and water utility relocation costs, additional fire life safety engineering and other design and construction changes, increasing the total contract value from \$1,052,391,660 to \$1,102,991,660.
- D. AUTHORIZING the CEO, as part of a one-year pilot, to negotiate and execute project-related agreements, including contract modification(s) up to the authorized Life of Project budget, to streamline project management of the Regional Connector Transit Corridor Project subject to monthly reporting requirements, that would include any pending project-related agreements, change orders/contract modifications and any significant changes to contract contingency to the Board of Directors. This action would allow the Board to see in advance all project-related agreements and change orders.

- Attachments:**
- [Attachment A - Procurement Summary C0980.pdf](#)
  - [Attachment B - DEOD Summary C0980.pdf](#)
  - [Attachment C - CMA Summary C0980.pdf](#)
  - [Attachment D - RC Funding Plan C0980.pdf](#)
  - [Attachment E - Measure R Cost Management Process and Policy Analysis C0980.pdf](#)
  - [Attachment F - Construction Committee Report Dated November 19 2015 C0980.pdf](#)

**CONSTRUCTION COMMITTEE FORWARDED WITHOUT RECOMMENDATION DUE TO ABSENCES AND CONFLICTS:**

50 CONSIDER: [2016-0971](#)

- A. ESTABLISHING a Life-of-Project Budget (LOP) Budget of \$2,440,969,299 for the **Westside Purple Line Extension Section 2 Project**;
- B. AUTHORIZING the Chief Executive Officer (CEO) to award a 102 -month firm fixed price contract under Request for Proposal (RFP) No. C1120 to Tutor Perini/O & G, a Joint Venture (TPOG), the responsive and responsible Proposer determined to provide Metro with the best value for the final design and construction of the Westside Purple Line Extension Section 2 Project (Project) for a firm fixed price of \$1,376,500,000.00, subject to resolution of protest(s), if any; and

- C. AUTHORIZING the CEO, as part of a one-year pilot, to negotiate and execute project related agreements, including contract modification(s), up to the authorized Life-of-Project Budget for Sections 1 and 2 of the Westside Purple Line Extension Project, to streamline project management of the Project subject to monthly reporting requirements, that would include any pending project-related agreements, change orders/contract modifications and any significant changes to contract contingency to the Board of Directors. This action would allow the board to see in advance all project-related agreements and change orders.

**Attachments:**      [Attachment A -Procurement Summary-C1120 FINAL .pdf](#)  
[Attachment B -DEOD Summary-C1129.pdf](#)  
[Attachment C - Funding Expenditure Plan.pdf](#)  
[Attachment D - Measure R Cost Management Process .pdf](#)

**EXECUTIVE MANAGEMENT COMMITTEE FORWARDED WITHOUT RECOMMENDATION DUE TO ABSENCES AND CONFLICTS:**

- 51      ADOPT revisions to **Metro’s System Advertising Policy in order to update policy and expand Metro’s current advertising opportunities and generate additional revenue** - as recommended in the Risk Allocation Matrix (RAM) process approved at the January 2016 Board meeting. [2016-1006](#)

**Attachments:**      [Attachment A - Metro System Advertising \(COM6\)-ORIGINAL2013](#)  
[Attachment B - Metro System Advertising \(COM6\)-CHANGEScolor](#)  
[Attachment C - Metro System Advertising \(COM6\)-CLEAN](#)

**END OF NON-CONSENT ITEMS**

- 54      **CLOSED SESSION:** [2017-0046](#)

- A. Conference with Legal Counsel - Existing Legislation - G.C. 54956.9(d) (1):  
1. Carol DeRegis v. LACMTA, LASC Case No. BC499120  
2. Alejandro Pulido Sevillano, et al. v. LACMTA, LASC Case No. BC575207  
3. Jose Madrigal v. LACMTA, LASC Case No. BC489953
- B. Conference with Labor Negotiator - G.C. 54957.6:  
Agency Designated Representative: Joanne Peterson or designee  
Employee Organizations: SMART, ATU, TCU, AFSCME and Teamsters

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN  
COMMITTEE'S SUBJECT MATTER JURISDICTION

Adjournment



Metro

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

## Board Report

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**File #:** 2016-0963, **File Type:** Minutes

**Agenda Number:** 2

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**REGULAR BOARD MEETING  
JANUARY 26, 2017**

**SUBJECT: REGULAR BOARD MEETING MINUTES HELD DECEMBER 1, 2016**

**APPROVE Minutes of the Regular Board Meeting held December 1, 2016.**



# Metro

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



## MINUTES

### REGULAR BOARD MEETING

Thursday, December 1, 2016

9:00 AM

**One Gateway Plaza, Los Angeles, CA 90012,  
3rd Floor, Metro Board Room**

#### **Directors Present:**

*John Fasana, Chair  
Eric Garcetti, 1st Vice Chair  
Sheila Kuehl, 2nd Vice Chair  
Michael Antonovich  
Mike Bonin  
James Butts  
Diane DuBois  
Jacquelyn Dupont-Walker  
Don Knabe  
Paul Krekorian  
Ara Najarian  
Mark Ridley-Thomas  
Carrie Bowen, non-voting member*

*Phillip A. Washington, Chief Executive Officer*

**CALLED TO ORDER** at 9:19 a.m.

**ROLL CALL**

APPROVED Consent Calendar Items: 2, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 36, 37, 38, 39, 42 and 43.

Consent Calendar items were approved by one motion.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	Y	Y	A	A	Y	Y	Y	A	A	Y	Y

**1. AUTHORIZED:**

**2016-0610**

- A. the Chief Executive Officer (CEO) to execute a nine-year cost-plus fixed fee contract plus two one-year options, Contract No. AE5818600MC072-PLE2, to Purple Line 2 CM Partners, a Joint Venture to provide **Construction Management Support Services** in an amount not-to-exceed \$8,890,488 through Fiscal Year 2018, subject to resolution of protest(s), if any; and
- B. ESTABLISHED Contract Modification Authority for 15% of the not-to-exceed contract award value and authorizing the CEO to execute individual Contract Modifications within the Board approved Contract Modification Authority.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	A	Y	C	Y	Y	Y	A	C	Y	A	Y	Y

**2. APPROVED ON CONSENT CALENDAR Minutes of the Regular Board Meeting held October 27, 2016 and the Special Board Meeting held November 17, 2016.**

**2016-0876**

**3. RECEIVED Report by the Chair.**

**2016-0926**

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
P	P	P	P	P	A	P	P	P	A	A	P	P

DK = D. Knabe	MA = M. Antonovich	SK = S. Kuehl	DD = D. DuBois
PK = P. Krekorian	MRT = M. Ridley-Thomas	JB = J. Butts	
JDW = J. Dupont-Walker	JF = J. Fasana	HS = H. Solis	
MB = M. Bonin	EG = E. Garcetti	AN = A. Najarian	

LEGEND: Y = YES, N = NO, C = HARD CONFLICT, S = SOFT CONFLICT ABS = ABSTAIN, A = ABSENT, P = PRESENT

## 3.1 PRESENTED Resolutions to Directors Antonovich and Knabe.

2016-0928

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
P	P	P	P	P	P	P	P	P	P	A	P	P

## 4. RECEIVED Report by the Chief Executive Officer.

2016-0927

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
P	P	P	P	P	P	P	P	P	P	A	P	P

## 9. ADOPTED a resolution that:

2016-0797

- A. AUTHORIZES the **competitive sale of Prop C Senior Lien Bonds (the "2017 Prop C Bonds")** to finance capital projects in one or more transactions through June 30, 2017;
- B. APPROVES the forms of Notice of Intention to Sell Bonds, Notice Inviting Bids, Supplemental Trust Agreement, Continuing Disclosure Agreement and Preliminary Official Statement, on file with the Board Secretary all subject to modification as set forth in the resolution;
- C. AUTHORIZES taking all action necessary to achieve the foregoing, including, without limitation, the further development and execution of bond documentation associated with the issuance of the 2017 Prop C Bonds; and
- D. REAFFIRMS AND UPDATES the Reimbursement Resolution approved by the Board on April 26, 2016 to reflect that the amount of the 2017 Prop C Bonds may be up to \$500 million and reaffirms the intention that a portion of the proceeds of the 2017 Prop C Bonds will be used to reimburse expenditures made prior to the issuance of the 2017 Prop C Bonds.

(REQUIRES SIMPLE, SEPARATE MAJORITY VOTE)

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	Y	Y	A	A	Y	Y	Y	Y	A	Y	Y

10. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to execute a **revenue-neutral fund exchange agreement between Metro, the Ventura County Transportation Commission (VCTC) and the Southern California Regional Rail Authority (SCRRA) to fund FY16 and FY17 SCRRA rehabilitation projects.** 2016-0740

11. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer, 2016-0498  
or his designee, to execute a **Perpetual Easement Agreement, Reciprocal  
Easement Agreement and other related documents with the city of Culver City  
(City) and/or the developer and other related parties to allow for the construction,  
use, operation and maintenance of the Ivy Station mixed-use development project  
adjacent to the Metro Expo Culver City Station** as described in Attachment D which  
will include a Metro park-and-ride facility as contemplated by a previously  
Board-approved and executed Option Agreement and Memorandum of Understanding  
with the City.
12. APPROVED ON CONSENT CALENDAR: 2016-0615
- A. RECEIVING AND FILING status report on **work approach and resource needs  
to implement the Metro Board's First/Last Mile Motions 14.1 and 14.2**; and
- B. AUTHORIZING the Chief Executive Officer to take action to implement  
Board Motions 14.1 and 14.2.
13. APPROVED ON CONSENT CALENDAR: 2016-0731
- A. the **Airport Metro Connector (AMC) 96th Street Transit Station  
Project** which will add a new Metro rail station to the Crenshaw/LAX Line at 96th  
Street;
- B. CERTIFYING the Final Environmental Impact Report (Final EIR).  
The Final EIR is available upon request or at [www.metro.net/projects/lax-extension](http://www.metro.net/projects/lax-extension);
- C. ADOPTING the:
1. Mitigation Monitoring and Reporting Plan (MMRP); and
  2. Findings of Fact
- D. AUTHORIZING the Chief Executive Officer (CEO) to file the Notice of  
Determination (NOD) with the Los Angeles County Clerk and State of California  
Clearinghouse; and
- E. RECEIVING AND FILING the quarterly project status report including  
architectural and engineering design services and coordination with the Los Angeles  
World Airports (LAWA) and the Crenshaw/LAX Project, as directed by the  
Metro Board in July 2014.

14. APPROVED ON CONSENT CALENDAR:

2016-0591

- A. AUTHORIZING implementation of **Phase II of the Parking Management Pilot Program at nine (9) Metro parking facilities with the option to increase to (13) facilities along Expo, Gold, Red, Green and Silver Line Metro stations** pursuant to the Operating Plan for four (4) years;
- B. AMENDING Metro's Parking Ordinance Administrative Code 8 and Metro's Parking Rates and Fee Resolution in support of the implementation of the Parking Management Pilot Program; and
- C. AUTHORIZING the Chief Executive Officer to award a four (4)-year firm fixed price Contract No. PS6264800 to L&R Group of Companies DBA Joe's Auto Parks in the amount of \$8,388,277 to implement Phase II of the Parking Management Pilot Program through a revenue generating contract where the contractor will be compensated for their operating costs from the parking revenue collected and Metro will receive the net revenue amount collected, subject to resolution of protest(s), if any.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
							C					

15. APPROVED ON CONSENT CALENDAR:

2016-0589

- A. the updated **project list and changes in the funding levels for the Measure R Highway Subregional Program in Arroyo Verdugo, Las Virgenes Malibu, South Bay, North County, and Gateway Cities Subregions;**
- B. AUTHORIZING the Chief Executive Officer (CEO) or his designee to:
  - 1. Allow the City of Lancaster to use programmed Measure R funds outlined in executed agreement (MR330.05) in earlier years to expedite project development phases and deliver the project sooner than originally scheduled.
- C. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for approved projects;
- D. ADOPTING the resolution that authorizes the CEO or his designee to execute all Grant Agreements and any amendments thereto with the California Department of Transportation; and

(Continued on next page)

(Item 15 – continued from previous page)

E. time extension for 6 projects:

1. Caltrans - ITS on I-405, I-110, I-105 and SR-91 Freeway Ramp/Arterial Signalization (MR312.11)
2. City of Hermosa Beach - PCH Improvements between Anita St. and Artesia Boulevard (MR312.05)
3. City of Redondo Beach - PCH Arterial Improvements from Anita St to Palos Verdes Boulevard. (MR312.06)
4. City of Redondo Beach - Aviation Boulevard at Artesia Boulevard Intersection Improvements (MR312.20)
5. City of Inglewood - Inglewood Phase four ITS projects (MR312.12)
6. City of Lawndale- Inglewood Ave from 156th to I-405 Southbound On-Ramp Improvements. (MR312.15)
7. City of Agoura Hills - Palo Camado Interchange (MR311.03)

18. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to: 2016-0221
- A. REIMBURSE the City of Beverly Hills for valid costs incurred to review the design and construction of the Design-Build elements of the Project within the City as provided in the attached excerpt from the draft Memorandum of Agreement (MOA) for design/build construction between Metro and the City; and
  - B. EXECUTE the Annual Work Plan for Fiscal Year 2017 with the City of Beverly Hills, in an amount not-to-exceed \$4,859,611, for the **Westside Purple Line Extension - Section 1 C1045 Contract**.
19. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer 2016-0727 (CEO) to award a three-year cost-plus fixed fee Contract No. PS601830026445 for **Construction Management Support Services for Metro Rail Projects with Destination Enterprises, Inc.** in the amount not to exceed \$3,000,000, inclusive of two one-year options, subject to resolution of protest(s) if any. Destination Enterprises, Inc. is a certified SBE with Metro.

20. AUTHORIZED ON CONSENT CALENDAR Contract Modification 2016-0736  
 No. 183 by Caltrans for construction contract of the **Segment 4 of the I-5 North Capacity Enhancements Project between SR-134 and SR-118** (Project) under the Funding Agreement No. MOU. P0008355/8501A/A6, in the amount of \$1,232,800.

21. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer 2016-0829  
 (CEO) to execute an **annual work plan for Fiscal Year 2017 with the City of Beverly Hills, in an amount not-to-exceed \$1,003,442, for the Westside Purple Line Extension Project - Section 1.**

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
							C					

22. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer 2016-0830  
 (CEO) to execute an **annual work plan for Fiscal Year 2017 with the City of Beverly Hills, in an amount not-to-exceed \$3,599,718, for the Westside Purple Line Extension Project - Section 2.**

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
							C					

23. AUTHORIZED AS AMENDED, the Chief Executive Officer to: 2016-0878

- A. EXECUTE Modification No. 3 to Contract No. PS69403444 with **Pacific Coast Regional Small Business Development Corporation (PCR) to support the increased level of effort and resources for the remaining two years of the professional services contract and continuation of services to eligible “mom and pop” businesses directly impacted by the unprecedented full street closure along 2nd & Broadway segment of the Regional Connector** in the amount of \$297,616 increasing the total firm fixed contract value from \$1,965,090 to \$2,262,706; and
- B. INCREASE Contract Modification Authority (CMA) specific to Contract No. PS69403444 in the amount of \$500,000 increasing the total CMA amount from \$180,000 to \$680,000 to support additional services related to BIF fund administration inclusive of the expansion of the BIF to directly impacted and qualifying “mom and pop” businesses along the Purple Line Extension Phase 2; and
- C. RECEIVED AND FILED the quarterly status report of Metro’s Pilot Business Interruption Fund (BIF).

(Continued on next page)

(Item 23 – continued from previous page)

**DUPONT-WALKER AMENDMENT** to expand the Pilot Business Interruption Fund to include small businesses that may be interrupted along the Purple Line Extension Phase 2.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	Y	Y	A	A	Y	Y	Y	Y	A	Y	Y

27. AUTHORIZED the Chief Executive Officer to award a firm-fixed price 2016-0646  
Contract under RFP No. OP6355500HR4000, **Heavy Rail Vehicle (HRV) Acquisition, to China Railway Rolling Stock Corp (CRRC) MA Corporation** in the not-to-exceed amount of \$178,395,869 for a period of 62 months from Notice-to-Proceed (NTP) for the production and delivery of the 64 HRV Base Order, subject to the resolution of protest(s), if any.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y

28. AUTHORIZED the Chief Executive Officer to increase the total authorized 2016-0726  
not-to-exceed amount to **Rail Operations Engineering Support Bench (Bench)** Contract No OP39202965, by \$4,300,000 from \$5,000,000 to \$9,300,000 for engineering and technical services for wayside systems operating and capital projects.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	A	Y	C	Y	Y	Y	A	C	Y	A	Y	Y

29. AUTHORIZED staff to extend the current uniform rental contract through January.

CARRIED OVER TO JANUARY authorizing the Chief Executive Officer to 2016-0874  
award a firm fixed unit rate Contract No. OP6201700 for **uniform rental services with Prudential Overall Supply**, for a not-to-exceed amount of \$3,372,104 for the three-year base period and \$3,372,104 for the one, three year option, for a combined total of \$6,744,208 effective December 16, 2016 through December 15, 2022, subject to resolution of protest(s), if any.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	A	Y	A	Y	Y	Y	Y	Y	A	A	A	Y



30. AUTHORIZED the Chief Executive Officer to execute Contract Modification 2016-0803 No. 3 to Contract No. OP33673132, with **XInt Tint of Anaheim, Inc., for glass panel surfaces anti-graffiti film maintenance and replacement services**, to exercise the first and second year options in the amount of \$1,304,442 for each of the first and second year options, for a combined total of \$2,608,884, increasing the total contract value from \$4,342,589 to \$6,951,473 and extending the contract term from February 3, 2017 to February 2, 2019.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	Y

31. AUTHORIZED the Chief Executive Officer to execute Modification No. 3 to 2016-0717 Contract No. OP33673154 with **Graffiti Shield, Inc., for stainless steel panel surfaces anti-graffiti film installation and replacement services**. This modification will exercise the first and second year options in the amount of \$3,806,056.54 for each of the first and second year options, for a combined total of \$7,612,113.08, increasing the total contract value from \$12,178,532.85 to \$19,790,645.93 and extending the contract term from February 3, 2017 to February 2, 2019.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	Y

36. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer 2016-0694 to **renew a five-year lease agreement, including two, five-year options, with Access Services (Access) effective January 1, 2017 for the rental of approximately 19,841 square feet of office space at Metro's Transportation Building Division 9, 3449 Santa Anita Avenue, El Monte, at an annual rental cost of \$600,000, subject to both parties' mutual right to terminate on 12-month prior written notice.**

37. APPROVED ON CONSENT CALENDAR: 2016-0859

- A. **the unit reduction for undergraduate students from 8 units to 6 units beginning Spring 2017;**
- B. **CREATING a reduced fare Transitional Pass to U-Pass participants for 12 months after graduation; and**
- C. the Title VI Analysis required by Civil Rights department.

38. APPROVED ON CONSENT CALENDAR the revised **Property Naming Policy** with the addition of guidelines to implement and manage a Corporate Sponsorship/Naming Rights Program for the purpose of generating revenue or valued assets. 2016-0789

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
			N					N				

39. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to provide Metrolink with **“pre-contract award authority” to procure the contracts required for the urgent track and structure rehabilitation work reported by Metrolink** at its Board Meeting on September 23, 2016. 2016-0891

41. APPROVED Knabe and DuBois Motion that: 2016-0950

- A. AUTHORIZES the Chief Executive Officer to execute a Modification to the Contract with the County of Los Angeles Sheriff’s Department (LASD) to provide law enforcement services for an additional three months in an amount not-to-exceed the current monthly levels of contracted costs;
- B. INSTRUCTS the CEO to work with other policing agencies to develop transit enforcement MOUs; and
- C. REQUESTS staff to return to the Board with a policing plan that focuses on coordinating safety efforts on our bus and rail lines as they cross multiple jurisdictions.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	N	N	N	A	Y	N	Y	Y	A	Y	Y

(Item 41 – continued from previous page)

CARRIED OVER TO FEBRUARY:

2016-0877

- A. RECEIVING AND FILING **Metro's Comprehensive Security and Policing Principles Strategy**;
- B. AUTHORIZING the Chief Executive Officer to negotiate and execute individual five-year firm fixed unit rate contract with the City of Long Beach Contract No. PS5862300LBPD24750 not-to-exceed \$27,088,968, and firm fixed unit rate contract with the City of Los Angeles, Contract No. PS5862100LAPD24750 not-to-exceed \$369,696,813, and a firm fixed price contract with the County of Los Angeles, Contract No. PS5863200LASD24750, or other local law enforcement agency(s), not-to-exceed \$149,800,051 **for multi-agency law enforcement services** effective January 1, 2017 through December 31, 2021; subject to resolution of protest(s), if any; and
- C. AUTHORIZING the Chief Executive Officer to negotiate and execute a **demobilization/transition** agreement with the County of Los Angeles Sheriff's Department for single agency law enforcement services; and
- D. AUTHORIZING the Chief Executive Officer to enter into Memorandum of Understandings with local law enforcement agencies based upon system expansion to provide flexibility as new bus and rail lines open.
42. AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to 2016-0851 negotiate and execute sole source Contract No. PS 6394500 to **Vertiba Inc., a Salesforce System Integrator, to enhance the TAP system in order to achieve maximum interoperability with regional systems and services including Bike Share, parking, ride-hailing companies, fare subsidy programs, electric vehicle car-sharing, gift card programs, mobility hubs, a mobile app** and more in an amount not-to-exceed \$4,750,000.
43. APPROVED ON CONSENT CALENDAR **Motion by Antonovich and Najarian** that authorizes the CEO to enter into negotiations with the SCRRA Chief Executive Officer and the Chief Executive Officers of the other Member Agencies to revise the Member Agency formulae for contributions and representation, such that:
- A. Any proposed formula(s) for the allocation of costs and revenues of the Metrolink Commuter Rail system balance both the costs of system operations as well as the benefits received by each of the Member Agencies within their jurisdiction; and
- B. Representation of each Member Agency on the SCRRA Board of Directors is aligned to more closely represent the current and expected future financial contributions to the Metrolink Commuter Rail system; and
- (Continued on next page)

(Item 43 – continued from previous page)

FURTHER THAT the CEO report back to the Metro Board of Directors, as needed, with an update on the status of these negotiations and any preliminary, proposed revisions to the formulas used in Member Agencies' costs, revenues and or representation on the SCRRA Board of Directors, and seek the formal approval of this Board prior to any agreement that would implement such revisions.

44. **APPROVED Motion by Ridley-Thomas, Kuehl, Fasana and Garcetti** to 2016-0920 direct the Chief Executive Officer, in consultation with relevant stakeholders, to report back in writing within 160 days on an implementation plan to completely decriminalize fare evasion amongst youth transit users, including ensuring that youth are not punished for fare evasion with fines they are unable to pay, or required to interact with law enforcement agencies, including the Sheriff's Department, various Police Departments, or the County's Probation Department.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y

45. **AUTHORIZED** the Chief Executive Officer to award and execute a 2016-0711 five-year, firm fixed unit rate Contract No. **OP608960027253** to Axiom xCell Inc., for **services related to the processing, adjudication and collection of transit and parking citations** in an amount not-to-exceed \$1,586,533 effective January 1, 2017 through December 31, 2021, subject to resolution of protest(s), if any.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	Y	A	A	Y	Y	Y	C	Y	A	Y	Y

46. **APPROVED BY TWO-THIRDS VOTE AS CORRECTED:** 2016-0904

A. **HOLDING** a public hearing on the proposed Resolution of Necessity; and

B. **ADOPTING the Resolution of Necessity authorizing the commencement of an eminent domain action to acquire portions of APNs 6150-008-046, 6150-008-047 and 6150-008-048**, consisting of the fee and leasehold interests in real property, together with a permanent easement, temporary construction easements, and Improvements Pertaining to the Realty (hereinafter the "Property" as identified in Attachment A). This acquisition is for the Willowbrook/Rosa Parks Station Improvement project.

(Continued on next page)

(Item 46 – continued from previous page)

Within the fee area being acquired, Metro reserves to the owner, lessee and their invitees an easement for ingress and egress within a 42.20-foot wide strip along the Property's northern boundary beginning at Wilmington Avenue and extending easterly approximately 193.5 feet in length. The strip includes an existing driveway entrance to the shopping center.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y

47. APPROVED BY TWO-THIRDS VOTE: 2016-0908

- A. HOLDING a public hearing on the proposed Resolution of Necessity; and
- B. **ADOPTING a Resolution of Necessity authorizing the commencement of an eminent domain action to acquire a Fee Interest to 91 square feet of the private property located at 1657 Nadeau Street, Los Angeles (APN 6021-018-020). This acquisition is for the Metro Blue Line Pedestrian Swing Gates Project.**

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
A	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y

48. APPROVED: 2016-0916

- A. a **Life-of-Project (LOP) budget increase by \$297.8M, from \$1,308.4M to \$1,606.2M for Project 405523, I-405 Sepulveda Pass Widening Project (Project); and**
- B. **AMENDED** the Fiscal Year 2017 budget from \$23.3M to \$321.1M, an increase of \$297.8M for Project 405523; and
- C. an extension of Stantec Consulting, Inc. (Stantec) Contract Work Order 2 (CWO 2) under Contract MC069 period of performance from December 31, 2016 to December 31, 2017 to complete close-out activities on the Project. This is a schedule extension only and has no impact on the budget.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
C	Y	Y	C	Y	Y	Y	C	C	Y	A	Y	Y

49. **CLOSED SESSION:**

2016-0929

A. Conference with Legal Counsel - Existing Litigation - G.C. 54956.9(d)  
(1):

Grace King v. LACMTA, LASC Case No. BC582027

APPROVED settlement of \$500,000.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
A	Y	Y	Y	A	A	Y	Y	Y	A	A	Y	Y

B. Conference with Real Property Negotiator - G.C. 54956.8

Property Description: 8421 Wilshire Boulevard, Beverly Hills, CA

Agency Negotiator: Calvin Hollis

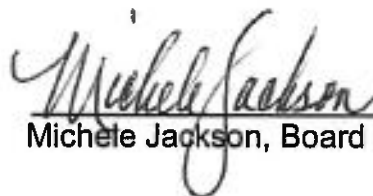
Negotiating Party: City of Beverly Hills

Under Negotiation: Price and Terms

NO REPORT.

ADJOURNED at: 2:48 p.m.

Prepared by: Collette Langston  
Board Specialist



Michele Jackson, Board Secretary

**Board Report**

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**File #:** 2016-0867, **File Type:** Contract**Agenda Number:** 8

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**AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE  
JANUARY 18, 2017  
CONSTRUCTION COMMITTEE  
JANUARY 19, 2017****SUBJECT: CONSTRUCTION MITIGATION FOR I-5 SOUTH CAPACITY IMPROVEMENTS FROM I-605 TO ORANGE COUNTY LINE****ACTION: APPROVE MEASURE R FUNDS TO MITIGATE I-5 CONSTRUCTION****RECOMMENDATION**

CONSIDER:

- A. APPROVING up to \$500,000 in **Measure R 20% Highway Funds for design and construction of two temporary signals for the properties at 16810 -16900 Valley View Avenue in Cities of La Mirada and Cerritos**; and
- B. AUTHORIZING the Chief Executive Officer to execute the necessary agreements with Caltrans to implement the mitigation.

**ISSUE**

The I-5 South Capacity Improvements project includes freeway widening and construction of HOV lanes and other improvements between I-605 and the Orange County Line. The State of California Department of Transportation (Caltrans) designed and is managing construction of the Projects.

Valley View (Segment 2) between Artesia Boulevard and North Fork Coyote Creek is the last segment of the I-5 South Capacity Improvements project for which a construction contract was approved on July 15, 2016. Construction on Valley View began in November, 2016 and is expected to be completed in 2022.

To mitigate traffic impacts resulting from construction as required by the project's environmental document, Caltrans developed Traffic Management Plans (TMPs) for each construction stage. Caltrans traffic modeling suggested that the detour routes identified in the TMP would provide the needed capacity for the anticipated volumes. However after the contract was awarded, Parkway La Mirada Association expressed concerns over the ingress and egress during the construction staging around the properties at 16810 - 16900 Valley View Avenue and has requested implementation of appropriate mitigation measures to remedy the traffic impacts on their properties during construction

period.

## **DISCUSSION**

Currently, the properties at 16810 - 16900 Valley View Avenue have three driveways without signalization. The construction staging in this area will reduce Valley View Avenue from four to two through lanes. The property owners hired a traffic consultant and provided Caltrans with the daily traffic count data of vehicles entering and leaving the properties through three driveways. Based on the data, Caltrans agreed that the lane reduction on Valley View Avenue would make the ingress and egress at the impacted properties worse during the construction period.

In order to optimize the traffic circulation at this location, installation of two temporary signals at the northerly and southerly driveways of the impacted properties is required as a mitigation measure during construction. The property owners, local businesses, Cities of La Mirada and Cerritos and Caltrans are in support of this recommendation.

## **DETERMINATION OF SAFETY IMPACT**

There is no impact to public safety by approving this action.

## **FINANCIAL IMPACT**

Caltrans will be reimbursed for the design and construction costs, up to \$500,000, upon completion of signal installation. Fiscal year 2017 budget will be reprioritized to absorb any or all portions of this cost within the adopted budget; no additional FY17 funds are sought through this recommendation. Since Segment 2 of the I-5 South Capacity Improvements is a multi-year project, the project manager, the cost center manager, and the Chief Program Management Officer are responsible for future year budgeting.

### Impact to Budget

Segment 2 of the I-5 South Capacity Improvements, project 460337, is funded at \$631.1 million with Local Funds of \$161.1 Million, State Funds of \$350 million, and Federal Funds of \$120 million.

Funding up to \$500,000 for this work will be provided from Measure R 20% Highway Capital funds, within the I-5 Capacity Enhancement from I-605 to Orange County Line Funds (Line 27 of Measure R Expenditure Plan). This fund is not eligible for Metro bus and rail operations or capital projects.

## **ALTERNATIVES CONSIDERED**

The Board may choose not to approve the staff's recommendation. However, this disapproval would adversely impact residents and businesses and may require broader actions by the Cities to divert pass through traffic to other corridors upon receiving citizen complaints.

## **NEXT STEPS**

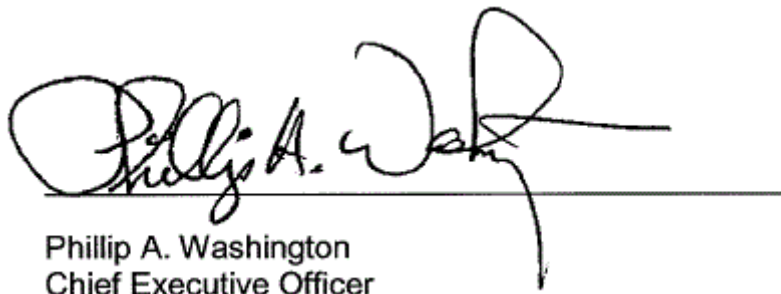


Upon Board's approval of the recommended action, Metro staff will coordinate with Caltrans to implement the work.

**Attachments:** Valley View Temporary Signals Aerial Maps

Prepared by: Victor Gau, Director of Engineering, Highway Program (213) 922-3031  
Aline Antaramian, Deputy Executive Officer, Highway Program (213) 922-7589  
Abdollah Ansari, Senior Executive Officer, Highway Program (213) 922-4781  
Bryan Pennington, Deputy Chief Program Management Officer (213) 922-7449

Reviewed by: Richard F. Clarke, Chief Program Management Officer (213) 922-7557



Phillip A. Washington  
Chief Executive Officer



Cerritos

Southerly Driveway  
Temp. Signal

Northerly Driveway  
Temp. Signal

Area Affected  
by Construction

16810 -16900 Valley  
View Ave Properties

La Mirada





**Area Affected  
by Construction**

**Northerly Driveway  
Temp. Signal**

**Southerly Driveway  
Temp. Signal**

**16810 - 16900 Valley  
View Ave Properties**

Valley View Ave

Frostons Blvd

Sandra Area Pkwy



Board Report

File #: 2016-0774, File Type: Policy

Agenda Number: 9

**FINANCE, BUDGET AND AUDIT COMMITTEE  
JANUARY 18, 2017**

**SUBJECT: INVESTMENT POLICY**

**ACTION: ANNUAL ADOPTION OF INVESTMENT POLICY AS REQUIRED BY CALIFORNIA  
GOVERNMENT CODE**

**RECOMMENDATION**

CONSIDER:

- A. ADOPTING the **Investment Policy** as revised in Attachment A.
- B. APPROVING the **Financial Institutions Resolution** authorizing financial institutions to honor signatures of LACMTA Officials, Attachment B; and
- C. DELEGATING to the Treasurer or his/her designees, the **authority to invest funds for a one year period**, pursuant to California Government Code (“Code”) Section 53607.

**ISSUE**

Section 53646 of the Code, requires that the Board, on an annual basis and at a public meeting, review and approve the Investment Policy. Section 53607 of the Code, requires that the Board delegate investment authority to the Treasurer on an annual basis.

Measure M sales tax revenues will be subject to the guidelines in the attached investment policy as part of special revenue funds that consist of all local sales tax revenue.

Section 10.8 of the Investment Policy requires that the Treasurer submit the Financial Institutions Resolution to the Board annually for approval.

**DISCUSSION**

The Board approves the objectives and guidelines that direct the investment of operating funds. The proposed revision expands our investment choices by allowing the purchase of equipment receivables as noted in the Investment Policy, Attachment A, Footnotes to Section 5.1A, footnote k.

Financial Institutions require Board authorization to establish custody, trustee and commercial bank

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accounts. In accordance with the Investment Policy, staff reviewed and updated the resolution to reflect position title changes. See Attachment B.

To streamline this board report, the following reference materials may be found on the Internet:

Current Investment Policy:

[http://www.metro.net/about\\_us/finance/images/investment\\_policy.pdf](http://www.metro.net/about_us/finance/images/investment_policy.pdf)

California Government Code: Section 53600 to 53609, Section 53646, Section 53652, Section 16429.1 to 16429.4:

<http://www.leginfo.ca.gov/cgi-bin/calawquery?codesection=gov&codebody>

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will result in no impact on safety.

### **FINANCIAL IMPACT**

The funds required to update the Investment Policy are included in the FY17 budget in cost center 5210 and project number 610340.

#### **Impact to Budget**

The sources of funds budgeted to manage assets in accordance with the Investment Policy are Proposition A, Proposition C, Measure R and TDA admin funds. These funds are not eligible for bus and rail operating and capital expenses. The FY18 budget will add the revenues from Measure M as a source of funds.

### **ALTERNATIVES CONSIDERED**

The Investment Policy and the Code require an annual review and adoption of the Investment Policy, the delegation of investment authority and the annual approval of the Financial Institutions Resolution. Should the Board elect not to delegate the investment authority annually or approve the Financial Institutions Resolution, the Board would assume daily responsibility for the investment of working capital funds and for the approval of routine administrative actions.

### **NEXT STEPS**

Upon Board approval, distribute the Investment Policy to external investment managers and broker-dealers. Issue copies of the Investment Policy and Financial Institutions Resolution to our financial institutions.

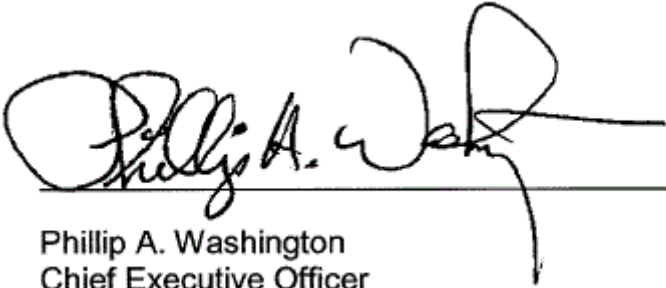
### **ATTACHMENTS**

Attachment A - Investment Policy

Attachment B - Financial Institutions Resolution

Prepared by: Marshall M. Liu, Sr. Investment Manager, (213) 922-4285  
Mary E. Morgan, Assistant Treasurer, (213) 922-4143

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922 3088



Phillip A. Washington  
Chief Executive Officer

*Los Angeles County Metropolitan Transportation Authority*

# INVESTMENT POLICY

DRAFT

Approved on January 19820, 20176

# INVESTMENT POLICY

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## **1.0 Policy**

It is the policy of the Los Angeles County Metropolitan Transportation Authority (LACMTA) to ensure that the temporarily idle funds of the agency are prudently invested to preserve capital and provide necessary liquidity, while maximizing earnings, and conforming to state and local statutes governing the investment of public funds.

This investment policy conforms to the California Government Code ("Code") as well as to customary standards of prudent investment management. Investments may only be made as authorized by the Code, Section 53600 et seq., Sections 16429.1 through 16429.4 and this investment policy. Should the provisions of the Code become more restrictive than those contained herein, such provisions will be considered as immediately incorporated in this investment policy. Changes to the Code that are less restrictive than this investment policy may be adopted by the Board of Directors (Board).

## **2.0 Scope**

- 2.1 This investment policy sets forth the guidelines for the investment of surplus General, Special Revenue, Capital Projects, Enterprise (excluding cash and investments with fiscal agents), Internal Service, and any new fund created by the Board, unless specifically exempted. Excluded from this investment policy are guidelines for the investment of proceeds related to debt financing, defeased lease transactions, Agency (Deferred Compensation, 401K, and Benefit Assessment District) and Pension Trust Funds.
- 2.2 Internal and external portfolio managers may be governed by Portfolio Guidelines that may on an individual basis differ from the total fund guidelines outlined herein. The Treasurer is responsible for monitoring and ensuring that the total funds subject to this investment policy remain in compliance with this investment policy, and shall report to the Board regularly on compliance.

## **3.0 Investment Objectives**

- 3.1 The primary objectives, in priority order, of investment activities shall be:
  - A. Safety: Safety of principal is the foremost objective of the investment program. The investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The LACMTA shall seek to ensure that capital losses are avoided whether from institutional default, broker-dealer default, or erosion of market value. Diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
  - B. Liquidity: The investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.
  - C. Return on Investments: The LACMTA shall manage its funds to maximize the return on investments consistent with the two objectives above, with the goal of exceeding the performance benchmarks (Section 12.0) over a market cycle (typically a three to five year period).
- 3.2 It is policy to hold investments to maturity. However, a security may be sold prior to its maturity and a capital gain or loss recorded if liquidity needs arise, or in order to improve the quality, or rate of return of the portfolio in response to market conditions and/or LACMTA risk preferences.

Internal and external investment managers shall report such losses to the Treasurer and Executive Director, Finance and Budget quarterly.

- 3.3 Investments shall be made with the judgment, skill, and diligence of a prudent investor acting in like capacity under circumstances then prevailing, for the sole benefit of the LACMTA, and shall take into account the benefits of diversification in order to protect the investment from the risk of substantial loss.
- 3.4 The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this investment policy, written portfolio guidelines and procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment report to the Board, and appropriate action is taken to control adverse developments.

#### **4.0 Delegation of Authority**

- 4.1 The Board shall be the trustee of funds received by the LACMTA. In accordance with Code Section 53607, the Board hereby delegates the authority to invest or reinvest the funds, to sell or exchange securities so purchased and to deposit securities for safekeeping to the Treasurer for a one year period, who thereafter assumes full responsibility for such transactions and shall make a monthly report of those transactions to the Board. Subject to review by the Board, the Board may renew the delegation of authority each year.
- 4.2 The Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy, including establishment of appropriate written agreements with financial institutions. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. The Treasurer may engage independent investment managers to assist in the investment of its financial assets.
- 4.3 No person may engage in an investment transaction except as provided under the terms of this investment policy and the procedures established by the Treasurer.
- 4.4 Officers and employees involved in the investment process shall be governed by the standards regarding ethical behavior and conflicts of interest established in the Los Angeles County Metropolitan Transportation Authority Ethics Policy and annually shall file a Statement of Economic Disclosure with the Ethics Office.

#### **5.0 Permitted Investments**

- 5.1 All funds which are not required for immediate cash expenditures shall be invested in income producing investments or accounts, in conformance with the provisions and restrictions of this investment policy as defined in Section 5.1A and as specifically authorized by the Code, (Sections 53600, et seq.).
- 5.2 In order to reduce overall portfolio risk, investments shall be diversified among security type, maturity, issuer and depository institutions. See Section 5.1A for specific concentration limits by type of investment.
  - A. Percentage limitations where listed are only applicable at the date of purchase.
  - B. In calculating per issuer concentration limits commercial paper, bankers' acceptances, medium term notes, asset-backed securities, placement service assisted deposits, and negotiable

certificates of deposit shall be included; deposits collateralized per Section 7.3 of this investment policy are excluded from this calculation.

- C. Credit requirements listed in this investment policy indicate the minimum credit rating (or its equivalent by any nationally recognized statistical rating organization) required at the time of purchase without regard to modifiers (e.g., +/- or 1,2,3), if any.

5.3 Maturities of individual investments shall be diversified to meet the following objectives:

- A. Investment maturities will be first and foremost determined by anticipated cash flow requirements.
- B. Where this investment policy does not state a maximum maturity in Section 5.1A, no investment instrument shall be purchased which has a stated maturity of more than five years from the date of purchase, unless the instrument is specifically approved by the Board or is approved by the Board as part of an investment program and such approval must be granted no less than three months prior to the investment. The Board hereby grants express authority for the purchase of new issue securities with a 5 year stated maturity with extended settlement of up to 30 days from date of purchase.
- C. The average duration of the externally managed funds subject to this investment policy shall not exceed 150% of the benchmark duration. The weighted average duration of the internal portfolios shall not exceed three (3) years.

5.4 State and local government sponsored Investment Pools and money market mutual funds as authorized by this investment policy are subject to due diligence review prior to investing and on a continual basis as established in Section 5.1A, #11 and #12.

5.5 This investment policy specifically prohibits the investment of any funds subject to this investment policy in the following securities:

- A. Derivative securities, defined as any security that derives its value from an underlying instrument, index, or formula, are prohibited. The derivative universe includes, but is not limited to, structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments, financial futures and options, and mortgage derived interest or principal only strips. Callable or putable securities with no other option features, securities with one interest rate step-up feature, and inflation indexed securities meeting all other requirements of this investment policy are excluded from this prohibition, as are fixed rate mortgage-backed securities and asset-backed securities.
- B. Reverse repurchase agreements and securities lending agreements.

## **6.0 Selection of Depository Institutions, Investment Managers and Broker-Dealers**

6.1 To minimize the risk to the overall cash and investment portfolio, prudence and due diligence as outlined below shall be exercised with respect to the selection of Financial Institutions in which funds are deposited or invested. The LACMTA's Financial Advisor (FA) will conduct competitive processes to recommend providers of financial services including commercial banking, investment management, investment measurement and custody services.

- A. In selecting Depositories pursuant to Code Sections 53630 (et seq.), the credit worthiness, financial stability, and financial history of the institution, as well as the cost and scope of services and interest rates offered shall be considered. No funds will be deposited in an institution unless that institution has an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency. The main depository institutions will be selected on a periodic and timely basis.
- B. Deposits which are insured pursuant to federal law by the Federal Deposit Insurance Corporation (FDIC), or the National Credit Union Administration (NCUA) may be excluded from the collateralization requirements of Section 7.3 of this investment policy, at the Treasurer's discretion. A written waiver of securitization shall be executed, provided to the Depository Institution, and kept on file in the Treasury Department.
- C. The Treasurer shall seek opportunities to deposit funds with disadvantaged business enterprises, provided that those institutions have met the requirements for safety and reliability and provide terms that are competitive with other institutions.

6.2 In selecting external investment managers and brokers, past performance, stability, financial strength, reputation, area of expertise, and willingness and ability to provide the highest investment return at the lowest cost within the parameters of this investment policy and the Code shall be considered. External investment managers must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor Act of 1940.

6.3 Pursuant to Code Section 53601.5, the LACMTA and its investment managers shall only purchase statutorily authorized investments either from the issuer, from a broker-dealer licensed by the state, as defined in Section 25004 of the Corporations Code, from a member of a federally regulated securities exchange, a national or state-chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

- A. Internal investment manager will only purchase or sell securities from broker-dealers that are Primary Dealers in U.S. Government Securities or are a direct affiliate of a Primary Dealer. Internal investment manager will only purchase securities from broker-dealers who have returned a signed Receipt of Investment Policy and completed the Broker-Dealer Questionnaire, and have been approved by the Treasurer (see Appendices B and C). A current copy of the Broker-Dealer's financial statements will be kept on file in the Treasury Department. Should market conditions limit access to inventory, the Treasurer may approve executing transactions through non-Primary Dealers who meet all of the criteria listed below:
  - a. The broker dealer must qualify under Securities Exchange Commission rule 15C3-1 (Uniform Net Capital Rule);
  - b. Must be licensed by the state as a broker/dealer as defined in Section 25004 of the Corporations Code or a member of a federally registered securities exchange (i.e. FINRA, SEC, MSRB);
  - c. Have been in operation for more than five years; and
  - d. Have a minimum annual trading volume of \$100 billion in money market instruments or \$500 billion in U.S. Treasuries and Agencies.

- B. In addition to Primary Dealers in U.S. Government Securities and direct affiliates of a Primary Dealer, external investment managers may purchase or sell securities from non-Primary Dealers qualified under U.S. Securities and Exchange Commission Rule 15C3-1, the Uniform Net Capital Rule, and provided that the dealer is a member of the Financial Industry Regulatory Authority. External investment managers shall submit, at least quarterly, a list of the non-Primary Dealers used during the period.
- C. External investment managers must certify in writing that they will purchase securities in compliance with this investment policy, LACMTA Procedures, and applicable State and Federal laws.

6.4 Financial institutions and external investment managers conducting investment transactions with or for LACMTA shall sign a Certification of Understanding. The Certification of Understanding (see Appendix A) states that the entity:

- A. Has read and is familiar with the Investment Policy and Guidelines as well as applicable Federal and State Law;
- B. Meets the requirements as outlined in this investment policy;
- C. Agrees to make every reasonable effort to protect the assets from loss;
- D. Agrees to notify the LACMTA in writing of any potential conflicts of interest.

Completed certifications shall be filed in the Treasurer's Office. Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by that financial institution, or investment manager and/or the rescission of any and all authority to act as an agent to purchase or invest funds.

6.5 All broker-dealers who do business with the LACMTA's internal investment managers shall sign a Receipt of Investment Policy. The Receipt of Investment Policy (see Appendix B) states that the broker dealer:

- A. Has received, read, and understands this investment policy;
- B. Has communicated the requirements of this investment policy to all personnel who may select investment opportunities for presentation.

Failure to submit a Receipt of Investment Policy shall preclude the LACMTA from purchasing or selling securities from such broker-dealer. Completed receipts shall be filed in the Treasurer's Office.

## **7.0 Custody and Safekeeping of Securities and LACMTA Funds**

7.1 A Master Repurchase Agreement must be signed with the bank or dealer before any securities and collateral for repurchase agreements shall be purchased and maintained for the benefit of the LACMTA in the Trust Department or safekeeping department of a bank as established by a written third party safekeeping agreement between the LACMTA and the bank. Specific collateralization levels are defined in Section 5.1A.

- 7.2 All investment transactions shall be settled "delivery vs. payment", with the exception of deposits, money market mutual fund investments, and Local Agency Investment Fund or other Local Government Investment Pools. Delivery may be physical, via a nationally recognized securities depository such as the Depository Trust Company, or through the Federal Reserve Book Entry system.
- 7.3 Funds deposited shall be secured by a Depository in compliance with the requirements of Code Section 53652. Such collateralization shall be designated and agreed to in writing.

## **8.0 Reports and Communications**

- 8.1 The Treasurer is responsible for ensuring compliance with all applicable Local, State, and Federal laws governing the reporting of investments made with public funds. All investment portfolios will be monitored for compliance. Non-compliance issues will be included in the quarterly Board report as stated in Section 8.3 of this investment policy.
- 8.2 The Treasurer shall annually submit a statement of investment policy to the Board for approval. The existing approved investment policy will remain in effect until the Board approves the recommended statement of investment policy.
- 8.3 The Treasurer shall render a quarterly cash, investment, and transaction report to the CEO and Board, and quarterly to the Internal Auditor within 30 days following the end of the quarter covered by the report. The report shall include a description of LACMTA's funds, investments, or programs that are under the management of contracted parties, including lending programs. The report shall include as a minimum:
- A. Portfolio Holdings by Type of Investment and Issuer
  - B. Maturity Schedule and Weighted Average Maturity (at market)
  - C. Weighted Average Yield to Maturity
  - D. Return on Investments versus Performance Benchmarks on a quarterly basis
  - E. Par, Book and Market Value of Portfolio for current and prior quarter-end
  - F. Percentage of the portfolio represented by each investment category
  - G. Total Interest Earned
  - H. Total Interest Received
  - I. A statement of compliance with this investment policy, or notations of non-compliance.
  - J. At each calendar quarter-end a subsidiary ledger of investments will be submitted with the exception listed in 8.3K.
  - K. For investments that have been placed in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in National Credit Union Administration insured accounts in a credit union, in a county investment pool, or in shares of beneficial interest issued by a diversified management company that invest in the securities and obligations as authorized by this investment policy and the Code, the most recent

statement received from these institutions may be used in lieu of the information required in 8.3 J.

L. At each calendar quarter-end the report shall include a statement of the ability to meet expenditure requirements for the next six months.

M. A quarterly gain or loss report on the sale or disposition of securities in the portfolio.

8.4 Internal and external investment managers shall monitor investments and market conditions and report on a regular and timely basis to the Treasurer.

A. Internal and external investment managers shall submit monthly reports to the Treasurer, such reports to include all of the information referenced in Section 8.3, items A-J of this investment policy. Portfolios shall be marked-to-market monthly and the comparison between historical cost (or book value) and market value shall be reported as part of this monthly report.

B. Internal and external investment managers shall monitor the ratings of all investments in their portfolios on a continuous basis and report all credit downgrades of portfolio securities to the Treasurer in writing within 24 hours of the event. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this investment policy, the investment manager shall also make a written recommendation to the Treasurer as to whether this security should be held or sold.

C. External and internal investment managers shall immediately inform the Treasurer, or the Executive Director, Finance and Budget in writing of any major adverse market condition changes and/or major portfolio changes. The Executive Director, Finance and Budget shall immediately inform the Board in writing of any such changes.

D. External investment managers shall notify the LACMTA internal managers daily of all trades promptly, via fax or via email.

E. Internal investment managers will maintain a file of all trades.

## **9.0 Portfolio Guidelines**

Portfolio Guidelines are the operating procedures used to implement this investment policy approved by the Board. The Treasurer may impose additional requirements or constraints within the parameters set by this investment policy.

## **10.0 Internal Control**

10.1 The Treasurer shall establish a system of internal controls designed to prevent losses of public funds arising from fraud, employee or third party error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees or agents. Such internal controls shall be approved by the Executive Director, Finance and Budget and shall include authorizations and procedures for investment transactions, custody/safekeeping transactions, opening and dosing accounts, wire transfers, and clearly delineate reporting responsibilities.

10.2 Treasury personnel and LACMTA officials with signature authority shall be bonded to protect against possible embezzlement and malfeasance, or at the option of the governing board self-insured.

- 10.3 Electronic transfer of funds shall be executed upon the authorization of two official signatories.
- 10.4 Transaction authority shall be separated from accounting and record keeping responsibilities.
- 10.5 All investment accounts shall be reconciled monthly with custodian reports and broker confirmations by a party that is independent of the investment management function. Discrepancies shall be brought to the attention of the investment manager, the Treasurer and Assistant Treasurer, the Controller, and if not resolved promptly, to the Executive Director, Finance and Budget.
- 10.6 The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide independent confirmation of compliance with policies and procedures.
- 10.7 The Treasurer is responsible for the preparation of the cash flow model. The cash flow model shall be updated monthly based upon the actual and projected cash flow.

Annually, the Treasurer shall notify the external investment managers of the cash flow requirements for the next twelve months. The Treasurer shall monitor actual to maximum maturities within the parameters of this investment policy.

- 10.8 The Treasurer shall annually submit the Financial Institutions Resolution to the Board for approval. The existing resolution will remain in effect until the Board approves the recommended resolution.

**11.0 Purchasing Guidelines**

- 11.1 Investment managers shall purchase and sell securities at the price and execution that is most beneficial to the LACMTA. The liquidity requirements shall be analyzed and an interest rate analysis shall be conducted to determine the optimal investment maturities prior to requesting bids or offers. Investments shall be purchased and sold through a competitive bid/offer process. Bids/offers for securities of comparable maturity, credit and liquidity shall be received from at least three financial institutions, if possible.
- 11.2 Such competitive bids/offers shall be documented on the investment managers' trade documentation. Supporting documentation from the Wall Street Journal, Bloomberg or other financial information system shall be filed with the trade documentation as evidence of general market prices when the purchase or sale was effected.

**12.0 Benchmarks**

Internal and external investment managers' performance shall be evaluated against the following agreed upon benchmarks. If the investment manager does not meet its benchmark over a market cycle (3 to 5 years), the Treasurer shall determine and set forth in writing reasons why it is in the best interests of the LACMTA to replace or retain the investment manager.

Portfolio  
Intermediate Duration Portfolios

Investment Benchmarks  
Bank of America/Merrill Lynch AAA-A 1-5  
year Government & Corporate Index (BV10)

Short Duration Portfolios

Three month Treasury



**Los Angeles County Metropolitan Transportation Authority**  
**Section 5.1A**  
**Statement of Investment Policy <sup>a</sup>**

\* The percentage of portfolio authorized is based on market value.

Investment Type	Maximum Maturity	Maximum Allowable Percentage of Portfolio *	Minimum Quality and Other Requirements
Bonds Issued by the LACMTA	5 years <sup>b</sup>	100%	None
U.S. Treasury notes, bonds, bills or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for payment of principal and interest	5 years <sup>b</sup>	100%	None
Registered state warrants or treasury notes or bonds of the other 49 states in addition to California.	5 years <sup>b</sup>	25%	Such obligations must be rated “A1” or better short term; or “AA” or better long term, by a nationally recognized statistical rating organization
Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California	5 years <sup>b</sup>	25%	Such obligations must be rated “A1” or better short term; or “AA” or better long term, by a nationally recognized statistical rating organization
Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government –sponsored enterprises	5 years <sup>b</sup>	50% <sup>d</sup>	See Footnote d
Bills of exchanges or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers’ acceptances	180 days	40% <sup>c</sup>	The issuer’s short-term debt must have the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization
Commercial paper or “prime” quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization	270 days	25% <sup>c</sup>	See Footnote e
Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a state licensed branch of a foreign bank, or a federally licensed branch of a foreign bank.	5 years <sup>b</sup>	30% <sup>c</sup>	See Footnote f

Placement Service Assisted Deposits	5 years <b>b</b>	30% <b>c</b>	See Footnote g
Investments in repurchase agreements	90 days	20%	Limited to no more than 90 days. See Footnote h
United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank.	5 years <b>b</b>	30% <b>c</b>	Maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments shall be rated "AA" or better by a nationally recognized statistical rating organization and shall not exceed 30% of the portfolio.
Medium-term notes issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States	5 years <b>b</b>	30% <b>c</b>	Must be rated "A" or better by a nationally recognized statistical rating organization. If rated by more than one rating agency, both ratings must meet the minimum credit standards.
Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission, as authorized by Code Section 53601	Not applicable	20% <b>c</b>	See Footnote i
State of California Local Agency Investment fund (LAIF) Code Section 16429.1 through 16429.4 or other Local Government Investment Pool (LGIP) established by public California entities pursuant to Section 53684	Not applicable	Set by LAIF and LGIP	See Footnote j
Asset-backed Securities	5 years <b>b</b>	15% combined with mortgage-backed securities	See Footnote k
Mortgage-backed Securities	5 years <b>b</b>	15% combined with asset-backed securities	See Footnote l

**Los Angeles County Metropolitan Transportation Authority  
Statement of Investment Policy**

<b>Footnotes for Section 5.1A Statement of Investment Policy</b>	
a	Sources: California Government Code Sections 16429.1, 53601, 53601.8, 53635 and 53638
b	Maximum maturity of five (5) years unless a longer maturity is approved by Board of Directors, either specifically or as part of an investment program, at least three (3) months prior to the purchase. New issue securities with a stated 5 year maturity can be purchased in the primary market with extended settlements of up to 30 days from the date of purchase.
c	Limited to no more than 10% of the portfolio in any one issue (i.e. bankers' acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, and money market funds)
d	No more than 15% of portfolio in any one Federal Agency or government-sponsored issue
e	Eligible paper is further limited to 10% of the outstanding paper of an issuing corporation, the issuing corporation must be organized and operating within the United States and having total assets in excess of \$500,000,000 and have an "A" or higher rating for the issuer's debentures, other than commercial paper, if any, as provided for by a nationally recognized statistical rating organization. Issuing corporations that are organized and operating within the United States and have total assets in excess of \$500 million dollars and having an "A" or higher rating for the issuer's debentures, other than commercial paper, if any, as provided by a nationally recognized statistical rating organization
f	The legislative body of the local agency, the treasurer or other official of the local agency having custody of the money are prohibited from investing in negotiable certificates of deposit of a state or federal credit union if a member of the legislative body or any other specified city officer or employee also serves on the board of directors or certain committees of that credit union
g	Investments in placement services assisted deposits is authorized under Sections 53601.8, 53635.8, and 53601 (i) of the California Government Code.
h	Repurchase agreements shall be executed through Primary Broker-Dealers. The repurchase agreement must be covered by a master repurchase agreement. Repurchase agreements shall be collateralized at all times. Collateral shall be limited to obligations of the United States and Federal Agencies with an initial margin of at least 102% of the value of the investment, and shall be in compliance if brought back up to 102% no later than the next business day. Collateral shall be delivered to a third party custodian in all cases. Collateral for term repurchase agreements shall be valued daily by the LACMTA's investment manager (for internal funds) or external investment manager. Investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. The LACMTA shall obtain a first lien and security interest in all collateral
i	Companies must have either 1) the highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized statistical rating organizations, or (2) retained an investment advisor registered or exempt with the Securities and-Exchange Commission, with no less than five years experience investing in the securities and obligations authorized by California Government Code 53601 a-k inclusive and m-o inclusive and with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price may not include any commissions charged by these companies

j	<p>Maximum investment per individual pool limited to the amount for LAIF as set by the State Treasurer’s Office. Limit does not include funds required by law, ordinance, or statute to be invested in pool. Each pool must be evaluated and approved by the Treasurer, as to credit worthiness, security, and conformity to state and local laws. An evaluation should cover, but is not limited to establishing, a description of who may invest in the program, how often, what size deposit and withdrawal; the pool’s eligible investment securities, obtaining a written statement of investment policy and objectives, a description of interest calculations and how it is distributed; how gains and losses are treated; a description of how the securities are safeguarded and how often the securities are priced and the program audited. A schedule for receiving statements and portfolio listings. A fee schedule, when and how fees are assessed</p>
k	<p>Limited to senior class securities with stated maturities of no more than 5 years. Further limited to securities rated in a rating category of "AAA", and issued by an issuer having an "A" or higher rating for the issuer's debt as provided for by a nationally recognized statistical rating organization. Further limited to fixed rate, publicly offered, generic credit card, automobile receivables, and equipment automobile receivables only. Deal size must be at least \$250 million, and tranche size must be at least \$25 million</p>
l	<p>Pass-Through securities: Limited to Government Agency or Government Sponsored issuers, fixed rate, stated maturity no more than 5 years. CMOS: Limited to Government Agency or Government Sponsored Issuers "AAA" rated by a nationally recognized statistical rating organization. Planned Amortization Classes (PAC) only. The following are prohibited: ARMS, floaters, interest or principal (IOs, POs), Targeted Amortization Classes, companion, subordinated, collateral classes, or zero accrual structures</p>

APPENDIX A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION  
AUTHORITY

CERTIFICATION OF UNDERSTANDING

The Los Angeles County Metropolitan Transportation Authority (LACMTA) Investment Policy as approved by the Board of Directors requires that all Financial Institutions and Investment Managers' conducting investment transactions with or for LACMTA sign a Certification of Understanding acknowledging that:

1. *You have read and are familiar with the LACMTA's Investment Policy as well as applicable Federal and State laws.*
2. *You meet the requirements as outlined in Investment Policy.*
3. *You agree to make every reasonable effort to protect the assets from loss.*
4. *You agree to notify the LACMTA in writing of any potential conflicts of interest.*
5. *You agree to notify the LACMTA in writing of any changes in personnel with decision-making authority over funds within 24 hours of such event.*

Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by the financial institution or investment manager and the immediate revocation of any rights to act as an agent of the LACMTA for the purchase of securities or investment of funds on behalf of LACMTA.

The Board of Directors is committed to the goals of the Community Reinvestment Act (CRA). As part of the certification process for depository institutions, it is requested that you remit evidence of your most recent CRA rating.

SIGNED: \_\_\_\_\_ DATE: \_\_\_\_\_  
Print Name and Title \_\_\_\_\_

After reading and signing this Certification of Understanding please return with *any* supporting documentation to:

LACMTA  
Treasury Department  
Attention: Treasurer  
One Gateway Plaza  
Los Angeles, CA 90012-2932

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**LACMTA use only:**

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_

LACMTA Treasurer

APPENDIX B

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

BROKER-DEALER RECEIPT OF INVESTMENT POLICY

We are in receipt of the Los Angeles County Metropolitan Transportation Authority's (LACMTA) Investment Policy.

We have read the policy and understand the provisions and guidelines of the policy. All salespersons covering LACMTA's account will be made aware of this policy and will be directed to give consideration to its provisions and constraints in selecting investment opportunities to present to LACMTA.

Signed \_\_\_\_\_  
Name Name  
  
\_\_\_\_\_  
Title Title  
  
\_\_\_\_\_  
Firm Name  
  
\_\_\_\_\_  
Date Date

After reading and signing this Receipt of Investment Policy, please return with supporting documentation to:

LACMTA  
Treasury Department  
Attention: Treasurer  
One Gateway Plaza  
Los Angeles, CA 90012-2932

**LACMTA use only:**

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature: \_\_\_\_\_  
LACMTA Treasurer

APPENDIX C

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION  
AUTHORITY

BROKER/DEALER QUESTIONNAIRE

1. Name of Firm\_\_\_\_\_

2. Address\_\_\_\_\_

(Local)

(National Headquarters)

\_\_\_\_\_  
\_\_\_\_\_

3. Telephone No. ( ) \_\_\_\_\_ Telephone No. ( ) \_\_\_\_\_

(Local)

(National Headquarters)

4. Primary Representative	Manager/Partner-in-Charge
Name_____	Name_____
Title_____	Title_____
Telephone No._____	Telephone No._____
No. of Yrs. in Institutional Sales_____	No. of Yrs. in Institutional Sales_____
Number of Years with Firm_____	Number of Years with Firm_____

5. Are you a Primary Dealer in U.S. Government Securities? .  
 YES  NO

If NO, Is the parent company or its subsidiary a Primary Dealer in U.S. Government Securities? Provide proof of certification.

YES  NO

Please explain your firm's relationship to the Primary Dealer below:

\_\_\_\_\_

Please provide proof certification from the National Association of Securities Dealer.

6. Are you a Broker instead of Dealer, i.e., you DO NOT own positions of Securities?  
 YES  NO

7. What is the net capitalization of your Firm? \_\_\_\_\_

8. What is the date of your Firm's fiscal year-end? \_\_\_\_\_

9. Is your Firm owned by a Holding Company? If so, what is its name and net capitalization?

\_\_\_\_\_

10. Please provide your Wiring and Delivery Instructions.

\_\_\_\_\_

11. Which of the following instruments are offered regularly by your local desk?

- T-Bills     Treasury Notes/Bonds     Discount Notes     NCD's  
 Agencies (specify) \_\_\_\_\_  
 BA's (Domestic)     BA's (Foreign)     Commercial Paper  
 Med-Term Notes     Repurchase Agreements

12. Does your Firm specialize in any of the instruments listed above?

\_\_\_\_\_

13. Please identify your comparable government agency clients in the LACMTA's geographical area.

<u>Entity</u>	<u>Contact Person</u>	<u>Telephone No.</u>	<u>Client Since</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

14. What reports, confirmations, and other documentation would LACMTA receive? Please include samples of research reports or market information that your firm regularly provides to government agency clients.

15. What precautions are taken by your Firm to protect the interests of the public when dealing with government agencies as investors?

\_\_\_\_\_  
\_\_\_\_\_

16. Have you or your Firm been censored, sanctioned or disciplined by a Regulatory State or Federal Agency for improper or fraudulent activities, related to the sale of securities within the past five years?  YES  NO

17. If yes, please explain

\_\_\_\_\_

18. Please provide your most recent audited financial statements within 120 days of your fiscal year-end.

19. Please indicate the current licenses of the LACMTA representatives:

Agent: \_\_\_\_\_ License or registration: \_\_\_\_\_



## APPENDIX D

### LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

#### INVESTMENT POLICY GLOSSARY

**ASKED:** The price at which securities are offered from a seller.

**BANKERS' ACCEPTANCE (BA):** Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (or issuer - the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

**BID:** The price offered by a buyer of securities.

**BOOK VALUE:** The original cost of the investment, plus accrued interest and amortization of any premium or discount.

**BROKER:** A broker brings buyers and sellers together for a commission.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable (marketable or transferable).

**COLLATERAL:** Securities, evidence of deposit, or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

**COMMERCIAL PAPER (CP):** Unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable, although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days.

**CUSTODY or SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DELIVERY VERSUS PAYMENT:** Delivery of securities with a simultaneous exchange of money for the securities.

**FEDERAL AGENCIES AND U.S. GOVERNMENT SPONSORED ENTERPRISES (AGENCIES):** U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include:

- ◆ Federal Home Loan Banks (FHLB)
- ◆ Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
- ◆ Federal National Mortgage Association (FNMA or "Fannie Mae")
- ◆ Federal Farm Credit Banks (FFCB)
- ◆ Student Loan Marketing Association (SLMA or "Sallie Mae")

- ◆ Tennessee Valley Authority (TVA)

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MEDIUM TERM NOTES (MTN):** Interest bearing, continuously offered debt, issued in the 9 month to ten year maturity range. Deposit notes, like Certificates of Deposit, actually represent an interest bearing deposit at a bank or other depository institution.

**OFFER:** The price asked by a seller of securities.

**PAR VALUE:** The face value, or principal amount payable at maturity.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York, and are subject to its informal oversight.

**REPURCHASE AGREEMENT (RP OR REPO):** A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, whereby the security "buyer" in effect lends the "seller" money for the period of the agreement, and the difference between the purchase price and sale price determining the earnings. Dealers use RP extensively to finance their positions.

**SECURITIES & EXCHANGE COMMISSION (SEC):** An agency created by Congress to protect investors in securities transactions by administering securities legislation.

**TREASURY BILLS:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY NOTES AND BONDS:** Long-term U.S. Treasury securities having initial maturities of 2 to 30 years.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage.

**YIELD TO MATURITY (YTM):** The rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

**ATTACHMENT B**  
**FINANCIAL INSTITUTIONS RESOLUTION**

RESOLVED, that any financial institutions, including all banks and their correspondent banks doing business with the Los Angeles County Metropolitan Transportation Authority (LACMTA), are hereby authorized, requested and directed to honor all checks, drafts, wires, or other orders for payment of money drawn in the LACMTA's name on its account(s) (including those drawn on the individual order of any person or persons whose names appear thereon as a signer or signers thereof) when bearing the original and/or facsimile signature of the Chair; Chief Executive Officer; Deputy Chief Executive Officer; Chief Financial Officer; Executive Director, Finance and Budget; Treasurer; or Assistant Treasurer (collectively, LACMTA Officials). LACMTA Officials are the only representatives empowered to open, close or authorize changes to accounts on behalf of LACMTA. LACMTA Officials may designate individuals as Official Signatories for financial accounts. The duties of Official Signatories shall be limited to check signing, wire or fund transfers, balance reporting and/or monitoring of bank processes.

And, those financial institutions, including correspondent banks, currently doing business with LACMTA shall be entitled to honor and charge LACMTA for all such checks, drafts, wires, or other orders for the payment of money, regardless of by whom or by what means when the actual or facsimile signature or signatures resemble the specimens filed with those financial institutions by the Secretary or other officer of LACMTA.

**CERTIFICATION**

The undersigned, duly qualified and acting as Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on \_\_\_\_\_.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Michele Jackson  
Board Secretary

(SEAL)



## Board Report

**File #:** 2016-0935, **File Type:** Motion / Motion Response

**Agenda Number:** 10

### FINANCE, BUDGET AND AUDIT COMMITTEE JANUARY 18, 2017

**SUBJECT: ADMINISTRATION OF MEASURE M SALES AND USE TAX**

**ACTION: APPROVE RESOLUTIONS AND AGREEMENTS WITH THE STATE BOARD OF EQUALIZATION FOR ADMINISTRATION OF MEASURE M SALES AND USE TAX**

#### RECOMMENDATION

CONSIDER:

- A. ADOPTING the **Resolution authorizing LACMTA Officials to execute and sign an agreement with the State Board of Equalization for implementation of Measure M**, Attachment A;
- B. APPROVING agreement to set-up systems to administer and operate Measure M, Attachment B, at a one-time cost up to \$175,000; the funds are included in the FY17 budget;
- C. APPROVING agreement to provide on-going administration and operation of Measure M, Attachment C;
- D. ADOPTING the Resolution authorizing examination of Measure M sales tax records by Metro and audit consultant staff, Attachment D; and
- E. AUTHORIZING the CEO or his designee to take all actions necessary to achieve the foregoing.

The attachments are in substantially final form.

#### ISSUE

On November 8, 2016, Los Angeles County voters approved Measure M, officially titled Los Angeles County Transportation Improvement Plan. The State Board of Equalization ("SBOE") requires the approval of resolutions and execution of certain agreements in order for them to set up their systems and collect the Measure M sales tax beginning on July 1, 2017.

The preparation agreement, Attachment B, requires that Metro reimburse SBOE one time up to \$175,000 for its costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for SBOE

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staff and for taxpayers and other appropriate and necessary preparatory costs to administer the Measure M ordinance.

### **DISCUSSION**

We are required by the California Revenue & Taxation Code and the Measure M Ordinance to contract with the SBOE to administer and collect the Measure M sales and use taxes for Metro. The attached resolutions and agreements, Attachments A, B, and C authorize Metro and SBOE to perform all functions incident to the administration and operation of the Measure M Ordinance.

In order to recover transaction and use taxes incorrectly allocated to other jurisdictions, LACMTA must examine Los Angeles County businesses' quarterly sales tax reports and file claims with the State Board of Equalization (SBOE) when errors are noted. MuniServices is the firm hired by Metro to audit transaction and use tax receipts and we must give them authorization to examine Measure M tax records, Attachment D. MuniServices is only paid a percentage (currently 11%) of monies recovered by their audits.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will result in no impact on safety.

### **FINANCIAL IMPACT**

The one time costs of the preparation agreement, up to \$175,000 is included in the FY17 budget and will be paid from Measure R Administration funds. In accordance with Measure M and SBOE procedures, the SBOE's ongoing administration costs (approximately 1.1% of gross receipts) will be deducted from the sales tax proceeds before they are remitted to Metro.

### **ALTERNATIVES CONSIDERED**

We are required by the California Revenue & Taxation Code and the Measure M Ordinance to contract with the SBOE to administer and collect the Measure M sales and use taxes for Metro.

### **NEXT STEPS**

Execute the agreements with the SBOE.

..Attachments


### **ATTACHMENTS**

Attachment A - Resolution authorizing the Chief Executive Officer to execute the agreements with the SBOE

Attachment B - Agreement for preparation to administer and operate Measure M Attachment C - Agreement for the administration of Measure M

Attachment D - Resolution authorizing the examination of Measure M tax records

Prepared by: Mary E. Morgan, Assistant Treasurer, (213) 922-4143  
Donna R. Mills, Treasurer, (213) 922-4047  
Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922 3088



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Phillip A. Washington  
Chief Executive Officer

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY AUTHORIZING ITS OFFICIALS TO EXECUTE AN  
AGREEMENT WITH THE STATE BOARD OF EQUALIZATION FOR IMPLEMENTATION  
OF A LOCAL TRANSACTIONS AND USE TAX.**

WHEREAS, on June 23, 2016, the Los Angeles County Metropolitan Transportation Authority (hereinafter called “District”) approved Ordinance No. 16-01 providing for a local transactions and use tax; and

WHEREAS, the State Board of Equalization (Board) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Board will be responsible to administer and collect the transactions and use tax for the District; and

WHEREAS, the Board requires that the District enter into a “Preparatory Agreement” and an “Administration Agreement” prior to implementation of said taxes, and

WHEREAS, the Board requires that District authorize the agreements;

NOW, THEREFORE BE IT RESOLVED by the Los Angeles County Metropolitan Transportation Authority that the attached “Preparatory Agreement” and “Administrative Agreement” are hereby approved and any District Official listed below is hereby authorized to execute each agreement:

- |                         |                                     |
|-------------------------|-------------------------------------|
| Chief Executive Officer | Deputy Chief Executive Officer      |
| Chief Financial Officer | Treasurer      Assistant Treasurer. |

\*                      \*                      \*                      \*                      \*

The foregoing resolution was introduced and adopted at a regular meeting of the Los Angeles County Metropolitan Transportation Authority held on January 26, 2017, by the following vote, to wit:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

DATED: \_\_\_\_\_

ATTEST: (s) \_\_\_\_\_  
Chair

(s) \_\_\_\_\_  
Board Secretary



ATTACHMENT B

**AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE  
DISTRICT'S TRANSACTIONS AND USE TAX ORDINANCE**

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the Los Angeles County Metropolitan Transportation Authority (hereinafter called "District"), and the State Board of Equalization (hereinafter called the "Board"), do agree as follows:

1. The Board agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the County and whose ordinance has been adopted by the District.

2. District agrees to pay to the Board at the times and in the amounts hereinafter specified all of the Board's costs for preparatory work necessary to administer the District's transactions and use tax ordinance. The Board's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Board's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Board. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the District.

4. Any dispute as to the amount of preparatory costs incurred by the Board shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

ATTACHMENT B

5. Preparatory costs incurred by the Board shall be billed by the Board periodically, with the final billing within a reasonable time after the operative date of the ordinance. District shall pay to the Board the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by District for the Board's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States mail. Communications and notices to be sent to the Board shall be addressed to:

State Board of Equalization  
P.O. Box 942879, MIC: 27  
Sacramento, California 94279-0027  
Attention: Administrator,  
Local Revenue Branch

Communications and notices to be sent to District shall be addressed to:

Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza. MS 99-21-2  
Los Angeles, California 90012  
Attention: Treasurer

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer District's transactions and use tax ordinance has been completed and the Board has received all payments due from District under the terms of this agreement.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY

STATE BOARD OF EQUALIZATION

By \_\_\_\_\_  
Donna Mills  
Treasurer

By \_\_\_\_\_  
Administrator

ATTACHMENT C

**AGREEMENT FOR STATE ADMINISTRATION  
OF DISTRICT TRANSACTIONS AND USE TAXES**

The Los Angeles County Metropolitan Transportation Authority (hereafter called "District") has adopted, and the voters of Los Angeles County have approved by the required majority vote, the Los Angeles County Traffic Improvement Plan Transactions and Use Tax Ordinance (hereinafter called "Ordinance") a copy of which is attached hereto. To carry out the provision of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the State Board of Equalization, (hereinafter called the "Board") and the District do agree as follows:

**ARTICLE I  
DEFINITIONS**

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Public Utilities Code Section 130350.7, and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.

2. "District Ordinance" shall mean the District's Transactions and Use Tax Ordinance referred to above and attached hereto, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

**ARTICLE II  
ADMINISTRATION AND COLLECTION  
OF DISTRICT TAXES**

**A. Administration.** The Board and District agree that the Board shall perform exclusively all functions incident to the administration and operation of the District Ordinance.

**B. Other Applicable Laws.** District agrees that all provisions of law applicable to the administration and operation of the State Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the District Ordinance. District agrees that money collected pursuant to the District Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may

## ATTACHMENT C

be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Board pursuant to Article IV of this Agreement, and transmitting to District the amount to which District is entitled.

### **C. Transmittal of money.**

1. For the period during which the tax is in effect, and except as otherwise provided herein, all District taxes collected under the provisions of the District Ordinance shall be transmitted to District periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax, whether by District's self-imposed limits or by final judgment of any court of the State of California holding that District's ordinance is invalid or void, all District taxes collected under the provisions of the District Ordinance shall be transmitted to District not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the District designated and authorized by District. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

**D. Rules.** The Board shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the District Ordinance and the distribution of the District taxes collected thereunder.

**E. Preference.** Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Board shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and District transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and District as their interests appear.

**F. Security.** The Board agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be

## ATTACHMENT C

available for the payment of the claims of the District for District taxes owing to it as its interest appears. The Board shall not be required to change the terms of any security now held by it and District shall not participate in any security now held by the Board.

**G. Records of the Board.** When requested by resolution of the legislative body of the District under section 7056 of the Revenue and Taxation Code, the Board agrees to permit authorized personnel of the District to examine the records of the Board, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the District, pertaining to the ascertainment of transactions and use taxes collected for the District. Information obtained by the District from examination of the Board's records shall be used by the District only for purposes related to the collection of transactions and use taxes by the Board pursuant to this Agreement.

**H. Annexation.** District agrees that the Board shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Board. The notice shall include the name of the county or counties annexed to the extended District boundary. In the event the District shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the District showing the area annexed and the location address of the property nearest to the extended District boundary on each side of every street or road crossing the boundary.

ATTACHMENT C

**ARTICLE III**  
ALLOCATION OF TAX

**A. Allocation.** In the administration of the Board's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion of the Board, to all districts with which the Board has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Board, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund, or credit applies.

**B. Vehicles, Vessels, and Aircraft.** For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Board in determining the place of use.

**ARTICLE IV**  
COMPENSATION

The District agrees to pay to the Board as the Board's cost of administering the District Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Board for the District.

ATTACHMENT C

**ARTICLE V**  
**MISCELLANEOUS PROVISIONS**

**A. Communications.** Communications and notices may be sent by first class United States mail to the addresses listed below or to such other addresses as the parties may from time to time designate. A notification is complete when deposited in the mail.

Communications and notices to be sent to the Board shall be addressed to:

State Board of Equalization  
P.O. Box 942879, MIC: 27  
Sacramento, California 94279-0032

Attention: Administrator  
Local Revenue Branch

Communications and notices to be sent to the District shall be addressed to:

Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza, MS 99-21-2  
Los Angeles, California 90012

Attention: Treasurer

**Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.**

**B. Term.** The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on July 1, 2017. This Agreement shall continue until December 31 next following the expiration date of the District Ordinance, and shall thereafter be renewed automatically from year to year until the Board completes all work necessary to the administration of the District Ordinance and has received and disbursed all payments due under that Ordinance.

**C. Notice of Repeal of Ordinance.** District shall give the Board written notice of the repeal of the District Ordinance not less than 110 days prior to the operative date of the repeal.

**ARTICLE VI**  
ADMINISTRATION OF TAXES IF THE  
ORDINANCE IS CHALLENGED AS BEING INVALID

**A. Impoundment of funds.**

1. When a legal action is begun challenging the validity of the imposition of the tax, the District shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II.C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the District shall transmit to the Board the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

**B. Costs of administration.** Should a final judgment be entered in any court of the State of California, holding that District's Ordinance is invalid or void and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Board may retain all payments made by District to Board to prepare to administer the District Ordinance.

2. District will pay to Board and allow Board to retain Board's cost of administering the District Ordinance in the amounts set forth in Article IV of this Agreement.

3. District will pay to Board or to the State of California the amount of any taxes plus interest and penalties, if any, that Board or the State of California may be required to rebate or refund to taxpayers.

4. District will pay to Board its costs for rebating or refunding such taxes, interest, or



ATTACHMENT C

penalties. Board's costs shall include its additional cost for developing procedures for processing the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Board's staff for use in making these rebates or refunds and any other costs incurred by Board which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Board's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Board. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by District.

6. Any dispute as to the amount of costs incurred by Board in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Board in connection with such refunds shall be billed by Board on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding District's Ordinance invalid or void becomes final. Thereafter Board shall bill District on or before the 25th of each month for all costs incurred by Board for the preceding calendar month. District shall pay to Board the amount of such costs on or before the last day of the succeeding month and shall pay to Board the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Board costs incurred in making those refunds.

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY.

STATE BOARD OF EQUALIZATION

By \_\_\_\_\_  
Donna Mills  
Treasurer

By \_\_\_\_\_  
Administrator

**RESOLUTION NO. \_\_\_\_\_**

**A Resolution Authorizing the Examination of Transactions (Sales) and Use Tax Records**

**WHEREAS**, pursuant to Ordinance No. 16-01 of Los Angeles County Metropolitan Transportation Authority (hereinafter called “District”) and Section 7270 of the Revenue and Taxation Code, the District entered into a contract with the State Board of Equalization to perform all functions incident to the administration and operation of the Transactions and Use Tax Ordinance; and

**WHEREAS**, the District deems it desirable and necessary for authorized representatives of the District to examine confidential transactions and use tax records of the State Board of Equalization pertaining to transactions and use taxes collected by the Board for the District pursuant to that contract; and

**WHEREAS**, Section 7056 of the Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records and establishes criminal penalties for the unlawful disclosure of information contained in or derived from, the transactions and use tax records of the Board;

**NOW, THEREFORE IT IS RESOLVED AND ORDERED AS FOLLOWS:**

**Section 1.** That the following officers or employees of the District or other officers or employees designated in writing by the Chief Executive Officer to the Board are hereby appointed to represent the District with authority to examine transactions and use tax records of the Board pertaining to transactions and use taxes collected for the District by the Board pursuant to the contract between the District and the Board:

- Chief Financial Officer
- Treasurer
- Assistant Treasurer
- Debt Manager
- Senior Investment Manager
- Principal Financial Analyst
- Senior Financial Analyst
- Financial Analyst

The information obtained by examination of Board records shall be used only for purposes related to the collection of the District’s transactions and use taxes by the Board pursuant to the contract.

**Section 2.** That MuniServices is hereby designated to examine the transactions and use tax records of the Board of Equalization pertaining to transactions and use taxes collected for the District by the Board. The entity designated by this section meets all of the following conditions:

- a) has an existing contract with the District to examine those transactions and use tax records;

ATTACHMENT D

- b) is required by that contract to disclose information contained in, or derived from those transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information;
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those transactions and use tax records after that contract has expired.

**BE IT FURTHER RESOLVED** that the information obtained by examination of Board records shall be used only for purposes related to the collection of District's transactions and use taxes by the Board pursuant to the contracts between the District and Board.

**Section 3.** That this resolution supersedes all prior transactions and use tax resolutions of the Los Angeles County Metropolitan Transportation Authority adopted pursuant to subdivision (b) of Revenue and Taxation Section 7056.

Introduced, approved and adopted this 26th day of January, 2017.

\_\_\_\_\_  
(Name & Title)

\_\_\_\_\_  
(Attest)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

**Board Report**

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**File #:** 2016-0941, **File Type:** Agreement**Agenda Number:** 11

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**FINANCE, BUDGET AND AUDIT COMMITTEE  
JANUARY 18, 2017****SUBJECT: INTERSTATE 5 FREEWAY HIGH OCCUPANCY VEHICLE LANES CONSTRUCTION PROJECT****ACTION: AUTHORIZE EXECUTION OF A CONTRACT OF SALE WITH CALTRANS FOR METRO RIGHT-OF-WAY CONVEYANCE FOR CASH COMPENSATION AND FEE TITLE TO RESTORE METRO'S 90-FOOT RIGHT-OF-WAY****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute a right-of-way contract of sale (Contract) with the **State of California, Department of Transportation (Caltrans) to construct High Occupancy Vehicle (HOV) lanes on the Interstate 5 Freeway between Burbank Boulevard and Buena Vista Street** (Project).

**ISSUE**

Caltrans and Metro staff have negotiated an agreement, subject to Board approval, to provide for the conveyance of various easements to Caltrans that are required for the Project. The property rights include the acquisition of fee title over portions of Victory Place that may be required to restore the railroad right-of-way to 90 feet. The agreement includes the payment by Caltrans of \$1,851,342. Any costs for relocation of facilities from the restored right-of-way will be paid by Metro as future transit projects are undertaken. Complete contract terms can be found in Attachment A.

**DISCUSSION**

On May 16, 2012, the Board authorized the CEO to execute a Memorandum of Agreement (MOA) with Caltrans covering the Project's terms of sale of Metro's right-of-way. The MOA required that Metro reimburse the City of Burbank for the cost to relocate all municipal and third-party facilities from Victory Place which included traffic signals, street lights and storm drains (Facilities). City consultants determined the estimated cost to relocate the Facilities at \$1.4 million. The MOA also provided that Metro would amend existing agreements with utility providers, assist Caltrans in negotiating such relocations, and accept from Caltrans \$1.4 million to compensate Metro for the estimated costs of future relocations from a portion of Victory Place should Metro use the property for its right-of-way.

Metro subsequently granted Caltrans a right of entry and construction permit to enable them to secure their funding for the Project and to begin construction. Metro also amended its existing agreements with utility providers to relocate their facilities and assisted Caltrans in negotiating these relocations. Caltrans began construction of the Project on May 17, 2012.

Subsequent to the start of construction on May 2012, revised estimates to relocate the Facilities from Victory Place escalated to approximately \$4.5 million. Caltrans rejected the revised relocation costs and the MOA was never executed between Metro and Caltrans. It was determined that it would be more appropriate for Caltrans to acquire the underlying fee title over those portions of Victory Place sufficient to restore the railroad right-of-way to 90 feet. However, any future costs to relocate public and private facilities from Victory Place will be borne by the future transit project requiring the additional right-of-way. To date, Caltrans has expended \$287,000 to acquire fee interest in approximately 18,000 square feet of a needed 28,000 square feet of property required for restoration of a 90-foot right-of-way. The remaining 10,000 square feet will be acquired before the completion of the Project.

As total compensation, Caltrans has offered to pay Metro \$1,851,342 for property rights needed for the Project. This payment is in addition to the amount Caltrans will expend to acquire the property needed to restore the railroad right-of-way. Metro Real Estate staff appraisers have confirmed that this compensation represents the fair market value of the parcels conveyed to Caltrans. The Contract provides that after Metro deposits the easement deeds into the escrow account, Metro may withdraw the \$1,851,342 in compensation.

### **DETERMINATION OF SAFETY IMPACT**

This Project will have a positive impact on safety with the construction of a grade separation (underpass) at Empire Avenue and modifications to the Interstate 5 Freeway and Empire Avenue Interchange. The Project also includes construction of a grade separation (underpass) at the existing Buena Vista Street grade crossing.

### **FINANCIAL IMPACT**

Execution of the Contract will generate \$1,852,342 in general fund revenue.

#### **Impact to Budget**

Adoption of the recommended action will have no impact to the Fiscal Year 2017 budget for Rail Operations.

### **ALTERNATIVES CONSIDERED**

The Board may decide not to enter into the negotiated agreement with Caltrans. This alternative is not recommended. The negotiated agreement will produce \$1,851,342 in new revenue for Metro and restore the rail corridor to its original 90-foot-wide railroad right-of-way.

**NEXT STEPS**

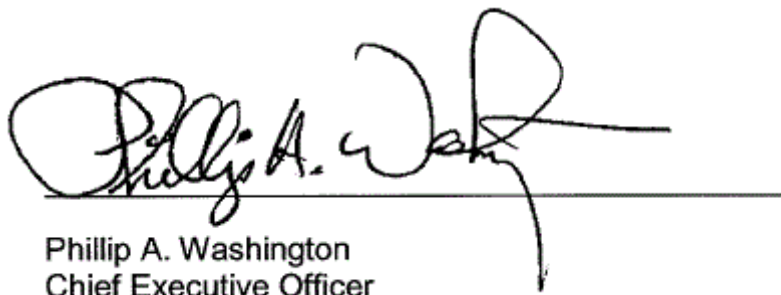
Subject to review and approval by County Counsel, Real Estate staff will submit the Contract of Sale to the CEO for execution with terms outlined in Attachment A. Staff estimates the remaining process to take 60 days.

**ATTACHMENTS**

Attachment A - Contract of Sale Key Terms

Prepared by: Velma Marshall, Deputy Executive Officer, Real Estate (213) 922-2415  
Calvin Hollis, Senior Executive Officer, Countywide Planning and Dev't., (213) 922-7319

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington  
Chief Executive Officer

**CONTRACT OF SALE KEY TERMS**

Project	The Project adds HOV lanes on both side of Interstate 5 freeway between Burbank Boulevard and Buena Vista and modifies the Interstate 5/Empire Avenue Interchange. The Project also includes construction of a grade separation (underpass) at the existing Buena Vista Street grade crossing.
Purchase Price	Caltrans will pay Metro \$1,851,342 as consideration for specific property rights needed for the Project from Metro.
Property to be conveyed to Caltrans	Metro will convey to Caltrans permanent easements consisting of approximately 68,000 square feet for HOV lanes, retaining walls, highway footings, signs, and lighting on Metro property
Property to be conveyed to Metro	Caltrans will convey to Metro the underlying fee title over those portions of Victory Place sufficient to restore the railroad right of way to 90 feet consisting of approximately 28,000 square feet.

**Board Report**

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**File #:** 2016-0890, **File Type:** Program**Agenda Number:** 13

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**PLANNING AND PROGRAMMING COMMITTEE  
JANUARY 18, 2017****SUBJECT: MARIACHI PLAZA DEVELOPMENT GUIDELINES****ACTION: APPROVE DEVELOPMENT GUIDELINES FOR MARIACHI PLAZA****RECOMMENDATION**

**ADOPT the Development Guidelines (Attachment C) for the joint development of the 1.08-acre Metro-owned property at the Mariachi Plaza Gold Line Station.**

**ISSUE**

In November 2009, the Metro Gold Line Eastside Extension opened and began providing Eastside residents light rail transit service including four stations in Boyle Heights. One of the stations, Mariachi Plaza, located at 1st Street and Boyle Avenue, has various vacant parcels of land that were acquired by Metro to build the station and for construction staging. These properties have potential for transit oriented development and create an opportunity for civic engagement and visioning. Over the course of the past year, the Joint Development staff undertook a robust community outreach and engagement process with the objective of preparing Development Guidelines (Guidelines) for the Mariachi Plaza Development Site (Site, see Attachment A). The end result of this effort is a set of Guidelines which reflect the vision and desires of Boyle Heights residents and stakeholders. If adopted by the Board, the Guidelines will be part of a Request for Proposals (RFP) for joint development of the site to be released in February 2017.

**DISCUSSION*****Background***

In November 2014, the Joint Development staff recommended awarding an Exclusive Negotiating Agreement (ENA) to explore the feasibility of developing a 120,570-square-foot mixed-used commercial project on the Mariachi Plaza joint development parcels (see Attachment A - Parcels A and B) and a privately held adjacent parcel. There was significant opposition to this proposal by the Boyle Heights residents, stakeholders and the greater community at large. In March 2015, staff recommended not moving forward with the ENA and reinitiating the joint development process including extensive community outreach and engagement in order to develop new Guidelines for the Site.



### Site Description

The Site is adjacent to Mariachi Plaza, a historic symbol of art, culture and commerce for the Boyle Heights community. Serving both as a transit gateway and representative of the community's identity, Mariachi Plaza hosts professional musicians, a weekly farmer's market, multiple community organized events and an annual Mariachi festival. A portion of the plaza resembles the famous Plaza Garibaldi located in Mexico City with its kiosk which serves as an emblem of cultural pride and identity for Boyle Heights. Moreover, the Plaza is a major anchor to the commercial corridor on 1st Street and an important gathering space for local residents.

The Site is divided into three parcels (see Attachment A, Site Map). Parcels A and B are appropriate for new development. Parcel C, which is comprised of a portion of the existing plaza, can be utilized for ancillary uses to the development such as kiosks, outdoor furniture and dining areas, public art space, landscaping, as well as open and public spaces. Both Parcels A and B are north of Mariachi Plaza and south of White Memorial Medical Center. Parcel A is directly adjacent to Mariachi Plaza and is an irregular-shaped parcel consisting of numerous lots totaling 27,025 square feet. Parcel B is to the east of Parcel A across Bailey Street and is a single lot of 6000 square feet. Parcel C, immediately adjacent to Parcel A, is 14,150 square feet. A successful development will integrate the Plaza's existing open spaces to create a seamlessly connected development with the three parcels.

### Community Outreach

Metro began the outreach process together with a consultant team made up of Gwynne Pugh Urban Studio (urban design), Perkins and Will (architecture), and DakeLuna (outreach). The outreach consisted of various community workshops and smaller meetings with groups and individuals. There were two 2-hour community workshops on Saturday, February 27, 2016 and Wednesday, March 9, 2016, a mariachi focus group and a culminating community workshop on Wednesday, August 10, 2016. The first workshop was aimed at identifying the community's desires - their wish list - as well as their concerns. Metro presented four topics for discussion to participants in the initial outreach meetings to encourage discussion about the development potential of the site: What are the goals of the community?; What is working within the community?; What is not working within the community?; and What do you want to see in the community? The second workshop communicated the results of the first meeting and outlined a vision built on open dialogue and consensus. At the final workshop, Metro presented a vision for development, a preliminary feasibility assessment, as well as use/density/program combinations for the various properties on the Site.

There were approximately 70 participants at each community workshop, 20 participants in the mariachi focus group, and nearly 80 participants in the culminating workshop. Comments were also taken online and accepted by the team via email and regular mail for those who were not able to make it to the meetings. In the end, Metro staff and the consultant team presented the initial findings and the final Guidelines to the Boyle Heights Design Review Advisory Committee (DRAC) and the Boyle Heights Neighborhood Council (BHNC). Both groups approved moving forward with the Development Guidelines and releasing an RFP.

### Vision for Development

Through the community engagement process, a number of recurring themes evolved which became the foundation for the vision and the Guidelines themselves. These themes included:

- Strive to keep local businesses in Boyle Heights;
- Support the community's diversity and provide and enhance amenities for local residents and families;
- Promote equitable housing models suitable for this community;
- Create a dense, urban development at the Project Site;
- Balance density with well-designed open spaces that promote equal access for children and seniors alike;
- Preserve and celebrate the eclectic, artistic character of the neighborhood through the incorporation of public art, opportunities for performances, and a vibrant street life;
- Promote safety and security around the plaza and Metro station;
- Provide adequate parking for local business demand;
- Embrace the rich history of street vendor culture;
- Promote access to healthy food at affordable prices;
- Honor the history and historic landmarks; and
- Create usable and welcoming public open space.

As a result of working in collaboration with the community, the Guidelines outline a plan which incorporates the community's vision. The Guidelines encourage the following types of development: allows mixed-use development with a focus on affordable housing integrating commercial and retail development on the ground floor, creates usable public open space with enhanced landscape and hardscape elements, provides additional public parking, maintains the presence and viability of the mariachis, and preserves the iconic symbolism of the Plaza.

Metro staff has assessed the viability of each of these recommended program elements, giving consideration to community fit and financial feasibility. Through an initial economic analysis, staff has determined that such a project is financially feasible. In terms of zoning regulations, Parcels A and B are zoned RD1.5 (residential) and Parcel C is zoned C2-1 (commercial). In order to have the type of density which will make an affordable housing project with ground floor retail feasible, the zoning would need to reflect a higher density. The Los Angeles City Planning Department is currently updating the Boyle Heights Community Plan. As such, Metro staff has discussed with the city's Planning Department to consider adopting zoning to permit a mixed-use higher density development (Attachment B) as desired by the community.

### Development Guidelines

The Guidelines for the Site include an outline of specific uses as well as examples of densities and organization of uses. Specifically, the Guidelines recommend the following:

- Affordable Housing - a minimum of 40 and up to 60 units of affordable housing, affordable to persons with incomes in the range of 30-60% Area Median Income (AMI) with varying sized units to encourage and accommodate a multi-generational community from children to seniors. Priority will be given to projects with the highest level of affordability which limits the range to 30-50 % AMI.
- Community Serving Commercial - up to 12,000 square feet of neighborhood commercial uses which would face the plaza.
- Community Uses - a community room or 'flex' space which would be used by the residents of the development and local organizations as well, including if possible, a small resource center for the storage of mariachis' instruments and clothing.

- Open Space/Park Uses - inclusion of active/passive green space on either Parcel A or B with an option to enter into a joint use MOU with the City of Los Angeles Department of Recreation and Parks which would include a shared maintenance agreement.
- Parking - inclusion of public parking to meet demand of 1st Street commercial corridor.
- Public Art - inclusion of an art plan for public art or a cultural facility.

## **DETERMINATION OF SAFETY IMPACT**

Approval of the Development Guidelines will have no direct impact on safety. The eventual implementation of a joint development at the Site will offer opportunities to improve safety for transit riders and the community at large through better pedestrian and bicycle connections.

## **FINANCIAL IMPACT**

Funding for joint development activities related to the Guidelines and any subsequent development activity, including the RFP process, is included in the FY17 budget in Cost Center 2210 (Joint Development) under Project 401018 (Mariachi Plaza). Since development of the properties is a multi-year process, the project manager will be responsible for budgeting any costs associated with joint development activities that will occur in future years.

### *Impact to Budget*

The source of funds for joint development activities is local right-of-way lease revenues, which are eligible for bus/rail operating and capital expenses. Adoption of the Guidelines will not impact ongoing bus and rail operating and capital costs, or the Proposition A and C and TDA administration budget.

## **ALTERNATIVES CONSIDERED**

The Board may choose not to adopt the Guidelines. This is not recommended because the Guidelines were developed with considerable stakeholder and community input and were approved by the DRAC and BHNC. Pursuant to the Metro Joint Development Policy, approval of the Guidelines is necessary in order to move forward with the joint development process and release an RFP.

## **NEXT STEPS**

After approval of the Guidelines, staff will issue an RFP for joint development of the Mariachi Plaza Site. The RFP is expected to be released in February 2017. Staff anticipates bringing recommendations for selection of a developer to the Board late summer 2017.

## **ATTACHMENTS**

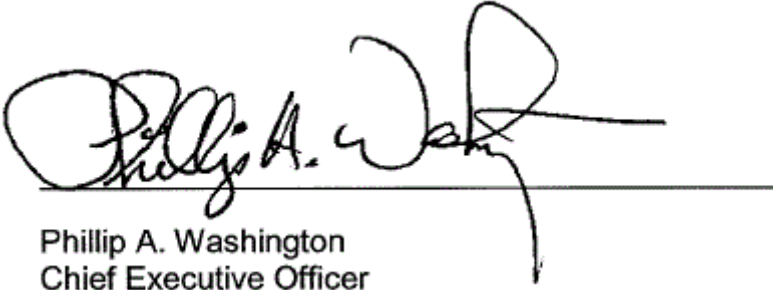
Attachment A - Site Map

Attachment B - Letter to Los Angeles City Planning Department

Attachment C - Mariachi Plaza Development Guidelines

Prepared by: Vivian Rescalvo, Senior Director, Countywide Planning & Development, (213) 922-2563  
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Cal Hollis, SEO, Countywide Planning & Development, (213) 922-7319

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington  
Chief Executive Officer

## Site Map

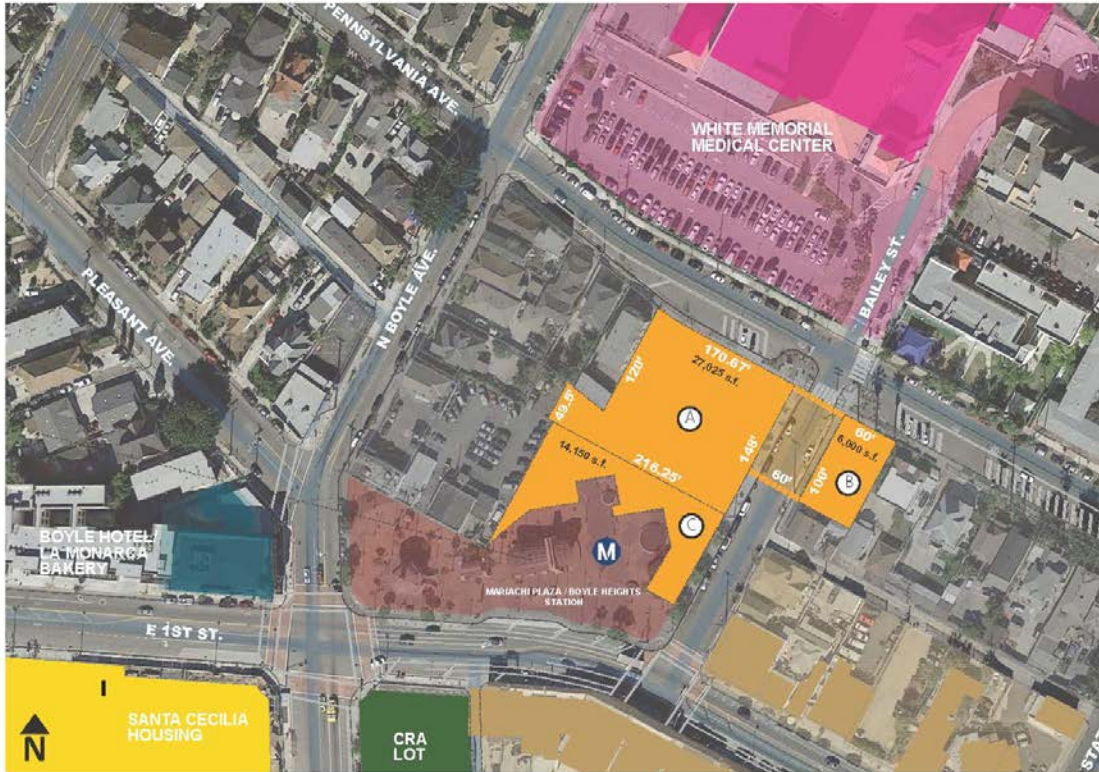


Figure 1: Mariachi Plaza Station Joint Development Site Map

Parcel A: Existing Parking lot (27,025 SF)

Parcel B: Existing lot (6,000 SF)

Parcel C: Portion of existing Mariachi Plaza (14,150 SF)

**Metro**Los Angeles County  
Metropolitan Transportation AuthorityOne Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net

November 29, 2016

City of Los Angeles Department of City Planning  
ATTN: Haydee Urita-Lopez, City Planner  
Case Numbers: CPC-2016-2905-CPU and ENV-2016-2906-EIR  
200 N. Spring Street, Room 667  
Los Angeles, CA 90012

**RE: Boyle Heights Community Plan Update ADDENDUM – City of Los Angeles – Notice of Preparation of a Draft Environmental Impact Report – CPC-2016-2905-CPU and ENV-2016-2906-EIR**

Dear Ms. Urita-Lopez:

On October 5, 2016, the Los Angeles County Metropolitan Transportation Authority (Metro) sent the City of Los Angeles Department of Planning a response to the Notice of Preparation of a Draft Environmental Impact Report on the Boyle Heights Community Plan Update. This letter is an addendum to Metro's original letter response.

**Project Description:**

The proposed project is the update of the Boyle Heights Community Plan and the adoption of necessary updates to land use, zoning, plan text, and other ordinances to implement those updates. The Proposed Plan promotes a balance of housing units and jobs near transit where different types of land uses can be provided to reduce the length and number of vehicle trips. The Proposed Plan's policies complement the proposed zoning and land use designations; and they are geared towards the preservation of historic, low-density multi-family housing, the promotion of the Los Angeles River as a community amenity, the preservation of employment generating land uses, and the preservation and strengthening of commercial areas and neighborhood serving uses. Policies included in the Proposed Plan would also encourage the following goals: 1) protect historic structures; 2) preserve neighborhood character; 3) encourage well designed, quality development projects that complement and enhance the existing neighborhood character of the community; and 4) preserve the Boyle Heights mixed-density urban environment.

**Addendum:**

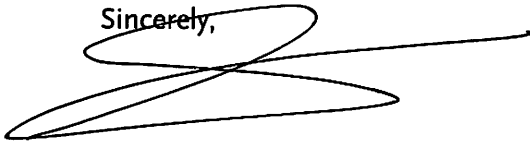
In an original letter response dated October 5, 2016, Metro included a *Land Use Recommendations* section regarding the Metro-owned properties immediately adjacent to Mariachi Plaza at the intersection of Pennsylvania Avenue and Bailey Street (attachment). Through an extensive community outreach process in 2016, the Boyle Heights community expressed a clear desire for affordable housing, locally-serving commercial uses, and additional open space to accommodate a street vendor hub at the Mariachi Plaza site.

In order to achieve these community goals for the Mariachi Plaza site and to promote a balance of housing and jobs near transit, Metro originally recommended rezoning the properties from the current zoning of RD 1.5 to R3-1. However, upon further evaluation of the existing land uses at Mariachi Plaza, Metro would like to amend this and instead recommend that the properties be rezoned as RAS-3 or a similar zone that supports mixed-use development. An RAS-3 zone accommodates the community's vision for both more affordable housing opportunities and locally-serving commercial uses, and supports Metro's goal of creating and enhancing Transit Oriented Communities.

If you have any questions regarding this response, please contact Elizabeth Carvajal at 213-922-3084 or by email at [DevReview@metro.net](mailto:DevReview@metro.net). **Metro looks forward to reviewing the Draft EIR. Please send it to the following address:**

**Metro Development Review  
One Gateway Plaza MS 99-23-4  
Los Angeles, CA 90012-2952**

Sincerely,



Elizabeth Carvajal  
Sr. Manager, Transportation Planning

Attachments: Metro-Owned Property Maps: Mariachi Plaza

# GUIDE FOR DEVELOPMENT: MARIACHI PLAZA

NOVEMBER 2016



Metro®



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## APPENDIX

A. Summary of Comments from the Community Outreach Process

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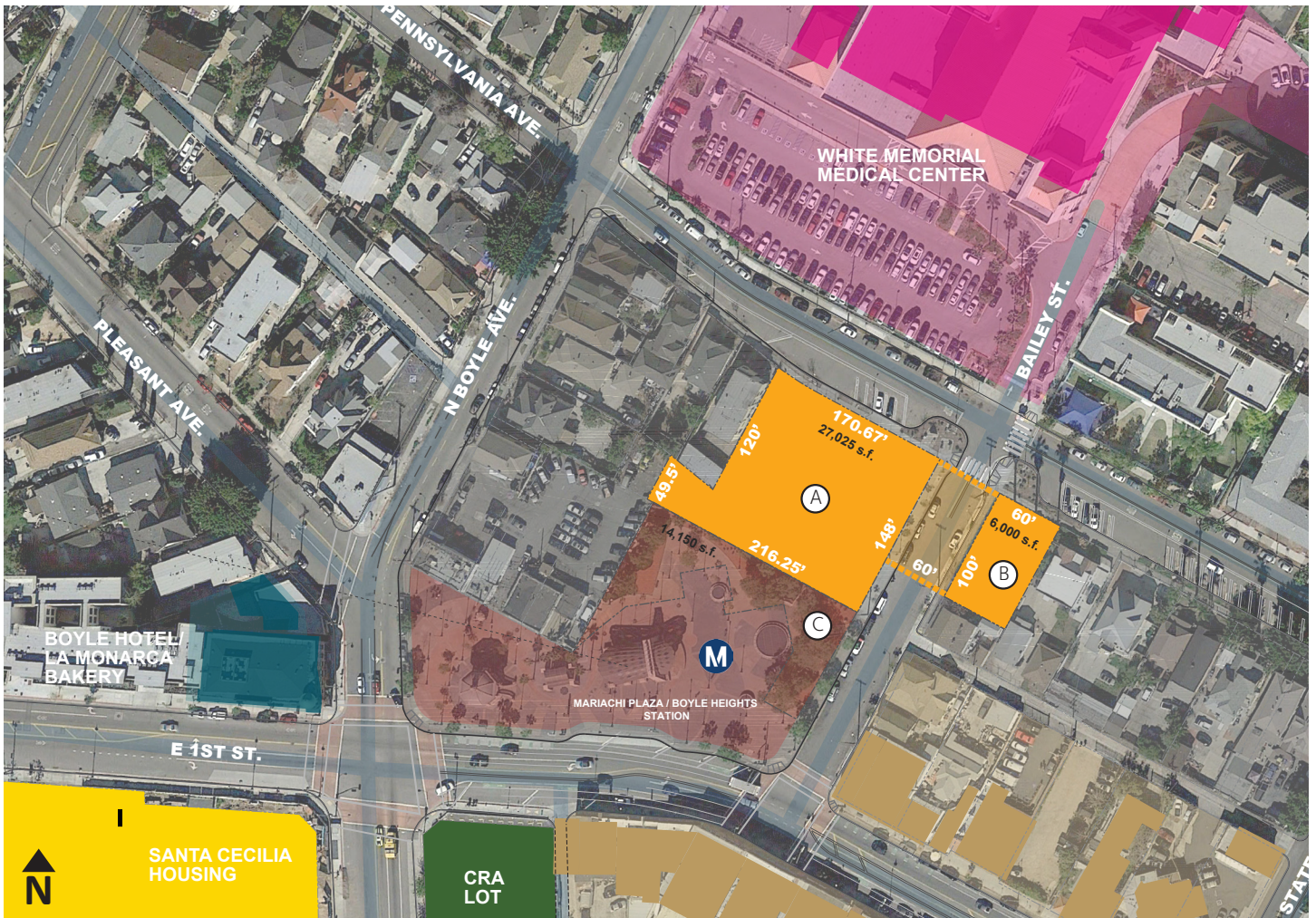


Figure 1: Mariachi Plaza Station Joint Development Site Map

Parcel A: Existing Parking lot (27,025 SF)

Parcel B: Existing lot (6,000 SF)

Parcel C: Portion of existing Mariachi Plaza (14,150 SF)

# 1. OVERVIEW

## HOW TO USE THIS GUIDE FOR DEVELOPMENT

The Los Angeles County Metropolitan Transportation Authority (“Metro”) has prepared this Guide for Development (“Guide”) to communicate Metro’s and community stakeholders’ desires for the joint development of Metro-owned property (“Development”) on Parcels A, B and C (see page 4) located at the intersection of North Boyle Avenue and East 1st Street (“Mariachi Plaza”). The Guide summarizes specific policies that apply to the project site and defines objectives that were developed through a public outreach process conducted from February to August 2016. These guidelines will be a basis for evaluating proposals.

It is organized as follows:

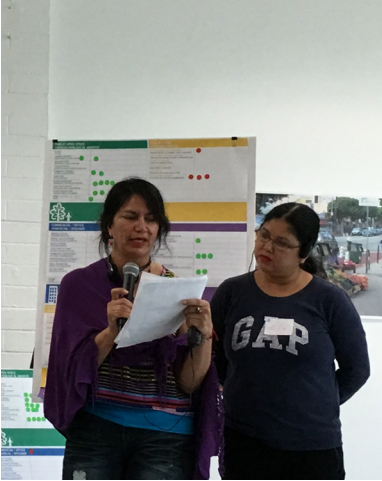
1. Overview
2. Vision for Development
3. Program Guidelines
4. Development Guidelines
5. Regulatory and Policy Framework
6. Transit Connectivity

This Guide will accompany the 2017 Request for Proposals (“RFP”) for Development of Metro Owned Parcels at the Mariachi Plaza site (“Site”). For reference purposes, Figure 1 provides a map of the Metro-owned parcels at the Mariachi Plaza site.

All applicable State, County and City of Los Angeles regulations and code requirements shall apply.

## JOINT DEVELOPMENT PROCESS

The Metro Joint Development Process includes four stages: (1) initial community outreach; (2) developer solicitation and selection; (3) project refinement, including additional community outreach, Joint Development Agreement (“JDA”) and Ground Lease (“GL”) Negotiations; and (4) permitting and construction. Initial community outreach for Mariachi Plaza began in February 2016. This Guide is the outcome of the first stage of the JD process.



### Community Outreach

Metro’s community outreach process consisted of various community workshops. There were two 2-hour community workshops on Saturday, February 27, 2016 and Wednesday, March 9, 2016, a mariachi focus group, and a culminating community workshop on Wednesday, August 10, 2016. The first workshop was aimed at identifying community concerns and wants for varying program elements, and polling members of the community for desired program types. The second workshop communicated the results of the poll and summarized community concerns heard at the previous workshop. Additionally, a focus group was held on May 26, 2016 to gather members of the Boyle Heights’ mariachi community as an opportunity to voice specific needs and concerns by local mariachis. Finally, Metro held a culminating workshop to present the community with the results of a preliminary feasibility assessment as well as program combinations for the Mariachi Plaza site. Additionally, Metro presented their findings and obtained input from the Boyle Heights Design Review Advisory Committee (“DRAC”).



There were approximately 70 participants at each community workshop, 20 participants in the mariachi focus group, and nearly 80 participants in the culminating workshop. Comments were also taken online and accepted by the team via email for those who were not able to make it to the meetings. A summary of the comments is included in the Appendix.

Metro presented four topics for discussion to participants in the initial outreach meetings to encourage discussion about the development potential of the site.

- > What are the goals of this community?
- > What is working within the community?
- > What is not working within the community?
- > What do you want to see in the community?

Quotes gathered from the outreach process are included throughout this document.

## SITE DESCRIPTION

The project site, located at Mariachi Plaza Gold Line Station, consists of two development parcels, Parcel A and Parcel B (see figure above, Existing Conditions), and Parcel C comprised of a portion of the existing plaza which can be utilized for ancillary uses along with associated open and public space. Both A and B sit north of Mariachi Plaza and south of White Memorial Medical Center. Parcel A sits directly adjacent to Mariachi Plaza and is an irregular shaped parcel consisting of numerous lots and 27,025 square feet (“SF”), approximately 5/8ths of an acre. It is zoned RD 1.5-1-RIO-CUGU. Parcel B is to the east of Parcel A across Bailey Street and is a single lot of 6,000 SF or approximately 1/8th of an acre and similarly zoned. Parcel C, on Mariachi Plaza itself, is zoned C2-1-RIO-CUGU and is 14,150 SF. A successful development will integrate the Plaza’s open space to create a seamlessly connected development with the three parcels.

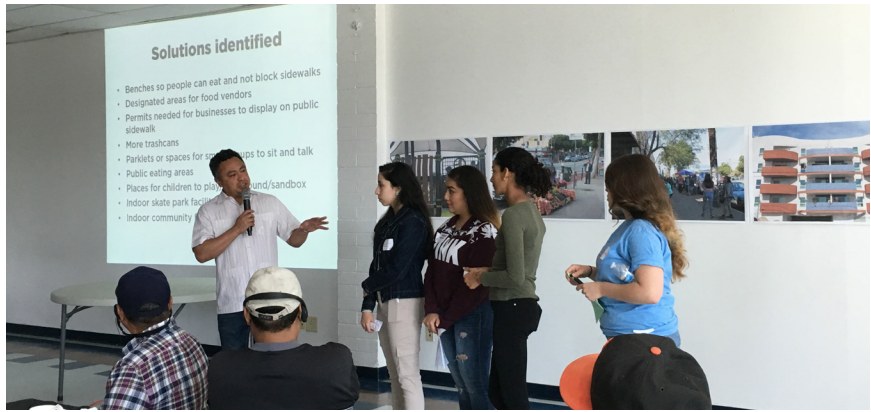
Since parcels A & B are zoned RD1.5-1-RIO-CUGU, a minimum of 1,500 SF per dwelling unit is required and thus limits a potential housing development to 22 total dwelling units. Accounting for the maximum density bonus granted through the inclusion of affordable housing units, an additional 30% of dwelling units can be developed, bringing the potential total to 29 units.

The Community Plan Update for Boyle Heights is currently underway with the Los Angeles City Planning Department. The Planning Department is exploring options to increase the density of major transit nodes and commercial corridors while also providing various zoning and density options. Metro has communicated the community’s desire to the Planning Department to allow for denser residential development on the Parcels A and B and has recommended an increase to the site’s development potential to permit a mixed-used development and higher residential density. At this stage, Metro anticipates that these community-driven recommendations will be included in the Community Plan Update; Metro encourages development proposals assuming the density proposed in Section 3 under “Uses”.

It is anticipated that the updated Boyle Heights Community Plan will be adopted by early 2018.



*“We are a family of four in a 1 one bedroom apartment. We would like to have access to one of the Metro Affordable Housing units.”*



*“Community gardens for growing & teaching, selling to markets-could be on a rooftop”*



*“We want to keep the people that have been living there to stay in the community”*

















## 2. VISION FOR DEVELOPMENT

### THE CONTEXT AND VALUE OF BOYLE HEIGHTS

Sitting just east of Downtown Los Angeles, Boyle Heights is a 6.5 square mile neighborhood bounded by the Interstate Highway 10 to the north, Indiana Street to the east, Washington Boulevard to the south, and the Los Angeles River to the west. With great views of the Downtown L.A. skyline and a centralized location to Downtown and the Arts District, Boyle Heights has experienced an increased amount of visibility and attention in recent years. Boyle Heights is home to one of the largest Hispanic and Latino communities in the City of Los Angeles, characterized by a vibrant working class neighborhood, a long-standing multi-ethnic immigrant and Mexican-American heritage, and opportunities for growth and community partnerships.

Today, a growing population of over 148,000 Angelenos call Boyle Heights home. This neighborhood predominantly consists of households made up of four or more people and has a median income of \$34,493, or 40% lower than L.A. County's \$55,870.

Additionally, renters in Boyle Heights outnumber home owners. Renters make up 73% of the population, and only 27% of residents own one of the 39,680 housing units available. Yet, the most pressing indicator of a need for housing is the fact that Boyle Heights sees an average vacancy rate of 3.6%, as compared to the county average of 4.1%. While the number of vehicles available per housing unit is lower than the county average, many local residents and business owners have identified a large demand for public parking to serve local business.

	Boyle Heights	Los Angeles County
<b>POPULATION</b> 	<b>148,806</b>	<b>9,818,605</b>
<b>HOUSEHOLD</b>		
Median household income	\$34,493	\$55,870 <sup>2</sup>
Family households	78.8%	67.1%
Average household size	<b>O 4.2 R 3.9</b>	<b>O 3.2 R 2.87</b>
Household size		
1 	16.7%	25.6%
2 	17.1%	27.3%
3 	16.6%	16.5%
4 	49.6%	30.6%
Vehicles available per housing unit		
0	19.8%	9.8%
1 	36.4%	35.1%
2 	27.2%	35.1%
3 	16.5%	20%
<b>HOUSING</b>		
Occupied	 39,680	 3,462,075
	 37,310	 3,242,391
	<b>O 10,083 R 27,227</b>	<b>O 1,503,915 R 1,738,476</b>
	27.1% 72.9%	46.4% 53.6%
Vacant	 2,370	 219,684
Homeowner Vacancy Rate	2.0	1.4
Renter Vacancy Rate	3.6	4.1

O: Owner  
R: Renter

Source: US Census Bureau, 2010-2014 American community Survey

<sup>1</sup>Population size is based on the aggregate data of the following zipcodes: 90023,90033,90063

<sup>2</sup>The California Department of Housing and Community Development estimates the 4-person Area Median Income to be \$64,800

U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates



## MARIACHI PLAZA

*“We have a big need for affordable housing for seniors. Very low income.”*

The proposed sites sit adjacent to Mariachi Plaza, a historic symbol of art, culture, and commerce for the Boyle Heights community. Serving both as a transit gateway and a major piece of the community’s identity, Mariachi Plaza hosts professional musicians as they gather in hopes of being hired by residents and visitors looking for performers, with the tradition dating back to the 1930s. The Plaza resembles the famous Plaza Garibaldi located in Mexico City and serves as an emblem of cultural pride and identity for Boyle Heights. Near Mariachi Plaza, visitors and local residents can enjoy various entertainment and commercial options, including Un Solo Sol, La Serenata de Garibaldi, J&F Ice Cream Shop, and the lending library, Libros Schimbros, along with various other establishments stretching east and west on East 1st Street.

*“Green space that is open to the community at large not just the housing”*

In addition, Mariachi Plaza is the local destination for entertainment and other community events. A weekly farmer’s market and annual Mariachi festival are held at the Plaza, along with several community organized events and ceremonies. Mariachi Plaza is a major anchor to this commercial corridor in Boyle Heights and a gathering space for local residents, and as such, the Mariachi Plaza site represents a great opportunity for development and partnerships with local business owners and residents.



Gary Friedman, 2014. *Los Angeles Times*

## COMMUNITY FEEDBACK

Stakeholder feedback included several important recurring themes:

- > Strive to keep local businesses in Boyle Heights;
- > Support the community’s diversity and provide and enhance amenities for local residents and families;
- > Promote equitable housing models suitable for this community;
- > Create a dense, urban development at the project site;
- > Balance density with well-designed open spaces that promote equal access for children and seniors alike;
- > Preserve and celebrate the eclectic, artistic character of the neighborhood through the incorporation of public art, opportunities for performances, and a vibrant street life;
- > Promote safety and security around the plaza and Metro station;
- > Provide adequate parking for local business demand;
- > Embrace the rich history of street vendor culture;
- > Promote access to healthy food at affordable prices;
- > Honor the history and historic landmarks;
- > Create usable and welcoming public open space.

*“Place for kids and seniors to exercise with green walkways, signage and exercise equipment”*

*“Affordable and high quality food”*

**The community character must be carefully maintained while still fostering an active, welcoming public environment which celebrates the neighborhood’s rich history.**



TOP ‘YES’ ANSWERS  
 RESPUESTAS A FAVOR

- 
**Housing**  
 Affordable Housing (Rental) + Senior Housing  
*Viviendas*  
*Viviendas asequibles (alquilables) + Viviendas para personas mayores*
- 
**Grocery Store**  
*Supermercado*
- 
**Parking**  
*Estacionamiento*
- 
**Street Vendor Hub**  
*Espacios para vendedores ambulantes*
- 
**Park / Playground**  
*Parques y patios de recreo*



Carolina Duarte, 2016. *Las Fotos Project*



Stephanie Medina, 2016. *Las Fotos Project*



Regina Zamarripa, 2016. *Las Fotos Project*

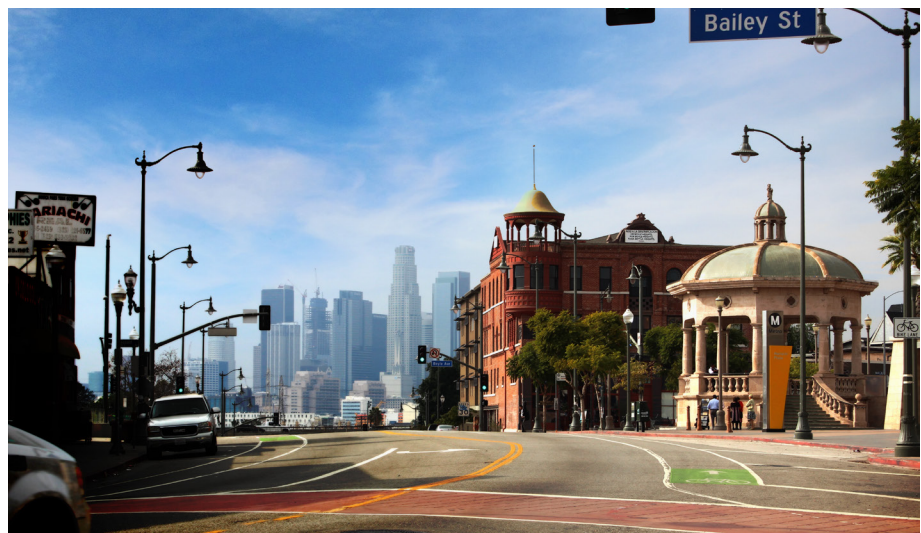


Maya Rosado, 2016. *Las Fotos Project*

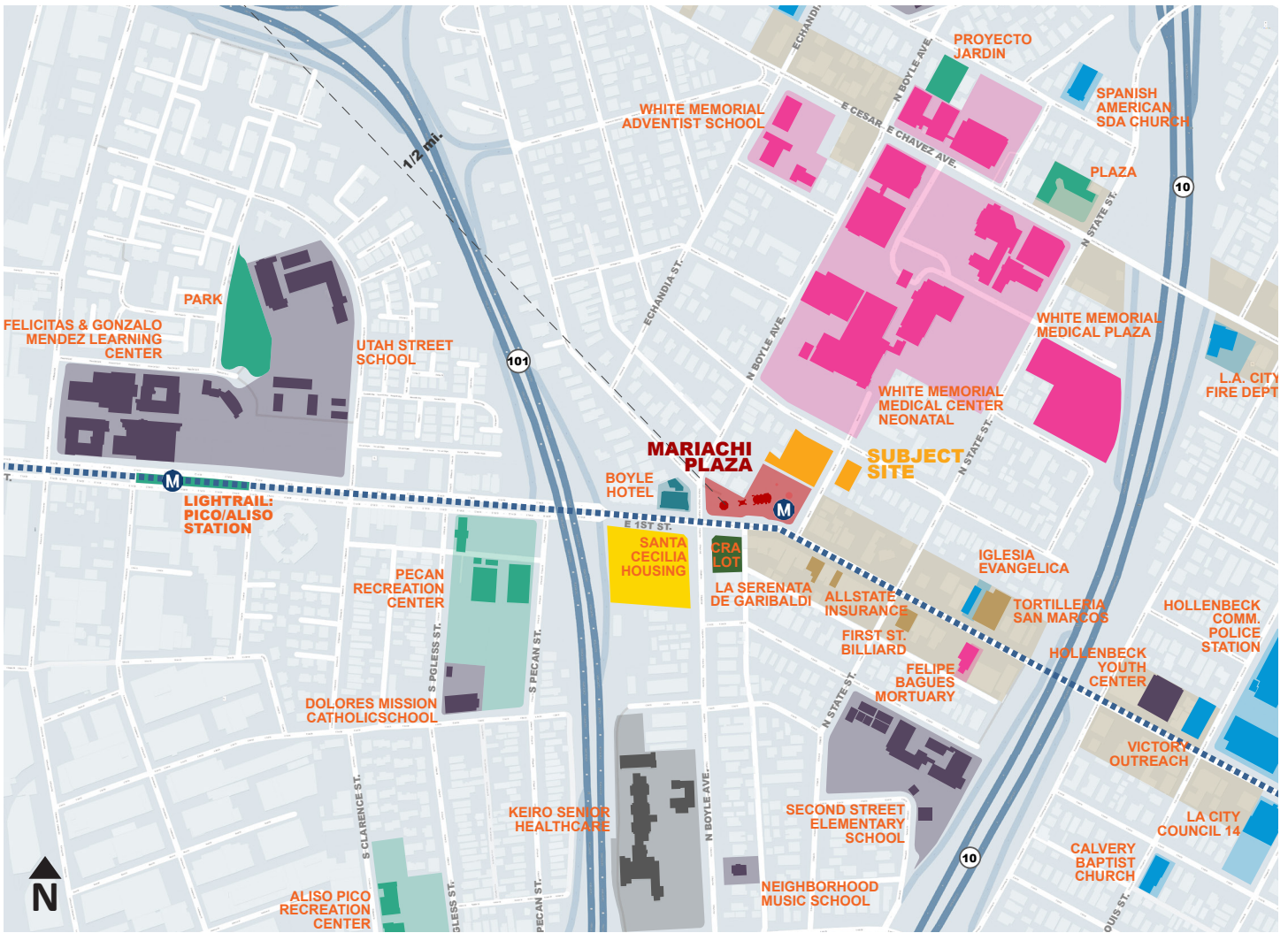
## VISION

Through the community engagement process, the Boyle Heights community vocalized their vision for the Site: a mixed-use development with a focus on affordable housing which integrates commercial and retail development on the ground floor, creates usable public open space with enhanced landscape and hardscape elements, provides additional public parking, maintains the presence and viability of the mariachis, and preserves the iconic symbolism of the Plaza. The Mariachi Plaza Site would thrive with the right combination of programmatic elements. Metro has assessed the viability of each of these recommended program elements, giving consideration to the Site's zoning regulations, community fit, and financial feasibility for development.

Although the community voiced their desires for a grocery store at the Site, the Site's current zoning, lack of frontage towards a major street, and the increased parking demand for a large commercial development make a grocery store difficult to provide. However, Metro has taken into account the need for a grocery store in the neighborhood and has explored its possible development at another Metro-owned site located at the intersection of Cesar E. Chavez Boulevard and Fickett Street, where a commercial development of this type is feasible.



Jennifer Bermudez, 2016. *Las Fotos Project*



**MAP LEGEND/  
DESCRIPTION**

**EDUCATION/EDUCACIÓN**  
 SATELLITE COLLEGE  
 ESPACIO PARA COLEGIO SATELITE  
 MAGNET/ CHARTER SCHOOL  
 ESCUELA AUTÓNOMA/MAGNET  
 CHILDCARE CENTER  
 GUARDERIA  
 SENIOR DAY CARE  
 CUIDADO PARA PERSONAS  
 DE TERCERA EDAD  
 MUSEUM  
 MUSEO

**RESIDENTIAL/RESIDENCIAL**  
 MULTI-FAMILY HOUSING  
 VIVIENDAS A PRECIO DE MERCADO  
 AFFORDABLE HOUSING  
 VIVIENDAS ASEQUIBLES  
 SENIOR HOUSING  
 VIVIENDAS PARA PERSONAS  
 DE TERCERA EDAD  
 ASSISTED LIVING FACILITY  
 FACILIDAD DE VIDA ASISTIDA  
 HOTEL/MOTEL  
 HOTEL/ MOTEL

**COMMERCIAL-OFFICE  
/COMERCIO-OFCINAS**  
 BUSINESS INCUBATORS  
 INCUBADORA DE NEGOCIOS  
 MEDICAL PLAZA/ OFFICES  
 PLAZA/ OFICINAS MEDICAS  
 MENTAL HEALTH OFFICES  
 OFICINAS DE SALUD MENTAL  
 DENTAL OFFICES  
 OFICINAS DENTAL  
 COMMERCIAL OFFICE  
 OFICINAS COMERCIALES  
 PROFESSIONAL OFFICE  
 OFICINAS PROFESIONALES

**PUBLIC OPEN SPACE  
/ESPACIO PÚBLICO AL ABIERTO**  
 PLAZA  
 PLAZA  
 FARMERS MARKET  
 MERCADOS AL AIRE LIBRE  
 WALKING PATHS  
 SENDEROS PARA CAMINAR  
 FITNESS SPACES  
 ESPACIOS PARA HACER EJERCICIO  
 COMMUNITY GARDEN  
 JARDÍN COMUNITARIO  
 PUBLIC ART  
 ARTE PÚBLICO  
 PLAYGROUND  
 PARQUES Y PATIOS DE RECREO  
 STREET VENDOR HUB  
 VENDEDORES DE COMIDA  
 FOOD TRUCK

**COMMERCIAL-RETAIL  
/COMERCIO-TIENDAS**  
 GROCERY STORE  
 SUPERMERCADO  
 DRUG STORE/ PHARMACY  
 FARMACIA  
 RESTAURANT/ CAFE  
 RESTAURANTE/ CAFÉ  
 HAIR/ NAIL SALON  
 SALÓN DE BELLEZA  
 CLOTHING/ SHOE STORE  
 TIENDA DE ROPA ZAPATOS  
 BANK  
 BANCO  
 LAUNDRY  
 LAVANDERIA  
 GYM  
 GIMNASIO

**MARIACHI PLAZA  
/MARIACHI PLAZA**  
**METRO SITE  
/METRO DEL PROYECTO**  
**COMMERCIAL CORRIDOR  
/CORREDOR COMERCIAL**  
**LIGHTRAIL & TRAIN  
/TREN LIGERO & TREN**  
**FREEWAY  
/AUTOPISTA**

### 3. PROGRAM GUIDELINES

In recognition of the unique qualities of Boyle Heights and the iconic symbolism of Mariachi Plaza, Metro looks to a successful project where the program, uses, and design guidelines set forth in this document will be implemented in a collaborative process with the community.

The purpose of Section 3, Program Guidelines, is to give guidance to realize the vision of the community.

#### PRIMARY GOALS

There are three primary goals within the community vision for the Site

##### **1. Consider the Rich History of the Community.**

As described in Section 2 (see page 10), consideration should be given to the artistic and historical significance of this Site to the mariachi culture. The development should be sensitive to this history and to the mariachis. Another element is the importance of creating spaces in the public realm, where the community comes together to celebrate, make music, socialize, and shop.

##### **2. Address Community Needs.**

It is important to recognize that this community has been underserved in many ways and that the project seeks to address their needs. This includes the provision of affordable housing at the lowest income levels. The community is also very short on open space, parks, places for children to play, and areas for seniors to gather, chat, and watch.

##### **3. Ensure Existing Residents Benefit.**

The community is concerned that new developments must be directed towards the existing residents and that it take action against potential displacement.

#### USES

The following uses and quantities should be considered as a guideline. The specific quantity and organization of uses will be at the discretion of the developer. This program was developed in a collaborative process with the community through a series of workshops and meetings.

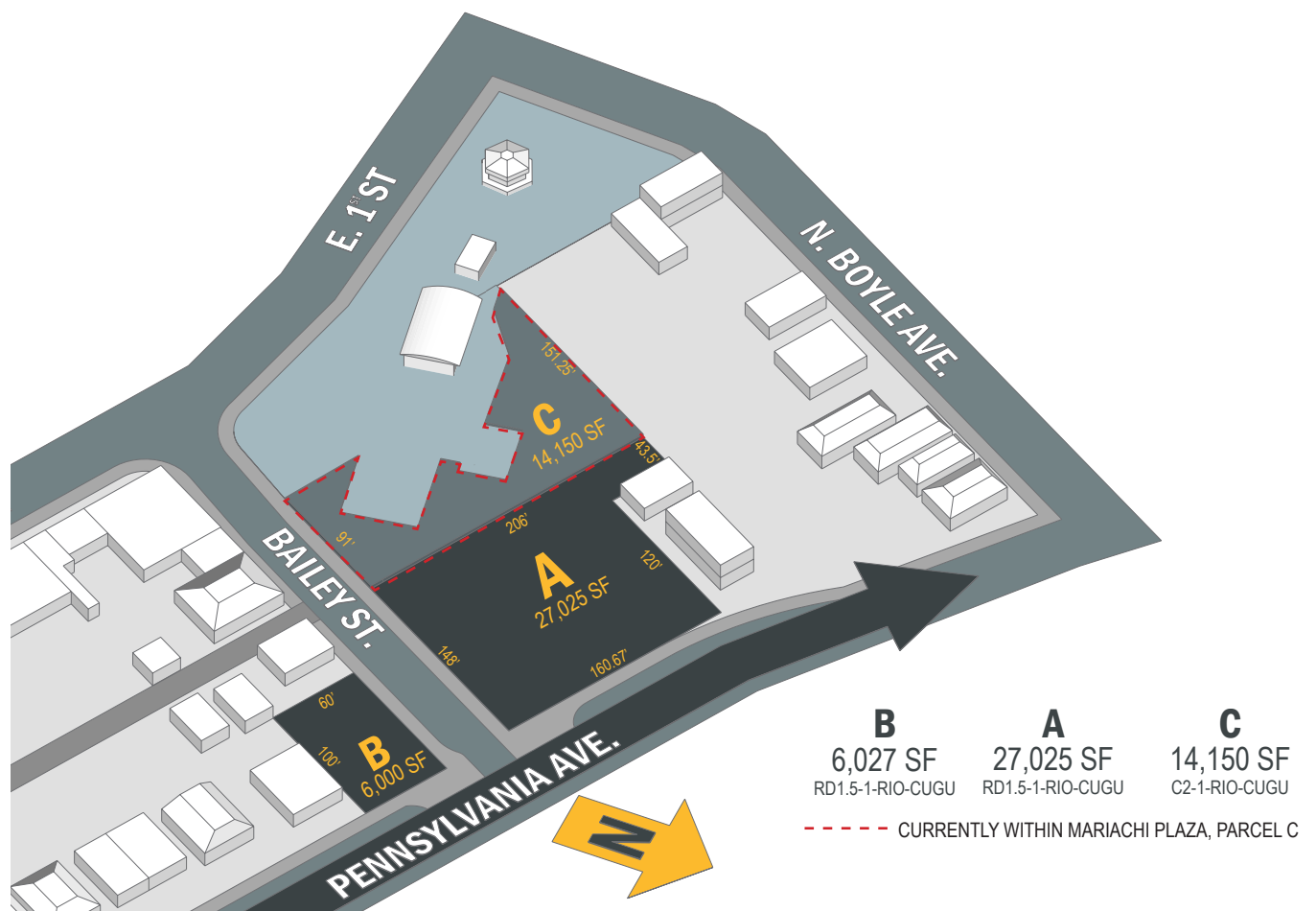
##### **Affordable Housing**

Metro encourages a minimum of 40 and up to 60 units of affordable housing, with as many as are financially feasible in the low and very

low restricted categories. Note that while this number of units is beyond the current zoning allowed on the site, the City is currently in the process of a Community Plan Update and Metro expects the site will be rezoned (see page 7). The units shall have a range of 30-60% AMI. Varying sized units should be provided from studio units to three bedroom units. In addition, the development is encouraged to accommodate a multi-generational community from children through seniors.

**Community-Serving Commercial**

Up to 12,000 SF of commercial use is encouraged. The purpose of this space is to help activate Mariachi Plaza and to provide locally-serving uses to the community. Commercial uses should be neighborhood-serving businesses with price points that serve middle- and lower-income levels as appropriate, and compatible and complimentary to the Metro Station. Collaboration with the community is strongly recommended to establish the parameters for uses in the commercial use areas.



Existing Conditions



### **Community Uses**

A community room or ‘flex’ space of about 2,000 SF would be desirable to serve the residents of the affordable housing development, as well as the whole Boyle Heights community. This space could be used in collaboration with local community organizations. Of particular interest would be a small resource center for the mariachis that would provide storage for instruments and clothing, public accessible restroom facilities, and space for outreach services.

### **Street Vending**

Street vending is an important community asset that benefits residents, users, and sellers. Metro is currently embarking on a pilot program at MacArthur Park for street vendors. It is Metro’s intent to evaluate the possibility of incorporating street vending in areas of Mariachi Plaza outside of Parcels A, B, and C as part of a separate project.

### **Open Space/Park Uses**

Park and recreation uses are important to the community, which has expressed a desire for active/passive green space with shade. While this type of use can function on either one of the development parcels, it may be feasible to use Parcel B exclusively as a park/open space. In consultation with the City of Los Angeles Department of Recreation and Parks, an option is available to create a public/private park in partnership with the City. The developer can enter into a joint use MOU with the Department of Recreations and Parks for the purposes of a shared maintenance agreement for the park. The developer should research this option further.

On Parcel C, open space/park uses can extend into the existing plaza site as well, including shaded seating and more green space, to the extent feasible.

### **Parking**

Vehicular parking for existing commercial uses is in short supply within the neighborhood. It would be highly desirable to provide public parking in excess of the parking required for the housing and commercial uses provided by the development. Twenty to thirty parking stalls could be provided as an option. This could be provided through head-in parking off Bailey Street.

## **Public Art**

At Mariachi Plaza, public art is an opportunity to introduce visual and physical enhancement(s) or a cultural facility element to the project site. This would enhance the project quality and make people and transit users more aware of the cultural, historical, social, and environmental surroundings of this place. The project should include an Art Plan for a permanent public art component and/or inclusion of a cultural facility such as performance space, museum, or arts education component.

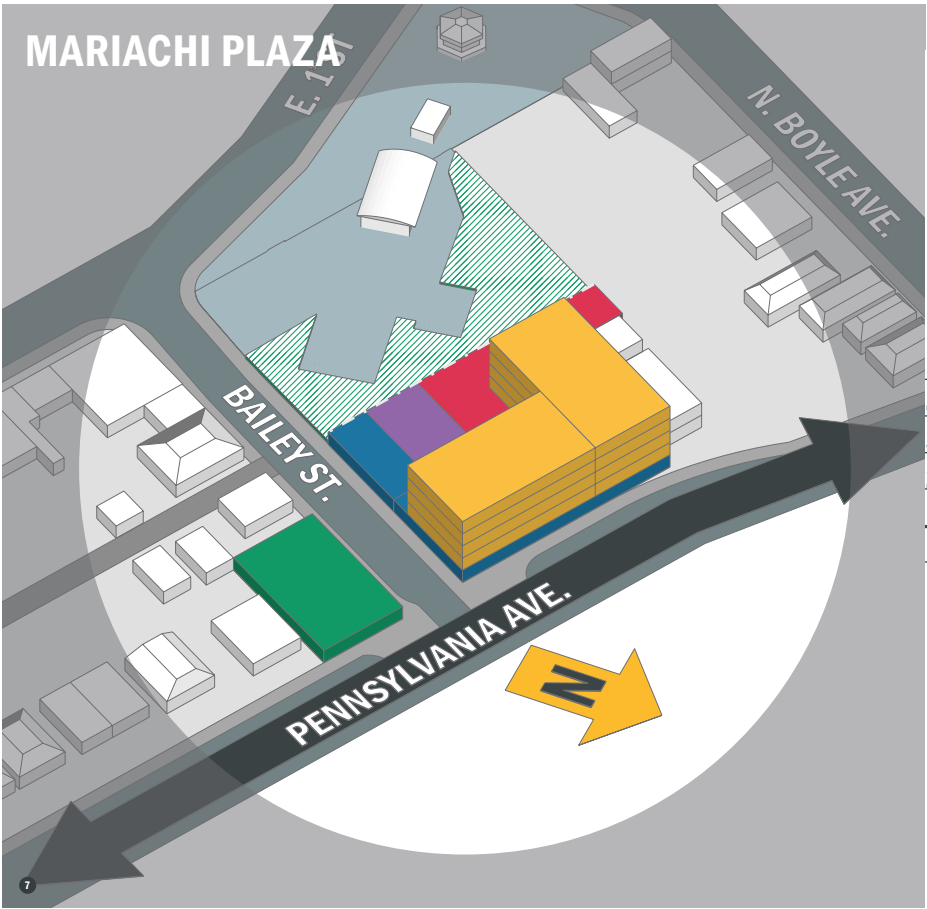
As the Joint Development project evolves, Metro Art will review the Art Plan in the schematic and final design stages to ensure that it is appropriate for the site, is of high quality, is in a publicly accessible location, and contributes to the project as a whole.

## **PROGRAM AND SITE DIAGRAMS**

To realize the vision and desired uses for the site, Metro and its consultants have studied various site layouts. Metro is seeking development of Parcels A and B, with a mixture of 100% affordable housing, locally serving commercial uses, public open space and park/playground space, community rooms, and public parking over and above that required for the housing/commercial uses.

As part of the development program, Metro encourages the integration of Parcel C into the future development on the Project Site to create a connected experience on the entire plaza. This will help promote a vibrant, dynamic, and healthy outdoor space, and function as a transition space from the development to the existing plaza. Development on Parcel C would be limited to surface interventions such as landscape, hardscape, outdoor furniture/dining, public art, signage, kiosks/pop-ups, and/or shade elements. Improvements on this parcel shall not require deep foundation work.

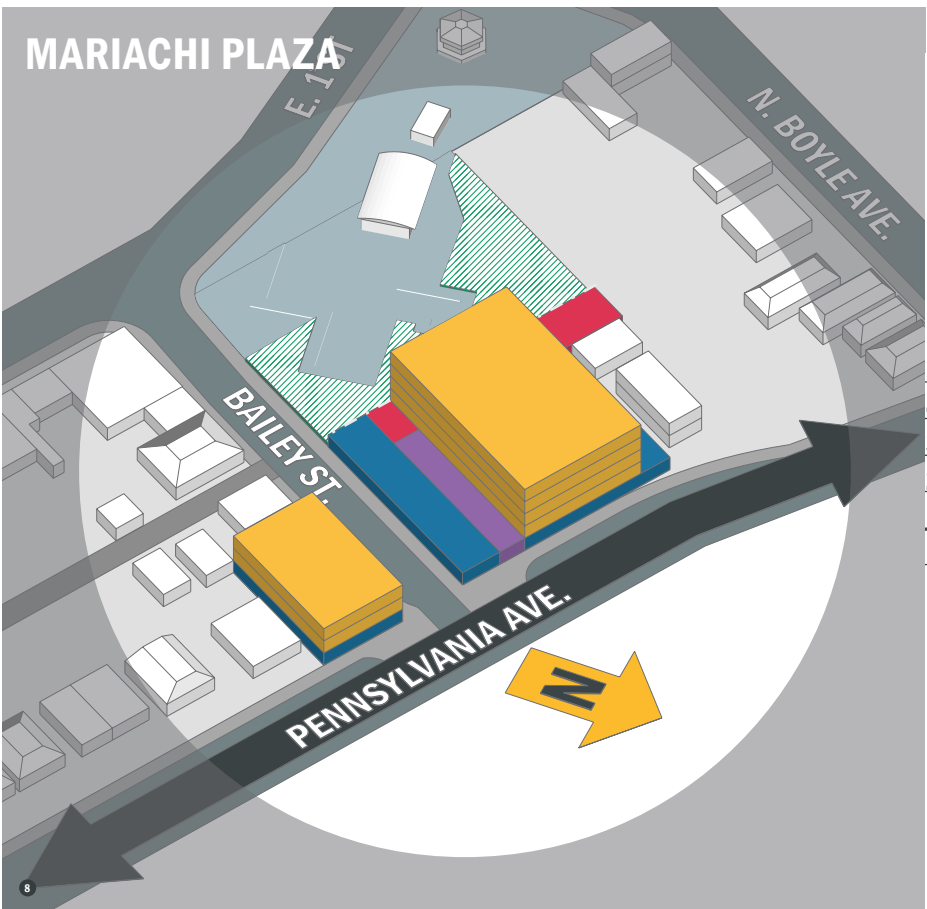
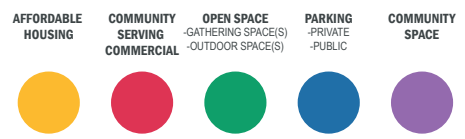
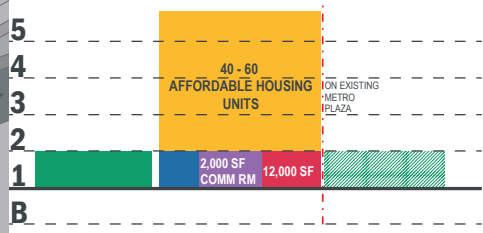
The two diagrams on the following page indicate potential program cases and organization on the site. They were developed in conjunction with the community through public meetings and take into consideration initial financial feasibility study. These are only two possibilities among many and ultimate quantity and mix of uses will be at the discretion of the developer.



**MIX 1**  
VIABLE DENSITY

**B** 6,027 SF RD1.5-1-RIO-CUGU  
**A** 27,025 SF RD1.5-1-RIO-CUGU  
**C** 14,150 SF C2-1-RIO-CUGU

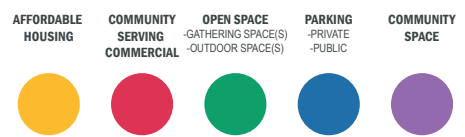
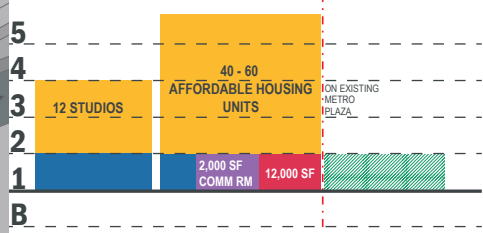
VERTICAL STACKING DIAGRAM



**MIX 2**  
VIABLE DENSITY

**B** 6,027 SF RD1.5-1-RIO-CUGU  
**A** 27,025 SF RD1.5-1-RIO-CUGU  
**C** 14,150 SF C2-1-RIO-CUGU

VERTICAL STACKING DIAGRAM



## 4. DEVELOPMENT GUIDELINES

### INTRODUCTION

The purpose of these guidelines is to give urban and architectural design direction. The principles were developed through an outreach and workshop process between the Boyle Heights community and Metro. In addition to these guidelines, the project will need to comply with City of Los Angeles zoning regulations, as well as the Program Guidelines outlined in Section 3 and Vision for Development in Section 2.

As a general principle, the Development Guidelines are divided into three major categories: Urban Design, Open Space, and Architecture and Building Design. Urban Design looks to how the development sits in the community, how it responds to the surrounding public realm and how it complements and enhances the neighborhood. Open space refers to the hardscape and landscaping in the public areas as well as within the project. Architecture and Building Design refers specifically to the design of the structures themselves. This section is about aesthetics, but more importantly about design principles such as articulation, composition, materials and general quality. It should also be noted that certain guidelines pertain to more than one category; for example, scale impacts both urban design and the building design.

These guidelines are meant to give general direction and are not to be considered comprehensive. Thus, refinements, alternative ideas or other suggestions that improve the overall quality of the project are welcome.

## URBAN DESIGN

### COMMUNITY COMPATIBILITY

- > The overall intention of any project should be to create a built environment that enhances the community and adds value to the community in place. Activities, functions, and uses should be locally-oriented and the project should focus on serving local residents.
- > Scale, massing, and style should be of the highest quality design and should be oriented towards 'fabric' buildings. Fabric buildings are generally compatible with the surrounding built environment and do not stand out as a uniquely styled 'iconic' structure would. A fabric building enhances the built environment without significantly changing it.
- > The project scale should be compatible with neighboring properties and the streetscape environment in general.

### PEDESTRIAN LEVEL EXPERIENCE

- > The pedestrian level experience should create a dynamic and enjoyable environment that encourages pedestrian participation and generates interest.
- > Primary building entrances, residential entries, storefronts, and other pedestrian enhancing activities should be oriented outwards towards the public areas, whether sidewalk or plaza.
- > Service access for trash, loading, or other usage should be controlled and designed to minimize disruption of pedestrian travel.
- > The sidewalks, plazas, open space, and crosswalks should be improved to enhance walking and rolling facilities that cater to a growing range of mobility devices. Surfaces should be smooth and free of obstacles.
- > The environment should be well lit and have clear signage.

### MASSING AND HEIGHT

- > The community has expressed concerns regarding height but desire as much housing as is feasible.
- > Height may vary within the development but the expectation is that transitional heights will be between 1 and 5 stories, with a maximum of 5 stories on Parcel A and 3 stories on Parcel B.
- > Heights may vary from the existing neighbors but should scale down immediately adjacent.
- > Massing should not be monolithic and should be well articulated.

## **GROUND FLOOR USES**

### **Retail**

- > Ground-floor retail should include neighborhood-serving businesses with price points that serve middle- and lower-income levels as appropriate.
- > Consideration should be given to community-preferred retail categories identified in Appendix A.
- > Support should be provided to retail tenants to allow and encourage façade signage, interiors, and other tenant improvements that add to the unique and eclectic identity of the neighborhood and Plaza.
- > Local businesses are encouraged over nationally branded chains.

### **Community Uses**

- > Mixed-use buildings should combine public and private uses and encourage circulation among these uses to increase functionality and customer patronage.
- > Public uses can be on ground floor, but if located elsewhere should provide ease of access.

### **Open Space Uses**

- > Open spaces that reside on ground level should be usable and well maintained.
- > Parcel C shall be used as a transition zone from development to Plaza.
- > Inhabitable roofscapes that encourage interactions between building levels and plazas are welcomed.

### **Housing**

- > Entrances to individual as well as primary entrances to upper level units should be placed on Bailey Street and Pennsylvania Avenue.

## **BUILDING FRONTAGES**

- > On Parcel A, the primary orientation should face Mariachi Plaza. This is frontage should maximize pedestrian interaction. Uses such as retail, community room, public bathrooms and a mariachi resource center should be oriented to the Plaza.
- > Along Bailey Street, some retail/community uses can be included as a continuum of the uses located on the Plaza.
- > Entry for residential uses can be placed on Bailey Street and/or Pennsylvania Avenue.
- > Service entries, uses and structured parking should be oriented to Pennsylvania Avenue.

- > Public parking uses may be oriented towards Bailey Street and Pennsylvania Avenue, but the sidewalk should be set between the structure and the parking.
- > Design in general should address the overall street and elevation composition.
- > Vehicular and pedestrian entries should be obvious. In general, entrances should face the street or Plaza and be recognizable from a distance.

### **Pedestrian Entrances**

- > Pedestrian entrances should create a sense of place and connect the project to the public realm.
- > Entrances perform a valuable transition between the inside and out with the flow of public, to semipublic and to semi private spaces. This is particularly true for the residential portions of the project. In the semipublic space security is the primary concern. Those in this realm need to be there either as residents or legitimate visitors.
- > This semi-public zone is often a lobby or entry hall.

### **Vehicular Entries**

- > Vehicular entries and building access should be designed to minimize distribution of pedestrian flow, especially where it crosses a sidewalk.
- > Service entries should be separate from parking entrances unless the service area is separated from parking within the project.
- > Vehicular entries should be well signed.
- > Security gates or barriers should be placed to allow for a minimum of a one car reservoir between gate and sidewalk.
- > Parking structure entrances should be designed for natural surveillance and maximum visibility with views into the structure from adjacent public areas.

### **Service Areas**

- > Loading zones, trash enclosures, and other building services should be placed so that they are not readily visible from the sidewalk and so access does not unduly disrupt pedestrian walkways.
- > Convenient onsite facilities for occupants to recycle and compost should be conveniently located.
- > Trash should be enclosed in a storage area with covering.

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## OPEN SPACE

### Public Open Space

- > Project public open space, particularly on Parcel C, should function as a continuum of Mariachi Plaza to ensure a seamless connection between the development and the Plaza. New development should respect the culture of the community and the contributions of the mariachis. No structures shall penetrate the surface of the Plaza on Parcel C (see page 17, *Existing Conditions*).
- > Open spaces in the Project Site shall provide seating, trash receptacles, drinking fountains, and shade.
- > Trees should be appropriately sized to provide reasonable shade and be incorporated into open space, especially where seating is provided. Native landscaping that is drought tolerant and cooling is encouraged.
- > Public spaces can incorporate water features that provide evaporative cooling.
- > Design of public and private spaces shall support all modes of active transportation and remain accessible to individuals dependent on mobility support devices, from canes to wheeled push walkers and electric mobility scooters, accommodating all ages and abilities.
- > Multi-benefit green infrastructure strategies such as green roofs, permeable pavement, landscaped bio retention areas, and rainwater recycling should be considered.
- > The landscape palette should include hardscape elements with a low solar reflectance index and drought tolerant plants.
- > WaterSense labeled irrigation control systems (or similar), low-flow or drip heads, water-efficient scheduling practices, and xeriscaping should be incorporated.
- > No essential facilities integral to the Metro Station may be touched or altered.

### Park Area (Parcel A or B)

- > The developer is encouraged to work with the City of Los Angeles Department of Parks and Recreation to create a public/private joint use public park on either Parcel A or B with a joint maintenance agreement.
- > The minimum size for the open space shall be 6,000 SF. This open space can count toward 50% of the required tenant open space subject to approvals from the City of Los Angeles Planning Department.

- > Any park shall be designed and built by the developer in accordance with the City of Los Angeles Department of Recreation and Parks standards.
- > Park design shall include significant vegetation, including trees and shade.
- > The park shall be suitable for people of all ages.

### **Tenant Open Space**

- > Tenant open space shall be provided according to HUD and City of Los Angeles standards.
- > The following open space amenities are desirable:
  - > Tot lot playground
  - > Community garden facilities
  - > BBQ station with tables and seating
  - > Shade created through a combination of trees and shade structures
  - > Exercise elements for tenant use
  - > Seating
  - > Vegetated green space
- > The open space and amenities provided for the tenants within the building should be secured to ensure that only the tenants and their guests have access for their use.
- > Visual continuity between the Plaza and the tenant open space will be desirable for aesthetic reasons and for 'eyes on the street' security purposes.

## **COMMUNITY CONNECTIVITY**

### **Circulation**

- > Clearly signed and intuitive pathways that follow desired pedestrian routes should be provided. Efficient pathways that allow for strategic short-cuts are encouraged.
- > Pedestrian pathways, building entrances, signage, fixtures, and furnishings should be provided for.
- > Access and open space should be provided for the retail/commercial uses and be a seamless continuum with Mariachi Plaza.
- > Ground floor spaces should be designed to allow and encourage building uses to spill out into open spaces with features such as restaurant/cafe seating and outdoor displays of retail merchandise.

### **Safety and Security**

- > Safety and security is of paramount importance and can be fostered through environmental design strategies.
- > Commonly accepted crime prevention should be used whenever possible to provide a safe streetscape environment for all people that visit and use the development areas.
- > Lighting should be adequately provided throughout the site to allow clear visibility throughout the project sites and into the adjacent Mariachi Plaza. Dark corners should be avoided or lit.
- > Entrances should have enhanced lighting.
- > The project structures and particularly the housing project should be secured such that access is controlled.
- > Open line of sight should be considered in the design of open space.
- > Signage and wayfinding as a matter of security, requires clear, obvious and efficient paths of travel.

### **Landscape and Streetscape**

- > Street plantings, furnishing, paving, and other features on the sidewalk should provide a buffer between pedestrian and vehicular traffic.
- > The streetscape should include native landscaping that is drought tolerant and cooling.
- > Street trees should be selected for their shade qualities. Street trees should be low in maintenance and should comply with City of Los Angeles standards.
- > High-quality materials for pavement areas, seating, furniture, lighting, fences, and signage shall be utilized.
- > Street and park furniture is desirable and should include seating.

### **Bailey Street Improvements**

- > Bailey Street may be subject to occasional closure between Pennsylvania Avenue and the alley to the south for community, commercial, and social events.
- > Enhanced street paving, such as use of unique materials or thermoplastic patterning, should be provided.
- > A method for safely closing off the street should be provided.
- > Sidewalks should be designed so that a graceful continuum of open space may be achieved between Parcels A and B.

## **PUBLIC ART**

As background, Metro's art program enhances the customer experience with innovative visual and performing arts programming that encourage ridership and connect people, sites, and neighborhoods throughout Los Angeles County. A diverse range of site-specific artworks are integrated into the growing Metro system, improving the quality of transit environments, creating a sense of place, and strengthening ties with the communities Metro serves. From public art installations including photography onboard posters, to art tours and live performances, Metro's multi-faceted art programs add vibrancy and engage communities throughout Los Angeles.

In the context of this development, the project should take the following guidelines into its public art process:

- > Public art and/or cultural facilities/programming (see page 19) should be integrated into the development.
- > Public art/programming may be integrated into the architectural and functional aspects of the project site, or as a separate formal element of the site.
- > Pedestrian-scaled public art should be integrated into the streetscape and open spaces.
- > Public art/programming should be reflective of the community and developer shall work with Metro Art to finalize concept.

## ARCHITECTURE AND BUILDING DESIGN

### FORM AND SPACE

#### Massing & Height

- > Height should comply with the zoning requirements of the City of Los Angeles. The current height zone allows 45 feet. Affordable housing incentives allow up to 5 stories at approximately 55 feet.
- > Massing should respect adjoining sites and the neighborhood. Massing should not be monolithic and should be well articulated.
- > Massing can be enlivened by the juxtaposition of solidity with openness.

#### Scale & Proportion

- > Scale and proportion, along with massing and height, exist in the context of the neighborhood and should be respectful of adjoining structures.
- > Scale and proportion are also part of the basis of composition. Strategic use of proportion can enliven a composition, making the structure playful and interesting.

#### Symmetry & Rhythm

- > Articulation, massing, and openings should be used to break up the massing of a building.
- > Symmetry can be used, or purposely not used, for composition.
- > Rhythm can be used to enliven larger masses and is useful for composition.

### CONTEXT

#### Building Frontages

- > For Parcel A, the primary frontage should be considered to be the southerly elevation, which faces onto Mariachi Plaza.
- > If Parcel B is developed with housing, the development should treat Bailey Street as the prime frontage and respond to the manner in which Parcel A on Bailey Street is being developed.
- > Buildings will be visible from all four sides and consequently all sides will need to be well designed to create 'four-sided' buildings.
- > Each side will need to relate to the neighborhood context within which it sits. The four elevations need to integrate into one clearly defined design.
- > The retail/commercial portions of the project should be transparent and open and face onto Mariachi Plaza.

## **Design & Style**

- > There is no one defined design style, however, the design needs to be 'of its time' – that is, contemporary in nature. It also needs to be 'of its place' – that is, appropriate to the community.
- > An imitative historicist design style is discouraged.
- > To the extent possible, daylight should permeate throughout the units. Larger than required minimum windows should be used. Consideration should be given to what views should be enhanced and what views should be hidden.
- > Consideration should be given to privacy.
- > Opportunity for natural ventilation and cross ventilation, where viable, should be provided.
- > Consideration should be given to controlling or mitigating noise, whether generated by neighborhood uses such as restaurants, bars, or traffic, or by others within the building.

## **BUILDING MATERIALS**

### **Quality & Durability**

- > Quality and durability are essential to the long-term success of the project and should be considered from the outset.
- > Texture is usually expressed in the material quality of the surface and can be used to emphasize differences between masses and add interest to surfaces.
- > Consideration shall be given to strategies to prevent or mitigate graffiti.

## **SUSTAINABILITY**

- > New construction must meet sustainability criteria developed by the United States Green Building Council ("USGBC") for Leadership in Energy and Building Design ("LEED") at a minimum at the "Silver" level.
- > Technologies, designs, and programs that promote environmental stewardship, reduce greenhouse gas emissions, and conserve or restore natural resources should be explored.
- > Building massing, shade elements, and tree placement to decrease heat gain and to improve pedestrian thermal comfort should be utilized.
- > Energy efficiency in designing the building envelope, mechanical systems, lighting systems, and lighting controls should be prioritized.
- > Inclusion of renewable energy sources such as photovoltaic panels should be considered, where possible.

- > Ultra low-flow toilets and urinals, low-flow and sensed sinks, low-flow showerheads, water-efficient dishwashers and washing machines, and other water saving strategies should be utilized.
- > Submeters for energy and water use in individual leasable spaces should be installed.
- > Proposed buildings materials should be evaluated for inclusion of recycled content and regional sourcing to reduce carbon footprint of new buildings.
- > Low or no VOC finish materials, operable windows, acoustically separated partition walls, and plenty of daylight for all regularly occupied indoor rooms should be incorporated.

### **PARKING**

- > Parking requirements of the zoning code shall be met.
- > EV charging station(s) in both private and public parking areas should be provided.
- > Secure bicycle storage rooms and other amenities that encourage bicycling for building occupants and visitors, for example, a bicycle repair station, should be incorporated.
- > Bicycle parking shall be provided and shall include bike racks for the public and general long term secure bicycle parking for residents.

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## 5. REGULATORY AND POLICY FRAMEWORK

The Project Site is subject to a number of adopted regulatory policies, both from the City of Los Angeles and Metro. This section offers a brief overview; respondents are encouraged to comprehensively review the documents.

### **CITY OF LOS ANGELES PLANNING - GENERAL PLAN**

*The City of Los Angeles  
General Plan*

*Land Use Element  
<http://planning.lacity.org/cwd/frmwk/contents.htm>*

*The City of Los Angeles  
General Plan  
Community Plan  
Boyle Heights*

*Existing Community Plan:  
<http://planning.lacity.org/complan/central/PDF/bhtplanmap.pdf>*

*Community Plan Update Status:  
<https://sites.google.com/site/boyleheightsnpc/how-to-get-involved/draft-plan-status>*

New development at the Project Site must follow the General Plan. The Project Site falls within the Metropolitan Geographic Area of the Land Use Element of the General Plan of the Boyle Heights Community Plan. The City of Los Angeles' Department of City Planning is currently conducting a series of updates both to its General Plan and to various Community Plans including Boyle Heights. The Department is exploring options to increase the density of major transit nodes and commercial corridors in Boyle Heights while also providing various densities and parking incentives.

Currently parcels A & B are zoned RD1.5-1-RIO-CUGU, which requires a minimum of 1,500 SF per dwelling unit, limiting a potential housing development to 22 total dwelling units. Accounting for the maximum density bonus granted through the inclusion of Affordable Housing units, an additional 30% of dwelling units can be developed, bringing the potential total to 29 units. Metro has communicated the community's desire to the Planning Department to allow for denser residential development on the two parcels in question and has recommended an increase to the site's development potential to permit a mixed used development and higher residential density. At this stage Metro anticipates that these community-driven recommendations will be included in the Community Plan update and Metro encourages development proposals assuming the density proposed in Section 3 under "Uses".

It is anticipated that the updated Boyle Heights Community Plan will be adopted by early 2018

## **METRO JOINT DEVELOPMENT PROGRAM: POLICIES AND PROCESS**

Updated in September 2015, this policy document outlines the objectives of the Joint Development program, describes the Joint Development Process, and details policies and requirements. Recent policy changes include a goal that 35% of all housing developed on Metro-owned land (on a portfolio-wide basis) be affordable to households earning 60% of the Area Median Income or below, and that a robust community engagement process is expected for all Joint Development sites.

*Joint Development Policies and  
Procedures*  
[www.metro.net/projects/joint\\_dev\\_pgm](http://www.metro.net/projects/joint_dev_pgm)

Moreover, Metro has formed the Boyle Heights Transit Oriented Development Design Review Advisory Committee (“DRAC”) to represent a broad group of stakeholders. The DRAC was formed to (a) advise Metro on design issues of importance to residents, businesses, institutions and stakeholder groups in the project area; (b) coordinate and act as liaison between businesses, residents, property owners and Metro; and (c) serve as the formal means through which community members are involved in the evaluation of the design for the project sites. The DRAC will participate in the design review process for all JD sites within Boyle Heights.

*Design Review Advisory Committee  
DRAC*  
<https://www.metro.net/projects/jd-boyle-heights/>

## **METRO COMPLETE STREETS POLICY**

Complete Streets are streets that provide safe, comfortable, and convenient travel along and across streets through a comprehensive, integrated transportation network. These streets would serve all categories of users, including pedestrians, users and operators of public transit, bicyclists, persons with disabilities, seniors, children, motorists, users of green modes, and movers of commercial goods.

*Metro Complete Streets Policy  
(adopted October 2014)*  
[http://media.metro.net/projects\\_studies/sustainability/images/policy\\_completestreets\\_2014-10.pdf](http://media.metro.net/projects_studies/sustainability/images/policy_completestreets_2014-10.pdf)

## **METRO FIRST LAST MILE STRATEGIC PLAN**

The properties are subject to Metro’s First Last Mile Strategic Plan, which presents planning and design guidelines to improve the connections to the station and from origins and destinations within 3 miles of the station.

*Metro First Last Mile Strategic Plan  
(adopted April 2014)*  
<https://www.planning.org/awards/2015/pdf/FirstLastPlan.pdf>

*The City of Los Angeles  
General Plan  
Transportation Element  
2010 Bicycle Plan  
<http://planning.lacity.org/cwd/gn/pln/transelt/NewBikePlan/Txt/LA%20CITY%20BICYCLE%20PLAN.pdf>*

### **CITY OF LOS ANGELES - BICYCLE PLAN AND MOBILITY ELEMENT**

The City of Los Angeles is in the process of implementing the 2010 Bicycle Plan and the 2015 Mobility Element. The Bicycle Plan has identified 1st Street Avenue as part of a network of dedicated bicycle lanes. To the extent that a developer will be constructing streetscape improvements on 1st Street as part of the development and construction process, the City of Los Angeles Bicycle and Mobility Plan infrastructure must be incorporated.

*The City of Los Angeles  
General Plan  
Health and Wellness Element  
Plan for a Healthy Los Angeles  
(March 2015)  
[http://healthyplan.la/wordpress/wp-content/uploads/2014/11/PlanforHealthyLA\\_Web-11.pdf](http://healthyplan.la/wordpress/wp-content/uploads/2014/11/PlanforHealthyLA_Web-11.pdf)*

### **CITY OF LOS ANGELES - PLAN FOR A HEALTHY LOS ANGELES**

The Plan for a Healthy Los Angeles lays the foundation to create healthier communities for all Angelenos. As an Element of the General Plan, it provides high-level policy vision, along with measurable objectives and implementation programs, to elevate health as a priority for the City's future growth and development. Through a new focus on public health from the perspective of the built environment and City services, the City of Los Angeles will strive to achieve better health and social equity through its programs, policies, plans, budgeting, and community engagement.

# Community Corridors

*Opportunities for new housing and small businesses*

## PROJECT OBJECTIVES

New residential development is focused along major corridors with access to transit and neighborhood amenities

Opportunities for a greater mix of housing, jobs, goods, and services

Evolution of the Sears Opportunity Site as a regional center with community benefits

## PLAN FEATURES

### Affordable Housing Incentives

- **Transit Nodes:**
  - 3 story base height
  - 4, 5, and 6 stories (height incentives) allowed for mixed-income and affordable housing developments
- **Transit Corridors:**
  - 2 stories base height
  - 3, 4, and 5 stories (height incentives) allowed for mixed-income and affordable housing developments

### Corridor Development Standards

- Require active street frontages that welcome pedestrians
- Require buildings to scale down from corridors to residential neighborhoods



EIR Scoping Meeting 2016 © Boyle Heights Community Plan  
 Department of City Planning  
 Illustration Purposes-Not drawn to Scale

*Boyle Heights Community Plan Update Draft, Community Corridors. 2016*

## 6. TRANSIT CONNECTIVITY



*Developers may build over the station entrances, subject to Metro design approval and review.*

Metro envisions a development that is physically and programmatically integrated with its bus, rail, bicycle, and parking facilities to the greatest extent feasible where applicable.

The requirements below set the parameters for transit connectivity and protecting Metro's transit infrastructure, and reflect feedback from Metro's Operations, Engineering & Construction, and Planning Departments. Adherence to these requirements is critical, and the selected development proposal will be reviewed by Metro technical staff for its compliance with these requirements throughout the design development process.

### **RAIL**

#### **Station Portal**

The existing Gold Line Station Portal at Mariachi Plaza must be maintained as a key entrance to the Station. Existing vent shafts, emergency exits, and other similar station facilities shall remain intact and future development shall not impair or hinder their functionality. With Metro's approval, such facilities may be modified. No loss of transit functionality shall occur, and the costs of such modifications will not be borne by Metro.

### **BUS**

#### **Bus Patron Amenities**

Bus patron amenities such as benches, bus shelters, next bus displays, and map cases are required where applicable. If amenities must be temporarily relocated during construction, Metro staff must approve location.

### **BICYCLE**

#### **Bicycle Parking**

Bicycle parking for the Development must be in compliance with the City of Los Angeles bicycle parking ordinance.

#### **Bike Share**

A Metro bike share program is underway and has rolled out a pilot program in downtown Los Angeles in 2016. Later phases of the bike share program may locate kiosks in Boyle Heights as part of their Downtown Los Angeles expansion or East LA Expansion area. The developer shall coordinate with Metro's Bike team to reserve space at the development for bike share kiosks.

# APPENDIX

## APPENDIX A. SUMMARY OF COMMENTS FROM CHARRETTES

### SUMMARY OF COMMENTS: MARIACHI PLAZA

#### Stakeholder Feedback for the Development Guidelines, September 2016

##### Executive Summary

Metro hosted two charrettes on February 27, 2016 and March 9, 2016 respectively regarding joint development on the Metro site adjacent to Mariachi Plaza. Metro also hosted a focus group for the Mariachi community on April 27, 2016 and a community focus group on August 10, 2016. Metro heard important feedback from residents, neighbors, property owners, business owners and other stakeholders about their vision and concerns for future development. The charrettes garnered an array of responses and a firm direction from the stakeholders.

Metro asked several questions of our stakeholders at these meetings. We had approximately six tables, four English-speaking and two Spanish-speaking. We also talked one-on-one to hear comments and concerns. We provided a neighborhood map where the stakeholders pointed to where they lived and showed existing condition in a 1/2-1 mile radius of the site. Each table, through a Table Captain, summed up the group's comments and reported back to everyone in the meeting. In addition we provided green dots for 'yes' and 'red' dots for no that the stakeholders placed on a chart with various choices such as 'affordable housing', 'market rate housing', 'grocery store', etc.

The questions we asked were:

1. What are you looking for on this site?
2. What is working?
3. What is not?
4. What do you want?
5. What is here? (referring to the neighborhood map)
6. What is most valuable or what do you value in your neighborhood?
7. What is missing?
8. What does the neighborhood need?
9. What would you like to have or see for these sites?

The feedback included several important recurring themes:

- > Affordable housing
- > Grocery store
- > Parking
- > Street vendor hub
- > Open space/Parks/Playgrounds

As with any community, there were a variety of opinions, but a major concern in Boyle Heights was gentrification that would displace existing residents. The community wanted any future development or changes to preserve their culture and serve the current and long time residents. The Mariachi and vendor groups wanted to see shade, bathrooms and areas to park.

Metro would like to thank all the participants who came out to the meetings. The feedback we heard is summarized in more detail below.

## **Character and Culture of the Neighborhood**

Residents and stakeholders treasure the neighborhood, culture and historic character and want the neighborhood to reflect their community. The following are comments from the charrette attendees:

- > Create a history and cultural museum and children's museum
- > Preserve small buildings with murals and all murals
- > Create signage that conveys the local heritage
- > Build a cultural center
- > Create a cultural center
- > "[I would like to see] a history museum or community history wall."
- > "I would like to see] a mariachi museum."
- > "Murals with Mexican culture represented"
- > "[We should] preserve the small buildings with murals; do not change these buildings."
- > "[We should] preserve the Mariachi heritage [and] day to day [vitality]."
- > "[There should be] signage [that conveys] the heritage."
- > "[I would like to see a] kid-safe children's museum or center with hands-on activities."
- > "What I personally like about Mariachi Plaza is our culture, that it shows in music."
- > "[I would like to see] culture center."

## **Housing**

Participants desired affordable housing that is for low income people and would assist the local residents. Metro heard that the community would like to see:

- > Low-income senior housing
- > Affordable housing for very low income people
- > A laundromat with housing on top
- > Housing and a garden
- > A senior center with living areas
- > "[I would like to see] low-income senior housing."
- > "[I would like to see] Senior housing for those that earn less than \$24K per year"
- > "Affordable housing because there are people that earn less than \$24K per year."
- > "[I would like to see] a senior center with two stories and a laundromat at the bottom."

## **Markets**

Boyle Heights lacks a varied selection of grocery stores. Participants have a need for affordable markets that offer healthy food choices. Metro heard that the community would like to see:

- > Low-income senior housing.
- > Affordable housing for very low income people.
- > A laundromat with housing on top.
- > Housing. A garden.

- > A Senior center with living areas
- > “[I would like to see] a health food store/healthy restaurant.”
- > “[I would like to see] community services like a market or laundromat. There is a] lack of a supermarkets.”
- > “[I would like to see] local, authentic markets with parking”
- > “[I would like to see] a low-cost, affordable, organic grocery store.”

## Outdoor Space

Open space is a priority for residents as they want to continue to use Mariachi Plaza as a gathering space and public plaza. Specifically, Metro heard that the development should:

- > Include a green park with walking paths and exercise space
- > Provide vendor and mariachi gathering places
- > Include public seating
- > “[I would like to see] an outdoor gathering space w/internet, [that is] open all hours.”
- > “[I would like to see] a green park with walking path/playground/skate park/community garden/public arts.”
- > “[I would like to see] a community garden/green space, and exercise space.”
- > “[I would like to see a] skate park, [so that the skaters] get off Mariachi Plaza.”
- > “[I would like to see] legal community art walls and a skate park.”
- > “The youth skaters on the plaza are good, they need a place.”
- > “Vendors are desirable; they need a place to wash, rest, seating for food trucks.”
- > “Farmers market is good.”
- > “Small recreation area for youth”
- > “Environmental contamination (open space to better the quality of life)”
- > “[I would like to see] seating for the public; 17 cast iron benches.”
- > “[I would like to see] a community garden.”
- > “[I would like to see] a playground.”
- > “[I would like to see an open space with public seating that is safe and comfortable.”

## Parking

Parking is a key issue for residents, businesses, and transit riders. There is virtually no parking at Mariachi Plaza and in the immediate area. It is a great need for all residents and visitors.

Opinions about parking included the following:

- > Businesses need parking
- > A new parking lot for local residents
- > Parking of events
- > Low cost parking
- > “[We need] parking! Businesses need underground parking.”
- > “[I would like to see] a multi-use facility that has parking during the day and vendors at night.”
- > “[I would like to see] underground business parking (not Park & Ride)”
- > “[I would like to see] a creative parking [facility] (that uses solar, etc.)”
- > “[Currently] the parking is scarce for residents and visitors.”
- > “Is permit parking desirable? [We need a] comprehensive parking solution.”
- > “[We need] more slant parking on Baily + Pleasant.”



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# APPENDIX B. DESIGN GUIDELINES CHECKLIST

## DRAC CHECKLIST

### 5 LEVEL ACHIEVEMENT SCALE

5	Exceptional
4	Exceeds Expectations
3	Meets Expectations
2	Improvement Needed
1	Unacceptable

PROJECT \_\_\_\_\_ DATE \_\_\_\_\_

LOCATION \_\_\_\_\_

DEVELOPER \_\_\_\_\_

	Achievement Score	Notes
<b>1. URBAN DESIGN</b>		
UD-1 - Pedestrian level orientation/experience		
UD-2 - Community compatibility		
UD-3 - Service entries: Trash, deliveries, utilities, police, fire, hospitals		
UD-4 - Scale relative to neighborhood		
UD-5 - Uses/Ground floor		
UD-6 - Moving from public to private space		

# DRAC CHECKLIST

## 5 LEVEL ACHIEVEMENT SCALE

5	Exceptional
4	Exceeds Expectations
3	Meets Expectations
2	Improvement Needed
1	Unacceptable

PROJECT \_\_\_\_\_ DATE \_\_\_\_\_

LOCATION \_\_\_\_\_

DEVELOPER \_\_\_\_\_

	Achievement Score	Notes
<b>2.OPEN/PUBLIC SPACE</b>		
OPS-1 - Community connectivity/Neighborhood		
OPS-2 - Access/Entries/Signage		
OPS-3 - Parking- Accessible/Screened		
OPS-4 - Public transportation		
OPS-5 - Trees/Shade		
OPS-6 - Landscape		
OPS-7 - Tenant open space		
OPS-8 - Community amenities		

# APPENDIX B. DESIGN GUIDELINES CHECKLIST

## DRAC CHECKLIST

PROJECT \_\_\_\_\_ DATE \_\_\_\_\_

LOCATION \_\_\_\_\_

DEVELOPER \_\_\_\_\_

### 5 LEVEL ACHIEVEMENT SCALE

5	Exceptional
4	Exceeds Expectations
3	Meets Expectations
2	Improvement Needed
1	Unacceptable

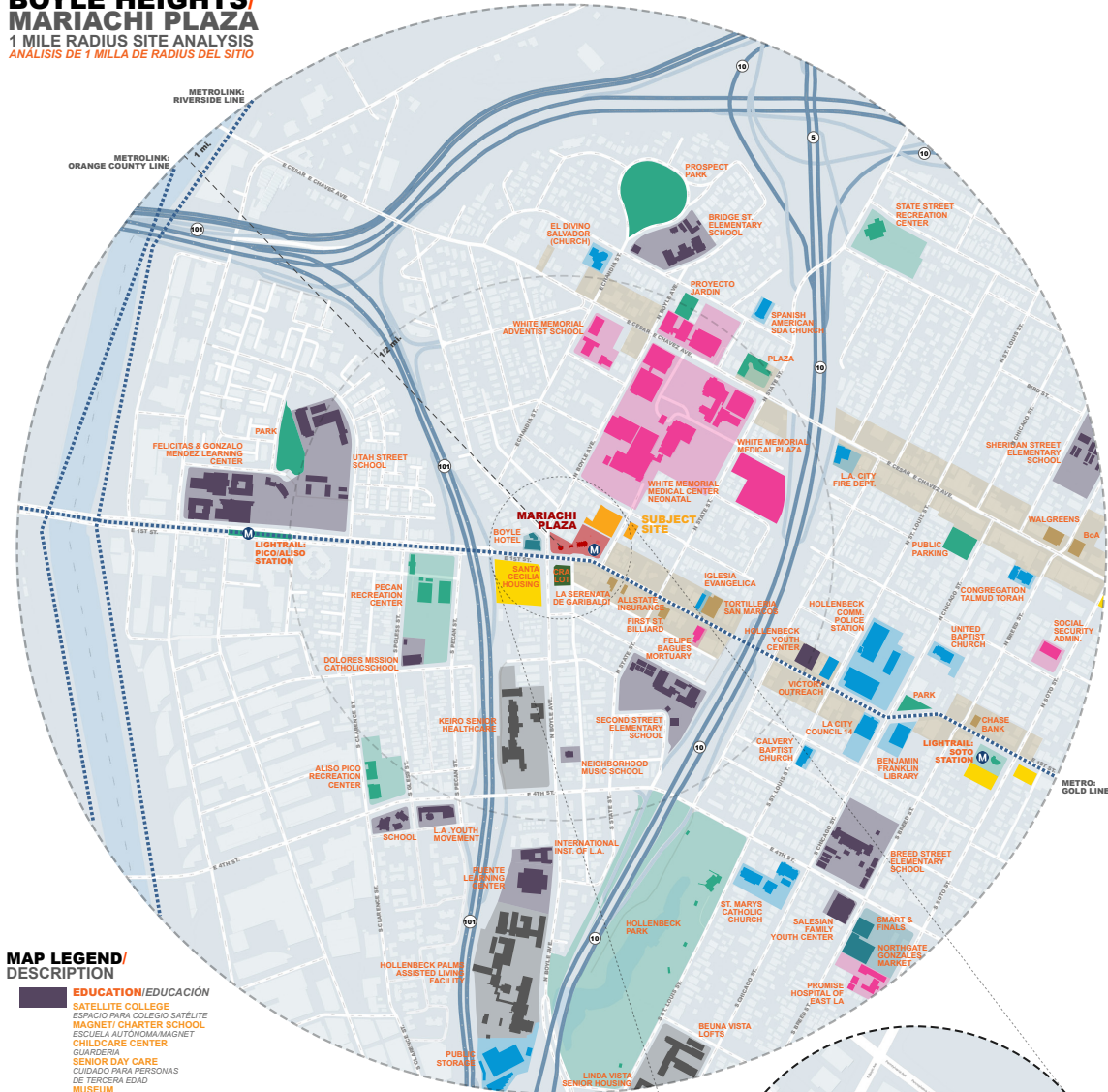
	Achievement Score	Notes
<b>3. ARCHITECTURE / BUILDINGS</b>		
AB-1 - Articulation		
AB-2 - Quality of Materials		
AB-3 - Symmetry & Rhythm		
AB-4 - Scale + Proportion		
AB-5 - Solid vs. Open		
AB-6 - Design & Style		
AB-7 - Context		
AB-8 - Sustainability		

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**BOYLE HEIGHTS COMMUNITY WORKSHOPS**  
*TALLER COMUNITARIO*  
MARIACHI PLAZA

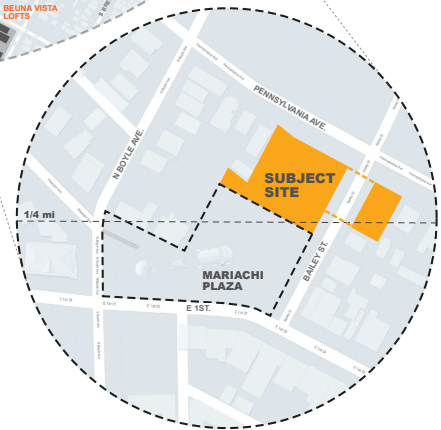


**BOYLE HEIGHTS/  
MARIACHI PLAZA**  
1 MILE RADIUS SITE ANALYSIS  
ANÁLISIS DE 1 MILLA DE RADIUS DEL SITIO



**MAP LEGEND/  
DESCRIPTION**

- |   |   |  |
|---|---|--|
| <p><b>EDUCATION/EDUCACIÓN</b></p> <ul style="list-style-type: none"> <li>SATELLITE COLLEGE</li> <li>ESPACIO PARA COLEGIO SATELITE</li> <li>MAKONET/ CHARTER SCHOOL</li> <li>ESCUELA AUTONOMA/MAKONET</li> <li>CHILDCARE CENTER</li> <li>GUARDERIA</li> <li>SENIOR DAY CARE</li> <li>CUIDADO PARA PERSONAS DE TERCERA EDAD</li> <li>MUSEUM</li> </ul> <p><b>RESIDENTIAL/RESIDENCIAL</b></p> <ul style="list-style-type: none"> <li>MULTI-FAMILY HOUSING</li> <li>VIVIENDAS A PRECIO DE MERCADO</li> <li>AFORDABLE HOUSING</li> <li>VIVIENDAS ASEQUIBLES</li> <li>SENIOR HOUSING</li> <li>VIVIENDAS PARA PERSONAS DE TERCERA EDAD</li> <li>ASSISTED LIVING FACILITY</li> <li>FACILIDAD DE VIDA ASISTIDA</li> <li>HOTEL/MOTEL</li> </ul> <p><b>PUBLIC-CIVIC/ESPACIOS CÍVICOS</b></p> <ul style="list-style-type: none"> <li>CITY/ COUNTY/ STATE AGENCIES</li> <li>AGENCIAS DE LA CIUDAD Y DEL CONDADO</li> <li>SOCIAL SECURITY OFFICE</li> <li>OFICINA DE SEGURO SOCIAL</li> <li>EMPLOYMENT/ TRAINING CENTER</li> <li>CENTRO DE CAPACITACIÓN Y APRENDIZAJE</li> <li>COMMUNITY CENTER</li> <li>CENTRO COMUNITARIO</li> <li>PUBLIC LIBRARY</li> <li>BIBLIOTECA PUBLICA</li> <li>NON-PROFIT</li> <li>CENTROS SIN FINES DE LUCRO</li> <li>CITY COUNCIL</li> <li>SUPERVISOR'S OFFICE</li> <li>AYUNTAMIENTO</li> <li>POLICE/FIRE STATION</li> <li>ESTACIÓN DE POLICIA/ BOMBEROS</li> <li>CHURCH</li> </ul> | <p><b>COMMERCIAL-OFFICE<br/>/COMERCIO-OFICINAS</b></p> <ul style="list-style-type: none"> <li>BUSINESS INCUBATORS</li> <li>INCUBADORA DE NEGOCIOS</li> <li>MEDICAL PLAZA/ OFFICES</li> <li>PLAZA/ OFICINAS MEDICAS</li> <li>MENTAL HEALTH OFFICES</li> <li>OFICINAS DE SALUD MENTAL</li> <li>DENTAL OFFICES</li> <li>OFICINAS DENTAL</li> <li>COMMERCIAL OFFICE</li> <li>OFICINAS COMERCIALES</li> <li>PROFESSIONAL OFFICE</li> <li>OFICINAS PROFESIONALES</li> </ul> <p><b>PUBLIC OPEN SPACE<br/>/ESPACIO PUBLICO AL ABIERTO</b></p> <ul style="list-style-type: none"> <li>PLAZA</li> <li>FARMERS MARKET</li> <li>MERCADOS AL AHIRE LIBRE</li> <li>WALKING PATHS</li> <li>SENDEROS PARA CAMINAR</li> <li>FITNESS SPACES</li> <li>ESPACIOS PARA HACER EJERCICIO</li> <li>COMMUNITY GARDEN</li> <li>JARDIN COMUNITARIO</li> <li>PUBLIC ART</li> <li>ARTE PUBLICO</li> <li>PLAYGROUND</li> <li>PARQUES Y PATIOS DE RECREO</li> <li>STREET VENDOR HUB</li> <li>VENEDORES DE COMIDA</li> <li>FOOD TRUCK</li> </ul> | <p><b>COMMERCIAL-RETAIL<br/>/COMERCIO-TIENDAS</b></p> <ul style="list-style-type: none"> <li>GROCERY STORE</li> <li>SUPERMERCADO</li> <li>DRUG STORE/ PHARMACY</li> <li>FARMACIA</li> <li>RESTAURANT/ CAFE</li> <li>RESTAURANTE/ CAFE</li> <li>HAIR/ NAIL SALON</li> <li>SALÓN DE BELLEZA</li> <li>CLOTHING/ SHOE STORE</li> <li>TIENDA DE ROPA ZAPATOS</li> <li>BANK</li> <li>BANCO</li> <li>LAUNDRY</li> <li>LAVANDERIA</li> <li>GYM</li> <li>GINNASIO</li> </ul> <p><b>MARIACHI PLAZA<br/>/MARIACHI PLAZA</b></p> <p><b>METRO SITE<br/>/METRO DEL PROYECTO</b></p> <p><b>COMMERCIAL CORRIDOR<br/>/CORREDOR COMERCIAL</b></p> <p><b>LIGHTRAIL &amp; TRAIN<br/>/TREN LIGERO &amp; TREN</b></p> <p><b>FREEWAY<br/>/AUTOPISTA</b></p> |
|---|---|--|





**MARIACHI PLAZA WORKSHOP DISCUSSION**  
TALLER COMUNITARIO EN MARIACHI PLAZA



**MARIACHI PLAZA WORKSHOP REPORT OUT**  
TALLER DE RELATO EN MARIACHI PLAZA

# TOP 'YES' ANSWERS RESPUESTAS A FAVOR



## Housing

Affordable Housing (Rental) + Senior Housing

### *Viviendas*

*Viviendas asequibles (alquilables) + Viviendas para personas mayores*



## Grocery Store

*Supermercado*



## Parking

*Estacionamiento*



## Street Vendor Hub

*Espacios para vendedores ambulantes*

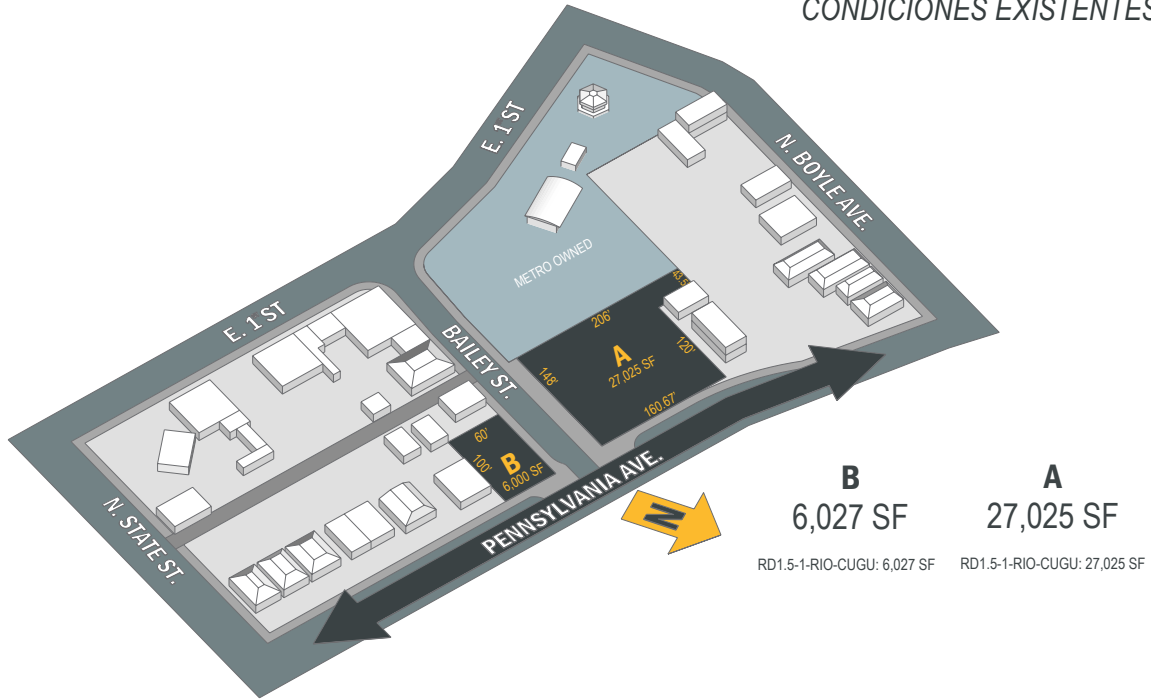


## Park / Playground

*Parques y patios de recreo*



# EXISTING CONDITIONS CONDICIONES EXISTENTES

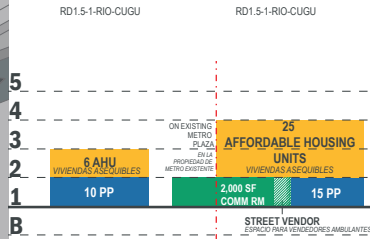


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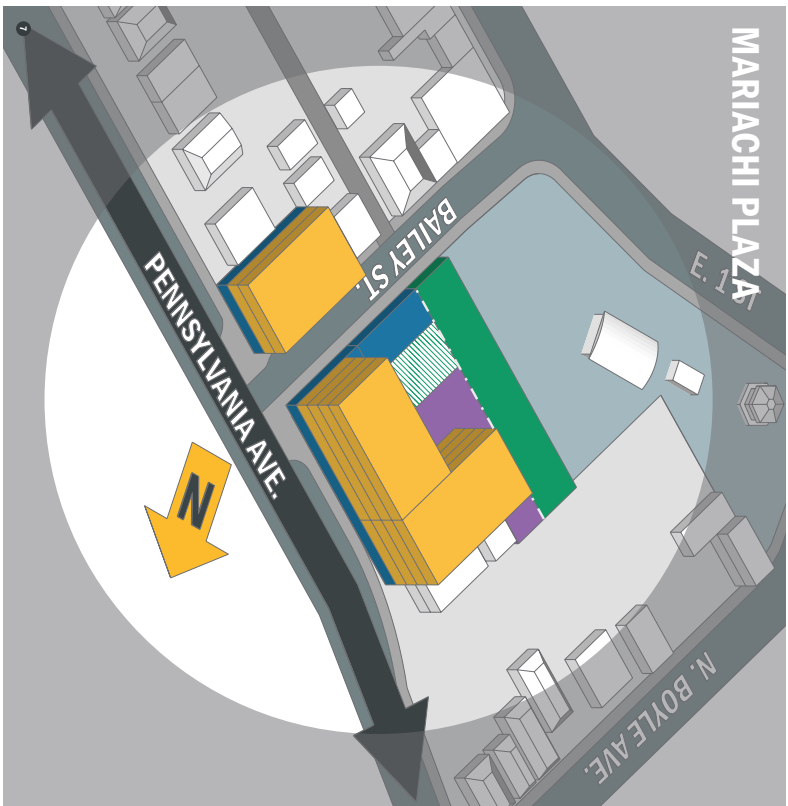
**B**  
6,027 SF  
RD1.5-1-RIO-CUGU: 6,027 SF

**A**  
27,025 SF  
RD1.5-1-RIO-CUGU: 27,025 SF

### VERTICAL STACKING DIAGRAM DIAGRAMA DE ORGANIZACION VERTICAL



# MIX 1



**B** 6,027 SF  
**A** 27,025 SF

RD1-S-1-RIO-CUQU 6,027 SF    RD1-S-1-RIO-CUQU 27,025 SF

**VERTICAL STACKING DIAGRAM**  
 DIAGRAMA DE ORGANIZACION VERTICAL

RD1-S-1-RIO-CUQU    RD1-S-1-RIO-CUQU



- AFFORDABLE HOUSING (AHL)
- GENERAL COMMERCIAL
- OPEN SPACE (WASHING, STREET VENDOR HUB, COMMUNITY ROOM)
- PARKING
- WINDMILLS ASSEMBLIES, COMERCIO BY GENERAL
- ESPACIO LIBRE (WASHING, STREET VENDOR HUB, COMMUNITY ROOM)
- ESTACIONAMIENTO



**AFFORDABLE HOUSING**  
 WINDMILLS ASSEMBLIES

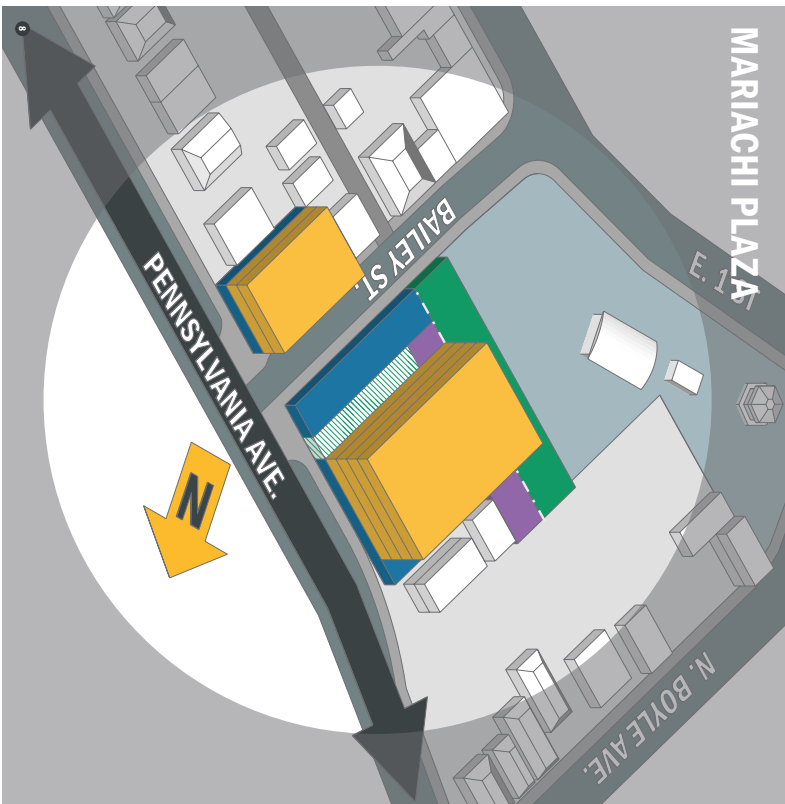


**FLEX SPACE WITH CONNECTION TO OUTDOOR SPACE**  
 ESPACIO FLEXIBLE CON CONEXION A ESPACIO AL AIRE LIBRE



**LIMITED COMMERCIAL SPACE**  
 ESPACIO COMERCIAL LIMITADO

# MIX 2



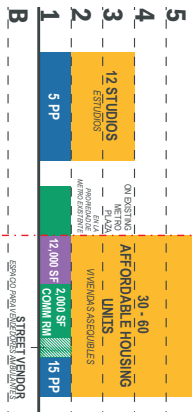
**B** 6,027 SF      **A** 27,025 SF

RD1.5-1-RIO-CUQU: 6,027 SF      RD1.5-1-RIO-CUQU: 27,025 SF

**VERTICAL STACKING DIAGRAM**  
DIAGRAMA DE ORGANIZACION VERTICAL

RD1.5-1-RIO-CUQU

RD1.5-1-RIO-CUQU



- AFFORDABLE HOUSING (Viviendas Asequibles)
- GENERAL COMMERCIAL (Comercio General)
- OPEN SPACE (Espacio Libre)
- PARKING (Estacionamiento)
- VIVIDAS ASEQUIBLES (Viviendas Asequibles)
- COMERCIO GENERAL (Comercio General)
- ESPACIO LIBRE (Espacio Libre)
- ESTACIONAMIENTO (Estacionamiento)
- STREET VENDORS HUB (Espacio para Vendedores de Calle)
- COMMUNITY ROOM (Espacio Comunitario)



**AFFORDABLE HOUSING**  
VIVIDAS ASEQUIBLES



**FLEX SPACE WITH CONNECTION TO OUTDOOR SPACE**  
ESPACIO FLEXIBLE CON CONEXION A ESPACIO AL Aire LIBRE

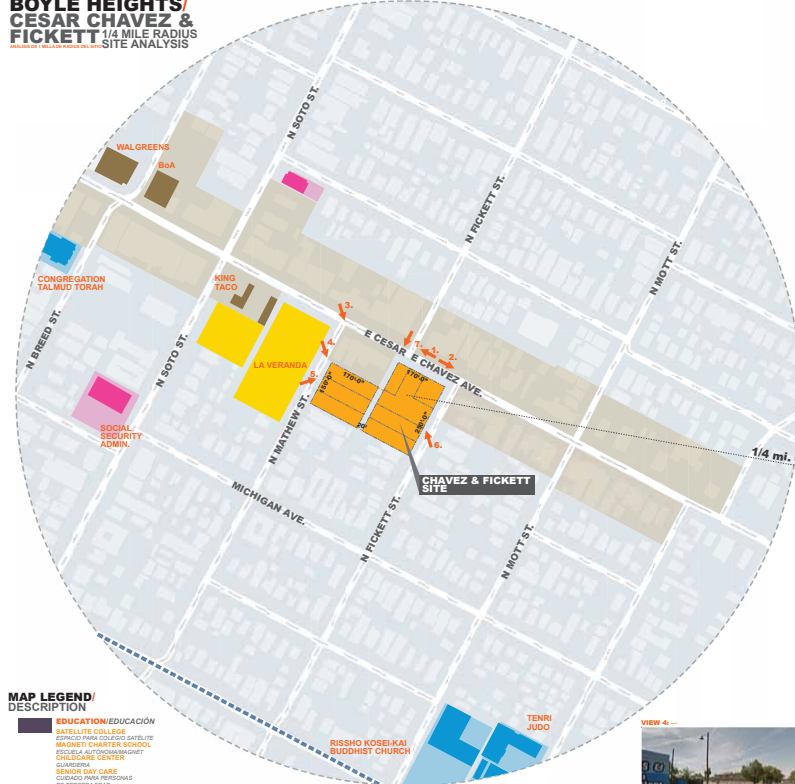


**LIMITED COMMERCIAL SPACE**  
ESPACIO COMERCIAL LIMITADO

# CESAR CHAVES & FICKETT CHARRETTE

## TALLER COMUNITARIO DE CESAR CHAVEZ Y FICKETT

**BOYLE HEIGHTS / CESAR CHAVEZ & FICKETT**  
**1/4 MILE RADIUS**  
**SITE ANALYSIS**



### MAP LEGEND / DESCRIPTION

<ul style="list-style-type: none"> <li><b>EDUCATION / EDUCACIÓN</b></li> <li>SATELITE COLLEGE ESPACIO PARA COLEGIOS SATELITE</li> <li>MADONNY CHARTER SCHOOL ESCUELA AUTOCORRIMIENTO</li> <li>CHARITABLE CENTER CENTRO CARITATIVO</li> <li>SENIOR DAY CARE CUIDADO PARA PERSONAS DE TERCERA EDAD</li> <li>MUSEUM MUSEO</li> </ul>	<ul style="list-style-type: none"> <li><b>RESIDENTIAL / RESIDENCIAL</b></li> <li>MULTI-FAMILY HOUSING VIVIENDAS PARA FAMILIAS</li> <li>AFFORDABLE HOUSING VIVIENDAS ASESQUIBLES</li> <li>SENIOR HOUSING VIVIENDAS PARA PERSONAS DE TERCERA EDAD</li> <li>ASSISTED LIVING FACILITY FACILIDAD DE VIDA ASISTIDA</li> <li>HOTEL/MOTEL HOTEL/MOTEL</li> </ul>	<ul style="list-style-type: none"> <li><b>COMMERCIAL-OFFICE / COMERCIO-OFICINAS</b></li> <li>BUSINESS INCUBATORS INCUBADORAS DE NEGOCIOS</li> <li>MEDICAL PLAZA OFFICES PLAZA OFICINAS MEDICAS</li> <li>MENTAL HEALTH OFFICES OFICINAS DE SALUD MENTAL</li> <li>DENTAL OFFICES OFICINAS DENTALES</li> <li>COMMERCIAL OFFICE OFICINA COMERCIAL</li> <li>PROFESSIONAL OFFICE OFICINA PROFESIONAL</li> </ul>	<ul style="list-style-type: none"> <li><b>COMMERCIAL-RET. / COMERCIO-TIENDA</b></li> <li>CONVENIENCE STORE TIENDA DE CONVENIENCIA</li> <li>PHARMACY FARMACIA</li> <li>RESTAURANT/CAFE RESTAURANTE/CAFE</li> <li>HAIR NAIL SALON SALON DE BELLEZA</li> <li>CLOTHING STORE TIENDA DE ROPA</li> <li>BANK BANCO</li> <li>LAUNDRY LAVANDERIA</li> <li>GAZONADO</li> </ul>	<ul style="list-style-type: none"> <li><b>PUBLIC OPEN SPACE / ESPACIO PUBLICO AL ABIERTO</b></li> <li>PLAZA PLAZA</li> <li>MARKET MERCADOS</li> <li>AL ARE LIBRE SERVICIOS PARA CAMINAR</li> <li>FITNESS SPACES COMUNIDAD GARDEN</li> <li>JARDIN COMUNITARIO</li> <li>PUBLIC ART ARTES PUBLICAS</li> <li>PLAYGROUND JARDINES Y PRAMOS DE RECREO</li> <li>STREET VENDORS HUB VENDIDORES DE COMIDA</li> <li>FOOD TRUCK</li> </ul>	<ul style="list-style-type: none"> <li><b>SUBJECT SITE / OBJETO DE SITIO</b></li> <li>METRO SITE / METRO DEL PROYECTO</li> <li>SURROUNDING AREA / ALREDEDORES</li> <li>LIGHT RAIL &amp; TRAIN / TREN LIGERO &amp; TREN</li> <li>FREWAY / AUTOPISTA</li> </ul>
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0 mi 1/16 mi 1/8 mi 3/16 mi



## TOP 'YES' ANSWERS / RESPUESTAS A FAVOR



**Park / Playground / Community Garden**  
 Park / Playground + Community Garden  
*Parque / Patio de recreo / Jardin comunitario*  
*Parque / Patio de recreo + Jardin comunitario*



**Housing**  
 Affordable Housing (Rental) + Senior Housing  
*Viviendas*  
*Viviendas asequibles (alquilables) + Viviendas para personas mayores*



**Grocery Store**  
*Supermercado*



**Flexible Space**  
*Espacios flexibles*



**Art & Music Classes**  
*Clases de arte y musica*



## Board Report

File #: 2016-0938, File Type: Informational Report

Agenda Number: 14

**PLANNING AND PROGRAMMING COMMITTEE  
JANUARY 18, 2017**

**SUBJECT: 2017 ACTIVE TRANSPORTATION PROGRAM (ATP)**

**ACTION: APPROVE LOS ANGELES COUNTY PORTION OF SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) 2017 ATP REGIONAL PROGRAM**

**RECOMMENDATION**

CONSIDER:

- A. APPROVING the **SCAG 2017 ATP Regional Program Implementation Project List for Los Angeles County including the assignment of ten points for consistency with regional, local, and Metro plans and a contingency list to be used should additional ATP funds be made available**, as shown in Attachment A; and
- B. AUTHORIZING the Chief Executive Officer to commit \$2,169,000 to the Metro-sponsored project, *Reconnecting Union Station to the Historic Cultural Communities in DTLA*, required in order to secure partial ATP funding of \$3,157,000.

**ISSUE**

The 2017 ATP provides a total of \$263.5 million, distributed through three components: Statewide, Small Urban and Rural, and Metropolitan Planning Organizations (MPO). The CTC adopted the Statewide and Small Urban and Rural components of the 2017 ATP on December 7, 2016. Los Angeles County's share of the 2017 Statewide ATP awards total approximately \$33.6 million is shown in Attachment B.

The CTC is scheduled to adopt the remaining third element of the 2017 ATP-the MPO component -- on March 16, 2017. To prepare for that action of the CTC, Metro's MPO, SCAG, will consider their 2017 ATP Regional Program on February 2, 2017. It will also include three components: Implementation, Planning, and Non-infrastructure Projects. SCAG made its 2017 Regional Program Implementation Projects recommendations on November 15, 2016. For this first of three MPO components, SCAG's guidelines require the Boards of the county transportation commissions and authorities to approve the recommendations for their respective counties. Los Angeles County's MPO component recommendation includes partial ATP funding for Metro-sponsored *Reconnecting Union Station to the Historic Cultural Communities in DTLA* project requiring commitment of additional

Metro funds to ensure a fully funded project.

For the other two MPO components, SCAG will make its preliminary 2017 Regional Planning and Non-infrastructure Projects recommendations on January 20, 2017. Staff will inform the Board.

**DISCUSSION**

A summary of active transportation funding recommended for projects in Los Angeles County is below. Funding comes from various components of the 2017 ATP and from SCAG’s 2016 Sustainability Planning Grants (SPG).

<b>Program Component</b>	<b>Amount Awarded</b>	<b>Attachment</b>
SCAG ATP Implementation	\$28,785,000	A
Statewide ATP	\$33,647,000	B
SCAG ATP Planning and Non-Infra. through 2016 SPG	~\$1,515,017	
<b>Subtotal ATP funds</b>	<b>~\$63,974,000</b>	
SCAG 2016 SPG funds	TBD	
<b>GRAND TOTAL LA COUNTY ATP AND 2016 SPG FUNDS</b>	<b>~\$63,974,000</b>	

The total statewide funding available for the MPO components is \$105.4 million, of which SCAG receives \$56 million for its Regional ATP Program. SCAG then programs these funds to its six counties for infrastructure and Non-Infrastructure projects through formula population shares and for planning and Non-Infrastructure projects through a supplemental competition. Attachment C describes project selection processes for each of these project types.

Los Angeles County’s population share of the SCAG Implementation ATP funds is approximately \$28.8 million. Metro Board approval is necessary to secure approximately \$28.8 million for LA County Implementation Projects selected for the SCAG 2017 ATP Regional Program. After Metro Board approval to add 10 points, as appropriate per Metro Board policies, projects will be selected by SCAG in accordance with their 2017 ATP Regional Guidelines. These projects are shown in Attachment A in the rank order selected by the CTC and SCAG, per state law and ATP Guidelines.

The Regional Implementation Projects List includes partial funding for three projects, including Metro’s *Reconnecting Union Station to the Historic Cultural Communities in DTLA*. This project is one of the “Stage 1 Perimeter Improvement Projects” recommended in the Union Station Master Plan. \$13.3 million of discretionary funds have already been secured for the other Stage 1 Perimeter Improvement Projects. This project’s ATP request is \$5,326,000 but it is recommended for partial funding of \$3,157,000, leaving a balance of \$2,169,000. In order to deliver all benefits committed to in the original application to secure the partial funding and leverage the other funds committed to the overall Stage 1 Perimeter Improvement Projects, Metro needs to fully fund the balance. Going forward, staff will also explore other discretionary funding sources to offset this amount.

**Metro Grant Assistance**

Metro has provided grant assistance for three cycles of the ATP. A summary of grant assistance results is in Attachment D.

#### Impact to the Metro Call for Projects

A summary of the impact to the Call for Projects is in Attachment E.

### **DETERMINATION OF SAFETY IMPACT**

The recommendations in this report will not have any direct impact on the safety of our customers and employees.

### **FINANCIAL IMPACT**

Approving the 2017 ATP Regional Program Implementation Project List for Los Angeles County, including the City of Long Beach *Atherton Bridge & Campus Connections* project (2015 Call ID F9532) and City of Pasadena *Bicycle Program-Union Street 2-way Cycle Track* project (2015 Call ID F9516), will reduce the need for funding for the 2015 Call for Projects by \$2,533,630.

Approving the commitment of \$2,169,000 to the Metro-sponsored project, *Reconnecting Union Station to the Historic Cultural Communities in DTLA*, will allow Metro to secure \$3,157,000 in State grant funds that it would not otherwise receive. This grant will build upon the \$13.3 million of discretionary funds Metro has previously secured for the other Union Station Stage 1 Perimeter Improvement Projects. Based upon the current project schedule the \$2,169,000 in Metro matching funds will not be required until FY 2020 and FY 2021. This timing will allow Metro staff to explore other discretionary and or local funding sources to offset this amount. Metro staff will report on the success of these efforts at the time the Life of Project Budget for the *Reconnecting Union Station to the Historic Cultural Communities in DTLA* project is brought to the Metro Board along with details on any remaining commitments of Metro funding required to deliver the project.

#### Impact to Budget

Approving the staff recommendations will have no impact on the FY 2017 Budget. Since the *Reconnecting Union Station to the Historic Cultural Communities in DTLA* is a multi-year project, the cost center manager and the Chief Planning Officer will be accountable for budgeting the cost in future years.

### **ALTERNATIVES CONSIDERED**

The Board may consider deferring action on the Los Angeles County portion of the 2017 SCAG Regional ATP Program to the February Board cycle. Staff does not recommend this alternative, as SCAG's process requires County Transportation Commission approval in time for the County program to be incorporated into the regional program and adopted by the SCAG Regional Council on February 2, 2017.

The Board may consider not authorizing the CEO to commit \$2,169,000 to fund the balance of the *Reconnecting Union Station to the Historic Cultural Communities in DTLA* project. Staff does not recommend this alternative as it would require the project to be downscoped in order to be completed with only 59% of the funds necessary to deliver the full project. If the project is downscoped such that the benefits committed to in the original application cannot be provided, then the project will not be able to receive the partial ATP funding. The City of Pasadena would be next in line for the freed-up funds.

### **NEXT STEPS**

February 2, 2017 - SCAG Regional Council approval and submittal of 2017 ATP Regional Program to CTC.

March 17-18, 2017 - CTC considers MPO component recommendations for adoption.

Spring 2018 - Anticipated 2019 ATP Call for Projects.

### **ATTACHMENTS**

Attachment A - 2017 ATP Regional Program Implementation Projects List for LA County

Attachment B - Statewide ATP Awards for LA County

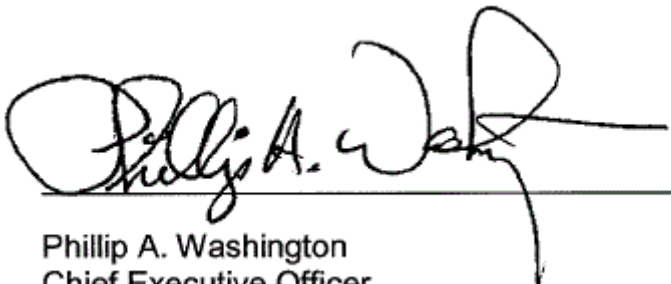
Attachment C - SCAG ATP Project Selection Processes

Attachment D - Metro Grant Assistance Summary

Attachment E - Impact to the Call for Projects

Prepared by: Shelly Quan, Transportation Planner, Countywide Planning & Development, (213) 922-3075  
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Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington  
Chief Executive Officer



**Los Angeles County Metropolitan Transportation Authority**  
**2017 ATP Regional Program Implementation Project List for Los Angeles County**  
 \$000s

**Award List**

#	Applicant	Project Title	Total Project Cost	Total ATP Request	Running Total	CTC Score	MPO Score
1	Los Angeles Department of Public Works (Bureau of Engineering)	DTLA Arts District Pedestrian & Cyclist Safety Project	15,000	14,850	14,850	87	97
2	Baldwin Park	Maine Avenue/Pacific Avenue Corridor Complete Streets Improvements, Phase II	1,419	1,068	15,918	86	96
3	El Monte	City of El Monte - Mountain View School District SRTS Program	583	583	16,501	86	96
4	Long Beach	Atherton Bridge & Campus Connections	3,091	3,031	19,532	86	96
5	Vernon	Pacific Blvd./Vernon Ave. Complete Streets Ped and Bike Project	1,931	1,892	21,424	85	95
6	Los Angeles County Metropolitan Transportation Authority*	Reconnecting Union Station to the Historic Cultural Communities of DTLA	5,326	3,157	24,581	83	93
7	Pasadena*	Pasadena-PUSD Safe Routes to School Education and Encouragement Program	832	462	25,043	83	93
8	Pasadena*	Union Street Cycle Track	6,314	3,742	28,785	83	93
		<b>Subtotal Regional Implementation Project Recommendations</b>	<b>34,496</b>	<b>28,785</b>	<b>28,785</b>		

**Contingency List**

#	Applicant	Project Title	Total Project Cost	Total ATP Request	Running Total	CTC Score	MPO Score
9	Los Angeles County Metropolitan Transportation Authority*	Reconnecting Union Station to the Historic Cultural Communities of DTLA	5,326	2,169	2,169	83	93
10	Pasadena*	Pasadena-PUSD Safe Routes to School Education and Encouragement Program	832	318	2,487	83	93
11	Pasadena*	Union Street Cycle Track	6,314	2,572	4,741	83	93
12	Glendale	Glendale Transportation Center 1st/Last Mile Regional Improvements Phase II	1,301	1,101	5,842	82	92
13	Palmdale	City of Palmdale - Civic Center Complete Streets	2,564	1,700	7,542	82	92
14	Rosemead	SR2S Sidewalk Gap Closure on Delta Avenue	1,175	1,100	8,642	82	92
15	Santa Monica	Active Aging - Safe Routes for Seniors	500	400	9,042	82	92
16	Norwalk	Alondra Active Transportation Improvement Project	973	963	10,005	80.5	90.5
17	Baldwin Park	Walnut Creek-San Gabriel River East Bank Greenway & Neighborhood Connections	2,193	1,355	11,360	80	90
18	Los Angeles County Dept. of Public Works	Puente Creek Bikeway	3,700	2,960	14,320	79	89
19	Santa Monica	Pico Blvd and Santa Monica College Pedestrian Safety Improvements	1,178	943	15,263	78.5	88.5
20	Glendora	Glendora Urban Trail and Greenway Network	2,242	1,792	17,055	78	88
21	Alhambra	City of Alhambra - Uncontrolled Crosswalk Pedestrian Safety Enhancement Project	1,641	1,378	18,433	76	86
22	Artesia	Norwalk Artesia Boulevards Safe Streets Project	2,327	1,987	20,420	76	86
23	LA Dept. of Transportation	Vision Zero Los Angeles Education Campaign Development & Implementation	4,005	4,005	24,425	76	86
24	Montebello	Montebello Boulevard Bike Lane and Sidewalk Improvement Project	5,755	4,187	28,612	73	83
25	Los Angeles County Dept. of Public Works	Marvin Braude Beach Trail Gap Closure	6,348	4,848	33,460	72	82
26	Carson	Dominguez Channel Bicycle Path Extension from Avalon to 223rd / Wilmington	2,225	2,225	35,685	69	79
27	Los Angeles County Dept. of Public Works	Temple Avenue Complete Street Improvements	1,847	1,847	37,532	69	79
28	Los Angeles County Metropolitan Transportation Authority	Metro Bike Share USC/South LA/Expo Line Communities Expansion	2,546	2,546	40,078	69	79
29	Santa Monica	17th/SMC Station & Regional Path Mobility Hub & Learning Campus	2,813	2,250	42,328	68	78

**Los Angeles County Metropolitan Transportation Authority**  
**2017 ATP Regional Program Implementation Project List for Los Angeles County**  
 \$000s

	<b>Applicant</b>	<b>Project Title</b>	<b>Total Project Cost</b>	<b>Total ATP Request</b>	<b>Running Total</b>	<b>CTC Score</b>	<b>MPO Score</b>
30	Southern California Regional Rail Authority (SCRRA)	San Fernando Rd. Bike Path Phase 3 Metrolink Crossing Completion	12,961	6,911	49,239	68	78
31	Hermosa Beach	Aviation Boulevard Street Improvements	26,728	2,000	51,239	67	77
32	Monterey Park	Monterey Park Bike Corridor Expansion Project	1,976	1,822	53,061	67	77
33	San Gabriel Valley Council of Governments	Bike Share Expansion into the San Gabriel Valley	7,461	6,850	59,911	67	77
34	South El Monte	Santa Anita Avenue Connectivity Project	1,840	1,628	61,539	67	77
35	Artesia	Mitigate Pedestrian and Bicycle Safety Deficiencies	593	593	62,132	65	75
36	Vernon	Los Angeles River Bike Path Gap Closure	3,000	3,000	65,132	65	75
37	La Verne	La Verne Active Transportation Gap Closure	1,531	998	66,130	64	74
38	Lancaster	35th Street West SRTS Class I Facilities	1,147	977	67,107	63.25	73.25
39	Los Angeles County Dept. of Public Works	Orange and Prospect Ave. Safe Routes to School	1,094	1,094	68,201	63	73
40	Pico Rivera	Rivera Elementary/Middle Schools SRTS Bicycle/Pedestrian Access Improvements	2,018	1,785	69,986	63	73
41	Watershed Conservation Authority	San Gabriel River Trail Gap Closure	2,638	1,932	71,918	60	70
42	Los Angeles Department of Public Works (Bureau of Engineering)	Connecting San Pedro: Pedestrian Improvements and Multimodal Access	7,050	6,717	78,635	56	66
43	Norwalk	Firestone Boulevard Bicycle and Pedestrian Safety Improvement Project, Norwalk	5,000	4,400	83,035	54	64
44	Burbank	Pedestrian Crossing Improvements	730	660	83,695	53	63
45	Baldwin Park	Baldwin Park Ramona Boulevard Express Bikeway	1,977	1,677	85,372	52.5	62.5
46	Los Angeles	Wilmington Community/Waterfront & Alameda Corridor West Terminus Pedestrian Grade Separation	21,828	10,490	95,862	52	62
47	Santa Clarita	Santa Clarita- Railroad Avenue Class I Bicycle & Pedestrian Path	8,394	5,767	101,629	52	62
48	Bell Gardens	Bell Gardens Golf Course Bike Trail Installation	334	289	101,918	49	59
49	Los Angeles County Metropolitan Transportation Authority	Airport Metro Connector (AMC) Bike Mobility Hub	11,521	9,200	111,118	48	58
50	Burbank	Chandler Boulevard Improvement Project (ATP Cycle 3)	1,544	1,365	112,483	46	56
51	Santa Clarita	Santa Clarita - Citywide Bicycle Facilities	320	280	112,763	44	54
52	Santa Clarita	Santa Clarita - Valencia Industrial Center Complete Streets	1,919	1,689	114,452	42	52
53	El Monte	El Monte Sidewalk Connectivity Project	411	363	114,815	40	50
54	Hermosa Beach	8th Street Sidewalk Improvements between Hermosa Avenue and Valley Drive	698	698	115,513	39	49
55	Burbank	Citywide Un-signalized Crosswalk Improvement Project (ATP Cycle 3)	1,134	1,002	116,515	37	47
56	Downey	South Downey Safe Routes to School Program	820	820	117,335	26	36
57	South Gate**	Regional Bikeway Connectivity Project	3,699	3,219	120,554		
		<b>Subtotal Unfunded LA County Projects on Contingency List</b>	<b>188,171</b>	<b>120,872</b>	<b>120,872</b>		
		<b>Grand Total</b>	<b>222,667</b>	<b>149,657</b>	<b>149,657</b>		

\*Threshold funding in the amount of \$7,361,000 is recommended to be divided proportionally amongst the projects with an MPO score of 93. Each project would receive 59% of its ATP request. The remaining ATP requests are included in the 2017 ATP Contingency List.

\*\*The application was not evaluated because Caltrans recommended that the CTC remove the application from the evaluation process due to inconsistencies within the application.

## Los Angeles County Metropolitan Transportation Authority

## 2017 Statewide ATP Awards for Los Angeles County

\$000s

#	Applicant	Project Title	Total Project Cost	Total Fund Request	CTC Score
1	Paramount	West Santa Ana Branch Bikeway Phase 2	4,550	3,423	99
2	Cudahy	Atlantic Avenue Bicycle and Pedestrian Enhancement Project	5,068	1,784	99
3	San Fernando	City of San Fernando Pacoima Wash BikePed Path, Phase 1	3,543	973	98
4	Los Angeles County Dept. of Public Works	Slauson Blue Line Station Intersection Improvements	1,465	1,465	96
5	Los Angeles Department of Public Works (Bureau of Engineering)	Jefferson Boulevard Complete Street Project	6,336	5,986	95
6	South Gate	Garfield Avenue Complete Streets Corridor	826	660	94
7	Huntington Park	City of Huntington Park – Uncontrolled Crosswalk SRTS Ped Safety Project	1,054	1,032	92
8	SCAG	Southern California Disadvantaged Communities Planning Initiative	1,350	1,150	91
9	Lancaster	2020 Safe Route To School Pedestrian Improvements	7,443	5,272	90
10	Signal Hill	Spring Street Bicycle Lane Gap Closure Project, Signal Hill	2,599	2,079	90
11	Los Angeles County Dept. of Public Works	Los Nietos Safe Routes to School - Phase II	1,552	1,452	89
12	Compton	Compton-Carson Regional Safe Bicycling and Wayfinding Project	1,868	1,617	88
13	Long Beach	Citywide "8-80" Connections	7,987	6,754	88
		<b>Subtotal Statewide Awards</b>	<b>45,641</b>	<b>33,647</b>	

## SCAG ATP Project Selection Processes

### County-led Process: Implementation Project Selection

Under the Regional Guidelines, no less than 95% of SCAG's 2017 ATP funds will be recommended for Implementation Projects, including environmental, design, and construction of infrastructure and/or non-infrastructure (NI) projects. The LA County share of SCAG ATP funds for Implementation Projects is approximately \$28.8 million. The Implementation Project selection process is managed largely by the counties through 10 point assignments augmenting the statewide base scores. SCAG provided each county with a list of Implementation Projects which were submitted within its area but not funded through the Statewide component. Counties reviewed the applications for consistency with local and regional plans and assigned up to 10 points to each project. The 10 points were added to the statewide score and the augmented score was used to select Implementation Projects up to each county's population share of SCAG's 2017 ATP funds not reserved for Planning and NI Projects. Metro staff identified the 10 point assignments using the methodology adopted by the Metro Board as part of Metro's ATP Grant Assistance Policy in February 2016:

- A. Assign seven points to all projects except any that are clearly not in alignment with regional or local plans.
- B. Assign an additional three points to all successful Call projects, all projects with Metro Board commitment, and all projects which implement Metro active transportation plans and policies. Qualifying plans and policies include any plans and policies for which grant assistance is allowable.

All projects are recommended to receive the full 10 points as Metro staff has identified consistency with regional or local plans and support for implementation of one or more Metro active transportation plans and policies. Metro staff recommends that the Board approve the 2017 ATP Regional Implementation Projects List for LA County including the 10 point assignments and the contingency list in Attachment A to be used should additional ATP funds be made available.

### *Partial Funding*

The Regional Implementation Projects List includes partial funding for three projects. A \$7,361,000 threshold funding amount fell to three projects with an MPO score of 93. Two projects are sponsored by the City of Pasadena and one is sponsored by Metro. The threshold funding is being proportionally distributed funding 59% of each project's ATP request. In order to accept partial funding, project sponsors must demonstrate that they can deliver all benefits committed to in the original applications using the partial funding. This report recommends that the Board authorize the CEO to commit \$2,169,000 to fund the balance on Metro's *Reconnecting Union Station to the Historic*

*Cultural Communities in DTLA* so that the full benefits can be delivered. For its two projects, the City has demonstrated that it can deliver all benefits committed to in its applications.

### SCAG-led Process: Planning and NI Project Selection

Under the Regional Guidelines, no more than 5% of SCAG's 2017 ATP funds will be recommended for Planning and NI Projects. A maximum of 2% of the funds are dedicated to Planning Projects in accordance with State ATP Guidelines. The LA County share of SCAG ATP funds for Planning and NI Projects is approximately \$1.5 million. The selection process was facilitated through a new supplemental call for projects coordinated with the Active Transportation Category of SCAG's 2016 Sustainability Planning Grants Program (2016 SPG). The supplemental application builds upon the Statewide ATP application and scores and was developed in consultation with the counties and a multi-disciplinary working group. Project sponsors that have not been awarded ATP funds before and project sponsors that first submitted their Planning and NI Projects to the Statewide component but were not recommended for funding were invited to submit supplemental applications. NI projects that were unsuccessful in the Statewide component were first considered in the Implementation Project selection process previously discussed. NI projects that were not successful in that process could then be considered in this supplemental process.

Supplemental applications were reviewed and scored by evaluation panels comprised of SCAG staff and county representatives following the same criteria, weighting, match requirement, and definition of disadvantaged communities as used in the Statewide component. The 2016 SPG Active Transportation Preliminary Recommendations and Draft Award Programming for Los Angeles County will be released on January 20, 2017. Staff will forward the information to the Board.

### SCAG 2017 ATP Regional Program

SCAG will make its final project programming recommendations to the CTC by February 2, 2017. The recommendations will include the Implementation Projects selected by each county and the Planning and NI Projects selected through the 2016 SPG. Each county transportation commission will be seeking board approval for their respective Implementation Project lists prior to this date. Should there be changes in the draft Implementation Project List as part of SCAG's or the CTC's adoption processes, staff will return to the Board with an update.

## Metro Grant Assistance Summary

Below is a summary of grant assistance results for the past three cycles of the Active Transportation Program (ATP).

ATP Cycle	All LA County Projects Awarded ATP Funds	Metro Grant Assisted Projects Awarded ATP Funds	% of LA County Total Award to Grant Assisted Projects
2014 ATP	\$112,960,000	\$48,576,000	43%
2015 ATP	\$102,113,000	\$55,933,000	55%
2017 ATP	~\$63,974,000	\$40,205,000	63%
<b>Total</b>	<b>~\$279,047,000</b>	<b>\$144,714,000</b>	<b>52%</b>

The 2014 and 2015 rounds of grant assistance focused on reducing a shortfall in the Call for Projects (Call) by requiring ATP-eligible projects from the Call to apply for ATP funding before receiving any Call funding. In February 2016, the Board adopted an ATP grant assistance policy for the 2017 ATP which shifted focus away from the Call and towards implementation of Metro-adopted active transportation projects, programs, and policies such as the Active Transportation Strategic Plan (ATSP) and the First/Last Mile Strategic Plan.

Metro grant assistance was provided in support of 8 out of 21 Los Angeles County projects that are recommended for funding in the 2017 ATP. Under the revised grant assistance policy, these projects all align with both ATP and Metro goals. Two projects implement sections of the ATSP's Proposed Regional Active Transportation Network, two projects implement Metro's 2014 Complete Streets Policy, one project supports Metro's Safe Routes to School Initiative, and one project implements a plan area in the Connect US Action Plan.

### Impact to the Call for Projects

Metro has not yet assigned funding sources to projects in Fiscal Years 2019 through 2021 of the 2015 Call for Projects (Call). The 2016 ATP Grant Assistance Policy allowed successful applicants of ATP-eligible projects in those funding years to volunteer to reapply their projects to ATP Cycle 3 using Metro grant assistance. Metro staff received letters of interest for three Call projects and selected two projects to receive grant assistance based upon ATP eligibility and competitiveness. One of the two projects was later deemed to be not competitive for ATP funding. An ATP application was completed for the remaining Call project and is recommended for funding in the Regional Implementation Projects List for LA County. The ATP award to the City of Long Beach Atherton Bridge & Campus Connections project (Call ID F9532) will reduce the need for funding for the 2015 Call by approximately \$1.9 million.

An ATP application was also completed for the City of Pasadena *Bicycle Program-Union Street 2-way Cycle Track* (Call ID F9516). The project's ATP request is \$6,314,000 but it is recommended for partial funding of \$3,742,000, leaving a balance of \$2,572,000. In order to deliver all benefits committed to in the original application to secure the partial funding, the City needs to fully fund the balance. The project's Call funding is \$2,714,430. Applying the Call funding towards the balance of the ATP request will secure the partial ATP funding and reduce the need for funding for the 2015 Call by \$656,830.



## Board Report

File #: 2016-0940, File Type: Contract

Agenda Number: 15

**REVISED  
PLANNING AND PROGRAMMING COMMITTEE  
JANUARY 18, 2017**

**SUBJECT: LOS ANGELES UNION STATION MASTER PLAN**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 3 to Task Order No. PS2999200FFO2TO1 under Contract No. PS4010-3041-FF-XX, with **Kleinfelder, Inc., for the Union Station Master Plan (USMP), to provide additional environmental services** in the amount of \$82,533, increasing the Total Task Order Value from \$839,362 to \$921,895;
- B. INCREASE Contract Modification Authority (CMA) specific to Task Order No. PS2999200FFO2TO1 for USMP in the amount of \$150,000, increasing the total CMA amount from \$100,000 to \$250,000, to support additional services related to USMP;
- C. EXECUTE Modification No. 7 to Contract No. PS4330-2863, with Gruen Associates, for the USMP, to provide planning services in support of a Request for Interests and Qualifications (RFIQ), in the amount of \$209,532, increasing the Total Contract Value from \$5,901,125 to \$6,110,657, and extend the performance period from March 2017 to June 30, 2019; and
- D. INCREASE Contract Modification Authority (CMA) specific to Contract No. PS4330-2869 PS4330-2863 for the USMP in the amount of \$150,000 increasing the total CMA amount from \$721,825 to \$871,825 to support additional services related to the USMP.

**ISSUE**

In November 2016, staff submitted a Board Box to the Board of Directors that described an updated approach to the redevelopment of Los Angeles Union Station (LAUS), which included two key immediate actions: (1) pursuing the project-level environmental clearance under the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) for the LAUS forecourt, Alameda Street, and Los Angeles Street improvements; and (2) exploring the feasibility of releasing a Request for Interest and Qualifications (RFIQ) for the redevelopment of the east side of



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LAUS, once the Link Union Station (Link US) project has reached 35% design and its footprint/ elevation is clear. To advance both efforts, staff is requesting modifications to existing contracts and task orders with Kleinfelder, Inc. and Gruen Associates.

## **DISCUSSION**

Metro purchased LAUS in 2011 and shortly thereafter initiated the master planning process with Gruen Associates (prime) and Grimshaw Architects (design lead). The USMP was prepared over the course of two years and included robust stakeholder engagement, including a series of workshops with the Board of Directors in which the Board approved a preferred approach (October 2013) and later approved moving the project into implementation (October 2014).

### **Environmental Clearance**

In June 2016, Metro awarded a task order to Kleinfelder, Inc. (Kleinfelder) to prepare a Programmatic Environmental Impact Report (PEIR) that would evaluate the major transit improvements (multimodal passenger concourse and relocation of Patsaouras Bus Plaza), the 3.25-million-square-foot development program, and site-wide connectivity improvements at a programmatic level and the perimeter improvements (forecourt, Alameda Esplanade, and Los Angeles Crossing) at a project level under CEQA.

In October 2015, the Board approved an action that called for the Link US project (formerly SCRIP) to incorporate the multimodal passenger concourse (under the railyard) in its environmental analysis and preliminary engineering along with the accommodation of High Speed Rail (HSR) at the Union Station rail yard. The complexity of developing sound assumptions and cumulative impacts for the Link US and HSR projects resulted in numerous modifications to the PEIR assumptions and ultimately changes to the original USMP concept. Staff has determined that the most effective path forward is to no longer proceed with the PEIR and to instead pursue only the project-level clearance for the forecourt, Alameda Esplanade and Los Angeles Crossing (“Los Angeles Union Station Forecourt and Esplanade Improvements”). Additionally, staff would like to leverage work under the existing Kleinfelder task order to advance the NEPA analysis required by the terms of a \$12.3 million State Active Transportation Program (ATP) Grant that was secured for the Alameda Esplanade. This would allow for a more expeditious and cost-effective process.

### **Union Station Redevelopment**

Staff is exploring the feasibility of releasing an RFIQ for the redevelopment of the east side of LAUS, once the Link US project has reached 35% design and its footprint/ elevation is clear. If determined feasible, the RFIQ will not assume changes to the current configuration of Patsaouras Bus Plaza, but will allow relocation or reconfiguration of the plaza subject to operational parameters being met.

To advance this effort, staff is seeking Board authority to amend the existing USMP contract with Gruen Associates to build on the extensive technical knowledge of the station gained by the team and advise on the complexities of developing on the east side of the station. If development is deemed structurally and financially feasible, Gruen Associates will provide support in developing the RFIQ. Because the master planning work focused on commercial development assuming a future configuration of the station, the focus of this additional planning work will be to identify development pads with the current configuration of the east side of the station; clearly define bus and transit patron

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operational needs; and identify structural retrofits needed to support commercial development (for building over the existing garage and red/purple line box). Gruen Associates will also provide support in reviewing proposals received to consult on the structural feasibility and compatibility with optimizing transit functions at the station. To complement the planning work performed by Gruen Associates, staff will procure a financial feasibility consultant from the recently-approved Joint Development bench.

### **DETERMINATION OF SAFETY IMPACT**

The modifications to the Kleinfelder task order and Gruen Associates contract will not have a direct impact on the safety of our customers and employees. Implementation of the projects being studied will create safer connections for Metro transit patrons, including transit connections as well as connections to the surrounding neighborhood destinations and job centers.

### **FINANCIAL IMPACT**

There is sufficient funding in the FY17 budget in Cost Center Number 4530, Strategic Initiatives, under Project Number 405557, Union Station Master Plan, to accommodate the \$82,533 modification for Kleinfelder and the additional \$150,000 in CMA; and the \$209,532 modification for Gruen Associates and the additional \$150,000 CMA.

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

#### **Impact to Budget**

Source of funds: Local - General Fund ROW lease revenues. These funds are eligible for bus and rail operating and capital expenses. The modifications will not impact ongoing bus and rail operating and capital costs, the Proposition A and C and TDA administration budget or the Measure R administration budget.

### **ALTERNATIVES CONSIDERED**

The Board may consider not allowing the modifications. This is not recommended. Metro secured a \$12.3 million grant and is required to undertake NEPA analysis, which can be completed most efficiently by working with Kleinfelder as they are working on the CEQA clearance for the same project. If the Board does not approve the modification, staff will have to prepare a new Request for Proposals and procure a new environmental consultant to perform the work. This could delay advancing the grant-funded project by six months to one year and would result in a more costly undertaking.

The Board could also consider not funding the Gruen Associates work to explore the development potential of the east side of LAUS. This is not recommended as not doing so would limit staff's ability to develop sound, technically-based assumptions on the feasibility of developing the east side of LAUS. In addition, pursuing a new consultant team would not be cost- or time-efficient as the Gruen Associates team has intimate knowledge of the station through the master planning process and this work is a continuation of that effort in response to new circumstances.

## **NEXT STEPS**

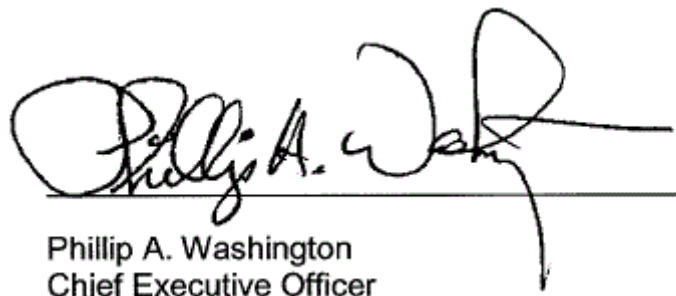
Upon Board approval, staff will execute Modification No. 3 to Task Order No. PS2999200FFO2TO1 with Kleinfelder and Modification No. 7 to Contract No. PS4330-2863 with Gruen Associates. Kleinfelder will proceed with the project-level analysis under CEQA and initiate NEPA analysis for the Los Angeles Union Station Forecourt and Perimeter Improvements, with completion anticipated in summer 2017. Gruen Associates will support staff in assessing the feasibility of redeveloping the east side of LAUS and, if determined viable, preparation of an RFIQ with release by winter 2017.

## **ATTACHMENTS**

Attachment A-1 - Procurement Summary PS2999200FFO2TO1  
Attachment A-2 - Procurement Summary PS4330-2863  
Attachment B-1 - Contract Modification/Change Order Log PS2999200FFO2TO1  
Attachment B-2 - Contract Modification/Change Order Log PS4330-2863  
Attachment C-1 - DEOD Summary for A-1  
Attachment C-2 - DEOD Summary for A-2

Prepared by: Elizabeth Carvajal, Senior Manager, Transportation Planning, (213) 922-3084  
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Therese McMillan, Chief Planning Officer, (213) 922-7077



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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## LOS ANGELES UNION STATION MASTER PLAN / PS4010-3041-FF-XX

1.	<b>Contract Number:</b> PS4010-3041-FF-XX (Task Order No. PS2999200FF02TO1)		
2.	<b>Contractor:</b> Kleinfelder, Inc.		
3.	<b>Mod. Work Description:</b> Prepare the analysis and noticing required under the National Environmental Policy Act (NEPA) for the Los Angeles Union Station Forecourt and Esplanade Improvements.		
4.	<b>Work Description:</b> Union Station Master Plan		
5.	<b>The following data is current as of:</b> 12/12/16		
6.	<b>Contract/TO Completion Status:</b>		<b>Financial Status:</b>
	<b>Award Date:</b>	06/24/15	<b>Awarded Task Order Amount:</b> \$749,392
	<b>Notice to Proceed (NTP):</b>	06/24/15	
	<b>Original Completion Date:</b>	08/30/17	<b>Value of Mods. Issued to Date (including this action):</b> \$172,503
	<b>Current Est. Complete Date:</b>	08/30/17	<b>Total Amount (including this action):</b> \$921,895
7.	<b>Contract Administrator:</b> Lily Lopez		<b>Telephone Number:</b> (213) 922-4639
8.	<b>Project Manager:</b> Elizabeth Carvajal		<b>Telephone Number:</b> (213) 922-3084

**A. Contract Action Summary**

This Board Action is to approve Modification No. 3 to Task Order No. PS2999200FF02TO1 under Contract No. PS4010-3041-FF-XX to provide additional environmental services under the Union Station Master Plan Programmatic Environmental Impact Report (USMP PEIR) Task Order Contract. This Modification will require the Contractor to prepare the analysis and noticing required under the National Environmental Policy Act (NEPA) for the Los Angeles Union Station Forecourt and Esplanade Improvements.

All Task Order Modifications are handled in accordance with Metro's Acquisition Policy. The contract/task order type is firm fixed price. All other terms and conditions remain in effect.

On June 24, 2015, Task Order No. PS2999200FF02TO1 for the firm fixed price of \$749,392 was issued to Kleinfelder, Inc., a contractor on the Countywide Planning Bench, Discipline 2 (Environmental Planning).

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

**B. Cost Analysis**

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, and technical analysis. Metro's ICE overestimated the level of effort required to conduct the traffic analysis and reporting. All direct labor rates and fee remain unchanged from the original task order.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
\$82,533	\$104,658	\$82,533

## PROCUREMENT SUMMARY

## UNION STATION MASTER PLAN/PS4330-2863

1.	<b>Contract Number:</b> PS4330-2863		
2.	<b>Contractor:</b> Gruen Associates		
3.	<b>Mod. Work Description:</b> Planning services to evaluate feasibility of releasing a Request for Information and Qualifications for the redevelopment of the east side of Los Angeles Union Station and extension of period of performance		
4.	<b>Contract Work Description:</b> Professional A&E Services		
5.	<b>The following data is current as of:</b> 12/12/16		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	07/27/12	<b>Contract Award Amount:</b> \$4,145,500
	<b>Notice to Proceed (NTP):</b>	08/08/12	<b>Total of Modifications Approved:</b> \$1,755,625
	<b>Original Complete Date:</b>	08/08/14	<b>Pending Modifications (including this action):</b> \$209,532
	<b>Current Est. Complete Date:</b>	02/28/17	<b>Current Contract Value (with this action):</b> \$6,110,657
7.	<b>Contract Administrator:</b> Lily Lopez		<b>Telephone Number:</b> (213) 922-4639
8.	<b>Project Manager:</b> Elizabeth Carvajal		<b>Telephone Number:</b> (213) 922-3084

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 7 issued in support of the Union Station Master Plan (USMP) to provide planning services to evaluate the feasibility of releasing a Request for Information and Qualifications (RFIQ) for the redevelopment of the east side of the Los Angeles Union Station. This Modification will also extend the period of performance from February 28, 2017 to June 30, 2019.

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

On July 27, 2012, the Board approved award of Contract No. PS4330-2863 to Gruen Associates, in the firm fixed price of \$4,145,500, to provide professional design service for the USMP.

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

**B. Cost Analysis**

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate, cost analysis, technical analysis, fact finding, and negotiations. Direct labor rates for this modification were negotiated based on the current Consumer Price Index and fee remained unchanged from the original contract.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
\$213,552	\$220,608	\$209,532

**TASK ORDER LOG**  
**COUNTYWIDE PLANNING BENCH/CONTRACT NO. PS4010-3041**  
**TASK ORDER LOG VALUE ISSUED TO DATE**

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>Amount</b>
1	Provided analysis and environmentally cleared Stage 1 at the project level and Stage 2 and 3 and the program level.	Approved	10/14/15	\$89,970
2	No Cost Time Extension	Approved	11/21/16	\$0
3	Prepare the analysis and noticing required under the National Environmental Policy Act (NEPA) for the Los Angeles Union Station Forecourt and Esplanade Improvements.	Pending	Pending	\$82,533
	<b>Task Order Modification Total:</b>			<b>\$172,503</b>
	<b>Original Task Order Amount:</b>	<b>06/24/15</b>		<b>\$749,392</b>
	<b>Total:</b>			<b>\$921,895</b>



## TASK ORDER LOG

### COUNTYWIDE PLANNING BENCH/CONTRACT NO. PS4010-3041 TASK ORDER LOG VALUE ISSUED TO DATE

Discipline No./ Description	Contract No.	Contractor	Value of Task Orders Issued to Date
1/Transportation Planning	PS4010-3041-O-XX	David Evans & Associates, Inc.	\$459,587.68
	PS4010-3041-BB-XX	IBI Group	\$343,471.02
	PS4010-3041-F-XX	Cambridge Systematics, Inc.	\$2,870,664.74
	PS4010-3041-U-XX	Fehr & Peers	\$896,537.11
	PS4010-3041-YY-XX	STV Corporation	\$490,954.00
	PS4010-3041-I-XX	CH2M Hill, Inc.	\$286,865.00
	PS4010-3041-DD-XX	Iteris, Inc.	\$1,911,605.06
	PS4010-3041-Y1-XX	HDR Engineering, Inc.	\$1,641,541.24
	PS4010-3041-Y1-XX	KOA Corporation	\$298,142.85
	PS4010-3041-RR-XX	Parsons Transportation Group	\$1,832,178.00
	PS4010-3041-EE-XX	Kimley Horn & Associates, Inc.	\$291,005.46
	PS4010-3041-A-XX	AECOM Technical Services, Inc.	\$1,567,109.33
	PS4010-3041-QQ-XX	Parsons Brinckerhoff, Inc.	\$920,819.00
		Subtotal	\$13,810,480.49
2/Environmental Planning	PS4010-3041-FF-XX	Kleinfelder, Inc.	\$839,361.71
		<b><i>This Pending Action</i></b>	<b>+ \$82,533.00</b>
		Subtotal	\$921,894.71

6/Architecture	PS4010-3041-RR-XX	Parsons Transportation Group	\$115,817.00
	PS4010-3041-W-XX	Gensler	\$269,041.34
		Subtotal	\$384,858.34
7/Urban Design	PS4010-3041-W-XX	Gensler	\$406,905.18
		Subtotal	\$406,905.18
9/Environmental Graphic Design	PS4010-3041-WW-09	Selbert Perkins Design	\$248,361.00
		Subtotal	\$248,361.00
11/Financial Analysis	PS4010-3041-I-XX	CH2M Hill, Inc.	\$587,011.00
		Subtotal	\$587,011.00
12/Land Use and Regulatory Planning	PS4010-3041-BB-XX	IBI Group	\$299,986.00
		Subtotal	\$299,986.00
13/Sustainability/Active Transportation	PS4010-3041-U-XX	Fehr & Peers	\$1,950,067.67
	PS4010-3041-XX-13	Stantec Consulting Services, Inc.	\$618,390.76
		Subtotal	\$2,568,458.43
14/Database Technical Services	PS4010-3041-PP-14	Novanis	\$1,310,664.93
		Subtotal	\$1,310,664.93
17/Community Outreach/ Public Education & Research Services	PS4010-3041-EEE-17	The Robert Group	\$771,839.00
		Subtotal	\$771,839.00
		<b>Total Task Orders Awarded to Date</b>	<b>\$21,310,459.08</b>
		<b>Board Authorized Not-To-Exceed (NTE) Cumulative Total Value</b>	<b>\$30,000,000.00</b>
		<b>Remaining Board Authorized NTE Cumulative Total Value</b>	<b>\$8,689,540.92</b>

**CONTRACT MODIFICATION/CHANGE ORDER LOG  
UNION STATION MASTER PLAN/PS4330-2863**

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
1	Revise scope of services with additional work to tasks; modify the contract to include additional SBE subcontractor.	Approved	03/25/13	\$272,901
2	Revise scope of services with additional task.	Approved	12/03/13	\$799,980
3	Revise scope of services with additional task.	Approved	12/10/13	\$220,000
4	Substitute subcontractor for Task 3 services.	Approved	05/01/14	\$0
5	Additional planning services and extension of period of performance	Approved	07/18/14	\$342,000
6	Revise scope of services with additional task requirements	Approved	09/04/14	\$120,744
7	Planning services to evaluate the feasibility of releasing an RFIQ for the redevelopment of the east side of the Los Angeles Union Station and extension of period of performance	<b>Pending</b>	<b>Pending</b>	<b>\$209,532</b>
	<b>Modification Total:</b>			<b>\$1,965,157</b>
	<b>Original Contract:</b>			<b>\$4,145,500</b>
	<b>Total:</b>			<b>\$6,110,657</b>

DEOD SUMMARY

UNION STATION MASTER PLAN / PS4010-3041-FF-XX

**A. Small Business Participation**

Kleinfelder, Inc. made an 18.05% Small Business Enterprise (SBE) commitment. The project is 44% complete. Kleinfelder, Inc. is exceeding their SBE commitment with a current SBE participation of 19.15%. Kleinfelder, Inc. is expected to utilize MARRS Service, Inc. and Entech Consulting Services as task orders are issued for their scopes of work.

<b>Small Business Commitment</b>	<b>18.05% SBE</b>	<b>Small Business Participation</b>	<b>19.15% SBE</b>
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	<b>SBE Subcontractors</b>	<b>% Commitment</b>	<b>Current Participation<sup>1</sup></b>
1.	Entech Consulting	3.47%	0%
2.	MARRS Services	1.35%	0%
3.	Sapphos Environmental	13.23%	19.15%
	<b>Total</b>	<b>18.05%</b>	<b>19.15%</b>

<sup>1</sup>Current 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.

## DEOD SUMMARY

## UNION STATION MASTER PLAN/PS4330-2863

**A. Small Business Participation**

Gruen Associates (Gruen) made a 25.15% Small Business Enterprise (SBE) commitment. The project is 94.93% complete and the current SBE participation is 24.45%. The current shortfall is 0.70%. Gruen Associates explained that the shortfall is directly attributable to the work that could not be performed by SBE subcontractors.

Metro's Project Manager confirmed that the approach to redevelop Union Station was altered by Metro, and that Gruen was the only consultant team able to provide expert input for work critical to advancing the coordination and integration of the concourse into the Link US project. As such, with the proposed Modification No. 7, it is expected that Gruen's SBE participation will decrease to 22.41%, resulting in a 2.74% shortfall.

<b>Small Business Commitment</b>	<b>25.15% SBE</b>	<b>Small Business Participation</b>	<b>24.45% SBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	Wiltec	0.96%	0.53%
2.	Cityworks Design	3.60%	2.13%
3.	The Robert Group	9.65%	7.14%
4.	Mia Lehrer + Associates	2.61%	3.00%
5.	VCA Engineers	2.39%	0.64%
6.	Wagner Engineering & Survey	1.93%	1.43%
7.	Diaz Yourman Associates	0.48%	0.36%
8.	Terry A. Hayes Associates	0.72%	0.54%
9.	MARRS Services	1.46%	1.08%
10.	Davis Blue Print	1.35%	0.47%
11.	Selbert Perkins Design	Added	7.13%
	<b>Total</b>	<b>25.15%</b>	<b>24.45%</b>

<sup>1</sup>Current 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.



Board Report

File #: 2016-0945, File Type: Program

Agenda Number: 16

**REVISED**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**JANUARY 18, 2017**

**SUBJECT: FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5310, SECTION 5316 AND SECTION 5317 GRANT PROGRAM FUNDS FOR FISCAL YEAR (FY) 2017**

**ACTION: APPROVE SOLICITATION AND ALLOCATION PROCESSES**

**RECOMMENDATION**

CONSIDER:

- A. **APPROVING the FY 2017 Solicitation for Proposals for FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5316 Job Access and Reverse Commute (JARC) and Section 5317 New Freedom Program funds**, for which Metro is the Designated Recipient for the urbanized areas of Los Angeles County, including the following:
  - 1. The Allocation Process shown in Attachment A;
  - 2. The solicitation funding marks estimated up to \$9,692,287 for Section 5310 projects, \$8,013,181 for Section 5316 projects, and \$665,306 for Section 5317 projects, for a combined total of \$18,370,774; and
  - 3. The Application Package shown in Attachment B.
- B. **ALLOCATING \$10,139,411 in Section 5310 funds for Access Services as identified by the FY 2017 Funding Allocation Process, for Traditional Capital Projects, to support complementary paratransit service that the American with Disabilities Act of 1990 (ADA) requires.**

**ISSUE**

Metro is the Designated Recipient for FTA Section 5310, Section 5316 and Section 5317 Program funds in urbanized areas of Los Angeles County. As such, it is responsible for the planning, programming, distribution, and management of these funds. To fulfill Metro’s Designated Recipient obligations, staff is requesting Board approval to allocate available federal funding for Los Angeles County, to conduct a competitive FY 2017 solicitation process, and to provide technical program

support and monitor grant sub-recipients.

## **DISCUSSION**

### Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program

The Section 5310 Program funds “traditional” capital and “other” capital and/or operating projects that support the transportation needs of seniors and individuals with disabilities. Traditional Capital Projects are capital public transportation projects that are planned and designed to meet the needs of seniors and individuals with disabilities when public transit is insufficient, unavailable or inappropriate. Other Capital and/or Operating Projects include new public transportation projects that: 1) exceed ADA requirements, 2) improve access to fixed-route and decrease reliance on complementary paratransit service, and 3) provide transportation alternatives to public transit that assist seniors and individuals with disabilities. Non-profit organizations or state and local governmental authorities are eligible recipients of funding. Three years of Section 5310 apportionments (Federal FYs 2015, 2016 and 2017) for the urbanized areas of Los Angeles-Long Beach-Anaheim, Santa Clarita, and Lancaster-Palmdale will be allocated through the FY 2017 Solicitation for Proposals and to Access Services. Metro must certify that projects receiving Section 5310 funds are included in a locally-developed Coordinated Public Transit-Human Services Transportation Plan. The 2016-2019 Coordinated Plan for Los Angeles County was adopted in July 2015.

### Section 5316 Job Access Reverse Commute (JARC) & Section 5317 New Freedom Programs

The proposed FY 2017 Solicitation for Proposals will also include the allocation of Section 5316 JARC and Section 5317 New Freedom repurposed funds previously approved for agencies that later indicated they would not implement their projects or did not need their full grant award. These funds were apportioned to the Los Angeles-Long Beach-Anaheim urbanized area of Los Angeles County. Effective July 6, 2012, Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) repealed the Section 5316 JARC and Section 5317 New Freedom Programs; thus no new funding apportionments will be made under these programs. As a result, project readiness will be a key consideration during the proposal evaluation process. Project sponsors must begin implementation and fund draw-down expeditiously.

The Section 5316 JARC Program seeks to improve access to transportation services to employment and employment-related activities by welfare recipients and eligible low-income individuals. It also aims to transport residents of urbanized and non-urbanized areas to suburban employment opportunities regardless of their income.

The Section 5317 New Freedom Program seeks to reduce barriers to transportation services and expand the mobility options available to people with disabilities, including transportation to and from employment and employment support services. Section 5317 Program funds may be used for new services that exceed ADA requirements, improve access to fixed-route service, decrease reliance on complementary ADA paratransit service, and/or provide transportation alternatives. Non-profit organizations or state and local governmental authorities are eligible recipients of funding.

### Allocation Process

As the Designated Recipient, Metro is responsible for the selection of projects, and must certify that



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the distribution of funds to its sub-recipients is fair and equitable. The Section 5310 Working Group was reconvened consisting of representatives from the Bus Operations Subcommittee (BOS), the Local Transit Systems Subcommittee (LTSS), and the Accessibility Advisory Committee (AAC) who reviewed and discussed the allocation of funds. Attachment A shows the allocation process recommended by the Working Group and approved by BOS, LTSS and AAC.

The Working Group's recommendation is a hybrid approach for Section 5310 Program funds that allocates: 1) 49% of total funds to Access Services for Traditional Capital Projects; 2) 46% of total funds to the competitive project selection process; and 3) the remaining 5% to Metro to implement federally-required Designated Recipient oversight responsibilities and technical assistance to grant sub-recipients. The 49% allocation to Access Services is based on the agency's regional reach, needs, and historical shares of Section 5310 and Section 5310 funds previously awarded. The proposed 5% allocation for Metro is half of the maximum allowed by FTA.

The total Section 5316 JARC and Section 5317 New Freedom Program funds available are planned to be allocated entirely through the solicitation process.

#### Solicitation Funding Marks

Under the FY 2017 Solicitation for Proposals process, the following amounts are proposed to be available for each program: 1) up to \$7,097,660 for Section 5310 Traditional Capital Projects; 2) up to \$2,594,627 for Section 5310 Other Capital and Operating Projects; up to \$8,013,181 for Section 5316 JARC Projects; and 4) up to \$665,306 for Section 5317 New Freedom Projects. Attachment A includes a chart that shows these amounts for each urbanized area.

#### Application Package

The FY 2017 Solicitation for Proposals Application Package is based largely on the application used for the FY 2015 Solicitation for Proposals for Section 5310 funds but was modified to incorporate the Section 5316 and Section 5317 Programs as well. Metro staff solicited and received input from the Section 5310 Working Group on the Application Package content and format, including the evaluation criteria and selection process. Overall, the Working Group recommended that the format generally remain the same as the application used in FY 2015 with suggestions for clarification in certain sections. Attachment B contains the proposed application and provides an overview of each funding program, including updated information on: 1) eligible applicants and sub-recipients; 2) eligible projects; and 3) federal and local funding shares.

### **DETERMINATION OF SAFETY IMPACT**

Approval of the recommended actions will have no impact on the safety of Metro's customers and employees.

### **FINANCIAL IMPACT**

All of the recommended actions will be fully funded through the federal Section 5310, Section 5316 and Section 5317 Programs. No other Metro funds will be required to manage, administer and

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oversee the program. The proposed allocations include \$1,043,774 to support Metro's management, administration and oversight obligations as the Designated Recipient of the funds.

Impact to Budget

Approving the recommended actions will not impact Metro's bus and rail operating and capital budgets, as Section 5310, Section 5316 and Section 5317 Program funds are not eligible for these purposes.

**ALTERNATIVES CONSIDERED**

The Board may choose not to approve all or some of the recommended actions. Staff does not recommend this alternative because without Board approval, Metro cannot fulfill its responsibilities as the Designated Recipient of Section 5310, Section 5316 and Section 5317 Program funds. Without Board approval, Metro also could risk losing about \$6.8 million in Section 5310 Program funds that will lapse, if not obligated through the FTA approval of a grant by September 30, 2017.

**NEXT STEPS**

With Board approval, staff will proceed to administer the activities necessary to make federal Section 5310, Section 5316 and Section 5317 Program funds available for the FY 2017 Solicitation for Proposals. The application package will be released on January 31, 2017 and project applications will be due April 28, 2017. In addition, staff will work with Access Services to ensure a grant application is submitted to FTA for the Board-approved amount to prevent lapsing of federal funds. Staff expects to return to the Board for approval of funding recommendations in June 2017, as shown in the schedule provided in Attachment C.

**ATTACHMENTS**

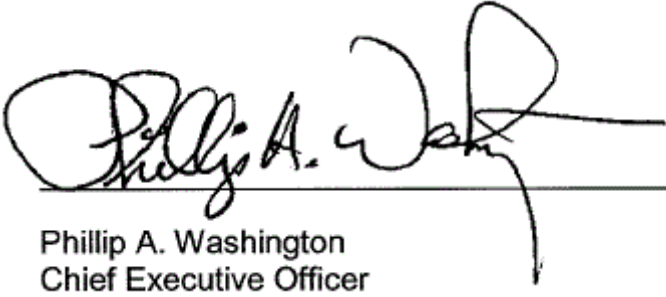
Attachment A - FY 2017 Funding Allocation Process - Section 5310, Section 5316 and Section 5317 Program Funds

Attachment B - Application Package for the FY 2017 Solicitation for Proposals

Attachment C - Schedule of Activities - FY 2017 Solicitation for Proposals

Prepared by: Jami Carrington, Senior Manager, Transportation Planning, (213) 922-7364  
Cosette Stark, DEO, Countywide Planning & Development, (213) 922-2822  
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Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington  
Chief Executive Officer

**FY 2017 FUNDING ALLOCATION PROCESS  
SECTION 5310, SECTION 5316, and SECTION 5317 PROGRAM FUNDS**

Recommended by the Section 5310 Working Group and adopted by its representative committees and subcommittees: Accessibility Advisory Committee (AAC), Bus Operators Subcommittee (BOS), and Local Transit Systems Subcommittee (LTSS), the allocation process as summarized below will apply to Section 5310, Section 5316 and Section 5317 program funds.

1. Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities

Metro will allocate funds apportioned to the urbanized areas of Los Angeles-Long Beach-Anaheim, Lancaster-Palmdale, and Santa Clarita that includes 3 federal fiscal year apportionments (2015, 2016, and 2017).

- Metro will receive 5% of the total apportionment for administration and program support in an amount up to **\$1,043,774**
- Access Services will receive 49% of the total apportionment for projects eligible for the Traditional Capital funding category only in an amount up to **\$10,139,411**
- 46% of the total apportionment allocated through the competitive FY2017 Solicitation for Proposals eligible for Traditional Capital, and Other Capital & Operating projects in an amount up to **\$9,692,287<sup>1</sup>**
- The funding split between Traditional Capital and Other Capital & Operating is 87/13 percent respectively. Subsequent funding recommendations will be flexible between the Traditional Capital and Other Capital & Operating funding categories if one is undersubscribed and the other is oversubscribed.

2. Section 5316 Job Access and Reverse Commute (JARC)

Metro will concurrently manage a competitive solicitation for eligible, capital, planning, and operating projects utilizing funds repurposed from existing grants for the Los Angeles County UZA only in an amount up to **\$8,013,181.<sup>1</sup>**

3. Section 5317 New Freedom (NF)

Metro will concurrently manage a competitive solicitation for eligible new capital and operating projects utilizing funds repurposed from existing grants for the Los Angeles County UZA only in an amount up to **\$665,306.<sup>1</sup>**

*Up to 5% of competitive solicitation allocation will be set-aside for appeals. Unused set-aside balances will be re-allocated to projects underfunded (if any) within that UZA. Any balance remaining from competitive solicitations shall "roll-over" into future solicitations.*

**The following table presents the funding allocations consistent with the allocation process.**

**Section 5310 Funding Allocation**

Urbanized Area	Total Apportionments FFY 15 / FFY 16 / FFY 17	Access Services	Program Administration	Available for Solicitation	
				Traditional	Other
Los Angeles UZA	19,753,815	9,679,369	987,691	6,716,297	2,370,458
Lancaster-Palmdale UZA	660,837	271,101	33,042	224,685	132,009
Santa Clarita UZA	460,819	188,940	23,041	156,678	92,159
<b>TOTAL</b>	<b>\$20,875,471</b>	<b>\$10,139,411</b>	<b>1,043,774</b>	<b>\$7,097,660</b>	<b>\$2,594,627</b>
<i>Percent Share</i>	<i>100%</i>	<i>49%</i>	<i>5%</i>	<i>34%</i>	<i>12%</i>

**Section 5316 Funding Allocation**

Fund Source	Los Angeles UZA	Available for Solicitation
S.5316 JARC	8,013,181	8,013,181
<b>TOTAL</b>	<b>\$8,013,181</b>	<b>\$8,013,181</b>
<i>Percent Share</i>	<i>100%</i>	<i>100%</i>

**Section 5317 Funding Allocation**

Fund Source	Los Angeles UZA	Available for Solicitation
S.5317 NF	665,306	665,306
<b>TOTAL</b>	<b>\$665,306</b>	<b>\$665,306</b>
<i>Percent Share</i>	<i>100%</i>	<i>100%</i>

**FY 2017 Solicitation for Proposals  
& Application Package**

**Federal Section 5310 Program**

ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES

**Federal Section 5316 Program**

JOB ACCESS AND REVERSE COMMUTE

**Federal Section 5317 Program**

NEW FREEDOM



## **PROGRAM INTRODUCTION**

Metro is soliciting proposals from eligible applicants for its Fiscal Year (FY) 2017 Federal Section 5310, Section 5316, and Section 5317 Programs for eligible projects that best achieve program goals and meet program requirements as described in Part I through Part III of this Solicitation for Proposals. The solicitation is a competitive selection process that will result in the award of available federal grants apportioned by the Federal Transit Administration (FTA) to eligible agencies after an evaluation and ranking of proposals by an external panel and the approval of funding awards by the Metro Board of Directors.

The federal Section 5310 funds made available for the FY2017 Solicitation for Proposals include: i) federal monies apportioned to the region for federal fiscal year (FFY) 2015 as authorized by Moving Ahead for Progress in the 21st Century Act (MAP-21), and ii) federal monies apportioned for FFY 2016 and 2017 as re-authorized under the Fixing America's Surface Transportation (FAST) Act.

The federal Section 5316 and Section 5317 funds made available through this solicitation include: i) prior-years' federal monies apportioned to the region and previously allocated to subrecipient agencies that later indicated they will not implement their projects; ii) prior-years' surplus funds from subrecipient agencies that are implemented or are currently implementing their projects; and iii) prior-years' contingency funds. The funds available under these categories were authorized by the Safe Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). However, these programs were repealed under MAP-21, thus no new funding apportionments will be made under these programs in the future.

The following summarizes the FTA grant programs that provided the funding made available through this solicitation:

- Enhanced Mobility of Seniors and Individuals with Disabilities Program (Section 5310). The Section 5310 Program provides operating and capital assistance for public transportation projects that i) are planned, designed and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable; ii) exceed the requirements of the Americans with Disabilities Act (ADA) of 1990; iii) improve access to fixed route service and decrease reliance on complementary paratransit, and/or iv) provide alternatives to public transportation projects that assist seniors and individuals with disabilities.
- Job Access and Reverse Commute (JARC) Program (Section 5316). The Section 5316 Program provides operating and capital assistance for projects that improve access to employment-related transportation services for welfare recipients and eligible low-income individuals, and that transport residents of urbanized and rural areas to suburban employment opportunities.

- **New Freedom Program (Section 5317)**. The Section 5317 Program provides operating and capital assistance for new public transportation services beyond those required by the ADA and new public transportation alternatives beyond those required by the ADA, designed to assist individuals with disabilities with accessing transportation services. The purpose of the Section 5317 formula grant program was to provide additional resources to overcome existing barriers facing individuals with disabilities seeking integration into the workforce and full participation in society.

### **Designated Recipient**

In the State of California, the Governor designates a public entity to be the Designated Recipient of federal transportation formula funds. The Los Angeles County Metropolitan Transportation Authority (Metro) is the Designated Recipient of: federal Section 5310 funds apportioned for the areas in Los Angeles County that are within the urbanized areas of Los Angeles-Long Beach-Anaheim (UZA2), Santa Clarita (UZA146), and Lancaster-Palmdale (UZA 112); Section 5316 apportionments for the areas in Los Angeles County that are within the urbanized areas of Los Angeles-Long Beach-Anaheim (UZA 2) and Lancaster-Palmdale (UZA 112); and Section 5317 apportionments for the areas in Los Angeles County that are within the urbanized areas of Los Angeles-Long Beach-Anaheim (UZA 2) and Lancaster-Palmdale (UZA 112).

As the Designated Recipient, Metro is responsible for allocating funds to eligible projects, making application and certifications to the FTA, managing all aspects of grant distribution, and monitoring project activity and compliance. Metro has allocated available formula funds to conduct a competitive solicitation and selection process awarding grants to eligible subrecipient projects. Upon award, Metro will prepare and submit grant application to FTA requesting funding on behalf of awarded agencies and organizations. Upon FTA approval, Metro will execute Funding Agreements (FA) with agencies awarded as “pass-through grants” for capital and/or operating assistance.

### **The Coordinated Plan for Los Angeles County**

Federal transit law, as amended by MAP-21, requires that projects funded under the Section 5310, Section 5316, and Section 5317 Programs are included in a locally developed, coordinated public transit-human services transportation plan. The 2016-2019 Coordinated Public Transit-Human Services Transportation Plan for Los Angeles County (“Coordinated Plan”) was formally adopted by the Metro Board of Directors in July 2015.

The Coordinated Plan was developed through a process that included participation by seniors, individuals with disabilities, persons of low income, military veterans, other members of the public, and representatives of public, private, nonprofit transportation and human service providers and includes the following four elements:



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1. An assessment of available transportation services identifying current providers (public, private and nonprofit) for the Target Populations
2. An assessment of transportation needs for the Target Populations;
3. Regional and subregional goals and strategies to address the identified gaps between current services and needs, as well as opportunities to improve efficiencies in service delivery; and
4. Priorities for implementation based on resources (from multiple program sources), time, and feasibility for implementing specific strategies and/or activities identified

Project proposal applications submitted in response to the FY 2017 Solicitation for Proposals must be consistent with goals and strategies included in the Coordinated Plan to address identified gaps between current services and needs or improve efficiencies in service delivery. Each strategy is clearly illustrated by making reference to several eligible projects and activities. Strategies developed are intended to be illustrative, not exhaustive – applicants are encouraged to develop innovative solutions to achieve Coordinated Plan goals.

A copy of the Coordinated Plan can be accessed at [www.metro.net/projects/fta5310](http://www.metro.net/projects/fta5310).

# **Part I. Federal Section 5310 Program**

## **ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES**

**PROGRAM GOALS & FUND AVAILABILITY**

The goals of the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities (“Section 5310”) Program are to improve mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding the transportation mobility options available when public transit is insufficient, inappropriate, or unavailable by a) exceeding the requirements of the Americans with Disabilities Act (ADA) of 1990; b) improving access to fixed route service and decreasing reliance on complementary paratransit; and c) providing alternatives to public transportation. The Section 5310 program is administered by the Federal Transit Administration (FTA).

As the Designated Recipient and consistent with FTA guidelines, Metro allocates funds to eligible applicants as subrecipients for eligible traditional capital, other capital, and operating transportation projects following a competitive process. Up to \$9,692,287 Section 5310 Program funds apportioned and allocated to Los Angeles County for the Los Angeles-Long Beach-Anaheim Urbanized Area (UZA), as well as the Santa Clarita and the Lancaster-Palmdale UZAs are available as shown below:

Urbanized Area (UZA)	Traditional Capital	Other Capital and Operating
LA-LB-Anaheim	\$6,716,297	\$2,370,458
Lancaster-Palmdale	\$224,685	\$132,009
Santa Clarita	\$156,678	\$92,159

**ELIGIBLE APPLICANTS/SUBRECIPIENTS**

Eligible applicants of Section 5310 Program funds for **Traditional Capital** Projects are limited to:

1. Private nonprofit organizations; or
2. State or local governmental authorities that:
  - a. Are approved by a State to coordinate services for seniors and/or individuals with disabilities; or
  - b. Certifies that there are no nonprofit organizations readily available in the area to provide the service

A local governmental authority includes: a political subdivision of a State (such as a city or county); a State authority or an authority of a political subdivision of a State; and, a public corporation, board, or commission established under the laws of a State.

Eligible applicants of Section 5310 Program funds for **Other Capital and Operating** projects are limited to:

1. Private nonprofit organization;
2. State or local governmental authorities; or
3. Operators of public transportation (including private taxi companies) that provide shared-ride service to the general public on a regular basis (i.e., two or more passengers in the same vehicle who are otherwise not traveling together).

## **ELIGIBLE PROJECTS**

Section 5310 Program funds are available for **Traditional Capital**, and **Other Capital and Operating** expenses to support the provision of transportation programs and services to meet the specific needs of seniors and individuals with disabilities. The following sections provide further information on project eligibility for funding under Section 5310.

### **Traditional Capital Projects**

Traditional Capital projects are those that are planned, designed, and carried out to meet the specific needs of seniors and individuals with disabilities when public transportation is insufficient, unavailable, or inappropriate. Metro requires that each vehicle is operated at a minimum of twenty (20) service hours per week; administrative expenses are not eligible.

Examples of eligible Traditional Capital projects shown below are intended to be illustrative, not exhaustive. Applicants are encouraged to develop innovative solutions to achieve program objectives.

1. Rolling stock and related activities for Section 5310 Program funded vehicles
  - a. Acquisition of expansion or replacement accessible buses or vans, and related procurement, testing, inspection, and acceptance costs
  - b. Vehicle rehabilitation or overhaul
  - c. Preventive maintenance
  - d. Radios and communication equipment
  - e. Vehicle wheelchair lifts, ramps, and securement devices
2. Passenger facilities related to Section 5310 Program funded vehicles
  - a. Purchase and installation of benches, shelters, and other passenger amenities
3. Support facilities and equipment for Section 5310 Program funded vehicles
  - a. Extended warranties that do not exceed the industry standard
  - b. Computer hardware and software
  - c. Transit-related Intelligent Transportation Systems (ITS)
  - d. Dispatch systems
  - e. Fare collection systems
4. Lease of equipment when lease is more cost effective than purchase

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5. Acquisition of transportation services under a contract, lease, or other arrangement. Both capital and operating costs associated with contracted service are eligible capital expenses. Funds may be requested for contracted services covering a time period of more than one year.
6. Support for mobility management and coordination programs among public transportation providers and other human service agencies providing transportation. Mobility management is an eligible capital cost. Mobility management techniques may enhance transportation access for populations beyond those served by one agency or organization within a community. For example, a nonprofit agency could receive Section 5310 funding to support the administrative costs of sharing services it provides to its own clientele with other seniors and/or individuals with disabilities and coordinate usage of vehicles with other nonprofits, but not the operating costs of service.

Mobility management is intended to build coordination among existing public transportation providers and other transportation service providers with the result of expanding the availability of service. Mobility management activities may include:

- a. The promotion, enhancement, and facilitation of access to transportation services, including the integration and coordination of services
  - b. Support for short-term management activities to plan and implement coordinated services
  - c. The support of state and local coordination policy bodies and councils
  - d. The operation of transportation brokerages to coordinate providers, funding agencies, and passengers
  - e. The provision of coordination services, including employer-oriented transportation management organizations and human service organizations' customer-oriented travel navigator systems and neighborhood travel coordination activities such as coordinating individualized travel training and trip planning activities for customers
  - f. The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among supporting programs
  - g. The planning for and acquisition of intelligent transportation technologies to help plan and operate coordinated systems, including geographic information systems (GIS) mapping, global positioning system technology, coordinated vehicle scheduling, dispatching and monitoring technologies, as well as technologies to track costs and billing in a coordinated system, and single smart customer payment systems. Acquisition of technology is also eligible as a standalone capital expense.
7. Capital activities (e.g., acquisition of rolling stock and related activities, acquisition of services, etc.) to support ADA-complementary paratransit service

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## **Other Capital and Operating Projects**

Other Capital and Operating projects include those public transportation projects that: i) exceed ADA requirements; ii) improve access to fixed-route services and decrease reliance on ADA complementary paratransit service; and/or iii) provide alternatives to public transportation that assist seniors and individuals with disabilities with transportation.

Administrative expenses necessary to support project activities are eligible expenses up to a maximum five (5) percent of the total project cost. Operating assistance for ADA complementary paratransit service is not an eligible expense. Also, transit passes or vouchers for use on existing or new fixed route or ADA complementary paratransit service are not eligible.

Examples of Other Capital and Operating expenses as shown below under each of the three broad project categories is intended to be illustrative, not exhaustive. Applicants are encouraged to develop innovative solutions to achieve program objectives.

### 1. Projects that Exceed ADA Requirements

- a. Expansion of paratransit service parameters beyond the three-fourths mile required by the ADA
- b. Expansion of current hours of operation for ADA paratransit services that are beyond those provided on the fixed-route services
- c. The incremental cost of providing same day service
- d. The incremental cost (if any) of making door-to-door service available to all eligible ADA paratransit riders
- e. Enhancement of the level of service by providing escorts or assisting riders through the door of their destination
- f. Acquisition of vehicles and equipment designed to accommodate mobility aids that exceed the dimensions and weight ratings established for wheelchairs under ADA regulations (i.e., larger than 30" x 48" and/or weighing more than 600 pounds), such as: the acquisition of lifts with a larger capacity; modifications to lifts with a 600-pound design load; and, the acquisition of heavier duty vehicles for demand-response and/or paratransit service in order to accommodate lifts with a heavier design load
- g. Installation of additional securement locations in public buses beyond what is required by the ADA
- h. Accessible "feeder service" providing access to commuter rail, commuter bus, intercity rail, and intercity bus stations for which complementary paratransit service is not required by the ADA

### 2. Projects that Improve Accessibility to the Fixed-Route System

- a. Improvements to transit and intermodal stations not designated as key stations.

Limited to accessibility improvements at existing transportation facilities that are not designated as “key stations” under federal law and that are not required by federal law as part of an alteration or renovation to an existing station, so long as the project is clearly intended to remove barriers to individuals with disabilities that would otherwise have remained. These improvements may include:

- i. Building an accessible path to a bus stop that is currently inaccessible, including curb cuts, sidewalks, accessible pedestrian signals, or other accessible features;
    - ii. Adding an elevator or ramps, detectable warnings, or other accessibility improvements to a non-key station that are not otherwise required by the ADA;
    - iii. Improving signage or way finding technology; and
    - iv. Implementation of other technology improvements that enhance accessibility for people with disabilities, including Intelligent Transportation Systems (ITS).
  - b. Training programs for individual users on awareness, knowledge, and skills of public and alternative transportation options available in their communities, including travel instruction and travel training services
3. Alternatives that Assist Seniors and Individuals with Disabilities with Transportation
  - a. Purchase and operate accessible vehicles for use in taxi, ride-sharing, and/or vanpool programs provided that the vehicle, at a minimum: meets the federal requirements for lifts, ramps, and securement systems; and permits a passenger whose wheelchair can be accommodated, pursuant to federal law, to remain in his/her personal mobility device inside the vehicle.
  - b. Supporting the administration and expenses related to voucher programs for transportation services. Vouchers can be used as an administrative mechanism for payment of alternative transportation services offered by Human Service providers to supplement available public transportation. Vouchers can be used by seniors and individuals with disabilities to purchase rides, as well as for mileage reimbursement as part of a volunteer driver program, a taxi trip, or trips provided by a Human Service agency. Transit passes or vouchers for use on existing fixed-route or required ADA complementary paratransit service are not eligible. Vouchers are an operational expense which requires a minimum 50 percent local match. Vouchers are reimbursed by Metro based on predetermined rates or contractual arrangements.
  - c. Supporting volunteer driver and aide programs. Volunteer driver programs are eligible and include support for costs associated with the administration, management of driver recruitment, training, safety, background checks, scheduling, coordination with passengers, other related support functions, mileage reimbursement, and insurance associated with volunteer driver programs. The costs of enhancements to increase the capacity of volunteer driver programs are also eligible.

**FEDERAL SHARE, TRANSPORTATION DEVELOPMENT CREDITS & LOCAL MATCHING REQUIREMENTS**

**The federal share** of eligible Section 5310 traditional and other capital costs shall be in an amount equal up to 80 percent of the net cost of the activity. The federal share of the eligible operating costs may not exceed 50 percent of the net operating costs of the activity. The net cost of an activity (capital or operating) is the part of the project that cannot reasonably be financed from operating revenues (i.e., farebox recovery).

The federal share may exceed 80 percent where the capital project is in compliance with the ADA and/or the Clean Air Act (CAA), as follows:

1. Rolling Stock (vehicles): The federal share is 85 percent for the acquisition of vehicles for purposes of complying with or maintaining compliance with ADA or the CAA. A revenue vehicle that complies with federal requirements to accommodate mobility aids that exceed the dimensions and weight ratings established for wheelchairs under the ADA regulations (i.e., larger than 30" x 48" and/or weighing more than 600 pounds) may also be funded at 85 percent federal share.
2. Vehicle-Related Equipment and Facilities: The federal share is 90 percent for project costs for acquiring vehicle-related equipment or facilities (including clean fuel or alternative fuel vehicle-related equipment or facilities) for purposes of complying or maintaining compliance with the CAA or required by the ADA. FTA considers vehicle-related equipment to be equipment on and attached to the vehicle.

**Transportation Development Credits (TDC)** are not money, they are similar to waivers or permission slips that allow federal funds to be used at a higher reimbursement rate. Metro will request TDC valued at up to ten (10) percent of eligible Section 5310 capital project costs and up to twenty-five (25) percent of eligible operating project costs on behalf of eligible applicants.

**The local share** of eligible Section 5310 capital costs shall not be less than 10 percent of the net cost of the activity (not including projects related to ADA and/or CAA compliance). The local share for eligible operating costs shall not be less than 25 percent of the net operating costs. The local share may be sourced from a variety of sources including:

- an undistributed cash surplus,
- a replacement or depreciation cash fund or reserve, and
- a service agreement with a State or local service agency or private social service organization, or new capital.

Some examples of these potential sources of local match include: State or local appropriations, dedicated tax revenues, private donations, revenue from service contracts, and net income generated from advertising and concessions.



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- Non-cash (e.g., donations, volunteered services, in-kind contributions, etc.) where the value of each is: documented and supported; represents a cost which would otherwise be eligible under the program; is included in the net project costs in the budget; and is approved by Metro and FTA.
- Income from contracted transportation services may be used either to reduce the net project cost (treated as revenue) or to provide local match for operating expenses. In either case, the cost of providing the contract service is included in the total project cost. No FTA program funds can be used as a source of local match for other FTA programs, even when used to contract for service. All sources and amounts of local match must be identified in the application.
- Federal programs that are eligible to be expended for transportation other than programs funded by the United States Department of Transportation (USDOT), or from USDOT's Federal Lands Highway Program.

Some examples of types of programs that are potential sources of local match include: employment, training, aging, medical, community services, and rehabilitation services. Specific program information for other types of federal funding is available at United We Ride <https://www.disability.gov/resource/united-we-ride/> and their partnering agency at the Coordinating Council on Access and Mobility <https://www.transit.dot.gov/ccam/about>

### Summary: Section 5310 Federal Share, TDC and Local Matching Requirements

Funding Category	Federal Share Eligible (max)	TDC Eligible (max)	Local Match Share Required (min)
Capital (Traditional & Other)	80%	10%	10%
Capital: ADA/CAA Rolling Stock	85%	10%	5%
Capital: ADA/CAA Equipment & Facilities	90%	10%	0%
Operating	50%	25%	25%

## **PERFORMANCE MEASURES**

FTA requires tracking and reporting of quantitative and qualitative information for Section 5310 funded projects. FTA has set minimum indicators for each eligible project category to capture relevant outputs, service levels and outcomes as described below.

### **1. Traditional Capital Projects**

- a. Gaps in Service Filled - The provision of transportation options that would not otherwise be available for seniors and individuals with disabilities measured by the annual number of seniors and people with disabilities afforded mobility they would not have without program support as a result of the Traditional Capital Section 5310 project.
- b. Ridership - The actual or estimated number of rides measured by one-way passenger trips provided annually for seniors and individuals with disabilities as a result of the Traditional Section 5310 Capital project.

### **2. Other Capital and Operating Projects**

- a. Increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities as a result of Other Capital and/or Operating Section 5310 project.
- b. Additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities as a result of Other Capital and/or Operating Section 5310 project.
- c. Actual or estimated annual number of rides measured by one-way passenger trips provided for seniors and individuals with disabilities as a result of Other Capital and/or Operating Section 5310 project.

## **Part II. Federal Section 5316 Program**

**JOB ACCESS AND REVERSE COMMUTE (JARC)**

## **PROGRAM GOALS & FUND AVAILABILITY**

The goals of the Section 5316 Job Access and Reverse Commute (“Section 5316”) Program are to improve access to transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized areas and non-urbanized areas to suburban employment opportunities. The Section 5316 Program is administered by the Federal Transit Administration (FTA).

As the Designated Recipient and consistent with FTA guidelines, Metro allocates funds to eligible subrecipients for eligible capital, planning, and operating expenses to support new or expanded transportation projects following a competitive process. Up to \$8,013,181 Section 5316 Program funds apportioned and allocated to Los Angeles County for the Los Angeles-Long Beach-Anaheim Urbanized Area (UZA) are available. Funds awarded in this FY2017 solicitation for Proposals may be awarded only to projects that serve Los Angeles County.

## **ELIGIBLE APPLICANTS/SUBRECIPIENTS**

Eligible applicants/subrecipients of Section 5316, Program funds are limited to:

1. Private nonprofit organizations;
2. State or local governmental authorities; or
3. Operators of public transportation (including private taxi companies that provide shared-ride service to the general public on a regular basis, i.e., two or more passengers in the same vehicle who are otherwise not traveling together).

## **ELIGIBLE PROJECTS**

Section 5316 program funds are available for **Capital and Operating** expenses that support the development and maintenance of transportation services designed to transport low-income individuals to and from jobs and activities related to their employment and to support reverse commute projects.

Examples of eligible capital and operating projects shown below are intended to be illustrative, not exhaustive. Applicants are encouraged to develop innovative solutions to achieve program objectives:

1. Late-night and weekend service;
2. Guaranteed ride home service;

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3. Shuttle service;
4. Expanding fixed-route public transit routes;
5. Demand-responsive van service;
6. Ridesharing and carpooling activities;
7. Transit-related aspects of bicycling (such as adding bicycle racks to vehicles to support individuals that bicycle a portion of their commute or providing bicycle storage at transit stations);
8. The administrative costs of local car loan programs that assist individuals in purchasing and maintaining vehicles for shared rides;
9. Promotion, through marketing efforts, of the:
  - a. Use of transit by workers with non-traditional work schedules;
  - b. Use of transit voucher programs by appropriate agencies for welfare recipients and other low-income individuals;
  - c. Development of employer-provided transportation such as shuttles, ridesharing, carpooling; or
  - d. Use of transit pass programs and benefits under Section 132 of the Internal Revenue Code of 1986;
10. Supporting the administration and expenses related to voucher programs. This activity is intended to supplement existing transportation services by expanding the number of providers available or the number of passengers receiving transportation services. Vouchers can be used as an administrative mechanism for payment to providers of alternative transportation services. The Section 5316 program can provide vouchers to low income individuals to purchase rides, including :
  - a. Mileage reimbursement as part of a volunteer driver program;
  - b. Taxi trips; or
  - c. Trips provided by a human service agency.

Providers of transportation can then submit the voucher to the Section 5316 project administering agency for payment based on pre-determined rates or contractual arrangements. Transit passes for use on fixed route or Americans with Disabilities Act of 1990 (ADA) complementary paratransit service are not eligible. Vouchers are an operational expense which requires a 50/50 (federal/local) match;

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11. Acquiring Geographic Information System (GIS) tools;
12. Implementing Intelligent Transportation Systems (ITS), including customer trip information technology;
13. Integrating automated regional public transit and human service transportation information, scheduling and dispatch functions;
14. Deploying vehicle position-monitoring systems;
15. Subsidizing the costs associated with adding reverse commute bus, train, carpool van routes or service from urbanized areas and non-urbanized areas to suburban work places;
16. Subsidizing the purchase or lease by a non-profit organization or public agency of a van or bus dedicated to shuttling employees from their residences to a suburban workplace;
17. Otherwise facilitating the provision of public transportation services to suburban employment opportunities;
18. Supporting new mobility management and coordination programs among public transportation providers and other human service agencies providing transportation. Mobility management is an eligible capital cost. Mobility management techniques may enhance transportation access for populations beyond those served by one agency or organization within a community. For example, a non-profit agency could receive Section 5316 JARC funding to support the administrative costs of sharing services it provides to its own clientele with other low-income individuals and coordinate usage of vehicles with other non-profits, but not the operating costs of the service. Mobility management is intended to build coordination among existing public transportation providers and other transportation service providers with the result of expanding the availability of service. Mobility management activities may include:
  - a. The promotion, enhancement, and facilitation of access to transportation services, including the integration and coordination of services for individuals with disabilities, older adults, and low-income individuals;
  - b. Support for short term management activities to plan and implement coordinated services;
  - c. The support of State and local coordination policy bodies and councils;
  - d. The operation of transportation brokerages to coordinate providers, funding agencies and customers;
  - e. The provision of coordination services, including employer-oriented Transportation Management Organizations' and Human Service Organizations' customer-oriented

travel navigator systems and neighborhood travel coordination activities such as coordinating individualized travel training and trip planning activities for customers;

- f. The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among supporting programs; and
- g. Operational planning for the acquisition of intelligent transportation technologies to help plan and operate coordinated systems inclusive of Geographic Information Systems (GIS) mapping, Global Positioning System technology, coordinate vehicle scheduling, dispatching and monitoring technologies as well as technologies to track costs and billing in a coordinated system and single smart customer payment systems (acquisition of technology is also eligible as a stand-alone capital expense).

### **FEDERAL SHARE, TRANSPORTATION DEVELOPMENT CREDITS & LOCAL MATCHING REQUIREMENTS**

**The federal share** of eligible Section 5316 capital costs shall be in an amount equal up to 80 percent of the net cost of the activity. The federal share of the eligible operating costs may not exceed 50 percent of the net operating costs of the activity. The net cost of an activity (capital or operating) is the part of the project that cannot reasonably be financed from operating revenues (i.e., farebox recovery).

The federal share may exceed 80 percent for certain capital projects related to compliance with the ADA and the Clean Air Act (CAA), as follows:

1. Rolling Stock (vehicles): The federal share is 85 percent for the acquisition of vehicles for purposes of complying with or maintaining compliance with ADA or the CAA. A revenue vehicle that complies with federal requirements to accommodate mobility aids that exceed the dimensions and weight ratings established for wheelchairs under the ADA regulations (i.e., larger than 30" x 48" and/or weighing more than 600 pounds) may also be funded at 85 percent federal share.
2. Vehicle-Related Equipment and Facilities: The federal share is 90 percent for project costs for acquiring vehicle-related equipment or facilities (including clean fuel or alternative fuel vehicle-related equipment or facilities) for purposes of complying or maintaining compliance with the CAA or required by the ADA. FTA considers vehicle-related equipment to be equipment on and attached to the vehicle.

**Transportation Development Credits (TDC)** are not money, they are similar to waivers or permission slips that allow federal funds to be used at a higher reimbursement rate. Metro will request TDC valued at up to twenty-five (25) percent of eligible operating project costs on behalf of eligible applicants.

**The local share** of eligible Section 5316 capital costs shall not be less than 20 percent of the net cost of the activity (not including projects related to ADA and/or CAA compliance). The local share for eligible operating costs shall not be less than 25 percent of the net operating costs. The local share may be sourced from a variety of sources including:

- an undistributed cash surplus,
- a replacement or depreciation cash fund or reserve, and
- a service agreement with a State or local service agency or private social service organization, or new capital.

Some examples of these potential sources of local match include: State or local appropriations, dedicated tax revenues, private donations, revenue from service contracts, and net income generated from advertising and concessions.

- Non-cash (e.g., donations, volunteered services, in-kind contributions, etc.) where the value of each is: documented and supported; represents a cost which would otherwise be eligible under the program; is included in the net project costs in the budget; and is approved by Metro and FTA.
- Income from contracted transportation services may be used either to reduce the net project cost (treated as revenue) or to provide local match for operating expenses. In either case, the cost of providing the contract service is included in the total project cost. No FTA program funds can be used as a source of local match for other FTA programs, even when used to contract for service. All sources and amounts of local match must be identified in the application.
- Federal programs that are eligible to be expended for transportation other than programs funded by the United States Department of Transportation (USDOT), or from USDOT's Federal Lands Highway Program.

Some examples of types of programs that are potential sources of local match include: employment, training, aging, medical, community services, and rehabilitation services. Specific program information for other types of federal funding is available at United We Ride <https://www.disability.gov/resource/united-we-ride/> and their partnering agency at the Coordinating Council on Access and Mobility <https://www.transit.dot.gov/ccam/about>



**Summary: Section 5316 Federal Share, TDC, and Local Matching Requirements**

Funding Amount	Funding Category	Federal Share Eligible (max)	TDC Eligible (max)	Local Match Share Required (min)
\$5,957,458	Capital	80%	0%	20%
	Capital: ADA/CAA Rolling Stock	85%	0%	15%
	Capital: ADA/CAA Equipment & Facilities	90%	0%	10%
\$1,825,723	Operating	50%	25%	25%
\$230,000	Operating	50%	0%	50%

**PERFORMANCE MEASURES**

FTA requires tracking and reporting of quantitative and qualitative information for Section 5316 funded projects. FTA has set minimum indicators for each eligible project category to capture relevant outputs, service levels and outcomes as described below.

1. Capital & Operating

- a. The actual or estimated annual number of jobs that can be accessed as a result of geographic or temporal coverage of the Section 5316 capital, planning, and/or operating project.
- b. The actual or estimated annual number of rides (as measured by one-way trips) provided as a result of the Section 5316 capital, planning, and/or operating project.

## **Part III. Federal Section 5317 Program**

### **NEW FREEDOM**

## **PROGRAM GOALS & FUND AVAILABILITY**

The goals of the Section 5317 New Freedom (“Section 5317”) Program are to reduce barriers to transportation services and expand the mobility options available to persons with disabilities beyond the requirements of the Americans with Disabilities Act of 1990 (ADA). The Section 5317 Program is administered by the Federal Transit Administration (FTA).

As the Designated Recipient and consistent with FTA guidelines, Metro allocates funds to eligible subrecipients through a competitive process for eligible <sup>1</sup>new services that exceed ADA requirements, improve access to fixed route, decrease reliance on complimentary ADA paratransit service, and/or provides public transportation alternatives including transportation to and from employment and employment support services. Up to \$665,306 Section 5317 Program funds apportioned and allocated to Los Angeles County for the Los Angeles-Long Beach-Anaheim Urbanized Area (UZA) are available. Funds awarded in this FY2017 solicitation for Proposals may be awarded only to projects that serve Los Angeles County.

## **ELIGIBLE APPLICANTS/SUBRECIPIENTS**

Eligible applicants/subrecipients of Section 5317 Program funds are limited to:

1. Private nonprofit organization;
2. State or local governmental authorities; or
3. Operators of public transportation (including private taxi companies that provide shared-ride service to the general public on a regular basis, i.e., two or more passengers in the same vehicle who are otherwise not traveling together).

## **ELIGIBLE PROJECTS**

Section 5317 program funds are available for **Other Capital and Operating** project expenses including: i) new public transportation projects that exceed the ADA requirements; ii) new transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on ADA-complementary paratransit service; and/or iii) new transportation projects providing alternatives to public transportation that assist seniors and individuals with disabilities with transportation.

For purposes of the Section 5317 Program, “new” service is any new or continuing service or activity that was not operational on August 10, 2005, and did not have an

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<sup>1</sup> “new” service is any service or activity that was not operational on August 10, 2005, and did not have an identified funding source as of August 10, 2005

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identified funding source as of August 10, 2005, as evidenced by inclusion in the Transportation Improvement Plan (TIP) or the Statewide Transportation Improvement Program (STIP).

In other words, if not for the Section 5317 Program, these projects would not have consideration for funding and proposed service enhancements would not be available for individuals with disabilities. Applications will not be considered for funding where ADA paratransit enhancements, or other services funded as of August 10, 2005, are terminated in an effort to reintroduce the services as “new”.

### **Other Capital and Operating Projects**

Administrative expenses necessary to support project activities, such as staff salaries, office supplies, and development of specifications for vehicles and equipment, are eligible expenses up to a maximum five (5) percent of the total project cost. Operating assistance for ADA complementary paratransit service is not an eligible expense. Also, transit passes or vouchers for use on existing or new fixed route or ADA complementary paratransit service are not eligible.

Examples of Other Capital and Operating expenses as shown below under each of the three broad project categories is intended to be illustrative, not exhaustive - applicants are encouraged to develop innovative solutions to achieve program objectives.

#### 1. Projects that Exceed ADA Requirements

- a. Expansion of paratransit service parameters beyond the three-fourths mile required by the ADA
- b. Expansion of current hours of operation for ADA paratransit services that are beyond those provided on the fixed-route services
- c. The incremental cost of providing same day service
- d. The incremental cost (if any) of making door-to-door service available to all eligible ADA paratransit riders
- e. Enhancement of the level of service by providing escorts or assisting riders through the door of their destination
- f. Acquisition of vehicles and equipment designed to accommodate mobility aids that exceed the dimensions and weight ratings established for wheelchairs under ADA regulations (i.e., larger than 30" x 48" and/or weighing more than 600 pounds), such as: the acquisition of lifts with a larger capacity; modifications to lifts with a 600-pound design load; and, the acquisition of heavier duty vehicles for demand-response and/or paratransit service in order to accommodate lifts with a heavier design load
- g. Installation of additional securement locations in public buses beyond what is required by the ADA
- h. Accessible “feeder service” providing access to commuter rail, commuter bus, intercity rail, and intercity bus stations for which complementary paratransit service is not required by the ADA

#### 2. Projects that Improve Accessibility to the Fixed-Route System

- a. Improvements to transit and intermodal stations not designated as key stations. Limited to accessibility improvements at existing transportation facilities that are not designated as “key stations” under federal law and that are not required by federal law as part of an alteration or renovation to an existing station, so long as the project is clearly intended to remove barriers to individuals with disabilities that would otherwise have remained. These improvements may include:
    - i. Building an accessible path to a bus stop that is currently inaccessible, including curb cuts, sidewalks, accessible pedestrian signals, or other accessible features;
    - ii. Adding an elevator or ramps, detectable warnings, or other accessibility improvements to a non-key station that are not otherwise required by the ADA;
    - iii. Improving signage or way finding technology; and
    - iv. Implementation of other technology improvements that enhance accessibility for people with disabilities, including Intelligent Transportation Systems (ITS).
  - b. Training programs for individual users on awareness, knowledge, and skills of public and alternative transportation options available in their communities, including travel instruction and travel training services
3. Alternatives that Assist Seniors and Individuals with Disabilities with Transportation
- a. Purchase and operate accessible vehicles for use in taxi, ride-sharing, and/or vanpool programs provided that the vehicle, at a minimum: meets the federal requirements for lifts, ramps, and securement systems; and permits a passenger whose wheelchair can be accommodated, pursuant to federal law, to remain in his/her personal mobility device inside the vehicle.
  - b. Supporting the administration and expenses related to voucher programs for transportation services. Vouchers can be used as an administrative mechanism for payment of alternative transportation services offered by Human Service providers to supplement available public transportation. Vouchers can be used by seniors and individuals with disabilities to purchase rides, as well as for mileage reimbursement as part of a volunteer driver program, a taxi trip, or trips provided by a Human Service agency. Transit passes or vouchers for use on existing fixed-route or required ADA complementary paratransit service are not eligible. Vouchers are an operational expense which requires a minimum 50 percent local match. Vouchers are reimbursed by Metro based on predetermined rates or contractual arrangements.
  - c. Supporting volunteer driver and aide programs. Volunteer driver programs are eligible and include support for costs associated with the administration, management of driver recruitment, training, safety, background checks, scheduling, coordination with passengers, other related support functions, mileage reimbursement, and insurance associated with volunteer driver programs. The costs of enhancements to increase the capacity of volunteer driver programs are also eligible.

**FEDERAL SHARE, TRANSPORTATION DEVELOPMENT CREDITS, & LOCAL MATCHING REQUIREMENTS**

**The federal share** of eligible capital costs shall be in an amount equal up to 80 percent of the net cost of the activity. The federal share of the eligible operating costs may not exceed 50 percent of the net operating costs of the activity. The net cost of an activity (capital or operating) is the part of the project that cannot reasonably be financed from operating revenues (i.e., farebox recovery).

The federal share may exceed 80 percent for certain capital projects related to compliance with the ADA and the Clean Air Act (CAA), as follows:

1. Rolling Stock (vehicles): The federal share is 85 percent for the acquisition of vehicles for purposes of complying with or maintaining compliance with ADA or the CAA. A revenue vehicle that complies with federal requirements to accommodate mobility aids that exceed the dimensions and weight ratings established for wheelchairs under the ADA regulations (i.e., larger than 30" x 48" and/or weighing more than 600 pounds) may also be funded at 85 percent federal share.
2. Vehicle-Related Equipment and Facilities: The federal share is 90 percent for project costs for acquiring vehicle-related equipment or facilities (including clean fuel or alternative fuel vehicle-related equipment or facilities) for purposes of complying or maintaining compliance with the CAA or required by the ADA. FTA considers vehicle-related equipment to be equipment on and attached to the vehicle.

**Transportation Development Credits (TDC)** are not money, they are similar to waivers or permission slips that allow federal funds to be used at a higher reimbursement rate. Metro will request TDC valued at up to twenty-five (25) percent of eligible operating project costs on behalf of eligible applicants.

**The local share** of eligible Section 5317 capital costs shall not be less than 20 percent of the net cost of the activity (not including projects related to ADA and/or CAA compliance). The local share for eligible operating costs shall not be less than 50 percent of the net operating costs. The local share may be sourced from a variety of sources including:

- an undistributed cash surplus,
- a replacement or depreciation cash fund or reserve, and
- a service agreement with a State or local service agency or private social service organization, or new capital.

Some examples of these potential sources of local match include: State or local appropriations, dedicated tax revenues, private donations, revenue from service contracts, and net income generated from advertising and concessions.

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- Non-cash (e.g., donations, volunteered services, in-kind contributions, etc.) where the value of each is: documented and supported; represents a cost which would otherwise be eligible under the program; is included in the net project costs in the budget; and is approved by Metro and FTA.
- Income from contracted transportation services may be used either to reduce the net project cost (treated as revenue) or to provide local match for operating expenses. In either case, the cost of providing the contract service is included in the total project cost. No FTA program funds can be used as a source of local match for other FTA programs, even when used to contract for service. All sources and amounts of local match must be identified in the application.
- Federal programs that are eligible to be expended for transportation other than programs funded by the United States Department of Transportation (USDOT), or from USDOT's Federal Lands Highway Program.

Some examples of types of programs that are potential sources of local match include: employment, training, aging, medical, community services, and rehabilitation services. Specific program information for other types of federal funding is available at United We Ride <https://www.disability.gov/resource/united-we-ride/> and their partnering agency at the Coordinating Council on Access and Mobility <https://www.transit.dot.gov/ccam/about>

### Summary: Section 5317 Federal Share, TDC, and Local Matching Requirements

Funding Amount	Funding Category	Federal Share Eligible (max)	TDC Eligible (max)	Local Match Share Required (min)
\$86,490	Capital	80%	0%	20%
	Capital: ADA/CAA Rolling Stock	85%	0%	15%
	Capital: ADA/CAA Equipment & Facilities	90%	0%	10%
\$578,816	Operating	50%	25%	25%

## **PERFORMANCE MEASURES**

FTA requires tracking and reporting of quantitative and qualitative information for Section 5317 funded projects. FTA has set minimum indicators for each eligible project category to capture relevant outputs, service levels and outcomes as described below.

### 1. Capital and Operating Projects

- a. Increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities as a result of Other Capital and/or Operating Section 5317 project.
- b. Additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities as a result of Other Capital and/or Operating Section 5317 project.
- c. Actual or estimated annual number of rides measured by one-way passenger trips provided for seniors and individuals with disabilities as a result of Other Capital and/or Operating Section 5317 project.



## **APPLICATION INSTRUCTIONS**

Each agency is allowed to submit one application per project proposed for federal funding as follows:

- Section 5310 Traditional Capital projects; total applicant/subrecipient funding request may not exceed \$900,000.
- Section 5310 and Section 5317 Other Capital & Operating projects; total applicant/subrecipient request may not exceed \$600,000.
- Section 5316 Capital and Operating projects; total applicant/subrecipient request is not limited.

Requests for equipment (e.g., computer systems, dispatching and tracking software, telecommunication systems, and improved passenger facilities) that support the transportation program are limited to no more than \$60,000.

A minimum of 70 points per application score is required to be considered for funding. If the funding request is not fully awarded, applicant/agency may offer a reduced scope of work and associated budget or decline funding award.

1. Mark "ORIGINAL" on the cover of your application package containing the master copy of the required documentation with original signatures recorded in blue ink.
2. Submit the original application along with five (5) hard copies and two (2) electronic copies (e.g. DVRs, CDs, flash drives, etc.) to Metro by 3:00 pm on April 28, 2017. **The entire application and all attachments must be included in the electronic copies.**

Your attendance at a Workshop for Potential Applicants, to be organized by Metro, is highly encouraged. A list of workshop dates and locations can be found at [www.metro.net/projects/fta5310](http://www.metro.net/projects/fta5310).

3. Applications as delivered are to be complete and final. Amendments or supplements to the application will not be accepted after the due date of April 28, 2017. **Application packages with incomplete and/or missing information (e.g., certifications, etc. and/or not signed by a duly authorized representative) will not be evaluated.**
4. The application format is provided in MS Word and Excel. An electronic version of the application consisting of four parts can be accessed at [www.metro.net/projects/fta5310](http://www.metro.net/projects/fta5310).
5. Review these application instructions, guidelines, and evaluation criteria carefully to ensure a complete and competitive application that sufficiently address each of the required and applicable components.

**Selection of Proposals for Funding Award Recommendations:**

Applications will be evaluated and ranked based on the final score provided by the Evaluation Panel. Funds will be allocated according to the ranking of projects to the maximum amount made available for the FY 2017 Solicitation for Proposals. Award recommendations may be limited to proposals that receive a final score of 70 or above (out of a maximum of 100) and subject to funds availability. If funds remain after recommending awards to those proposals scoring 70 points and above. Ultimately, the Metro Board of Directors will approve the funding award recommendations that will be included in grant applications to be submitted to FTA.

**Public Record Disclaimer:**

Application materials and attachments submitted to the Los Angeles County Metropolitan Transportation Authority (Metro) in response to its FY 2017 Solicitation for Proposals for the Section 5310, Section 5316, and/or Section 5317 Programs are not considered confidential. Application contents and attachments received by Metro are considered public records. Applicants should not include confidential information such as client names, addresses, specific medical diagnoses, telephone numbers, and other personal information.

**Data Universal Numbering System (DUNS) number & System for Award Management (SAM):**

Any agency or organization applying for a grant from the federal government must have a DUNS number at the time an application is submitted to Metro. This is a nine-digit identification number that provides a unique identification for single business entities. Applicants that currently do not have a DUNS number can obtain one at no charge from Dun and Bradstreet ([www.dnb.com](http://www.dnb.com)). Section 5310, Section 5316, and/or Section 5317 Program funds will not be awarded by the FTA without a DUNS number.

The FTA requires Metro to ensure that none of its subrecipients is suspended, debarred, ineligible or voluntarily excluded from participation in federally assisted transactions or procurements. In the spirit of this requirement Metro has established procedures to perform Federal suspension and debarment checks associated with each subrecipient award via the online System for Award Management (SAM) at [SAM.gov](http://SAM.gov). Applicants that are currently not registered in the SAM may register at no charge at [www.sam.gov](http://www.sam.gov). No entity may receive a Section 5310, Section 5316, and/or Section 5317 sub-award absent of a SAM check and clearance.

**SAM Registration in 8-easy Steps:**

1. Go to [www.sam.gov](http://www.sam.gov)
2. Create a Personal Account and Login
3. Click “Register New Entity” under “Manage Entity” on your “My SAM” page
4. Select your type of Entity
5. Select “No” to “Do you wish to bid on contracts?”
6. Select “Yes” to “Do you want to be eligible for grants and other federal assistance?”
7. Complete “Core Data”
8. Complete “Points of Contact”

**Be sure to “opt in” for public review so that we may perform the required review.**

**Responsibility of Grant Subrecipient**

When an agency other than the applicant identified in the application is proposed to operate vehicles or other equipment for which Section 5310, Section 5316, and/or Section 5317 Program funds are requested, control and responsibility for the operation of the vehicles or other equipment must remain with the grant subrecipient throughout the life of the asset (until asset is disposed of or sold according to FTA guidelines).

In this case, the subrecipient remains the registered owner of the vehicle or equipment and remains fully responsible for program compliance, including, but not limited to, operation oversight, reporting, insurance, maintenance and monitoring. Metro shall be listed as an additional insured and the lien holder on all approved vehicles funded by the Section 5310, Section 5316, and/or Section 5317 Program. Metro shall remain the lien holder until the per unit fair market value of the capital asset is less than \$5,000. Non-compliance with program requirements may result in the relinquishment of vehicles and/or equipment to Metro.

## **APPLICATION GUIDELINES & EVALUATION CRITERIA**

Los Angeles County Metropolitan Transportation Authority (Metro) staff will screen all proposals received for completeness and eligibility for evaluation consideration. Eligible agency's or organizations may apply for funding under the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program, the Section 5310 Job Access and Reverse Commute (JARC) Program and/or the Section 5317 New Freedom (NF) programs, however, each project application must be for different Program projects.

An Evaluation Panel composed of representatives from state, regional, and local agencies (restricted to those not submitting any proposals in response to the solicitation) will be established to evaluate and score the proposal applications. Members of the Evaluation Panel may include representatives from the Southern California Association of Governments (SCAG), the California Department of Transportation (Caltrans), the Orange County Transportation Authority, as well as city and county representatives.

All proposal applications will be reviewed and scored to ensure projects proposed are derived from and consistent with the 2016-2019 Coordinated Public Transit-Human Services Transportation Plan for Los Angeles County and that they are responsive to the eligibility criteria for the program from which funds were requested, as well as to the evaluation criteria. The final score for each proposal, and corresponding ranking, will be determined as the average of the scores of all members of the Evaluation Panel.

Applications will be ranked based on the final score provided by the Evaluation Panel. Funds will be allocated according to the ranking of projects to the maximum amount made available for the FY 2017 Solicitation for Proposals. Award recommendations will be limited to proposals that receive a final score of 70 or above (out of a maximum of 100) and subject to funds availability. Ultimately, the Metro Board of Directors will approve the funding award recommendations that will be included in grant applications to be submitted to FTA.

The following Part I-Part IV of the Fiscal Year (FY) 2017 Solicitation for Proposals specifies the application content required and the maximum score possible for each scoring segment of the application:

## **PART I - GENERAL INFORMATION**

### **Project Goal**

In this section of the application, indicate how the proposed project addresses gaps and barriers identified in the 2016-2019 Coordinated Public Transit-Human Services Transportation Plan for Los Angeles County found at [www.metro.net/projects/fta5310](http://www.metro.net/projects/fta5310) .

### **Description of Agency or Organization**

Briefly describe your agency or organization using the space provided including:

1. Transportation related programs and services currently managed and provided including target populations served, areas served, days/hours of service, and where applicable total fleet size (identifying the number of vehicles that are federally funded).
2. The number of individuals who currently receive transportation assistance managed/provided by your agency or organization, including a specific breakdown by age (65 years of age or older and those under 65 years old) by disability (those who use a wheelchair or other mobility device and those who do not need a mobility device), and by income.
3. A map or brochure showing the existing service area of your agency or organization, as well as any proposed expansion requested to be funded (if applicable).

## **PART II - PROJECT NARRATIVE & EVALUATION CRITERIA**

Part II consists of four sections (A-D). To receive the maximum number of points for each section, ensure that the narrative responses are clear, concise, complete and accurate and specifically address the evaluation criteria that are provided as guidance for each section.

### **Section A: Scope of Work, Need, Objectives, Coordination and Outreach (Up to 40 points)**

To receive the maximum number of points, provide a detailed and clear description of the project proposed, including need and objectives. Also, discuss coordination and outreach efforts. Vehicle funding requests require a completed "Vehicle Purchasing Schedule," included as **Attachment A**. Please address the following evaluation criteria as applicable to the proposed project:

1. Describe the transportation services currently provided (if any), the existing transportation service fleet (if any), and the target populations currently served including elderly persons, individuals with disabilities, welfare recipients, and/or eligible low-income individuals. Explain how the award of Program funds will allow your agency/organization to implement, continue, and/or enhance or expand existing services including the project beginning and ending dates. Describe how

the proposed project is consistent with the goals of the grant program. Where new and/or enhanced or expanded services are proposed, be specific regarding the change and/or improvements to existing services including: capacity, service hours, service areas, target populations, etc. Further include specific and detailed responses to the items below (a-d) where applicable to the proposed projects. (Up to 20 points)

- a. **For vehicle replacement projects**, explain why the replacement vehicle(s) are needed. Complete and attach the “Vehicle Replacement Request Form” included as **Attachment B**. If requesting alternative fuel vehicle(s), justify the need and indicate whether your agency has the required fuel infrastructure, including the proximity of the fuel station in relation to your agency. Indicate the plan for the disposition of the vehicles being replaced (e.g. backup or sell). Provide a cost/benefit analysis, if proposing to lease instead of procure vehicle(s).
- b. **For operating projects including operating, vehicles, and/or equipment expenses supporting “new” and/or enhanced or expanded service**, describe the new service and/or the growth in demand for transportation services by the target populations that your agency or organization is experiencing. Describe and include the service routes and schedules including trip coordination strategies conducted in support of the project and/or to be pursued; also, specify if your agency or organization will operate the service or will contract for the services. Discuss any projected increase in the number of clients to be served, target population(s), area(s) served, type of service to be provided, and how the enhanced and/or expanded service will increase the capacity of the services currently being provided. Indicate the new or additional days/hours of service to be provided per year, as well as the projected number of annual one-way passenger trips and miles each vehicle will travel during its useful life. If requesting funding to purchase vehicles for new or expanded transportation service, complete the “New Service or Service Expansion Vehicle Request Form” included as **Attachment C**.
- c. **For communication and computer equipment, hardware and/or software, or any other eligible miscellaneous equipment replacement in support of eligible projects**, provide a detailed description of the make, model, and year of the equipment to be replaced. Explain how it is currently being used to support your service and how its replacement is needed to improve service efficiency. List the specific items to be purchased and attach three (3) like-kind estimates with this application. Estimates can be quotes received from manufacturers or Internet sites, advertisements, or product catalogs. Use the average cost of the three estimates to calculate the unit cost in the proposal. Complete and attach the “Communication/Computer Equipment Request Form” included as **Attachment D**.
- d. **For improved passenger facilities**, attach two photos that show existing conditions and describe the proposed facility improvements. For transit stop improvements, provide the project’s location and service area (including street names), as well as the total annual boardings and alightings at each location.

2. Explain how the proposed project meets and is consistent with the goals and objectives of the Section 5310, Section 5316, and/or Section 5317 Program as applicable, and how it addresses gap(s), barriers, goals and/or strategies identified in the 2016-2019 Coordinated Public Transit – Human Services Transportation Plan for Los Angeles County [www.metro.net/projects/fta5310](http://www.metro.net/projects/fta5310). Include references to any other, studies, surveys, or other information that were used to develop the project and substantiate its need using qualitative and/or quantitative analyses. (Up to 10 points)
3. Explain how the proposed project (new, continuing, and/or enhanced/expanded) was developed or is being implemented in consultation with interested parties to ensure adequate coordination of existing and proposed transportation services, including seeking and considering comments and views of affected private and public transportation providers. Specify the agencies, groups, or stakeholders involved in the development of the proposed project and/or its implementation phase and their roles (such as health and human services agencies, agencies from the private sector, non-profit agencies, transportation providers, and members of the general public) to successfully implement the project, support coordination of services, and avoid duplication. (Up to 5 points)
4. Discuss how the project is or will be marketed to promote public awareness and expand coordination efforts with other parties. (Up to 5 points)

**Section B: Project Implementation, Operating and Management Plans (Up to 20 points)**

To receive the maximum number of points, describe your agency/organization's project operating and management plans as applicable to new, continuing, and/or enhanced/expanded project proposal. Complete and attach a proposed project schedule and provide key project milestones, potential risks along with associated mitigation strategies. Assume the start of eligible activities to be approximately eight (8) months after the Application Deadline. Please include and address each of the following as applicable to the proposed project:

1. Describe the project's management plan, key milestones, and schedule, including a brief description of 1) the role of key personnel and their relevant experience with implementing/managing similar transportation projects; and 2) any professional services to be procured by the applicant after grant award and the proposed procurement method to be used. (Up to 8 points)
2. Describe your agency or organization's contingency plan to avoid service disruption due to staffing, mechanical, or technical problems. Further include response to the item (a) below if applicable to the proposed project. (Up to 8 points)
  - a. **For new, continuing, expanded and/or enhanced vehicular transportation service projects**, describe your agency or organization's driver training program,

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maintenance program (i.e., daily pre-trip and post-trip inspection, and description of preventive and routine maintenance policies and procedures). Include/attach your agency or organization's fleet, including spare ratio, before and after funding request. Responses shall apply to directly operated and/or contracted services.

3. Describe your agency or organization's experience and history in providing transportation services, including the number of years. Also, include the number of years your agency has provided transportation services or managed similar projects or programs funded with Section 5310, Section 5316, and/or Section 5317 funds (or other federal programs). If your agency or organization will be providing transportation services for the first time, specify the number of years it has provided non-transit services to elderly persons, individuals with disabilities, welfare recipients, and/or eligible low-income individuals. (Up to 4 points)

### **Section C: Performance Indicators and Project Effectiveness (Up to 20 points)**

To receive the maximum number of points, identify the performance measures applicable to the proposed project to ensure that stated objectives are being met (ref. Application Part II., Section A.2). Please address the following evaluation criteria (as applicable):

1. Provide quantitative and where applicable qualitative project performance measure(s) as required for each project type for each calendar year during the life of the proposed project. Include the methodology used to develop the performance measure estimates. Discuss any other performance indicators applied to the proposed project, such as projections for annual vehicle use and number of persons receiving travel training. In all cases use calendar year 2016 as the base year when developing and projecting future performance indicators (if the proposed service/project is not new). (Up to 10 points)
  - a. **For Section 5310 Traditional Capital** projects, provide the estimated number of seniors and individuals with disabilities afforded mobility they would not have without program support as a result of the project and the estimated number of rides measured by one-way passenger trips provided.
  - b. **For Section 5310 Other Capital and Operating** projects, provide the estimated number of rides measured by one-way passenger trips provided as a result of the project; provide the estimated increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities as a result of the project; quantify/qualify estimated performance measures where additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles impact availability of transportation services for seniors and individuals with disabilities as a result of the project.
  - c. **For Section 5316 Operating & Capital** projects, provide estimated or projected number of jobs that can be accessed as a result of geographic or temporal



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coverage of the project and the estimated or projected number of rides measured by one-way passenger trips provided.

- d. **For Section 5317 Other Capital and Operating** projects, provide the estimated or projected increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities as a result of the project. And/or additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities as a result of the project. And/or the estimated/projected number of rides measured by one-way passenger trips provided.
2. Explain how each applicable Program performance measure (ref Section C.1) will be used by the agency/organization to evaluate the effectiveness of the project in meeting the transportation needs of the targeted population(s). Identify strategies to mitigate performance measures that are not achieving the stated objectives. (Up to 4 points)
3. Describe the management tools and/or procedures to be used for collecting, tracking, and reporting the project's performance, including the on-going management and evaluation of performance indicators. (Up to 6 points)

### **Section D: Budget Justification (Up to 20 points)**

To receive the maximum number of points, describe the assumptions for developing the budget for the proposed project included in Part III of the application. The total project cost calculated should be the net of operating revenues (i.e., farebox recovery). Please address the following evaluation criteria (as applicable):

1. Assumptions used to prepare the budget, such as quantity and level of service, basis for costs, inflation rate and prior experience. Include maintenance and repair costs, cost of fuel, casualty and liability insurance, and other administrative and direct costs; in-direct costs are ineligible. Note: The maximum amount of Program funds that can be used for administrative expenses is five (5) percent of the total project cost. (Up to 5 points)
2. Identify all sources and amounts of operating revenue, including farebox revenue where applicable and revenue from local, state, and/or federal discretionary and/or formula grants that are proposed to be used to fund the proposed project. (Up to 5 points)
3. Identify the total amount of federal funds requested from the specific Section 5310, Section 5316, or Section 5317 Program and discuss the eligibility of the proposed expenditures. (Up to 5 points)

Specify the amount and source of non-USDOT Local Match funds committed for the proposed project to meet statutory local match requirements. Attach a letter signed by a duly authorized representative committing the proposed local match for the project.

### **PART III - PROJECT BUDGET**

Complete the corresponding budget sheet(s) for the proposed project program fund (Section 5310, Section 5316, or Section 5317) and project category (traditional capital, other capital, capital and/or operating). Include all sources of revenue, including user fees and fares. Review all cell notes included in worksheets.

**Important!** Total Project Expenses must equal the Total Project Funding including requested..

1. Identify and record project expenses over the proposed period of performance. Where allowable, administration expenses may not exceed 5 percent of the total project expenses. All expenses must be eligible, reasonable, and justified.
2. Each project must be fully funded; local matches proposed over the required minimum local match are acceptable. Reference FEDERAL SHARE, TRANSPORTATION DEVELOPMENT CREDITS, AND LOCAL MATCHING REQUIREMENTS for each program to determine local match requirement. Eligible local match may include (but are not limited to) state and local funds, revenues from grants or contracts with others, donations and local fund raising projects, non-USDOT federal funds and direct in-kind contributions.
3. Include all revenue from grants, donations, and local fund-raising projects that will be used to fund your proposed project.
4. Identify the source of the local match.

## **PART IV - CERTIFICATIONS**

### **Private Nonprofit Agency –Corporation Inquiry and Certification**

If your agency or organization is claiming applicant eligibility based on its status as a private nonprofit agency or organization, provide verification of its incorporation number and current legal standing from the California Secretary of State Information Retrieval/Certification & Records Unit (IRC Unit).

### **Local Government Authority Certification**

Metro may allocate funds to a local governmental authority to implement Traditional Section 5310 Capital projects provided that the governmental authority is approved by the state to coordinate services for elderly individuals and individuals with disabilities or it certifies that there are no non-profit organizations readily available in the area to provide the service. A local governmental authority includes: a political subdivision of a State, such as a city or county; a state authority or an authority of a political subdivision of a State; and a public corporation, board, or commission established under the laws of a State.

Accordingly, a local governmental authority must certify that no non-profit agencies are readily available to provide the proposed service by completing and signing the “Local Government Authority Certification” form included in Part IV of the application. A public hearing is required and should be completed between the release date of the FY 2017 Solicitation for Proposals and the due date of the application to Metro. Applicants must also attach a copy of the public hearing notice and a letter summarizing the outcome of the public hearing signed by a duly authorized representative. Please schedule accordingly taking into consideration the minimum required 30-day public comment period prior to the date of the public hearing.

### **General Certifications and Assurances Summary**

By signing the General Certifications and Assurances Summary form, the applicant assures that it will comply with federal statutes, regulations, executive orders, and administrative requirements, which relate to applications made to and grants received from FTA. The applicant acknowledges receipt and awareness of the list of such statutes, regulations, executive orders, and administrative requirements that are provided as references in FTA Circular 9070.1G (“Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions”) dated June 6, 2014, in FTA Circular 9050.1 (“Job Access and Reverse Commute Program Guidance and Application Instructions”) dated May 1, 2007, and/or in FTA Circular 9045.1 (“New Freedom Program Guidance and Application Instructions”) dated May 1, 2007 and incorporated by reference in the Funding Agreement to be executed by/between Metro and successful applicants.

**Civil Rights Certification**

The applicant must specify the status of any complaints against the agency or organization filed within the last twelve months on the basis of race, color, creed, national origin, sex, age or disability. Also indicate if the agency or organization has an approved Title VI Plan or is currently developing one.

**Current Grant Subrecipient Compliance**

All applicants must indicate whether or not they are a current FTA Section 5310, Section 5316, or Section 5317 grant recipient/subrecipient. If yes, applicants must indicate whether or not they are in good standing or in compliance with their existing Standard Agreement and/or Scope of Work.

**Debarment/Suspension Certification**

All applicants must certify that neither they nor their contractors have been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any federally assisted transactions.



**Section 5310, Section 5316, and Section 5317  
COMPETITIVE GRANT APPLICATION  
Fiscal Year 2017 Solicitation for Proposals  
Application Deadline: April 28, 2017**

**APPLICATION PACKAGE CONTENTS**

<b>Part I.</b> General Information	<b>Attachment A.</b> Vehicle Purchasing Schedule
<b>Part II.</b> Project Narrative	<b>Attachment B.</b> Vehicle Replacement Request Form
<b>Part III.</b> Project Budget	<b>Attachment C.</b> New Service/Service Expansion Vehicle Request Form
<b>Part IV.</b> Certifications	<b>Attachment D.</b> Communications/Computer Equipment Request Form

**SUBMITTAL INSTRUCTIONS:** A complete application includes Part 1-Part V and all applicable attachments. Applications must be postmarked no later than 3:00 PM date of the Application Deadline and shall include: the signed original proposal, 5 hard copies of the signed proposal, and 2 electronic copies (i.e. DVR, CD, flash drive, etc.) of the signed proposal including attachments. **Incomplete applications may render the proposal non-responsive and may not be considered further.**

**Applications shall be addressed and delivered to:**

Los Angeles County Metropolitan Transportation Authority  
Regional Grants Management  
One Gateway Plaza  
Mail Stop 99-23-3  
Los Angeles, CA 90012-2952

**TECHNICAL ASSISTANCE:** If you have any questions, contact Jami Carrington at (213) 922-7364 or [carringtonj@metro.net](mailto:carringtonj@metro.net). For additional information, and resources, refer to program website <https://www.metro.net/projects/fta5310/>. Interested applicants are strongly encouraged to attend program workshops scheduled February 14, February 15, and February 16, 2017.

## PART I – GENERAL INFORMATION

**PROJECT TITLE:**

### APPLICANT INFORMATION

Name of Organization or Agency:

Data Universal Numbering System (DUNS) No.:

Address:

City/State/Zip:

Contact Person (Name and Title):

E-mail of Contact Person:

Phone (are code + number):

### PROJECT CATEGORY TYPE (select ONLY one per application)

- Traditional Capital (Section 5310 eligible)
- Other Capital (Section 5310 and Section 5317 eligible)
- Capital (Section 5316 eligible)
- Operating (Section 5310, Section 5316, and Section 5317 eligible)

### PROJECT SERVICE AREA (select all applicable)

- Lancaster and/or Palmdale
- Santa Clarita
- Other cities and unincorporated areas within Los Angeles County not listed above
- Areas outside of Los Angeles County

### PROJECT GOAL (select all applicable)

Refer to 2016-2019 Coordinated Public Transit – Human Services Transportation Plan for Los Angeles County

- Fund Mobility Options
- Address Mobility Gaps
- Provide Support Services
- Promote and Improve Information Portals
- Enhance Accountable Performance Monitoring Systems
- Other (list/describe below):

## PART I – GENERAL INFORMATION (continued)

**DESCRIPTION OF APPLICANT AGENCY/ORGANIZATION** (e.g., organization type, transportation services provided, target populations served, geographical areas served)

**PROJECT BUDGET SUMMARY** (total across all Part III. Budget sheets and enter below)

A. Total Project Expenses (must equal sum total B+ C) \$

B. Total Local Match \$

C. Total Federal Funding Request \$

If the Federal Funding request is not fully awarded, would your agency/organization be amenable to implementing a reduced Scope of Work? Yes  No

### AUTHORIZATION

I, \_\_\_\_\_, am the person duly authorized to sign this this application and associated certifications on behalf of my agency/organization. I also acknowledge that the information in this application package is a public record.

To the best of my knowledge and belief, all data in this application is true and correct. My agency/organization will comply with applicable Certifications and Assurances, METRO Funding Agreements, and METRO and FTA requirements if federal financial assistance is awarded.

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Authorized Representative

\_\_\_\_\_  
Organization/Agency

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## PART II - PROJECT NARRATIVE

Part II - Project Narrative consists of four sections (A-D) totaling 100 points possible. To receive the maximum allowable points per section, each section will be reviewed and scored for responsiveness, clarity, completion, and accuracy. Use Arial or Times New Roman font 12 point type and refer to the "Application Instructions" for expanded section descriptions, project applicability, and evaluation criteria as guidance to complete each section. Use additional pages as needed.

### A. Scope of Work, Project Need, Objectives, Coordination and Outreach (Up to 40 points)

Provide a detailed and clear description of the project proposed, including beginning and ending dates, its need, objectives, consistency with program fund goals, key stakeholders' roles and responsibilities, coordination efforts, and planned outreach or marketing activities to promote the service. **Follow and address all Section guidelines and evaluation criteria as applicable and include all attachments as applicable.**

### B. Project Implementation, Operating, and Management Plans (Up to 20 points)

Describe your project operating and management plans as applicable to new, continuing, and/or enhanced/expanded project proposal. Complete and attach a proposed project schedule and provide key project milestones, potential risks along with associated mitigation strategies. **Follow and address all Section guidelines and evaluation criteria as applicable**

## PART II - PROJECT NARRATIVE (continued)

### C. Performance Indicators and Project Effectiveness (Up to 20 points)

Identify the performance measures applicable to the proposed project to ensure that stated objectives are being met. **Follow and address all Section guidelines and evaluation criteria as applicable**

### D. Budget Justification (Up to 20 points)

Describe the assumptions used for developing the budget for the proposed project included in Part III of the application **Follow and address all Section guidelines and evaluation criteria as applicable**. Notes: Administrative expenses cannot exceed 5 percent of the total project's cost. Only direct costs will be eligible for reimbursement. For direct labor, include job title, description of tasks to be performed, hours to be dedicated to the project, and hourly rates. Include unit costs for all budget items, as applicable. Applicants may be required to provide additional budget details.

**PART III. PROJECT BUDGET**

**1. TRADITIONAL CAPITAL (Section 5310)**

<b>PROJECT EXPENSES</b>	
a. Contracted Services with Human Services Agencies	-
b. Vehicle (purchase)	-
c. Vehicle (lease)	-
d. Equipment (purchase)	-
e. Equipment (lease)	-
f. Contract/Technical Consultant Services	-
g. Mobility Management	-
h. Other (explain in Part II)	-
<b>Total Project Expenses* (sum a-h) must equal Total Project Funding</b>	

\*Direct costs only; net of farebox revenue

<b>PROJECT FUNDING</b>	
<b>a. Total Federal Funding Request (max. \$60,000 equipment; \$900,000 all others)</b>	
<b>b. Transportation Development Credits</b>	-
State Fund	-
Local Fund	
Revenues from Contracts with Human Services Agencies	-
Donations	-
Applicant In-kind (e.g. property, land, office space, etc.)	-
Non-applicant In-kind (e.g. volunteer drivers, escorts, travel aides)	-
Non USDOT Federal Funding	-
Other (explain in Part II)	-
<b>c. Total Local Match</b>	<b>\$ -</b>
<b>Total Project Funding* (sum a+b+c) must equal Total Project Expense</b>	<b>\$ -</b>

\*Net of farebox revenue

**PART III. PROJECT BUDGET**

**2. OTHER CAPITAL (Section 5310)**

<b>PROJECT EXPENSES</b>	
a. Contracted Services with Human Services Agencies	-
b. Vehicle (purchase)	
c. Vehicle (lease)	-
d. Equipment (purchase)	-
e. Equipment (lease)	-
f. Other (explain in Part II)	-
g. Administration (cannot exceed 5% of Total Project Expenses)	-
<b>Total Project Expenses* (sum a-g) must equal Total Project Funding</b>	<b>\$ -</b>

\*Direct costs only; net of farebox revenue

<b>PROJECT FUNDING</b>	
<b>a. Total Federal Funding Request (max \$60,000 equipment; \$900,000 all others)</b>	
<b>b. Transportation Development Credits</b>	-
State Fund	-
Local Fund	
Revenues from Contracts with Human Services Agencies	-
Donations	-
Applicant In-kind (e.g. property, land, office space, etc.)	-
Non-applicant In-kind (e.g. volunteer drivers, escorts, travel aides)	-
Non USDOT Federal Funding	-
Other (explain in Part II)	-
<b>c. Total Local Match</b>	<b>\$ -</b>
<b>Total Project Funding* (sum a+b+c) must equal Total Project Expense</b>	<b>\$ -</b>

\*Net of farebox revenue

**PART III. PROJECT BUDGET**

**3. OPERATING (Section 5310)**

<b>PROJECT EXPENSES</b>	
a. Contract/Technical Consultant Services	-
b. Vehicle Maintenance and Repair	-
c. Vehicle Fuel	-
d. Casualty & Liability Insurance	-
e. Project Marketing	-
f. Driver Labor	-
g. Escorts, Travel Aides Labor	-
h. Other (explain in Part II.)	-
i. Administration (cannot exceed 5% of Total Project Expenses)	-
<b>Total Project Expenses* (sum a-i) must equal Total Project Funding</b>	<b>\$ -</b>

\*Direct costs only; net of farebox revenue

<b>PROJECT FUNDING</b>	
<b>a. Total Federal Funding Request (max. \$600,000)</b>	
<b>b. Transportation Development Credits</b>	<b>\$ -</b>
State Fund	-
Local Fund	-
Revenues from Contracts with Human Services Agencies	-
Donations	-
Applicant In-kind (e.g. property, land, office space, etc.)	-
Non-applicant In-kind (e.g. volunteer drivers, escorts, travel aides)	-
Non USDOT Federal Funding	-
Other (explain in Part II)	-
<b>c. Total Local Match</b>	<b>\$ -</b>
<b>Total Project Funding* (sum a+b+c) must equal Total Project Expense</b>	<b>\$ -</b>

\*Net of farebox revenue

**PART III. PROJECT BUDGET**

**4. CAPITAL ( Section 5316, TDC ineligible)**

<b>PROJECT EXPENSES</b>	
a. Contracted Services with Human Services Agencies	-
b. Vehicle (purchase)	-
c. Vehicle (lease)	-
d. Equipment (purchase)	-
e. Equipment (lease)	-
f. Other (explain in Part II)	-
g. Administration (cannot exceed 5% of Total Project Expenses)	-
<b>Total Project Expenses* (sum a-g) must equal Total Project Funding</b>	<b>\$ -</b>

\*Direct costs only; net of farebox revenue

<b>PROJECT FUNDING</b>	
<b>a. Total Federal Funding Request</b>	<b>\$ -</b>
State Fund	-
Local Fund	-
Revenues from Contracts with Human Services Agencies	-
Donations	-
Applicant In-kind (e.g. property, land, office space, etc.)	-
Non-applicant In-kind (e.g. volunteer drivers, escorts, travel aides)	-
Non USDOT Federal Funding	-
Other (explain in Part II)	-
<b>b. Total Local Match</b>	<b>\$ -</b>
<b>Total Project Funding* (sum a+b) must equal Total Project Expense</b>	<b>\$ -</b>

\*Net of farebox revenue

**PART III. PROJECT BUDGET**

**5. OPERATING (Section 5316, TDC ineligible)**

<b>PROJECT EXPENSES</b>	
a. Contract/Technical Consultant Services	-
b. Vehicle Maintenance and Repair	-
c. Vehicle Fuel	-
d. Casualty & Liability Insurance	-
e. Project Marketing	-
f. Driver Labor	-
g. Escorts, Travel Aides Labor	-
h. Other (explain in Part II.)	-
i. Administration (cannot exceed 5% of Total Project Expenses)	-
<b>Total Project Expenses* (sum a-i) must equal Total Project Funding</b>	<b>\$ -</b>

\*Direct costs only; net of farebox revenue

<b>PROJECT FUNDING</b>	
<b>a. Total Federal Funding Request</b>	
State Fund	-
Local Fund	-
Revenues from Contracts with Human Services Agencies	-
Donations	-
Applicant In-kind (e.g. property, land, office space, etc.)	-
Non-applicant In-kind (e.g. volunteer drivers, escorts, travel aides)	-
Non USDOT Federal Funding	-
Other (explain in Part II)	-
<b>b. Total Local Match</b>	<b>\$ -</b>
<b>Total Project Funding* (sum a+b) must equal Total Project Expense</b>	<b>\$ -</b>

\*Net of farebox revenue

**PART III. PROJECT BUDGET**

**6. OPERATING (Section 5316)**

<b>PROJECT EXPENSES</b>	
a. Contract/Technical Consultant Services	-
b. Vehicle Maintenance and Repair	-
c. Vehicle Fuel	-
d. Casualty & Liability Insurance	-
e. Project Marketing	-
f. Driver Labor	-
g. Escorts, Travel Aides Labor	-
h. Other (explain in Part II.)	-
i. Administration (cannot exceed 5% of Total Project Expenses)	-
<b>Total Project Expenses* (sum a-i) must equal Total Project Funding</b>	<b>\$ -</b>

\*Direct costs only; net of farebox revenue

<b>PROJECT FUNDING</b>	
<b>a. Total Federal Funding Request</b>	
<b>b. Transportation Development Credits</b>	<b>\$ -</b>
State Fund	-
Local Fund	-
Revenues from Contracts with Human Services Agencies	-
Donations	-
Applicant In-kind (e.g. property, land, office space, etc.)	-
Non-applicant In-kind (e.g. volunteer drivers, escorts, travel aides)	-
Non USDOT Federal Funding	-
Other (explain in Part II)	-
<b>c. Total Local Match</b>	<b>\$ -</b>
<b>Total Project Funding* (sum a+b+c) must equal Total Project Expense</b>	<b>\$ -</b>

\*Net of farebox revenue



**PART III. PROJECT BUDGET**

**7. OTHER CAPITAL (Section 5317)**

<b>PROJECT EXPENSES</b>	
a. Contracted Services with Human Services Agencies	-
b. Vehicle (purchase)	-
c. Vehicle (lease)	-
d. Equipment (purchase)	-
e. Equipment (lease)	-
f. Other (explain in Part II)	-
g. Administration (cannot exceed 5% of Total Project Expenses)	-
<b>Total Project Expenses* (sum a-g) must equal Total Project Funding</b>	<b>\$ -</b>

\*Direct costs only; net of farebox revenue

<b>PROJECT FUNDING</b>	
<b>a. Total Federal Funding Request (max \$60,000 equipment; \$900,000 all others)</b>	
<b>b. Transportation Development Credits</b>	-
State Fund	-
Local Fund	
Revenues from Contracts with Human Services Agencies	-
Donations	-
Applicant In-kind (e.g. property, land, office space, etc.)	-
Non-applicant In-kind (e.g. volunteer drivers, escorts, travel aides)	-
Non USDOT Federal Funding	-
Other (explain in Part II)	-
<b>c. Total Local Match</b>	<b>\$ -</b>
<b>Total Project Funding* (sum a+b+c) must equal Total Project Expense</b>	<b>\$ -</b>

\*Net of farebox revenue

**PART III. PROJECT BUDGET**

**8. OPERATING (Section 5317)**

<b>PROJECT EXPENSES</b>	
a. Contract/Technical Consultant Services	-
b. Vehicle Maintenance and Repair	-
c. Vehicle Fuel	-
d. Casualty & Liability Insurance	-
e. Project Marketing	-
f. Driver Labor	-
g. Escorts, Travel Aides Labor	-
h. Other (explain in Part II.)	-
i. Administration (cannot exceed 5% of Total Project Expenses)	-
<b>Total Project Expenses* (sum a-i) must equal Total Project Funding</b>	<b>\$ -</b>

\*Direct costs only; net of farebox revenue

<b>PROJECT FUNDING</b>	
<b>a. Total Federal Funding Request</b>	
<b>b. Transportation Development Credits</b>	-
State Fund	-
Local Fund	-
Revenues from Contracts with Human Services Agencies	-
Donations	-
Applicant In-kind (e.g. property, land, office space, etc.)	-
Non-applicant In-kind (e.g. volunteer drivers, escorts, travel aides)	-
Non USDOT Federal Funding	-
Other (explain in Part II)	-
<b>c. Total Local Match</b>	<b>\$ -</b>
<b>Total Project Funding* (sum a+b+c) must equal Total Project Expense</b>	<b>\$ -</b>

\*Net of farebox revenue

## PART IV - CERTIFICATIONS

### Private Nonprofit Agency – Corporation Status Inquiry and Certification

If your agency or organization is claiming applicant eligibility applicant based on its status as a private nonprofit organization, you must obtain verification of its incorporation number and current legal standing from the California Secretary of State Information Retrieval/ Certification & Records Unit (IRC Unit). The “Status Inquiry” document must be attached as an appendix to the application. To assist your agency or organization in obtaining this information, use one of these two methods:

1. To obtain Corporate Records Information over the Internet, go to:  
<http://kepler.sos.ca.gov/>. Enter the name of your agency or organization. If its status is active, print the page and submit it as proof. If you are unable to find its status online, go to option 2 and follow instructions. If the verification of your status is not available at the time you submit your application, you must indicate the date on which you requested the verification and the estimated date it will be forwarded to the Los Angeles County Metropolitan Transportation Authority.
2. If your agency or organization is unable to locate the information on-line, it may obtain the “Status Inquiry” document by making a written request (including a self-addressed envelope) to:

**Secretary of State  
Certification and Records  
P.O. Box 944260, Sacramento, CA 94244-2600  
(916) 657-5448**

<b>Private Non-profits</b>
Legal Name of Non-profit Applicant:
State of California Articles of Incorporation Number:
Date of Incorporation:

## PART IV – CERTIFICATIONS (continued)

### Local Government Authority Certification

The Designated Recipient of Section 5310 Program funds may allocate funds apportioned to it to a local governmental authority to implement traditional capital projects provided that the local governmental authority:

1. Is approved by the state to coordinate services for seniors and individuals with disabilities; or
2. Certifies that there are no non-profit organizations readily available in the area to provide the service.

Local governmental authorities must certify that no non-profit agencies are readily available to provide the proposed service, by completing and signing the “**Certification of No Readily Available Service Providers**” below.

A public hearing is required as part of the application process and should be completed between the release date of the FY 2017 Solicitation of Proposals and the due date of the application. Please provide a copy of the public hearing notice and a letter summarizing the outcome of the hearing signed by the certifying representative. If a public hearing has been scheduled, but not completed by this date, write the scheduled hearing date in the space provided at the bottom of the Certification.

Please check the option that most applies to your agency or organization to determine its eligibility as a local governmental authority to receive Section 5310 Program funds to implement Traditional capital projects.

Certifying that my agency or organization is a local government and that there are no non-profit organizations readily available in the service area to provide the proposed service.

Certifying that my agency or organization is approved by the state to coordinate services for seniors and individuals with disabilities.

#### Certifying Representative

Name (print):	
Title (print):	
Signature:	Date
Date of Public Hearing:	

## PART IV – CERTIFICATIONS (continued)

### General Certifications and Assurances Summary

The “Certifying Representative” must complete the form, including his/her signature in blue ink. Use the legal name of your agency or organization. If the agency or organization is a public entity, attach an authorizing resolution, designating the person to sign on its behalf, to the application.

Legal Name of Applicant:		
Address:		
Contact Person:	Work Phone	Work Fax

- A. Pursuant to 49 CFR, Part 21, Title VI of the Civil Rights Act of 1964: The applicant assures that no person, on the grounds of race, color, creed, national origin, sex, age, or disability shall be excluded from participating in, or denied the benefits of, or be subject to discrimination under any project, program, or activity (particularly in the level and quality of transportation services and transportation-related benefits) for which the applicant receives Federal assistance funded by the Federal Transit Administration (FTA).
- B. Pursuant to 49 CFR, Part 21, Title VI of the Civil Rights Act of 1964: The applicant assures that it shall not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability and that it shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, age, or disability.
- C. The applicant certifies that it will conduct any program or operate any facility that receives or benefits from Federal financial assistance administered by FTA in compliance with all applicable requirements imposed by or pursuant to 49 CFR Part 27, “Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance” and the Americans with Disabilities Act of 1990, as amended, at 49 CFR Parts 27, 37, & 38.
- D. The applicant assures that it will comply with the federal statutes, regulations, executive orders, and administrative requirements, which relate to applications made to and grants received from FTA. The applicant acknowledges receipt and awareness of the list of such statutes, regulations, executive orders, and administrative requirements that are provided as references in FTA Circular 9070.1G (“Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions”) dated June 6, 2014, in FTA Circular 9050.1 (“Job Access and Reverse Commute Program Guidance and Application Instructions”) dated May 1, 2007, and/or in FTA Circular 9045.1 (“New Freedom Program Guidance and Application Instructions”) dated May 1, 2007.
- E. The applicant certifies that the contracting and procurement procedures that are in effect and will be used by the applicant for equipment are in accordance and comply with the significant aspects of FTA Circular 4220.1F, “Third Party Contracting Guidelines.”
- F. The applicant certifies that any proposed project for the acquisition of or investment in rolling stock is in conformance with FTA rolling stock guidelines.
- G. The applicant certifies that it will comply with applicable provisions of 49 CFR Part 605 pertaining to school transportation operations which prohibits federally-funded equipment or facilities from being used to provide exclusive school bus service.
- H. The applicant certifies that it will comply with Government Code 41 USC. 701 et seq, and 49 CFR, Part 32 in matters relating to providing a drug-free workplace.

To the best of my knowledge and belief, the data in this application are true and correct, and I am authorized to sign these certifications and assurances and to file this application on behalf of the applicant.

#### Certifying Representative

Name (print):	
Title (print)	
Signature:	Date

## **PART IV – CERTIFICATIONS (continued)**

### **Civil Rights Certification**

As an attachment to the application, describe any lawsuits or complaints against your agency or organization within the last twelve months alleging discrimination on the basis of race, color, creed, national origin, sex, age or disability. Provide a summary of the status of lawsuits and include the following information: date of complaint, lawsuit received and/or acted on, description status or outcome, corrective action taken, and date of final resolution.

If **NO** lawsuits or complaints were received or acted on, provide a certification as an attachment to the application signed by an authorized representative that includes the following statement:

“THERE WERE NO LAWSUITS OR COMPLAINTS RECEIVED OR ACTED ON IN THE LAST TWELVE MONTHS RELATING TO TITLE VI OR OTHER RELEVANT CIVIL RIGHTS REQUIREMENTS”.

As an attachment to the application, also discuss if your agency or organization has a Title VI Plan. If not, please explain why and provide a date your agency or organization anticipates completing the plan. Discuss policies and procedures to make written and oral information available to clients and potential clients in languages other than English.

## PART IV – CERTIFICATIONS (continued)

### Current Grant Subrecipient Compliance

If you are a current grant subrecipient and are not compliant with all FTA Section 5310, Section 5316, and/or Section 5317 Program requirements, you will not be eligible to apply for grant funds until compliance has been determined. You must be in compliance at the time of application submittal.

	Yes	No
Does your agency currently have active vehicles purchased with FTA Section 5310, Section 5316, and/or Section 5317 Program funds?		
Is your agency currently receiving operating funds under a Section 5310, Section 5316, and/or Section 5317 Program grant?		
If yes to either, is your agency currently in compliance with their Section 5310, Section 5316, and/or section 5317 Standard Agreement/Scope of Work?		

### Debarment/Suspension Certification

Federal law (2 CFR part 1200) requires that all agencies receiving federal funds must certify that neither they nor their subcontractors have been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from doing business with the Federal Government.

I certify that neither my agency nor any subcontractor affiliated with my agency has been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency.

### Certifying Representative

Name (print):	
Title (print)	
Signature:	Date

**ATTACHMENT A**  
**VEHICLE PURCHASING SCHEDULE**

Applicants are highly encouraged to purchase vehicles through the federally compliant CalACT/MBTA Purchasing Cooperative as per the vehicle schedule below. Metro may offer broker purchase agreements where the subrecipient is not eligible to participate in the purchasing cooperative. Should applicants choose to purchase their own vehicles, the agency must follow all federal procurement requirements and vehicle approval will be limited to the similar type of vehicles shown below. The Estimated Unit Cost per vehicle represents the maximum eligible award available and includes the estimated cost of a standard accessible vehicle with wheelchair lift/ramp and securements, DMV fees, procurement fees, and applicable sales tax. If the actual cost per vehicle exceeds the estimated unit cost, the subrecipient will be required to fully fund the incremental cost. Total maximum project cost is limited to \$900,000 per application per agency.

<b>Vehicle Type</b>	<b>Quantity</b>	<b>Estimated Unit Cost**</b>	<b>Total Cost</b>
<b>Class A</b> Small Bus (Ford E350 or GM 3500) 8 Ambulatory Passengers (AMB); 2 Wheelchair (WC)*		\$72,000	
<b>Class B</b> Medium Bus (Ford E450 or GM 4500) 12 AMB; 2 WC*		\$74,000	
<b>Class B</b> Medium Bus – CNG 12 AMB; 2 WC *		\$97,000	
<b>Class C</b> Large Bus (Ford E450) 16 AMB ; 2 WC *		\$80,000	
<b>Class C</b> Large Bus- CNG 16 AMB; 2 WC *		\$102,000	
<b>Class D</b> Minivan w/ramp 5 AMB; 2WC		\$51,000	
<b>Class E</b> Larger Bus (Ford F550) 20 AMB, 2 WC*		\$99,000	
<b>Class E</b> Larger Bus –CNG 20 AMB, 2 WC*		\$110,000	
<b>Class F/G</b> Low Floor Bus 13/14 AMB, 2 WC		\$141,000	
<b>Class F/G</b> Low Floor Bus - CNG 13/14 AMB, 2 WC		\$171,000	
<b>Class F</b> Low Floor Bus 17/18 AMB, 2 WC		\$148,000	
<b>Class F</b> Low Floor Bus – CNG 17/18 AMB, 2 WC		\$180,000	
<b>Class M</b> Low Floor Van w/ramp 5AMB/1WC		\$55,000	
<b>Class M</b> Low Floor Van w/ramp - CNG 5AMB, 1WC		\$72,000	
<b>Class V</b> Raised top Van (Ford Transit) 5AMB, 1WC*		\$53,000	
<b>TOTAL VEHICLE REQUEST</b>			

\*Rear wheelchair lift floor plan.

\*\*Unit costs includes the estimated cost of a standard accessible vehicle with wheelchair lift/ramp and securements, DMV fees, procurement fees, and applicable sales tax and are subject to change at the time of purchase





## ATTACHMENT C

### NEW SERVICE/SERVICE EXPANSION VEHICLE REQUEST FORM

AGENCY: \_\_\_\_\_

This form is to be completed by agencies requesting vehicles to:

- Start a new transportation service, or
- Add new or additional service to their current program

To complete the chart below:

- Indicate if vehicle request is for a New (N) transportation service or Service Expansion (SE) for an existing transportation service
- Indicate type of requested vehicle, such as Van, Small Bus, Medium Bus, etc.
- Indicate the number of days of vehicle service (e.g., Monday – Friday = 5, Monday – Sunday = 7)
- Indicate the average number of vehicle service hours per day (*exclude idle time* - the time the vehicle is not in direct passenger service.) Use whole hours; do not use ranges of hours or portions of hours.
- Calculate vehicle service hours by multiplying number of days of vehicle service with total service hours per day (*exclude idle time*) (e.g. 5 days per week x 8 hours per day = 40 hours per week).
- Indicate the number or estimated number of one-way passenger trips per day (each time a passenger boards the vehicle, a round trip would be counted as 2 passenger trips) and of this total how many are wheelchair/lift users.
- Indicate the projected average number of miles that the vehicle will travel per day.

	Type of Request N – New Service or SE – Service Expansion	Vehicle Type	No. of Days of Vehicle Service	Average Service Hours Per Day	Total Vehicle Service Hours Per Week	Total One-Way Passenger Trips Per Day (of total how many lift users)	Projected Miles Per Day
<i>Ex</i>	<i>N or SE</i>	<i>Small Bus</i>	<i>5</i>	<i>8</i>	<i>40</i>	<i>25(5)</i>	<i>400</i>
1							
2							
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10							

## ATTACHMENT D

### COMMUNICATION/COMPUTER EQUIPMENT REQUEST FORM

**AGENCY:** \_\_\_\_\_

**This form is to be completed by agencies requesting:**

- Computer equipment (software or hardware)
- Communications equipment (radios, base station, etc.) or
- Other equipment such as wheelchair restraints or improved passenger facilities (benches, shelters, etc.)

Applicant must attach 3 estimates of like-kind equipment **with** this application. The average of the 3 estimates will become the requested grant amount. After grant approval, the subrecipient must receive prior approval from Metro before purchasing. The subrecipient will be responsible for purchasing the equipment and submitting invoice to Metro to be reimbursed for the federal share.

Implementation of any ITS project shall be consistent with the Regional ITS Architecture. ITS projects must comply with Metro's Countywide ITS Policy and Procedures adopted by the Metro Board of Directors, including the submittal of a completed, signed self- certification form.

Equipment	Quantity Request	Estimated Unit Cost	Total Cost
Computer Hardware			
Computer Software			
Maintenance Equipment			
Other Eligible Equipment (describe)			
<b>Complete for Requesting Communication Equipment</b>			
Base Station			
Mobile Radio			
<b>TOTAL EQUIPMENT REQUEST</b> (Maximum equipment request not to exceed \$60,000)			

**Schedule of Activities**  
**FY 2017 Solicitation for Proposals**  
**(Section 5310, Section 5316, and Section 5317)**

Board Approval: Allocation Process and Application Package	January 26, 2017
Notice of Funding Opportunity: Release Solicitation for Proposals Application Package	January 31, 2017
Convene Potential Applicant Workshops (min. 3) <sup>1</sup>	February 14-16, 2017
Complete FTA Grant Application (Access Services 5310)	February 20, 2017
Applications Due	April 28, 2017
Application Review & Evaluations Period	May 2-16, 2017
Applicant Preliminary Notification of Funding Recommendations & Debriefing	May 19-26, 2017
TAC Appeals	June 7, 2017
Board Approval: Final Funding Recommendations	June 22, 2017
Complete FTA Grant Application & Amendment (5310, 5316, 5317)	July 7, 2017
FTA Grant Award & Approval (Solicitation)	September 30, 2017
Convene Successful Applicant Workshops (min 3) <sup>1</sup>	October 30-31, 2017

<sup>1</sup> Additional workshops organized by supervisorial district, audience, category, and one-on-one meetings with potential applicants may be organized as requested.

**Board Report**

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**File #:** 2016-0952, **File Type:** Policy**Agenda Number:** 17

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**PLANNING AND PROGRAMMING COMMITTEE  
JANUARY 18, 2017****SUBJECT: 2009 LONG RANGE TRANSPORTATION PLAN****ACTION: APPROVE AMENDING THE 2009 LONG RANGE TRANSPORTATION PLAN TO INCLUDE THE PROJECTS AND PROGRAMS IN THE MEASURE M EXPENDITURE PLAN****RECOMMENDATION**

CONSIDER:

- A. AMENDING the **2009 Long Range Transportation Plan (LRTP)** to include the projects and programs in the **Measure M Expenditure Plan**; and
- B. WORKING with the **Southern California Association of Governments (SCAG)** to amend the **2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)** and the **Federal Transportation Improvement Program (FTIP)** to include the same projects, as necessary.

**ISSUE**

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance (#16-01, Attachment A). This Ordinance, titled Measure M, was approved by more than 71% of voters at the November 8, 2016 general election. As a result, the projects and programs contained in the Expenditure Plan of Attachment A have been approved for implementation in Los Angeles County and must be amended into the 2009 LRTP, as required by State Law Senate Bill 767 (De Leon, 2015).

**DISCUSSION**

At the December 1, 2016 Metro Board Meeting, Chief Executive Officer Phillip Washington presented an overview on development of the Measure M Ordinance Guidelines and the proposed Policy Advisory Council. At that time, he indicated that passage of Measure M sets the stage for a new, innovative Long Range Transportation Plan. He informed the Board that the projects and programs included in Measure M would need to be amended into Metro's existing 2009 LRTP and that staff will work with SCAG to amend the projects into the 2016 RTP/SCS. Having the Measure M projects included in both the 2009 LRTP and 2016 RTP/SCS is necessary to ensure the projects are eligible

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for federal funding and permitting as projects proceed. This LRTP amendment is essential for the timely delivery of Measure M projects.

The SCAG 2016 RTP/SCS does not currently include the Measure M Expenditure Plan. SCAG has committed to work with Metro to amend the 2016 RTP/SCS to include all projects and programs included in the Measure M Expenditure Plan. After Metro Board action, staff will forward on to SCAG the necessary technical financial and travel demand modelling information for the Measure M projects and programs, along with the corresponding project schedules, to meet the requirements of amending the SCAG 2016 RTP/SCS. It is anticipated that this amendment process will be completed within a six- to eight-month timeframe. As the Metropolitan Planning Organization (MPO) for Los Angeles County, SCAG completes its federally required regional planning and air quality conformity through the RTP/SCS and its amendment. Upon completion, the Federal Highway Administration and the Federal Transit Administration will issue the required conformity letter. This step is critical in order for the Measure M projects and programs to be eligible to receive state and federal transportation funds. Formal federal approvals of the SCAG actions for the Measure M projects are anticipated in summer 2017.

### **DETERMINATION OF SAFETY IMPACT**

The proposed approval will not have any adverse safety impacts on employees and patrons.

### **FINANCIAL IMPACT**

Amending the 2009 LRTP and the SCAG 2016 RTP/SCS to include the Measure M projects is necessary to ensure the projects are eligible for federal funding and permitting as projects proceed.

#### **Impact to Budget**

There is no impact to the FY 2017 approved budget.

### **ALTERNATIVES CONSIDERED**

The Board may decide not to approve the proposed amendment to the 2009 LRTP to include the Measure M projects and programs. This would delay the amendment of the SCAG 2016 RTP/SCS to also include the Measure M projects and programs. This alternative is not recommended as amending the 2009 LRTP and SCAG 2016 RTP/SCS to include the Measure M projects is necessary to ensure the projects are eligible for federal funding and permitting as projects proceed.

### **NEXT STEPS**

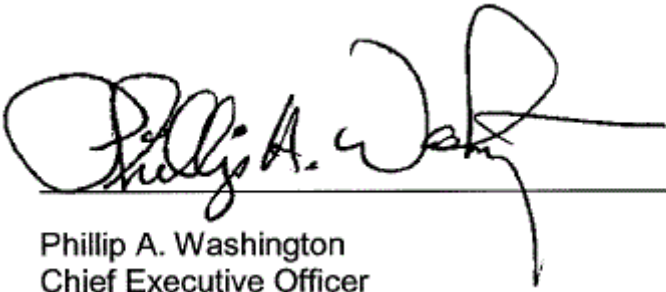
With Board approval, staff will work with SCAG to amend the Measure M projects (Attachment A) into the SCAG 2016 RTP/SCS. Formal federal approvals of the SCAG actions for the Measure M projects are anticipated in summer 2017.

### **ATTACHMENTS**

Attachment A - Measure M: Los Angeles County Traffic Improvement Plan Ordinance (#16-01)

Prepared by: Mark Yamarone, Senior Director, Countywide Planning & Dev't., (213) 922-2834  
Heather Hills, DEO, Countywide Planning & Dev't., (213) 922-2821  
David Yale, SEO, Countywide Planning & Dev't., (213) 922-2469

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



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Phillip A. Washington  
Chief Executive Officer

1 **Proposed Ordinance #16-01**

2 **Measure M**

3 **Los Angeles County Traffic Improvement Plan**

4  
5 **PREAMBLE**

6 Los Angeles County's comprehensive plan to improve transportation and ease traffic  
7 congestion through the following core goals:

8  
9 **Improve freeway traffic flow**; reduce bottlenecks and ease traffic congestion.

10  
11 **Expand the rail and rapid transit system**; accelerate rail construction and build new rail lines;  
12 enhance local, regional, and express bus service; and improve system connectivity.

13  
14 **Repave local streets, repair potholes, synchronize signals**; improve neighborhood streets  
15 and intersections, and enhance bike and pedestrian connections.

16  
17 **Keep the transit and highway system safe**; earthquake-retrofit bridges, enhance freeway and  
18 transit system safety, and keep the transportation system in good working condition.

19  
20 **Make public transportation more accessible, convenient, and affordable** for seniors,  
21 students, and the disabled and provide better mobility options for our aging population.

22  
23 **Embrace technology and innovation**; incorporate modern technology, new advancements,  
24 and emerging innovations into the local transportation system.

25  
26 **Create jobs, reduce pollution, and generate local economic benefits**; increase personal  
27 quality time and overall quality of life.

28  
29 **Provide accountability and transparency**; protect and monitor the public's investments  
30 through independent audits and oversight.

31  
32  
33 **SECTION 1. TITLE**

34 This Ordinance shall be known and may be cited as the "Los Angeles County Traffic  
35 Improvement Plan" ("Ordinance"). The Ordinance shall include Attachment A entitled  
36 "Expenditure Plan" and Attachment B entitled "Subregional Maps" which are attached hereto  
37 and incorporated by reference as if fully set forth herein.

38  
39 **SECTION 2. SUMMARY**

40 This Ordinance imposes a retail transactions and use tax at the rate of one-half of one  
41 percent (.5%) within Los Angeles County to be operative on the first day of the first calendar  
42 quarter commencing not less than 180 days after the adoption of this Ordinance by the voters.  
43 The rate of this tax shall increase to one percent (1.0%) on July 1, 2039 immediately upon the



1 expiration of the .5% tax imposed by Ordinance No. 08-01 of the Los Angeles County  
2 Metropolitan Transportation Authority (Measure R).

3

4

### SECTION 3. DEFINITIONS

5 The following terms, whenever used in this Ordinance, shall have the meanings set forth below:

6 “Active Transportation” means projects that encourage, promote, or facilitate  
7 environments that promote walking, bicycling, rolling modes, or transit use.

8 “ADA Paratransit” means paratransit service for the disabled as provided for by the  
9 Americans with Disabilities Act (42 U.S.C. § 12101 et seq.).

10 “Board of Equalization” means the California State Board of Equalization.

11 “Capital” means any project or program described in Attachment A that qualifies as a  
12 capital improvement expenditure.

13 “Capital Improvement Expenditures” means expenditures for the purpose of acquiring,  
14 upgrading, or maintaining transportation physical assets such as property, transportation  
15 facilities, rail improvements, highways, or equipment, so long as any such expenditures for  
16 maintenance substantially extend the useful life of the project. This also includes any physical  
17 improvement and any preliminary studies, design, or surveys relative thereto, including, but  
18 not limited to, any property of a permanent nature and equipment needed in connection with  
19 such improvements.

20 “Complete Streets” means a comprehensive, integrated transportation network with  
21 infrastructure and design that allows safe and convenient travel along and across streets for  
22 all users, including pedestrians, users and operators of public transit, bicyclists, persons with  
23 disabilities, seniors, children, motorists, users of green modes, and movers of commercial  
24 goods.

25 “Expected Opening Date” means the date that a project is expected to be open for use  
26 by the public, which is expressed as the first year of a three-year range. With respect to  
27 programs, the expected opening date is the last year in which funds are anticipated to be  
28 made available for use on the projects that comprise the program.

29 “Expenditure Plan” means that expenditure plan which is attached hereto as  
30 Attachment A.

31 “First/Last Mile” means infrastructure, systems, and modes of travel used by transit  
32 riders to start or end their transit trips. This includes but is not limited to infrastructure for  
33 walking, rolling, and biking (e.g. bike lanes, bike parking, sidewalks, and crosswalks), shared  
34 use services (e.g. bike share and car share), facilities for making modal connections (e.g. kiss

1 and ride and bus/rail interface), signage and way-finding, and information and technology that  
2 eases travel (e.g. information kiosks and mobile apps).

3 “Green Streets” means urban transportation rights-of-way integrated with storm water  
4 treatment techniques that use natural processes and landscaping and quantitatively  
5 demonstrate that they capture and treat storm water runoff from their tributary watershed  
6 through infiltration or other means and are included within the respective Enhanced  
7 Watershed Management Plan.

8 “Gross Sales Tax” means the amount of Sales Tax collected by the Board of  
9 Equalization pursuant to this Ordinance.

10 “Groundbreaking Start Date” means the first year of a three-year period by which the  
11 applicable project sponsor is expected to award a construction contract enabling the  
12 beginning of construction. In alternative project delivery methods, such as design-build and  
13 public-private partnership contracts, it means the start of the actual construction phase or  
14 phases of the project.

15 “Highway Construction” means a capital only project or program that includes all  
16 environmental, design, and construction work in public highway and street rights-of-way. This  
17 includes Complete Streets, Green Streets, and active transportation improvements such as  
18 bikeways and pedestrian improvements.

19 “Interest” means interest and other earnings on cash balances.

20 “Local Return” means funds returned to the cities within Los Angeles and Los Angeles  
21 County, based on population, for eligible transportation-related uses as defined by the Local  
22 Return Guidelines to be developed in coordination with such cities and Los Angeles County  
23 and adopted by the Metro Board of Directors. Funds will be eligible for communities’  
24 transportation needs, including transit, streets and roads, storm drains, Green Streets, Active  
25 Transportation Projects, Complete Streets, public transit access to recreational facilities,  
26 Transit Oriented Community Investments, and other unmet transit needs.

27 “Measure R” means Ordinance No. 08-01, including the attached expenditure plan, of  
28 the Los Angeles County Metropolitan Transportation Authority, as adopted by the Metro Board  
29 of Directors on July 24, 2008.

30 “Measure R Projects” means those projects and programs identified in the expenditure  
31 plan attached to Ordinance No. 08-01.

32 “Metro” means the Los Angeles County Metropolitan Transportation Authority or any  
33 successor entity.

1 “Metro Rail Operations” means service delivery for operating and regular and  
2 preventative maintenance for Metro Rail Lines as defined in guidelines adopted by the Metro  
3 Board of Directors, as well as Metro State of Good Repair.

4 “Metro State of Good Repair” means the repair, rehabilitation, and replacement  
5 required to maintain reliable, safe, effective, and efficient rail transit services.

6 “Multi-Year Subregional Programs” means multiple capital projects defined by  
7 guidelines adopted pursuant to Section 7(c).

8 “Net Revenues” means Sales Tax Revenues minus any amount expended on  
9 administrative costs pursuant to Section 10.

10 “Regional Rail” means regional commuter rail service within Los Angeles County,  
11 including operating, maintenance, expansion, and state of good repair.

12 “Sales Tax” means a retail transactions and use tax.

13 “Sales Tax Revenues” means the Gross Sales Tax minus any refunds and any fees  
14 imposed by the Board of Equalization for the performance of functions incident to the  
15 administration and operation of this Ordinance.

16 “Schedule of Funds Available” means the anticipated schedule for releasing funds to  
17 complete projects included in the Expenditure Plan.

18 “Subregion” means “subregional planning area” as shown by the boundaries in  
19 “Subregional Maps” attached hereto as Attachment B.

20 “Transit Construction” means a capital only project or program including  
21 environmental, design, and construction work in public transit rights-of-way or in support of the  
22 capital needs of the public transit system, such as rolling stock, transit stations, or transit stop  
23 improvements. Transit construction can also include first/last mile improvements.

24 “Transit Operations” means countywide transit service operated by Metro and the  
25 Included and Eligible Municipal Operators receiving funds allocated through a Board-adopted  
26 Formula Allocation Procedure (FAP).

#### 27 28 SECTION 4. STATUTORY AUTHORITY

29 This Ordinance is enacted, in part, pursuant to:

- 30 a. Part 1.6 (commencing with Section 7251) of Division 2 of the California  
31 Revenue and Taxation Code; and  
32 b. Division 12 (commencing with Section 130000) of the California Public Utilities  
33 Code.

34

## 1 SECTION 5. IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX

2 a. Subject to the limits imposed by this Ordinance, Metro hereby imposes, in the  
3 incorporated and unincorporated territory of Los Angeles County, a Transactions and Use tax  
4 at the rate of one-half of one percent (.5%) beginning on the first day of the first calendar  
5 quarter commencing not less than 180 days after the adoption of this Ordinance by the voters.  
6 The rate of this tax shall increase to one percent (1.0%) on July 1, 2039 immediately upon the  
7 expiration of the .5% tax imposed by Ordinance No. 08-01 of the Los Angeles County  
8 Metropolitan Transportation Authority (Measure R).

9 b. This Transactions and Use tax shall be in addition to any other taxes  
10 authorized by law, including any existing or future state or local Transactions and Use tax.  
11 The imposition, administration, and collection of the tax shall be in accordance with all  
12 applicable statutes, laws, and rules and regulations prescribed and adopted by the Board of  
13 Equalization.

14 c. Pursuant to Section 130350.7(h) of the Public Utilities Code, the tax rate  
15 authorized by this section shall not be considered for purposes of the combined rate limit  
16 established by Section 7251.1 of the Revenue and Taxation Code.

17 d. Pursuant to the provisions of Section 7262.2 of the Revenue and Taxation  
18 Code, the required provisions of Sections 7261 and 7262 of that Code as now in effect or as  
19 later amended are adopted by reference in this Ordinance.

20 e. This Ordinance incorporates provisions identical to those of the Sales and Use  
21 Tax Law of the State of California insofar as those provisions are not inconsistent with the  
22 requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation  
23 Code.

24 f. The Transactions and Use tax shall be administered and collected by the  
25 Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the  
26 least possible deviation from, the existing statutory and administrative procedures followed by  
27 the Board of Equalization in administering and collecting the California State Sales and Use  
28 Taxes.

29 g. This Transactions and Use tax shall be administered in a manner that will be,  
30 to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the  
31 Revenue and Taxation Code, minimizes the cost of collecting the transactions and use taxes,  
32 and at the same time, minimizes the burden of record keeping upon persons subject to  
33 taxation under the provisions of this Ordinance.

34

## 1 SECTION 6. ADMINISTRATION BY BOARD OF EQUALIZATION

2 a. CONTRACT WITH STATE. Prior to the operative date, Metro shall contract with  
3 the Board of Equalization to perform all functions incident to the administration and operation of  
4 this Ordinance; provided, that if Metro shall not have contracted with the Board of Equalization  
5 prior to the operative date, it shall nevertheless so contract and in such a case the operative  
6 date shall be the first day of the first calendar quarter following the execution of such a contract.

7 b. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal  
8 property at retail, a tax is hereby imposed upon all retailers in the incorporated and  
9 unincorporated territory of Los Angeles County at the rate of one half of one percent (.5%) of the  
10 gross receipts of any retailer from the sale of all tangible personal property sold at retail in said  
11 territory on and after the operative date of this Ordinance. The rate of this tax shall increase to  
12 one percent (1.0%) of the gross receipts on July 1, 2039 immediately upon the expiration of the  
13 .5% tax imposed by Ordinance No. 08-01 of the Los Angeles County Metropolitan  
14 Transportation Authority (Measure R).

15 c. PLACE OF SALE. For the purposes of this Ordinance, all retail sales are  
16 consummated at the place of business of the retailer unless the tangible personal property sold  
17 is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for  
18 delivery to an out-of-state destination. The gross receipts from such sales shall include delivery  
19 charges, when such charges are subject to the state sales and use tax, regardless of the place  
20 to which delivery is made. In the event a retailer has no permanent place of business in the  
21 State or has more than one place of business, the place or places at which the retail sales are  
22 consummated shall be determined under rules and regulations to be prescribed and adopted by  
23 the Board of Equalization.

24 d. USE TAX RATE. An excise tax is hereby imposed on the storage, use, or other  
25 consumption in Los Angeles County of tangible personal property purchased from any retailer  
26 on and after the operative date of this Ordinance for storage, use, or other consumption in Los  
27 Angeles County at the rate of one half of one percent (.5%) of the sales price of the property.  
28 The rate of this tax shall increase to one percent (1.0%) of the sales price of the property on  
29 July 1, 2039 immediately upon the expiration of the .5% tax imposed by Ordinance No. 08-01 of  
30 the Los Angeles County Metropolitan Transportation Authority (Measure R). The sales price  
31 shall include delivery charges when such charges are subject to state sales or use tax  
32 regardless of the place to which delivery is made.

33 e. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in  
34 this Ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of

1 Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with  
2 Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a  
3 part of this Ordinance as though fully set forth herein.

4 f. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE  
5 TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

6 1. Wherever the State of California is named or referred to as the taxing  
7 agency, the name of Metro shall be substituted therefor. However, the substitution shall not be  
8 made when:

9 A. The word "State" is used as a part of the title of the State  
10 Controller, State Treasurer, Victim Compensation and Government Claims Board, State Board  
11 of Equalization, State Treasury, or the Constitution of the State of California;

12 B. The result of that substitution would require action to be taken by  
13 or against Metro or any agency, officer, or employee thereof rather than by or against the Board  
14 of Equalization, in performing the functions incident to the administration or operation of this  
15 Ordinance.

16 C. In those sections, including, but not necessarily limited to sections  
17 referring to the exterior boundaries of the State of California, where the result of the substitution  
18 would be to:

19 i. Provide an exemption from this Sales Tax with respect to  
20 certain sales, storage, use, or other consumption of tangible personal property which would not  
21 otherwise be exempt from this Sales Tax while such sales, storage, use, or other consumption  
22 remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue  
23 and Taxation Code; or

24 ii. Impose this Sales Tax with respect to certain sales,  
25 storage, use, or other consumption of tangible personal property that would not be subject to  
26 this Sales Tax by the state under the said provision of that code.

27 D. In Sections 6701, 6702 (except in the last sentence thereof),  
28 6711, 6715, 6737, 6797, or 6828 of the Revenue and Taxation Code.

29 2. The phrase "Los Angeles County" shall be substituted for the words "this  
30 state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the  
31 definition of that phrase in Section 6203 of the Revenue and Taxation Code.

32 g. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer  
33 under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall  
34 not be required by this Ordinance.

1           h.       EXEMPTIONS AND EXCLUSIONS.

2                   1.       There shall be excluded from the measure of the transactions tax and the  
3 use tax the amount of any sales tax or use tax imposed by the State of California or by any city,  
4 city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law  
5 or the amount of any state-administered transactions or use tax.

6                   2.       There are exempted from the computation of the amount of transactions  
7 tax the gross receipts from:

8                           A.       Sales of tangible personal property, other than fuel or petroleum  
9 products, to operators of aircraft to be used or consumed principally outside the County in which  
10 the sale is made and directly and exclusively in the use of such aircraft as common carriers of  
11 persons or property under the authority of the laws of this State, the United States, or any  
12 foreign government.

13                           B.       Sales of property to be used outside Los Angeles County which is  
14 shipped to a point outside Los Angeles County, pursuant to the contract of sale, by delivery to  
15 such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a  
16 consignee at such point. For the purposes of this paragraph, delivery to a point outside Los  
17 Angeles County shall be satisfied:

18                                   i.       With respect to vehicles (other than commercial vehicles)  
19 subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of  
20 the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code,  
21 and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of  
22 the Vehicle Code by registration to an address outside Los Angeles County and by a declaration  
23 under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her  
24 principal place of residence; and

25                                   ii.       With respect to commercial vehicles, by registration to a  
26 place of business outside Los Angeles County and declaration under penalty of perjury, signed  
27 by the buyer, that the vehicle will be operated from that address.

28                           C.       The sale of tangible personal property if the seller is obligated to  
29 furnish the property for a fixed price pursuant to a contract entered into prior to the operative  
30 date of this Ordinance.

31                           D.       A lease of tangible personal property which is a continuing sale of  
32 such property, for any period of time for which the lessor is obligated to lease the property for an  
33 amount fixed by the lease prior to the operative date of this Ordinance.

1                   E.       For the purposes of subparagraphs (C) and (D) of this section, the  
2 sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a  
3 contract or lease for any period of time for which any party to the contract or lease has the  
4 unconditional right to terminate the contract or lease upon notice, whether or not such right is  
5 exercised.

6                   3.       There are exempted from the use tax imposed by this Ordinance, the  
7 storage, use, or other consumption in Los Angeles County of tangible personal property:

8                   A.       The gross receipts from the sale of which have been subject to a  
9 transactions tax under any state-administered transactions and use tax ordinance.

10                  B.       Other than fuel or petroleum products purchased by operators of  
11 aircraft and used or consumed by such operators directly and exclusively in the use of such  
12 aircraft as common carriers of persons or property for hire or compensation under a certificate  
13 of public convenience and necessity issued pursuant to the laws of this State, the United States,  
14 or any foreign government. This exemption is in addition to the exemptions provided in  
15 Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

16                  C.       If the purchaser is obligated to purchase the property for a fixed  
17 price pursuant to a contract entered into prior to the operative date of this Ordinance.

18                  D.       If the possession of, or the exercise of any right or power over, the  
19 tangible personal property arises under a lease which is a continuing purchase of such property  
20 for any period of time for which the lessee is obligated to lease the property for an amount fixed  
21 by a lease prior to the operative date of this Ordinance.

22                  E.       For the purposes of subparagraphs (C) and (D) of this section,  
23 storage, use, or other consumption, or possession of, or exercise of any right or power over,  
24 tangible personal property shall be deemed not to be obligated pursuant to a contract or lease  
25 for any period of time for which any party to the contract or lease has the unconditional right to  
26 terminate the contract or lease upon notice, whether or not such right is exercised.

27                  F.       Except as provided in subparagraph (G), a retailer engaged in  
28 business in Los Angeles County shall not be required to collect use tax from the purchaser of  
29 tangible personal property, unless the retailer ships or delivers the property into the County or  
30 participates within the County in making the sale of the property, including, but not limited to,  
31 soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer  
32 in County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the  
33 County under the authority of the retailer.



1                   G.       “A retailer engaged in business in Los Angeles County” shall also  
2 include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1  
3 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in  
4 compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered  
5 under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be  
6 required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or  
7 aircraft at an address in Los Angeles County.

8                   4.       Any person subject to use tax under this Ordinance may credit against  
9 that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or  
10 retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and  
11 Taxation Code with respect to the sale to the person of the property the storage, use, or other  
12 consumption of which is subject to the use tax.

13                  i.       AMENDMENTS. All amendments subsequent to the effective date of this  
14 Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use  
15 taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and  
16 Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and  
17 Taxation Code, shall automatically become a part of this Ordinance, provided however, that no  
18 such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

19                  j.       ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or  
20 other legal or equitable process shall issue in any suit, action, or proceeding in any court  
21 against the State or Metro, or against any officer of the State or Metro, to prevent or enjoin the  
22 collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code,  
23 of any tax or any amount of tax required to be collected.  
24

#### 25   SECTION 7. USE OF REVENUES

26                  a.       All Net Revenues generated from the Sales Tax imposed pursuant to this  
27 Ordinance plus any Interest, less any funds necessary for satisfaction of debt service and  
28 related requirements of all bonds issued and obligations incurred pursuant to this Ordinance  
29 that are not satisfied out of separate allocations, shall be allocated solely for the transportation  
30 purposes described in this Ordinance.

31                  b.       Metro shall establish and administer a sales tax revenue fund and such  
32 subfunds as established in this Ordinance. All Net Revenues and Interest on Sales Tax  
33 Revenues shall be credited into the sales tax revenue fund and credited to the appropriate  
34 subfunds and programs in accordance with the percentages in the column entitled “% of Sales

1 Tax (net of Admin)” on page 1 of Attachment A. All sums in the sales tax revenue fund shall  
 2 be expended by Metro for the projects and programs described in Attachment A. Metro may  
 3 expend additional funds from sources other than the Sales Tax imposed pursuant to this  
 4 Ordinance on the projects and programs described in Attachment A.

5 1. Metro shall establish the following subfunds of the sales tax revenue  
 6 fund:

7 A. Transit Operating and Maintenance Subfund, for Metro Rail  
 8 Operations program funds, Transit Operations (Metro and Municipal Providers) program funds,  
 9 ADA Paratransit for the disabled and Metro discounts for seniors and students program funds.

10 i. Metro Rail Operations program funds are eligible to be  
 11 used for Metro Rail State of Good Repair.

12 ii. Transit Operations program funds are eligible to be used  
 13 for Metro State of Good Repair.

14 B. Transit, First/Last Mile (Capital) Subfund, for Transit Construction  
 15 (including System Connectivity Projects – Airports, Union Station, and Countywide BRT)  
 16 program funds and Metro State of Good Repair program funds. This subfund shall include a  
 17 Transit Contingency Subfund.

18 i. Transit Contingency Subfund. All Net Revenues allocated  
 19 to the Transit, First/Last Mile (Capital) Subfund, except those allocated to Metro State of Good  
 20 Repair, that are not assigned to a specific project or program coded “T” in the “modal code”  
 21 column of Attachment A shall be credited to the Transit Contingency Subfund.

22 C. Highway, Active Transportation, Complete Streets (Capital)  
 23 Subfund, for Highway Construction (including System Connectivity Projects – Ports, Highway  
 24 Congestion Programs and Goods Movement) program funds and Metro Active Transportation  
 25 (Bicycle, Pedestrian, Complete Streets) program funds. This subfund shall include a Highway  
 26 Contingency Subfund.

27 i. Highway Contingency Subfund. All Net Revenues  
 28 allocated to the Highway, Active Transportation, Complete Streets (Capital) Subfund, except  
 29 those allocated to Metro Active Transportation Program, that are not assigned to a specific  
 30 highway capital project or program coded “H” in the “modal code” column of Attachment A shall  
 31 be credited to the Highway Contingency Subfund.

32 D. Local Return/Regional Rail Subfund, for Local Return program  
 33 funds and Regional Rail program funds.

34 2. For each project identified in the “Expenditure Plan Major Projects”

1 section of Attachment A, Metro shall expend the amount of Net Revenues specified in the  
2 column entitled "Measure M Funding 2015\$" for each project. Such expenditures shall  
3 commence in the fiscal year identified in the column "Groundbreaking Start Date," or in the  
4 subsequent two fiscal years, except that expenditures for preconstruction costs may commence  
5 sooner.

6           A. Metro may expend funds from the Contingency Subfunds for  
7 inflation adjustments for any project identified in the "Expenditure Plan Major Projects" section  
8 of Attachment A if less than two-thirds (2/3) of the amount allocated in the "Measure M  
9 Funding 2015\$" column has been expended prior to the first day of Fiscal Year 2027. Such  
10 expenditures shall be deducted from the Highway Contingency Subfund if the project is coded  
11 "H" in the "modal code" column of Attachment A or from the Transit Contingency Subfund if  
12 the project is coded "T" in the "modal code" column of Attachment A. Such expenditures shall  
13 not exceed the actual amount of inflation since 2015 as determined by an index selected by  
14 the Metro Board of Directors.

15           3. For each program identified in the "Multi-Year Subregional Programs"  
16 section of Attachment A, Metro shall expend the amount of Net Revenues specified in the  
17 column entitled "Measure M Funding 2015\$" for each program. Such expenditures shall  
18 commence in the fiscal year identified in the column "Groundbreaking Start Date," or in the  
19 subsequent two fiscal years, except that expenditures for preconstruction costs may  
20 commence sooner.

21           A. Metro may expend funds from the Contingency Subfunds for  
22 inflation adjustments for any project identified in the "Multi-Year Subregional Programs"  
23 section of Attachment A beginning in Fiscal Year 2027. Such expenditures shall be deducted  
24 from the Highway Contingency Subfund if the project is coded "H" in the "modal code" column  
25 of Attachment A or from the Transit Contingency Subfund if the project is coded "T" in the  
26 "modal code" column of Attachment A. Such expenditures shall not exceed the actual amount  
27 of inflation since 2015 as determined by an index selected by the Metro Board of Directors.

28           4. Metro shall expend funds allocated to the Contingency Subfunds, to the  
29 extent necessary, to service the debt of any bonds issued or other obligations incurred  
30 pursuant to Section 12 of this Ordinance.

31           5. Metro may expend funds from the Contingency Subfunds for  
32 Expenditure Plan Major Projects or Multi-Year Subregional Programs in any fiscal year in  
33 which Net Revenues received are not sufficient to meet Metro's funding obligations for that  
34 year for such projects.

1           6.       No earlier than July 1, 2039, the Metro Board of Directors shall increase  
2 the percentage of Net Revenues allocated to the Regional Rail program of the Local Return  
3 and Regional Rail Subfund from one percent (1%) to two percent (2%) provided that the  
4 recipient(s) satisfy certain performance criteria, which shall be adopted by the Metro Board of  
5 Directors. Any such increase in Net Revenues allocated to Regional Rail shall be offset by  
6 corresponding reductions in Net Revenues allocated to either the Transit, First/Last Mile  
7 (Capital) Subfund or Highway, Active Transportation, Complete Streets (Capital) Subfund, or  
8 both. No reduction shall delay any projects in Attachment A.

9           7.       On July 1, 2039, the percentage of Net Revenues allocated to the Local  
10 Return program shall increase by three percent of Net Revenues. The Metro Board of  
11 Directors shall make corresponding reductions to either the Transit Construction or Highway  
12 Construction programs, or both. No reduction shall delay any projects in Attachment A.

13          c.       The Metro Board of Directors shall adopt guidelines regarding Multi-Year  
14 Subregional Programs identified in Attachment A. The guidelines shall, at minimum, specify  
15 definitions of active transportation, first/last mile, visionary seed project studies, street car and  
16 circulator projects, greenway projects, mobility hubs, highway efficiency and operational  
17 improvement projects, bus system improvements, highway demand-based programs (such as  
18 high occupancy vehicle extensions and connections), transit capital projects, transportation  
19 system and mobility improvements, bus rapid transit capital improvements, safe route to  
20 schools, multi-modal connectivity projects, arterial street improvements, freeway interchange  
21 improvements, goods movement improvements, highway and transit noise mitigations,  
22 intelligent transportation systems, transportation technology improvements, streetscape  
23 enhancements and Great Streets, public transit state of good repair, and traffic congestion  
24 relief improvements.

25          d.       Metro may enter into an agreement with the Board of Equalization to transfer  
26 Sales Tax Revenues directly to a bond trustee or similar fiduciary, in order to provide for the  
27 timely payment of debt service and related obligations, prior to Metro's receipt and deposit of  
28 such Sales Tax Revenues into the sales tax revenue fund; provided, however, that such  
29 payments of debt service and related obligations shall be allocated to the appropriate subfund  
30 consistent with the expenditure of the proceeds of the corresponding debt.

31          e.       Metro shall include the projects and programs in Attachment A in the Long  
32 Range Transportation Plan within one year of the date the Ordinance takes effect. The revised  
33 and updated Long Range Transportation Plan shall also include capital projects and capital  
34 programs that are adopted by each subregion that are submitted to Metro for inclusion in the

1 revised and updated Long Range Transportation Plan, if the cost and schedule details are  
2 provided by the subregions, in a manner consistent with the requirements of the plan.

3 f. Three percent (3%) of the total project cost of any Expenditure Plan Major  
4 Project coded "T" in Attachment A shall be paid by each incorporated city within Los Angeles  
5 County, and Los Angeles County for those projects in unincorporated areas, based upon the  
6 percent of project total centerline track miles to be constructed within that jurisdiction's borders if  
7 one (1) or more stations are to be constructed within the borders of said jurisdiction. An  
8 agreement approved by both Metro and the governing board of the jurisdiction shall specify the  
9 total project cost determined at the conclusion of thirty percent (30%) completion of final design  
10 (which shall not be subject to future cost increases), the amount to be paid, and a schedule of  
11 payments. If the total project cost estimate is reduced after the conclusion of thirty percent  
12 (30%) completion of final design, the proportionate cost to the jurisdiction shall be reduced  
13 accordingly. The jurisdiction may request a betterment for a project. The jurisdiction, however,  
14 shall incur the full cost of any such betterment. Such agreements shall be in accordance with  
15 guidelines adopted by the Metro Board of Directors.

16 1. If no agreement is entered into and approved prior to the award of  
17 any contract authorizing the construction of the project within the borders of the jurisdiction, or if  
18 at any time the local jurisdiction is in default of any sums due pursuant to the approved  
19 agreement, all funds contained in the Local Return/Regional Rail Subfund allocated to that  
20 jurisdiction may, at Metro's sole discretion, be withheld for not longer than fifteen (15) years and  
21 used to pay for the project until the three percent (3%) threshold is met.

22 g. Once every ten (10) years, beginning in Fiscal Year 2027, Metro shall conduct  
23 a comprehensive assessment of each project and program identified in Attachment A as an  
24 "Expenditure Plan Major Project" or "Multi-Year Subregional Program." This assessment shall  
25 determine which projects or programs are either completed, or anticipated to be completed  
26 during the next ten-year period. The Measure M Independent Taxpayer Oversight Committee  
27 of Metro, established pursuant to Section 8, shall review and comment on the assessment.  
28 Metro shall also conduct a public review prior to the assessment's approval. Upon approval of  
29 this assessment by a two-thirds vote, the Metro Board of Directors may:

30 1. Add "Expenditure Plan Major Projects" and "Multi-Year Subregional  
31 Programs" to the Expenditure Plan by a two-thirds (2/3) vote so long as such additions do not  
32 delay the Groundbreaking Start Date, Expected Opening Date, or amount of "Measure M  
33 Funding 2015\$" of any other "Expenditure Plan Major Project" or "Multi-Year Subregional

1 Program.” No “Expenditure Plan Major Projects” or “Multi-Year Subregional Programs” may  
2 be added to the Expenditure Plan except through the decennial process described herein.

3 A. Should an “Expenditure Plan Major Project” or “Multi-Year  
4 Subregional Program”, except for those coded “sc” in the “subregion” column of Attachment A,  
5 be completed without the expenditure of all Net Revenues allocated to that project or program  
6 in Attachment A, the surplus Net Revenues shall be expended on projects or programs in the  
7 same subregion as the project or program so completed. The Metro Board of Directors shall  
8 determine by a two-thirds (2/3) vote whether a project or program is complete.

9 B. Should an “Expenditure Plan Major Project” or “Multi-Year  
10 Subregional Program” coded “sc” in the “subregion” column of Attachment A be completed  
11 without the expenditure of all Net Revenues allocated to that project or program in Attachment  
12 A, the surplus Net Revenues shall be expended on another “Expenditure Plan Major Project”  
13 or “Multi-Year Subregional Program” coded “sc” in the “subregion” column of Attachment A.  
14 The Metro Board of Directors shall determine by a two-thirds (2/3) vote whether a project or  
15 program is complete.

16 2. Adopt an amendment to transfer Net Revenues between the Transit,  
17 First/Last Mile (Capital) Subfund and the Highway, Active Transportation, Complete Streets  
18 (Capital) Subfund pursuant to Section 11(c). No such amendment shall be adopted except  
19 through the decennial process described herein.

20 3. Adopt an amendment to Attachment B pursuant to Section 11(a). No  
21 such amendment shall be adopted except through the decennial process described herein  
22 provided, however, the Metro Board of Directors shall not adopt an amendment to Attachment  
23 B prior to the comprehensive assessment in Fiscal Year 2047.

24 h. No Net Revenues generated from the Sales Tax shall be expended on the  
25 State Route 710 North Gap Closure Project.

26 i. Notwithstanding any other provision of this Ordinance, no recipient of Local  
27 Return program funds may expend more than thirty-three and one-third percent ( $33\frac{1}{3}\%$ ) of  
28 total funds received in any fiscal year on Green Streets.

## 30 SECTION 8. OVERSIGHT

31 a. There is hereby established a Measure M Independent Taxpayer Oversight  
32 Committee of Metro (“Committee”) to provide an enhanced level of accountability for  
33 expenditures of sales tax revenues made under the Expenditure Plan. The Committee shall

1 meet at least four (4) times each year to carry out the purposes of this Ordinance. The  
2 Committee reports directly to the Metro Board of Directors and the public.

3 b. It is the intent that the Committee will assist Metro and take advantage of  
4 changing situations in the future with regard to technologies and transportation developments.  
5 Therefore, the provisions contained in this Ordinance are based on a 2016 perspective and are  
6 not meant to be unduly restrictive on the Committee's and Metro's roles and responsibilities.

7 c. Committee Membership. The Committee Members established for oversight  
8 shall carry out the responsibilities laid out in this Ordinance and play a valuable and constructive  
9 role in the ongoing improvement and enhancement of this Ordinance.

10 1. As such, the Committee Members shall be comprised of seven (7)  
11 voting members representing the following professions or areas of expertise:

12 A. A retired Federal or State judge

13 B. A professional from the field of municipal/public finance and/or  
14 budgeting with a minimum of ten (10) years of relevant experience

15 C. A transit professional with a minimum of ten (10) years of  
16 experience in senior-level decision making in transit operations and labor practices

17 D. A professional with a minimum of ten (10) years of experience in  
18 management and administration of financial policies, performance measurements, and reviews

19 E. A professional with demonstrated experience of ten (10) years or  
20 more in the management of large-scale construction projects

21 F. A licensed architect or engineer with appropriate credentials in the  
22 field of transportation project design or construction and a minimum of ten (10) years of relevant  
23 experience

24 G. A regional association of businesses representative with at least  
25 ten (10) years of senior-level decision making experience in the private sector

26 2. The intent is to have one member representing each of the specified  
27 areas of expertise. If, however, after a good faith effort, qualified individuals have not been  
28 identified for one (1) or more of the areas of expertise, then no more than two (2) members from  
29 one (1) or more of the remaining areas of expertise may be selected.

30 3. The members of the Committee must reside in Los Angeles County and  
31 be subject to conflict of interest provisions. No person currently serving as an elected or  
32 appointed city, county, special district, state, or federal public officeholder shall be eligible to  
33 serve as a member of the Committee.

34 d. Conflict of Interest. The Committee members shall be subject to Metro's conflict

1 of interest policies. The members shall have no legal action pending against Metro and are  
2 prohibited from acting in any commercial activity directly or indirectly involving Metro, such as  
3 being a consultant to Metro or to any party with pending legal actions against Metro during their  
4 tenure on this Committee. Committee members shall not have direct commercial interest or  
5 employment with any public or private entity, which receives sales tax funds authorized by this  
6 Ordinance.

7 e. Committee Membership Selection Panel. The Selection Panel ("Panel") shall  
8 select for approval the Oversight Committee Members, who will be responsible for performing  
9 the responsibilities under this Ordinance. The Panel will be comprised of three (3) persons,  
10 each of whom shall be members of the Metro Board of Directors, or their designee.

11 1. The Panel shall be selected as follows, and will represent the existing  
12 leadership of Metro's Board (Chair, Vice Chair, and second Vice Chair):

13 A. One representative from the Los Angeles County Board of  
14 Supervisors; and

15 B. One representative selected by the Mayor of the City of Los  
16 Angeles; and

17 C. One representative from the Los Angeles County Cities

18 2. The Panel shall screen and recommend potential candidates for  
19 Committee Membership. The Panel will develop guidelines to solicit, collect, and review  
20 applications of potential candidates for membership on the Committee. The filling of  
21 membership vacancies, due to removals and reappointments will follow these same guidelines.

22 3. The recommended candidates for Committee Membership  
23 shall be approved by the Metro Board by a simple majority.

24 f. Term. Each member of the Committee shall serve for a term of five (5) years,  
25 and until a successor is appointed, except that initial appointments may be staggered with terms  
26 of three (3) years. A Committee member may be removed at any time by the appointing  
27 authority. Term limits for Committee members will be staggered to prevent significant turnover  
28 at any one time. There is no limit as to the number of terms that a Committee member may  
29 serve. Members will be compensated through a stipend and they may choose to waive.

30 g. Resignation. Any member may, at any time, resign from the Committee upon  
31 written notice delivered to the Metro Board. Acceptance of any public office, the filing of intent  
32 to seek public office, including a filing under California Government Code Section 85200, or  
33 change of residence to outside the County shall constitute a Member's automatic resignation.

34 h. Committee Responsibilities. The Committee shall, at a minimum, meet on a



1 quarterly basis to carry out its responsibilities and is hereby charged with the following  
2 responsibilities:

3 1. *General Responsibilities*

4 A. The Committee will have the responsibility for approving the scope  
5 of work and direct the work of the auditors, to include at minimum the above mentioned areas.  
6 Selection of the auditors will follow the Board approved procurement and solicitation policies.  
7 The Committee will be involved in the solicitation and selection process of the auditors.

8 B. The Committee shall prepare an annual report on the results of the  
9 annual audit per Section 8(h)(3)(B), any findings made, and report the comments to the Metro  
10 Board of Directors.

11 C. The Committee shall review all proposed debt financing and make  
12 a finding as to whether the benefits of the proposed financing for accelerating project delivery,  
13 avoiding future cost escalation, and related factors exceed issuance and interest costs.

14 D. The Committee shall review any proposed amendments to the  
15 Ordinance, including the Expenditure Plan, and make a finding as to whether the proposed  
16 amendments further the purpose of the Ordinance.

17 2. *Quarterly Responsibilities.* The Committee shall at minimum review the  
18 following:

19 A. For each Subfund, make findings on the effective and efficient use  
20 of funds.

21 B. For Local Return funds, review the programmed revenues and  
22 uses for each of the local jurisdictions.

23 C. For Transit and Highway (Capital), review comparison of budget  
24 expended to project milestone completion, comparison of contingency spent to project  
25 completion, and review of soft costs expended.

26 D. For Active Transportation Program, review programmed revenues  
27 and uses.

28 E. For State of Good Repair, review budget and expenses.

29 F. For Transit Operating and Maintenance (which includes Metro Rail  
30 Operations, Transit Operations, ADA Paratransit for the disabled/Metro discounts for seniors  
31 and students, and Regional Rail), review budget and expenses.

32 3. *Annual Responsibilities*

33 A. The Committee shall review the results of the audit performed

1 and make findings as to whether Metro is in compliance with the terms of the Ordinance. Such  
2 findings shall include a determination as to whether recipients of Net Revenues allocated and  
3 funds were expended for all the Subfunds (listed in Attachment A) and have complied with this  
4 Ordinance and any additional guidelines developed by Metro.

5           B.     *Annual Financial and Compliance Audit.* Metro shall contract for  
6 an annual audit, to be completed within six (6) months after the end of the fiscal year being  
7 audited, for the purpose of determining compliance by Metro with the provisions of this  
8 Ordinance relating to the receipt and expenditure of Sales Tax Revenues during such fiscal  
9 year. The audit should include a determination as to whether recipients of Net Revenues  
10 allocated from these Subfunds have complied with this Ordinance and any additional guidelines  
11 developed by Metro for these Subfunds.

12           C.     For major corridor projects, included in the Expenditure Plan, the  
13 Committee shall review at least once a year:

14                   i.     Project costs, established LOP budgets, and any  
15 significant cost increases and/or major scope changes of the major corridor projects identified in  
16 the Expenditure Plan.

17                   ii.    The funding available and programmed for the projects  
18 included in the Expenditure Plan, as well as any funding gaps for each of these projects. The  
19 Committee shall provide recommendations on possible improvements and modifications to  
20 deliver the Plan.

21                   iii.   Performance in terms of project delivery, cost controls,  
22 schedule adherence, and related activities.

23           4.     *Five-Year Responsibilities*

24           A.     The Committee shall review the Comprehensive Program  
25 Assessment of the Expenditure Plan every five (5) years or every ten (10) years in accordance  
26 with Section 7(g) and make findings and/or provide recommendations for improving the  
27 program. The results of this assessment will be presented to the Metro Board of Directors.

28           B.     *Comprehensive Program Assessment.* Metro shall conduct every  
29 five (5) years a comprehensive review of all projects and programs implemented under the Plan  
30 to evaluate the performance of the overall program and make recommendations to improve its  
31 performance on current practices, best practices, and organizational changes to improve  
32 coordination.

33           i.     Accountability to the Public and the Metro Board. All audit reports, findings, and  
34 recommendations will be available and accessible to the public (through various types of media)

1 prior to the public hearing and upon request. Metro will establish a website dedicated to the  
2 Oversight of this Measure and include all pertinent Ordinance information for the public. The  
3 Committee shall review all audits and hold an annual public hearing to report on the results of  
4 the audits.

#### 6 SECTION 9. MAINTENANCE OF EFFORT REQUIREMENTS

7 a. It is the intent of Metro that any Sales Tax Revenues provided to local  
8 jurisdictions in Los Angeles County under the program described in Attachment A as "Local  
9 Return" be used to augment, not supplant, existing local revenues being used for  
10 transportation purposes.

11 b. Metro shall develop guidelines that, at a minimum, specify maintenance of  
12 effort requirements for the local return program, matching funds, and administrative  
13 requirements for the recipients of revenue derived from the Sales Tax.

#### 15 SECTION 10. COSTS OF ADMINISTRATION

16 Metro shall establish an Administration/Local Return fund and one and one-half  
17 percent (1.5%) of Gross Sales Tax revenues shall be credited into this fund. As funds are  
18 received by Metro and credited to this fund, one percent (1%) of Net Revenues shall be  
19 immediately transferred to the Local Return/Regional Rail Subfund of the sales tax revenue  
20 fund to be used solely for the Local Return program. All other amounts in the  
21 Administration/Local Return fund shall be available to Metro for administrative costs, including  
22 contractual services.

#### 24 SECTION 11. AMENDMENTS

25 a. The Metro Board of Directors may amend this Ordinance, including Attachment  
26 A and Attachment B, with the exception of Section 11, for any purpose subject to the  
27 limitations contained in Section 7(g), including as necessary to account for the results of any  
28 environmental review required under the California Environmental Quality Act or the National  
29 Environmental Policy Act and any related federal statute of the projects listed in Attachment A.  
30 Any such amendments shall be approved by a vote of not less than two-thirds (2/3) of the  
31 Metro Board of Directors. Metro shall hold a public meeting on proposed amendments prior to  
32 adoption. Metro shall provide notice of the public meeting to the Los Angeles County Board of  
33 Supervisors, the city council of each city in Los Angeles County, and the public, and shall

1 provide them with a copy of the proposed amendments, at least 60 days prior to the public  
2 meeting.

3 b. By two-thirds (2/3) vote, the Metro Board of Directors may amend the  
4 “Schedule of Funds Available” columns listed in Attachment A to accelerate a project,  
5 provided that any such amendments shall not reduce the amount of funds assigned to any  
6 other project or program as shown in the “Measure M Funding 2015\$” column of Attachment  
7 A or delay the Schedule of Funds Available for any other project or program. Metro shall hold  
8 a public meeting on proposed amendments prior to adoption. Metro shall provide notice of the  
9 public meeting to the Los Angeles County Board of Supervisors, the city council of each city in  
10 Los Angeles County, and the public, and shall provide them with a copy of the proposed  
11 amendments, at least 30 days prior to the public meeting.

12 c. The Metro Board of Directors shall not adopt any amendment to this  
13 Ordinance, including Attachment A, that reduces total Net Revenues allocated to the sum of  
14 the Transit, First/Last Mile (Capital) Subfund and the Highway, Active Transportation,  
15 Complete Streets (Capital) Subfund. Not more than once in any ten (10) year period  
16 commencing in FY2027, Metro may adopt an amendment transferring Net Revenues between  
17 the Transit, First/Last Mile (Capital) Subfund and the Highway, Active Transportation,  
18 Complete Streets (Capital) Subfund. This subparagraph shall not apply to adjustments to the  
19 Net Revenues allocated to the Transit, First/Last Mile (Capital) Subfund and the Highway,  
20 Active Transportation, Complete Streets (Capital) Subfund pursuant to Section 7(b)(6) or  
21 Section 7(b)(7). Such adjustments shall not require an amendment to this Ordinance or  
22 Attachment A.

23 d. Notwithstanding Section 11(a) of this Ordinance, the Metro Board of Directors  
24 shall not adopt any amendment to this Ordinance, including Attachment A, that reduces Net  
25 Revenues allocated to the Transit Operating & Maintenance Subfund or the Local  
26 Return/Regional Rail Subfund.

27 e. The Metro Board of Directors may amend Section 11 of this Ordinance if such  
28 amendments are approved by a vote of not less than two-thirds (2/3) of the Metro Board of  
29 Directors and are approved by a majority of the voters voting on a measure to approve the  
30 amendment. Metro shall hold a public meeting on proposed amendments prior to adoption.  
31 Metro shall provide notice of the public meeting to the Los Angeles County Board of  
32 Supervisors, the city council of each city in Los Angeles County, and the public, and shall  
33 provide them with a copy of the proposed amendments, at least 60 days prior to the public  
34 meeting. Amendments shall become effective immediately upon approval by the voters.

1                   SECTION 12. ESTABLISHMENT OF BONDING AUTHORITY

2           a.       Metro is authorized to issue limited tax bonds and incur other obligations, from  
3 time to time, payable from and secured by all or any portion of the Sales Tax Revenues to  
4 finance any program or project in the Expenditure Plan, pursuant to Sections 130500 et seq. of  
5 the Public Utilities Code, and any successor act, or pursuant to any other applicable sections of  
6 the Public Utilities Code or the Government Code. As additional security, such bonds and other  
7 obligations may be further payable from and secured by farebox revenues or general revenues  
8 of Metro, on a basis subordinate to Metro's existing General Revenue Bonds, or any other  
9 available source of Metro's revenues, in each case as specified in a resolution adopted by a  
10 majority of Metro's Board of Directors. The maximum bonded indebtedness, including issuance  
11 costs, interest, reserve requirements and bond insurance, shall not exceed the total amount of  
12 the Gross Sales Tax. Nothing herein shall limit or restrict in any way the power and authority of  
13 Metro to issue bonds, notes or other obligations, to enter into loan agreements, leases,  
14 reimbursement agreements, standby bond purchase agreements, interest rate swap  
15 agreements or other derivative contracts or to engage in any other transaction under the  
16 Government Code, the Public Utilities Code or any other law.

17           b.       The Metro Board of Directors shall adopt guidelines regarding the issuance of  
18 bonds and the incurrence of other obligations pursuant to this Section 12. The guidelines shall,  
19 at a minimum, establish methods for taking into account (a) the expenditure of proceeds of such  
20 bonds and other obligations and (b) the payment of debt service and other amounts with respect  
21 to such bonds and other obligations, for purposes of meeting the program expenditure  
22 requirements of Section 7 hereof.

23  
24                   SECTION 13. APPROPRIATIONS LIMIT

25           Article XIII B of the California Constitution requires certain governmental entities to  
26 establish an annual appropriations limit. This appropriations limit is subject to adjustment as  
27 provided by law. To the extent required by law, Metro shall establish an annual appropriations  
28 limit and expenditures of the retail transactions and use tax shall be subject to such limit.

29  
30                   SECTION 14. ELECTION

31           Pursuant to California Public Utilities Code Section 130350.7(d), Metro hereby calls a  
32 special election to place this Ordinance before the voters. The ballot language shall read as  
33 follows:



## Los Angeles County Transportation Expenditure Plan

## ATTACHMENT A

## Outline of Expenditure Categories

Fiscal Year (FY) 2018 - 2057, Escalated Dollars

(millions)

Subfund	Program	% of Sales Tax (net of Admin)	First Year Amount (FY 2018)	FY 2018 - FY 2032 (15 Years)	FY 2033 - FY 2047 (15 Years)	FY 2048 - FY 2057 (10 Years)	FY 2018 - FY 2057 (40 Years)
Transit Operating & Maintenance	Metro Rail Operations <sup>1</sup>	5%	\$ 42	\$ 850	\$ 2,320	\$ 2,810	\$ 5,980
	Transit Operations <sup>2</sup> (Metro & Municipal Providers)	20%	\$ 169	\$ 3,400	\$ 9,280	\$ 11,240	\$ 23,920
	ADA Paratransit for the Disabled; Metro Discounts for Seniors and Students	2%	\$ 17	\$ 340	\$ 930	\$ 1,120	\$ 2,390
Transit, First/Last Mile (Capital)	Transit Construction (Includes System Connectivity Projects - Airports, Union Station, and Countywide BRT)	35%	\$ 296	\$ 5,960	\$ 16,230	\$ 19,670	\$ 41,860
	Metro State of Good Repair <sup>5</sup>	2%	\$ 17	\$ 340	\$ 930	\$ 1,120	\$ 2,390
Highway, Active Transportation, Complete Streets (Capital)	Highway Construction (includes System Connectivity Projects - Ports, Highway Congestion Programs, Goods Movement)	17%	\$ 144	\$ 2,890	\$ 7,880	\$ 9,560	\$ 20,330
	Metro Active Transportation Program (Bicycle, Pedestrian, Complete Streets)	2%	\$ 17	\$ 340	\$ 930	\$ 1,120	\$ 2,390
Local Return / Regional Rail	Local Return - Base <sup>3</sup> (Local Projects and Transit Services)	16%	\$ 136	\$ 2,720	\$ 7,420	\$ 8,990	\$ 19,130
	<i>Local Return / Regional Rail (Beginning FY 2040)</i> <sup>4</sup>				\$ 690	\$ 2,240	\$ 2,930
	Regional Rail	1%	\$ 8	\$ 170	\$ 460	\$ 560	\$ 1,200
<b>TOTAL PROGRAMS</b>			<b>\$ 847</b>	<b>\$ 17,010</b>	<b>\$ 46,380</b>	<b>\$ 56,190</b>	<b>\$ 119,590</b>
Administration /Local Return	0.5% for Administration	0.5%	\$ 4	\$ 85	\$ 230	\$ 280	\$ 600
	1.0% Local Return <sup>3</sup>	1.0%	\$ 8	\$ 170	\$ 460	\$ 560	\$ 1,200
<b>GRAND TOTAL</b>			<b>\$ 860</b>	<b>\$ 17,265</b>	<b>\$ 47,070</b>	<b>\$ 57,030</b>	<b>\$ 121,390</b>

1. Funds are eligible to be used for Metro Rail State of Good Repair.

2. Funds are eligible to be used for Metro State of Good Repair.

3. 1% Administration to supplement Local Return, **increasing the Local Return-Base to 17% of net revenues.**

4. To be funded by Highway/Transit Capital Subfunds in FY 2040 and beyond.

5. The Metro Board of Directors will prioritize the Wardlow Grade Separation project to receive new funding and/or grants and assign this project to be included in Metro's State of Good Repair program.

All totals are rounded; numbers presented in this document may not always add up to the totals provided.

Based on January 2016 revenue projections.

# Los Angeles County Transportation Expenditure Plan

(2015 \$ in thousands)

# ATTACHMENT A Groundbreaking Sequence (Exceptions Noted)

For Reference Only	Project (Final Project to be Defined by the Environmental Process)	Notes	Schedule of Funds Available		Subregion*	2016 - 2067 Local, State, Federal, Other Funding 2015\$	Measure M Funding 2015\$	Most Recent Cost Estimate 2015\$**	Modal Code
			Ground-breaking Start Date†	Expected Opening Date (3 year range)					
	<b>Expenditure Plan Major Projects</b>			1 <sup>st</sup> yr of Range					
1	Airport Metro Connect 96th St. Station/Green Line Ext LAX ®	a,p	FY 2018	CY 2021	sc	\$233,984	\$347,016	\$581,000	T
2	Westside Purple Line Extension Section 3 ®	b	FY 2018	FY 2024	w	\$986,139	\$994,251	\$1,980,390	T
3	High Desert Multi-Purpose Corridor (HDMC)®	q	FY 2019	FY 2021	nc	\$100,000	\$170,000	\$270,000	H
4	I-5 N Cap. Enhancements (SR-14 to Lake Hughes Rd) ®		FY 2019	FY 2023	nc	\$544,080	\$240,000	\$784,080	H
5	Gold Line Foothill Extension to Claremont ®	c	FY 2019	FY 2025	sg	\$78,000	\$1,019,000	\$1,097,000	T
6	Orange Line BRT Improvements	n	FY 2019	FY 2025	sf	\$0	\$286,000	\$286,000	T
7	BRT Connector Orange/Red Line to Gold Line	o	FY 2020	FY 2022	av	\$0	\$240,300	\$240,300	T
8	BRT Connector Orange/Red Line to Gold Line	o	FY 2020	FY 2022	sf	\$0	\$26,700	\$26,700	T
9	East SF Valley Transit Corridor Project ®	d	FY 2021	FY 2027	sf	\$520,500	\$810,500	\$1,331,000	T
10	West Santa Ana Transit Corridor LRT ®	b,d	FY 2022	FY 2028	gc	\$500,000	\$535,000	\$1,035,000	T
11	Crenshaw/LAX Track Enhancement Project	e,p	FY 2022	FY 2026	sc	\$0	\$49,599	\$49,599	T
12	SR-71 Gap from I-10 to Rio Rancho Rd.		FY 2022	FY 2026	sg	\$26,443	\$248,557	\$275,000	H
13	LA River Waterway & System Bikepath		FY 2023	FY 2025	cc	\$0	\$365,000	\$365,000	H
14	Complete LA River Bikepath		FY 2023	FY 2025	sf	\$0	\$60,000	\$60,000	H
15	Sepulveda Pass Transit Corridor (Ph 1) ®	b,f	FY 2024	FY 2026	sf	\$0	\$130,000	\$130,000	H
16	Sepulveda Pass Transit Corridor (Ph 1) ®	b,f	FY 2024	FY 2026	w	\$0	\$130,000	\$130,000	H
17	Vermont Transit Corridor	o	FY 2024	FY 2028	cc	\$400,000	\$25,000	\$425,000	T
18	SR-57/SR-60 Interchange Improvements	d	FY 2025	FY 2031	sg	\$565,000	\$205,000	\$770,000	H
19	Green Line Extension to Crenshaw Blvd in Torrance ®	d,g	FY 2026	FY 2030	sb	\$272,000	\$619,000	\$891,000	T
20	I-710 South Corridor Project (Ph 1) ®	d,h	FY 2026	FY 2032	gc	\$150,000	\$250,000	\$400,000	H
21	I-105 Express Lane from I-405 to I-605	p	FY 2027	FY 2029	sc	\$0	\$175,000	\$175,000	H
22	Sepulveda Pass Transit Corridor (Ph 2) ®	b	FY 2024	FY 2033	sf	\$1,567,000	\$1,270,000	\$2,837,000	T
23	Sepulveda Pass Transit Corridor (Ph 2) ®	b	FY 2024	FY 2033	w	\$1,567,000	\$1,270,000	\$2,837,000	T
24	Gold Line Eastside Extension (One Alignment) ®	d	FY 2029	FY 2035	gc	\$957,000	\$543,000	\$1,500,000	T
25	Gold Line Eastside Extension (One Alignment) ®	d	FY 2029	FY 2035	sg	\$957,000	\$543,000	\$1,500,000	T
26	West Santa Ana Transit Corridor LRT ®	r	FY 2022	FY 2041	cc	\$1,082,500	\$400,000	\$1,482,500	T
27	West Santa Ana Transit Corridor LRT ®	r	FY 2022	FY 2041	gc	\$982,500	\$500,000	\$1,482,500	T
28	I-710 South Corridor Project (Ph 2) ®		FY 2032	FY 2041	gc	\$658,500	\$250,000	\$908,500	H
29	I-5 Corridor Improvements (I-605 to I-710)		FY 2036	FY 2042	gc	\$46,060	\$1,059,000	\$1,105,060	H
30	Crenshaw Northern Extension	i	FY 2041	FY 2047	cc	\$495,000	\$1,185,000	\$1,680,000	T
31	Crenshaw Northern Extension	i	FY 2041	FY 2047	w	\$0	\$560,000	\$560,000	T
32	I-405/I-110 Int. HOV Connect Ramps & Intrchnng Improv ®		FY 2042	FY 2044	sb	\$0	\$250,000	\$250,000	H
33	I-605/I-10 Interchange		FY 2043	FY 2047	sg	\$472,400	\$126,000	\$598,400	H
34	SR 60/I-605 Interchange HOV Direct Connectors		FY 2043	FY 2047	sg	\$360,600	\$130,000	\$490,600	H
35	Lincoln Blvd BRT	l,o	FY 2043	FY 2047	w	\$0	\$102,000	\$102,000	T
36	I-110 Express Lane Ext South to I-405/I-110 Interchange		FY 2044	FY 2046	sb	\$228,500	\$51,500	\$280,000	H
37	I-405 South Bay Curve Improvements		FY 2045	FY 2047	sb	\$250,840	\$150,000	\$400,840	H
38	Green Line Eastern Extension (Norwalk)	p	FY 2046	FY 2052	sc	\$570,000	\$200,000	\$770,000	T
39	SF Valley Transportation Improvements	m	FY 2048	FY 2050	sf	\$0	\$106,800	\$106,800	T
40	Sepulveda Pass Westwood to LAX (Ph 3)	p	FY 2048	FY 2057	sc	\$3,800,000	\$65,000	\$3,865,000	T
41	Orange Line Conversion to Light Rail		FY 2051	FY 2057	sf	\$1,067,000	\$362,000	\$1,429,000	T
42	City of San Fernando Bike Master Plan		FY 2052	FY 2054	sf	\$0	\$5,000	\$5,000	H
43	Historic Downtown Streetcar		FY 2053	FY 2057	cc	\$0	\$200,000	\$200,000	T
44	Gold Line Eastside Ext. Second Alignment	p	FY 2053	FY 2057	sc	\$110,000	\$2,890,000	\$3,000,000	T
45	High Desert Multi-Purpose Corridor - LA County Segment	p	FY 2063	FY 2067	sc	\$32,982	\$1,845,718	\$1,878,700	H
46	<b>Expenditure Plan Major Projects Subtotal</b>					<b>\$19,581,027</b>	<b>\$20,989,941</b>	<b>\$40,570,969</b>	

Footnotes on following page.

\*\* The most recent cost estimate equals the accelerated cost. Prior year expenses included in all project costs.



# Los Angeles County Transportation Expenditure Plan

(2015 \$ in thousands)

# ATTACHMENT A Groundbreaking Sequence (Exceptions Noted)

For Reference Only	Project (Final Project to be Defined by the Environmental Process)	Notes	Schedule of Funds Available		Subregion*	2016 - 2067 Local, State, Federal, Other Funding 2015\$	Measure M Funding 2015\$	Most Recent Cost Estimate 2015\$**	Modal Code
			Ground- breaking Start Date †	Expected Opening Date (3 year range)					
<b>Multi-Year Subregional Programs</b>									
47	Metro Active Transport, Transit 1st/Last Mile Program	p	FY 2018	FY 2057	sc	\$0	\$857,500	\$857,500	H
48	Visionary Project Seed Funding	p	FY 2018	FY 2057	sc	\$0	\$20,000	\$20,000	T
49	Street Car and Circulator Projects	k,p	FY 2018	FY 2022	sc	\$0	\$35,000	\$35,000	T
50	Transportation System and Mobility Improve. Program		FY 2018	FY 2032	sb	\$0	\$293,500	\$293,500	H
51	Active Transportation 1st/Last Mile Connections Prog.		FY 2018	FY 2057	w	\$0	\$361,000	\$361,000	H
52	Active Transportation Program		FY 2018	FY 2057	nc	\$0	\$264,000	\$264,000	H
53	Active Transportation Program		FY 2018	FY 2057	gc	\$0	TBD	TBD	H
54	Active Transportation Program (Including Greenway Proj.)		FY 2018	FY 2057	sg	\$0	\$231,000	\$231,000	H
55	Active Transportation, 1st/Last Mile, & Mobility Hubs		FY 2018	FY 2057	cc	\$0	\$215,000	\$215,000	H
56	Active Transportation, Transit, and Tech. Program		FY 2018	FY 2032	lvm	\$0	\$32,000	\$32,000	T
57	Highway Efficiency Program		FY 2018	FY 2032	lvm	\$0	\$133,000	\$133,000	H
58	Bus System Improvement Program		FY 2018	FY 2057	sg	\$0	\$55,000	\$55,000	T
59	First/Last Mile and Complete Streets		FY 2018	FY 2057	sg	\$0	\$198,000	\$198,000	H
60	Highway Demand Based Prog. (HOV Ext. & Connect.)		FY 2018	FY 2057	sg	\$0	\$231,000	\$231,000	H
61	I-605 Corridor "Hot Spot" Interchange Improvements ®		FY 2018	FY 2057	gc	\$240,000	\$1,000,000	\$1,240,000	H
62	Modal Connectivity and Complete Streets Projects		FY 2018	FY 2057	av	\$0	\$202,000	\$202,000	H
63	South Bay Highway Operational Improvements		FY 2018	FY 2057	sb	\$600,000	\$500,000	\$1,100,000	H
64	Transit Program		FY 2018	FY 2057	nc	\$500,000	\$88,000	\$588,000	T
65	Transit Projects		FY 2018	FY 2057	av	\$0	\$257,100	\$257,100	T
66	Transportation System and Mobility Improve. Program		FY 2018	FY 2057	sb	\$0	\$350,000	\$350,000	H
67	North San Fernando Valley Bus Rapid Transit Improvements	p,s	FY 2019	FY 2023	sc	\$0	\$180,000	\$180,000	T
68	Subregional Equity Program	p,s	FY 2018	FY 2057	sc	TBD	TBD	\$1,196,000	T/H
69	Countywide BRT Projects Ph 1 (All Subregions)	l,p	FY 2020	FY 2022	sc	\$0	\$50,000	\$50,000	T
70	Countywide BRT Projects Ph 2 (All Subregions)	l,p	FY 2030	FY 2032	sc	\$0	\$50,000	\$50,000	T
71	Active Transportation Projects		FY 2033	FY 2057	av	\$0	\$136,500	\$136,500	H
72	Los Angeles Safe Routes to School Initiative		FY 2033	FY 2057	cc	\$0	\$250,000	\$250,000	H
73	Multimodal Connectivity Program		FY 2033	FY 2057	nc	\$0	\$239,000	\$239,000	H
74	Countywide BRT Projects Ph 3 (All Subregions)	l,p	FY 2040	FY 2042	sc	\$0	\$50,000	\$50,000	T
75	Arterial Program		FY 2048	FY 2057	nc	\$0	\$726,130	\$726,130	H
76	BRT and 1st/Last Mile Solutions e.g. DASH		FY 2048	FY 2057	cc	\$0	\$250,000	\$250,000	T
77	Freeway Interchange and Operational Improvements		FY 2048	FY 2057	cc	\$0	\$195,000	\$195,000	H
78	Goods Movement (Improvements & RR Xing Elim.)		FY 2048	FY 2057	sg	\$0	\$33,000	\$33,000	T
79	Goods Movement Program		FY 2048	FY 2057	nc	\$0	\$104,000	\$104,000	T
80	Goods Movement Projects		FY 2048	FY 2057	av	\$0	\$81,700	\$81,700	T
81	Highway Efficiency Program		FY 2048	FY 2057	nc	\$0	\$128,870	\$128,870	H
82	Highway Efficiency Program		FY 2048	FY 2057	sg	\$0	\$534,000	\$534,000	H
83	Highway Efficiency, Noise Mitig. and Arterial Projects		FY 2048	FY 2057	av	\$0	\$602,800	\$602,800	H
84	ITS/Technology Program (Advanced Signal Tech.)		FY 2048	FY 2057	sg	\$0	\$66,000	\$66,000	H
85	LA Streetscape Enhance. & Great Streets Program		FY 2048	FY 2057	cc	\$0	\$450,000	\$450,000	H
86	Modal Connectivity Program		FY 2048	FY 2057	lvm	\$0	\$68,000	\$68,000	H
87	Public Transit State of Good Repair Program		FY 2048	FY 2057	cc	\$0	\$402,000	\$402,000	T
88	Traffic Congestion Relief and Improvement Program		FY 2048	FY 2057	lvm	\$0	\$63,000	\$63,000	H
89	Traffic Congestion Relief/Signal Synchronization		FY 2048	FY 2057	cc	\$0	\$50,000	\$50,000	H
90	Arroyo Verdugo Projects to be Determined		FY 2048	FY 2057	av	\$0	\$110,600	\$110,600	H
91	Countywide BRT Projects Ph 4 (All Subregions)	p	FY 2050	FY 2052	sc	\$90,000	\$10,000	\$100,000	T
92	Countywide BRT Projects Ph 5 (All Subregions)	p	FY 2060	FY 2062	sc	\$0	\$100,000	\$100,000	T
93	<b>Multi-Year Subregional Programs Subtotal</b>					<b>\$1,430,000</b>	<b>\$10,253,700</b>	<b>\$12,879,700</b>	
94	<b>GRAND TOTAL</b>					<b>\$21,011,027</b>	<b>\$31,243,641</b>	<b>\$53,450,669</b>	

Footnotes on following page.

\*\* The most recent cost estimate equals the accelerated cost. Prior year expenses included in all project costs.

Footnotes:

- a. Interface station to LAX sponsored Automated People Mover includes an extended Green Line terminus and a consolidated bus interface for 13 Metro and Municipal bus lines. Bicycle, passenger, and other amenities are also included.
- b. Project acceleration based on high performance.
- c. Identified as a priority per the Metro Board Motion in October 2009.
- d. Project funded on LRTP schedule, per Dec. 2015 Board Policy.
- e. Consistent with the Orange Line, no sooner than 15 years after the revenue operation date of the Crenshaw/LAX project, Metro will consider, as transportation system performance conditions warrant, grade separation and/or undergrounding of the Crenshaw/LAX Line ( including the Park Mesa Heights section & Inglewood section of the project). These additional track enhancements, when warranted, will be eligible for funding through the decennial comprehensive review process in the Ordinance.
- f. Sepulveda Pass Ph. 1 from Orange Line/Van Nuys to Westwood includes early delivery of highway ExpressLane.
- g. Studies will be completed to evaluate a future Green Line connection to the Blue Line (city of Long Beach).  
 No capital funds from the Green Line to Torrance Project will be used for the studies.
- h. I-710 South Project assumes an additional \$2.8 billion of alternative revenue sources; not shown here with the cost or revenues for the project. The Shoemaker Bridge "Early Action" project is a priority project for these funds.
- i. Council of Government descriptions vary for the "Crenshaw Northern Extension" project.
- k. Lump sum would be provided in the first 5 years for initial capital costs only. Project sponsors responsible for ongoing operations & maintenance.
- l. Acceleration of Lincoln BRT project eligible as Countywide BRT Program. Any funds freed up from accelerations returns to Countywide BRT Program.
- m. SF Valley Transportation Improvements may include, but are not limited to, Transit Improvements, and I-210 soundwalls in Tujunga, Sunland, Shadow Hills and Lakeview Terrace.
- n. Critical grade separation(s) will be implemented early through Operation Shovel Ready.
- o. Conversion to LRT or HRT after FY 2067 included in expenditure plan based on ridership demand.
- p. Funds for projects identified as "sc" that are not expended are only available for other System Connectivity Capital Projects.
- q. Funding calculated based on estimated right-of-way acquisition costs; but can be repurposed for appropriate project uses, as approved by the MTA Board of Directors.
- r. This project could start as early as FY 2028 and open as early as FY 2037 with Public-Private Partnership delivery methods.
- s. This project will increase system connectivity in the North San Fernando Valley and the Metro Transit System. Environmental plan work shall begin no later than six months after passage of Measure M. To provide equivalent funding to each subregion other than the San Fernando Valley, the subregional equity program will be provided as early as possible to the following subregions in the amounts (in thousands) specified here: AV\* \$96,000; W\* \$160,000; CC\* \$235,000; NC\* \$115,000; LVM\* \$17,000; GC\* \$244,000; SG\* \$199,000; and SB\* \$130,000.

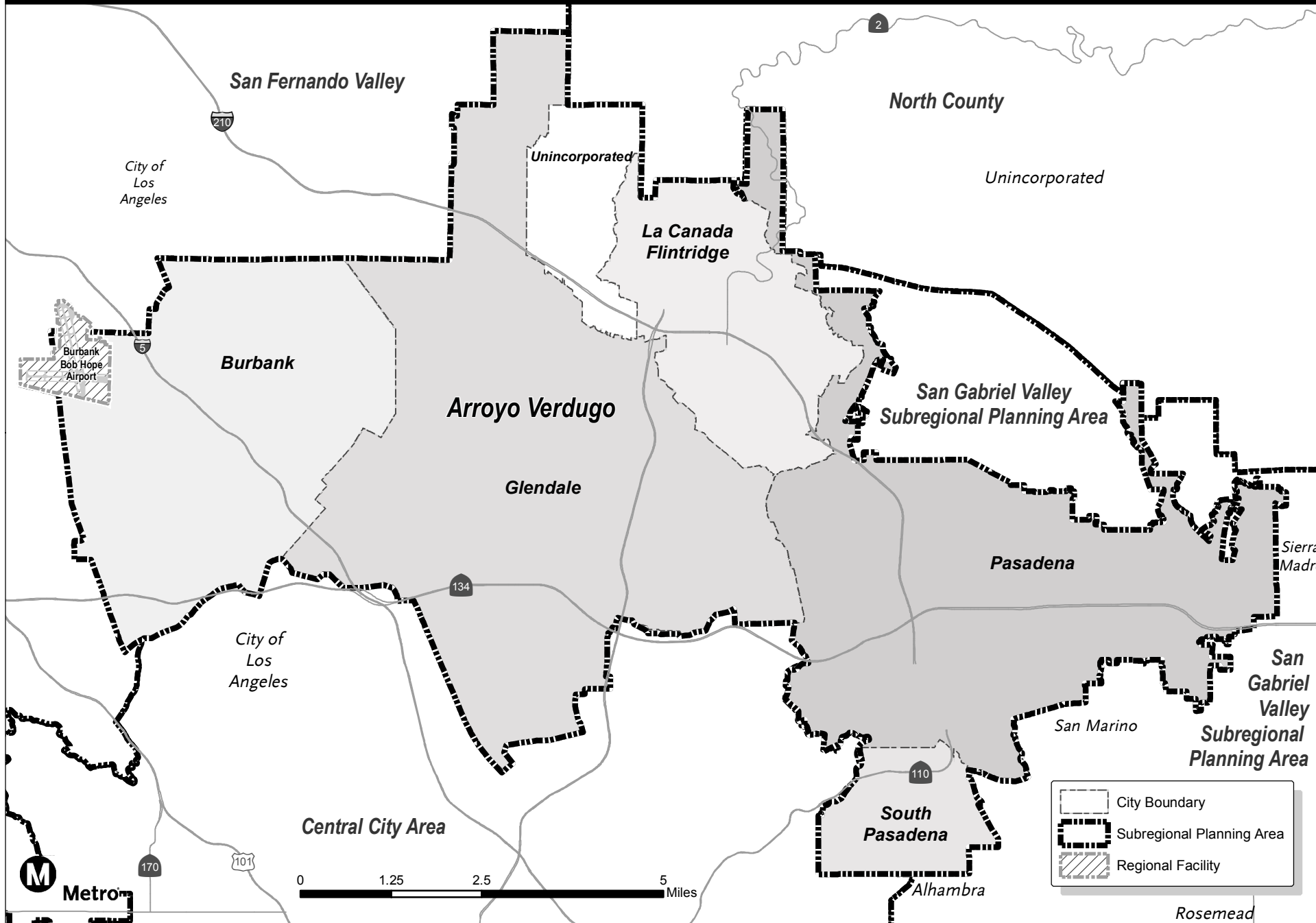
\* Subregion Abbreviations:

sc = System Connectivity Projects (no subregion)	nc = North County	® Indicates Measure R-related Projects
av = Arroyo Verdugo	sb = South Bay	
lvm = Las Virgenes Malibu	w = Westside	CY = Calendar Year
cc = Central City Area	gc = Gateway Cities	FY = Fiscal Year
sg = San Gabriel Valley	sf = San Fernando Valley	YOE = Year of Expenditure

\*\* The most recent cost estimate equals the accelerated cost. Prior year expenses included in all project costs.

# ATTACHMENT B - page 1 of 9

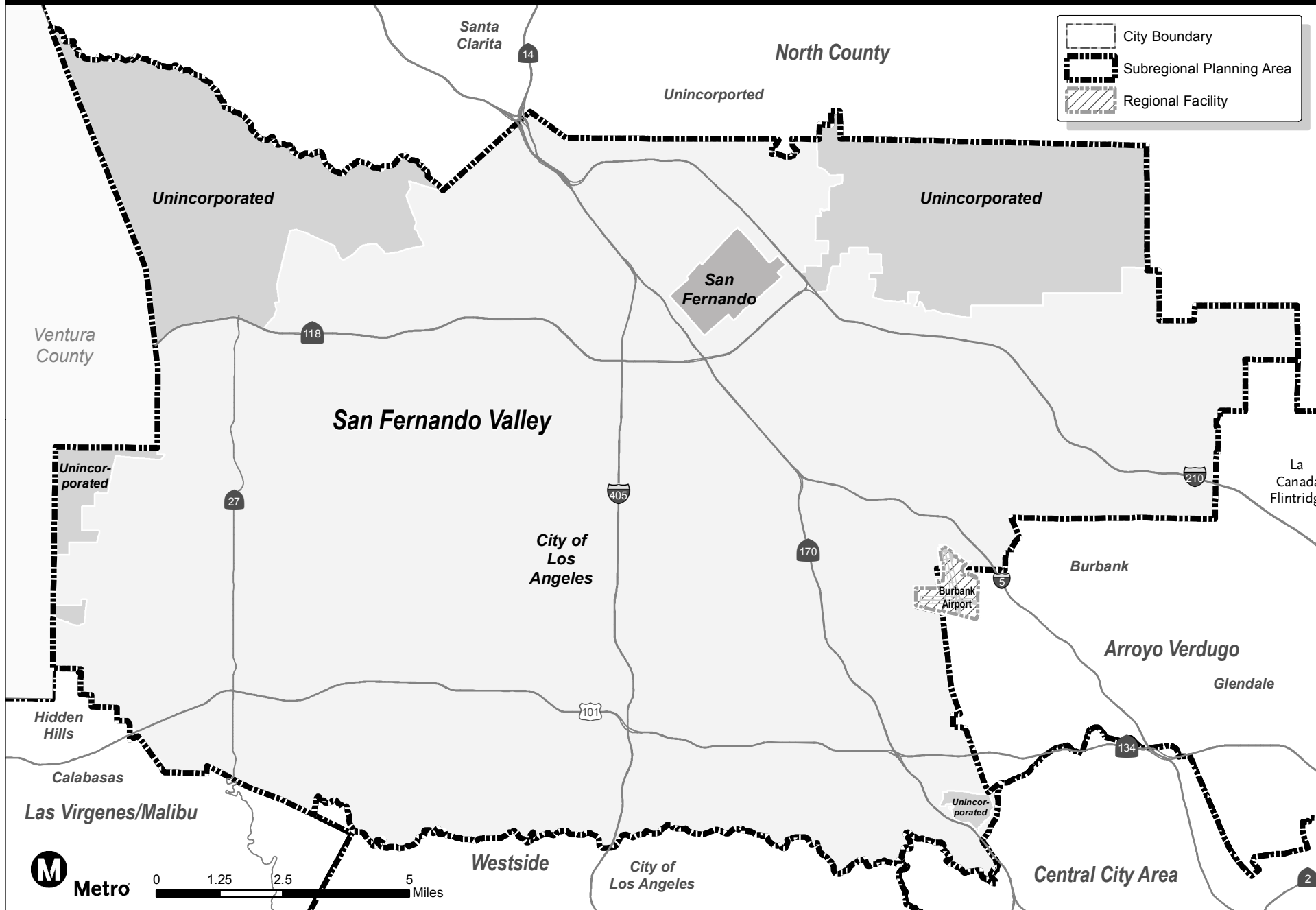
## Arroyo Verdugo Subregional Planning Area



Rosemead

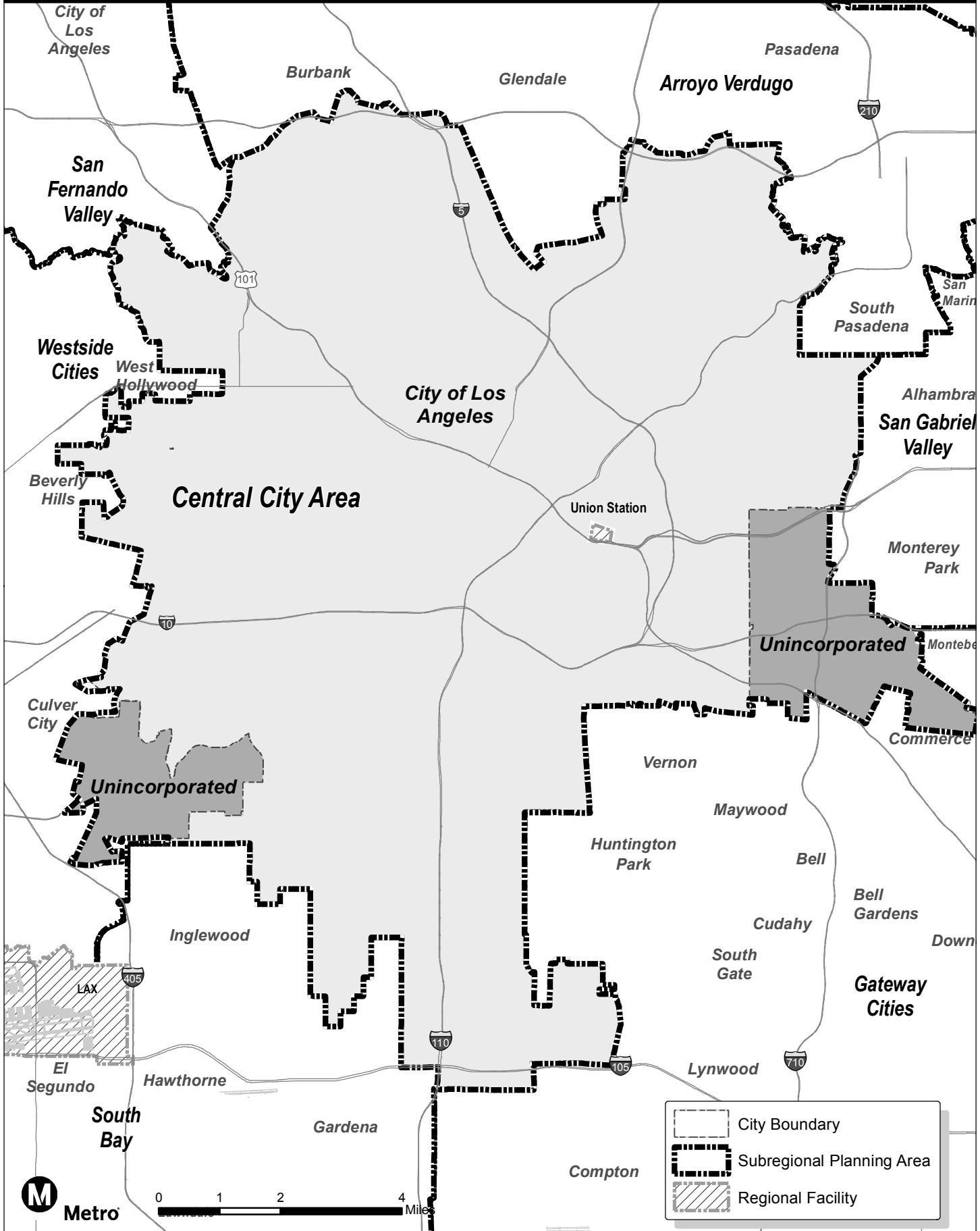
# ATTACHMENT B - page 2 of 9

## San Fernando Subregional Planning Area



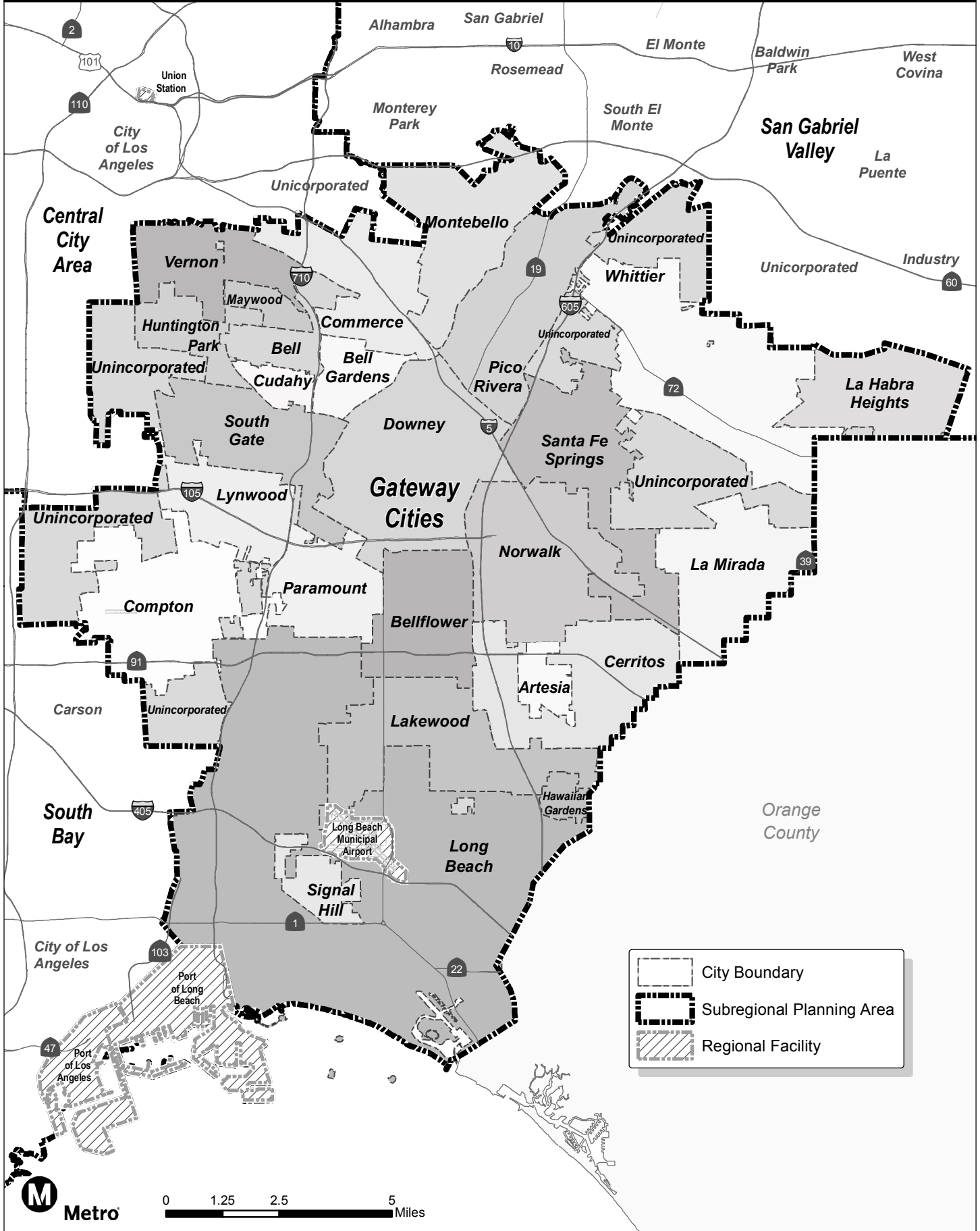
# ATTACHMENT B - page 3 of 9

## Central City Area Subregional Planning Area



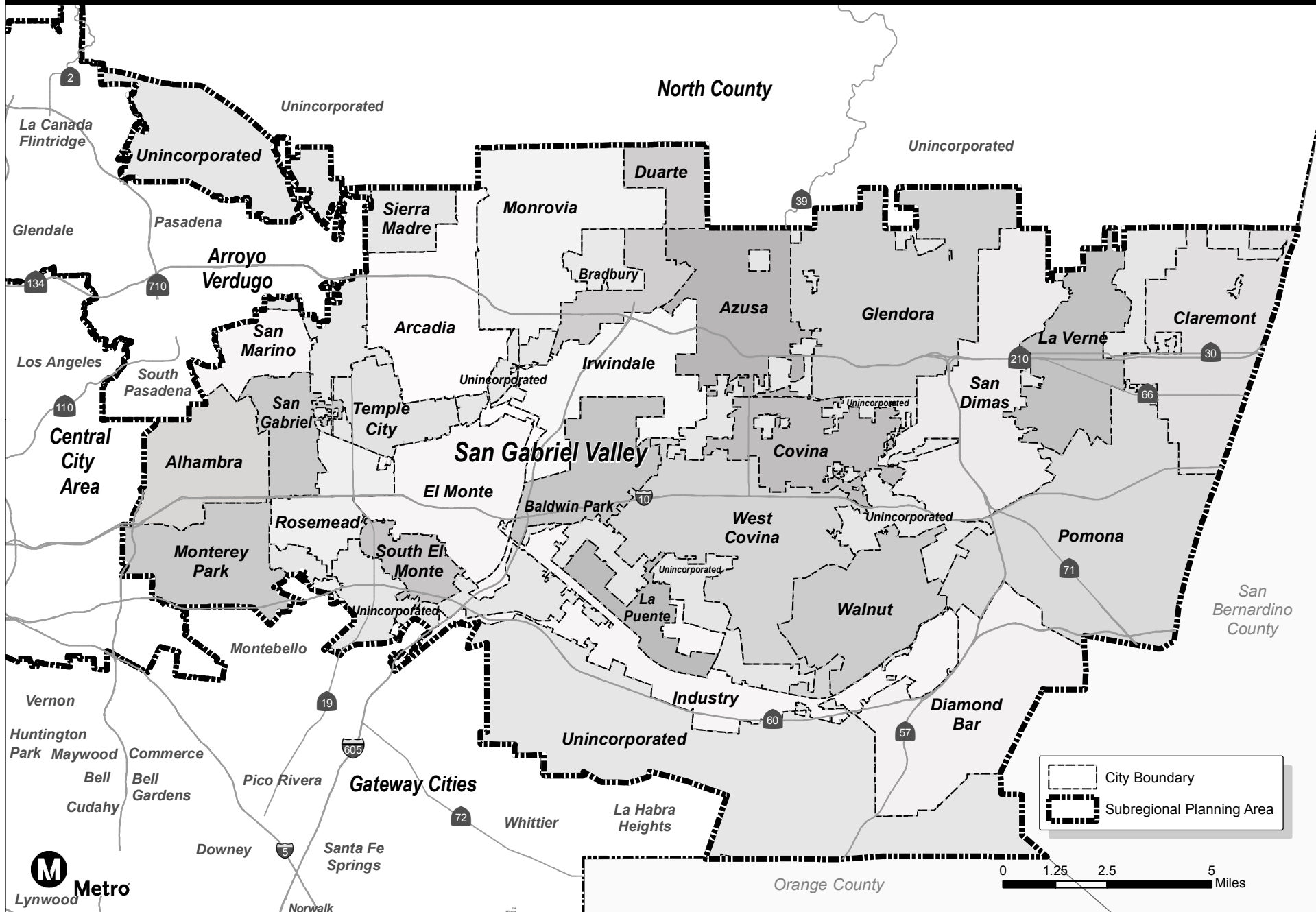
# ATTACHMENT B - page 4 of 9

## Gateway Cities Subregional Planning Area



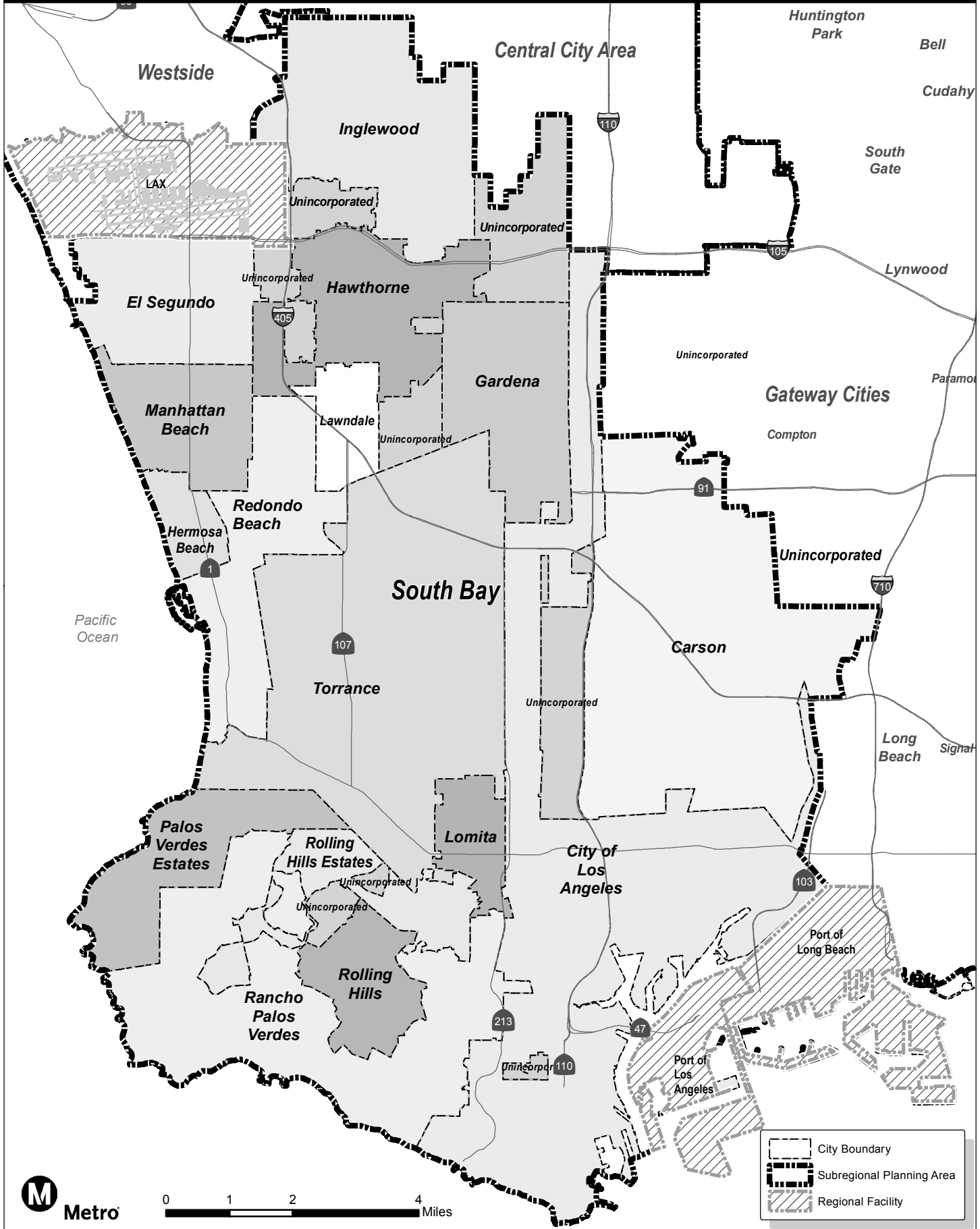
# ATTACHMENT B - page 5 of 9

## San Gabriel Subregional Planning Area



# ATTACHMENT B - page 6 of 9

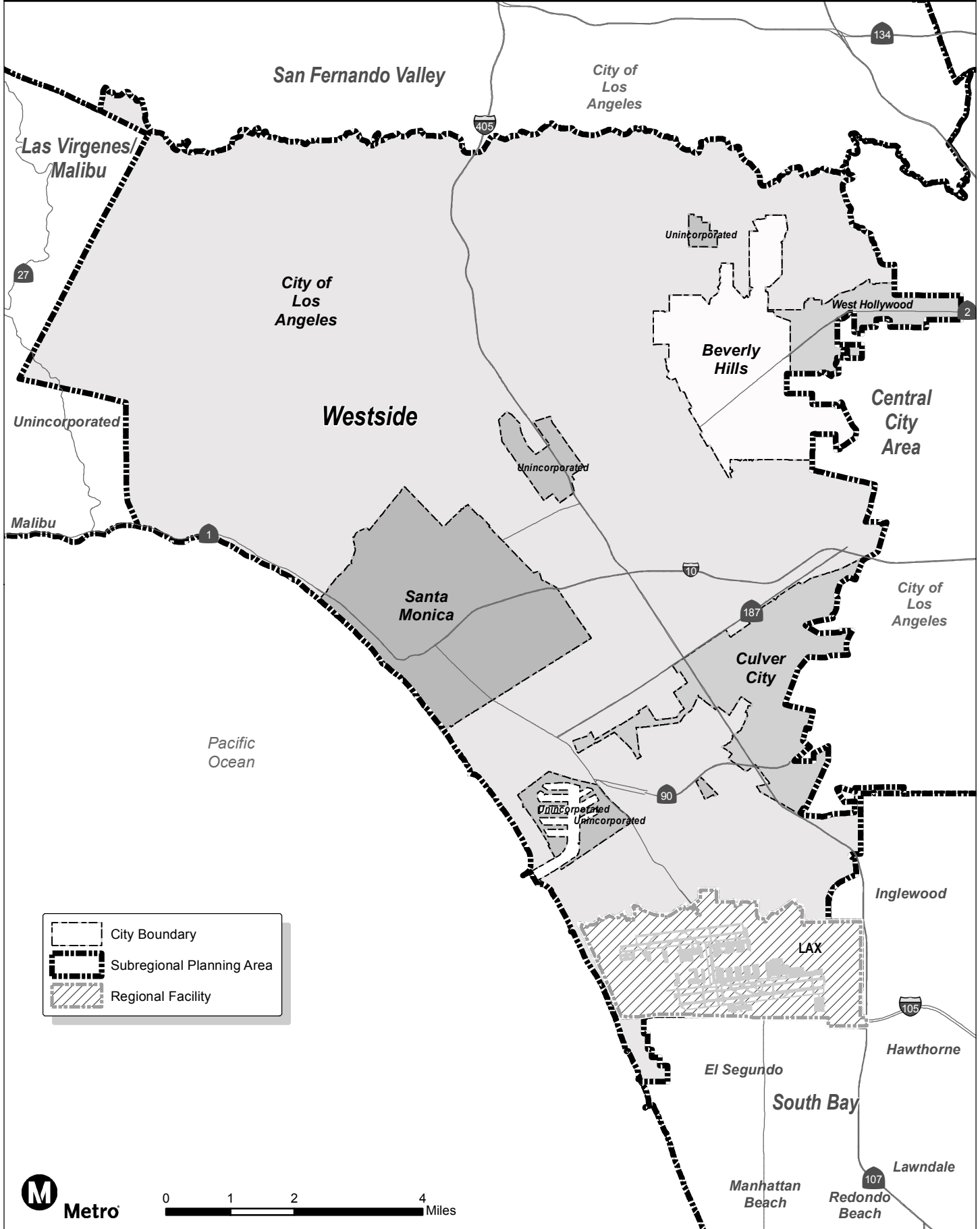
## South Bay Subregional Planning Area





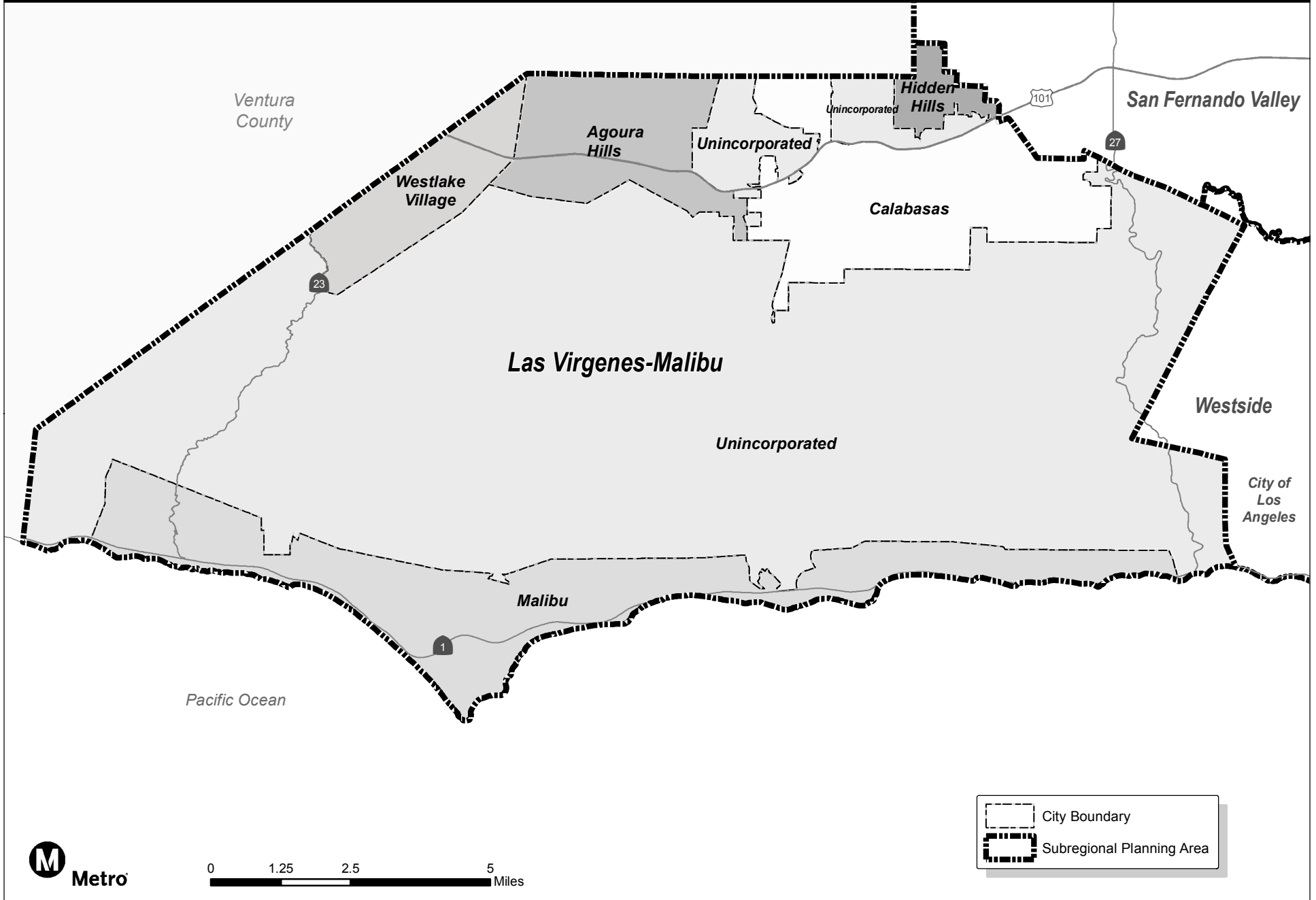
# ATTACHMENT B - page 7 of 9

## Westside Subregional Planning Area



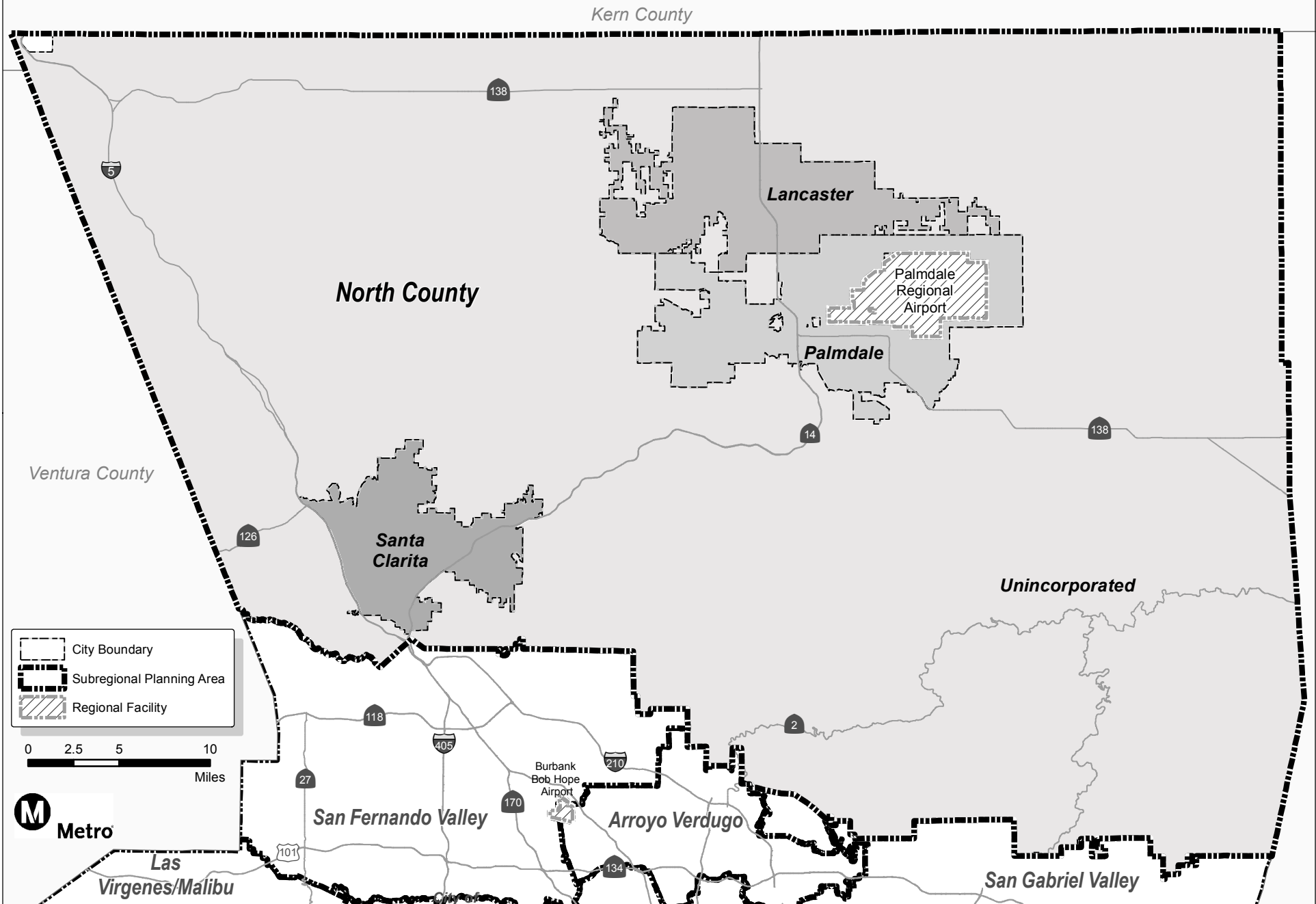
# ATTACHMENT B - page 8 of 9

## Las Virgenes-Malibu Subregional Planning Area



# ATTACHMENT B - page 9 of 9

## North County Subregional Planning Area





## Board Report

File #: 2016-0967, File Type: Program

Agenda Number: 19

**REVISED**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**JANUARY 18, 2017**

**SUBJECT: DORAN STREET AND BROADWAY/BRAZIL GRADE SEPARATION PROJECT**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

APPROVE:

- A. The recommended **Alternative 2 Northerly Point of Access and Salem Sperry Grade Separation** for the environmental documents and preliminary engineering design phase; and
- B. Third party costs of up to \$2 million for the City of Glendale, City of Los Angeles, Southern California Regional Rail Authority and other third parties and authorize the Chief Executive Officer (CEO), or his designee, to negotiate and execute all agreements necessary for this action.

**ISSUE**

In June 2015, the Metro Board partially approved the Doran Street and Broadway/Brazil Safety Access Project, Alternative 2 Fairmont Connector and Salem/Sperry Overpass. The Board approved the Salem/Sperry Overpass but Director Najarian amended the motion and directed staff to work with the City of Glendale and the City of Los Angeles to examine the project without the Fairmont Connector and to report back to the Board on furthering the study to develop another feasible alternative to the Fairmont Connector that meets the short term and long term goals of the region and local communities (Refer to Attachment A).

Staff has completed a new traffic study that examined several alternatives, including prohibiting public access, one-way outbound traffic, and two-way traffic solutions. The results of the study indicate that both the Salem/Sperry Overpass and the Fairmont Connector, currently referred to as the "Northerly Point-of-Access", with a two-way connection to Fairmont Avenue work in tandem, and together these provide a comprehensive solution that addresses the existing and forecasted traffic growth. The two-way traffic solution is critical for the economic vitality of the North Atwater Village businesses while not significantly impacting the intersection operations on Fairmont Avenue. The Salem/Sperry Overpass and two-way Northerly Point-of-Access to Fairmont Avenue will allow for the closure of both the Doran Street and Broadway/Brazil at-grade rail crossings, resulting in a

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substantial safety and mobility improvement for the community (Refer to Attachment B). Staff is requesting the Board to approve the recommended actions.

## **DISCUSSION**

The goal of the Doran Street and Broadway/Brazil Grade Separation Project, formerly referred to as the Doran Street and Broadway/Brazil Safety and Access Project, is to significantly improve safety and enhance mobility by closing both at-grade rail crossings. The project as brought to the Board in June, 2015, consisted of two components. First is the Salem/Sperry Overpass which connects West San Fernando Road to San Fernando Road in the vicinity of Sperry Street in Los Angeles and Salem Avenue in Glendale (Refer to Attachment C). The second component was the Fairmont Connector, which would be the extension of West San Fernando Road over the Verdugo Wash with a two-way connection to Fairmont Avenue (Attachment D and D-1). This utilizes Fairmont Avenue as an overpass, resulting in a significant cost savings by using existing infrastructure as part of the solution.

Up to 90 Metrolink, Amtrak and freight trains a day run through the rail corridor which accounts for a total of 8 hours of gate-down time at the two at-grade crossings. Both crossings have considerable traffic volumes in the order of 7,000 vehicles a day crossing Doran Street and 5,000 vehicles a day crossing Broadway/Brazil Street. The California Public Utilities Commission (CPUC) identified the Doran Street at-grade crossing as one of the most hazardous intersection in the City of Glendale and the City of Los Angeles with 14 recorded pedestrian and vehicular incidents by the Federal Railroad Administration (FRA). The CPUC also mandated that Doran Street be converted temporarily to a one-way westbound movement until the at-grade crossing can be closed permanently when the grade separation is built. There are 9 recorded pedestrian and vehicular incidents reported by FRA at the Broadway/Brazil grade crossing.

In response to the amended motion by Director Najarian to find an alternative design in lieu of the Fairmont Connector, staff hired a new traffic consultant, Gibson Transportation, to work with HNTB to conduct a new traffic study (Refer to Attachment E). The new traffic study consists of new traffic counts for up to 35 intersections in the study area including origin- destination counts from the Doran Street at-grade crossing to and from State Route 134 on-ramps and off-ramps. Additionally, this data was integrated into the SCAG regional traffic model for year 2035 to better examine the traffic patterns and future growth in the vicinity of the project area. With this data, staff examined several alternatives for the Northerly Point-of-Access in lieu of the proposed Fairmont Connector. Staff concluded that the Northerly Point-of-Access with a “J-hook” or “P-hook” configuration that includes a two-way traffic connection to Fairmont Avenue with a protected bike lane and sidewalk is the best alternative. The results of the study indicate that the Salem/Sperry Overpass and Northerly Point-of-Access work in tandem to comprehensively address the existing and forecasted traffic growth of the area. While the study identified an increase of traffic on Fairmont Avenue by future year 2035, the increase does not significantly impact the intersection operations, where the projected Level of Service for the intersections will operate at Level B or C. The Northerly Point-of-Access provides a critical connection for emergency vehicles as well as for economic vitality of the businesses in North

Atwater Village. By implementing the two project components, the Salem/Sperry Overpass and the Northerly Point-of-Access, both at-grade rail crossings at Doran Street and Broadway/Brazil will be closed, substantially improving safety and enhancing mobility, eliminating the need for train horns, and improving the efficiency of train movement along this busy rail corridor.

Community Meetings

Metro conducted two community meetings on December 7, 2016 to present the results of the new traffic study and the recommended alternative for the project. Over 75 people total attended the community meetings. The comments received from the community meetings were favorable related to the results of the expanded traffic circulation analysis beyond Doran Street and Broadway/Brazil Street and the solutions as presented.

One topic of considerable discussion at both community meetings was the CPUC mandate to convert the Doran Street at-grade crossing to a one-way westbound configuration on an interim basis until such time that a grade separation can be constructed. The community concerns are related to the poor traffic signal operations and congestion at the Broadway/Brazil at-grade crossing. The interim condition at Doran would exacerbate the existing traffic condition at Broadway/Brazil Street. The issue is the limitation of the existing traffic signal controller at this very complex intersection at Broadway/Brazil Street and San Fernando Road. Metro staff is already engaged in discussions with the City of Glendale and Metrolink to purchase and upgrade the traffic signal software which will improve signal operations and alleviate congestion. The community was in favor of this signal upgrade. The recommended action for third party cost will include the design and implementation of the traffic signal software.

In addition, the community expressed interest in foregoing the interim at-grade improvements on Doran Street and instead expedite the construction the Northerly Point-of-Access. Another concern raised is the truck traffic on Fairmont Avenue and the community requested the evaluation of eliminating left-turn truck movements from the Northerly Point-of-Access onto Fairmont Avenue. If the Board approves the recommended actions, staff intends to analyze and implement the aforementioned comments received from the community meetings, if deemed feasible.

Third Party Costs

In May 2011, the Metro Board programmed \$6.6 million for the Project for environmental and engineering work. However, third party involvement from the City of Glendale, City of Los Angeles, County of Los Angeles Public Works, SCRRA and other agencies is necessary in order to complete the environmental and design documents. Up to \$2.0 million as listed in the table below is needed to fund third party agencies to participate in meetings, technical inputs, and review of technical and design documents during the environmental and design phases.

ITEM	COST
Traffic signal upgrades at Broadway/Brazil Street and Doran Street	\$500,000

City of Glendale	Up to \$500,000
City of Los Angeles	Up to \$400,000
SCRRA	Up to \$400,000
All other third party agencies	Up to \$200,000

With Board approval of this recommendation, Metro's total commitment to the Project will increase from \$6.6 million to \$8.6 million.

Other Engineering and Environmental Cost

Based on the community engagement and feedback the project has received to date, the project will have other cost related to environmental work and engineering design. Staff had to analyze several more engineering alternatives including adding a J-hook configuration for the Northerly Access Point Overpass which delayed the project contract schedule approximately two years resulting in added escalation cost. Staff intends to return to the Board by April 2017 once the new traffic study has been finalized for the additional environmental and engineering work.

**DETERMINATION OF SAFETY IMPACT**

This Project will significantly improve safety as it is a grade separation of the roadway from active railroad right-of-way. With the construction of this project, two at-grade crossings at Doran Street and Broadway/Brazil Street will be closed, eliminating the possibility of train to vehicle collisions.

**FINANCIAL IMPACT**

The approval of third party costs will require a \$2.0 million increase in Metro's \$6.6 million already programmed to the Project for a total \$8.6 million in Measure R 3% funds.

Since this is a multi-year contract, the cost center manager, and Chief of Program Management will be accountable and responsible for budgeting the cost of future fiscal year requirements in department 2415, Regional Rail, Project No. 460065, Tasks 6.3.01.02 and 6.3.01.03.

Impact to Budget

The source of funds for this request is Measure R 3% Transit Capital. These funds are not eligible to be used for Metro bus/rail operating or capital budget expenses.

**ALTERNATIVES CONSIDERED**

An alternative would be not to approve the recommended actions. This is not recommended as the Project provides a significant safety improvement to the City of Glendale and Los Angeles, improves traffic flow and the efficiency of train movement along the Metrolink and LOSSAN rail corridor.

**NEXT STEPS**

Upon Board approval, staff will move forward with the environmental and design of the project and hold another community meeting by June 2017. Staff will return to the Board by April 2017 for

contract modification for the additional environmental and engineering work.

**ATTACHMENTS**

Attachment A - June 2015 Board Report

Attachment B - Northerly Point-of-Access and Salem/Sperry Overpass

Attachment C - Recommended Alternative 2 - Salem/Sperry Overpass

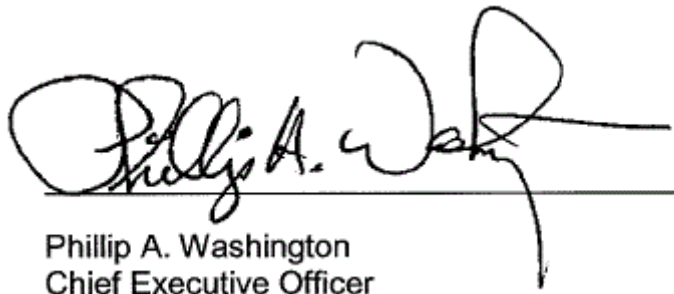
Attachment D - Recommended Alternative 2 - Northerly Point-of-Access (J-Hook)

Attachment D1 -Recommended Alternative 2 - Northerly Point-of-Access (P-Hook)

Attachment E - Director Najarian Board Motion

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Phillip A. Washington  
Chief Executive Officer





Board Report

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File #:2015-0339, File Type:Policy

Agenda Number:20.

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PLANNING AND PROGRAMMING COMMITTEE  
JUNE 17, 2015

**SUBJECT: DORAN STREET AND BROADWAY/BRAZIL SAFETY AND ACCESS PROJECT**

**ACTION: ADOPT LOCALLY PREFERRED ALTERNATIVE**

**RECOMMENDATION**

APPROVED AS AMENDED BY Najarian Motion:

- A. receiving the **Doran Street and Broadway/Brazil Safety and Access Project Study Report Equivalent** (PSRE); and
- B. adopting Locally Preferred Alternative (LPA) 2 from the PSRE to advance into the Final Environmental Document.

**ISSUE**

The Project Study Report for the Doran Street and Broadway/Brazil Safety and Access Project (Project) was completed in March, 2015. Three alternatives are proposed. It is the recommendation to proceed with Alternative 2 as the Locally Approved Alternative to advance into the Final Environmental Document.

**DISCUSSION**

The Los Angeles County Metropolitan Transportation Authority (Metro) is working towards improving safety, mobility and quality of life for the Glendale and Los Angeles communities by closing the Doran Street at-grade crossing. As with any at-grade railroad crossing, safety is of significant importance. Furthermore, a unique combination of limited access, high traffic volumes, adjacent industrial uses, and residential interests, make mobility improvements important to this Project. Doran Street has 13 incidents on record resulting in two fatalities and one injury since 1976. These safety statistics have made the Doran Street crossing the subject of safety hearings and arbitrations by the California Public Utilities Commission (CPUC). The at-grade crossing of Doran Street with the Metro owned right-of-way operated by Metrolink has been the subject of concern for several years. Additionally, this crossing has significant truck and vehicle traffic as well as 90 passenger and freight trains per day.

In May 2011, the Metro Board authorized \$6.6 million for improving the safety of the intersection of

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Doran Street and the Metro owned right-of-way. A portion of these funds is being used to fund the engineering and environmental work necessary for the grade separation of this intersection. Since the Board motion was passed, additional funding has been obtained that will fund the construction of the grade separation of this roadway. Since the crossing is located along the route of the proposed California High Speed Rail Project, staff has worked with the California High Speed Rail Authority (CHSRA) and the Federal Railroad Administration (FRA) to gain additional funding. This project has been ranked as number seven in the region in the Advance Investment Memorandum of Understanding with the CHSRA.

Since the Metro Board action, staff has been working towards the advancement of a solution to the challenges related to this crossing. This has included examining several grade separation alternatives that will provide the maximum safety benefit while minimizing impacts to the communities. This analysis has included existing and the proposed future uses of the railroad corridor. The first phase of the project was completed in April, 2015 and the key deliverable was the Project Study Report Equivalent highlighting three alternatives to close Doran Street and/or Broadway/Brazil crossings.

### **Community Outreach**

A comprehensive community outreach program is underway to inform the public about the Doran Street and Broadway/Brazil Safety and Access Project. Metro has hosted two rounds of community outreach meetings and presented at 19 meetings hosted by other stakeholders.

For the two rounds of Metro hosted Community Outreach meetings, residents were notified of the public process through mailings, direct calls to businesses within the project area, Metro Daily Briefs, Metro's The Source, email blasts, a public telephone hotline, fact sheets, and a dedicated webpage on Metro's website. The project received media coverage in the Glendale News Press, Los Angeles Times, and NBC Los Angeles with a total of eight stories written about the project. Communication also went out in local newsletters and distribution lists for the City of Glendale and other local stakeholder organizations.

#### Community Meetings: Round 1 (February 6, 2014)

Two community workshops were held in Atwater Village on February 6, 2014, 3-5pm and 6-8pm, to accommodate participation from all stakeholders, including businesses and residents. Notification of the meeting was sent to more than 1,500 owners and tenants using the Los Angeles County Assessor's database. Three email notifications were sent out to the project stakeholder database. Individual phone calls were also placed to 69 businesses within the area. An additional eight stakeholder meetings were held prior to Feb. 6th including individual business owners, Pelanconi Estates HOA, the Atwater Village NC and staff from the Cities of Glendale and Los Angeles.

A total of 60 stakeholders attended the February 6th workshops and Metro received 63 comments. Issues raised included access for first responders, traffic and circulation for vehicles and trucks, safety, and impacts to residential and business areas.

Community Meetings: Round 2 (December 9, 2014)

Two community workshops were held in Atwater Village (3-5pm) and Glendale (6-8pm) on December 9, 2014. Notification of the meeting was sent to nearly 2,000 owners and tenants using an updated list pulled from the Los Angeles County Assessor's database. Two email notifications were sent out to individuals in the exiting project stakeholder database. Individual phone calls were also placed to 100 businesses within the area. An additional six stakeholder meetings were held prior to Dec. 9th including Council District 13, business owners, Pelanconi Estates HOA, Atwater Village Neighborhood Council, Walk Bike Glendale and the Los Angeles River Cooperating Committee. After the meeting, Metro held additional briefings with legislative representatives and business owners who were unable to attend the meeting on December 9th.

A total of 89 stakeholders participated at the workshops. Metro received 68 comments. The Stakeholders were shown several alternatives at the workshop. Input from the Stakeholders regarding additional alternatives. These alternatives were evaluated. Aspects of some of these alternatives were incorporated into the ultimate designs. Overall, the comments touched on safety, points of access to North Atwater Village, eminent domain, pedestrian and bicycle access, traffic in the residential areas of Glendale, the timeline for High-Speed Rail, property impacts, air quality, Glendale's Riverwalk Bike project, and the need for a grade separation following the recent improvements to Broadway/Brazil. Business and property owners within the project area expressed concerns about potential impacts and property takings.

There will be additional opportunities for the public to comment during the environmental phase of the project.

**ALTERNATIVES FROM PROJECT STUDY REPORT (EQUIVALENT) (PSRE)**

During the Alternative Analysis portion of the study, several alternatives were examined that would provide the benefit of closing the Doran Street crossing while minimizing the impacts to the communities. During the study it became apparent that the Broadway/Brazil crossing was closely related to the Doran Street crossing and alternatives considered had to address this relationship. As part of the analysis, the railroad corridor was examined to raise or lower the railroad tracks to cross under or over Doran Street and Broadway/Brazil. These alternatives are not feasible due to the constraints of the I-134 Freeway, Colorado Blvd. and Verdugo Wash.

In addition, grade separations that would lower the roadway under the railroad were eliminated due to the community impacts of several roadway and railroad detours needed to complete the construction.

The following alternatives were carried forward with the PSRE.

**No Build:** This alternative would keep Doran Street and Broadway/Brazil as at-grade crossings. However, this does not meet the requirements of the CPUC Order to take steps to close the Doran Street crossing.

**Alternative 1: Doran Overpass:** Alternative 1 proposes to raise Doran Street over San Fernando

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Road, the rail tracks, and West San Fernando Road. The existing intersection of Doran Street and San Fernando Road will be replaced with a new signalized intersection at a widened and realigned Commercial Street. This will facilitate traffic movements between San Fernando Road, Doran Street and the State Route 134 ramps. Milford Street will tie to Commercial Street in a tee-intersection. West San Fernando Road will pass under the Doran Street overpass bridge and connect to Doran Street. This alternative will close the Doran Street at-grade crossing while Broadway/Brazil will remain open as an at-grade crossing. Refer to Figure 1 of Attachment A - Executive Summary for a conceptual layout of this alternative.

**Alternative 2: Fairmont Connector and Salem/Sperry Overpass:** Alternative 2 has two components, the first consists of a connector road that extends West San Fernando Road to the Fairmont Avenue bridge and the second is an overpass crossing over San Fernando Road, the rail tracks, and West San Fernando Road in the vicinity of Salem Street and Sperry Street. This alternative will also consider two options for providing multi-modal movements over the Verdugo Wash as planned in the City of Glendale River Walk project. Alternative 2 will close both the Doran Street and Broadway/Brazil at-grade crossings. Refer to Figure 2 of Attachment A - Executive Summary for a conceptual layout of this alternative.

**Alternative 3: Fairmont Connector and Zoo Drive Connector:** Alternative 3 utilizes the same connector road from West San Fernando Road to the Fairmont Avenue Bridge as Alternative 2. However, this alternative proposes to construct this road in conjunction with a road that connects Doran Street across the Los Angeles River to Zoo Drive. Similar to Alternative 2, this alternative includes an option to construct a bridge to extend the Glendale River Walk across the Verdugo Wash. Alternative 3 will close the Doran Street at-grade crossing while Broadway/Brazil will remain an at-grade crossing. Refer to Figure 3 of Attachment A - Executive Summary for a conceptual layout of this alternative.

#### EVALUATION OF OPTION DISCUSSED AT MAY 20 PLANNING AND PROGRAMMING COMMITTEE MEETING

Alternatives 2 and 3 contained within the Project Study Report (Equivalent) (PSRE), dated May 18, 2015, include the Fairmont Connector which will extend West San Fernando Road to connect to the Fairmont Avenue bridge over the Verdugo Wash. The Fairmont Connector is planned to be striped for one lane of traffic in each direction and have a signalized intersection at Fairmont Avenue. During public comments at the Glendale Council Meeting on May 19, 2015, a community member suggested an option of making the Fairmont Connector available for first responders only and closed to the general public. The option is intended to address the CPUC and first responder's requirement to provide access for emergency vehicles to the northern Atwater Village area in the City of Los Angeles. The option would close the Doran Street at-grade crossing, facilitating a future quiet zone. The Metro Planning and Programming Committee confirmed the desire to evaluate this community option at their meeting on May 20, 2015 prior to selecting a preferred alternative for the Project. This

section summarizes the findings from the evaluation.

## CONSIDERATIONS

The following considerations were factored into the evaluation of the option:

**First Responders:** Discussions with the first responders, both police and fire from the cities of Glendale and Los Angeles, were conducted via email and telephone in order to receive their input, feedback, and requirements on the proposed option.

**LOSSAN Expansion:** The LOSSAN Corridor Agency Strategic Implementation Plan will increase daily rail traffic from 84 trains to 124 trains by 2030, a 50% increase. This will result in additional vehicular delays at remaining at-grade crossings, such as Broadway/Brazil.

**Los Angeles River:** The cities of Glendale and Los Angeles voted to adopt Alternative 20 of the L.A. River Revitalization as the Locally Preferred Alternative (LPA). In May of 2014, the US Army Corps of Engineers adopted Alternative 20 and it is currently being advanced through the environmental clearance process. A goal of this project is to avoid or mitigate any encroachment into the Alternative 20 footprint.

**Traffic Growth:** The projected traffic forecast on Fairmont Avenue and in the vicinity of the eastbound and westbound SR-134 ramps is due primarily to the expansion of the Disney Grand Central Creative Campus (CG3).

**Traffic Circulation:** Overall circulation within the Atwater Village area must be considered with adequate Level of Service (LOS). The ability to reroute traffic and mitigate impacts of doing so will be challenging as existing right-of-way is narrow, 50-feet in width on most streets, and points of access to this area are limited.

## CONCLUSION

The community option addresses a singular issue, providing access for first responders to the northern Atwater Village area that would address the CPUC and first responders concerns. The intent of this community option is to close the current Doran Street at-grade crossing, leading to a quiet zone.

The larger issue with the closure of the Doran Street at-grade crossing is the traffic circulation within Atwater Village and the ability to move traffic and goods through the West San Fernando Road/Brazil Street and San Fernando Road/Broadway intersections. Both of these intersections will be significantly impacted.

In summary, the closure of the Doran Street at-grade crossing, while it provides emergency responder access only, results in:

1. Closure of the Doran Street at-grade crossing that will result in 80% of the parcels in Atwater Village area, north of Colorado Street, being solely reliant upon the West San Fernando Road/Brazil Street intersection as the lifeline for their business.
  - Degradation of the West San Fernando Road/Brazil Street intersection from a Level of Services (LOS) D to LOS F.
  - Queuing in both the southbound and eastbound directions at the West San Fernando Road/Brazil Street intersection effectively gridlocks traffic to the west and north of this intersection.
  - Southbound left-turn queuing would require over 650 feet of turn pocket length where only 100 feet is available. Any queuing beyond 100 feet blocks through movements as well.
2. San Fernando Road/Broadway intersection remains a LOS F however operations are further impacted. Level of service is determined through Synchro analysis and is reflective of the signal operations. It does not, however, account for train delays. Inclusion of train delays will reduce available capacity resulting in even further degradation of the intersection operations.
  - Significant increase in southbound right-turn movement from San Fernando Road to Brazil Street (from 56 vehicles per hour (vph) to 452 vph in the AM peak hour), far exceeding capacity. This will significantly reduce capacity of the through traffic as the #2 southbound lane will be blocked by the right-turn queue.
  - To avoid the long queue and delay from the excessive southbound right-turn movement from San Fernando Road to Brazil Street, it could be expected that drivers will seek other routes with the most direct being Concord Avenue as a bypass to and from the SR-134 and Broadway.
3. If built in conjunction with Alternative 2 Salem/Sperry Overpass, excessive queuing would still exist and an additional lane of traffic at each intersection of the overpass would be required to address the turning movements. This will increase the right-of-way and construction costs.
4. If built in conjunction with Alternative 3 Zoo Drive Connector, the existing at-grade intersection would remain at Broadway/Brazil. While the Zoo Drive Connector redirects some traffic towards the I-5 Interchange, the remaining traffic still significantly impacts the West San Fernando Road/Brazil Street and San Fernando/Broadway intersections.

Based on the evaluation, the \$15 million expenditure for an emergency access only bridge does not outweigh the resultant impacts that closing the Doran Street at-grade crossing would have on overall traffic operations, local businesses, and the potential bypass traffic in Glendale. Staff does not recommend adopting this option.

**RECOMMENDATION FROM METRO STAFF**

A quantitative analysis was conducted to compare the three alternatives. A constraints analysis matrix was developed as part of this analysis. The constraints matrix included design considerations like cost/fundability, right-of-way impacts, environmental considerations, traffic circulation and diversion, constructability, railroad impacts, geometrics, utility impacts, consistency with the L.A. River revitalization plan and overall programmatic outlook keeping in mind future community impact. Please see Attachment B - Constraints Matrix Analysis for additional information about the development of the matrix.

Issue	Alt 1	Alt 2	Alt 3
Permanently closes Doran crossing	✓	✓	✓
Permanently closes Broadway/Brazil crossing		✓	
No future grade separation required		✓	
Keeps traffic on arterials	✓	✓	
Both crossings open during construction		✓	✓
Consistent with L.A. River Revitalization		✓	
Consistent with funding sources	✓	✓	

**Figure 1: Alternatives Comparison**

Metro Staff recommend Alternative 2 because it achieves the optimal safety goal to permanently close both Doran Street and Broadway/Brazil at-grade crossings. It eliminates the cumulative effects of constructing two separate grade separations at two different times. If a grade separation is constructed at only Doran Street right now, we anticipate another grade separation soon to improve safety at the Broadway/Brazil crossing. This will be required because of increased service levels from Metrolink and Amtrak and the proposed use of this corridor for high speed trains.

The effects of constructing two grade separations at two different times in Alternatives 1 and 3 will include cumulative impact on right-of-way because of the need for additional land acquisition and business relocation. This additional right-of-way need for Alternatives 1 and 3 in the future will be the same as the current need for the Salem/Sperry Overpass. Attachment C - Cumulative Right-of-Way Impact illustrates the cumulative right-of-way impacts for the three alternatives.

The overall programmatic costs accrued from adopting each alternative is shown in figure 2 below. In addition to the overall programmatic cost savings accrued from adopting alternative 2, significant cost savings are anticipated from economies of scale if a single grade separation is constructed to replace the two at-grade crossings. Alternative 2 ensures traffic stays on the arterials in the permanent condition, and keeps both crossing open during construction. Finally, this alternative is consistent with L.A. River Revitalization Plan and the requirements of the funding sources. A summary chart highlighting how each alternative meets the project objectives is shown in attachment D - Alternatives Comparison

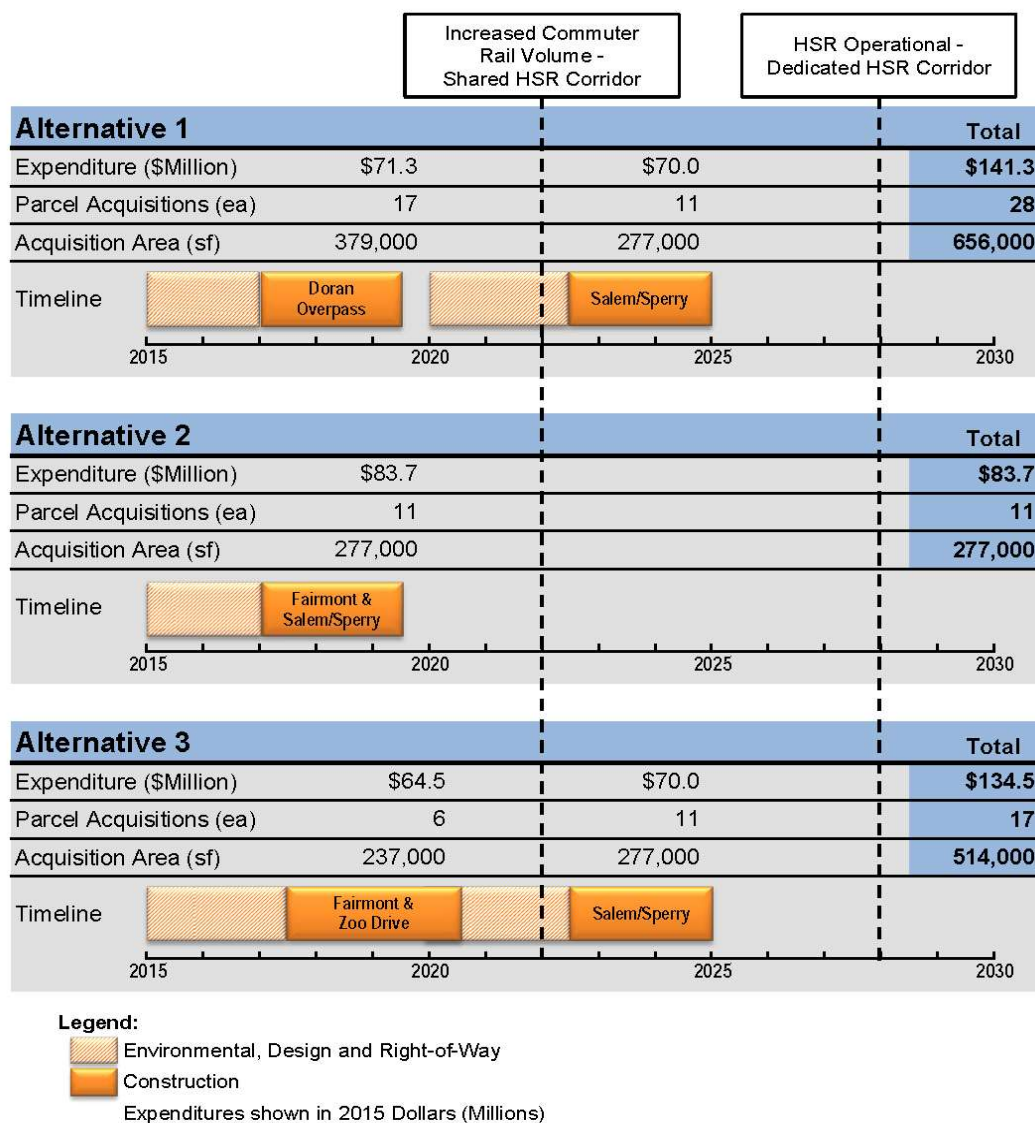


Figure 2: Project Programmatic Overview

**DETERMINATION OF SAFETY IMPACT**

Due to the urgent need to improve safety at this crossing, an Administrative Law Judge (ALJ) has ruled that the Doran Street at-grade crossing be closed permanently. However, there is a requirement to provide two points of access for emergency responders into the area west of the railroad corridor during an emergency. To accomplish this requirement, the ALJ required that Doran Street be converted to a one-way westbound movement until the crossing can be closed permanently.

The Broadway/Brazil at-grade crossing, located less than a half mile from the Doran Street crossing, has a similar safety record. Broadway/Brazil has 9 incidents resulting in five fatalities and three injuries. Broadway/Brazil was upgraded in December, 2014 as part of the mitigation agreement



between the city of Glendale and other agencies and the CPUC. In addition, Metro staff been involved with hearings and arbitrations initiated by the CPUC.

Irrespective of safety improvements adopted, at-grade crossings will always have the potential conflict between rail and vehicles, trucks and/or pedestrians. With a grade separation or closure, this conflict is eliminated. Over the coming years, Metrolink and Amtrak passenger service is expected to increase along this corridor. This further highlights the urgency to close these at-grade crossings. In addition to the increased service levels from Metrolink and Amtrak, the California High Speed Rail Authority (CHSRA) is also proposing this railroad corridor for their Palmdale/Los Angeles segment that is expected to be in service by 2022. In order for high speed rail to utilize this corridor, all at-grade crossings will have to be grade separated or closed.

This project has support from the Federal Railroad Administration (FRA), Caltrans, CPUC, Metrolink, Amtrak, and the CHSRA. The project comprises four phases: Alternative Analysis, Environmental Studies & Preliminary Engineering, Final Design, and Construction.

The project area includes a second at-grade crossing less than half mile south of Doran Street at Broadway/Brazil. With the two at-grade crossings being near each other, there is a higher chance for an accident occurring in the project area. Moreover, the number of incidents in Los Angeles County has continued to increase in the last five years, as shown in the Table 1 below. The ultimate safety enhancement would be to close both crossings and separate the vehicles and pedestrians from the trains.

**Table 1: Los Angeles County Incident Table**  
(Source Federal Railroad Administration)

Year	Accidents	Fatalities	Injuries
2009	24	5	4
2010	20	6	9
2011	21	5	11
2012	20	9	19
2013	32	12	35
<b>Totals</b>	<b>117</b>	<b>37</b>	<b>78</b>

**FINANCIAL IMPACT**

\$2.5 million of Measure R 3% funding for design and construction of this project is included in cost center 2415, Regional Rail FY16 Budget in Project 460091 Doran Street Grade Separation. Since this is a multi-year contract, the Executive Officer, Regional Rail will be accountable to budget the

costs in future years.

Impact to Budget

Table 2: Summary of Funding Sources	
FUNDING SOURCE	AMOUNT
<b>Local Measure R 3%</b>	\$6.6 Million
<b>State Proposition 1A</b>	\$45.0 Million
<b>Federal American Recovery and Reinvestment Act (ARRA)</b>	\$15.8 Million
<b>CHSRA and other sources</b>	\$19.6 Million
<b>TOTAL</b>	<b>\$87.0 Million</b>

Measure R 3% funds are designated for Metrolink commuter rail capital improvements in Los Angeles County. These funds are not eligible to be used for Metro bus/rail operating or capital budget expenses. This programming action has no impact to the Proposition A and C, TDA or Measure R administration budgets.

The three alternatives studied have the following estimated project costs see table 3 below and the attached Project Study Report for additional information.

Table 3: Summary of Project Costs for Alternatives	
ALTERNATIVE	TOTAL PROJECT COSTS
1 Doran Overpass	\$71.31 Million
2 Fairmont Connector and Salem / Sperry Overpass	\$83.73 Million
3 Fairmont Connector and Zoo Drive Connector	\$64.49 Million

**ALTERNATIVES CONSIDERED**

The Board could choose not to select a locally preferred alternative. This alternative is not recommended due to the safety concerns at this crossing. The two at-grade crossings will still have the possibility of vehicle-train collisions. After several hearings and arbitrations with the CPUC, and the attempts by that agency to close the crossing, it was determined that there is a significant need to move to a grade separation.

**NEXT STEPS**

Upon selection of a locally preferred alternative by the Board, we will commence the environmental studies and preliminary engineering.

Upon approval of the request to program additional funds, Metro CEO will negotiate a design fee with Contractor HNTB Inc. and approve Modification 2 for signal engineering.

**ATTACHMENTS**

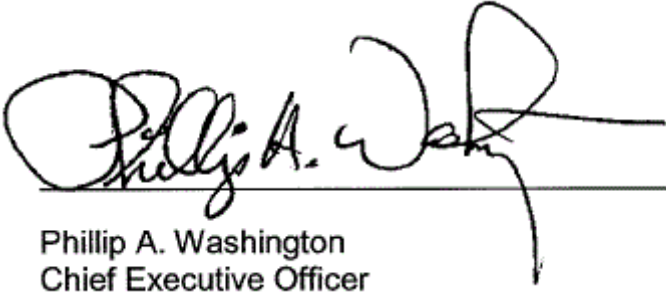
Attachment A - Project Study Report - Executive Summary  
Attachment B - Constraints Analysis Matrix  
Attachment C - Cumulative Right-of-Way Impact  
Attachment D - Alternatives Comparison

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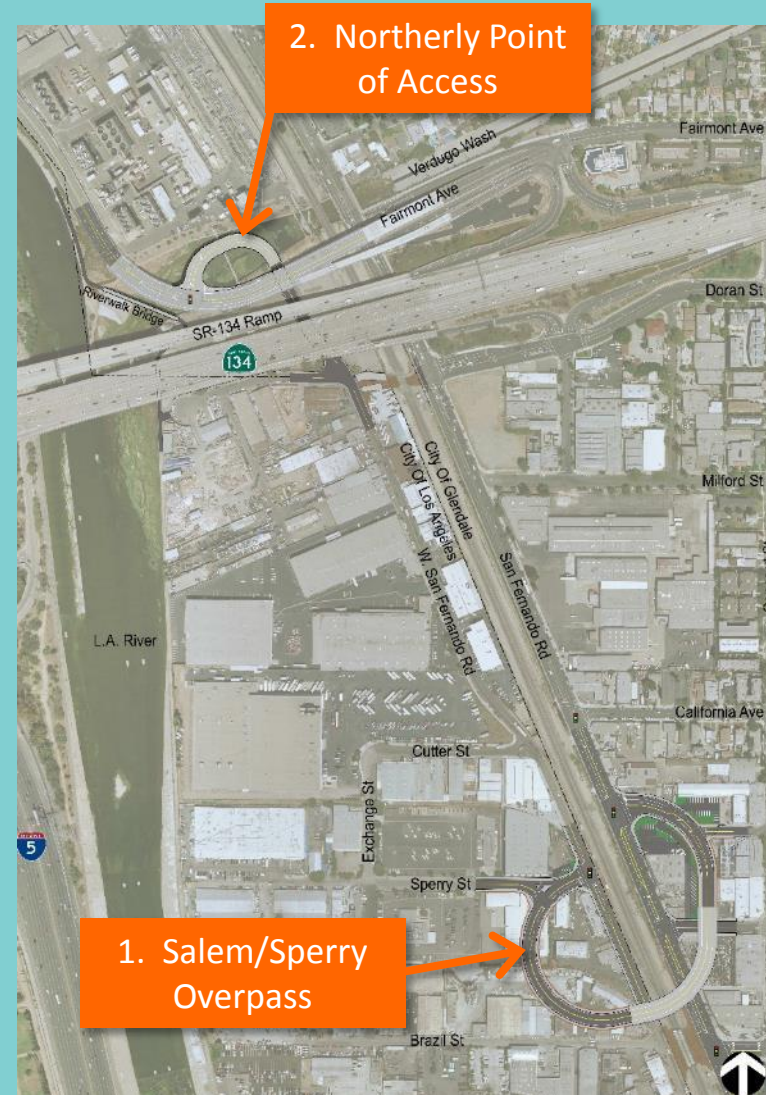


Phillip A. Washington  
Chief Executive Officer

# ATTACHMENT B

## Northerly Point-of-Access and Salem/Sperry Overpass

- These two components work in tandem to provide a comprehensive safety and access solution
- Benefits:
  - Closes two at-grade crossings,
  - Eliminates longer term impacts with no need for a future grade separation at Broadway/Brazil
  - Uninterrupted access over the railroad corridor with minimal diversion of traffic
  - The two components support Quiet Zones for Doran St and Broadway/Brazil



# ATTACHMENT C

## Recommended Alternative - Salem/Sperry Overpass

*Conceptual rendering; subject to change.*



# ATTACHMENT D-1

## Recommended Alternative 2 - Northerly Point-of-Access(P-Hook)

*Conceptual rendering; subject to change.*



# ATTACHMENT D

## Recommended Alternative 2 - Northerly Point-of-Access(J-Hook)

*Conceptual rendering; subject to change.*







Board Report

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File #:2015-0954, File Type:Motion / Motion  
Response

Agenda Number:20.1.

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**REGULAR BOARD MEETING  
JUNE 25, 2015**

**Motion by:**

**Ara Najarian**

June 17, 2015

**Item #20, File ID 2015-0339  
Doran Street & Broadway/Brazil Safety & Access Project**

In response to the actions of the California Public Utilities Commission, Metro has been developing a grade separation that will allow the closure of the Doran Street and Broadway/Brazil at grade crossings. Several alternatives have been examined that would provide this closure and allow two points of access into the area west of the railroad right-of-way.

Local residents have expressed concerns that Alternatives 2 will place additional traffic into neighborhoods where there is currently minimal traffic. Consequently, the community has raised options for Alternative 2 that should be further studied. These options included the elimination or reconfiguration of the Fairmont Connector portion of Alternative 2.

Alternative 2 as presented to the Board provides the most opportunity for safety and mobility in the area. However, there is a possibility that this alternative will direct additional traffic into neighborhoods where there is currently minimal traffic. Furthermore, it appears that there are ways of providing the necessary access to the area with minimal impacts to the community.

**APPROVED Najarian Motion** to amend Item 20 so that staff proceeds with the Alternative 2 environmental work with the following stipulations:

- A. Staff to work with the City of Glendale and the City of Los Angeles on furthering this alternative;
- B. Staff to examine the access to the area without the Fairmont Connector; and
- C. Staff to report to the Metro Board periodically on progress in developing an alternative that meets the short term and long term goals of the region and local communities.

**Board Report**

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**File #:** 2016-0886, **File Type:** Contract**Agenda Number:** 23

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**CONSTRUCTION COMMITTEE  
JANUARY 19, 2017****SUBJECT: FUEL STORAGE TANK PROGRAM FOR RAIL AND BUS FACILITIES****ACTION: ESTABLISH LIFE OF PROJECT BUDGET****RECOMMENDATION**

AUTHORIZE the Life-of-Project (LOP) budget of \$13,185,000 for a **three-year Fuel Storage Tank Project managed through Environmental Compliance and Sustainability Section (ECSS)**.

**ISSUE**

Metro currently operates Underground Fuel Storage Tanks (USTs) in 16 bus/rail divisions. UST systems are regulated by Los Angeles Fire Department, Los Angeles County Public Works, and State Water Resources Control Board (SWRCB) Title 23 and AQMD Rule 461. The Tank Program is budgeted annually based upon forecasted upgrades and repairs from the annual required testing performed on USTs. Early this year SWQCB inspected all of Metro's USTs that are regulated by SWRCB. SWRCB issued unforeseen Notices of Violations (NOVs) for UST systems at all of Metro Divisions. Consequently, there is a need to request the approval of an out of cycle UST project in order to address the NOVs to allow for continued availability of diesel for emergency generators and gasoline for Metro's non-revenue fleet.

Beyond the completion of the repairs associated with the USTs, the remaining project funding will be used to address on-going maintenance of operating USTs.

**DISCUSSION**

The existing UST Project (Project Number 202211) has a three year life of project budget with corresponding programmed annual activities that include the repair and replacement of UST parts, hoses, electrical conduits, and other related appurtenances. The calendar year 2016 is unusual. While Metro staff has programmed repairs and upgrades for this fiscal year and are scheduled to complete the project within time and budget, all of Metro's facilities were also simultaneously serially inspected by the SWRCB within a very short timeframe at the beginning of 2016. This concentrated inspection by SWRCB had not occurred in the past.

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The programmed repairs are routine regulatory upgrades. A number of them were also programmed to ensure compliance within the grandfathering timeframe of the regulatory compliance period. While these USTs are scheduled to be repaired or upgraded, they were determined to be non-compliant per SWRCB. There were also additional repairs that we needed to do upon the opening up of some UST repair locations. These conditions only manifested themselves during the preparatory work of the repairs and upgrades including compromised seals, loose gaskets, broken parts, and similar issues. While anticipated, the compounded effect of accelerating programmed repair upgrades under the requirements of a NOV and the additional changed conditions led to an accelerated depletion of remaining project funding.

Staff had developed a project to be included in the FY18 budget cycle, but the compounded effect of NOV citation and additional changed conditions makes it necessary for staff to request for Board approval of this out of cycle project.

To accomplish the assigned tasks, staff will issue Task Orders to our Environmental Services Contractor (currently EN077) who will provide the necessary staff, sub-consultants, equipment, software, supplies, and services. They shall employ or subcontract as necessary with DBEs. An increase to the contract amount for Contract EN077 to accomplish some or all of this work is the subject of a separate Board Report. The rest of the work identified as part of this Board Report (FY18 to mid FY20) will be accomplished by the EN077 replacement contract that is anticipated to be awarded by the end of FY17.

### **DETERMINATION OF SAFETY IMPACT**

NOVs are identified as an imminent threat to human health or safety or the environment. The programmed work will reduce the risk of a hazardous release from any of these tank systems in the future.

### **FINANCIAL IMPACT**

The adopted fiscal year 2017 budget for Metro's operating capital projects is assessed and reprioritized through the midyear budget adjustments. The \$2.2 million required to address the NOVs will be funded as part of the midyear adjustment; no budget amendment is being sought for this current fiscal year. Since this is a multi-year project, the Chief Program Management Officer and Project Manager are responsible for budgeting costs for future years.

If the required repairs and upgrades are not addressed in FY17 Metro faces potential penalties of up to \$5,000/day per violation per California Health and Safety Code 6.7. Furthermore, tank systems will continually be "red-tagged" which prohibits the use of the tanks until the repairs are completed. This would significantly impact Bus and Rail daily operations.

### **Impact to Budget**

The funding source for the LOP of \$13,185,000 (including the \$2.2 million for FY17 required repairs) is TDA Article 4 and Proposition A 35%. These funds are eligible for bus and rail operating and capital projects. These are appropriate funds for the subject matter; no other funds were considered.

### **ALTERNATIVES CONSIDERED**

Staff requests project LOP approval to continue addressing NOV's issued by the SWRCB. This enables the mechanism to issue task orders and pay for the work performed. If the Metro Board rejects the formation of a new UST project, Task Orders cannot be issued, making it difficult to address NOV's as well as the repairs and upgrades resulting from the changed conditions. At that point, the SWRCB most likely will take legal action against Metro for not addressing the violations. Such action can result in Metro receiving potential penalties of up to \$5,000/day per violation. Programmed repairs and upgrades cannot also be completed in the future fiscal years increasing the likelihood of additional NOV's to be issued to our agency.

Staff is issuing a new Request for Proposal (RFP) for this type of work to take over the expiring EN077 Environmental Services contract. The replacement contract that will perform the rest of the FY18 through part of FY20 work is anticipated to be awarded at the end of FY17.

### **NEXT STEPS**

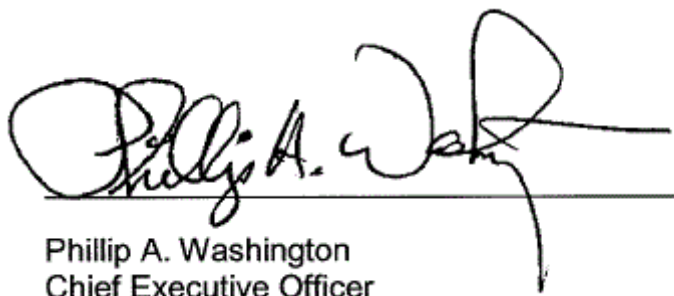
After the recommended Board Action is approved, staff will complete the process to award task orders under the newly approved project.

### **ATTACHMENTS**

Attachment A. LOP Budget and Funding Plan

Prepared by: Cris B. Liban, Executive Officer, Environmental Compliance and Sustainability (213) 922-3471

Reviewed by: Richard Clarke, Chief Program Management Officer  
(213) 922-7557



Phillip A. Washington  
Chief Executive Officer

**ATTACHMENT A. LOP BUDGET AND FUNDING PLAN**

**Projected UST Expenditures and Source of Funds (Feb.17 to Dec.19)**

<b>USES OF FUNDS</b>				
	<b>TO BE COMPLETED UNDER THE EN077 ENVIRONMENTAL SERVICES CONTRACT</b>	<b>TO BE COMPLETED UNDER NEW ENVIRONMENTAL SERVICES CONTRACT; ANTICIPATED AWARD IS END OF FY17</b>		
<b>PROJECT</b>	<b>FY17(A) Feb.2017-Jun.2017</b>	<b>FY18 (B)</b>	<b>FY19 (C)</b>	<b>FY20 (D) July 2019-Dec.2019</b>
Division 2 AST Install	\$350,000			
Division 5 UST/AST Repairs and Upgrades	\$600,000	\$180,000		
Division 7 UST Repairs and Upgrades		\$1,400,000		
Division 18 AST Installation		\$1,000,000		
Division 9 UST Repairs and Upgrades	\$550,000			
Division 10 UST Repairs	\$300,000	\$350,000		
Install 8 New Waste Antifreeze AST		\$960,000		
D20,22,61 AST Installations		\$500,000		
CNG AST Standardization			\$2,000,000	\$400,000
Several Veeder Root Panels for ASTs			\$900,000	\$150,000
AST Repairs (routine)			\$450,000	\$150,000
Division 13 AST System Repairs		\$150,000		
SB 989 Failures/Maintenance	\$135,260	\$89,740	\$150,000	\$75,000
Emergency Response Failures UST/AST			\$500,000	\$125,000
<b>SUM</b>	\$1,935,260	\$4,629,740	\$4,000,000	\$900,000
<b>Contingency (15%)</b>	\$290,289	\$694,461	\$600,000	\$135,000
<b>TOTAL</b>	<b>\$2,225,549</b>	<b>\$5,324,201</b>	<b>\$4,600,000</b>	<b>\$1,035,000</b>

**TOTAL REQUESTED BUDGET (A+B+C+D) \$13,184,750**

<b>SOURCES OF FUNDS</b>	<b>FY17(Aa)</b>	<b>FY18(Bb)</b>	<b>FY19(Cc)</b>	<b>FY20(Dd)</b>
TDA Article 4 (or Other Eligible Bus Funds)	\$2,070,000	\$4,473,500	\$4,025,000	\$891,250
PA 35% (or Other Eligible Rail Funds)	\$155,549	\$850,701	\$575,000	\$143,750
<b>Total:</b>	<b>\$2,225,549</b>	<b>\$5,324,201</b>	<b>\$4,600,000</b>	<b>\$1,035,000</b>

**TOTAL FUNDS SOURCED (Aa+Bb+Cc+Dd): \$13,184,750**

**Board Report**

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**File #:** 2016-0932, **File Type:** Contract**Agenda Number:** 26

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**CONSTRUCTION COMMITTEE  
JANUARY 19, 2017****SUBJECT: ALL TRANSIT CORRIDOR AND CAPITAL PROJECTS****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

INCREASE the authorized funding for Contract No. EN077 with **Arcadis US, Inc. (AUS)**, to fund **additional Environmental Hazardous Materials and Construction Services Task Orders** in an amount not-to-exceed \$3,255,000 increasing the total Contract Value from \$38,000,000 to \$41,255,000.

**RATIONALE**

In September 2011, the Board authorized negotiation and award, and the Board funded the Contract in the initial amount of \$38,000,000, based upon a staff cost estimate of work necessary to support Metro's approved Capital Construction Program for FY12 through FY16. Outstanding Task Orders that were awarded in FY16 were carried over to FY17. These Task Orders are scheduled to terminate with the expiration of the EN077 Contract at the end of FY17. Any remaining Contract Value was projected to be sufficient to support existing environmental services efforts.

The emergence of changed conditions at major capital projects including Location 61S as well as multiple notices of violations resulting from additional regulatory compliance requirements related to State Water Resources Control Board and City and County of Los Angeles Fire Department underground storage tank requirements and SB 989 regulations required the additional use of AUS services beyond what staff has anticipated that can be handled within the current AUS Contract Value. Based upon forecasted work for the remainder of FY17 up to and until the expiration of this Contract at the end of the FY17, staff is requesting additional funding in the amount of 3,255,000 which would bring the total authorized value for this Contract to \$41,255,000.

Nearly every capital project, and many ongoing facilities maintenance or restoration activities undertaken by Metro require evaluation and, as necessary, removal or treatment of hazardous or contaminating substances. Metro must comply with all environmental laws to avoid fines, and civil or

criminal liability. To ensure such compliance, Metro has solicited and awarded contracts for environmental services. Under Contract No. EN077, AUS assists with the proper clean up, abating, managing, transporting, and disposing of contaminated or hazardous materials at various Metro operating facilities; and sampling and testing at various locations for contaminated and hazardous soils and water. AUS also performs, under this Contract, construction services that require environmental contractor specialization.

Specific projects identified to require environmental services, along with estimated costs of these services, is shown below. Attachment A includes a month to month cashflow projection on when these expenditures are going to be spent.

<b>Underground Storage Tank Program</b>	<b>Est. Cost</b>
Division 2 EG UST Removal & AST Install	\$350,000
Division 5 UST/AST Repairs and Upgrades	\$600,000
Division 9 UST Repairs and Upgrades	\$550,000
Division 10 UST System Repair	\$300,000
Emergency response failures UST/AST	\$135,260
<b>Other Projects</b>	
Soil & Water Transportation and Disposal	\$100,000
Purple Line Extension Waste Soil	\$ 40,000
Patsaouras Plaza Busway Management Environmental Support	\$217,000
Location 61 S / Soil Remediation	\$237,000
Regional Connector Waste Management On Call	\$ 15,000
PLE Lead and Asbestos Abatement Section 2	\$250,000
Crenshaw - LAX On-Call Incident Response Service	\$ 45,000
Location 61S Phase II Excavation	\$600,000
Bob Hope Airport Station	\$ 45,000
Geotechnical Waste Removal / LinkUSA Project Support	<u>\$ 70,000</u>
<b>TOTAL</b>	<b>\$3,554,260</b>

As of November 2016 (the time of report preparation), there is approximately \$1,900,000 remaining in the Contract Value for AUS. The requested increase in Contract Value will allow for the completion of the remaining work scheduled for FY17.

A replacement Environmental Services contract is currently under procurement and upon award at the end of FY17 will replace AUS to perform Environmental Services work.

**IMPACTS TO OTHER CONTRACTS**

Timely and thorough environmental services in connection with other construction contracts is essential to complete capital projects within schedule and budget. If the value of Contract No. EN077 is not increased, staff will not be able to respond to the outstanding and newly identified compliance requirements (including those that address the notices of violations); as well as respond to the major capital project changed conditions. Staff will also have to delay any remediation work that has a direct impact on the succeeding phases of projects. There is already a procurement for a replacement contract but the award will not be until the later part of this fiscal year. Any delay in provision of

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environmental support will significantly increase Metro's liability for environmental regulatory compliance and contractor monetary claims of delay.

### **FINANCIAL IMPACT**

EN077 is an Indefinite Delivery/Indefinite Quantity (IDIQ) contract. No Metro funds are obligated until a Contract Work Order (CWO) is issued by a Metro authorized Contracting Officer against a valid project budget. No expenditures are authorized until a Task Order is awarded by a Metro authorized Contracting Officer for a specific package of work within the CWO.

To date, Metro's financial and change control systems indicate that approximately \$36,000,000 out of the previously Board-approved \$38,000,000 has been obligated for completed and ongoing work. The remaining balance would not be sufficient to support contractor efforts to complete the required work for the rest of FY17.

The additional funding of \$3,255,000 is an increase in the amount which may be obligated and spent under the Contract. This increase in Contract Value is anticipated to be all spent by the end of FY17 and by the time the EN077 replacement contract is awarded.

Obligations and authorizations made within the total Contract Value will be against specific project or operations budgets which make up the Board-approved Metro budget for any particular fiscal year. The Chiefs of each of the business units overseeing these projects and the respective project managers are responsible for budgeting the costs.

### **Impact to Bus and Rail Operating and Capital Budget**

The funding for this Contract Modification will come from various sources of projects and their corresponding funds (see Attachment A). These funds are eligible for bus and rail operating and capital expenditures.

### **ALTERNATIVES CONSIDERED**

The Metro Board of Directors could decide not to increase the Contract Value for this Contract and thus staff has to solicit and award individual contracts for each environmental task to ensure the regulatory requirements and required mitigation work at project sites are addressed. Staff does not recommend this alternative owing most importantly to delays and correspondingly to high costs; as well as the administrative inefficiencies for managing multiple contracts.

As another alternative, Metro could perform all the environmental hazardous materials and construction services in-house. However to do so, Metro would need to hire additional staff with expertise in many different subjects, such as drilling, laboratory science, and operating heavy earth-moving and material handling equipment, as well as purchase earthmoving and material handling equipment, and laboratory equipment. Staff does not recommend this alternative owing to high capital costs to procure personnel and equipment as well as potential for implementation and training delays.

### **NEXT STEPS**

After the recommended Board Action is approved, staff will complete the process to award task orders to address newly identified and required regulatory actions and mitigation/remediation measures.

### **ATTACHMENTS**

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary
- Attachment D - Summary of Current and Proposed Work Requiring AUS Services



Prepared by:

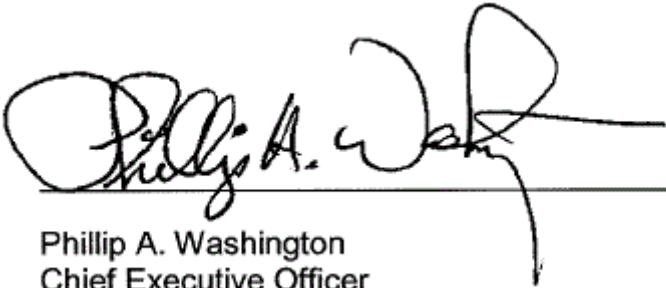
Cris B. Liban, Executive Officer, Environmental Compliance and Sustainability  
(213) 922-2471

Tom Kefalas, Sr. Manager, Environmental Compliance and Services (213) 922-4887

Reviewed by:

Richard Clarke, Chief Program Management Officer (213) 922-7557

Debra Avila, Chief Vendor/Contract Management Officer (213) 418-3051



Phillip A. Washington  
Chief Executive Officer

**PROCUREMENT SUMMARY  
ENVIRONMENTAL WASTE HANDLING AND ENVIRONMENTALLY RELATED  
CONSTRUCTION SERVICES/EN077**

1.	<b>Contract Number:</b> EN077		
2.	<b>Contractor:</b> Arcadis -US, Inc.		
3.	<b>Work Description:</b> Sampling and testing at various Metro locations for contaminated soils and water. Clean-up, abatement, management, transporting and disposing of contaminated or hazardous materials at various Metro operating facilities. Construction services that require environmental contractor specialization		
4.	<b>The following data is current as of:</b> Dec 12, 2016		
5.	<b>Contract Status:</b>		
	<b>Proposals Recieved:</b>	March 29, 2011	<b>Contract Award Amount:</b> \$38,000,000.
	<b>Contract Awarded:</b>	August 15, 2011	<b>Total of Modifications Approved:</b> 10
	<b>NTP:</b>	September 26, 2011	<b>Current Contract Value:</b> \$41,255,000.
	<b>Original Complete Date:</b>	August 14, 2014	<b>Current Est. Complete Date:</b> June 30, 2017
6.	<b>Contract Administrator:</b> Daniel A. Robb		<b>Telephone Number:</b> (213) 922-7074
7.	<b>Project Manager:</b> Cris Liban		<b>Telephone Number:</b> (213) 922-2471

**A. Procurement Background**

This Board Action is to approve an increase in Contract Modification Authority (CMA) in support of Contract EN077 to provide continuing and additional Environmental Waste Handling and Environmentally-Related Construction Services as set forth in Contract EN077 currently in effect between Metro and Arcadis-US, Inc.

This Contract Modification Authority will be processed in accordance with Metro's Acquisition Policy and the contract type is an Indefinite Delivery Indefinite Quantity Contract.

Contract EN077 with Arcadis US, Inc. is for a five (5) year term covering the period between August 15, 2011 through August 15, 2016, inclusive of two (2) one-year options. This Contract was approved by the Board of Directors on June 16, 2011 with approved expenditure of up to \$21.2 Million of the \$38 Million in total contract value for FY12 to FY14 inclusive of sales tax and two (2) one-year options. On July 17, 2014, the Board authorized the use of the remaining contract value (from \$21.2 Million to \$38 Million). Ten (10) contract modifications have been executed and approved by the Board over the life of the Contract.

- Modifications 1 through 3 were issued to update the Terms and Conditions of the Agreement to include the Memorandum of Costs.

- Modification 4 extended the Period of Performance from August 14, 2014 to September 30, 2014.
- Modification 5 extended the Period of Performance from September 30, 2014 to March 31, 2015.
- Modification 6 extended the Period of Performance from March 31, 2015 to June 30, 2015
- Modification 7 extended the Period of Performance from June 30, 2015 to December 31, 2015.
- Modification 8 extended the Period of Performance from January 1, 2016 to June 30, 2016.
- Modification 9 extended the Period of Performance from July 1, 2016 to December 31, 2016.
- Modification 10 extended the Period of Performance from January 1, 2016 to June 30, 2017.

This Board Action shall fund continuing and additional Environmental Hazardous Materials and Construction Services in an amount not to exceed \$3,255,000, increasing the total contract value from \$38,000,000 to \$41,255,000.

Anticipated projects for Arcadis EN077 include, but are not limited to:

**Underground Storage Tank Program** **Est. Cost**

Division 2 EG UST Removal & AST Install	\$350,000
Division 5 UST/AST Repairs and Upgrades	\$600,000
Division 9 UST Repairs and Upgrades	\$550,000
Division 10 UST System Repair	\$300,000
Emergency response failures UST/AST	\$135,260

**Other Projects**

Soil & Water Transportation and Disposal	\$100,000
Purple Line Extension Waste Soil	\$ 40,000
Patsaouras Plaza Busway Management Environmental Support	\$217,000
Location 61 S / Soil Remediation	\$237,000
Regional Connector Waste Management On Call	\$ 15,000
PLE Lead and Asbestos Abatement Section 2	\$250,000
Crenshaw – LAX On-Call Incident Response Service	\$ 45,000
Location 61S Phase II Excavation	\$600,000
Bob Hope Airport Station	\$ 45,000
Geotechnical Waste Removal / LinkUSA Project Support	<u>\$ 70,000</u>
<b>TOTAL</b>	<b>\$3,554,260</b>

Additional information regarding the history of Modifications to EN077 can be found in Attachment B – Contract Modification/Change Log.

## **B. Cost/Price Analysis**

The recommended price of any future changes will be determined to be fair and reasonable based upon MAS audit findings, an independent cost estimate, cost analysis, price analysis, technical evaluation, fact finding, and negotiations.

**ATTACHMENT B**

**CONTRACT MODIFICATION/CHANGE ORDER LOG**

**ENVIRONMENTAL WASTE HANDLING AND ENVIRONMENTALLY RELATED  
CONSTRUCTION SERVICES/EN077**

<b>Mod. no.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
1.	Administrative Terms and Conditions	Approved	11/16/14	\$0.00
2.	Retention Reduction Per Contract Code Section 7201	Approved	12/22/13	\$0.00
3.	Add Subcontractors Trip Span & BTI	Approved	11/21/13	\$0.00
4.	No Cost Period of Performance Extension 8/14/14 to 9/30/14	Approved	8/5/14	\$0.00
5.	No Cost Period of Performance Extension 10/01/14 to 3/31/15	Approved	9/26/14	\$0.00
6.	No Cost Period of Performance Extension 3/31/15 to 6/30/15	Approved	3/11/15	\$0.00
7.	No Cost Period of Performance Extension 6/30/15 to 12/31/15	Approved	5/15/15	\$0.00
8.	No Cost Period of Performance Extension 01/01/15 to 6/30/16	Approved	9/24/15	\$0.00
9.	No Cost Period of Performance Extension 7/01/16 to 12/31/16	Approved	3/14/16	\$0.00
10.	No Cost Period of Performance Extension 1/01/17 to 6/30/17	Approved	9/29/16	\$0.00
11	Add funds for continuing and additional Environmental Hazardous Materials and Construction Services	Pending		<b>\$3,255,000</b>
				<b>(Total for this mod.)</b>
	<b>Modification Total:</b>			<b>\$3,255,000</b>
	<b>Original Contract:</b>			<b>\$38,000,000</b>
	<b>Total:</b>			<b>\$41,255,000</b>

## DEOD SUMMARY

ENVIRONMENTAL WASTE HANDLING AND ENVIRONMENTALLY RELATED  
CONSTRUCTION SERVICES/EN077**A. Small Business Participation**

Arcadis-US, Inc. made a Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) commitment of 40.00%. The project is 81% complete and the current DBE participation is 38.35%, a shortfall of 1.65%. According to Arcadis-US, Inc., they are currently spending over 40% on DBE subcontractors for various projects. Once they receive payment from Metro for large invoices for the Location 61S project and in turn pay their subcontractors, it will bring their participation above the 40% commitment.

<b>Small Business Commitment</b>	<b>40.00% DALP</b>	<b>Small Business Participation</b>	<b>38.35%</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Commitment</b>	<b>Current Participation<sup>1</sup></b>
1.	J.C. Palomar Construction, Inc.	Hispanic American	CWO	14.83%
2.	Advanced Technology Laboratories	Hispanic American	CWO	0.79%
3.	Jet Drilling	Hispanic American	CWO	0.76%
4.	Alliance Environmental Group	Hispanic American	CWO	0.08%
5.	Tri Span	Hispanic American	CWO	12.27%
6.	Insight EEC	Subcontinent Asian American	CWO	3.27%
7.	Bradley Tank	Asian Pacific American	CWO	3.82%
8.	Cal Vada	Hispanic American	CWO	0.10%
9.	Performance Analytical Laboratories	Caucasian Female	CWO	0.37%
10.	Verduzco Electric	Hispanic American	CWO	2.06%
	<b>Total</b>		<b>40.00%</b>	<b>38.35%</b>

<sup>1</sup>Current 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.







Board Report

File #: 2016-0944, File Type: Contract

Agenda Number: 27

**CONSTRUCTION COMMITTEE  
JANUARY 19, 2017**

**SUBJECT: CAPITAL IMPROVEMENT PROJECTS PROCUREMENT SUPPORT**

**ACTION: APPROVE USE OF DESIGN-BUILD PROJECT DELIVERY METHOD**

**RECOMMENDATION**

CONSIDER:

A. FINDING that awarding contracts for a design-build delivery, pursuant to Public Utilities Code Section 130242 (a), will achieve certain private sector efficiencies in the integration of design, project work, and components related to real property renovation, improvements, and construction work at Metro transit facilities in Los Angeles County as defined by the projects listed in Attachment A; and

(REQUIRES 2/3 VOTE)

B. AUTHORIZING the Chief Executive Officer to award design-build contracts for **renovations, improvements, and construction at Metro transit facilities related to projects** listed in Attachment A.

**ISSUE**

Metro is authorized to enter into contracts pursuant to Public Utilities Code Section 130242 utilizing the design build project delivery method (design build) . This section requires that the Board make the finding set forth in Recommendation A.

**DISCUSSION**

Staff periodically presents to the Board an updated list of projects for which it seeks approval to use design-build contracts. In FY17 staff is working on projects not previously approved to contract for construction services utilizing design-build.

California Public Utilities Code Section 130242 provides for award to the lowest priced responsive and responsible bidder. The primary benefit of the design-build process is a shortened project schedule where the design builder is able to start construction while the design is being completed. Other possible benefits include additional efficiencies in project management, administration, and

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coordination. The design-build approach delivers the project ahead of a traditional design-bid-build project delivery method thus result in a lower total project cost. Staff has experienced success with design-build construction contracts in the Capital Program and is seeking additional opportunities to expand the use of this project delivery method.

### **DETERMINATION OF SAFETY IMPACT**

The Board action will not have any impact on safety standards for Metro.

### **FINANCIAL IMPACT**

Adoption of a design-build for certain projects would not have an adverse impact to the budget. Projects using the design-build either have or will have approved life-of-project (LOP) budgets. Funds for the selected projects are included under the respective projects in FY17 budget.

Historically, the adoption of design-build on small capital improvements at Metro's facilities has resulted in competitively priced bids and cost savings to the agency. Examples of improvements that have benefited from using design-build include bus washer replacements; hoist replacements; lighting and security upgrades; piping and plumbing upgrades; Heating, Ventilation, and Air Conditioning (HVAC) upgrades; Transit Passenger Information System (TPIS) and Close Circuit Television (CCTV) upgrades; and building expansions.

#### **Impact to Budget**

All projects are funded with a combination of Federal and local sources, including TDA Article 4, Proposition C 40%, and Proposition A 35%. The permeable concrete project will be funded by an existing grant through State Water Quality Assessment Board. The funds have been specifically set aside for these uses as part of the Capital Program. Approval of this action will not impact the bus and rail operating budget.

Since these are all multi-year projects, the Project Manager, the Cost Center manager, and the Chief Program Management Officer will be responsible for budgeting the cost in future years.

### **ALTERNATIVES CONSIDERED**

This work could be accomplished through separate design and construction contracts, or through design services provided by agency staff and bid for construction. Staff does not recommend this approach. There are distinct and clear advantages to having a single contractor responsible for both design and construction, primarily in the avoidance of certain project management, staff, administration, and coordination costs.

### **NEXT STEPS**

Staff will prepare design-build packages for the selected projects.

**ATTACHMENTS**

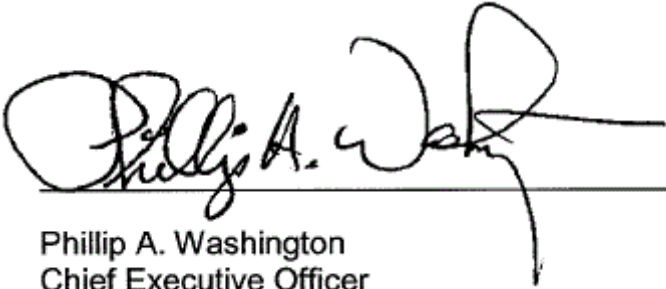
Attachment A - Projects Proposed for Design-Build Approach

Prepared by:

Andi Wang, Deputy Executive Officer, Project Management (213) 922-4722  
Timothy P. Lindholm, Executive Officer, Capital Projects, (213) 922-7297

Reviewed by:

Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051  
Richard Clarke, Chief Program Management Officer, (213) 922-7557



Phillip A. Washington  
Chief Executive Officer

**List of Capital Improvement Projects Proposed for Design-Build Approach**

Project Title	Project Description	Life-of-Project Budget
CNG Detection and Alarm Systems	Replace CNG detection systems at bus operating divisions, including alarms	\$ 4,586,000
Permeable Pavement and other Low Impact Development (LID) Projects	Replace pavement at end of its useful life with permeable pavement at Central Maintenance Facility and other bus and rail facilities.	\$ 1,000,000 (Grant)
EI Monte Busway Exhaust Fans	Retrofit the exhaust fans in the lower level concourse of the EI Monte Busway Station	\$ 2,200,000 (Estimated)
Concrete Surface Improvements	Existing concrete surface waterproofing, crack repairs, and slope corrections for slab, pavement, post tension deck, and other structural members	\$1,000,000 (Estimated)



## Board Report

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File #: 2016-0839, File Type: Contract

Agenda Number: 31

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**REVISED**  
**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE**  
**JANUARY 19, 2017**

**SUBJECT: PURCHASE OF HYBRID SEDANS & ELECTRIC SEDANS**

**ACTION: APPROVE CONTRACT AWARD**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed price Contract No. OP67538000 with **Penske Motor Group, the lowest responsive and responsible bidder for 110 Hybrid Sedans** for \$2,936,769 inclusive of sales tax and environmental fees, subject to resolution of protest(s), if any; and
- B. PROCEED with the solicitation and procurement of 10 Zero Emissions Electric Vehicles (EVs) in order to determine their feasibility and operational viability within Union Station Gateway (USG), bus and rail operating locations.

**ISSUE**

This procurement is for the replacement of 110 Metro sedans that have exceeded the Metro vehicle replacement policy requirement of eight years and / or 100,000 miles. Further, the sedans identified for retirement are in excess of 9 to 15 years of age. The current condition of these vehicles renders them no longer cost effective to maintain and replacements are now required.

In addition, Metro is implementing a Non-Revenue Fleet Electric Vehicle Pilot Project consisting of the purchase, deployment and field assessment of 10 Electric Vehicles (EVs) to be used by Metro personnel at USG and Division 13 for field operations and driver relief assignments. The primary purpose of this pilot program is to reduce Metro's use of fossil fuels and consequent Green House Gas (GHG) emissions and to prepare for expansion of EV use at Rail and Bus Operating Divisions and USG in the near future.

**DISCUSSION**

The fleet being replaced is composed of gasoline powered sedans first placed into service in 2001 and 2007. These vehicles have now exceeded their useful life and are scheduled for replacement with Hybrid sedans. Metro currently has a fleet of 342 hybrid sedans that have proven reliable and

economical.

Various departments throughout the agency use these sedans including bus divisions for operator relief and support departments to conduct Metro business with internal departments, outside agencies and vendors. These vehicles are used where public transportation service is impractical, unavailable or otherwise not a viable business option.

With this acquisition of 110 new hybrid vehicles, 100% of Metro operated sedans will be of a hybrid gasoline/electric configuration. This hybrid configuration provides superior fuel economy, reduced emissions and reduced maintenance costs. Further, the hybrid configuration of these vehicles ensures that Metro operates Ultra Low Emissions Vehicles (ULEV) to continue with Metro's efforts of utilizing environmentally friendly equipment.

Initially, there will be a modest cost savings in the Operating budget as these vehicles will replace existing vehicles with similar preventative maintenance schedules; however, savings are anticipated due to the cost avoidance of unscheduled repairs of the current aged fleet. Further, savings are anticipated as unscheduled repairs will be covered under the manufacturer warranty. As the manufacturer's warranty expires the Operating budget will begin to incur costs. These costs will increase as vehicle age and mileage increases.

Further, with the introduction of 10 EVs into the Non-Revenue fleet, Metro demonstrates its commitment to reducing GHG and will continue to advance its comprehensive clean fuels program. Metro is looking for opportunities to partner with other agencies to purchase these EVs. Upon successful completion of the EV pilot program, Metro will accelerate the use of EVs. In the next two years, an additional 143 passenger gas vehicles will be ready for retirement.

Life-cycle costing and cost comparisons will be conducted to determine the feasibility of replacing the entire Metro sedan fleet with EVs. Preliminary research indicates that although initial EV capital costs are higher, operating costs (maintenance and fuel costs per mile) are lower and will continue to be reduced as battery technology advances and vehicle range increases.

## **DETERMINATION OF SAFETY IMPACT**

Providing safe and reliable vehicles to our employees for use in the field is essential to ensure their safety. Excessive age, mileage and consequent wear on these vehicles can lead to on-street failures that can cause traffic accidents or place our employees in dangerous circumstances. Replacement sedans will improve on-street safety and reduce exposure to vehicle related safety issues.

## **FINANCIAL IMPACT**

The total not-to-exceed contract amount of this action is \$2,936,769. This funding is within the

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\$4,975,000 Life of Project (LOP) budget in Capital Project 208201, Non-Revenue Vehicles & Equipment Replacement. \$1,383,000 is in the FY17 budget for this effort is in Cost Center 3790, Maintenance Administration, Account 53106, Acquisition of Service Vehicles. Upon completion of the solicitation and procurement effort, the project LOP will also fund the 10 EV's. Since this is a multi-year contract, the cost center manager and project manager will be responsible for budgeting any costs that may be incurred in future fiscal years.

### Impact to Budget

The source of funds for the procurement will come from State and local funding sources that are eligible for Bus and Rail Capital Projects. The specific source of funds is TDA Article 4. These funding sources will maximize the use of funds for these activities.

### **ALTERNATIVES CONSIDERED**

The alternative is to not purchase these vehicles and continue to use the existing sedans. This option is not desirable due to the high cost associated with maintaining older vehicles, the availability of repair parts and higher fuel costs for the models being replaced. Additionally, they will continue to decrease in reliability and increase our exposure to safety related incidents. The reliability of the vehicles affects the departments who depend on using them to conduct Metro business throughout the county.

The replacement sedans are hybrid configuration and will increase the quantity of hybrids that Metro currently operates. The hybrids have performed well in the Metro environment and the vehicles have proven to be safe, reliable and economical.

### **NEXT STEPS**

Following the execution of the contract, the vendor will place an order for the vehicles and commence delivery upon receipt from the manufacturer. Delivery of all one-hundred ten vehicles is scheduled before the close of FY17. The deployment of the vehicles is planned for July and August of 2017. The replaced vehicles will be transferred to a contractor to be sold at public auction.

### **ATTACHMENTS**


Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Daniel Ramirez, Director, Maintenance Operations, (562) 658-0231

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424

Debra Avila, Chief Vendor/Contract management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer



**PROCUREMENT SUMMARY**

**HYBRID MID SIZE SEDAN VEHICLES/OP67538000**

1.	<b>Contract Number:</b> OP67538000	
2.	<b>Recommended Vendor(s):</b> Penske Motor Group	
3.	<b>Type of Procurement (check one):</b> <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 8/31/16	
	<b>B. Advertised/Publicized:</b> 9/3/16	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> 9/7/16	
	<b>D. Proposals/Bids Due:</b> 10/3/16	
	<b>E. Pre-Qualification Completed:</b> N/A	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 10/10/16	
	<b>G. Protest Period End Date:</b> 1/23/17	
5.	<b>Solicitations Picked up/Downloaded:</b> 19	<b>Bids/Proposals Received:</b> 7
6.	<b>Contract Administrator:</b> Aryani Guzman	<b>Telephone Number:</b> 213/922-3187
7.	<b>Project Manager:</b> Dan Ramirez	<b>Telephone Number:</b> 562/658-0231

**A. Procurement Background**

This Board Action is to approve Contract No. OP67538000 for a 110 hybrid sedans for Metro non-revenue operations. Board approval of contract awards are subject to resolution of any properly submitted protest.

IFB No. OP31954 was issued in accordance with Metro’s Acquisition Policy and the contract type is a firm fixed price.

One amendment was issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on September 12, 2016, issued to update the Statement of Work and to revise the Schedule of Quantities and Prices.

A total of seven bids were received on October 3, 2016. Three (3) of the bids received were deemed technically unacceptable and were not considered for award.

**B. Evaluation of Bidders**

This procurement was conducted in accordance, and complies with LACMTA’s Acquisition Policy for a competitive sealed bid. The four bids received are listed below in alphabetical order:

No.	Bidder Name	Bid Amount
1.	Diversified Leasing	\$3,220,400
2.	Elite Auto Network	\$3,017,456
3.	Fleet Vehicle Source, Bid 1	\$3,181,383
4.	Penske Motor Group	\$2,936,769

The firm recommended for award, Penske Motor Group (PMG), was found to be technically acceptable and in full compliance with the IFB requirements. The recommended awardee, PMG, will furnish Metro 110 of the following vehicle:

- Make: Toyota
- Model: Camry LE, Hybrid
- Year: 2017

### C. Price Analysis

The recommended bid price from Penske Motor Group has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bid.

Bidder Name	Bid Amount	Metro ICE
Penske Motor Group	\$2,936,768.50	\$3,300,000

### D. Background on Recommended Contractor

The recommended firm, Penske Motor Group, located in El Monte, California is a subsidiary of Penske Corporation and has been in business for over 50 years. Penske Corporation is a closely-held, diversified, on-highway, transportation services company whose subsidiaries operate in a variety of industry segments, including retail automotive, truck leasing, transportation logistics and professional motorsports. Penske Corporation has provided satisfactory service and products to Metro on previous purchases of various vehicle types and automotive parts.

DEOD SUMMARY

PURCHASE OF HYBRID SEDANS & ELECTRIC SEDANS / OP67538000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) goal for the procurement of these vehicles. DEOD determined that there was a lack of availability of SBE certified firms to purchase hybrid sedans and electric sedans directly from the manufacturer's local dealers. Penske Motor Group did not make an SBE commitment.

**B. Living/Prevailing Wage and 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 is not applicable to this Contract.

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

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

**Board Report**

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**File #:** 2016-0931, **File Type:** Contract**Agenda Number:** 32

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
JANUARY 19, 2017****SUBJECT: ENGINE OIL****ACTION: AWARD CONTRACT FOR ENGINE OIL****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two year, indefinite delivery/indefinite quantity Contract No. VM67502000 for **engine oil to Rosemead Oil Products, Incorporated**, the lowest responsive and responsible bidder for a not to exceed amount of \$805,281 inclusive of sales tax for the base year, and not-to-exceed amount of \$821,569 inclusive of sales tax for a one year option, for a total contract amount of \$1,626,850, subject to resolution of protest(s), if any.

**ISSUE**

This procurement is for the acquisition of engine oil which is required for maintaining the safe and reliable operation of the Metro's bus fleet. Award of Contract will ensure that operating divisions have adequate inventory to maintain the buses in accordance with Metro's maintenance standards and engine oil that is in full compliance with Cummins Engine Standard (CES) 20085.

**DISCUSSION**

The engine oil under this procurement is needed throughout Metro to maintain and service its Compressed Natural Gas (CNG) bus fleet. The engine oil is changed out periodically in accordance with the engine manufacturer's preventive maintenance program requirements.

The Contract to be awarded is an Indefinite Delivery, Indefinite Quantity agreement in which Metro commits to order up to a minimum specified quantity for a specific duration of time, but there is no obligation or commitment for Metro to order all of the engine oil that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

Engine oil will be purchased, maintained in inventory and managed by Material Management. As the engine oil is issued, the appropriate budget project numbers and accounts will be charged.

**DETERMINATION OF SAFETY IMPACT**

Award of contract will ensure that all operating divisions and Central Maintenance have adequate inventory to maintain the CNG buses according to Metro Maintenance standards and in accordance

with Metro's engine oil chemical property standards.

### **FINANCIAL IMPACT**

The five (5) month funding of \$335,533 for CNG engine oil is included in the FY17 budget in multiple cost centers under project 306002 Operations Maintenance under line item 50406, Lubricant-Revenue Equipment.

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

#### **Impact to Budget**

The source of funds for this action will come from the Enterprise operating fund. The source of funds will come from Federal, State and local funding sources including sales tax and fares that are eligible for Bus and Rail Operating Projects. These funding sources will maximize the use of funds for these activities.

### **ALTERNATIVES CONSIDERED**

The alternative is to not award the contract and procure engine oil on the open market at a lower cost. However, this imposes an undue level of risk of not having a pre-qualified engine oil supplier readily available to deliver engine oil in full compliance with Metro's engine oil chemical property standards.

### **NEXT STEPS**

Metro's requirements for engine oils will be fulfilled under the provisions of the contract.

### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Amy Romero, Sr. Director of Central Maintenance, (213) 922-5709

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424

Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## ENGINE OIL/VM67502000

1.	<b>Contract Number:</b> VM67502000	
2.	<b>Recommended Vendor(s):</b> Rosemead Oil Products, Inc.	
3.	<b>Type of Procurement (check one):</b> <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	A. <b>Issued:</b> 5/10/16	
	B. <b>Advertised/Publicized:</b> 5/11/16	
	C. <b>Pre-proposal/Pre-Bid Conference:</b> 5/17/16	
	D. <b>Proposals/Bids Due:</b> 9/30/16	
	E. <b>Pre-Qualification Completed:</b> 10/17/16	
	F. <b>Conflict of Interest Form Submitted to Ethics:</b> 10/17/16	
	G. <b>Protest Period End Date:</b> 1/23/17	
5.	<b>Solicitations Picked up/Downloaded:</b> 24	<b>Bids/Proposals Received:</b> 3
6.	<b>Contract Administrator:</b> Nathan Jones III	<b>Telephone Number:</b> (213) 922-6101
7.	<b>Project Manager:</b> Matthew Lepine	<b>Telephone Number:</b> (213) 922-5972

**A. Procurement Background**

This Board Action is to approve Contract No. VM67502000 for engine oil to support bus maintenance operations. Board approval of contract awards are subject to resolution of any properly submitted protest.

IFB No. MA26104 was issued in accordance with Metro's Acquisition Policy and the contract type is indefinite delivery, indefinite quantity (IDIQ).

Six amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on May 17, 2016 to revise technical specification and change Pre-Qualification Application due date;
- Amendment No. 2, issued on May 24, 2016 for administrative changes and to provide an approved list of CNG Engine Oils that meet CES 20085 requirements;
- Amendment No. 3, issued on June 8, 2016 to revise the technical specification and change the bid due date;
- Amendment No. 4, issued on June 15, 2016 to revise the technical specification and change the bid due date;
- Amendment No. 5, issued on June 23, 2016 to revise the bid due date; and
- Amendment No. 6, issued on September 12, 2016 to revise the technical specification.

A total of three bids were received on September 30, 2016.

**B. Evaluation of Bids**

The firm recommended for award, Rosemead Oil Products, Incorporated (Rosemead Oil), was found to be in full compliance with the bid and technical requirements.

NO.	Bidder Name	BASE		OPTION		Total Bid Amount
		Bulk Oil - Fixed Unit Price	Drum Oil - Fixed Unit Price	Bulk Oil - Fixed Unit Price	Drum Oil - Fixed Unit Price	
1	AAA Oil, Inc.	\$7.39	\$8.02	\$7.39	\$8.02	\$1,991,832
2	Downs Energy	\$6.42	\$7.27	\$6.72	\$7.27	\$1,773,982
3	Rosemead Oil Products	\$5.96	\$6.91	\$6.08	\$7.07	\$1,626,850

**C. Price Analysis**

The recommended total bid price was determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

Bidder Name	Bid Amount	Metro ICE
Rosemead Oil	\$1,626,850	\$1,975,992
Total	\$1,626,850	\$1,975,992

**D. Background on Recommended Contractor**

The recommended firm, Rosemead Oil, located in Santa Fe Springs, CA, has been in business for over 60 years, and is a leader in the field of manufacturing engine and industrial oils, gear lubricants, automatic transmission fluid, and greases. Rosemead Oil serves bus and truck fleets, government agencies, aerospace, waste disposal, oil drilling, mining, heavy manufacturing and is an oil distributor. Rosemead Oil has provided satisfactory service and products to Metro on previous purchases.



**DEOD SUMMARY**

**ENGINE OIL/VM67502000**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 5% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Rosemead Oil Products made a 5% DBE commitment.

<b>Small Business Goal</b>	<b>5% DBE</b>	<b>Small Business Commitment</b>	<b>5% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	All Petro Resources	Hispanic American	5.00%
<b>Total Commitment</b>			<b>5.00%</b>

**B. Living/Prevailing Wage and 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 is not applicable to this Contract.

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

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



## Board Report

File #: 2016-0968, File Type: Contract

Agenda Number: 34

### SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE JANUARY 19, 2017

**SUBJECT: NON-INVENTORY PAPER SUPPLIES**

**ACTION: AWARD CONTRACTS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award four-year contracts to the following four lowest, responsive and responsible bidders for **non-inventory paper supplies** for an indefinite delivery, indefinite quantity for a total amount not-to-exceed \$3,000,000, inclusive of sales tax, effective February 2, 2017, subject to resolution of protest(s), if any.

- A. Contract No. PS2039471406-2000/001 with Bashboy Enterprises dba California Printing Consultants for a total contract amount not to exceed \$600,000,
- B. Contract No. PS2039471406-2000/002 with Gorilla Stationers for a total contract amount not to exceed \$150,000,
- C. Contract No. PS2039471406-2000/003 with Spicer's Paper, Inc. for a total contract amount not to exceed \$2,100,000; and
- D. Contract No. PS2039471406-2000/004 with Veritiv Operating Company for a total contract amount not to exceed \$150,000.

#### **ISSUE**

#### **RATIONALE**

Metro's in-house printing department requires non-standard paper supplies in addition to the standard-size papers that are regularly purchased and maintained in inventory by the Supply Chain Management Department. Print jobs for which an appropriate paper stock must be obtained include, but are not limited to:

- Timetables for buses and trains
- LACMTA business forms and letterhead
- Brochures, posters, and other public communications materials

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The amount of the non-inventory paper required is substantial enough to gain favorable pricing by entering into multi-year contracts with suppliers. Paper is obtained on an on-going basis as required. These Contracts also permit Metro immediate access to required papers without having to warehouse the supplies.

### **FINANCIAL IMPACT**

Funding for these materials in the amount of \$880,000 is included in the FY17 budget in Cost Center 7140, Customer Communications, Line 50442, Printing Equipment and Supplies, under Project Number 306005 Public Affairs.

Since these are multi-year contracts, the cost center manager and Chief Communications Officer will be responsible for budgeting required funds in future years.

### **Impact to Budget**

There is no impact to the current, FY17 budget, as the funding already exists within it. The funding sources include Sales Taxes, TDA, STA, and other Bus and Rail operating revenues.

### **ALTERNATIVES CONSIDERED**

The alternative is to implement individual paper procurements on an “as-needed” basis. This is not recommended since it does not provide a commitment from a supplier to ensure the availability and timely delivery of the products needed. Further, Metro would not benefit from the discounts and price stability of a multi-year contract; historically, pricing in the wholesale paper market has been volatile.

### **NEXT STEPS**

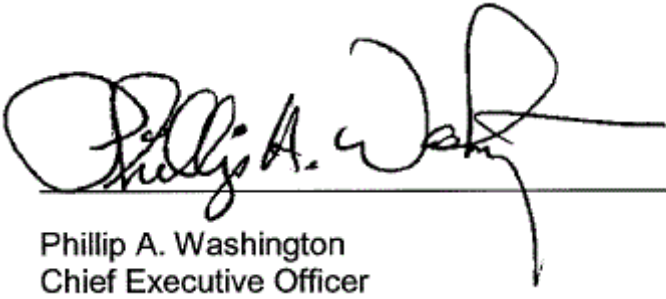
Upon approval by the Board, staff will execute Contract Nos. PS2039471406-2000/001-004 with Spicer’s Paper, Inc., Gorilla Stationers, Bashboy Enterprises dba California Printing Consultants, and Veritiv Operating Company to provide non-inventory paper supplies effective February 2, 2017.

### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary

Prepared by: Robert Hartert, Printing Services Supervisor, (213) 922-4353

Reviewed by: Glen Becerra, Deputy Executive Officer, Communications (213) 922-5661  
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## NON-INVENTORY PAPER SUPPLIES / PS2039471406-2000

1.	<b>Contract Number:</b> PS2039471406-2000/001-004	
2.	<b>Recommended Vendors:</b> Spicer's Paper, Inc. (001) Bashboy Enterprises dba California Printing Consultants (002) Veritiv Operating Company (003) Gorilla Stationers (004)	
3.	<b>Type of Procurement (check one):</b> <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> September 26, 2016	
	<b>B. Advertised/Publicized:</b> September 28, 2016	
	<b>C. Pre-Bid Conference:</b> October 12, 2016	
	<b>D. Bids Due:</b> October 31, 2016	
	<b>E. Pre-Qualification Completed:</b> December 6, 2016	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> November 3, 2016	
	<b>G. Protest Period End Date:</b> January 24, 2017	
5.	<b>Solicitations Picked up/Downloaded:</b> 11	<b>Bids Received:</b> 4
6.	<b>Contract Administrator:</b> Antwaun Boykin	<b>Telephone Number:</b> (213) 922-1056
7.	<b>Project Manager:</b> Robert Hartert	<b>Telephone Number:</b> (213) 922-4353

**A. Procurement Background**

This Board Action is to approve Contract Nos. PS2039471406-2000/001-004 issued in support of non-inventory paper supplies for Metro's Print Shop. The Project Manager will order supplies from the vendor with the lowest bid price for that specific paper product. Board approval of contract awards are subject to resolution of any properly submitted protest.

IFB No. PS2039471406-2 was issued in accordance with Metro's Acquisition Policy and the contract type is an indefinite delivery, indefinite quantity.

Three amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on October 13, 2016 clarified Pre-Bid Documents;
- Amendment No. 2, issued on October 21, 2016 clarified approval of like items and extended the bid due date; and
- Amendment No. 3, issued on October 25, 2016 clarified approval of like items.

A pre-bid conference was held on October 12, 2016 and was attended by three participants representing two firms.

A total of four bids were received on October 31, 2016.

## **B. Evaluation of Bids**

This procurement was conducted in accordance and complies with Metro's Acquisition Policy for a competitive sealed bid. The four bids received are listed below in alphabetical order:

1. Bashboy Enterprises dba California Printing Consultants
2. Gorilla Stationers
3. Spicer's Paper, Inc.
4. Veritiv Operating Company

All firms were determined to be responsive, responsible, and technically qualified to perform the services based on the IFB's requirements.

## **C. Price Analysis**

The recommended prices from all four firms have been determined to be fair and reasonable based upon adequate competition and a review of historical pricing/usage of non-inventory paper supplies.

Pricing evaluation was based on each separate line item for the various paper commodities included in the IFB. Each line item is awarded to the lowest bidder for that line item, as shown in Exhibit I. Since each firm provided the lowest price on specific line items, all four firms, Spicer's Paper, Inc., Bashboy Enterprises dba California Printing Consultants, Veritiv Operating Company and Gorilla Stationers, are being recommended for award of a contract. Metro's recommended not to exceed contract award amounts are based upon total estimated non-inventory paper needs of the agency over the next five years.

## **D. Background on Recommended Contractors**

### **1. Bashboy Enterprises dba California Printing Consultants**

Bashboy Enterprises dba California Printing Consultants (CPC) has been widely recognized in Southern California as a complete printing service provider specializing in printing services contracts, stock tab, corporate branding, marketing strategies and distribution. CPC has vast experience in performing government and private-sector printing projects similar to the services described in the IFB.

### **2. Gorilla Stationers**

Gorilla Stationers has been servicing businesses and government agencies throughout the country since 2012 with their diligent customer service in addition to their knowledge of all products within the office solutions industry. Their relationship with one of the largest purveyors of office products in the world, along with their direct relationship with manufacturers, gives them access to over 150,000 products resulting in savings for their customers.

3. Spicer's Paper, Inc.

Spicer's Paper, Inc. is a division of Central National Gotesman, Inc., a national company with offices in Santa Fe Springs, California. Spicer's Paper, Inc. has been in business for over 45 years and has had the copy paper contract with the City and County of Los Angeles for over 25 years.

4. Veritiv Operating Company

Veritiv has been in business in Southern California since 1859. Veritiv has over \$20,000,000 in printing paper inventory in greater Los Angeles. The assigned sales representative has over 45 years of industry experience, as well as, 10 years of experience servicing the Metro print shop.

## EXHIBIT I

### Line Item Awards

Item	Weight	Color	Size	Finish	Awardee
1	80#	White	19 x 25	Soproset Opaque Smooth	Spicer's Paper Inc.
2	110#	Canary	23 X 35	Index	Spicer's Paper Inc.
3	110#	Blue	23 X 35	Index	Spicer's Paper Inc.
4	110#	Green	23 X 35	Index	Spicer's Paper Inc.
5	110#	Cherry	23 X 35	Index	Spicer's Paper Inc.
6	10 pt	White	20 x 26	Carolina or Tango coated 2 sides or NORDIC Plus	Spicer's Paper Inc.
7	15 pt	White	25 X 38	Carolina or Tango Cover C2S or NORDIC Plus	Spicer's Paper Inc.
8	50#	White	11 X 17	Offset	Spicer's Paper Inc.
9	100#	MANILA	22 1/2 X 28 1/2	Tag	Spicer's Paper Inc.
10	110#	White	22 1/2 X 35	Index	Spicer's Paper Inc.
11	50#	White	17 x 28	White Offset Vellum (No Smooth!)	Spicer's Paper Inc.
12	50#	Canary	25 x 38	Offset Opaque	Spicer's Paper Inc.
13	50#	White	17 1/2 X 40	Offset Vellum Rolls (no Smooth!)	Spicer's Paper Inc.
14	15#	2 Part	8 1/2 X 11	2 pt Reverse NCR or Excel One NCR	California Printing Con.
15	15#	3 Part	8 1/2 X 11	3 pt Reverse NCR or Excel One NCR	California Printing Con.
16	15#	4 Part	8 1/2 X 11	Superior 4 pt Reverse NCR	Spicer's Paper Inc.
17	15#	5 Part	8 1/2 X 11	Superior 5 pt Reverse NCR o	Spicer's Paper Inc.
18	.035	-	26 X 38	Chipboard	Veritiv Operating Co.
19	24#	White	#10	Window Envelope	Spicer's Paper Inc.
20	24#	White	#10	Regular Envelope	Spicer's Paper Inc.
21	24#	White	9 x 12	Booklet Envelope	Gorilla Stationers
22	24#	White	10 x 13	Catalog Envelope	Gorilla Stationers
23	100#	White	19 x 25	U-Velvet Dull text or ECO Porcelain text	Spicer's Paper Inc.
24	100#	White	28 x 20	U-Velvet Dull text or ECO Porcelain text	Spicer's Paper Inc.
25	100#	White	20 x 28	U-Velvet Dull text or ECO Porcelain text	Spicer's Paper Inc.
26	100#	White	20 x 29	U-Velvet Dull text or ECO Porcelain text	Spicer's Paper Inc.
27	24#	White	#14	Window envelope	Veritiv Operating Co.
28	15#	2 Part	11 x 17	2 pt Reverse NCR or Excel One NCR	California Printing Con.
29	15#	3 Part	11 x 17	3 pt Reverse NCR or Excel One NCR	California Printing Con.
30	15#	4 Part	11 x 17	4 pt Reverse NCR or Excel	California Printing Con.



				One NCR	
31	24#	Brilliant White	35 x 23	Mohawk Smooth Writing	California Printing Con.
32	24#	Kraft	#10	Kraft Envelope	Spicer's Paper Inc.
33	24#	White	9 x 12	Catalog Envelopes	Spicer's Paper Inc.
34	15#	3 part	8 1/2 x 14	3 pt Reverse NCR or Excel One NCR	Spicer's Paper Inc.
35	15#	4 part	8 1/2 x 14	4 pt Reverse NCR or Excel One NCR	California Printing Con.
36	70#	White	20 x 29	Finch Offset Opaque or Starbrite Opaque Ultra	Spicer's Paper Inc.
37	12 pt.	White	20 x 26	Carolina or Tango Coated 2 sides or NORDIC Plus	Spicer's Paper Inc.
38	18 pt.	White	25 x 38	Carolina or Tango coated 2 sides or NORDIC Plus	Spicer's Paper Inc.
39	24#	White	10 x 13	Booklet Envelopes	California Printing Con.
<b>Spicer's Paper Inc.</b>					<b>27 line items</b>
<b>California Printing Consultants</b>					<b>8 line items</b>
<b>Veritiv Operating Co.</b>					<b>2 line items</b>
<b>Gorilla Stationers</b>					<b>2 line items</b>

## DEOD SUMMARY

## NON-INVENTORY PAPER SUPPLIES / PS-2039471406-2000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 10% Disadvantaged Business Enterprise (DBE) goal for this solicitation. All proposers met or exceeded the goal as listed in the following table.

	<b>DBE Primes &amp; Subcontractors</b>	<b>Ethnicity</b>	<b>DBE Commitment</b>
a.)	Bashboy Enterprises dba California Printing Consultants (DBE Prime)	Hispanic American	80%
	Veritiv Corporation Company	N/A	0%
	<b>TOTAL COMMITMENT</b>		<b>80%</b>
b.)	Gorilla Stationers (DBE Prime)	Caucasian Female	60%
	<b>TOTAL COMMITMENT</b>		<b>60%</b>
c.)	Spicer's Paper Inc.	N/A	0%
	AFA Suppliers (DBE)	African American	10%
	<b>TOTAL COMMITMENT</b>		<b>10%</b>
d.)	Veritiv Operating Company	N/A	0%
	RGE Truck Lines, Inc. (DBE)	Hispanic American	10%
	<b>TOTAL COMMITMENT</b>		<b>10%</b>

**B. Living/Prevailing Wage and 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 is not applicable to this contract.

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

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

**Board Report**

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**File #:** 2016-0847, **File Type:** Contract**Agenda Number:** 39

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
JANUARY 19, 2017****SUBJECT: A650 FRICTION BRAKE SYSTEM OVERHAUL****ACTION: AWARD CONTRACT FOR A650 FRICTION BRAKE SYSTEM OVERHAUL****RECOMMENDATION**

AWARD a sole source 60-month indefinite quantity/indefinite delivery Contract No. MA6274900 for the **overhaul of 52 friction brake systems for Breda A650 Red Line cars to Wabtec Passenger Transit (Wabtec)**, the original equipment manufacturer (OEM), for a not-to-exceed amount of \$2,857,400, inclusive of one service option.

**ISSUE**

The Red Line Fleet is comprised of 104 cars (52 married pairs). The friction brake system on the Breda A650 rail car requires a Time-Based, Major Overhaul every four years. The Red Line A650 fleet is in its 22<sup>nd</sup> year of operation with over 1.1 million miles per rail car. The recommended preventative maintenance program to ensure a continued level of safety and reliability requires the brake systems be overhauled every four years in accordance with the OEM recommended interval and procedures. This procurement is for the acquisition of the friction brake system overhaul services.

**DISCUSSION**

The friction brake overhaul requires Rail Fleet Services to remove brake components from the A650 vehicle then send them to Wabtec where they are overhauled and tested at their location. Wabtec will warrant the overhauled parts for a minimum of two years. The tentative implementation schedule is one married-pair (two cars) per month.

**DETERMINATION OF SAFETY IMPACT**

Award of the Contract for brake system overhaul services will improve fleet availability and reliability while ensuring compliance with the OEM's recommended overhaul cycle. The brake system is safety sensitive, and if it is not properly maintained, it can cause service delays, mechanical damage to other vehicle components, and affect passenger safety.

Compliance with these overhaul specifications helps provide safe and reliable HRV operation prolongs equipment life, and increases reliability.

### **FINANCIAL IMPACT**

The total Contract amount is \$2,857,400. Funding of \$214,500 for this procurement is included in the FY17 budget in cost center 3942, Rail Fleet Services Maintenance Red Line, under project number 300044, line item 50441, Parts - Revenue Vehicle.

Since this is a multi-year contract, the cost center manager, project manager and Executive Officer, Rail Fleet Services will ensure that the balance of funds is budgeted in future fiscal years.

#### **Impact to Budget**

The FY17 funding for this acquisition will come from the Enterprise Operating fund. The source of funds for this procurement will come from Federal, State and local funding sources including sales tax and fares that are eligible for Bus and Rail Operating Projects. These funding sources will maximize the use of funds for these activities

### **ALTERNATIVES CONSIDERED**

An alternative is not to perform the overhaul. This would compromise safety and reliability of the entire rail-car fleet. This is not recommended due to the brake system is reaching its required maintenance cycle and upon failure will impact fleet safety, availability and reliability. Unscheduled maintenance repairs for this system on a component per component level results in higher operating costs for the agency versus reduced costs by performing scheduled maintenance.

### **NEXT STEPS**

Overhaul of the friction brake system on the A650 heavy rail vehicles will continue in accordance with Rail Fleet Services' scheduled requirements. If approved, the project is scheduled to commence in March 2017.

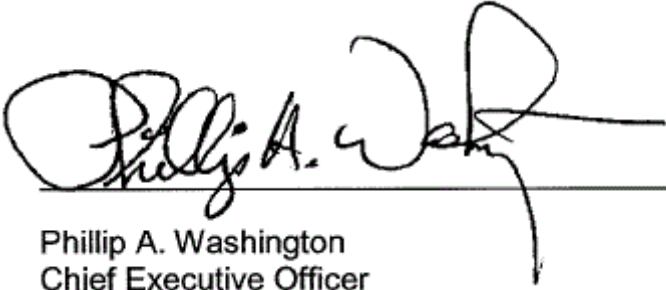
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Fred Kan, Director, Rail Fleet Services, (213) 922-3304  
Michael Ornelas, Sr. Director, Rail Vehicle Maintenance, (213) 922-3223

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424  
Robert Spadafora, Sr. Executive Officer, Rail Fleet Services, (213) 922-3144  
Debra Avila, Chief, Vendor/Contract Management Officer, (213) 418-3051



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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## A650 FRICTION BRAKE SYSTEM OVERHAUL/MA6274900

1.	Contract Number: MA6274900	
2.	Recommended Vendor: Wabtec Passenger Transit	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input checked="" type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 7/8/16	
	B. Advertised/Publicized: N/A	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 8/5/16	
	E. Pre-Qualification Completed: 9/20/16	
	F. Conflict of Interest Form Submitted to Ethics: 9/26/16	
	G. Protest Period End Date: 1/19/2017	
5.	Solicitations Picked up/Downloaded: 1	Bids/Proposals Received: 1
6.	Contract Administrator: Jean Davis	Telephone Number: 213 - 922-1041
7.	Project Manager: Fred Kan	Telephone Number: 213 - 922-3304

**A. Procurement Background**

This Board Action is to approve Contract No. MA6274900 issued in support of Metro's Red Line Heavy Rail Vehicle (HRV) to procure services required for the complete overhaul and repair of the friction brake system. The existing friction brake systems on the Breda A650 rail cars was designed and built by Wabtec Passenger Transit, the original equipment manufacturer (OEM). It was determined by Metro's engineering and operations team that, to ensure full operational capability, the overhaul of the friction brake systems should be overhauled by the OEM. The awardee is the OEM.

The RFP for a sole source was issued in accordance with Metro's Acquisition Policy and the contract type is a not-to exceed Indefinite Delivery, Indefinite Quantity (IDIQ).

**B. Evaluation of Proposal**

This is sole source procurement. Metro's technical staff conducted technical fact-finding meetings and a technical evaluation of the technical proposal. The technical evaluation consisted of review of the proposer's proposed labor hours, proposed assigned technical personnel and labor categories. The proposal was found to be technically acceptable.

The firm recommended for award, Wabtec Passenger Transit (Wabtec), was found to be in full compliance with the proposal requirements.

**Qualifications Summary of Firm:**

Wabtec is the OEM of the Breda A650's HRV friction brake system and has provided equipment and services for various government and transit agencies (e.g., Caltrans and SCRRRA/Metrolink). Wabtec has performed satisfactory work on the prior two brake system overhauls for Metro Red Line's A650 vehicles completed in 2008. The firm has also performed satisfactory work on the overhaul services on Metro Green Line's P2000 vehicle brake system completed in 2011 and 2016.

**C. Cost Analysis**

The recommended contractor's price proposal was evaluated in compliance with Metro's Acquisition Policy. Staff conducted a cost analysis of the price proposal. Based on our cost analysis and technical analysis the proposed total price has been determined to be fair and reasonable.

	<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>NTE Amount</b>
1.	Wabtec Passenger Transit	\$2,857,400	\$2,506,400.00	\$2,857,400

**D. Background on Recommended Contractor**

Wabtec was formed in November 1999 when Westinghouse Air Brake Company merged with Motive Power Industries, Inc. The original Westinghouse Air Brake Company was founded in 1869. Wabtec manufactures a broad range of products for locomotives, freight cars and passenger transit vehicles. These products include a vast array of pneumatic, electronic and mechanical devices such as braking equipment, controllers, and couplers for the transit industry worldwide. Wabtec has been providing rail equipment and services in the United States for 130 years.

DEOD SUMMARY

A650 FRICTION BRAKE SYSTEM OVERHAUL / MA24950

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 2% Small Business Enterprise (SBE) goal for this solicitation. Wabtec Passenger Transit exceeded the goal by making a 5% SBE commitment.

<b>Small Business Goal</b>	<b>2% SBE</b>	<b>Small Business Commitment</b>	<b>5% SBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>
1.	Altech Services	5%
	<b>Total Commitment</b>	<b>5%</b>

**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.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

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

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





## Board Report

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File #: 2016-0975, File Type: Contract

Agenda Number: 40

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
JANUARY 19, 2017**

**SUBJECT: UNIFORM RENTAL SERVICES**

**ACTION: APPROVE CONTRACT AWARD**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed unit rate Contract No. OP671430003367 for **uniform rental services with Prudential Overall Supply**, for a not-to-exceed amount of \$3,372,104 for the three-year base period and \$3,372,104 for the one, three year option, for a combined total of \$6,744,208 effective February 1, 2017 through January 31, 2023; and
- B. EXECUTE Modification No. 11 for the existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply to extend the period of performance by four (4) months, through July 31, 2017 and request additional authority in the amount of \$260,000, increasing the contract value from \$5,165,029 to \$5,425,029

**ISSUE**

Per the current ATU and TCU Collective Bargaining units' agreements, Metro is required to provide each of the units' employees up to 11 uniforms per employee, as well as provide laundry services for such regulation uniforms. Currently, uniform rental services are provided to over 2,300 Metro represented labor employees.

The existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply will expire on March 31, 2017. Fitting employees, ordering uniform inventory and delivering new uniforms to 24 locations require five months to coordinate and implement a smooth transition between the existing and the new contract.

To avoid uniform rental services interruption, a contract modification is required to extend the existing contract period of performance and request additional authority to allow time for contract closeout. With a new contract award effective February 1, 2017, the period of performance for the existing contract must be extended through July 31, 2017 and additional expenditure authority approved in the amount of \$260,000.

## **DISCUSSION**

In response to the concerns brought forward by the ATU President during the December 1, 2016 Metro Board of Directors meeting, staff was directed to meet with the ATU President and address uniform rental service related concerns.

On December 5, 2016, staff met with the ATU President, and fully briefed him on the new performance requirements made under the new contract. The contract improvements such as liquidated damages were added due to the feedback we originally received from the ATU leadership. Staff also emphasized the importance of submitting all uniform issues to the FM Help Desk for effective tracking and timely resolution.

Staff will continue to work closely with the ATU Executive Board members and employees to provide better customer service. Staff has committed to post signage throughout Metro facilities to improve employee awareness of the scheduled uniform pick-up dates, highlight improved uniform request procedures and forms, monitor the contractor's performance and service delivery, consider expanding loaner uniform inventory throughout Metro facilities, and maintain effective communications among all parties involved to ensure quality and timely service delivery.

Under the existing contract, uniform rental services are provided to over 2,300 Metro represented labor employees, as well as providing vehicle seat covers and laundry services for hand towels and floor mats.

Timely uniform rental, delivery, and laundry services are necessary to ensure compliance with the existing agreements between Metro and the collective bargaining units, meeting garment safety requirements for Metro represented labor employees working within safety sensitive positions, and clearly identify Metro represented labor employees with their different trades.

The existing contract is due to expire March 31, 2017. A contract modification is required to extend the period of performance through July 31, 2017 and additional expenditure authority is required. A new contract award is required effective February 1, 2017 to avoid service interruptions, continue providing the necessary uniform rental program and services, and allow sufficient time to perform all necessary administrative processes associated with contract closeout, and fitting and ordering new sets of uniforms for over 2,300 Metro represented labor employees.

Metro's independent cost estimate was based on historical data, current contract pricing and simple market escalation. The independent cost estimate did not include any potential escalation associated with living wage requirements and participation goals due to lack of historical data and the unknown participation commitment level of any proposer.

## **DETERMINATION OF SAFETY IMPACT**

The approval of this item will ensure the supply of uniforms that clearly identify Metro represented labor employees and continue delivering safe, quality, on-time and reliable services system-wide.

## **FINANCIAL IMPACT**

Funding of \$1,036,100 for this contract is included in the FY17 budget in multiple maintenance cost centers, account - 50215 (F/B Uniforms), projects 306002 (Bus Operations), 300022 (Blue Line Operations), 300033 (Green Line Operations), 300044 (Red Line Operations), 300055 (Gold Line Operations), 301012 (Orange Line Operations), and 300066 (Expo Line).

Since this is a multi-year contract, the cost center manager, and the Sr. Executive Officer, Maintenance and Engineering will be accountable for budgeting the cost in future fiscal years, including any option(s) exercised.

#### Impact to Budget

The source of funds for this procurement will come from the enterprise operating fund. Specific funding sources are Federal, State, and Local funding including sales tax and fares that are eligible for Bus and Rail Operating projects. These funding sources will maximize the use of funds for these activities.

#### **ALTERNATIVES CONSIDERED**

Staff considered purchasing uniforms, hand towels, mats, and vehicle seat covers, along with providing in-house laundry services. This would require the hiring and training of additional personnel, purchase of additional equipment, vehicles, and supplies to support the expanded responsibility. Staff's assessment indicates this is not a cost-effective option for Metro.

#### **NEXT STEPS**


Upon approval by the Board, staff will execute Contract No. OP671430003367 to Prudential Overall Supply effective February 1, 2017, to provide uniform rental services to Metro represented labor employees, as well as provide vehicle seat covers and laundry services for hand towels and floor mats. Staff will also execute Modification No. 11 for the existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply to allow time for contract closeout and a smooth transition to the new contract.

#### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment A1 - Contract Modification/Change Order Log  
Attachment B - DEOD Summary.

Prepared by: Brady Branstetter, DEO, Facilities Maintenance, (213) 922-6767  
Lena Babayan, Sr. Director, Facilities Maintenance, (213) 922-6765

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424  
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer

## CONTRACT MODIFICATION/CHANGE ORDER LOG

## UNIFORM RENTAL SERVICES/ OP30002227

Mod. No.	Description	Status (approved or pending)	Date	Amount
1	Revised SOW – Added uniform items	Approved	12/17/08	\$0
2	Administrative Change	Approved	12/18/08	\$0
3	Revised SOW – Added uniform items	Approved	4/14/11	\$144,991
4	Revised SOW – Added uniform items	Approved	5/11/11	\$68,497.52
5	Revised SOW – Added uniform items	Approved	2/1/13	\$13,033.76
6	Pay Delinquent Invoices	Approved	8/30/14	\$120,178
7	Period of Performance Extension	Approved	11/14/14	\$850,000
8	Period of Performance Extension	Approved	8/5/15	\$780,000
9	Period of Performance Extension	Approved	6/23/16	\$650,000
10	Revised SOW	Approved	12/6/16	\$0
11	Period of Performance Extension	<b>PENDING</b>		\$260,000
	<b>MODIFICATION TOTAL</b>			\$2,886,700
	<b>ORIGINAL CONTRACT</b>			\$2,538,329
	<b>Total:</b>			<b>\$5,425,029</b>

**PROCUREMENT SUMMARY**

**UNIFORM RENTAL SERVICES / OP671430003367**

1.	<b>Contract Number:</b> OP671430003367	
2.	<b>Recommended Vendor :</b> Prudential Overall Supply	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> July 21, 2016	
	<b>B. Advertised/Publicized:</b> July 21, 2016	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> August 11, 2016	
	<b>D. Proposals/Bids Due:</b> August 31, 2016	
	<b>E. Pre-Qualification Completed:</b> December 5, 2016	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> September 20, 2016	
	<b>G. Protest Period End Date:</b> October 25 2016	
5.	<b>Solicitations Picked up/Downloaded:</b> 9	<b>Bids/Proposals Received:</b> 2
6.	<b>Contract Administrator:</b> Rommel Hilario	<b>Telephone Number:</b> (213) 922-4654
7.	<b>Project Manager:</b> Alberto Garcia	<b>Telephone Number:</b> (213) 922-6760

**A. New Procurement Background**

At the October 20, 2016 Metro System Safety, Security and Operation Committee meeting, the Committee authorized the Chief Executive Officer (CEO) to award the uniform rental services contract to UniFirst Corporation under Contract No. OP671430003367.

On October 25, 2016 (prior to the October 27 Board meeting), UniFirst Corporation notified Metro of a significant error with their submitted price proposal, impacting their total proposal amount of \$5,057,674.82. UniFirst Corporation submitted their revised and final proposal for a combined total of \$9,160,597.44.

This Board Action is to approve a contract award in support of Facilities Maintenance to provide uniform rental services to over 2,300 Metro represented labor employees, as well as providing vehicle seat covers and laundry services for hand towels and floor mats, as outlined in Request for Proposal (RFP) No. OP31277. The existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply will expire on March 31, 2017.

The Diversity and Economic Opportunity Department (DEOD) recommended an 8% Small Business participation goal, inclusive of a Small Business Enterprise (SBE) and a Disadvantaged Veteran Business Enterprise (DVBE), for this procurement. Achieving the 8% goal was mandatory and is a condition of contract award.

Proposers were required to make a commitment to utilize SBEs and DVBEs, in any combination, totaling at least 8% of the total contract price.

To educate and assist potential proposers in the uniform industry on how to comply with Metro's SBE and DVBE participation goals and solicitation requirements, two workshops were conducted prior to the release of the RFP.

On June 15, 2016, Metro hosted the first workshop for those firms that were interested in submitting a proposal for the Uniform Rental Services program as the prime contractor. Staff provided a general overview of the Statement of Work and discussed potential Small Business subcontracting opportunities. A total of five firms participated.

On June 24, 2016 DEOD sponsored a second workshop for potential SBE and DVBE subcontractors whose trades correlated with the project's NAICS codes. Metro's Small Business program was discussed along with DVBE/SBE specific information within the Statement of Work. A total of nine firms attended the workshop.

The RFP was issued as a competitive negotiated procurement in accordance with Metro's Acquisition Policy. The contract type is firm fixed unit price.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 12, 2016, provided pre-proposal documents, new pricing sheets, and extended the proposal due date from August 24, 2016 to August 31, 2016;
- Amendment No. 2, issued on August 17, 2016, clarified Section N of the Statement of Work.

A pre-proposal conference was held on August 11, 2016. A total of two proposals were received on August 31, 2016. The two proposers are listed below in alphabetical order:

1. Prudential Overall Supply (the incumbent);
2. UniFirst Corporation

## **B. Evaluation of Proposals**

Proposals were evaluated according to the criteria established in the RFP and in compliance with Metro's Acquisition Policy.

The proposals were evaluated based on the following evaluation criteria and weights:

- Workplan 40%
- Degree of Skills – Firm and Personnel Experience 20%
- Cost/price 40%

The evaluation criteria are appropriate and consistent with criteria developed for similar uniform rental services procurements. Several factors were considered when developing these weights, giving equal importance to the prime's work plan and their cost/price proposals.

The Proposal Evaluation Team (PET), consisting of staff from OMB, Facilities Maintenance, and Maintenance Division 7, met to conduct comprehensive reviews of the technical qualifications. The PET reviewed proposals based on the technical criteria consistent with the qualifications, experience, and resources necessary to meet the requirements of the RFP. Each proposal addressed the firm's degree of skills (firm and personnel experience), understanding of the statement of work, and cost/price to perform the work. The proposals highlighted the firms' capabilities and the roles of their SBE and DVBE subcontractors for the project.

As previously stated, on October 25, 2016, Metro was notified by UniFirst Corporation of calculation errors in their Schedule of Quantities and Prices that resulted in a significant increase in their pricing. The revised pricing was accepted which resulted in the following corrected scores.

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Prudential Overall Supply</b>				
3	Workplan	78.83	40.00%	31.53	
4	Degree of Skills . Firm and Personnel Experience	73.35	20.00%	14.67	
5	Cost/Price	100	40.00%	40.00	
6	<b>Total</b>		<b>100.00%</b>	<b>86.20</b>	<b>1</b>
7	<b>UniFirst Corporation</b>				
8	Workplan	78.83	40.00%	31.53	
9	Degree of Skills . Firm and Personnel Experience	75.50	20.00%	15.10	
10	Cost/Price	73.63	40.00%	29.45	
11	<b>Total</b>		<b>100.00%</b>	<b>76.08</b>	<b>2</b>



**C. Cost/Price Analysis**

The recommended pricing for the contract is fair and reasonable based on adequate price competition, Independent Cost Estimate (ICE), and program manager technical evaluation of the proposal. The ICE did not include any potential escalation associated with living wage requirements and participation goals due to lack of historical data and the unknown participation commitment level of any proposer.

<b>PROPOSER</b>	<b>PROPOSAL AMOUNT</b>	<b>METRO ICE</b>	<b>AWARD AMOUNT</b>
Prudential Overall Supply	\$6,744,208.00	\$5,426,226.00	\$6,744,208.00
UniFirst Corporation	*\$9,160,597.44		

\* Revised cost proposal submitted to Metro on October 25, 2016.

**D. Background on Recommended Contractor**

**Prudential Overall Supply**

Prudential Overall Supply (POS) is an American company with headquarters in Commerce, California. The company was founded in 1932 as a uniform and textile laundry service, serving industrial clients such as automotive production facilities. The company currently serves municipal, industrial and service industry companies. POS specializes in offering a variety of uniform programs and is a supplier of facility services and industrial products such as dust control mops, towels, mats, restroom supplies and paper products. POS customers' includes more than 300 companies that have been utilizing the company's services for more than 35 years. POS is currently the incumbent for Metro's uniform contract.

**E. Contract Modification Background**

The recommended price for Modification No. 11 for the existing uniform rental services Contract No. OP30002227 has been determined to be fair and reasonable.

The rates offered for the four month extension are the existing rates in the current contract that have been in effect as a result of a competitive procurement completed in 2008. Please see Attachment A-1 Contract Modification/Change Log.

<b>EXTENSION AMOUNT</b>	<b>METRO ICE</b>	<b>METRO NEGOTIATED AMT</b>
\$260,000	\$260,000	\$260,000

DEOD SUMMARY

UNIFORM RENTAL SERVICES PROGRAM / OP671430003367

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established an 8% goal for this solicitation, inclusive of a Small Business Enterprise (SBE) and Disabled Veteran Business Enterprise (DVBE) goal in any combination. Prudential Overall Supply (POS) exceeded the goal by making a 9.00% commitment, inclusive of 2.70% SBE and 6.30% DVBE.

<b>Small Business Goal</b>	<b>8% SBE/DVBE</b>	<b>Small Business Commitment</b>	<b>2.70% SBE 6.30% DVBE</b>
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	<b>SBE/DVBE Subcontractors</b>	<b>% Committed</b>
1.	Becnel Uniforms (SBE)	2.70%
2.	Image Gear dba Reflective Stripe (DVBE)	6.30%
	<b>Total SBE/DVBE Commitment</b>	<b>9.00%</b>

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is applicable to this contract. Metro staff will monitor and enforce the policy guidelines to ensure that applicable workers are paid at minimum, the current Living Wage rate of \$16.18 per hour (\$11.27 base + \$4.91 health benefits), including yearly increases of up to 3% of the total wage. In addition, contractors will be responsible for submitting the required reports for the Living Wage and Service Contract Worker Retention Policy and other related documentation to staff to determine overall compliance with the policy.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this Contract.

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

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



Metro

Board Report

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File #: 2016-1001, File Type: Federal Legislation / State Legislation (Position)

Agenda Number: 44

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**EXECUTIVE MANAGEMENT COMMITTEE  
JANUARY 19, 2017**

**SUBJECT: STATE LEGISLATION**

**ACTION: ADOPT STAFF RECOMMENDED POSITIONS**

**RECOMMENDATION**

ADOPT staff recommended positions:

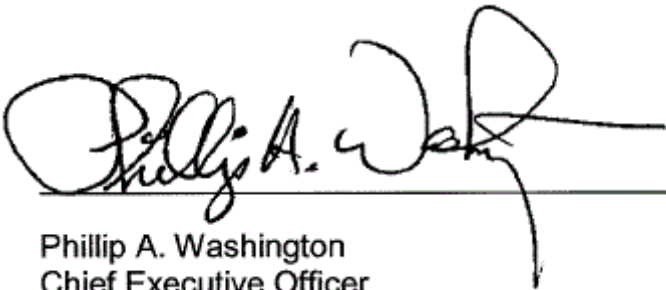
- A. **AB 1 (Frazier)** - Transportation Funding **SUPPORT WORK WITH AUTHOR**
- B. **SB 1 (Beall)** - Transportation Funding **SUPPORT WORK WITH AUTHOR**

**ATTACHMENTS**

Attachment A - AB 1 (Frazier) & SB 1 (Beall) Legislative Analysis

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Desarae Jones, Government Relations Administrator, (213) 922-2230

Reviewed by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



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Phillip A. Washington  
Chief Executive Officer

**BILL:** ASSEMBLY BILL 1 & SENATE BILL 1

**AUTHOR:** ASSEMBLYMEMBER JIM FRAZIER (D-OAKLEY)  
&  
SENATOR JIM BEALL (D-SAN JOSE)

**SUBJECT:** TRANSPORTATION FUNDING

**STATUS:** PENDING COMMITTEE REFERRAL

**ACTION:** SUPPORT WORK WITH AUTHOR

**RECOMMENDATION**

Staff recommends that the Board of Directors adopt a SUPPORT WORK WITH AUTHOR position on the measures AB 1 (Frazier) and SB 1 (Beall). These measures would provide \$6 billion in annual funding for transportation. The bills would increase various taxes and fees, specify the allocation processes for the various programs, and, make various other reforms in the way transportation is funded.

Specifically the bill would:

- Increase the gasoline excise tax based on the Consumer Price Index (CPI).
- Restore the price based gasoline excise tax to the level prior to 2010;
- Increase the diesel sales and excise taxes
- Increase the vehicle license fee
- Implement a new Zero Emissions Vehicle Registration Fee
- Increase the percentage of cap and trade funds allocated to public transit.
- Restore truck weight fees to the State Highway Account
- Remove the California Transportation Commission from the California State Transportation Agency
- Make reforms in the environmental process for various transportation projects.
- Create an Advanced Mitigation program for transportation projects
- Repay outstanding loans for various transportation programs

**DISCUSSION**

The Chairs of both transportation policy committees introduced bills in the 2016 regular and special legislative sessions. The Metro Board of Directors supported all of those bills. The Chairs have now introduced separate bills in the 2017 regular legislative session. As discussions on transportation funding continue it is likely that these bills will see significant changes. Staff believes that due to the magnitude of the proposals and the importance of addressing transportation funding, it is important to take a position on these proposals early in the process.

The Chairs of the transportation policy committees in the Senate and Assembly have worked throughout the past year to develop a consensus transportation funding proposal. Each Chair had introduced individual and different proposals in both the regular and extraordinary legislative sessions under AB X1-26 and SB X1-1. Unfortunately, these discussions did not yield a consensus the close of the 2015-2016 Legislative session. The Chairs have since refined their respective proposals and have introduced new legislation during the new 2017-2018 legislative session under Assembly Bill 1 (Frazier) and Senate Bill 1 (Beall).

Metro has been actively engaged in these discussions by working with leadership in both houses, the Chairs of the policy committees and with members of the Los Angeles County legislative delegation. Most recently, Metro Board Chairman John Fasana transmitted a letter to the delegation urging them to come to agreement on a proposal and highlighting key points that should be in any final package. Those points are as follows;

- **Commitment to funding for transit** that provides a stable and secure source for funding for operating our expanding transit services.
- **Moderate and balanced gas tax increases and fees** to provide a sustainable funding source for state and local transportation infrastructure to address important state of good repair needs as well as our freight network which supports a key sector of the State's economy.
- **Repayment of previous transportation loans** including providing funds to repay projects in the Traffic Congestion Relief Program.
- **Commitment to funding for regional freight** network priorities in support of Metro's goods movement efforts and technology.
- **A package of policy reforms** that would re-establish transportation infrastructure as a top priority for the State, aimed at capital project streamlining and Greenhouse Gas (GHG) reductions, including extension of the authorization for Public Private Partnerships to accelerate transit and highway projects throughout the state.
- **Extension of the State's National Environmental Protection Act (NEPA) delegation** authority to streamline project approvals statewide by Caltrans.

The newly introduced AB 1 (Frazier) and SB 1 (Beall) are expected to generate \$6 billion in annual funding to repair and maintain state and local roads, improve trade corridors, support public transportation and make investments in active transportation. These measures would provide new annual funding for state, local and regional transportation improvements. The measures would also create additional funding sources for Transit, Freight and active transportation.

Historically, state funding for transportation has relied on the sales and use and excise taxes for diesel and gasoline. The transportation system nationwide has been challenged by a number of factors including the declining value of the gas tax. The gas tax at the state and federal level has not been increased in over 20 years. Over that

time, significant gains have been made in fuel efficiency and propulsion technologies which have allowed California in particular to significantly improve its air quality.

These new technologies are less reliant on gasoline and therefore pay less in gas taxes. As a result the ability to fund both the maintenance needs of the state highway and local streets and roads systems are facing significant challenges.

California continues the Vehicle Miles Travelled (VMT) User Fee pilot program through the California Transportation Commission. This effort is currently being implemented as a pilot program statewide. This is an important effort for the state and could create a long-term and sustainable funding system in place of the traditional per gallon tax. In the meantime however it is appropriate to consider an alternative short term solution for filling the funding gaps in the state's transportation funding budget as we continually face transportation, mobility, infrastructure and climate change challenges in our state.

Staff recommends that the Board adopt a SUPPORT WORK WITH AUTHOR(s) position on the measures AB 1 (Frazier) and SB 1 (Beall). We would work with the authors to advocate for the policy priorities outlined in the Chair's letter to the Legislature.

#### **DETERMINATION OF SAFETY IMPACT**

There is no determined safety impact due to the enactment of the proposed legislation.

#### **FINANCIAL IMPACT**

The enactment of the provisions in this statute could result in securing accelerated funding for Metro's expansive long-range transportation plan. The funding proposals will also help augment local streets and road repairs and increase access to funding through competitive grant programs. The estimated financial impact has yet to be determined.

#### **ALTERNATIVES CONSIDERED**

Staff has considered adopting either an oppose or neutral position on the bill. An oppose or neutral position would be inconsistent with Metro's Board approved 2016 State Legislative Program Goals to support efforts to increase funding for transportation projects in Los Angeles County.

#### **NEXT STEPS**

Should the Board decide to adopt a SUPPORT WORK WITH AUTHOR position on these measures; staff will communicate the Board's position to the authors and work to ensure inclusion of the Board's priorities in the final versions of the bills. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.





## Board Report

File #: 2016-1008, File Type: Policy

Agenda Number: 46

### EXECUTIVE MANAGEMENT COMMITTEE JANUARY 19, 2017

**SUBJECT: PROJECT LABOR AGREEMENT, CONSTRUCTION CAREERS POLICY RENEWAL AND INCLUSION OF JOINT DEVELOPMENT**

**ACTION: APPROVE RENEWAL OF PROJECT LABOR AGREEMENT AND CONSTRUCTION CAREERS POLICY; APPROVE INCLUSION OF JOINT DEVELOPMENT IN THE POLICY AND RELATED POLICY UPDATES.**

#### RECOMMENDATION

APPROVE:

- A. the renewal of the Project Labor Agreement (PLA), and Construction Careers Policy (CCP), as amended;
- B. the updated PLA (Attachment A) which covers certain Metro Construction and Joint Development (JD) projects,
- C. the updated CCP (Attachment B) which covers certain Metro Construction and Joint Development projects; and
- D. the updated Metro JD Policy (Attachment C) to incorporate Metro's PLA and CCP and separate the JD Policy from the JD Procedures.

#### ISSUE

The passage of Measure M will bring an unparalleled volume of transit infrastructure construction work to this region. Measure M will also provide Metro with an opportunity to provide unparalleled employment and training opportunities through its PLA and CCP to mitigate the harms caused by geographically concentrated poverty and unemployment to disadvantaged areas throughout the United States. Metro staff is seeking to renew the Project Labor Agreement and Construction Careers Policy at this time to clarify project applicability now that Measure M has passed. Metro's initial PLA and CCP agreements were adopted by the Board in January 2012 which included language referencing Measure R. This Board report includes revisions to the PLA and CCP to add Measure M projects to these programs, address updates to remain current with laws and regulations, incorporate lessons learned from contractors and community stakeholders, and expand the agreement to include certain Joint Development (JD) projects. The actions in this Board report will implement amendments to the PLA and CCP policies and update the JD Policy to apply the negotiated terms to cover JD projects, as defined in the policies and in the report below. In addition,



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the JD Policy is being updated to separate the “policy” from “procedures” to allow for a more efficient implementation of the JD Program. If approved, these changes would go into effect January 27, 2017 and supersede the existing agreement.

## **DISCUSSION**

### *Background*

The PLA and CCP were adopted by the Metro Board in January 2012 to encourage construction employment and training opportunities to those who reside in economically disadvantaged areas. Currently, the PLA and CCP apply to certain locally-funded (non-federal) and federally-funded construction projects with a construction value greater than \$2.5 million. Metro’s Diversity and Economic Opportunity Department (DEOD) oversees implementation and compliance with the PLA and CCP. The term of the current PLA and CCP is for five years and expires April 2017. To date, the PLA and CCP have not applied to JD projects.

### *Impact of PLA and CCP*

The Project Labor Agreement facilitates careers in the construction industry to promote employment opportunities on Metro transit construction projects. The PLA sets the terms of employment and includes targeted hiring requirements of 40%, apprentice hiring requirements of 20%, and disadvantaged worker hiring requirements of 10%.

The purpose of the Construction Careers Policy is to encourage construction employment and training opportunities that will result in sustained construction careers. The CCP serves as a policy for contractors to comply with hiring requirements and includes the terms that are in the PLA.

Metro has implemented the PLA and CCP with great success and is currently exceeding all hiring goals program wide. Out of 21 projects valued at over \$5 billion (9 completed construction projects, and 12 currently active projects) Metro’s PLA and CCP has achieved the following attainments program wide:

- Targeted Worker Goal 40%                      Attainment 58.89%
- Apprentice Worker Goal 20%                      Attainment 20.16%
- Disadvantaged Worker Goal 10%                      Attainment 12.64%
- PLA Worker hours performed to date                      Over 3.5 million hours
- Economically Disadvantaged hours                      Over 2 million hours
- Apprentice Worker hours to date                      Over 525 thousand hours
- Disadvantaged Worker hours to date                      Over 440 thousand hours

The success of the PLA and CCP programs have also provided opportunities for training and employment programs like Metro’s Women Build Metro Los Angeles, and contractor sponsored boot camps to recruit targeted individuals residing in underserved communities. As expansive and complex as Metro’s construction infrastructure program is, it is critical to create a pipeline of apprentice and future construction workers to support this program and future construction projects. Staff has worked closely with contractors, community based organizations and job coordinators and are incorporating lessons learned to increase the effectiveness of the PLA and CCP. To this end, staff coordinated and facilitated a PLA/CCP symposium that brought together over 100 individuals

representing a diverse set of stakeholders, including public agency PLA administrators, contractors, union representatives and community based organizations. Additionally, staff has requested, and will make available, a listing of all apprenticeship training programs, and the fees required for them so participants of boot camps are fully aware of the costs associated with applying for apprenticeships. This will eliminate participants of boot camps not being aware of the fees required to enter into an apprenticeship training program after completing a boot camp. Staff will also work with the trades on the feasibility of having payment plans available for applicants, and work with contractors to assist with apprenticeship entrance fees. The LA/OCBCTC has agreed to participate in a Joint Labor Management Subcommittee twice a year to support recruitment of apprentices into Metro's PLA/CCP program.

### *Inclusion of Joint Development in PLA and CCP*

Staff is currently proposing to expand the PLA and CCP program to include Joint Development projects in efforts to create more opportunities for training and employment. Metro's JD team worked closely with DEOD and the Los Angeles/Orange Counties Building & Construction Trades Council (LA/OCBCTC) to develop an approach to applying the PLA and CCP that balances Metro's goals of improving access to quality construction jobs while ensuring the competitiveness and financial feasibility of JD projects as well as meeting other community development goals. Metro's JD team also held a roundtable and interviews with both for-profit and non-profit affordable housing developers to solicit feedback. Based on feedback from developers and review of other PLA policies applicable to commercial real estate projects, Metro and the LA/OCBCTC developed threshold criteria for application of the PLA and CCP to JD projects.

The recommendations in this report will apply the PLA and CCP to JD projects that result from either a solicited or an unsolicited proposal received after Metro Board adoption of this item, and that meet the following threshold criteria:

- A mixed-use project containing both a residential and a commercial component, where there are more than sixty (60) residential units being built;
- A residential-only project that exceeds sixty (60) residential units; or
- A commercial-only project (retail, office or hotel) that exceeds forty thousand (40,000) square feet of space.

The policies will not apply to JD sites that are already in negotiations or for which a solicitation has already been released.

### *Other PLA and CCP Amendments*

- The revised PLA includes amendments to update the LA/OCBCTC's Drug and Alcohol Testing Policy. Updated regulations require the current PLA's Memorandum of Understanding Testing Policy for Drug Abuse to be replaced by the new LA/OCBCTC's Approved Drug and Alcohol Testing Policy.
- The current PLA covers Measure R and other contracts with a construction value greater than \$2.5 million. This Board report specifically appends Measure M projects to Metro's current PLA and CCP programs.

- The revised PLA includes updated language to ensure that construction contractors, with or without union affiliation, may be awarded construction contracts by Metro provided that the contractors abide by the terms of the PLA and CCP, in accordance with regulatory requirements.
- The revised PLA adds a section to address any jurisdictional disputes involving the Southwest Regional Council of Carpenters (Carpenters). Although the Carpenters were not signatory to Metro's original PLA, this amendment will ensure that any disputes will be resolved without any occurrence of strikes, work stoppages or slow-downs and will follow the adopted dispute process. This will facilitate the Carpenters becoming signatory to Metro's PLA.
- The revised PLA increases the number of arbitrators listed as resources to conduct arbitrations to decrease the amount of time required to resolve disputes. The current list of arbitrators is limited and their workloads may prevent timely resolution of disputes.
- The revised PLA will include updates to the list of signatory trades.
- The revised PLA agreement requests a 10-year extension, to be in-line with Metro's 10-year project management plan approach.
- The Joint Development amendments recommended to the PLA and CCP are limited to making JD projects part of the policies' definition of "covered projects" and set forth the threshold described above. Any future amendments and updates to these policies would include the updated JD provisions included herein.
- This agreement with the LA/OCBCTC will include an understanding that when Boot Camps to support Metro construction projects are convened between Metro and the LA/OCBCTC, graduates of the Boot Camp will have priority hiring to construction jobs.
- This agreement with the LA/OCBCTC will make available a list of fees required for apprenticeship entry. Metro staff will make the information available on its website, at outreach and recruitment events, and at boot camps and job fairs.

### *Joint Development Policy Update*

The updated JD Policy has two objectives:

1. Inclusion of the PLA and CCP as applicable policies for projects that meet the threshold criteria; and
2. A separation of the "JD Policy" from the "JD Procedures." Best practices with organizational policies are to have clear policy provisions adopted by a Board or governing body, with a companion "procedures" document that can be administratively updated as needed. Prior versions of the JD Policy kept these sections together as one document, making it less efficient for staff to amend procedures when needed that are in keeping with the adopted policy.

### **DETERMINATION OF SAFETY IMPACT**

Approval of the PLA, CCP and JD policies will have no impact on safety. Any future development resulting from the JD Program will be carefully reviewed by Metro Operations and Safety.

### **FINANCIAL IMPACT**

The funding required to implement a PLA and CCP will be included in the budget in each capital construction project and/or the Developer's construction budget for each JD project. The requirements to include the PLA and CCP, hire a jobs coordinator and monitor compliance will be included in the competitive Requests for Proposal (RFP) for the contractors working on the covered construction projects and the Developers seeking JD projects. Metro's responsibilities for monitoring compliance with the program will be included in the Metro budget as each new project is approved by the Board, and/or the annual Metro budget process.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to adopt the renewal of the PLA and CCP, nor update the PLA and CCP to include JD policies. This is not recommended, as the success of the PLA/CCP program has had significantly positive impacts in the region and application of these policies is in keeping with Metro's commitment to ensure that construction jobs resulting from the investment in transit capital projects benefit disadvantaged communities. In addition, the recommended policy updates resulted from a proactive negotiation with the LA/OCBCTC and have been carefully vetted to ensure these are in keeping with the JD Program's commitment to promoting transit oriented communities.

### **NEXT STEPS**

Include the adopted and amended PLA/CCP in upcoming construction procurements with a construction value greater than \$2.5 million, and advertised after January 26, 2017, and additionally, apply to JD projects that meet the criteria described in the policy. Metro staff will post the updated policies on the relevant Metro web pages, provide notice to stakeholders through an e-blast, and include the policies in future JD solicitations.

### **ATTACHMENTS**

Attachment A: Updated Project Labor Agreement

Attachment B: Updated Construction Careers Policy

Attachment C: Updated Joint Development Policy

Attachment D: Letter of Support

Prepared by: Keith A. Compton, Director, Diversity & Economic Opportunity, (213) 922-2406  
Miguel Cabral, Executive Officer, Diversity & Economic Opportunity, (213) 922-

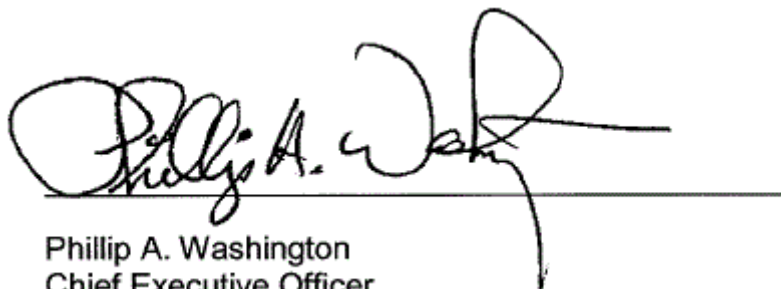
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Phillip A. Washington  
Chief Executive Officer

# ***PROJECT LABOR AGREEMENT***

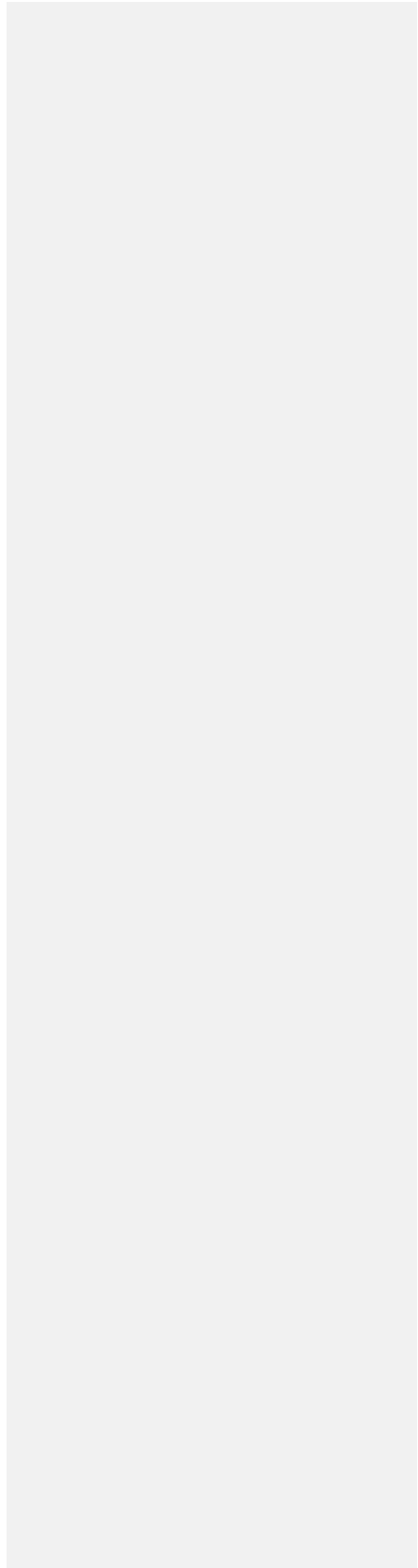
***THE LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY***



***THE LOS ANGELES/ORANGE COUNTIES BUILDING AND  
CONSTRUCTION TRADES COUNCIL AFFILIATED WITH THE  
BUILDING & CONSTRUCTION TRADES DEPARTMENT (AFL/CIO)  
AND THE SIGNATORY CRAFT COUNCILS AND LOCAL UNIONS***



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PROJECT LABOR AGREEMENT  
LACMTA and LAOCBCTC

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Attachment "A" – Letter of Assent

Attachment "B" – Proposed Project List for Project Labor Agreements

Attachment "C" – ~~Memorandum of Understanding Testing Policy for Drug Abuse~~[Los Angeles/Orange Counties Building and Construction Trades Council Approved Drug and Alcohol Testing Policy](#)



PURPOSE

The purpose of this Project Labor Agreement (Agreement) is to facilitate careers in the construction industry and to promote employment opportunities during the construction of the Capital Improvement Projects, including, but not limited to, Measure R ~~and Measure M Transit Projects and~~ Highway Projects, ~~and certain Joint Development (JD) Projects~~, awarded by the Los Angeles County Metropolitan Transportation Authority (“LACMTA”), and to provide for the orderly settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring timely and economical completion of the covered projects.

WHEREAS, the LACMTA is responsible for the design and construction of the covered projects; and

WHEREAS, the successful completion of the covered projects is of utmost importance to the LACMTA and the general public of the County; and

WHEREAS, the work to be done will require maximum cooperation from the Parties; and

WHEREAS, increasing access to employment opportunities with prevailing wages is one way for the LACMTA to directly combat poverty and unemployment; and

WHEREAS, the LACMTA has adopted a Construction Careers Policy, which encourages construction employment and training opportunities in ways calculated to mitigate the harms caused by geographically concentrated poverty, unemployment and underemployment in economically disadvantaged and extremely economically disadvantaged areas and among disadvantaged workers throughout the United States; and

WHEREAS, this Agreement is not intended to have an adverse impact on the policy of the LACMTA to maximize business opportunities for minority, women and other small business enterprises in LACMTA contracts; and

WHEREAS, large numbers of workers of various skills will be required in the performance of the construction work, including those to be represented by the unions affiliated with the Los Angeles/Orange Counties Building and Construction Trades Council and any other craft labor organization which are signatory to this Agreement employed by contractors and subcontractors who are signatory to agreements with said labor organizations; and

WHEREAS, it is recognized that projects of this magnitude with multiple contractors and bargaining units on the job site at the same time over an extended period of time, the potential for work disruption is substantial without an overriding commitment to maintain continuity of work; and

WHEREAS, the interests of the general public, the LACMTA, the Unions, contractors, subcontractors, employers and workers would be best served if the construction work proceeded in an orderly manner free of disruption because of strikes, sympathy strikes, work stoppages, picketing, lockout, slowdowns or other interferences with work; and

WHEREAS, the Contractors/Employers/~~Developers~~ and the Unions desire to mutually establish

and stabilize wages, hours and working conditions for the workers employed on this Project by the Contractors/Employers/Developers, and further, to encourage close cooperation among the Contractors/Employers/Developers and the Unions to the end that a satisfactory, continuous and harmonious relationship will exist among the parties to this Agreement; and

WHEREAS, this Agreement is not intended to replace, interfere with, abrogate, diminish, or modify existing local or national collective bargaining agreements in effect during the duration of this Agreement, insofar as a legally binding agreement exists between the Contractors/Employers/Developers and the affected Unions, except to the extent that the provisions of this Agreement are inconsistent with said collective bargaining agreements, in which event, the provisions of this Agreement shall prevail; and further, it is understood that Contractors/Employers/Developers are bound and shall remain bound, for the duration of this Agreement by the terms of this Agreement and applicable local and national collective bargaining agreements for the craft work performed, established between the signatory Unions and Contractors/Employers/Developers, in effect and covering the area of this Project; and

WHEREAS, this Agreement reflects a commitment by all parties to the diversity in the workforce hiring that reflect levels of minority, women, and other worker utilization at levels which are representative of the relevant workforce of these groups in the Greater Los Angeles County Area as determined by the U.S. Census Bureau; and

WHEREAS, the Parties signatory to this Agreement pledge their full good faith and trust to work towards a mutually satisfactory completion of the Project;

NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES, AS FOLLOWS:

**ARTICLE I**  
**DEFINITIONS**

1.1 “Agreement” means this Project Labor Agreement.

1.2 “Apprentice” as used in this Agreement shall mean those apprentices registered and participating in Joint Labor/Management Apprenticeship Programs approved by the State of California, Department of Industrial Relations, Division of Apprenticeship Standards (“DAS”), or in the case of Projects with federal funding, approved by the US Department of Labor (“DOL”) and DAS.

1.3 “Community Area Resident” means a Local Resident whose primary place of residence is within an Economically Disadvantaged Area or an Extremely Economically Disadvantaged Area and is within a 5-mile radius of the covered project in question.

1.4 “Construction Careers Policy” means the policy and accompanying program approved by the LACMTA, which is incorporated by this reference into this Agreement.

1.5 “Construction Contract” means a contract to perform construction work on a covered project.

1.6 —“Contractor/Subcontractor/Employer/~~Developer~~” (C/S/E/D) ~~(1) C/S/E means any individual firm, partnership or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which has entered into contract with the LACMTA or any of its contractors or subcontractors or owner operators of any tier, with respect to the construction of any part of the Project(s) under contract terms and conditions approved by the LACMTA which shall incorporate this Agreement. A C/S/E may bid for and be awarded construction of any part of the Project without regard as to whether the C/S/E is otherwise a party to any collective bargaining agreement.~~ ~~(2) D means any individual firm, partnership or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which either (a) has entered into a joint development agreement and/or ground lease with LACMTA to build a PLA Project, or (b) has entered into a contract with the LACMTA or any of its contractors or subcontractors or owner operators of any tier, with respect to the construction of any part of the Project(s) under contract terms and conditions approved by the LACMTA which shall incorporate this Agreement.~~

1.6 “Contractor/Subcontractor/Employer/Developer” (“C/S/E/D”) means any individual firm, partnership or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which either (a) has entered into a joint development agreement and/or ground lease with LACMTA to build a JD PLA Project, or (b) has entered into a contract with the LACMTA or any of its contractors or subcontractors or owner operators of any tier, with respect to the construction of any part of the Project(s) under contract terms and conditions approved by the LACMTA which shall incorporate this Agreement. A C/S/E/D may bid for and be awarded construction of any part of the Project without regard as to whether the C/S/E/D is otherwise a party to any collective bargaining agreement.”

1.7 “Core Worker” as used in this Agreement shall mean an employee whose name appeared on the ~~C/S/E/C/S/E/D~~ active payroll for sixty (60) of the one hundred (100) days immediately before the award of the Project Work to the ~~C/S/E/C/S/E/D~~ and meets all standards required by applicable local, state or federal law or regulation.

1.8 “Disadvantaged Worker” means an individual who, prior to commencing work on the project, resides in an Economically Disadvantaged Area or Extremely Economically Disadvantaged Area as defined in 1.9 and 1.10 below, and faces at least two of the following barriers to employment: (1) being homeless; (2) being a custodial single parent; (3) receiving public assistance; (4) lacking a GED or high school diploma; (5) having a criminal record or other involvement with the criminal justice system (as more specifically described in Section 3.8 of the Construction Careers Policy); (6) suffering from chronic unemployment (as more specifically described in Section 3.28 of the Construction Careers Policy); (7) emancipated from the foster care system; (8) being a veteran of the Iraq/Afghanistan war; or (9) being an apprentice with less than 15% of the apprenticeship hours required to graduate to journey level in a program as described in Section 1.2 above.

1.9 “Economically Disadvantaged Area” means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$40,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey. Metro can, at its discretion, update the zip code list based on updated census data.

1.10 “Extremely Economically Disadvantaged Area” means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$32,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey. Metro can, at its discretion, update the zip code list based on updated census data.

1.11 “Employment Hiring Plan” means the ~~C/S/EC/S/E/D~~s detailed hiring plan as described in LACMTAs Construction Careers Policy.

1.12 “Federally-Funded Project” means a Covered Project that is funded in whole or in part with funds received from the US Department of Transportation.

1.13 “Jobs Coordinator” means an independent third-party individual-, entity or employee with whom the Prime Contractor- or LACMTA enters into a contract or employs to facilitate implementation of the Targeted Hiring Requirements of this Agreement and the Policy. The Jobs Coordinator must be able to demonstrate or document to the LACMTA the requisite qualifications and/or experience to fulfill the duties and responsibilities as outlined in the Construction Careers Policy.

1.14 ~~“~~Joint Administrative Committee” (JAC) means the committee established by Article XI of this Agreement to review the implementation of this Agreement.

1.15 “LACMTA” means the Los Angeles County Metropolitan Transportation Authority.

1.16 “Letter of Assent” means the document which formally binds each ~~C/S/EC/S/E/D~~ to adherence to all the forms, requirements and conditions of this Agreement that each ~~C/S/EC/S/E/D~~ (of any tier) must sign and submit to the LACMTA’s designated office prior to beginning any work covered by this Agreement, and a copy of which will be provided by the designated LACMTA office to the Council.

1.17 “Local Resident” means an individual whose primary place of residence is within an Economically Disadvantaged Area or an Extremely Economically Disadvantaged Area in Los Angeles County.

1.18 “Local Targeted Worker” means a Local Resident, Community Area Resident or a Disadvantaged Worker whose primary place of residence is within Los Angeles County.

1.19 “National Targeted Worker” means (a) ~~A~~n individual whose primary place of residence is within an Economically Disadvantaged Area or an Extremely Economically Disadvantaged Area in the United States; or (b) a Disadvantaged Worker.

1.20 “Project” or “Covered Project” means (a) ~~†~~The capital improvement construction projects, including, but not limited to, Measure R and Measure M Transit and Highway Projects awarded by the LACMTA, that are covered by this Agreement. Included Projects are listed in Attachment “A” hereto. Additional capital improvement construction projects with an individual construction contract value of \$2,500,000 or more will be added to the list of covered projects as they become known; and (b) Joint Development (JD) Projects.

1. A JD PLA Project is defined as a JD Project that meets all of the following elements: (i) results from proposals received, either through a solicited or unsolicited proposal process, (ii) has been accepted by LACMTA through execution of a joint development agreement and/or ground lease, and (iii) meets one (1) or more of the following thresholds:
  - a. A mixed use project containing both a residential and a commercial component, where there are more than sixty (60) residential units being built; or
  - b. A residential only project that exceeds sixty (60) residential units; or
  - c. A commercial only project (retail office or hotel) that exceeds forty thousand (40,000) square feet of space.
2. The JD Project thresholds set forth in 1.20(b), 1(iii)a-c above, shall apply to the aggregate square footage and/or number of units for all work to be performed on a contiguous site as a JD Project as approved by the LACMTA Board. Covered Work will not be intentionally segmented, split, divided or otherwise separated for contract award purposes to avoid application of this Agreement.

1.21 “Project Work” means construction work performed in the construction of a Covered Project.

1.22 “Subscription Agreement” means the contract between a ~~C/S/EC/S/E/D~~ and a Union's Labor/Management Trust Fund(s) that allows the ~~C/S/EC/S/E/D~~ to make the appropriate fringe benefit contributions in accordance with the terms of the contract.

1.23 “Union” or “Unions” or “Signatory Unions” means the Los Angeles/Orange Counties Building and Construction Trades Council (“Council”) affiliated with the Building & Construction Trades Department (AFL/CIO), Craft International Unions and any other labor organization signatory to this Agreement, acting in their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement.

## **ARTICLE II**

### **SCOPE OF AGREEMENT**

2.1 Parties: Unless otherwise provided or limited herein, this Agreement shall apply to the LACMTA's ~~C/S/EC/S/E/D~~ entering into a Construction Contract for the Project, ~~C/S/EC/S/E/D~~s performing work or agreeing to perform work as subcontractors or otherwise in regards to the Construction Contract and the Los Angeles/Orange Counties Building and Construction Trades Council affiliated with the Building & Construction Trades Department (AFL/CIO), Craft Council and Local Unions and any other labor organization signatory to this Agreement, acting in their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement (“Signatory Unions”).

2.2 Project Description: This Agreement shall apply to the Construction Contract as defined in Article 1 Section 1.5 above unless specifically excluded or limited in Article II, Section 2.4 below. This Agreement shall in no way limit the LACMTA's right to terminate, modify or rescind the Construction Contract and/or any related subcontract or agreement and the LACMTA has the sole discretion and right to combine, consolidate, cancel, terminate or take other action regarding the

Construction Contract or portions of the Construction Contract. Should the LACMTA remove or terminate any contract or agreement for construction that does not fall within the scope of this Agreement and thereafter authorize that work be commenced on any contract for such construction, the contract for construction may, at the sole election of the LACMTA, be performed under the terms of this Agreement.

2.3 Project Labor Disputes: The provisions of this Agreement, including the Schedule A Agreements, (which are the local collective bargaining agreements of the signatory Unions having jurisdiction over the work on the Project, as such may be changed from time-to-time and which are incorporated herein by reference) shall apply to the work covered by this Agreement. Where a subject is covered by a provision in a Schedule A Agreement and not covered by this Agreement, the provision of the Schedule A Agreement shall prevail. All disputes relating to the interpretation or application of this Agreement shall be subject to resolution by the dispute resolution procedures set forth herein.

2.4 Exclusions:

2.4.1 This Agreement shall only apply to the Construction Contract as defined in Article I, Section 1.5 above. Should the LACMTA remove or terminate any contract for construction that does not fall within the scope of this Agreement and thereafter authorize that work be commenced on the Project for such construction, the contract for construction may, at the sole election of the LACMTA, be performed under the terms of this Agreement.

2.4.2 This Agreement shall not apply to or govern the award of contracts by the LACMTA which are outside the approved scope of the Project and Construction Contract defined in Article 1, Section 1.5.

2.4.3 This Agreement shall not apply to or impact in any way service contracts or operation, inspection or maintenance contracts entered into by the LACMTA including, but not limited to said contract relating to the Project, services provided at any LACMTA facility, building and/or the operation or maintenance of any LACMTA owned and operated facilities.

2.4.4 This Agreement shall not apply to a Contractor's/Employers non-manual employees including, but not limited to, superintendents, supervisors, staff engineers, quality control and quality assurance personnel, time keepers, mail carriers, clerk, office workers, messengers, guards, safety personnel, emergency medical and first aid technicians, and other engineering, administrative, supervisory, and management employees (except those covered by existing building and construction trades collective bargaining agreements).

2.4.5 This Agreement shall not apply to material suppliers of raw materials, manufactured products, offsite hauling or delivery by any means of material, supplies, or equipment required to any point of delivery, except an offsite prefabrication facility dedicated solely to project work.

2.4.6 This Agreement shall not apply to officers and employees of the LACMTA, nor

to work performed by or on behalf of other governmental entities and public utilities.

2.4.7 This Agreement shall not apply to the work of persons, firms and other entities that perform consulting, planning, scheduling, design, environmental, geological, management, or other supervisory services on any LACMTA project including, but not limited to, consultants, engineers, architects, geologists, construction managers, and other professionals hired by the LACMTA or any other governmental entity.

2.4.8 This Agreement shall not apply to the common division of work recognized through local practice for systems integration and testing, as-built documentation, including, but not limited to, those items excluded by the National Electrical Code (NFPA70) identified projects as "Not Covered" under Article 90.

2.4.9 Notwithstanding the foregoing, it is understood and agreed that Building/Construction Inspector and Field Soils and Material Testers (inspectors) are a covered craft under this Agreement. This inclusion applies to the scope of work defined in the State of California Wage Determination for that Craft. Every Inspector performing under these classifications pursuant to a professional services agreement or a construction contract shall be bound to all applicable requirements of this Agreement. Covered work as defined by this Agreement shall be performed pursuant to the terms and conditions of this Agreement regardless of the manner in which the work was awarded, but shall not cover quality assurance work performed by or on behalf of LACMTA. Notwithstanding the provisions of this sub-section, the LACMTA may engage consultants for limited periods of time in the event of an urgent need for specialized inspection services. The LACMTA must provide prior notice to the union that despite good faith efforts, it is unable to obtain qualified inspector(s) under the provisions of this Agreement. Such engagement shall be only to meet immediate and limited needs until such qualified inspectors working under the Agreement are available.

2.5 LACMTA and/or the ~~C/S/EC/S/E/Ds~~, as appropriate, have the absolute right to award contracts or subcontracts under this Agreement to any ~~C/S/EC/S/E/D~~ notwithstanding the existence or non-existence of any agreements between such ~~C/S/EC/S/E/D~~ and any Union parties, provided only that such ~~C/S/EC/S/E/D~~ is ready, willing and able to execute and comply with this Agreement should such ~~C/S/EC/S/E/D~~ be awarded work covered by this Agreement.

### **ARTICLE III**

#### **EFFECT OF AGREEMENT**

3.1 By executing this Agreement, the Unions and the LACMTA agree to be bound by each and every provision of this Agreement. This Agreement is not intended to supersede collective bargaining agreements between any of the Contractors/Employers/~~Developers~~ performing construction work on the Project and Union Signatory thereto except to the extent the provisions of this Agreement are inconsistent with such collective bargaining agreement, in which event the provisions of this Agreement shall apply. However, such does not apply to work performed under the NTL Articles of Agreement, the National Cooling Tower Agreement, the National Stack Agreement, the National Transit Division Agreement (NTD), or the National Agreement of the International Unions of Elevator

Constructors and all instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, however, provisions of this Agreement dealing with Work Stoppages and Lock-Outs, Work Assignments and Jurisdictional Disputes, and Settlement of Grievances and Disputes shall apply to such work. It is specifically agreed that no later agreement shall be deemed to have precedence over this Agreement unless signed by all parties signatory hereto who are then currently employed or represented at the Project.

3.2 It is understood that this Agreement constitutes a self-contained, stand-alone agreement and that, by virtue of having become bound to this Agreement, the ~~C/S/EC/S/E/D~~ will not be obligated to sign any local, area or national collective bargaining agreement as a condition of performing work within the scope of this Agreement.

3.3 It is agreed that all ~~C/S/EC/S/E/D~~s of whatever tier, who have accepted the award of a Construction Contract or who have been awarded contracts for work covered by this Agreement, shall be required to accept and be bound to the terms and conditions of this Project Labor Agreement, and shall evidence their acceptance by the execution of the Letter of Assent as set forth in Exhibit A hereto, prior to the commencement of work. At the time that any Contractor enters into a subcontract with any subcontractor of any tier providing for the performance on the construction contract, the Contractor shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor, as a part of accepting the award of a construction subcontract, to agree in writing in the form of a Letter of Assent to be bound by each and every provision of this Agreement prior to the commencement of work on the Project. No contractor or subcontractor shall commence Project Work without having first provided a copy of the Letter of Assent as executed by it to the Project Labor Coordinator 48 hours before the commencement of Project Work, or within 48 hours after the award of Project Work to that ~~C/S/EC/S/E/D~~, whichever occurs later. Further, Contractors not signatory to the established Joint Labor/Management Trust Fund Agreements, as described in the Schedule A Agreement(s) for the craft workers in their employ, shall sign a "subscription agreement" with the appropriate Joint Labor/Management Trust Funds covering the work performed under this agreement before work is commenced on the Project.

~~3.445~~ This Agreement shall only be binding on the signatory ~~C/S/EC/S/E/D~~s hereto in regards to the Construction Contract and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any ~~C/S/EC/S/E/D~~s or any other contract for construction or project to which this Agreement does not apply.

~~3.565~~ This Agreement shall be included as a general condition of the Construction Contract for the Project.

#### **ARTICLE IV** **WORK STOPPAGES AND LOCKOUTS**

4.1 During the term of this Agreement there shall be no strikes, picketing, work stoppages, slowdowns or other disruptive activity for any reason by the Union, its applicable Local Union or by any employee, and there shall be no lockout by the Contractor. Failure of any Union, Local Union or employee to cross any picket line established at the Project site is a violation of this Article. Any damages resulting from any violation of this Agreement will be paid by the violating party.



4.2 The Union and its applicable Local Union shall not sanction, aid or abet, encourage or continue any work stoppage, strike, picketing or other disruptive activity at the Contractor's project site and shall undertake all reasonable means to prevent or to terminate any such activity. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge, and if justifiably discharged for the above reasons, shall not be eligible for rehire on the Project for a period of not less than ninety (90) days.

4.3 The Unions agree that they shall not sanction, aid or abet, encourage or continue any work stoppage, strike, picketing or other disruptive activity at the Project site. If any Union is notified of any offsite work stoppage, strike, picketing or other disruptive activity by the Union that will economically and/or materially affect the completion of the Project, the Union will promptly make good efforts to cease such Project work disruption. Any such costs that economically and/or materially harm the LACMTA shall be borne by the affected Union and made payable to the LACMTA.

4.4 Neither the Union nor its applicable Local Union shall be liable for independent acts of employees for whom it has no responsibility. The International Union General President or Presidents will immediately instruct, order and use the best efforts of his office to cause the Local Union or Unions to cease any violations of this Article. An International Union complying with this obligation shall not be liable for unauthorized acts of its Local Union, ~~the~~ principal officer or officers of a Local Union will immediately instruct, order and use the best efforts of his office to cause the employees the Local Union represents to cease any violations of this Article. A Local Union complying with this obligation within two business days shall not be liable for unauthorized acts of employees it represents. The failure of the ~~C/S/EC/S/E/D~~ to exercise its right in any instance shall not be deemed a waiver of its right in any other instance.

4.5 Expiration of Local Agreements. If local, regional, and other applicable labor agreements expire during the term of this Agreement, it is specifically agreed that there shall be no strike, sympathy strike, picketing, lockout, slowdown, withholding of work, refusal to work, walk-off, sick-out, sit-down, stand-in, wobble, boycott or other work stoppage, disruption, advising of the public that a labor dispute exists, or other impairment of any kind as a result of the expiration of any local, regional or other applicable labor agreement having application at any LACMTA project and/or failure of the parties to that agreement to reach a new contract. Terms and conditions of employment established and set for purposes of prevailing wage requirements under such labor agreements or as required by law at the time of bid or thereafter shall remain established and set. Otherwise to the extent that such a local, regional, or other applicable labor agreement does expire and the parties to that agreement have failed to reach agreement on a new contract, work will continue on the Project on one of the following two bases, both of which will be offered by the Unions involved to the Contractors/Employers affected:

4.5.1 Each of the Unions with a contract expiring must offer to continue working on the Project under interim agreements that retain all the terms of the expiring contract, except that the Unions involved in such expiring contracts may each propose wage rates and employer contribution rates to employee benefit funds under the prior contract different from what those wage rates and employer contributions rates were under the expiring contracts provided, however, that the proposal does not violate state and/or federal prevailing wage laws required to be paid on public works projects. The terms of the

Union's interim agreement offered to Contractors/Employers will be no less favorable than the terms offered by the Union to any other employer or group of employers covering the same type of construction work in Los Angeles County.

4.5.2 Each of the Unions with a contract expiring must offer to continue working on the Project under all the terms of the expiring contract, including the wage rates and employer contribution rates to the employee benefit funds, provided that said wage rates comply with state and/or federal prevailing wage laws, if the Contractors affected by that contract agree to the following retroactivity provisions: if a new local, regional or other applicable labor agreement for the industry having application at the Project is ratified and signed during the term of this Agreement and if such new labor agreement provides for retroactive wage increases, then each affected Contractor shall pay to its employees who performed work covered by the Agreement at the Project during the hiatus between the effective dates of such labor agreements, an amount equal to any such retroactive wage increase established by such new labor agreement, retroactive to whatever date is provided by the new local, regional or other applicable agreement for such increase to go into effect, for each employee's hours worked on the Project during the retroactive period. An agreed labor agreement must not violate any requirements of state and/or federal prevailing wage laws. All parties agree that such affected ~~C/S/E/C/S/E/D~~ shall be solely responsible for any retroactive payment to its employees and that neither the LACMTA nor any other Contractor has any obligation, responsibility or liability whatsoever for any such retroactive payments or collection of any such retroactive payments, from any such Contractor.

4.5.3 Some Contractors may elect to continue to work on the Project under the terms of the interim agreement option offered under 4.5.1 above and other Contractors may elect to continue to work on the Project under the retroactivity option offered under 4.5.2 above. To decide between the two options, Contractors will be given one (1) week after the particular labor agreement has expired or one week after the Union has personally delivered to the Contractor in writing its specific offer of terms of the interim agreement pursuant to 4.5.1 above, whichever is the later date. If the Contractor fails to timely select one of the two options, the Contractor shall be deemed to have selected the option of 4.5.2.

4.6 Expedited Arbitration will be utilized for all work stoppages and lockouts. In lieu of or in addition to any other action at law or equity, any party may institute the following procedure when a breach or violation of this Article IV is alleged to have occurred:

4.6.1 The party invoking this procedure shall notify the permanent arbitrator next in sequence from the following list:

1. Joseph Gentile
2. Michael Rappaport
3. Walter Daugherty
4. Sara Adler
5. [Louis Zigman](#)
6. [John Kagel](#)

7. Fred Horowitz~~Mai Ling Bickner~~

The Parties agree these shall be the ~~five-seven~~ permanent Arbitrators under this procedure. In the event that none of the ~~five-seven~~ permanent Arbitrators are available for a hearing within 24 hours, the party invoking the procedure shall have the option of delaying until one of the ~~five-seven~~ permanent Arbitrators is available or of asking the permanent Arbitrator that would normally hear the matter to designate an arbitrator to sit as a substitute Arbitrator for this dispute. If any of the permanent Arbitrators ask to be relieved from their status as a permanent Arbitrator, the Parties shall mutually select a new permanent Arbitrator from the following list of arbitrators:

1. ~~John Kagel~~ Charles Askin
2. ~~Walter Dougherty~~ Phil Tamoush
3. William Rule

Selection shall be made by each party alternately striking from the foregoing list until one name remains who shall be the replacement permanent Arbitrator. Expenses incurred in arbitration shall be borne equally by the Union and the ~~C/S/EC/S/E/D~~ involved and the decision of the Arbitrator shall be final and binding on both Parties, provided, however, that the Arbitrator shall not have the authority to alter or amend or add to or delete from the provisions of this Agreement in any way. Notice to the Arbitrator shall be by the most expeditious means available, including by telephone and by facsimile or telegram to the party alleged to be in violation and to the- Council and involved local Union if a Union is alleged to be in violation.

4.6.2 Upon receipt of said notice, the Arbitrator shall convene a hearing within twenty-four (24) hours if it is contended that the violation still exists.

4.6.3 The Arbitrator shall notify the Parties by telephone and by facsimile or telegram of the place and time for the hearing. Notice shall be given to the individual Unions alleged to be involved and to the Council. Said hearing shall be completed in one session, which, with appropriate recesses at the Arbitrator's discretion, shall not exceed twenty-four (24) hours unless otherwise agreed upon by all Parties. A failure of any party to attend said hearings shall not delay the hearing of evidence or the issuance of any decision by the Arbitrator.

4.6.4 The sole issue at the hearing shall be whether or not a violation of Section 4.1 or 4.2 of this Article IV has in fact occurred. The Arbitrator shall have no authority to consider any matter of justification, explanation or mitigation of such violation or to award damages, which issue is reserved for court proceedings, if any. The decision shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without a written opinion. If any party desires a written opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with or enforcement of the decision. The Arbitrator may order cessation of the violation of this Article and other appropriate relief and such decision shall be served on all Parties by hand or registered mail upon issuance.

~~(5)~~ 4.6.5 Such decision may be enforced by any Court of competent jurisdiction upon the

filing of this Agreement and all other relevant documents referred to above in the following manner. Written notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the Arbitrator's decision as issued under Section 4.6.4 of this Article, all Parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the Arbitrator's decision shall be served on all Parties by hand or delivered by registered mail.

4.6.6 Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance therewith are hereby waived by the Parties to whom they accrue.

4.6.7 The fees and expenses incurred in arbitration shall be divided equally by the Parties to the arbitration, including Union(s) and the ~~C/S/EC/S/E/D~~(s) involved.

4.7 The procedures contained in Section 4.6 shall be applicable to alleged violations of Article IV to the extent any conduct described in Section 4.1 or 4.2 occurs on the Project. Disputes alleging violation of any other provision of this Agreement, including any underlying disputes alleged to be in justification, explanation, or mitigation of any violation of Section 4.1 or Article IV shall be resolved under the applicable grievance adjudication procedures for these other Articles.

4.8 Notwithstanding any provision of this Agreement to the contrary, it shall not be a violation of this Agreement for any Union to withhold the services of its members (but not the right to picket) from a particular ~~C/S/EC/S/E/D~~ who:

4.8.1 fails to timely pay its weekly payroll; or

4.8.2 fails to make timely payments to the Union's Joint Labor/Management Trust Funds in accordance with the provisions of the applicable Schedule A Agreements. Prior to withholding its members' services for the Contractor's failure to make timely payments to the Union's Joint Labor/Management Trust Funds, the Union shall give at least ten (10) days (unless a lesser period of time is provided in the Union's Schedule A Agreement, but in no event less than forty-eight (48) hours) written notice of such failure to pay by registered or certified mail, return receipt requested, and by facsimile transmission to the involved Contractor and to the LACMTA. The Union will meet within the ten (10) day period to attempt to resolve the dispute.

4.8.3 Upon the payment of the delinquent Contractor of all monies due and then owing for wages and/or fringe benefit contributions, the Union shall direct its members to return to work and the Contractor shall return all such members back to work.

## **ARTICLE V** **NO DISCRIMINATION**

5.1 Consistent with Executive Order 11246 and applicable federal and state law and

regulation, the ~~C/S/EC/S/E/Ds~~ and Unions agree not to engage in any form of discrimination on the ground of, or because of, race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, medical condition, political affiliation, or membership in a labor organization in hiring and dispatching workers for the project.

5.2 Any employee covered by this Agreement which believes he/she has been discriminated against, in violation of section 5.1 above, shall be referred to the appropriate state and/or federal agency for the resolution of such dispute.

#### **ARTICLE VI** **UNION SECURITY**

6.1 The ~~C/S/EC/S/E/Ds~~ recognize the Unions as the sole and exclusive bargaining representatives of all craft employees working within the scope of this Agreement.

6.2 No employee covered by this Agreement shall be required to join any Union as a condition of being employed, or remaining employed, for the completion of the Project work. The ~~C/S/EC/S/E/D~~ shall, however, require all employees working on the Construction Contract, to the extent which this Agreement applies, for a cumulative total of eight (8) or more working days, to comply with the applicable Union's security provisions for the period during which they are performing on-site Project work to the extent, as permitted by law, of rendering payment of the applicable monthly dues and any working dues only, as uniformly required of all craft employees while working on the Project and represented by the applicable signatory unions. However, any employee who is a member of a Union at the time the referring Union refers the employee, shall maintain that membership in good standing while employed on the Construction Contract.

#### **ARTICLE VII** **REFERRAL**

7.1 The ~~C/S/EC/S/E/Ds~~ recognize that the Unions shall be the primary source of all craft labor employed on the Construction Contract for the Project. The Unions will exert their best efforts to recruit and identify individuals, particularly Local or National Targeted Workers, as well as those referred by the Jobs Coordinator, for entrance or reentrance into the labor/management apprenticeship programs, and to assist individuals in qualifying and becoming eligible for such programs. ~~C/S/EC/S/E/Ds~~ utilizing core employees shall follow the procedures outlined below:

7.1.1 The ~~C/S/EC/S/E/D~~ worker shall be considered a Core Worker for the purposes of this Article if the employee's name appeared on the ~~C/S/EC/S/E/D~~'s active payroll for sixty (60) of the one hundred (100) days immediately before the award of the Project Work to the ~~C/S/EC/S/E/D~~ and meets the required definition of 1.7 above,

7.1.2 Each ~~C/S/EC/S/E/D~~ shall identify Core Workers in their Employment Hiring Plan and shall provide payroll records evidencing the worker's qualification as a Core Worker upon request by LACMTA or any other party to this Agreement. The number of Core Workers on the Project for ~~C/S/EC/S/E/Ds~~ covered by this Agreement shall be governed by the following procedure: one Core Worker shall be selected and one worker from the

hiring hall of the affected trade or craft and this process shall repeat until such ~~C/S/EC/S/E/D~~'s requirements are met or until such ~~C/S/EC/S/E/D~~ has hired five (5) such Core Workers for that craft, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the applicable hiring hall list. In the event of a reduction-in-force or layoff, such will take place in a manner to assure that the number of remaining Core Workers in the affected craft does not exceed, at any time, the number of others working in that craft who were employed pursuant to other procedures available to the ~~C/S/EC/S/E/D~~ under this Agreement. This provision applies only to ~~Employees C/S/EC/S/E/Ds~~ not currently working under a current master labor agreement and is not intended to limit transfer provisions of current master labor agreements of any trade. As part of this process, and in order to facilitate the contract administration procedures, as well as appropriate benefit fund coverage, all contractors shall require their "Core Work Force" and any other persons employed, other than through the referral process, to register with the appropriate hiring hall, if any, of the signatory union prior to said employee's first day of employment at the project site.

7.2 ~~C/S/EC/S/E/Ds~~ shall be bound by and utilize the registration facilities and referral systems established or authorized by this Agreement and the signatory Unions when such procedures are not in violation of state or federal law or in conflict with provisions set forth in this Agreement.

7.3 In the event that referral facilities maintained by the unions are unable to fill the requisition of a ~~C/S/EC/S/E/D~~ for Local or National Targeted Workers within forty-eight (48) hours (excluding Saturdays, Sundays and holidays), the ~~C/S/EC/S/E/D~~ shall be free to obtain Local or National Targeted Workers from any source. If the Union's registration and referral system does not fulfill the requirements for specific classifications of covered classifications requested by any ~~C/S/EC/S/E/D~~ within forty-eight (48) hours (excluding Saturdays, Sundays and holidays), that ~~C/S/EC/S/E/D~~ may use employment sources other than the union registration and referral services, and may employ any applicants meeting such standards from any other available source. The contractor shall inform the Union of any applicants hired from other sources within 48 hours of such applicant being hired, and such applicants shall immediately register with the appropriate hiring hall, if any.

7.3.1 The ~~C/S/EC/S/E/Ds~~ must document all efforts made to comply with the targeted hiring process to locate and hire Local Targeted Workers and National Targeted Workers.

7.3.2 The ~~C/S/EC/S/E/D~~ shall inform the Unions, Job Coordinator and LACMTA of the name, address, worker craft classification and social security number of any worker hired from other sources upon their employment on the Project(s).

7.3.3 No Local or National Targeted Worker, having been pre-screened and /or pre-qualified by the Jobs Coordinator, and employed by the ~~C/S/EC/S/E/D~~ to work on the Project, shall be required to participate in any Joint Labor/Management "boot camp" or pre-apprentice program that will unnecessarily delay the Targeted Local or National Worker's start of work or cause said worker's termination due to having to participate in such "boot camps" or pre-apprentice programs.

7.4 Unions will be required to recruit sufficient numbers of skilled craft persons to fulfill the

requirements of the Contractors/Employers.

## 7.5 Covered Projects Other Than Federally-Funded Projects

7.5.1 On Covered Projects other than Federally-Funded Projects, the Unions will make every effort to recruit Local Targeted Workers and to refer and utilize Local Targeted Workers on the Project. The ~~C/S/EC/S/E/Ds~~ shall submit written documentation to the LACMTA on a quarterly basis, or as required by LACMTA, which sets forth the steps taken by the ~~C/S/EC/S/E/Ds~~ to recruit, refer and utilize qualified Local Targeted Workers recruited by the Unions and referred to or utilized on the Project. ~~C/S/EC/S/E/Ds~~ shall comply with LACMTA instructions to request Local Targeted Workers from particular Economically Disadvantaged Areas. In recognition of LACMTA policy to utilize Local Targeted Workers, the Unions and ~~C/S/EC/S/E/Ds~~ agree that as long as they possess the requisite skills and qualifications, Local Targeted Workers, with priority given to Community Area Residents, shall be first referred for Project work, including journeypersons and apprentices.

7.5.2 On Covered Projects other than Federally-Funded Projects, the ~~C/S/EC/S/E/Ds~~ and Unions are responsible for ensuring that the following Targeted Hiring Requirements are met.

(a) A minimum of 40% of all hours of Project Work shall be performed by Local Targeted Workers, with priority given to Community Area Residents. For any hour of Project Work for which the ~~C/S/EC/S/E/D~~ seeks to meet this requirement, the ~~C/S/EC/S/E/D~~ and Unions must first refer Community Area Residents. After Unions and ~~C/S/EC/S/E/Ds~~ have exhausted the available pool of Community Area Residents, they may refer any Local Residents from Extremely Economically Disadvantaged Areas in Los Angeles County; when the ~~C/S/EC/S/E/Ds~~ have exhausted the available pool, they must refer Local Residents from Economically Disadvantaged Areas in Los Angeles County.

(b) A minimum of 10% of all hours of Project Work shall be performed by Disadvantaged Workers whose primary place of residence is within Los Angeles County.

(c) At least 20% of total work hours on each project will be performed by apprentices, but the hours performed by apprentices in each individual craft shall not exceed the ratio to journeyman established by the applicable craft union's DAS approved apprenticeship standards. The parties agree that Local Targeted Workers will perform 50% of all apprenticeship hours worked on the Project.

7.5.3 In determining compliance with the targeted hiring requirements of Section 7.5.2 above, hours of Project Work performed by residents of states other than California will be excluded from the calculation. These hiring provisions may be utilized on covered Federal-funded projects if approved, or allowed, by the Federal-funding entity.

7.5.4 Apprentice Hiring Requirements for Covered Projects other than Federally-Funded Projects.

- (a) All ~~C/S/EC/S/E/D~~s performing Project Work will make every effort to employ the maximum number of Apprentices allowed by State Law.
- (b) The LACMTA will seek to make available through this Agreement or other means, significant apprenticeship opportunities for Local Targeted Workers, consistent with Section 7.5(1) above.
- (c) Any apprentice must come from an apprenticeship program as defined in 1.2 above.
- (d) Unions shall track retention of Apprentices hired under the Policy through completion of the Project Work. The signatory unions shall collect the tracking information and shall submit quarterly retention reports to the LACMTA in the agreed-upon format.
- (e) If, in response to the ~~C/S/EC/S/E/D~~'s request, the applicable Union is not able to refer an apprentice from a specific Economically Disadvantaged Areas or Extremely Economically Disadvantaged Area in Los Angeles County, the Union will indenture a new apprentice from that Area and the ~~C/S/EC/S/E/D~~ shall act as employer-sponsor for such apprentice, consistent with Section 7.5(1) and cover 25% of sponsorship fees for any such Apprentice hired. The amount covered by the ~~C/S/EC/S/E/D~~ may be paid to the new Apprentice over the first three (3) paychecks.
- (f) The ~~C/S/EC/S/E/D~~ shall provide to the LACMTA, information regarding any reasons given by apprenticeship programs for not accepting Contractor-referred Local Targeted Workers into apprenticeship programs.
- (g) All apprentices shall work under the direct supervision of a journeyman from the trade in which the apprentice is indentured. A journeyman shall be defined as set forth in the California Code of Regulations, Title 8 [apprenticeship] section 205, which defines a journeyman as a person who has either completed an accredited apprenticeship in his or her craft, or has completed the equivalent of an apprenticeship in length and content of work experience and all other requirements in the craft which has workers classified as journeyman in the apprenticeable occupation. Each ~~C/S/EC/S/E/D~~ shall provide adequate proof evidencing the worker's qualification as a journeyman.

7.6 Covered Federally-Funded Projects

7.6.1 On Federally-Funded Projects, the Unions will make every effort to recruit National Targeted Workers and to refer and utilize National Targeted Workers on the



Project. The ~~C/S/EC/S/E/Ds~~ shall submit written documentation to LACMTA on a quarterly basis, or as required by LACMTA, which sets forth the steps taken by the ~~C/S/EC/S/E/Ds~~ to recruit, refer and utilize qualified National Targeted Workers recruited by the Unions and referred to or utilized on the Project. In recognition of LACMTA's policy to utilize National Targeted Workers, the Unions and Contractors/Employers agree that as long as they possess the requisite skills and qualifications National Targeted Workers shall be first referred for Project work, including journeypersons and apprentices.

7.6.2 On Federally-Funded Projects, the ~~C/S/E/Ds/Es~~ and Unions are responsible for ensuring that the following Targeted Hiring Requirements are met.

(a) A minimum of 40% of all hours of Project Work shall be performed by National Targeted Workers, with priority given to residents of Extremely Economically Disadvantaged Areas in the United States. For any hour of Project Work for which the ~~C/S/EC/S/E/D~~ seeks to meet this requirement, the ~~C/S/EC/S/E/D~~ and Unions must first refer residents of Extremely Economically Disadvantaged Areas in the United States. After Unions and ~~C/S/EC/S/E/Ds~~ have exhausted the available pool of residents of Extremely Economically Disadvantaged Areas, they may refer any National Targeted Worker.

(b) A minimum of 10% of all hours of Project Work shall be performed by Disadvantaged Workers who are residents of the United States.

(c) At least 20% of total work hours on each project will be performed by apprentices, but the hours performed by apprentices in each individual craft shall not exceed the ratio to journeyman established by the applicable craft union's DAS approved apprenticeship standards. The parties agree that National Targeted Workers will perform 50% of all apprenticeship hours worked on the Project.

7.6.3 Apprentice Hiring Requirements on Federally Funded Projects

(a) All Contractors/Employers performing Project Work will make every effort to employ the maximum number of Apprentices allowed by State Law.

(b) The LACMTA will seek to make available through this Agreement or other means, significant apprenticeship opportunities for National Targeted Workers, consistent with Section 7.6(1) above.

(c) Any apprentice must come from an apprenticeship program as defined in 1.2 above.

(d) Unions shall track retention of Apprentices hired under the Policy through completion of the Project Work. The signatory unions shall collect the tracking information and shall submit quarterly retention reports to the LACMTA in the agreed upon format.

(e) If the applicable Union is not able to refer an apprentice from a specific Extremely Economically Disadvantaged Area or Economically Disadvantaged Area in the United States, the Union will indenture a new apprentice from that Area and the ~~C/S/EC/S/E/D~~ shall act as employer-sponsor for such apprentice, consistent with Section 7.5(1) and cover 25% of sponsorship fees for any such Apprentice hired. The amount covered by the ~~C/S/EC/S/E/D~~ may be paid to the new Apprentice over the first three (3) paychecks.

(f) The ~~C/S/EC/S/E/D~~ shall provide to the LACMTA, information regarding any reasons given by apprenticeship programs for not accepting Contractor-referred National Targeted Workers into apprenticeship programs.

(g) All apprentices shall work under the direct supervision of a journeyman from the trade in which the apprentice is indentured. A journeyman shall be defined as set forth in the California Code of Regulations, Title 8 [apprenticeship] section 205, which defines a journeyman as a person who has either completed an accredited apprenticeship in his or her craft, or has completed the equivalent of an apprenticeship in length and content of work experience and all other requirements in the craft which has workers classified as journeyman in the apprenticeable occupation. Each ~~C/S/EC/S/E/D~~ shall provide adequate proof evidencing the worker's qualification as a journeyman.

7.7 The Disadvantaged Workers will be referred to the Unions from the Jobs Coordinator qualified to perform construction jobs coordination and related services. The Jobs Coordinator shall pre-screen and/or pre-qualify any applicant prior to referral to the Unions. Drug screening will be a prerequisite to employment. As referenced in 1.8 above, Disadvantaged Workers must meet at least two of the following criteria:

- a. Being homeless;
- b. Being a custodial single parent;
- c. Receiving public assistance;
- d. Lacking a GED or high school diploma;
- e. Having a criminal record or other involvement with the criminal justice system (as more specifically described in Section 3.8 of the Construction Careers Policy);
- f. Suffering from chronic unemployment (as more specifically described in the Section 3.28 of the Construction Careers Policy);
- g. Emancipated from the foster care system;
- h. Veteran of the Iraq/Afghanistan war;
- i. An apprentice with less than 15% of the required graduating apprenticeship hours

in a program as described in Article 1.2.

For the applicant to qualify under this program, the Jobs Coordinator shall verify the presence of any two criteria listed above.

7.7 The ~~C/S/EC/S/E/D~~ shall be the sole judge of the qualifications of any employee including those referred to the ~~C/S/EC/S/E/D~~ by any source.

7.8 There shall be no limitation or restriction upon the choice of materials or upon the full use and installation of equipment, machinery, package units, factory precast, prefabrication or preassembled materials, tools or other labor saving device.

7.9 Helmets to Hardhats:

7.9.1 The ~~C/S/EC/S/E/Ds~~ and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction trades industry. The ~~C/S/EC/S/E/Ds~~ and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" Program to serve as a resource for preliminary orientation, assessment of the construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

7.9.2 The Unions and Employers agree to coordinate with the Center to reach out to veterans interested in entering into a construction career.

7.10 ~~C/S/EC/S/E/Ds~~ agree to only use the Craft Request Form (Exhibit B) and the procedures written therein to request any and all workers from Unions with a concurrent transmittal of such request to the Jobs Coordinator, including workers qualified as Local Targeted Workers, National Targeted Workers, and/or general dispatch.

7.11 When Local Targeted Workers or National Targeted Workers are requested by a ~~C/S/EC/S/E/D~~, the Unions will refer such workers regardless of their place in the Union hiring halls' list and normal referral procedures.

7.12 In the event that a ~~C/S/EC/S/E/D~~, having not achieved its targeted hiring participation levels, requests a Local Targeted Worker or National Targeted Worker from the Union hiring facility, and is referred a worker who is not a Local Targeted Worker or National Targeted Worker, the ~~C/S/EC/S/E/D~~ is under no obligation to hire the referred worker for the Project work and shall notify the Union hiring facility and the Jobs Coordinator.

7.13 The ~~C/S/EC/S/E/Ds~~, Unions and Jobs Coordinator agree to maintain copies of all Craft Request Forms used on the Project submitted or received including transmission verification reports that are date/time imprinted, until the project on which such workers is completed. All Craft Request Forms and transmission verification reports shall be available for inspection and copies provided, upon request by LACMTA.

**ARTICLE VIII**  
**WAGES & BENEFITS**

8.1 All employees covered by this Agreement shall be classified in accordance with work performed and paid by the C/S/EC/S/E/D the hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determination established pursuant to applicable law. If a prevailing rate increases under law, the C/S/EC/S/E/D shall pay that rate as of its effective date under the law. Notwithstanding Section 2.3, this Agreement does not relieve C/S/EC/S/E/Ds from any independent contractual or other obligation they may have to pay wages in excess of the prevailing wage rate as required.

8.2 C/S/EC/S/E/D shall pay contributions to the established employee benefit funds in the amounts designated by the Unions and make all employee-authorized deductions in the amounts designated by the Unions; provided, however, that the C/S/EC/S/E/D and Union agree that only such bona fide employee benefits as accrue to the direct benefit of the employees (such as pension and annuity, health and welfare, vacation, apprenticeship, training funds, etc.) shall be included in this requirement and required to be paid by the C/S/EC/S/E/D on the Project; and provided further, however, that such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination. Notwithstanding Section 2.3, C/S/EC/S/E/Ds directly signatory to one or more of the Schedule A Agreements are required to make all contributions set forth in those Schedule A Agreements without reference to the forgoing. The LACMTA shall not be liable for determining the level of contributions, deductions or payments for benefits and the LACMTA shall not be liable for or required to make contributions, deductions or payments for benefits in excess of or different from those set forth in the prevailing wage determinations.

8.3 Each C/S/EC/S/E/D adopts and agrees to be bound by the written terms of the applicable, legally established, trust agreement(s), to the extent said trust agreements are consistent with this Agreement, specifying the detailed basis on which payments are to be made into, and benefits paid out of such trust funds for the C/S/EC/S/E/D's employees. Each C/S/EC/S/E/D authorizes the parties to such trust funds to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the Contractor/ Employer. C/S/EC/S/E/Ds further agree to sign the applicable trust agreement "subscription" agreement(s) if required by the Craft Union on behalf of the Craft employees in order to make the employee contributions to the pension, annuity, health and welfare, vacation, apprenticeship, training trusts, etc.

**ARTICLE IX**  
**COMPLIANCE**

9.1 It shall be the responsibility of the C/S/EC/S/E/Ds and the Unions to investigate and monitor compliance with the provisions of this Agreement. The LACMTA may designate a representative to monitor and investigate issues related to this Agreement including, but not limited to, the prevailing wage requirements and the Construction Careers Policy.

**ARTICLE X**  
**DISPUTE RESOLUTION PROCEDURE**

10.1 This Agreement is intended to provide close cooperation between management and labor.

Each of the Unions will assign a representative to this Project for the purpose of completing the construction of the Project economically, efficiently, continuously, and without interruptions, delays, or work stoppages.

10.2 The ~~C/S/EC/S/E/Ds~~, Unions, and the employees, collectively and individually, realize the importance to all Parties to maintain continuous and uninterrupted performance of the work of the Project, and agree to resolve disputes in accordance with the grievance-arbitration provisions set forth in this Article.

10.3 Any question or dispute by or between a ~~C/S/EC/S/E/D~~ and/or a Union and arising out of and during the term of this Agreement, other than disputes arising under Article IV (Work Stoppages and Lockouts, Article XII (Jurisdictional Disputes) and Article XIII (Employee Grievance Procedure) shall be considered a grievance and subject to resolution under the following procedures:

Step 1: Within five (5) business days after notice of the dispute, the Business Representative of the involved Local Union or District Council, or his/her designee, and the representative of the involved ~~C/S/EC/S/E/D~~ shall meet and attempt to resolve the dispute.

Step 2: In the event that the representatives are unable to resolve the dispute at the Step 1 meeting, the grieving party shall, within five (5) business days after the Step 1 meeting, notify the responding party and the Joint Administrative Committee ("JAC") of a request to discuss the grievance. The Business Manager of the Union (or his/her designee) shall meet with the respective jobsite representative of the ~~C/S/EC/S/E/D~~ and the JAC within ten (10) business days (or such longer time as all of the parties may mutually agree) after receipt of the request to discuss the grievance. If the grievance is not resolved at the JAC meeting, the grievance may be submitted to final and binding arbitration as described in Step 3.

Step 3: In the event a dispute cannot be satisfactorily resolved within the time limits established above in Step 2, either party may submit the dispute to arbitration by written notice to the other party of their intent to submit the dispute to arbitration within ten (10) business days (or such longer time as mutually agreed) of the date on which the parties met with the JAC. An arbitrator shall be selected by the parties to the grievance from the following list of permanent arbitrators: (1) Joseph Gentile, (2) Michael Rappaport, (3) Walter Daugherty, (4) Sara Adler, ~~and (5) Mei-Ling Bickner~~ Louis Zigman, (6) John Kagel, and (7) Fred Horowitz. The grieving party shall strike one of the arbitrators from the list, and the responding party shall strike the next arbitrator from the list, until one arbitrator is left, who shall hear the case. The arbitrator's decision shall be final and binding upon the parties. The arbitrator shall not have the authority to alter, amend, add to, or delete from the provisions of this Agreement in any way. The failure of any party to attend said hearing shall not delay the hearing of evidence or the issuance of any decision by the arbitrator. Should any party seek confirmation of the award made by the arbitrator, the prevailing party shall be entitled to receive its reasonable attorney fees and costs.

10.4 The LACMTA shall be notified of all actions at Steps 2 and 3 and shall, upon its request, be permitted to participate in all proceedings at these steps. The LACMTA, in its sole and absolute

discretion, may elect to utilize the procedures the set forth herein for addressing issues of concern to LACMTA arising under this Agreement.

10.5 The time limits specified in any step of the Dispute Resolution Procedure set forth in Section 10.3 may be extended by mutual agreement of the parties initiated by the written request of one party to the other, at the appropriate step of the dispute procedure. However, failure to process a dispute, or failure to respond in writing within the time limits provided above, without a request for an extension of time, shall be deemed a waiver of such dispute without prejudice, or without precedent to the processing and/or resolution of like or similar disputes.

10.6 In order to encourage the resolution of disputes at Steps 1 and 2 of the dispute procedure, the parties agree that any settlements made during such steps, shall not be precedent setting.

10.7 The fees and expenses incurred by the arbitrator, as well as those jointly utilized by the parties (i.e. conference room, court reporter, etc.) in arbitration, shall be divided equally by the Parties to the arbitration, including Union(s) and ~~C/S/EC/S/E/D~~(s) involved.

#### **ARTICLE XI** **JOINT ADMINISTRATIVE COMMITTEE**

11.1 The Parties to this Agreement shall establish a six (6) person Joint Administrative Committee (JAC). This JAC shall be comprised of one (1) representative of the LACMTA Construction Manager; one (1) representative of the LACMTA Administrative Services; one (1) representative of the prime contractor, and three (3) representatives of the signatory Unions to be appointed by the Council established to monitor compliance with the terms and conditions of this Agreement. Each representative shall designate an alternate who shall serve in his or her absence for any purpose contemplated by this Agreement.

11.2 The JAC shall meet as required to review the implementation of this Agreement and the progress of the Project and resolve problems or disputes by majority vote with such resolutions to be binding on all signatories of the Agreement as provided herein. A unanimous decision of the JAC shall be final and binding upon all Parties. However, the JAC shall have no authority to make determinations upon or to resolve grievances arising under this Agreement.

11.3 A quorum will consist of at least two (2) LACMTA and two (2) signatory union representatives. For voting purposes, only an equal number of LACMTA and signatory union representatives present may constitute a voting quorum.

#### **ARTICLE XII** **JURISDICTIONAL DISPUTES**

12.1 The assignment of work will be solely the responsibility of the ~~C/S/EC/S/E/D~~ performing the work involved and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the Plan) or any successor Plan.

12.2 All Jurisdictional Disputes on this Project, between or among Building and Construction Trades Unions and ~~C/S/EC/S/E/D~~s shall be settled and adjusted according to the present Plan established

by the Building and Construction Trades Department. Decisions rendered shall be final, binding, and conclusive on the ~~C/S/EC/S/E/Ds~~ and Unions. A decision shall not award back pay or any other damages for a misassignment of work, nor may any party bring an independent action for back pay or any other damages based upon a decision of an Arbitrator, except that a party may seek back pay or damages for a period of non-compliance with an Arbitrator's decision from any party that fails to comply with such decision within seven (7) business days of the issuance of the Arbitrator's decision.

12.3 If a dispute arising under this Article involves the Southwest Regional Council of Carpenters or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the Council within fourteen (14) days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

~~12.443~~ All Jurisdictional Disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature and the ~~C/S/EC/S/E/D's~~ assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

### **ARTICLE XIII** **EMPLOYEE GRIEVANCE PROCEDURE**

13.1 Should a grievance arise regarding the imposition of discipline of an employee, or the dismissal of an employee, working on Project work, all such grievance(s) shall be processed, exclusively, under the grievance procedure contained in the applicable Schedule A Agreement for the craft Union representing such employee(s) and not under the provisions of the Grievance Arbitration provisions of Article X. ~~C/S/EC/S/E/Ds~~ shall not discipline or dismiss its employees except for good cause.

### **ARTICLE XIV** **MANAGEMENT RIGHTS**

14.1 The ~~C/S/EC/S/E/Ds~~ retain full and exclusive authority for the management of their operations. This includes, but is not limited to, the right to direct their working force and to establish coordinated working hours and starting times, which shall not be in conflict with the Schedule A Agreements.

14.2 There shall be no limit on production by workers or restrictions on the full use of tools or equipment. Craftsmen using tools shall perform any of the work of the trades and shall work under the direction of the craft foremen. There shall be no restrictions on efficient use of manpower other than as may be required by safety regulations. The ~~C/S/EC/S/E/Ds~~ may utilize the most efficient methods or techniques of construction, tools or other labor-saving devices to accomplish the work. Restrictive practices not a part of the terms and conditions of this Agreement will not be recognized.

14.3 The ~~C/S/EC/S/E/D~~ shall be the sole judge of the number and classifications of employees required to perform work subject to this Agreement. The ~~C/S/EC/S/E/D~~ shall have the absolute right to hire, promote, suspend, discharge or lay off employees at their discretion and to reject any applicant for employment, subject to the provisions of the respective craft collective bargaining agreement between

the particular ~~C/S/EC/S/E/D~~ and Union and pursuant to this Agreement.

14.4 Nothing in this Agreement shall be construed to limit the right of any of the ~~C/S/EC/S/E/D~~s to select the lowest bidder he deems qualified for the award of contracts or subcontracts or material, supplies, or equipment purchase orders on the Project. Contractors shall have the absolute right to award contracts or subcontracts for Project Work to any qualified contractor notwithstanding the existence or non-existence of any agreements between such contractor and any Union parties hereto, provided only that such contractor is willing, ready and able to execute and comply with this Project Labor Agreement should such contractor be awarded work covered by this Agreement. The right of ultimate selection remains solely with the ~~C/S/EC/S/E/D~~ in accordance with the Construction Contract or Inspection Services Contract.

14.5 It is recognized that certain materials, equipment and systems of a highly technical or technological and specialized nature will have to be installed at the Project. The nature of the materials or the nature of the equipment and systems, together with requirements of manufacturer's warranty, dictate that it be prefabricated, pre-piped, prewired and/or installed under the supervision and direction of the LACMTA's ~~C/S/EC/S/E/D~~'s and/or manufacturer's personnel. The Unions agree that such materials, equipment and systems may be installed under the supervision and direction of the LACMTA representative, the ~~C/S/EC/S/E/D~~'s or the manufacturer's personnel. The Unions agree that such materials, equipment and systems shall be installed without the occurrence of any conduct described in Sections 4.1 and 4.2.

#### **ARTICLE XV** **SAFETY, PROTECTION OF PERSON AND PROPERTY**

15.1 It shall be the responsibility of each ~~C/S/EC/S/E/D~~ to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the LACMTA, the state and the ~~C/S/EC/S/E/D~~. It is understood that the employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the ~~C/S/EC/S/E/D~~ and the LACMTA.

15.2 Employees shall be bound by the safety, security and visitor rules established by the ~~C/S/EC/S/E/D~~ and the LACMTA. These rules will be published and posted in conspicuous places by the ~~C/S/EC/S/E/D~~ throughout the work site. An employee's failure to satisfy his obligations under this Section will subject him to discipline, including discharge.

15.3 The Parties acknowledge that the LACMTA and ~~C/S/EC/S/E/D~~ have a policy, which prohibits the use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms while on the LACMTA's premises. Additionally, the ~~C/S/EC/S/E/D~~ has a "drug free" work place policy, which prohibits those working on the Project from having a level of alcohol in their system, which could indicate impairment, and/or any level of controlled substances (i.e., illegal drugs) in their system.

15.4 To that end, the Parties agree to adopt the Los Angeles/Orange Counties Building and Construction Trades Council Approved Drug and Alcohol Testing Policy, a copy of which is attached hereto that the Labor/Management Memorandum of Understanding (MOU) on Drug Abuse Prevention and Detection negotiated with the various General Contractor Associations and the Basic Trades' Unions



~~(Titled Memorandum of Understanding Testing Policy for Drug Abuse; International Union of Operating Engineers Local Union No. 12; Revised June 2009~~ as shown in Exhibit (C), which shall be the policy and procedure utilized under this agreement.

#### **ARTICLE XVI** **SAVINGS CLAUSE**

16.1 The Parties agree that in the event any article, provision, clause, sentence or work of the Agreement is determined to be illegal or void as being in contravention of any applicable law, by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect. The Parties further agree that if any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void, by a court of competent jurisdiction, the parties shall substitute, by mutual agreement, in its place and stead, an article, provision, sentence or work which will meet the objections to its validity and which will be in accordance with the intent and purpose of the article, provision, clause, sentence or word in question.

16.2 The Parties also agree that in the event that a decision of a court of competent jurisdiction materially alters the terms of the Agreement such that the intent of the Parties is defeated, then this entire Agreement shall be null and void.

16.3 If a court of competent jurisdiction determines that all or part of the Agreement is invalid and/or enjoins the LACMTA from complying with all or part of its provisions, no ~~C/S/EC/S/E/D~~ or Union would be bound by the provisions of Article IV. The Unions and their members shall remain bound to Article IV with respect to all ~~C/S/EC/S/E/D~~s who remain bound to this Agreement, and no action taken by the Unions or their members shall disrupt the work of such ~~C/S/EC/S/E/D~~.

16.4 The provisions of this Agreement shall not be applicable where prohibited by Presidential Executive Order, Federal or State law, or where the application would be inconsistent with terms and conditions of a grant or a contract with the agency of the United States, State of California, or the instruction of an authorized representative of these agencies with respect to any grant or contract.

#### **ARTICLE XVII** **PRE-JOB CONFERENCE**

17.1 Each ~~C/S/EC/S/E/D~~ will conduct a pre-job conference with the appropriate affected Union(s) and the Council prior to commencing work. The ~~C/S/EC/S/E/D~~ shall notify the Council ten (10) days in advance of all such conferences. Subcontractors of all tiers will be advised in advance of all such conferences and shall participate. All work assignments should be disclosed by the ~~C/S/EC/S/E/D~~ at a pre-job conference held in accordance with industry practice. Should a Union dispute a work assignment which has been disclosed and discussed at the pre-job meeting with the Union Representative present, it shall proceed to file a claim with the Plan pursuant to Article XII of this Agreement. Should there be any formal jurisdictional dispute raised, the Prime Contractor shall be promptly notified. If the ~~C/S/EC/S/E/D~~ intends to change the work assignment after the pre-job conference or to make an assignment of work not previously known, the ~~C/S/EC/S/E/D~~ must notify the appropriate affected craft union(s) prior to the commencement of work. If any Union has a dispute over

such changed or newly discovered assignment, such Union shall proceed to file a claim with the Plan pursuant to Article XII of this Agreement.

**ARTICLE XVIII**  
**STEWARD**

18.1 Each Union shall have the right to designate one working craft employee as steward for each ~~C/S/EC/S/E/D~~ employing such craft on the Project. Such designated steward shall be a qualified workman assigned to a crew and shall perform the work of the craft. The steward shall not perform supervisory duties. Under no circumstances shall there be nonworking stewards. Stewards shall be permitted a reasonable amount of time during working hours to perform applicable Union duties related to the work being performed by the craft employees of his ~~C/S/EC/S/E/D~~ and not to the work being performed by other Contractors/Employers or their employees.

18.2 Authorized representatives of the Union(s) shall have access to the Project, provided that such representatives fully comply with posted visitor, security, and safety rules and the environmental compliance requirements of the Project, provided that they do not unnecessarily interfere with the employees or cause them to neglect their work.

**ARTICLE XIX**  
**TERM**

19.1 The Agreement shall continue in full force and effect for a period of ~~five-ten~~ (105) years from the date of execution by all parties hereto. The Agreement may subsequently be extended by written amendment if agreed to by the parties.

19.2 The Agreement shall continue in full force and effect for each covered Project until a certificate of substantial completion has been issued to the contractor by the LACMTA. Either party desiring to renew, extend or to negotiate changes to this Agreement upon expiration, shall make such intention known to the other party by written notice thereof not less than six (6) months prior to the expiration of this Agreement.

19.3 Any covered Project awarded during the term of this Agreement shall continue to be covered hereunder, until completion of the Project, notwithstanding the expiration date of this Agreement.

**ARTICLE XX**  
**RESPONSIBILITY FOR COSTS**

20.1 The LACMTA and the Unions shall each be responsible for their own- legal costs including all attorneys' fees and associated disbursements) that might accrue with regard to any legal challenge over the adoption by the LACMTA of this Agreement, and related to claims directly challenging the legality of this Agreement, or a particular section of language that has been adopted herein.

**ARTICLE XXI**  
**MISCELLANEOUS PROVISIONS**

21.1 This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county.

21.2 Any notice, demand, request, document, consent, approval, or communication required by or to be given to LACMTA shall be sent to the LACMTA office or individual designated by the LACMTA.

21.3 The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

21.4 The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said party is bound.

21.5 Any modification to this Agreement must be in writing and executed by all Parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

THE UNION OFFICIALS signing this Agreement warrant and represent that they are authorized to collectively bargain on behalf of the organizations whom they represent and the members of such organizations.

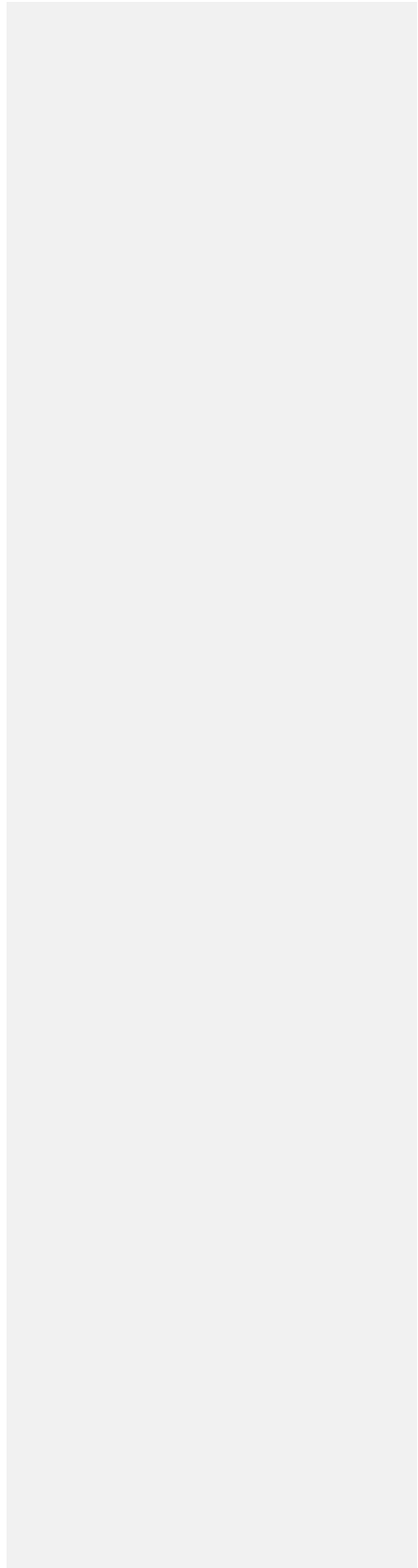
**THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
~~Arthur T. Leahy~~ Phillip A. Washington  
Chief Executive Officer

**LOS ANGELES/ORANGE COUNTY BUILDING AND CONSTRUCTION TRADES COUNCIL**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
~~Robbie Hunter~~ Ron Miller  
Executive Secretary  
Los Angeles/Orange County Building  
And Construction Trades Council

|



|

**Union Signatory Page**

Asbestos Heat & Frost Insulators (Local 5) \_\_\_\_\_

Boilermakers (Local 92) \_\_\_\_\_

Bricklayers & Allied Craftworkers (Local 4) \_\_\_\_\_

Cement Masons (Local 500) \_\_\_\_\_

Cement Masons (Local 600) \_\_\_\_\_

Electricians (Local 11) \_\_\_\_\_

Elevator Constructors (Local 18) \_\_\_\_\_

Gunitite Workers (Local 345) \_\_\_\_\_

Iron Workers (Reinforced – Local 416) \_\_\_\_\_

~~Iron Workers (Structural – Local 433) \_\_\_\_\_~~

~~Laborers (Local 300) \_\_\_\_\_~~

~~District Council of Laborers \_\_\_\_\_~~

~~Laborers (Local 1309) \_\_\_\_\_~~

~~Laborers (Local ~~138092~~) \_\_\_\_\_~~

~~Operating Engineers (Local 12) \_\_\_\_\_~~

~~Operating Engineers (Local 12) \_\_\_\_\_~~

~~Operating Engineers (Local 12) \_\_\_\_\_~~

Painters & Allied Trades DC 36 \_\_\_\_\_

Pipe Trades (Local 250) \_\_\_\_\_

Pipe Trades (Local 345) \_\_\_\_\_

Pipe Trades (Plumbers Local 78) \_\_\_\_\_

Pipe Trades (Plumbers/Fitters Local 398) \_\_\_\_\_

~~Pipe Trades (Plumbers/Steamfitters Local 494) \_\_\_\_\_~~

Pipe Trades (Plumbers/Fitters Local 761) \_\_\_\_\_

Pipe Trades (Sprinkler Fitters Local 709) \_\_\_\_\_

Plasterers (Local 200) \_\_\_\_\_

Plaster Tenders (Local 1414) \_\_\_\_\_

Roofers & Waterproofers (Local 36) \_\_\_\_\_

Sheet Metal Workers (Local 105)

Southwest Regional Council of Carpenters

Teamsters (Local 986)

~~Tile, Marble & Terrazo Layers (Local 18)~~

ATTACHMENT A – LETTER OF ASSENT

COMPANY LETTERHEAD

METRO OFFICIAL / OFFICE

PROJECT NAME: \_\_\_\_\_

Dear \_\_\_\_\_:

This is to certify that the undersigned ~~Contractor/Subcontractor/Employer~~ ~~Contractor/Subcontractor/Employer/Developer~~ (C/S/EC/S/E/D) has read and understood the Project Labor Agreement (PLA) entered into between the Los Angeles County Metropolitan Transit Authority (LACMTA) and signatory Building and Construction Trades Councils and Unions dated \_\_\_\_ and the LACMTA Construction Careers Policy (Policy). The undersigned ~~C/S/EC/S/E/D~~ hereby agrees to comply with all of the terms and conditions of the aforementioned duly signed PLA and Policy.

The undersigned ~~C/S/EC/S/E/D~~ acknowledges that compliance with the provisions of Article VII relating to Targeted Disadvantaged Workers, Workforce Referral and Development and Apprenticeship Participation are of particular importance.

It is understood that the signing of the Letter of Assent shall be as binding on the undersigned ~~C/S/EC/S/E/D~~ as though the ~~C/S/EC/S/E/D~~ had signed the PLA and shall require all its subcontractors, of whatever tier, to become similarly bound for all work within the scope of this PLA and the Policy.

This further certifies (per Articles 1.9, III & the Policy) that the undersigned ~~C/S/EC/S/E/D~~ understands that the submission of this Letter of Assent and employment hiring plan will be required prior to the commencement of any work in relation to this contract. Non-submittal of this letter and all required hiring plan documentation may preclude the ~~C/S/EC/S/E/D~~ from being approved to work on this project.

This Letter of Assent shall become effective and binding upon the undersigned ~~C/S/EC/S/E/D~~ as of below date of execution, and shall remain in full force and effect until the completion of the above stated project.

Sincerely,  
(Name of Construction Company)

By: \_\_\_\_\_  
(Name and Title of Authorized Executive)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Contractor's State License No.)

**ATTACHMENT B – PROJECT LIST FOR PROJECT LABOR AGREEMENTS**

<b>Line</b>	<b>CP#</b>	<b>Project Title</b>	<b>Authorized / Proposed Life-of-Project (000's)</b>	<b>Estimated Construction Start</b>	<b>Estimated Completion Year</b>
1	865512	Crenshaw/LAX Transit Corridor	1,749,000	2012	2018
2	465521	East San Fernando Valley North/South Rapidways	170,000	2012	2018
3	202210	Underground Storage Tank Replacement	7,500	2012	2015
4	204118	Rail Gates Monitoring Center	5,080	2013	2014
5	204117	Vertical Systems Modernization Program - Elevator Installations	8,000	2013	2015
6	205092	Systemwide Corrosion Protection System Replacement	13,000	2013	2015
7	204122	Metro Orange Line to Metro Red Line North Hollywood Station West Entrance	17,000	2013	2015
8	202306	Bus Facility Deferred Maintenance, Improvements and Enhancements	21,231	2013	2016
9	204121	Rail Station Refurbishments	21,500	2013	2017
10	202307	Division 2 Maintenance Building Renovation and Facility Upgrade Project	42,575	2013	2017
11	202317	Patsaouras Plaza Station Improvements	215,771	2013	2014
12	860228	Regional Connector Transit Corridor Project	1,366,000	2013	2019
13	865518	Westside Subway Extension Transit Corridor Project (Phase I to La Cienega)	2,331,000	2013	2019
14	861301	Division 22 Light Rail Vehicle Paint & Body Shop (Expo II)	11,000	2014	2015
15	202C	Escalator Replacement/Modernization at Metro Red Line Pershing Square Station	12,500	2014	2016
16	TBD	Wilshire Boulevard Bus Rapid Transitway	124,000	2018	2022
17	TBD	New Bus Division	150,000	2018	2022
		<b>Total</b>	<b>6,265,157</b>		



**LOS ANGELES/ORANGE COUNTIES**  
**BUILDING AND CONSTRUCTION TRADES COUNCIL**  
**APPROVED**  
**DRUG AND ALCOHOL TESTING POLICY**

The Parties recognize the problems which drug and alcohol abuse have created in the construction industry and the need to develop drug and alcohol abuse prevention programs. Accordingly, the Parties agree that in order to enhance the safety of the work place and to maintain a drug and alcohol free work environment, individual Employers may require applicants or employees to undergo drug and alcohol testing.

1. It is understood that the use, possession, transfer or sale of illegal drugs, narcotics, or other unlawful substances, as well as being under the influence of alcohol and the possession or consuming alcohol is absolutely prohibited while employees are on the Employer's job premises or while working on any jobsite in connection with work performed under the Project Labor Agreement ("PLA").

2. No Employer may implement a drug testing program which does not conform in all respects to the provisions of this Policy.

3. No Employer may implement drug testing at any jobsite unless written notice is given to the Union setting forth the location of the jobsite, a description of the project under construction, and the name and telephone number of the Project Supervisor. Said notice shall be addressed to the office of each Union signing the PLA. Said notice shall be delivered in person or by registered mail before the implementation of drug testing. Failure to give such notice shall make any drug testing engaged in by the Employer a violation of the PLA, and the Employer may not implement any form of drug testing at such jobsite for the following six months.

4. An employer who elects to implement drug testing pursuant to this Agreement shall require all employees on the Project to be tested. With respect to individuals who become employed on the Project subsequent to the proper implementation of this drug testing program, such test shall be administered upon the commencement of employment on the project, whether by referral from a Union Dispatch Office, transfer from another project, or another method. Individuals who were employed on the project prior to the proper implementation of this drug testing program may only be subjected to testing for the reasons set forth in Paragraph 5(f) (1) through 5(f) (3) of this Policy. Refusal to undergo such testing shall be considered sufficient grounds to deny employment on the project.

5. The following procedure shall apply to all drug testing:

a. The Employer may request urine samples only. The applicant or employee shall not be observed when the urine specimen is given. An applicant or employee, at his or her sole option, shall, upon request, receive a blood test in lieu of a urine test. No employee of the Employer shall draw blood from a bargaining unit employee, touch or handle urine specimens, or in any way become involved in the chain of custody of urine or blood specimens. A Union Business Representative, subject to the approval of the individual applicant or employee, shall be permitted to accompany the applicant or employee to the collection facility to observe the collection, bottling, and sealing of the specimen.

b. The testing shall be done by a laboratory approved by the Substance Abuse & Mental Health Services Administration (SAMHSA), which is chosen by the Employer and the Union.

c. An initial test shall be performed using the Enzyme Multiplied Immunoassay Technique (EMZT). In the event a question or positive result arises from the initial test, a confirmation test must be utilized before action can be taken against the applicant or employee. The confirmation test will be by Gas Chromatography Mass Spectrometry (GC/MS). Cutoff levels for both the initial test and confirmation test will be those established by the SAMHSA. Should these SAMHSA levels be changed during the course of this agreement or new testing procedures are approved, then these new regulations will be deemed as part of this existing agreement. Confirmed positive samples will be retained by the testing laboratory in secured long-term frozen storage for a minimum of one year. Handling and transportation of each sample must be documented through strict chain of custody procedures.

d. In the event of a confirmed positive test result the applicant or employee may request, within forty-eight (48) hours, a sample of his/her specimen from the testing laboratory for purposes of a second test to be performed at a second laboratory, designated by the Union and approved by SAMHSA. The retest must be performed within ten (10) days of the request. Chain of custody for this sample shall be maintained by the Employer between the original testing laboratory and the Union's designated laboratory. Retesting shall be performed at the applicant's or employee's expense. In the event of conflicting test results the Employer may require a third test.

e. If, as a result of the above testing procedure, it is determined that an applicant or employee has tested positive, this shall be considered sufficient grounds to deny the applicant or employee his/her employment on the Project.

f. No individual who tests negative for drugs or alcohol pursuant to the above procedure and becomes employed on the Project shall again be subjected to drug testing with the following exceptions:

1. Employees who are involved in industrial accidents resulting in damage to plant, property or equipment or injury to him/herself or others may be tested pursuant to the procedures stated hereinabove.

2. The Employer may test employees following thirty (30) days advance written notice to the employee(s) to be tested and to the applicable Union. Notice to the applicable Union shall be as set forth in Paragraph 3 above and such testing shall be pursuant to the procedures stated hereinabove.

3. The Employer may test an employee where the Employer has reasonable cause to believe that the employee is impaired from performing his/her job. Reasonable cause shall be defined as exhibiting aberrant or unusual behavior, the type of which is a recognized and accepted symptom of impairment (i.e., slurred speech, unusual lack of muscular coordination, etc.). Such behavior must be actually observed by at least two persons, one of whom shall be a Supervisor who has been trained to recognize the symptoms of drug abuse or impairment and the other of whom shall be the job steward. If the job steward is unavailable or there is no job steward on the project the other person shall be a member of the applicable Union's bargaining unit. Testing shall be pursuant to the procedures stated hereinabove. Employees who are tested pursuant to the exceptions set forth in this paragraph and who test positive will be removed from the Employer's payroll.

g. Applicants or employees who do not test positive shall be paid for all time lost while undergoing drug testing. Payment shall be at the applicable wage and benefit rates set forth in the applicable Union's Master Labor Agreement. Applicants who have been dispatched from the Union and who are not put to work pending the results of a test will be paid waiting time until such time as they are put to work. It is understood that an applicant must pass the test as a condition of employment.

Applicants who are put to work pending the results of a test will be considered probationary employees.

6. The employers will be allowed to conduct periodic job site drug testing on the Project under the following conditions:

- a. The entire jobsite must be tested, including any employee or subcontractor's employee who worked on that project three (3) working days before or after the date of the test;
- b. Jobsite testing cannot commence sooner than thirty (30) days after start of the work on the Project;
- c. Prior to start of periodic testing, a business representative will be allowed to conduct an educational period on company time to explain periodic jobsite testing program to affected employees;
- d. Testing shall be conducted by a SAMHSA certified laboratory, pursuant to the provisions set forth in Paragraph 5 hereinabove.
- e. Only two periodic tests may be performed in a twelve month period.
7. It is understood that the unsafe use of prescribed medication, or where the use of prescribed medication impairs the employee's ability to perform work, is a basis for the Employer to remove the employee from the jobsite.
8. Any grievance or dispute which may arise out of the application of this Agreement shall be subject to the grievance and arbitration procedures set forth in the PLA.
9. The establishment or operation of this Policy shall not curtail any right of any employee found in any law, rule or regulation. Should any part of this Agreement be found unlawful by a court of competent jurisdiction or a public agency having jurisdiction over the parties, the remaining portions of the Agreement shall be unaffected and the parties shall enter negotiations to replace the affected provision.
10. Present employees, if tested positive, shall have the prerogative for rehabilitation program at the employee's expense. When such program has been successfully completed the Employer shall not discriminate in any way against the employee. If work for which the employee is qualified exists he/she shall be reinstated.
11. The Employer agrees that results of urine and blood tests performed hereunder will be considered medical records held confidential to the extent permitted or required by law. Such records shall not be released to any persons or entities other than designated Employer representatives and the applicable Union. Such release to the applicable Union shall only be allowed upon the signing of a written release and the information contained therein shall not be used to discourage the employment of the individual applicant or employee on any subsequent occasion.
12. The Employer shall indemnify and hold the Union harmless against any and all claims, demands, suits, or liabilities that may arise out of the application of this Agreement and/or any program permitted hereunder.
13. Employees who seek voluntary assistance for substance abuse may not be disciplined for seeking such assistance. Requests from employees for such assistance shall remain confidential and shall not be revealed to other employees or management personnel without the employee's consent. Employees enrolled in substance abuse programs shall be subject to all Employer rules, regulations and job performance standards with the understanding that an employee enrolled in such a program is receiving treatment for an illness.
14. This Memorandum, of Understanding shall constitute the only Agreement in effect between the parties concerning drug and alcohol abuse, prevention and testing. Any modifications thereto must be accomplished pursuant to collective bargaining negotiations between the parties.

DRUG ABUSE PREVENTION AND DETECTION

APPENDIX A

CUTOFF LEVELS

<u>DRUG</u>	<u>SCREENING METHOD</u>	<u>SCREENING LEVEL **</u>	<u>CONFIRMATION METHOD</u>	<u>CONFIRMATION LEVEL</u>
Alcohol	EMIT	0.02%	CG/MS	0.02%
Amphetamines	EMIT	1000 ng/ml*	CG/MS	500 ng/ml*
Barbiturates	EMIT	300 ng/ml	CG/MS	200 ng/ml
Benzodiazepines	EMIT	300 ng/ml	CG/MS	300 ng/ml
Cocaine	EMIT	300 ng/ml*	CG/MS	150 ng/ml*
Methadone	EMIT	300 ng/ml	CG/MS	100 ng/ml
Methaqualone	EMIT	300 ng/ml	CG/MS	300 ng/ml
Opiates	EMIT	2000 ng/ml*	CG/MS	2000 ng/ml*
PCP (Phencyclidine)	EMIT	25 ng/ml*	CG/MS	25 ng/ml*
THC (Marijuana)	EMIT	50 ng/ml*	CG/MS	15 ng/ml*
Propoxyphene	EMIT	300 ng/ml	CG/MS	100 ng/ml

\* SAMHSA specified threshold

\*\* A sample reported positive contains the Indicated drug at or above the cutoff level for that drug.

A negative sample either contains no drug or contains a drug below the cutoff level.

EMIT - Enzyme Immunoassay

CC/MS - Gas Chromatography/Mass Spectrometry

SIDE LETTER OF AGREEMENT  
TESTING POLICY FOR DRUG ABUSE

It is hereby agreed between the parties hereto that an Employer who has otherwise properly implemented drug testing, as set forth in the Testing Policy for Drug Abuse, shall have the right to offer an applicant or employee a "quick" drug screening test. This "quick" screen test shall consist either of the "ICUP" urine screen or similar test or an oral screen test. The applicant or employee shall have the absolute right to select either of the two "quick" screen tests, or to reject both and request a full drug test.

An applicant or employee who selects one of the quick screen tests, and who passes the test, shall be put to work immediately. An applicant or employee who fails the "quick" screen test, or who rejects the quick screen tests, shall be tested pursuant to the procedures set forth in the Testing Policy for Drug Abuse. The sample used for the "quick" screen test shall be discarded immediately upon conclusion of the test. An applicant or employee shall not be deprived of any rights granted to them by the Testing Policy for Drug Abuse as a result of any occurrence related to the "quick" screen test.

**Construction Trade Unions Contact Numbers**

**Asbestos Heat & Frost Insulators (Local 5)**

670 E. Foothill Blvd.  
Azusa, CA 91702  
Tel: (626) 815-9794  
Fax: (626) 815-0165

**Boilermakers (Local 92)**

2260 S. Riverside Avenue  
Bloomington, CA 92316  
Tel: (909) 877-9382  
Fax: (909) 877-8318

**Bricklayers & Allied Craftworkers (Loc. 4)**

~~11818 Clark St~~~~12921 Ramona Blvd.~~, Suite ~~AF~~  
~~Arcadia~~~~Irwindale~~, CA 91706  
Tel: (626) ~~739-5600~~~~573-0032~~  
Fax: (626) ~~739-5610~~~~573-5607~~

**Cement Masons #500**

1605 N. Susan St.  
Santa Ana, CA 92703  
Tel: (714) 554-0730  
Fax: ~~(714) 265-0780~~

**Cement Masons #600**

5811 Florence Avenue  
Bell Gardens, CA 90201-4610  
Tel: (323) 771-0991  
Fax: ~~(323) 771-2631~~

**Electricians (Local 11)**

297 N. Marengo Avenue  
Pasadena, CA 91101  
Tel: (626) 243-9700  
Fax: (626) 793-9743

**Elevator Constructors (Local 18)**

100 S. Mentor Avenue  
Pasadena, CA 91106  
Tel: (626) 449-1869  
Fax: (626) 577-1055

**Gunite Workers (Local 345)**

P.O. Box 3345  
Burbank, CA 91508  
Tel: (818) 846-1303  
Fax: (818) 846-1226

**Iron Workers (Reinforced – Local 416)**

13830 San Antonio Dr.  
Norwalk, CA 90650  
Tel: (562) 868-1251  
Fax: (562) 868-1429

**Iron Workers (Structural – Local 433)**

17495 Hurley St. East  
City of Industry, CA 91744  
Tel: (626) 964-2500  
Fax: (626) 964-1754

**Laborers Local #300**

~~2005 W. Pico Blvd.~~  
~~515 S. Shatto Place~~  
Los Angeles, CA 900206  
Tel: (213) 385-3550  
Fax: ~~(213) 385-6985~~

**Laborers Local #1309507**

3919 Paramount Blvd.  
Lakewood, CA 90712  
Tel: (562) 421-9346  
Fax: (562) 421-5964

**Laborers (San Pedro/Port of LA –  
Local 802)**

~~540 N. Marine Avenue, P.O. Box 518~~  
~~Wilmington, CA 90748~~  
Tel: ~~(310) 834-5233~~  
Fax: ~~(310) 549-3121~~

**Operating Engineers (Local 12)**

150 E. Corson  
Pasadena, CA 91103  
Tel: (626) 792-8900  
Fax: ~~(626) 792-9039~~

**Painters & Allied Trades DC 36**

2333 N. Lake Avenue, Unit H  
Altadena, CA 91001  
Tel: (626) 584-9925  
Fax: (626) 584-1949

**Pipe Trades (Local 250)**

*Steamfitters/Air Conditioning/  
Refrigeration / Industrial Pipefitters*  
18355 S. Figueroa St.  
Gardena, CA 90248  
*Steamfitters:* Tel: (310) 660-0035  
Fax: (310) 329-2465  
*AC/Refrig.* Tel: (310) 660-0045  
FAX: (310) 329-2465

**Pipe Trades (Local 345)**

*Landscape, Irrigation, Underground &  
Specialty Piping*  
1430 Huntington Dr.  
Duarte, CA 91010  
Tel: (626) 357-9345  
Fax: (626) 359-0359

**Pipe Trades (Plumbers Local 78)**

1111 W. James M. Wood Blvd.  
Los Angeles, CA 90015  
Tel: (213) 688-9090  
Fax: (213) 627-4624

**Pipe Trades (Plumbers / Fitters – Local 398)**

~~8590 Utica Ave~~~~4959 Palo Verde St.~~, Suite 200-  
€  
~~Rancho Cucamonga~~~~Montclair~~, CA 917630  
Tel: (909) 625-2493  
Fax: (909) 626-4620

**Pipe Trades (Plumbers / Steamfitters Local 494)**

~~1042 East Wardlow Road~~  
~~Long Beach, CA 90807~~  
~~Tel: (562) 490-4717~~  
~~Fax: (562) 490-4715~~

**Pipe Trades (Plumbers / Fitters – Local 761)**

1305 N. Niagra Street  
Burbank, CA 91505  
Tel: (818) 843-8670  
Fax: (818) 843-5209

**Pipe Trades (Sprinkler Fitters – Local 709)**

12140 Rivera Road  
Whittier, CA 90606  
Tel: (562) 698-9909  
Fax: (562) 698-7255

**Plaster Tenders (Local 1414)**

18 Rancho Camino Dr.  
Pomona, CA  
Tel: 909-622-8500  
~~Fax: (623-5244)~~

**Plasterers (Local 200)**

*Plasterers*  
1610 W. Holt Ave.  
Pomona, CA 91768  
Tel: (909) 865-2240  
Fax: (909) 865-9392

**Roofers & Waterproofers (Local 36)**

5380 Poplar Blvd.  
Los Angeles, CA 90032  
Tel: (323) 222-0251  
Fax: (323) 222-3585

**Sheet Metal Workers (Local 105)**

2120 Auto Centre Dr., Suite 105  
Glendora, CA 91740  
Tel: (909) 305-2800  
Fax: (909) 305-2822

**Teamsters (Local 986)**

1198 Durfee Avenue  
So. El Monte, CA 91733  
Tel: (626) 350-9860

| Fax: (626) 448-0986

| **File, Marble & Terrazo Lavers (Local 18)**  
9732 E. Garvey Ave., Suite 200

So. El Monte, CA 91733

Tel: (626) 329-0369

Fax: (626) 329-0374





Los Angeles County  
Metropolitan Transportation Authority

**Metro**

## GENERAL MANAGEMENT Construction Careers Policy

GEN 58

### POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority’s (LACMTA) Construction Careers Policy (CCP) encourages construction employment and training opportunities in ways calculated to mitigate the harms caused by geographically concentrated poverty and unemployment in economically disadvantaged areas and among disadvantaged workers throughout the United States. This policy identifies the minimum efforts contractors performing on covered LACMTA construction projects must make to comply with this policy.

The CCP applies to construction of certain LACMTA capital improvement projects and to construction of certain joint development projects between LACMTA and a developer on LACMTA-owned land.

### PURPOSE

To set forth procedures for providing training and employment opportunities on covered LACMTA construction projects.

### APPLICATION

This policy applies to all contractors performing on a covered LACMTA construction project.

\_\_\_\_\_  
Department Head

\_\_\_\_\_  
APPROVED: County Counsel or N/A

\_\_\_\_\_  
ADOPTED: CEO

Effective Date: \_\_\_\_\_



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

## GENERAL MANAGEMENT Construction Careers Policy

GEN 58

### 1.0 GENERAL

The Diversity and Economic Opportunity Department (DEOD) will administer this policy, and will work closely with ~~all relevant the~~ Construction, ~~and~~ Procurement and all relevant departments to enforce this policy.

### 2.0 PROCEDURES

#### 2.1 Coverage of Projects

- 2.1.1 Except as provided otherwise herein, this Policy applies to all construction projects with a ~~life-of-project budget greater than~~ construction contract value of \$2.5 million or more and awarded by the LACMTA, including but not limited to, all Measure R and Measure M Transit and Highway projects, and to all joint development projects as defined below in Section 3.0.
- 2.1.2 The project list will be updated annually or whenever the Board adopts a new construction project with a construction contract with a value of ~~life-of-project budget greater than~~ \$2.5 million or more, and whenever the Board approves a joint development project as defined below in Section 3.0.
- 2.1.3 In the event that the LACMTA determines that a project to which this Policy applies is an FHWA project, the LACMTA shall modify or not enforce any aspect of the Policy in accordance with a valid and binding instruction from the U.S. Department of Transportation.

#### 2.2 Implementation

- 2.2.1 All Requests for Proposal/Invitations for Bid (RFP/IFB) specifications shall require all contractors submitting bids or proposals to agree to the terms of the LACMTA-PLA and Policy.
- 2.2.2 All construction project prime contracts shall include a provision obligating the Prime Contractor and all its Contractors/Subcontractors/Employers/Developers (C/S/EC/S/E/Ds) to comply with the terms of the LACMTA-PLA and Policy through a Letter of Assent to the LACMTA.



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

## GENERAL MANAGEMENT Construction Careers Policy

GEN 58

- 2.2.3 The construction contract shall include provisions establishing liquidated damages amounts as described in Section 2.6.1 of this Policy.

### 2.3 Exclusions and/or Modifications

- 2.3.1 This policy shall only apply to construction contracts, as defined in Section 3.0 (Definition of Terms).
- 2.3.2 This policy shall not apply to, or impact in any way, service contracts or operation, inspection or maintenance contracts entered into by the LACMTA including, but not limited to, said contract relating to the project, services provided at any LACMTA facility, building and/or the operation or maintenance of any LACMTA owned and operated facilities.
- 2.3.3 This policy shall not apply to a ~~C/S/EC/S/E/D~~s non-manual employees including, but not limited to, superintendents, supervisors, staff engineers, quality control and quality assurance personnel, time keepers, mail carriers, clerk, office workers, messengers, guards, safety personnel, emergency medical and first aid technicians, and other engineering, administrative, supervisory, and management employees (except those covered by existing building and construction trades collective bargaining agreements).
- 2.3.4 This policy shall not apply to material suppliers of raw materials, manufactured products, offsite hauling or delivery by any means of material, supplies, or equipment required to any point of delivery, except an offsite prefabrication facility dedicated solely to project work.
- 2.3.5 This policy shall not apply to officers and employees of the LACMTA, nor to work performed by or on behalf of other governmental entities and public utilities.
- 2.3.6 This policy shall not apply to the work of persons, firms and other entities that perform consulting, planning, scheduling, design, environmental, geological, management, or other supervisory services on any LACMTA project including, but not limited to, consultants, engineers, architects, geologists, construction managers, and other professionals hired by the LACMTA or any other governmental entity.
- 2.3.7 This policy shall not apply to the common division of work recognized through local practice for systems integration and testing, as-built



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documentation, including, but not limited to, those items excluded by the National Electrical Code (NFPA70) identified projects as "Not Covered" under Article 90.

### 2.4 Targeted Hiring

#### 2.4.1 Hiring Requirements for Non-Federally Funded Projects.

The Prime Contractor shall ensure that the following targeted hiring requirements are met for each non-federally funded project:

- A minimum of 40% of all hours of project work shall be performed by Local Targeted Workers, with priority given to Community Area Residents. For any hour of Project Work for which the [C/S/EC/S/E/D](#) seeks to meet this requirement, the [C/S/EC/S/E/D](#) and Unions must first refer Community Area Residents. After Unions and [C/S/EC/S/E/Ds](#) have exhausted the available pool of Community Area Residents, they shall refer any Local Residents from Extremely Economically Disadvantaged areas; when the [C/S/EC/S/E/Ds](#) have exhausted the available pool, they shall refer Local Residents from ~~low~~ Economically Disadvantaged areas.
- A minimum of 10% of all hours of Project Work shall be performed by Disadvantaged Workers whose primary place of residence is within Los Angeles County.
- At least 20% of total work hours on each project will be performed by apprentices, but the hours performed by apprentices in each individual craft shall not exceed the ratio to journeyman established by the applicable craft union's Division of Apprenticeship Standards (DAS) approved apprenticeship standards. Local Targeted Workers will perform 50% of all apprenticeship hours worked on the Project.
- [These hiring provisions may be utilized on covered Federal-funded projects if approved, or allowed, by the Federal-funding entity.](#)

#### 2.4.2 Hiring Requirements for Federally Funded Projects

The Prime Contractor shall ensure that the following targeted hiring requirements are met for each federally funded project:



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- A minimum of 40% of all hours of Project Work shall be performed by National Targeted Workers, with priority given to residents of National Extremely Economically Disadvantaged areas. For any hour of Project Work for which the [C/S/EC/S/E/D](#) seeks to meet this requirement, the [C/S/EC/S/E/D](#) and Unions must first refer residents of National Extremely Economically Disadvantaged areas. After Unions and [C/S/EC/S/E/Ds](#) have exhausted the available pool of residents of National Extremely Economically Disadvantaged areas, they may refer any National Targeted Worker.
- A minimum of 10% of all hours of Project Work shall be performed by Disadvantaged Workers.
- At least 20% of total work hours on each project will be performed by apprentices, but the hours performed by apprentices in each individual craft shall not exceed the ratio to journeyman established by the applicable craft union's DAS approved apprenticeship standards. National Targeted Workers will perform 50% of all apprenticeship hours worked on the Project.

### 2.5 Compliance

LACMTA or its authorized representatives shall determine whether a Prime Contractor and its [C/S/EC/S/E/Ds](#) have complied with the requirements of the LACMTA-PLA and the Policy. The Prime Contractor is ultimately responsible for it and its [C/S/EC/S/E/Ds](#) compliance with the LACMTA-PLA and Policy requirements.

- 2.5.1 If, after taking into account all hours of project work performed up to that point in time of the Reporting Period, the targeted hiring requirements of the LACMTA-PLA and Policy have been satisfied for a Project, then the Prime Contractor and its subcontractors working on that Project shall be deemed to be in compliance.
- 2.5.2 If the targeted hiring requirements of the LACMTA-PLA and the Policy have not been satisfied for a Project, the Prime Contractor nonetheless may be deemed to be in compliance if it demonstrates both (a) that it and each of its [C/S/EC/S/E/Ds](#) have complied with all other requirements of the LACMTA-PLA and the Policy, and (b) that it and each [C/S/EC/S/E/D](#) have either (i) satisfied the targeted hiring requirements of the LACMTA-PLA and this Policy with regard to the



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project work that it has performed or (ii) satisfactorily demonstrated the following:

- Adherence to procedures contained in its Employment Hiring Plan (EHP) as approved by the LACMTA.
- Requests to Unions, through Craft Request Forms, of sufficient numbers of Targeted Workers and Disadvantaged Workers to meet the targeted hiring percentages set forth in Section 2.4 of the Policy for that [C/S/EC/S/E/D](#)'s Project Work.
- Documented contact with the Jobs Coordinator in each instance when the relevant Union did not refer qualified Targeted Workers within the 48 hours following the [C/S/EC/S/E/D](#)'s request and the [C/S/EC/S/E/D](#)'s fair consideration of any Targeted Worker or Disadvantaged Worker subsequently referred by the Jobs Coordinator.
- Accurate records documenting the [C/S/EC/S/E/D](#)'s compliance efforts that include (but not limited to) the following:
  - A listing by name and address of all local recruitment sources contacted by the [C/S/EC/S/E/D](#);
  - The date of the local recruitment contact and the identity of the person contacted, the trade and classification and number of hire referrals requested;
  - The number of Targeted Worker hires made as a result of the contact;
  - The identity and address of the worker(s) hired pursuant to the contact;
  - Documentation when a referral was not hired (reason for non-hire) and/or premature termination.

### 2.6 Enforcement

2.6.1 The Prime Contractor for every project agrees to the following:

- The Prime Contractor and its [C/S/EC/S/E/D](#)'s commitment to comply with the targeted hiring requirements of [the](#) LACMTA-PLA and Policy is a material element of the contract.



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- The Prime Contractor will be liable to the LACMTA for Liquidated Damages as provided in this section.
- The failure of the Prime Contractor and its [C/S/EC/S/E/Ds](#) to comply with the targeted hiring requirements will cause harm to the LACMTA and the public which is significant and substantial but extremely difficult to quantify. The harm to the LACMTA includes the difficult-to-quantify harm that the community and its families suffer as a result of high unemployment and concentrated poverty.
- Due to the difficulty of estimation of damages for violation(s) of requirements of this Policy, construction contracts shall have provisions establishing liquidated damages to be assessed as follows:
  - The Prime Contractor shall pay liquidated damages equal to the average journey person project wage for each hour the Project fell short of the targeted hiring, or \$500 per day, whichever is greater.
  - If the project's targeted hiring requirements are out of compliance during any Reporting Period, the Prime Contractor shall meet with the LACMTA to develop a plan for compliance. The Prime Contractor has until the next Reporting Period to effectuate compliance or Liquidated Damages shall be withheld.
  - Before Liquidated Damages are sought, the Prime Contractor shall be notified of the proposed Liquidated Damages and served with a summary of the information upon which the Liquidated Damages are based.
  - Liquidated Damages shall be withheld from all subsequent monthly progress payment request(s) as disputed funds until such time as Prime Contractor is found to be in compliance, the project contract is terminated, or the project is completed.
  - Should the project be terminated or completed before the Prime Contractor is found to be in compliance, recommendation may be made to the LACMTA's CEO to assess Liquidated Damages to be withheld from the contractor's retention.



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### 2.6.2 Liquidated Damages Appeal

**2.6.2.1** The Prime Contractor may appeal the assessment of Liquidated Damages before the LACMTA's CEO. Prior to the hearing, the Prime Contractor shall be provided a summary of the information upon which the recommendation assessment is based.

**2.6.2.2** The Prime Contractor must request an appeal in writing within 10-calendar days of receipt of the Liquidated Damages assessment summary. At the hearing, the Prime Contractor will be allowed to provide evidence that it has made all of the showings required under Section 2.5 of the Policy. Failure to submit a written request for an appeal within the time frame stipulated in this Section will be deemed a waiver of the right to appeal and the recommendation for assessment of Liquidated Damages will be implemented.

**2.6.3** Consistent, substantial violations of the LACMTA-PLA and/or Policy by any Prime Contractor may result in contract termination.

The provisions of this Policy shall not be applicable where prohibited by federal or state law, or where the application would violate or be inconsistent with the terms and conditions of a grant or a contract with an agency of the United States or the State of California, or the valid instructions of an authorized representative of any of these agencies with respect to any grant or contract. If enforcement of any provision of this Policy is enjoined by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

### 3.0 DEFINITION OF TERMS

- 3.1 Apprentice, as used in this Agreement, shall mean those apprentices registered and participating in Joint Labor/Management Apprenticeship Programs approved by the State of California, Department of Industrial Relations, Division of Apprenticeship Standards (DAS), or in the case of Projects with federal funding, approved by the US Department of Labor (DOL) and California DAS.
- 3.2 Board means the Los Angeles County Metropolitan Transportation Authority (LACMTA) Board of Directors.





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- 3.3 Community Area Resident means a Local Resident whose primary place of residence is within an Economically Disadvantaged or Extremely Economically Disadvantaged area and is within a 5-mile radius of the covered project in question.
- 3.4 Construction Contract means a contract to perform construction work on a LACMTA Project.
- 3.5 Contractor/Subcontractor/Employer/Developer (C/S/E/D) means any individual firm, partnership or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which either (a) has entered into a joint development agreement and/or ground lease with LACMTA to build a JD PLA Project, or (b) has entered into a contract with the LACMTA or any of its contractors or subcontractors or owner operators of any tier, with respect to the construction of any part of the Project(s) under contract terms and conditions approved by the LACMTA which shall incorporate this Agreement. A C/S/E/D may bid for and be awarded construction of any part of the Project without regard as to whether the C/S/E/D is otherwise a party to any collective bargaining agreement.” ~~means any individual firm, partnership or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which has entered into a contract with the LACMTA or any of its contractors or subcontractors or owner/operators of any tier, with respect to the construction of any part of the Project(s) under contract terms and conditions approved by the LACMTA and which incorporate this Agreement.~~
- 3.6 Core Worker means an employee whose name appeared on the C/S/E/Ds active payroll for sixty (60) of the one hundred days immediately before the award of the Project Work to the C/S/E/D and meets all standards required by applicable local, state or federal law or regulation.
- 3.7 Craft Request Form means a document provided by the LACMTA through which Contractors shall request workers from Unions.
- 3.8 Criminal justice system involvement occurs when a person has direct involvement through having an arrest record or indirect involvement through affiliation or residency in an area with high levels of gang activity as identified/verified by a law enforcement agency.
- 3.9 Disadvantaged Worker means an individual who, prior to commencing work on the project, meets the income requirements of a Targeted Worker and faces at least two of the following barriers to employment: (1) being homeless;



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(2) being a custodial single parent;(3) receiving public assistance; (4) lacking a GED or high school diploma; (5) having a criminal record or other involvement with the criminal justice system; (6) suffering from chronic unemployment; (7) emancipated from the foster care system; (8) being a veteran of the Iraq/Afghanistan war; or (9) being an apprentice with less than 15% of the required graduating apprenticeship hours in a program.

- 3.10 Division of Apprenticeship Standards (DAS) verifies the apprentice registration and status and enforces requirements of Labor Code Section 1777.5 mandating employment of apprentices on all public works projects.
- 3.11 Economically Disadvantaged Area means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$40,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.
- 3.12 Employment Hiring Plan (EHP) is the plan presented by the Contractor and approved by the Chief Executive Officer, or his designee, as described in Section 4.0 of this Policy.
- 3.13 Extremely Economically Disadvantaged Area means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$32,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.
- 3.14 Jobs Coordinator means an independent third-party individual, entity or employee with whom the Prime Contractor or LACMTA enters into a contract or employs to facilitate implementation of the Targeted Hiring Requirements of this Agreement and the Policy. The Jobs Coordinator must be able to demonstrate or document to the LACMTA the requisite qualifications and/or experience to fulfill the duties and responsibilities as outlined in the Construction Careers Policy.



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- 3.15 LACMTA means Los Angeles County Metropolitan Transportation Authority, also known as MTA or Metro.
- 3.16 Letter of Assent means the document which formally binds each ~~C/S/EC/S/E/D~~ to adherence to all the forms, requirements and conditions of this Agreement that each ~~C/S/EC/S/E/D~~ (of any tier) must sign and submit to the LACMTA's designated office prior to beginning any work covered by this Agreement, and a copy of which will be provided by the designated LACMTA office to the Council.
- 3.17 Local Resident means an individual whose primary place of residence is within an Economically Disadvantaged or Extremely Economically Disadvantaged area in Los Angeles County.
- 3.18 Local Targeted Worker means a Local Resident, Community Area Resident or a Disadvantaged Worker whose primary place of residence is within Los Angeles County.
- 3.19 National Targeted Worker means an individual whose primary place of residence is within an Economically Disadvantaged Area or an Extremely Economically Disadvantaged Area in the United States, or a Disadvantaged Worker.
- 3.20 Policy means this Construction Careers Policy (CCP). This Policy shall govern covered construction projects as defined herein.
- 3.21 Prime Contract means a contract entered into by a Contractor and the LACMTA for construction of the Project Work.
- 3.22 Prime Contractor means a Contractor that has entered into a Prime Contract with the LACMTA.
- 3.23 Project or Covered Project means the capital improvement construction projects, including, but not limited to, Measure R and Measure M Transit Projects and Highway Projects, with an individual construction contract value of life of project budget greater than \$2.5 million or more and awarded by the LACMTA; and

Project or Covered Project also means:

(a) Joint Development PLA Projects.



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1. A Joint Development PLA Project is defined as a joint development project that meets all of the following elements: (i) results from proposals received, either through a solicited or unsolicited proposal process, (ii) has been accepted by LACMTA through execution of a joint development agreement and/or ground lease, and (iii) meets one (1) or more of the following thresholds:
  - a. A mixed use project containing both a residential and a commercial component, where there are more than sixty (60) residential units being built; or
  - b. A residential only project that exceeds sixty (60) residential units; or
  - c. A commercial only project (retail, office or hotel) that exceeds forty thousand (40,000) square feet of space.
2. The joint development project thresholds set shall apply to the aggregate square footage and/or number of units for all work to be performed on a contiguous site as a joint development project as approved by the LACMTA Board. Covered Work will not be intentionally segmented, split, divided or otherwise separated for contract award purposes to avoid application of this Agreement.

- 3.24 Project Labor Agreement (PLA) means an agreement entered into between the Los Angeles/Orange County Building and Construction Trades Council, Unions and the LACMTA.
- 3.25 Project Work means construction work performed in the construction of a project.
- 3.26 Reporting Period means the indicated reporting period for measuring the targeted hiring efforts of the C/S/EC/S/E/Ds. These reporting periods shall be defined by the LACMTA and will continue until construction of the project has been completed.



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- 3.27 Targeted workers means an individual whose primary place of residence is (1) within an extremely economically disadvantaged area, which is a zip code that includes a census tract, or portion thereof, in which the median annual household income is less than \$32,000 per year; or, (2) within an economically disadvantaged area, which is a zip code that includes a census tract, or portion thereof, in which the median annual household income is less than \$40,000 per year.
- 3.28 Unemployment means, in accordance with the Bureau of Labor Statistics definition, a situation in which a person does not have a job, has actively looked for work in the prior 4 weeks, and is currently available for work. Chronic unemployment means unemployment lasting 27 weeks or longer.
- 3.29 Union or Unions or Signatory Unions means the Los Angeles/Orange Counties Building and Construction Trades Council (Council) affiliated with the Building & Construction Trades Department (AFL/CIO), Craft International Unions and any other labor organization signatory to this Agreement, acting in their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have, through their officers, executed this Agreement.

### 4.0 RESPONSIBILITIES

LACMTA or its designee shall ensure that the following responsibilities are met for each project affected by this policy:

- LACMTA shall ensure that each construction contract includes the detailed requirements of the PLA and the CCP guidelines and has been agreed to by the Prime Contractor and all [C/S/EC/S/E/Ds](#).
- LACMTA shall collect a Letter of Assent from each [C/S/EC/S/E/D](#) and ensure that the letters are distributed to all required parties.
- LACMTA shall review, approve or disapprove submitted EHPs prior to a [C/S/EC/S/E/D\(s\)](#)' estimated start of work. Approval of a [C/S/EC/S/E/D](#) to work on a Project is contingent upon the [C/S/EC/S/E/D\(s\)](#)' submittal of an approved EHP plan.
- LACMTA shall monitor and enforce the targeted hiring measures of the LACMTA-PLA and Policy and issue Notices of Non-Compliance, where appropriate.
- LACMTA shall assess Liquidated Damages in accordance with Section 2.6.1 of this Policy.
- LACMTA shall report the status of all projects covered by this policy as determined by the CEO or his designee.



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Prime Contractor and its [C/S/EC/S/E/Ds](#) shall perform the following responsibilities:

- The Prime Contractor shall ensure that its [C/S/EC/S/E/Ds](#) submit their EHP to the LACMTA for approval by the LACMTA project manager or his/her designee, at least 20 business days prior to starting their work on the project. Each [C/S/EC/S/E/D](#) shall include in its EHP a description of how it will meet the targeted hiring requirements set forth in the LACMTA-PLA and Policy. No [C/S/EC/S/E/D](#) shall be approved to work on a project without an approved EHP.
- Prior to the start of work, the prime contractor shall ensure that its [C/S/EC/S/E/Ds](#), adhere to the following:
  - The prime contractor shall read and understand the requirements of the LACMTA-PLA and Policy.
  - The prime contractor shall sign and submit their Letters of Assent prior to the start of work. No [C/S/EC/S/E/D](#) shall be approved to work on a project without submitting a signed Letter of Assent.
  - The prime contractor shall submit their EHP at least 20 business days prior to their subcontractor's start of work.
- Prior to start of work on the project, the Prime Contractor shall perform the following:
  - The prime contractor shall recommend a Jobs Coordinator for approval by the LACMTA.
  - The prime contractor shall provide documentation of the Jobs Coordinator's qualifications to the LACMTA within 10 days upon request by the LACMTA or its designee.
  - Upon LACMTA's approval of its Jobs Coordinator, the prime contractor shall ensure that all its subcontractors know the Jobs Coordinator and understand the Job Coordinator's role.
- The Prime Contractor and its [C/S/EC/S/E/Ds](#) shall coordinate with the Jobs Coordinator for services to support their efforts in meeting the targeted hiring percentages as described in Section 2.4 of this Policy.
- Each [C/S/EC/S/E/D](#) shall conduct a pre-job conference with the appropriate affected Union(s) and the Council prior to commencing work. The [C/S/EC/S/E/D](#) shall notify the Council ten (10) days in advance of all such conferences. Subcontractors of all tiers will be advised in advance of all such conferences and shall participate. All work assignments should be disclosed by the [C/S/EC/S/E/D](#) at a pre-job conference held



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in accordance with industry practice. Any formal jurisdictional dispute raised under Article XII of the LACMTA-PLA must be raised at the pre-job conference upon disclosure of the work assignments. Should there be any formal jurisdictional dispute raised, the Prime Contractor shall be promptly notified. If the [C/S/EC/S/E/D](#) intends to change the work assignment after the pre-job conference or to make an assignment of work not previously known, the [C/S/EC/S/E/D](#) must notify the appropriate affected craft union(s) prior to the commencement of work.

- The Prime Contractor and its [C/S/EC/S/E/Ds](#) shall only use the Craft Request Form (Attachment “B” of the LACMTA-PLA) and the procedures written therein to request workers from the affected Union(s) and Job Coordinator.
- The Craft Request Form shall be submitted to the Jobs Coordinator and the Union(s) simultaneously. If the Union(s) cannot provide the requested worker in 48 hours, the Jobs Coordinator will seek to fill the job request form from other sources.
- The Prime Contractor and its [C/S/EC/S/E/Ds](#) shall maintain proof of transmittal of the Craft Request forms to the Union hiring halls and Jobs Coordinator. Upon request by the LACMTA, or its designated representative, copies shall be provided within 10-calendar days of request.
- The Prime Contractor and its [C/S/EC/S/E/Ds](#) shall make available to the LACMTA, or its designated representatives, records and information that are deemed relevant to monitoring and enforcement of the provisions of the LACMTA-PLA and the Policy.
- The Prime Contractor and its [C/S/EC/S/E/Ds](#) shall cooperate fully and promptly with any inquiry or investigation the LACMTA or its designated representatives deem necessary in order to monitor compliance with the provisions of the LACMTA-PLA and the Policy.
- The Prime Contractor and its [C/S/EC/S/E/Ds](#) shall submit to the LACMTA a verified statement of the number of journeypersons and apprentices who worked on the project, their classifications and the hours worked (Per California Labor Code 1777.5(e)) within 60 calendar days after concluding work on the project.

### **The Jobs Coordinator shall perform the following responsibilities:**

- Play an integral part in the success of its partners in obtaining the targeted hiring percentages. It is the responsibility of the Prime Contractor to designate a Jobs Coordinator who will effectively perform the following:
  - The Jobs Coordinator shall develop, create, design and market specific programs to attract Targeted Workers and/or Disadvantaged Workers for construction opportunities at the project (e.g. handouts and fliers for “walk-ins” demonstrating program entrance procedures).



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- The Jobs Coordinator shall coordinate services for contractors to use in the recruitment of Targeted Workers.
- The Jobs Coordinator shall educate and assist contractors on incentives provided by state or federal programs for on-the-job training and employer tax credits.
- The Jobs Coordinator shall conduct orientations, job fairs and community outreach meetings in the local community.
- The Jobs Coordinator shall screen and certify the disadvantaged status of workers.
- The Jobs Coordinator shall establish a referral and retention tracking mechanism for placed local and/or disadvantaged workers and apprentices.
- The Jobs Coordinator shall network with the various work source centers, community and faith-based organizations and other non-profit entities that provide qualified local workers and/or disadvantaged workers.
- The Jobs Coordinator shall coordinate with the various building trades crafts for referral and placement of Targeted Workers.
- The Jobs Coordinator shall maintain a database of pre-qualified Targeted Workers for referral to work on a project and/or indenture-ship into a bona fide labor/management apprenticeship program.
- The Jobs Coordinator shall be the point of contact to provide information about available job opportunities on projects.
- The Jobs Coordinator shall assist the [G/S/EC/S/E/Ds](#) with their documentation effort and other reports as it relates to their Targeted Worker hiring requirements.
- The Jobs Coordinator shall work closely with LACMTA staff, the building trades and [G/S/EC/S/E/Ds](#) in achieving the targeted hiring goals.

### **Unions shall perform the following responsibilities:**

- The Unions shall ensure that its dispatchers properly adhere to the use of the Craft Request Form and the procedures written therein.
- The Unions shall refer Targeted Workers requested through the Craft Request Form, regardless of their place on the hiring hall list and normal referral procedures.
- The Unions shall exert their best efforts to recruit and identify Targeted Workers residing in Local Extremely Economically Disadvantaged areas and Economically Disadvantaged areas or in the case of federal funding, National Extremely Economically Disadvantaged areas or Nationally Economically Disadvantaged areas, Disadvantaged Workers, as well as those referred by the Jobs Coordinator for





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entrance, ~~indentureship~~[indenture-ship](#) into a union apprenticeship program, and assisting such individuals in graduating into journeypersons.

- The Unions shall track retention of Targeted Workers/ apprentices participating in joint Labor/Management apprenticeship programs and provide LACMTA with the necessary information as requested.

### 5.0 FLOWCHART

Not Applicable

### REFERENCES

- ~~Zip Code Area Tables~~

### 6.0 ATTACHMENTS

Attachment A - Los Angeles County Metropolitan Transportation Authority Project Labor Agreement (LACMTA-PLA)

Attachment B – Craft Request Form

### 7.0 PROCEDURE HISTORY

12/15/11 New policy 01/26/12 Board Adopted

~~01/26/17~~ [Revised to include joint development projects and other minor edits](#)



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### LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

#### REQUEST FOR CRAFT EMPLOYEES (FOR FEDERALLY FUNDED PROJECTS ONLY)

To the Contractor: Please complete and fax this form to the applicable union to request craft workers that fulfill all hiring requirements for the LACMTA project. After faxing your request, call the Local to verify receipt and substantiate their capacity to furnish targeted, disadvantaged or general dispatch workers as requested. Contact information for Locals is listed on back of form. Please print your Fax Transmission Verification Report and keep a copy of this request for your records.

To the Union: Please complete the "Union Use Only" section and fax form back to the requesting contractor. Retain form for your records.

To: Local # \_\_\_\_\_ Fax # ( \_\_\_\_\_ ) \_\_\_\_\_ Date: \_\_\_\_\_

From Company: \_\_\_\_\_

Person Sending: \_\_\_\_\_ Contact Phone: ( \_\_\_\_\_ ) \_\_\_\_\_

Please provide me with union craft workers per the LACMTA-PLA that fulfills the requirements for the project as defined below:

40% Targeted Requirement. (Union craft employees, including apprentices, who reside in Nationally Extremely Economically Disadvantaged areas identified on our webpage at [www.metro.net/pla](http://www.metro.net/pla) . If unavailable, those who reside in Nationally Economically Disadvantaged areas can be dispatched from the areas identified on our webpage.

10% "Disadvantaged" Requirement. (Union craft employees, including apprentices, who live in one of the Nationally Extremely Economically Disadvantaged, or Nationally Economically Disadvantaged areas identified on the webpage, and are verified to fulfill the "Disadvantaged" hiring requirement).

General Dispatch. (Union craft employees dispatched per normal dispatch procedures, not including the 40% Targeted or 10% "Disadvantaged" requirements)

(Nationally Economically Disadvantaged Areas are referenced at [www.metro.net/pla](http://www.metro.net/pla) )

#### Craft Employees Requested

Job/Craft	Journey man	Appren- tice	40% Target #	10% Disadv. #	General Dispatch	Total #	Report Date	Report Time

Total Workers Requested \_\_\_\_\_ Report to (On-Site Contact): \_\_\_\_\_

Please have worker(s) report to the following work address indicated below:

Site Address: \_\_\_\_\_

On-site Tel. ( \_\_\_\_\_ ) \_\_\_\_\_ #: Fax: ( \_\_\_\_\_ ) \_\_\_\_\_

Comments or special requirements: \_\_\_\_\_

#### Union Use Only

(Fax the Completed Form Back to Contractor)

Reception Date \_\_\_\_\_ Dispatch Date \_\_\_\_\_ Received By \_\_\_\_\_

Requested Dispatch	Available for Dispatch	Unavailable for Dispatch
40% Targeted	_____	_____
20% Apprentice	_____	_____
10% Disadvantaged	_____	_____

Comments: \_\_\_\_\_

Contractors Note: This form should be used for all requests for dispatch from construction trade unions for work on this project. The Project Labor Agreement (PLA) for the project contains a 40% targeted worker hiring requirement (see zip codes list), including a 20% Apprenticeship hiring and a 10% "disadvantaged" hiring requirement. In the event that referral facilities maintained by the unions are unable to fill the requisition of a contractor/ employer for qualified employees within a forty -eight hour period after such requisition is made by the contractor / employer, the contracted employer shall be free to obtain workers from any source.

**METRO JOINT DEVELOPMENT PROGRAM:**

**POLICYIES AND PROCESS**

Updated ~~February~~ January 2016 2017

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## I. INTRODUCTION / PURPOSE

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The Metro Joint Development Program is a real estate development program for properties owned by the Los Angeles County Metropolitan Transportation Authority (Metro). It is a real property asset development and management program designed to secure the most appropriate private and/or public sector developments for Metro-owned properties.

This document outlines the objectives ~~and~~, policies ~~and process~~ that will guide the Metro Joint Development Program as it develops Metro-owned properties. Together with the companion *Metro Joint Development Program: Process* document, the Policy ~~it~~ serves to inform communities in which joint developments take place, developers who build them, and the general public, about the objectives, policies, and processes that govern the Joint Development Program.

In addition, these ~~is~~ documents explain~~s~~ how local and federal policies guide Metro joint development, where applicable.

## II. OBJECTIVES / GOALS

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The Joint Development Program is centered on three main goals:

### A. Transit Prioritization:

1. Preserve Properties for Transit Use. Metro will preserve the ability to safely operate and maintain transportation facilities on its properties.
2. Increase Transit Ridership. The Joint Development Program aims to reduce greenhouse gas emissions and increase transit ridership by attracting new riders and increasing the number of transit trips generated from joint development projects.

### B. Community Integration, Engagement, Affordable Housing and Design:

Metro's Joint Development Program will seek projects that engage stakeholders and create vibrant, transit-oriented communities that offer a range of housing types, job opportunities, and services centered around public transit facilities.

1. Community Integration. Metro will seek to create projects that are compatible with the surrounding community and reflect the needs and desires of the neighborhood in which they are situated. Like any private development, joint developments are subject to the land use policies and approval processes of the host jurisdiction.
2. Community Engagement. Metro will ensure that the Joint Development Process actively engages community members at every development stage.
3. Affordable Housing. Metro's Joint Development Program seeks to facilitate construction of affordable housing units, such that 35% of the total housing units in the Metro joint development portfolio are affordable for residents earning 60% or less of the Area Median Income (AMI). The joint development portfolio includes properties for which Metro maintains long term ownership. It does not include surplus land that is sold in fee. Affordable housing is defined as housing that is covenant-controlled, provided on an income-restricted basis to qualifying residents earning 60% or less than AMI as defined by the CA Tax Credit Allocation Committee, and often subsidized by public or non-profit funding sources.
4. Design and Placemaking. Metro's Joint Development Program will pursue high quality design that enhances the surrounding community and creates inviting spaces and places around Metro transit facilities.



**C. Fiscal Responsibility:**

1. Maximize Revenue. Joint development projects are expected to generate value to Metro based on maximizing ground rent revenues received, or equivalent benefits negotiated, for the use of Metro property.
2. Minimize Risk. Projects should minimize financial risk to Metro.
3. Feasibility. Projects should be viable, now and in the future.

### III. POLICIES

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To achieve its goals, the Joint Development Program shall conform to the following policies:

#### A. Transit Prioritization and Integration:

1. Preservation of Transit Facilities. Metro shall retain authority over its transit facilities and services, and no development shall negatively impact existing or future public transportation facilities, nor shall any development obligate Metro to any particular operational level of service.
2. Density and Program. Metro will prioritize dense, trip generating uses on joint development sites.
3. Transit Connections. Metro will maximize connections to transit facilities from and through joint developments, where appropriate. Projects are encouraged which provide for increased station access using buses, active transportation, and other alternative modes of travel.

#### B. Community Outreach:

1. Community Engagement. Metro will pro-actively engage with the communities where the joint development projects occur through a variety of methods, which may include charrettes, focus groups, workshops, email updates, and social media communications. Developers selected for joint development projects shall be required to create a community engagement plan.
2. Local Collaboration. Metro will consult and work cooperatively with local jurisdictions and developers to encourage transit-supportive, high-quality development at stations and surrounding properties. All private developments (including joint development projects) must follow the local laws and policies, including the applicable land use policies, of the jurisdiction in which they reside.
3. Design Rigor. Projects shall demonstrate a high quality of design that is both sensitive to community context and enhances the surrounding community.

#### C. Financial Policies:

1. Risk Minimization. Projects should not require commitment of Metro financial resources, should minimize any investment risk to Metro, and should maximize asset security for Metro.
2. Collaborative Contribution. Projects are encouraged which obtain capital or in-lieu contributions from other public agencies to create greater community economic benefit to Metro-sponsored joint development projects.

3. Ground Lease Preference. Use of a long term ground lease is generally preferred to fee disposition.

#### **D. Federal Policies:**

Many joint development properties were purchased with some funding from the federal government. The federal agency for transit funding, the Federal Transit Administration (FTA) therefore must review and approve joint developments on land that was acquired with any federal funds. Additional details on this process are outlined in the [\*Metro Joint Development Process document\*](#)~~Legal Framework section V.B. Federal Regulations.~~

#### **E. Affordable Housing Policies:**

A large portion of Metro riders are low-income and transit dependent. Meanwhile, Metro transportation investments have the potential to raise the value of property near Metro transit investments. Thus, it is in Metro's and the community's interest to maintain and grow ridership by promoting the development of affordable housing on appropriate Metro joint development sites. In addition, State and Federal guidance encourages coordination of investments and policies to accommodate affordable housing near transit. Metro will define affordable housing as housing for residents earning 60% or less than AMI, and will prioritize units with even deeper affordability levels for very low income and extremely low income residents. Metro will use the following policies to promote affordable housing on joint development sites:

1. Range of Types. Joint development projects with a residential component are encouraged to provide a range of housing types to meet the needs of a diversity of household incomes, sizes, and ages.
2. Land Discounting. Where appropriate, and subject to FTA approval (if applicable), Metro may discount joint development ground leases below the fair market value in order to accommodate affordable housing. Such a land discount may not be greater than 30% of the fair market value.
3. Proportional Land Discounting for Affordable Housing. The proportional discount of the ground lease may not be greater than the proportion of affordable units to the total number of housing units in the project, with a maximum discount of 30%. For example, land value for a project that has 20% affordable units could be discounted up to 20%. Land value for a project with 100% affordable housing could be discounted up to 30%. In the case of mixed use projects, the discount will be to the land value attributable to the housing portion of the project.

## **F. Development Solicitation Policies:**

1. Competitive Solicitation. Metro's preferred method for selection of developers for its joint development projects is conducted through a competitive selection process that is further detailed in the following Process Section. The competitive process is managed through the Vendor/Contract Management Department and will be consistent with Procurement Policies.
2. Unsolicited Proposals. Metro does not encourage unsolicited proposals. Metro may consider unsolicited proposals in limited cases, as set forth in Metro's *Unsolicited Proposals & Public/Private Sector Engagement Policy* (Metro UP Policy). Metro's UP Policy includes a separate section on the process for submission and consideration of Unsolicited Proposals for Joint Development, called *The Joint Development Unsolicited Proposals Policy and Process* (JD UP Policy). The JD UP Policy is included [in the Joint Development Procedures document as Attachment A.](#)
3. Community Based Organizations (CBO)/ Small/Disadvantaged Business Enterprise (SBE/DBE) /Disabled Veterans Business Enterprise (DVBE).

Metro strongly encourages partnerships with local Community Based Organizations that provide affordable housing and other community serving programs and uses to its joint development sites, as part of the development team.

Metro also encourages development teams to create opportunities to include Metro-certified SBE/DBE and DVBE firms in their projects, through the delivery of professional or construction services. To identify eligible certified SBE/DBE and DVBE firms, use the following link: [http://smallbusinessquery.metro.net/pages/naics\\_lookup.aspx](http://smallbusinessquery.metro.net/pages/naics_lookup.aspx). Those firms not Metro-certified as SBE/DBE or DVBE but interested in seeking certification can find the process here: <http://business.metro.net/VendorPortal/>

## **G. Acquisition Policies:**

1. To encourage opportunities for joint developments surrounding transit investments, when appropriate, Metro will consider joint development opportunities in the acquisition of required property, location of new station sites, and construction of station facilities.
2. In the initial planning of a transit corridor project (e.g., during the environmental and preliminary engineering phases), Metro may conduct site analysis, include a preliminary layout of each passenger station site, develop conceptual urban design strategies integrating station sites with adjacent

communities, and evaluate proposed station sites for their joint development potential.

#### **H. Project Labor Agreement and Construction Careers Policy**

To promote efficiency of construction operations during the construction of certain Joint Development projects and to encourage construction employment and training opportunities that can mitigate the harms caused by geographically concentrated poverty and unemployment in economically disadvantaged areas and among disadvantaged workers, Metro will apply its Project Labor Agreement and Construction Careers Policy to certain covered Joint Development projects (resulting from both solicited and unsolicited proposals). Covered JD projects are those that meet the following thresholds:

- A mixed use project containing both a residential and a commercial component, where there are more than sixty (60) residential units being built; or
- A residential only project that exceeds sixty (60) residential units; or
- A commercial only project (retail, office or hotel) that exceeds forty thousand (40,000) square feet of space.

The Project Labor Agreement Policy can be found here: [INSERT LINK ONCE UPDATED POLICY IS ON WEB] and the Construction Careers Policy can be found here: [INSERT LINK ONCE UPDATED POLICY IS ON WEB]

## **IV. PROCESS**

### **A. Inventory and Site Selection:**

- ~~1. Inventory. Metro maintains an inventory of properties that are potential sites for future joint development. Metro staff will monitor market conditions and communicate with local jurisdictions and stakeholders about development potential.~~
- ~~2. Site Selection. The determination to select sites for joint development is dependent on several factors including, but not limited to: market conditions, community input, local jurisdictions, and Metro resources. These factors may provide the basis for establishing project priorities, project implementation strategies, and ultimately the creation of Development Guidelines, to ensure maximum attainment of Metro's Joint Development Objectives.~~
- ~~3. Determination of Financing Requirements. Upon the selection of a site for a joint development project, Metro staff will determine the funding sources that were involved in the acquisition of the selected site. Depending upon the financing that was used, the project may be subject to review by the FTA, the California Department of Transportation (Caltrans), and/or review pertaining to the presence of tax exempt bonds.~~
- ~~4. Joint Development versus Excess Property. Metro owned properties for which there is a federal interest and considered for the Joint Development Process may be considered "Joint Development" sites or "Excess Properties" under applicable Federal rules and regulations. Joint Development sites contain transit infrastructure, which can range from a rail or bus station to a power substation or other infrastructure. Excess Properties contain no transit infrastructure. Metro will handle both Joint Development sites and Excess Properties according to the policies and processes set forth in this document.~~

### **B. Community Outreach and Scoping**

- ~~1. Community Engagement. Once a site has been selected for a potential joint development, Metro will consult with local jurisdictions and conduct outreach to solicit input from the community surrounding the site. The Joint Development Program staff, working closely with Metro Community Relations, will work with the community stakeholders and local jurisdiction to determine a vision for the potential project.~~
- ~~2. Development Guidelines. Upon determination of a unified vision that is desirable to the community and economically feasible, Metro will prepare Development Guidelines specific to the site. The Development Guidelines will articulate the intensity and type of land uses that Metro and the community desire for that site, as well as any desired transit and urban design features. The~~

~~Development Guidelines will be presented to the Metro Board for approval. Within Metro, the Development Guidelines shall be informed by:~~

- ~~a. Existing or planned transit stations or stops~~
- ~~b. Metro Rail Design Criteria~~
- ~~c. Input from the appropriate Metro Departments, including, without limitation Operations, Engineering, and Safety~~
- ~~d. The First/Last Mile Strategic Plan~~
- ~~e. The Complete Streets Policy~~
- ~~f. The Sustainability Policy~~
- ~~g. The Supportive Transit Parking Plan (once completed and adopted)~~
- ~~h. The Public Restroom Policy~~
- ~~i. Other policies and departments as applicable~~

### ~~C. Competitive Solicitation Process:~~

- ~~1. Solicitation. After Board approval of the Development Guidelines, Metro will solicit proposals for joint development of the site through a Request for Information and Qualifications (RFIQ) and/or a Request for Proposals (RFP). The standard RFIQ/RFP procedure will be managed through the Vendor/Contract Management Department and will be consistent with Procurement Policies and, if the subject site was purchased with FTA assistance, will conform to FTA circular 7050.1, which governs joint development.~~
- ~~2. Evaluation. Joint development proposals shall be evaluated based on their support of the Joint Development Objectives and conformance with the site-specific Development Guidelines. Staff will assemble an evaluation panel generally consisting of key Metro personnel and a representative of the governing jurisdiction. Additionally, an urban design or development consultant, financial services consultant and/or local jurisdiction technical staff may be used to provide support and advisory services in the evaluation of proposals. The evaluation panel shall evaluate joint development proposals and advise the Metro Chief Executive Officer (CEO) on a developer to be recommended to the Board. The CEO may recommend a developer to the Board or defer joint development if none of the proposals maximize Joint Development Objectives.~~
- ~~3. Unsolicited Proposals. See Appendix A for the Joint Development Unsolicited Proposals Policy and Process.~~

### ~~D. Development Phase:~~

- ~~1. Exclusive Negotiation Agreement and Planning Document. Before the CEO recommends the selected developer's proposal to the Metro Board, developer shall negotiate and sign an Exclusive Negotiation Agreement and Planning Document ("ENA"). The ENA shall not be effective until both parties have~~

~~signed.) The ENA will include a project concept, terms and conditions regarding community engagement, general planning and development goals, deposit and fees, design review and a predevelopment schedule agreed to by the proposed developer and Metro staff. Upon approval of a recommended developer and authorization by the Metro Board, the CEO or designee shall execute the ENA with the developer.~~

~~*Developer Responsibilities under the ENA include but are not limited to:*~~

- ~~• Negotiate in good faith, including such project design and project financing information as necessary for Metro staff to negotiate a transaction.~~
- ~~• In consideration for entering into the ENA, the developer shall provide Metro a non-refundable fee in an amount determined by the CEO or designee but in no event less than fifty thousand dollars \$50,000 or such other consideration as determined by the CEO or designee.~~
- ~~• In addition to the fee, the developer shall also provide Metro with a deposit in an initial amount determined by the CEO or designee to pay Metro's actual costs to negotiate and evaluate the proposal, including certain Metro in-house and third party costs.~~
- ~~• Create a robust community engagement plan that will carry throughout the design, entitlement and construction process for the project.~~

~~*Metro Responsibilities under the ENA:*~~

- ~~• During the negotiation period, provided that the developer is not in default of its obligations under the ENA, Metro shall negotiate exclusively and in good faith with the developer a Joint Development Agreement ("JDA") and Ground Lease to be entered into between Metro and the developer, and shall not solicit or entertain offers or proposals from other parties concerning the site.~~

~~*Term of the ENA:*~~

- ~~• The term of the ENA shall generally be eighteen (18) months; provided, the term and any extensions shall not exceed thirty (30) months. In considering an extension, the CEO or designee shall determine whether substantial progress has been made towards fulfillment of the requirements of the ENA and may require payment of additional fee and/or deposit amounts.~~



## ~~2. Joint Development Agreement.~~

- ~~• Before the Metro Board can authorize execution of a JDA for a project, the project must be environmentally cleared through the California Environmental Quality Act (CEQA). Metro is not the lead CEQA agency for joint development projects; the agency with local regulatory land use authority generally serves that function.~~
- ~~• Upon satisfactory fulfillment of the development requirements in the ENA, negotiation of acceptable terms, and adoption of CEQA findings by the lead agency, Metro staff will recommend to the Metro Board to (a) adopt the CEQA findings as a responsible party and (b) enter a Joint Development Agreement (JDA) for the implementation of a project. The JDA shall describe the rights and responsibilities of both parties and may include the terms for a Ground Lease.~~

~~3. FTA Concurrence. Before LACMTA may enter into a ground lease, the project must seek and obtain concurrence from the FTA Regional office via a letter. Details on FTA requirements for concurrence are included in the Legal Framework section V.B Federal Guidelines.~~

~~4. Ground Lease. Upon satisfactory fulfillment of the closing conditions required in the JDA, and receipt of FTA concurrence, Metro shall enter into a Ground Lease for the lease of the site. The Ground Lease shall describe the rights and responsibilities of both parties with respect to the site. The Metro CEO or designee may also enter into such other documents and agreements to implement and administer the project as described in the JDA and Ground Lease.~~

~~5. Environmental Compliance. As noted above, Metro shall not approve or be committed to a project until the Metro Board as a responsible agency under CEQA and/or NEPA considers and analyzes the environmental impacts of the project. The project must be cleared through CEQA before a JDA or a Ground Lease can be approved by the Board.~~

## V. LEGAL FRAMEWORK

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### A. Statutory Basis:

~~The Metro Joint Development Program maintains statutory basis as obtained by a predecessor agency, the Southern California Rapid Transit District. Under California Public Utilities Code, Section 30600: “the district may take by grant, purchase, gift, devise, or lease, or by condemnation, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary or incidental to the full or convenient exercise of its powers. That property includes, but is not limited to, property necessary for, incidental to, or convenient for joint development and property physically or functionally related to rapid transit service or facilities. The Board may lease, sell, jointly develop, or otherwise dispose of any real or personal property within or without the district when, in its judgment, it is for the best interests of the district to do so.”~~

### B. FTA Regulations:

~~Metro joint development sites which were acquired with assistance from the FTA are subject to FTA joint development policies. Current guidance in FTA Circular 7050.1 on FTA-funded real property for joint development, stipulates that joint developments follow four criteria:~~

- ~~1. Economic Benefit—project must enhance economic benefit or incorporate private investment.~~
- ~~2. Public Transportation Benefit—project must provide physical transit improvement or enhanced connection between modes.~~
- ~~3. Revenue—generally, project must generate a fair share of revenue (at least equal to the amount of original federal investment) and be used for public transportation purposes.~~
- ~~4. Tenant Contributions—tenants pay a fair share of the costs through rental payments or other means.~~





~~Metro joint development sites which were acquired with FTA funds are subject to and will follow FTA guidance as it is updated from time to time. Joint development projects will be reviewed individually by the FTA to ensure compliance.~~

~~In addition, Metro is responsible to ensure that joint development projects comply with FTA Title VI Civil Rights and Environmental Justice requirements. Compliance with Title VI will be required of developer’s selected for joint development projects.~~

### C. Local Jurisdictions:

~~Metro joint developments are subject to local land use policies and procedures in the host jurisdiction, similar to any private development. The selected developer for any joint development site must follow the land use, zoning, permitting, and entitlement process for the local jurisdiction of that site.~~

**EXHIBIT A: JOINT DEVELOPMENT PROCESS CHART**

Metro Joint Development Process				
STAGE	Initial Community Outreach	Developer Solicitation/ Selection**	Project Refinement, Joint Development Agreement (JDA) and Ground Lease (GL) Negotiations	Permitting and Construction
ACTIONS	 >Community Meetings >Creation of Development Guidelines*	 >Issue Request for Information and Qualifications (RFIQ) and/or Request for Proposals (RFP) >Evaluate Proposals >Community update	 >Developers progress architectural design >Community outreach and input - several iterations >Entitlements and CEQA process*** >Negotiation of financial terms	 >City engineering >Construction documents >City building permits >Seek Concurrence from FTA (for properties with federal interest) >City-related approvals >On-site construction >Occupancy
	RESULT	Board approves Development Guidelines	Metro Board authorizes Exclusive Negotiation Agreement (ENA) with recommended developer(s)	Metro Board approves JDA and GL
approximate overall time frame: 48 - 70 months				
	6 - 8 months	6 - 8 months	18 - 30 months	18 - 24 months

\*Staff may undertake preliminary market analysis or related studies prior to the drafting of development guidelines.

\*\*Once the RFIQ/RFP is released, Metro is in a "blackout" period. During this period, Metro cannot discuss the specific content of proposals until staff releases their recommendations for a developer. Metro can do general outreach to keep stakeholders apprised of the process and key dates.

\*\*\*Proposed use requires local jurisdiction approval and may include environmental, zoning, and local plan consistency review and public hearings.



## ATTACHMENT A

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*Los Angeles / Orange Counties  
Building and Construction  
Trades Council*

*Affiliated with the Building & Construction Trades Dept., AFL-CIO*

1626 Beverly Boulevard  
Los Angeles, CA 90026-5784  
Phone (213) 483-4222  
(714) 827-6791  
Fax (213) 483-4419



**RON MILLER**

*Executive Secretary*

January 4<sup>th</sup>, 2017

**Metropolitan Transit Authority  
Mr. Phillip Washington, CEO  
One Gateway Plaza  
Los Angeles, CA 90012**

**Subject: Letter of support for the Los Angeles County Metropolitan Transportation Authority's (Metro) Project Labor Agreement (PLA), Construction Careers Policy (CCP) and Joint Development (JD) Policy.**

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The Los Angeles/Orange Counties Building & Construction Trades Council (LA/OC BCTC) is pleased to support Metro's Project Labor Agreement (PLA), Construction Careers Policy (CCP) and Joint Development (JD) Policy as amended. These programs are critical to serving the disadvantaged and historically underutilized communities with training and employment opportunities by way of construction careers.

Metro's program goals of 40% Targeted Workers, 20% Apprentice workers and 10% Disadvantaged workers that was adopted in January 2012 was not only aggressive, but it has set the benchmark for similar economic uplift programs in the nation. The LA/OCBCTC is proud to have played an important role in Metro successfully attaining its program goals of the PLA and CCP over the last five years and looks forward to continuing these efforts.

The LA/OC BCTC provides the necessary training to ensure skilled workers are provided to support Metro's construction infrastructure program and can be used to place workers in construction careers. The amendments proposed in the PLA/CCP renewal agreement will strengthen the efforts that currently exist to provide efficient and effective service to participants of the program. Some of these agreed upon efforts include informing boot camp applicants of the entrance requirements and creating opportunity for recruitment and placement services to graduates of boot camps.

The LA/OC BCTC supports the amendments proposed for the PLA/CCP, and JD policy, and looks forward to collaborating with Metro to increase its successes with the PLA/CCP and JD polices over the next ten (10) years.

Respectfully,

Ron Miller  
Executive Secretary

RM:ag/opeiu#537/afl-cio



## Board Report

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File #: 2016-0999, File Type: Plan

Agenda Number: 47

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### AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE JANUARY 18, 2017

**SUBJECT: COUNTYWIDE EXPRESSLANES STRATEGIC PLAN**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the **Countywide ExpressLanes Strategic Plan** Executive Summary (Attachment A) full report available at [http://libraryarchives.metro.net/DB\\_Attachments/170111\\_Strategic\\_Plan\\_with\\_Appendices.pdf](http://libraryarchives.metro.net/DB_Attachments/170111_Strategic_Plan_with_Appendices.pdf) , and;
- B. AUTHORIZING the CEO to initiate planning studies including a comprehensive financial plan for Tier 1 projects as outlined in Attachment B and submit those projects as a network to the California Transportation Commission to request tolling authority.

#### **ISSUE**

In November 2014, the Board passed Motion #59 (Attachment C) introduced by Directors Garcetti, Ridely-Thomas, Dupont-Walker and Fasana requesting development of an ExpressLanes Strategic Plan. Staff has completed the Los Angeles County Express Lanes Strategic Plan as outlined in this report.

#### **DISCUSSION**

The I-110 and I-10 ExpressLanes have experienced continued growth since their opening in November 2012 and February 2013, respectively. Since March 2013, total trips have increased by 62%. In addition, Silver Line ridership has increased from a weekday average of 10,600 in 2012 to 15,400 in 2016. Approximately 640,000 transponders have been issued to date and another 10,000-12,000 transponders are issued every month to new customers. A recent survey of regular ExpressLanes users indicates that 75% would support adding ExpressLanes to other Los Angeles County freeways.

Building on the success of the I-110 and I-10 ExpressLanes and Metro Board direction, the

Countywide ExpressLanes Strategic Plan was prepared as an extension of Southern California Association of Governments' (SCAG) Regional ExpressLanes Strategic Plan and in cooperation with Caltrans District 7. The Countywide Strategic Plan uses the same methodology as the SCAG Strategic Plan to estimate the potential mobility benefits and revenue generated by High Occupancy Toll (HOT) lane projects.

There are three components of the strategic plan analysis - corridor screening, financial feasibility, and application of qualitative data. For the corridor screening, the plan focused on conversions of High Occupancy Vehicle (HOV) lanes only. Therefore, freeways with existing, in construction, or planned HOV lanes were considered for possible conversion to ExpressLanes.

The corridor screening analysis is comprised of a two-step process. Using the SCAG travel demand model, traffic volume in 2020 and 2035 for freeways in the County were estimated. Next, the Rapid Toll Optimization Model (RapidTOM) determined the number of vehicles willing to pay to use the ExpressLanes based on available capacity in the HOT lane and a vehicle's value of time. If the toll rate is below a vehicle's value of time, then it is assumed that the vehicle will pay to use the HOT lane. The corridor screening produced three quantitative mobility criteria, which are: 1) value of travel time savings; 2) HOT lane person throughput; and 3) average peak period vehicle speeds in the general purpose lanes.

The second component is the financial feasibility calculation. This calculation projects gross revenue for various Express Lane corridors and then subtracts capital, operating, and maintenance costs to estimate net revenue. For the purposes of this analysis, net revenue assumed operation and maintenance costs similar to those incurred for the operation and maintenance of the I-110 and I-10 ExpressLanes. Construction costs were estimated at a preliminary, rough order of magnitude level. The resulting revenue/cost ratio provides a general indication of the positive or negative revenue benefit of conversion of an HOV lane to an Express Lane.

Each freeway segment was ranked 1 through 5 in the three mobility criteria and one financial feasibility calculation and a composite screening score was derived, which is the average score of the four criteria. Then, four qualitative criteria were applied to refine the results of the mobility and financial feasibility analysis. Those criteria are: connectivity with other existing and potential ExpressLanes corridors, transit benefits, funding availability, and ability to implement dual ExpressLanes (i.e. two ExpressLanes in each direction).

The result is a set of three tiers of projects. Tier 1 projects are near-term that would be constructed in the next 5-10 years. Tier 2 projects are mid-term that would be constructed within the next 15 years. Tier 3 projects are longer-term projects that would be constructed within the next 25 years. In addition to the proposed ExpressLanes facilities, HOV direct connectors are needed to improve mobility and safety by reducing weaving and merging to optimize the efficiency of the Express Lanes.

While three of the projects in the plan (I-105, I-405/Sepulveda Pass and I-110 extension to I-405) receive funding through Measure M (Attachment B), no other funding has as yet been identified for the remainder of the projects included in the plan, resulting in a significant funding shortfall. To



bridge the financial gap, staff will attempt to secure other sources of revenue including bonds, Transportation Infrastructure Financing and Innovation Act (TIFIA) loans, grants, Public Private Partnerships or similar innovative financing mechanisms and if authorized, toll revenue loans from other ExpressLanes.

In order to advance the recommended ExpressLanes network, Metro must undertake a series of steps. Staff must conduct planning studies for Tier 1 projects not currently underway (I-10 from I-605 to LA/SB county line, I-605 from I-10 to I-405, I-405 from I-10 to LA/OC line). These studies will identify the cost, right-of-way requirements of single and dual ExpressLanes, evaluate the traffic and revenue potential of the lanes and develop a preliminary concept of operations. Additionally, Staff will need to conduct a comprehensive financial plan for the Tier 1 projects. Metro is required to secure CTC approval in order to implement Express Lanes in new corridors. Therefore, upon approval by the Metro Board of Directors Metro will submit Tier 1 projects as a network to the California Transportation Commission to obtain tolling authority for those corridors. Finally, as part of the planning studies, Metro will conduct a detailed analysis to identify locations and configurations of HOV direct connectors which are critical to maximize the congestion reduction benefits of the ExpressLanes.

Board approval of the Tier 1 projects will require an evaluation of Express Lanes as an alternative in the planning of highway improvements for those corridors. This activity will be coordinated with the Highway Program.

### **DETERMINATION OF SAFETY IMPACT**

This action will have no impact on safety.

### **FINANCIAL IMPACT**

The studies currently underway are funded through the FY 17 budget. Since this is a multi-year program, the cost center manager and the Executive Officer, Congestion Reduction Programs will be responsible for budgeting of the cost associated with this effort in the future.

#### **Impact to Budget**

This activity will have no impact on Metro's bus and rail operating budget.

### **ALTERNATIVES CONSIDERED**

The Board could choose to forgo the steps necessary to implement the recommended actions. This alternative is not recommended because the strategic plan development was requested by the Board as the I-110 and I-10 ExpressLanes have proven to be a success in providing a congestion relief benefit and are generating revenue for other transportation improvements.

### **NEXT STEPS**

For the Tier 1 corridors, Metro will begin/continue the project development process, and where applicable, work with the Highway Program to incorporate evaluation of an Express Lanes alternative for related highway improvements. Staff will also develop an application for the Tier 1 projects for submittal to the CTC.

### **ATTACHMENTS**

Attachment A - Countywide ExpressLanes Strategic Plan Executive Summary

Attachment B - Tiers 1, 2 and 3 Projects

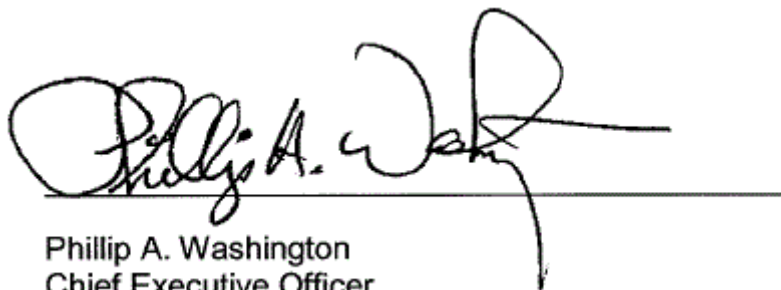
Attachment C - November 2014 Board Motion #59

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Phillip A. Washington  
Chief Executive Officer



**Los Angeles County**  
**Metropolitan Transportation Authority**  
**Countywide ExpressLanes**  
**Strategic Plan**  
**Executive Summary**

PREPARED FOR:



ONE GATEWAY PLAZA  
LOS ANGELES, CA 90012

Prepared by:



444 SOUTH FLOWER STREET, SUITE 800  
LOS ANGELES, CA 90071

January 6, 2017

## EXECUTIVE SUMMARY

This Countywide ExpressLanes Strategic Plan builds on the success of the I-110 and I-10 Congestion Reduction Demonstration pilot program (also known as ExpressLanes) by establishing a vision for Metro to deliver a system of Express Lanes for Los Angeles County using a network approach to maximize regional benefits. A countywide ExpressLanes network will create a more reliable, faster travel option that makes better use of existing vehicle capacity in carpool lanes - also known as high occupancy vehicle (HOV) lanes. The plan also aims to address the degradation in HOV lane performance already experienced on many freeway corridors in the county, and provide Express Lanes users with a seamless customer experience.

The Strategic Plan identifies the most promising Express Lane corridors and potential funding sources needed to implement the plan. The Metro Countywide ExpressLanes Strategic Plan was prepared as an extension of *Southern California Association of Governments (SCAG's) Express Travel Choices Phase II Study - Regional Express/HOT Lanes Implementation Plan and Concept of Operations*. The Metro Strategic Plan is consistent with the analysis methodology used in the SCAG study to estimate the potential mobility benefits and revenue generated by Express Lane projects. This approach ensured that the Metro Countywide ExpressLanes Strategic Plan is consistent with the SCAG regional study and minimized duplication of effort.

***The Strategic Plan is intended to be updated periodically to reflect changes in project costs, revenues, economic conditions, and project priorities that will undoubtedly occur over the next 30+ years.***

The primary objectives of Metro's Countywide ExpressLanes Strategic Plan are to:

- Identify and recommend potential corridors that can benefit from HOV to High Occupancy Toll (HOT) or Express Lane conversion;
- Develop a resource plan for existing and future Express Lane corridors;
- Respond to degraded HOV facilities across Los Angeles County as well as transportation needs which have outpaced traditional revenue sources;
- Provide recommendations regarding tiers of projects, phasing, planning-level costs and revenue forecasts, and a timetable for implementation;
- Provide a high-level assessment of vehicle occupancy requirements on existing and planned HOV/Express Lane facilities.

The Countywide ExpressLanes Strategic Plan screened all planned, in construction, and existing carpool lanes in Los Angeles to assess the potential benefits and costs of conversion to ExpressLanes operation. The individual corridors included in the Strategic Plan were evaluated using a two-phased screening process assessing their mobility benefits and financial feasibility.

The screening process utilized the SCAG Regional Travel Demand model and the Rapid Toll Optimization Model (RapidTOM) to quantify the mobility benefits of potential ExpressLanes based on available capacity in the HOT lanes, congestion in the general purpose lanes (GPLs),

and the value of time savings by using the HOT lanes. This analysis also provided a general indication of the financial feasibility of an Express Lane.

The corridors were ranked according to their mobility and financial feasibility score and then qualitative factors were applied including connectivity with other Express Lane corridors, transit benefits, funding availability, and the potential ability to accommodate two Express Lanes in each direction. Project segments in Tier 1 had the highest combined mobility and financial screening scores and tended to exhibit the most robust forecasts of traffic and revenue. Segments in Tiers 2 and 3 exhibited comparatively lower screening results and, as such, tended to have less robust traffic and revenue performance.

Recognizing that the implementation of a Countywide ExpressLanes network would require substantial investment and time to plan and construct, it was assumed that the individual segments comprising the network would be implemented in tiers approximately ten-years apart as follows:

- Tier 1 — near-term (within 5-10 years)
- Tier 2 — mid-term (within 15 years)
- Tier 3 — longer-term (within 25 years)

Following the identification of the three project tiers, a preliminary, high level ExpressLanes Resource Plan was prepared to estimate the cost of the strategic plan projects and identify existing and potential funding sources.

The analysis led to the recommendation to develop a 621 lane-mile Express Lane network, mostly comprised of single lane facilities but dual lane facilities are preferred where right-of-way allows. The proposed Express Lane network is shown in **Figure 1** and is made up of the existing I-110 and I-10 ExpressLanes and the Tier 1, 2, and 3 projects.

Some of the proposed ExpressLanes projects are funded through Measure M (**Table 1**). For projects without identified funding, staff will attempt to secure other sources of funding including bonds, Transportation Infrastructure Financing and Innovation Act (TIFIA) loans, grants, and net toll revenue loans from other ExpressLanes within the County if permitted.

In order to move forward with a system of Express Lanes in Los Angeles County, Metro will submit Tier 1 projects as a network to the California Transportation Commission to request tolling authority for those corridors; begin planning studies for Tier 1 projects to analyze the mobility benefits, cost, and right-of-way requirements of single and dual ExpressLanes, prepare traffic and revenue studies, develop preliminary concept of operations reports, and prepare a comprehensive financial plan. In addition, Metro will conduct a detailed analysis to identify locations and configurations of HOV direct connectors.



**Figure 1: Los Angeles County Strategic Buildout Express Lanes Network**

**Table 1: Express Lane Projects Funded through Measure M**

<b>Tier 1</b>	<b>Measure M Funding</b>
I-10 between I-605 & LA/SB county line	None identified*
I-105 between I-405 and I-605	\$175,000,000
I-110 ExpressLane extension south to I-405/I-110 interchange	\$51,500,000
I-405/I-110 Int. HOV Connect Ramps and Interchange Improvements	\$250,000,000
I-405 between US-101 & I-10	\$260,000,000
I-405 between I-10 and LA/OC county line	None identified*
I-605 between I-10 & LA/OC county line	None identified*
I-605/SR-60 Interchange HOV Direct Connectors	\$130,000,000
<b>Tier 2</b>	
I-5 between I-605 & LA/OC county line	None identified*
I-5 between SR-170 & SR-134	None identified*
SR-57 between SR-60 & LA/OC county line	None identified*
SR-91 between I-110 and LA/OC county line	None identified*
SR-134 between I-210 & SR-170	None identified*
I-405 between US-101 and I-5	None identified*
<b>Tier 3</b>	
I-5 between SR-170 and Parker Road	None identified*
SR-14 between Avenue P8 & I-5	None identified*
SR-60 between I-605 & LA/SB county line	None identified*
SR-118 between I-5 & LA/Ventura county line	None identified*
SR-170 between I-5 & SR-134	None identified*

\* May be eligible for Measure M Highway Funds

## TIER 1 PROJECTS

## Metro Express Lanes Program 5-10 Year Implementation Phasing Plan (Tier 1)

Corridor	From	To	Lane Miles	Scope	Non-Standard Cost	Full-Standard Cost
<b>Existing Network</b>						
<b>I-10</b>	Alameda St.	I-605	39.1	In operation	N/A	N/A
<b>I-110</b>	Harbor Gateway Transit Center	Adams Blvd.	35.3	In operation	N/A	N/A
<b>Tier 1 Baseline Network</b>						
<b>I-10</b>	I-605	LA/SB CL	34.2	Convert existing and future HOV to Single HOT in each direction	\$43M	\$196.8M
<b>I-105</b>	I-405	I-605	32.0	Convert existing HOV to single HOT in each direction*	\$37.4M	\$73.2M
<b>I-110</b>	182 <sup>nd</sup> Street	I-405	2.2	Add new HOT lanes by extending existing single HOT lanes in each direction south to I-405; construct new HOV/HOT Direct Connector at I-110/I-405	N/A	\$280.4M +\$250M (Connector)
<b>I-405</b>	US 101	LA/OC CL	77.6	Convert existing HOV to single HOT in each direction**	\$94.5M	\$305M
<b>I-605</b>	I-10	LA/OC CL	41.2	Convert existing HOV to single HOT in each direction	\$50.3M	\$249.6M
I-605/SR-60 Interchange Direct Connectors			HOV 0.1	Construct HOV direct connectors at I-605/SR-60 interchange	N/A	\$490.6
<b>Tier 1 Total</b>			<b>187.3</b>		<b>\$225.2M</b>	<b>\$1,845.6M</b>

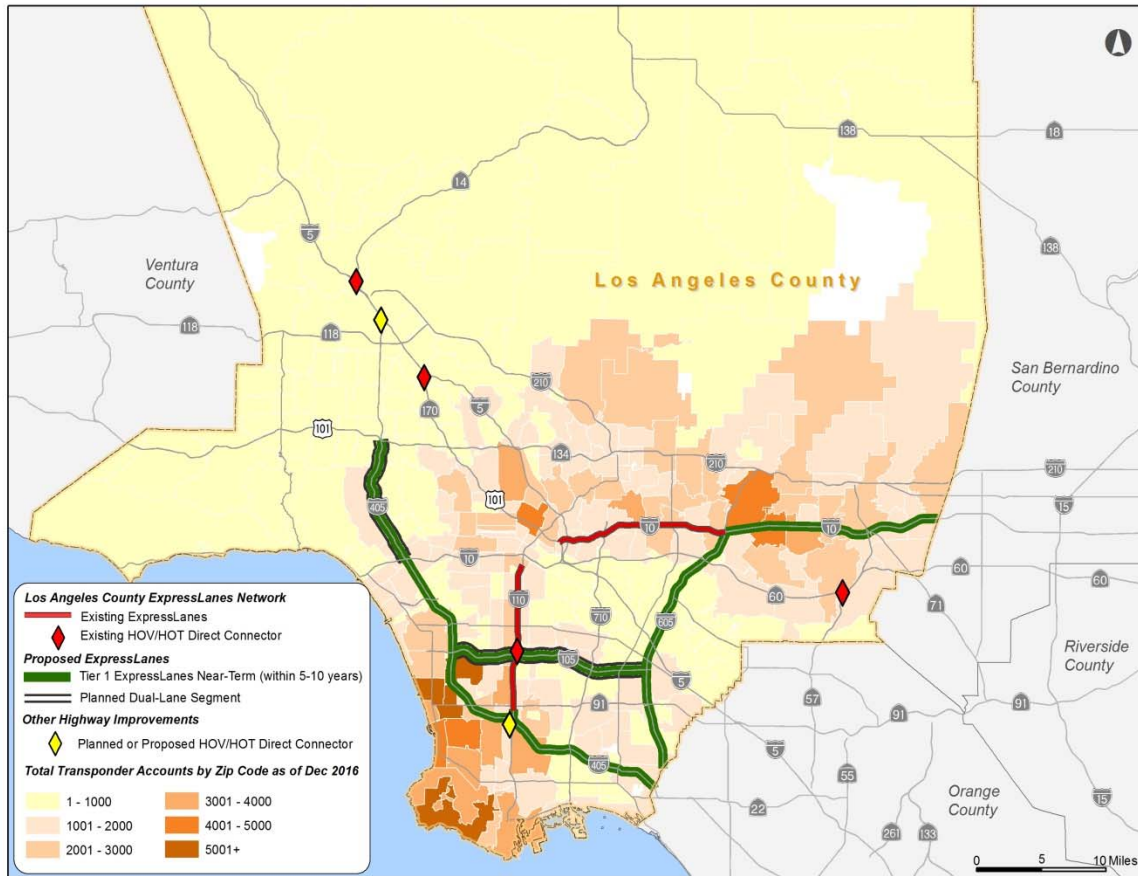
Source: Conceptual-Level Cost Estimate Report, SCAG Express Travel Choices Phase II Study - Regional Express Lane Network, April 8, 2015

\*Metro expects that dual Express Lanes can be implemented on the I-105 (I-405 to I-605); final configuration to be determined through the Project Approval/Environmental Document (PA/ED). Caltrans I-105 PSR-PDS estimated cost for dual-lanes is \$125M to \$200M.

\*\* Metro expects that dual Express Lanes can be implemented on the I-405 (US 101 to I-10); final configuration to be determined through the Project Approval/Environmental Document (PA/ED). Prior Sepulveda Pass Corridor Systems Planning Study Supplemental Traffic and Revenue Study estimated cost for dual-lanes at \$188M.



# Tier 1 Express Lanes 10-Year Plan (2017-2027)



## TIER 2 PROJECTS

### Metro Express Lanes Program 15-Year Implementation Phasing Plan (Tier 2)

Corridor	From	To	Lane Miles	Scope	Non-Standard Cost	Full-Standard Cost
<b>Tier 2 Baseline Network</b>						
<b>I-5</b>	I-605	LA/OC CL	12.9	Convert future HOV to single HOT in each direction	\$15.4M	\$40.5M
<b>I-5</b>	SR-170	SR-134	20.0	Convert future HOV to single HOT in each direction	\$23.8M	\$52.9M
<b>SR-57</b>	LA/OC CL	SR-60	9.6	Convert existing HOV to single HOT in each direction	\$12.1M	\$44M
<b>SR-91</b>	I-110	LA/OC CL	29.0	Convert existing HOV to single HOT in each direction	\$34.8M	\$475M
<b>SR-134</b>	SR-170	I-210	26.2	Convert existing HOV to single HOT in each direction	\$33.6M	\$1,205M
<b>I-210</b>	SR-134	LA/SB CL	56.2	Convert existing HOV to single HOT in each direction	\$68.7M	\$2,251.4M
<b>I-405</b>	I-5	US 101	17.4	Convert existing HOV to single HOT in each direction	\$22.4M	\$73.9M
<b>Tier 2 Total</b>			<b>171.3</b>		<b>\$210.8M</b>	<b>\$4,142.7M</b>

Source: Conceptual-Level Cost Estimate Report, SCAG Region Value Pricing Project—Regional Express Lane Network, April 8, 2015

# Tier 2 Express Lanes 15-Year Plan (2027-2032)



## TIER 3 PROJECTS

### Metro Express Lanes Program 25-Year Implementation Phasing Plan (Tier 3)

Corridor	From	To	Lane Miles	Scope	Non-Standard Cost	Full-Standard Cost
<b>Tier 3 Baseline Network</b>						
<b>I-5</b>	SR-14	SR-170	17.2	Convert existing HOV to single HOT in each direction	\$17.7M	\$80.8M
<b>SR-60</b>	I-605	LA/SB CL	36.2	Convert existing HOV to single HOT in each direction	\$48.3M	\$217.3M
<b>SR-170</b>	SR-134	I-5	13.3	Convert existing HOV to single HOT in each direction	\$17M	\$57.7M
<b>Tier 3 Expanded Network (included as sensitivity tests for possible inclusion to Tier 3 Baseline)</b>						
<b>I-5</b>	SR-14	Parker Rd.	26.8	Convert future HOV to single HOT in each direction	\$95.3M	\$370.7M
<b>SR-14</b>	I-5	Avenue P8	71.8	Convert existing HOV to single HOT in each direction	\$37.3M	\$336.5M
<b>SR-118</b>	LA/VEN CL	I-5	22.8	Convert existing HOV to single HOT in each direction plus I-110/I-405 direct connectors	\$26.8M	\$92.6M
<b>Tier 3 Total*</b>			<b>190.3</b>		<b>\$242.4M</b>	<b>\$1,686M</b>

Sources: Conceptual-Level Cost Estimate Report, SCAG Region Value Pricing Project—Regional Express Lane Network, April 8, 2015

# Tier 3 Express Lanes 25-Year Plan (2032-2042)



**MOTION BY:**

**MAYOR ERIC GARCETTI, SUPERVISOR MARK RIDLEY-THOMAS,  
DIRECTOR JACQUELYN DUPONT-WALKER, & DIRECTOR JOHN FASANA**

**Executive Management Committee Meeting**

November 6, 2014

**Item 59 – ExpressLanes Strategic Plan**

Congestion Pricing is a strategy to reduce traffic congestion, improve the reliability of highway system performance, and generate new revenue which can be used to fund transportation improvements in the corridors where the revenues are generated.

In June 2007, the Los Angeles County Metropolitan Transportation Authority (MTA) Board unanimously passed a motion directing the CEO to work with Caltrans and other agencies to develop a detailed operating plan for implementing congesting pricing in Los Angeles County.

In April 2008, MTA, in partnership the Caltrans, entered into an agreement with the U.S. Department of Transportation (USDOT).

The agreement identified an award of a \$210.6 million federal grant to convert existing High Occupancy Vehicle (HOV) lanes into dynamically-priced high-occupancy toll (HOT) lanes as an initial congestion pricing pilot project, known as ExpressLanes.

MTA converted the high-occupancy vehicle lanes on portions of I-10 and I-110 in Los Angeles County to HOT lanes.

February 23, 2014 marked the successful completion of the federal grant requirement of 12 months concurrent toll operations of the MTA ExpressLanes.

Legislation was enacted in September 2014 that granted MTA the authority to conduct, administer, and operate the program indefinitely, under the same terms and conditions that governed the demonstration program.

CONTINUED

MTA ExpressLanes have proven to be effective in increasing travel speeds, reducing travel times without creating adverse impacts on the general purpose lanes.

The public has accepted tolling as a means of improving mobility. During the first year alone, drivers acquired 259,000 transponders, greatly exceeding the ExpressLanes program's goal of 100,000.

ExpressLanes on I-10 and I-110 garnered significant recognition and acceptance as well as generating toll revenues that are being reinvested in mobility improvements in the surrounding communities and are providing improvements to the regional transportation network.

It is now time to expand upon the success of the Congestion Reduction Demonstration program.

WE THEREFORE MOVE that the MTA Board direct the CEO to develop an "ExpressLanes Strategic Plan" as part of the FY15 ExpressLanes Work Plan which shall include the following:

- A. Identification and recommendations of potential corridors that can benefit from ExpressLanes conversion.
- B. Development and execution of a master cooperative agreement with Caltrans to jointly execute Project Study Report/Project Development Support (PSR/PDS), Project Approval/Environmental Document (PA/ED) and/or other technical studies for future ExpressLanes corridors.
- C. Development of a 10-year and 30-year resource plan for existing and future ExpressLanes corridors.

WE THEREFORE ALSO MOVE that the Board direct the CEO to:

- D. Report back to the MTA Board with the first update of the "ExpressLanes Strategic Plan" no later than June 2015.

###

# Countywide ExpressLanes Strategic Plan

Ad Hoc Congestion, Highway, and Roads Committee  
January 18, 2017



**Metro**



# Background and Study Assumptions

- In November 2014, the Metro Board directed staff to prepare an ExpressLanes Strategic Plan
- Key Features:
  - Consistent with SCAG Regional ExpressLanes Study
  - Developed in conjunction with Caltrans District 7
  - Freeways with existing, in construction, or planned HOV (High Occupancy Vehicle) lanes were considered for conversion into ExpressLanes

# Methodology

- Corridor Screening
- Financial Screening
- Refinement

# Corridor Screening

- Two step process –
  - SCAG regional travel demand model used to forecast traffic volume in 2020 and 2035
  - RapidTOM (Toll Optimization Model) takes SCAG model output and calculates the number of vehicles and amount they are willing to pay to use the ExpressLanes
  - Evaluation Metrics :
    - 1) Value of travel time savings
    - 2) HOT lane person throughput
    - 3) Average peak period vehicle speeds in the general purpose lanes

# Financial Screening

Two step process:

- 1) Estimate gross revenue generation for each corridor
- 2) Estimate Net revenue, calculated by subtracting projected gross revenue from construction and operations costs based on actual costs incurred on the I-10 and I-110 ExpressLanes

# Composite Score

- Each corridor was ranked into quintiles (top 20%, second 20%, third 20%, fourth 20%, and fifth 20%) for the three corridor screening metrics and financial screening
- The ranks were averaged to get a composite score. For example, if a project scored in the top 20% in each criteria then the composite ranking would be in the first quintile.

# Refinement

Four qualitative criteria were used to refine the results of the corridor and financial screening:

- Connectivity with other existing and potential express lane corridors;
- Transit benefits;
- Funding availability;
- Ability to provide two ExpressLanes in each direction.

# Project Tiers

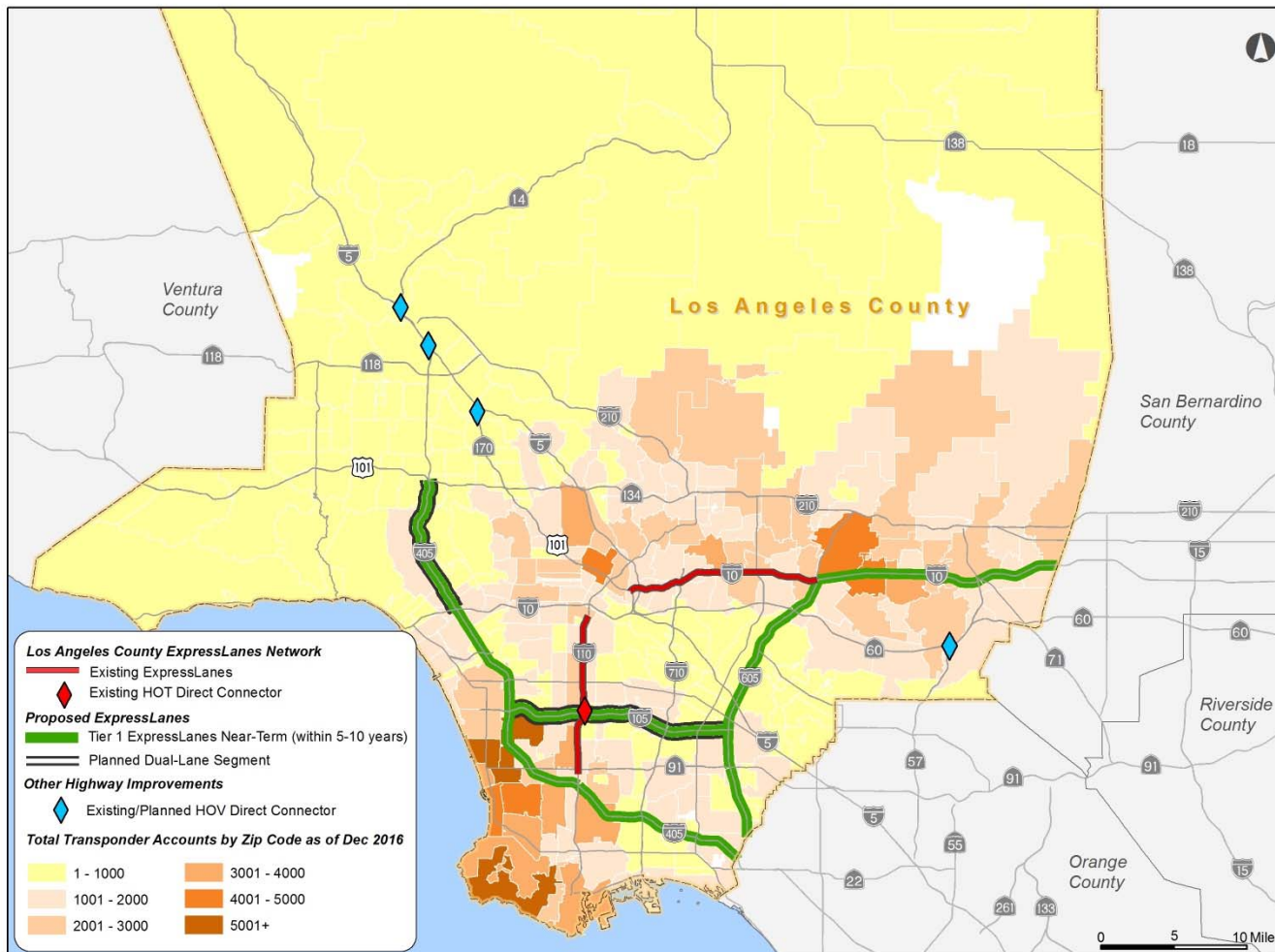
- Based on the corridor financial screening metrics and the refinement criteria, projects were placed into three tiers:
  - Tier 1 – near-term (within 5-10 years)
  - Tier 2 – mid-term (within 15 years)
  - Tier 3 – longer-term (within 25 years)

# Recommended Tier 1 Projects (5 to 10 Years)

Project	Measure M Funding	Funding Availability
I-405 from I-10 to US-101	\$260,000,000	2024
I-105 ExpressLanes from I-405 to I-605	\$175,000,000	2027
I-405/I-110 Int. HOV Connect Ramps and Interchange Improvements	\$250,000,000	2042
I-605/SR-60 Interchange HOV Direct Connectors	\$130,000,000	2043
I-110 ExpressLane extension south to I-405/I-110 interchange	\$51,500,000	2044
I-605 from I-10 to I-405	None	N/A
I-405 from I-10 to LA/Orange County line	None	N/A
I-10 from I-605 to LA/San Bernardino County line	None	N/A



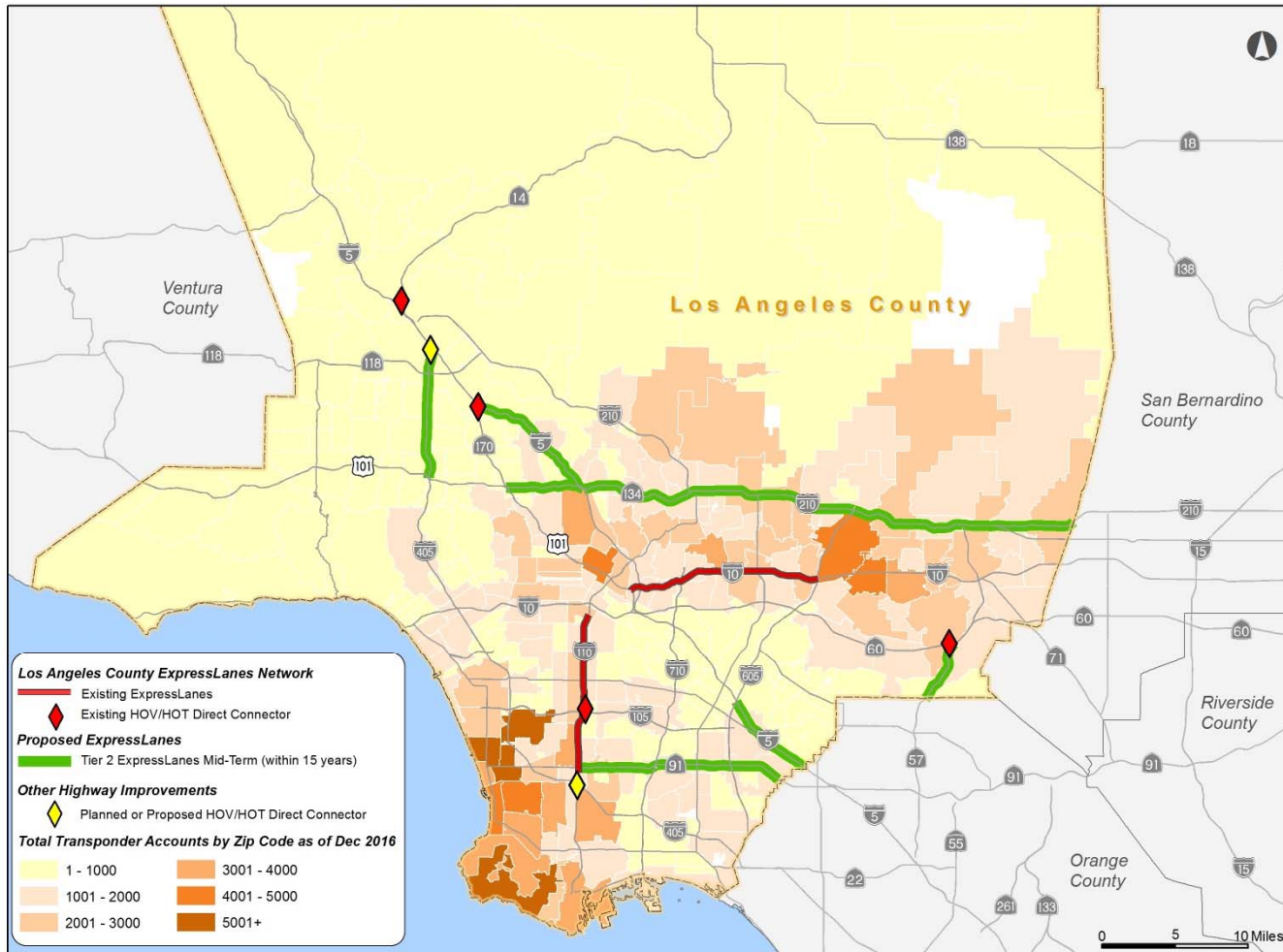
# Recommended Tier 1 Projects (5 to 10 Years)



# Recommended Tier 2 Projects (15 Years)

Project	Measure M Funding	Funding Availability
I-5 from I-605 to LA/Orange County line	None	N/A
I-5 from SR-134 to SR-170	None	N/A
SR-57 from SR-60 to LA/Orange County line	None	N/A
SR-91 from I-110 to LA/Orange County line	None	N/A
SR-134 from SR-170 to I-210	None	N/A
I-210 from SR-134 to LA/San Bernardino County line	None	N/A
I-405 from I-101 to I-5	None	N/A

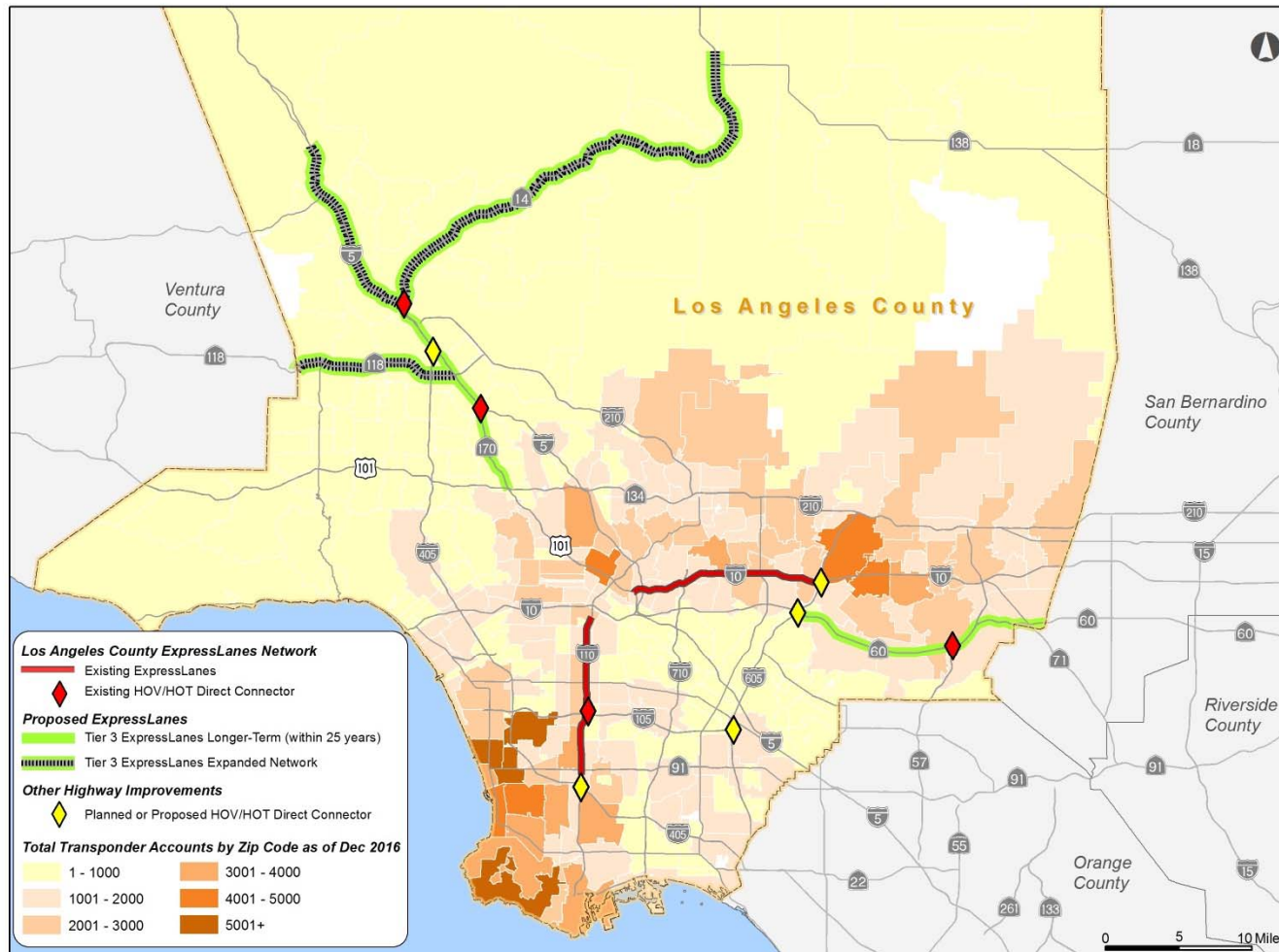
# Recommended Tier 2 Projects (15 Years)



# Recommended Tier 3 Projects (25+ Years)

Project	Measure M Funding	Funding Availability
I-5 from SR-170 to SR-14	None	N/A
SR-60 from I-605 to LA/San Bernardino County line	None	N/A
SR-170 from I-5 to SR-134	None	N/A
I-5 from SR-14 to Parker Road	None	N/A
SR-14 from I-5 to Avenue P8	None	N/A
SR-118 from I-5 to LA/Ventura County line	None	N/A

# Recommended Tier 3 Projects (25+ Years)



# Funding Options

- Measure M
- Bonding
- TIFIA loans
- Grants
- Net toll revenue loans from other ExpressLanes

# Recommendations/Board Actions

Request the Board to:

- Receive and file the report; and,
- Authorize the CEO to:
  - Initiate planning studies including a comprehensive financial plan for Tier 1 projects and submit those projects as a network to the California Transportation Commission to request tolling authority



Board Report

File #: 2016-0731, File Type: Project

Agenda Number: 53

PLANNING AND PROGRAMMING COMMITTEE

NOVEMBER 16, 2016

CONSTRUCTION COMMITTEE

NOVEMBER 17, 2016

**SUBJECT: AIRPORT METRO CONNECTOR 96<sup>TH</sup> STREET TRANSIT STATION PROJECT**

**ACTION: CERTIFY FINAL ENVIRONMENTAL IMPACT REPORT AND RELATED ACTIONS**

**RECOMMENDATION**

CONSIDER:

- A. APPROVING the **Airport Metro Connector (AMC) 96<sup>th</sup> Street Transit Station Project** which will add a new Metro rail station to the Crenshaw/LAX Line at 96<sup>th</sup> Street;
- B. CERTIFYING the Final Environmental Impact Report (Final EIR). Attachment A contains the Project Overview. The Final EIR is available upon request or at [www.metro.net/projects/lax-extension](http://www.metro.net/projects/lax-extension) <<http://www.metro.net/projects/lax-extension>>;
- C. ADOPTING the:
  - 1. Mitigation Monitoring and Reporting Plan (MMRP) (Attachment B); and
  - 2. Findings of Fact (Attachment C)
- D. AUTHORIZING the Chief Executive Officer (CEO) to file the Notice of Determination (NOD) (Attachment D) with the Los Angeles County Clerk and State of California Clearinghouse; and
- E. RECEIVING AND FILING the quarterly project status report including architectural and engineering design services and coordination with the Los Angeles World Airports (LAWA) and the Crenshaw/LAX Project, as directed by the Metro Board in July 2014 (Attachment E).

**ISSUE**

Metro staff coordinated extensively with the Crenshaw/LAX and Southwestern Yard projects as well as LAWA's Landside Access Modernization Program (LAMP) in preparing the EIR for the Project. The



Project will provide an improved connection between the regional transit system and LAX as well as the surrounding area. With Metro as the lead agency, the Metro Board must approve the Project and certify the Final EIR; adopt the MMRP and Findings of Fact; and authorize the CEO to file the NOD. The Project is one of the 12 transit projects in Measure R and is included in Measure M on the November 8<sup>th</sup> ballot.

The Board is also being requested to receive and file the quarterly status report on the Project including updates on the architectural and engineering design services and coordination with the LAWA and the Crenshaw/LAX Project.

## **DISCUSSION**

### **Background**

The California Environmental Quality Act (CEQA) requires that the lead agency balance, as applicable, the economic, social, technological, and other benefits of the project against its unavoidable impacts when considering project approval. CEQA Guidelines Section 15091(a) states that if the specific economic, legal, social, technological or other benefits of the project outweigh the unavoidable adverse effects, those effects may be considered acceptable. The Final EIR determined that the Project would not cause any significant unavoidable impacts. The one potentially significant impact is associated with hazardous soil conditions at the Project site. This can be mitigated to less than significant levels with incorporation of mitigations.

Sections 21086.6 and 21081 of the California Public Resources Code require that public agencies approving a project with an EIR adopt an MMRP and Findings of Fact. The purpose of the MMRP is to ensure that the mitigation measures identified in the Final EIR that mitigate the potentially significant environmental effects of the Project are, in fact, properly carried out. The Lead Agency must also include a Findings of Fact that a MMRP has been prepared and provides a satisfactory program that would ensure avoidance or sufficient reduction of the significant effects of the project. Metro staff is responsible for assuring full compliance with the provisions of the MMRP and Findings of Fact.

In June 2014, the Board approved the AMC 96<sup>th</sup> Street Transit Station as the preferred alternative for connecting the Metro rail system to LAX and staff initiated work on the Draft EIR. In July 2014, the Board authorized the design and construction of accommodations on the Crenshaw/LAX line so as not to impact the operation of that Line. In July 2015, the Board awarded the architectural and engineering design services contract for the station.

### **Community Outreach**

A community outreach program was conducted throughout the environmental planning phase of the Project. The Public Scoping meeting was held on February 23, 2015 to initiate the public engagement process. The Draft EIR was released on June 22, 2016 for a 46-day public review period (June 22, 2016 to August 6, 2016). The public hearing to accept comments on the Draft EIR was held on July 13, 2016 with 45 community members and stakeholders in attendance. During the public hearing, 10 attendees provided public testimony on topics including the future of the LAX City

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Bus Center, impacts to Metro Green Line service and stations, Arbor Vitae Street at-grade railroad crossing, parking in neighboring communities, project funding, bicycle access to the station, and escalator and elevators capacities. The public comment period closed on August 6, 2016 with 74 comments received via letters, Facebook, Twitter and email. Copies of all public testimony and comments, along with responses, have been included in the Final EIR. Following the release of the Final EIR, notices were sent to those who commented on the Draft EIR.

### Coordination with LAWA

Staff worked extensively with LAWA representatives to coordinate the respective environmental efforts for both the Project and LAMP, which are on parallel schedules. LAWA provided Metro with existing and projected traffic data to help ensure that both the separate and independent projects are fully synchronized. Staff consulted with LAWA staff on public comments related to LAWA's LAMP which were submitted as part of the Project Draft EIR review period. On September 15, 2016, LAWA released its Draft EIR for the LAMP for a 45-day public review period and held two public hearings to accept comments on October 15 and October 19, 2016. The public comment period is scheduled to close on November 15, 2016.

### Project Definition

The Project components, as described below, would be linked together by a continuous system of elevated walkways.

- Three LRT platforms would be located at the southwestern portion of the project site to serve the Crenshaw/LAX Line and a northern service extension of the Metro Green Line;
- A bus facility would include up to 20 active bus bays and up to 18 layover bus bays. The bus plaza will consolidate 13 Metro and municipal bus routes currently serving the LAX City bus center and/or the Aviation/LAX Transit center. The bus plaza would include pedestrian amenities such as restrooms, a lounge for bus operators, and other support services;
- A bicycle hub would accommodate up to 150 bicycles in a secure, indoor environment. Additional space for up to 50 bicycles would be provided for short-term parking. Amenities associated with the bicycle hub may include a repair area, a multi-use space, showers and lockers;
- A passenger pick-up and drop-off area would be provided for passengers arriving and departing by automobile; and
- A Metro Hub would link the multiple modes of transit on the second level of the Project. It would serve as the area of transition for all passengers. The design is exploring the inclusion of a security office, food/beverage/convenience/retail kiosk-type spaces, passenger amenities, artwork and information.

### Quarterly Status Update

#### *Architectural and Engineering Design Services*

Work continues on the schematic design that was initiated in July 2016. Staff continues to work with LAWA on coordinating the Project elements and station design guidelines as identified in the

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approved June 2014 Metro Board motion (Attachment F) with their Automated People Mover which is on a parallel design and environmental clearance path.

### *Crenshaw/LAX Design Accommodations*

In June 2016, the Board approved issuing a Contract Modification for Walsh/Shea Corridor Constructors (WSCC) to begin construction of the AMC accommodations in an amount not to exceed \$7,400,000. Currently, the civil design is 100% complete, systems design is 90% complete and train control design is approximately 55% complete. The contractor has begun construction of the accommodations on the Crenshaw/LAX line. Staff continues to negotiate with WSCC to reach an agreement on schedule and cost impacts of the accommodations. Staff will return to the Board for change authorization when the direct costs and time impact negotiations are complete. In addition to the design and construction costs, there will be Metro administrative and construction management costs associated with any schedule impacts.

### *Transit and Intercity Rail Capital Program (TIRCP) Grants*

In April 2016, staff submitted an application for a TIRCP grant for the Project. In August, 2016, the California State Transportation Agency announced the award of \$40 million in TIRCP funds to the Project. The TIRCP program is funded by Greenhouse Gas Reduction Fund proceeds under the Cap and Trade Program.

## **DETERMINATION OF SAFETY IMPACT**

The development of the Project followed Metro adopted policies. The approval will have no impact on the safety of our customers and/or employees.

## **FINANCIAL IMPACT**

The FY17 budget includes \$1,930,000 for the Project in Cost Center 4350 (Transit Corridors Planning), Project 460303 (AMC), Account 50316 (Professional Services). Since this is a multi-year contract, the cost center manager and the Chief Planning Officer, Countywide Planning, will be accountable for budgeting the cost in future years.

### Impact to Budget

The source of funds is Measure R 35% Transit Capital dollars specifically earmarked for the Project. As such, there is no impact to bus and rail capital or operating dollars. In addition, Congestion Mitigation and Air Quality Improvement (CMAQ) and TIRCP, as part of the Cap-and-Trade Program, funding is also available for this project. The CMAQ funds were previously approved by the Metro Board and are included in approved grants. For this reason, the CMAQ funds cannot be redirected to bus or rail capital or operating uses. TIRCP funds were competitively allocated by the State of California specifically for the AMC project.

## **ALTERNATIVES CONSIDERED**

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The Board could defer approving the Project, certifying the Final EIR, and adopting the MMRP and Findings of Fact. This alternative is not recommended as it would impact the schedule and would not be consistent with prior Board direction to accelerate completion of the Project.

### **NEXT STEPS**

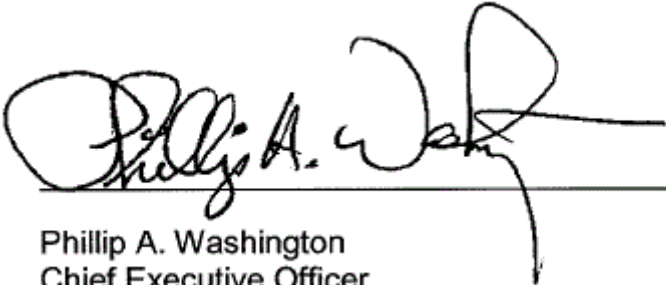
Upon Board approval, staff will file the NOD with the Los Angeles County Clerk and the State of California Clearinghouse. Staff will continue working with the Federal Transit Administration to prepare the Categorical Exclusion (CE) for the Project in accordance with the National Environmental Policy Act. Staff anticipates completing the CE in early 2017. Staff will also work with the state to execute the TIRCP grant agreement. Staff will continue to closely coordinate with LAWA staff and the Crenshaw/LAX project on station design and pre-construction activities.

### **ATTACHMENTS**

- Attachment A - Project Overview
- Attachment B - Mitigation Monitoring and Reporting Program
- Attachment C - Findings of Fact
- Attachment D - Notice of Determination
- Attachment E - July 2014 Metro Board Motion
- Attachment F - June 2014 Metro Board Motion

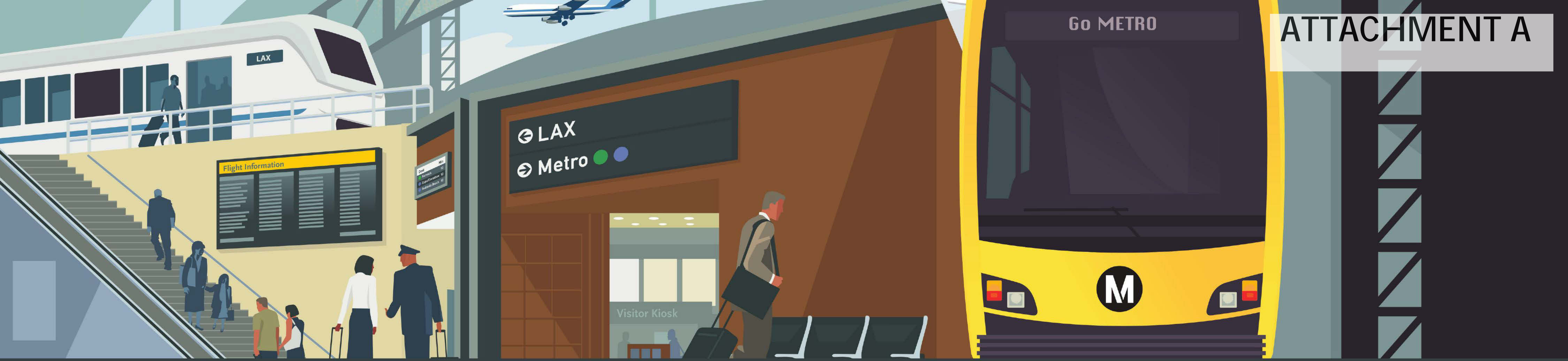
Prepared by:           Meghna Khanna, Deputy Project Manager (213) 922-3931  
                              Cory Zelmer, Project Manager (213) 922-1079  
                              David Mieger, Executive Officer (213) 922-3040  
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Reviewed by:           Therese W. McMillan, Chief Planning Officer (213) 922-7077



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Phillip A. Washington  
Chief Executive Officer



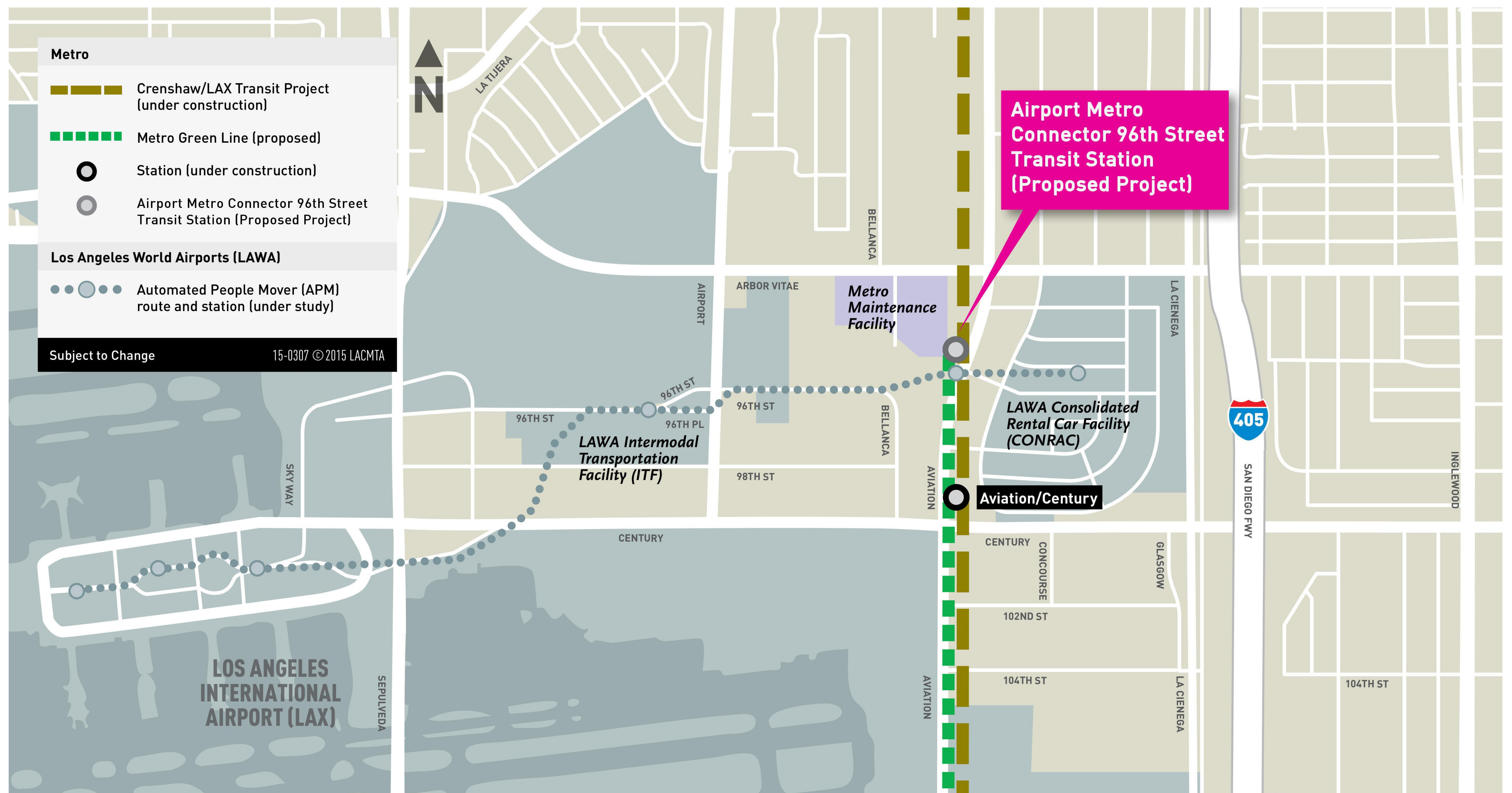
## Project Overview

- June 26, 2014: Metro Board approved a new station on Crenshaw/LAX Line at 96<sup>th</sup> Street/Aviation Boulevard as Locally Preferred Alternative.
  - Staff initiated work on Draft Environmental Impact Report (EIR)
- February 6, 2015: Notice of Preparation (NOP) issued for the Draft EIR
- February 23, 2015: Public Scoping Meeting held for public input on the project and EIR process
- June 22, 2016: Draft EIR released for 46-day public review period (June 22, 2016 to August 6, 2016)
  - Email blasts and "Take One" notices sent to 1000 contacts and 1400 stakeholders
  - 21 online and print ads placed in multiple sources
  - Hard and electronic copies of Draft EIR provided to eight local public libraries
  - July 13, 2015: Held Public Hearing to accept comments on the Draft EIR
- August 6, 2016: End of Public Comment Period with 74 comments received via letters, Facebook, Twitter, project hotline and email
- November 2, 2016: Released Final EIR
- Ongoing coordination with:
  - Los Angeles World Airports (LAWA)
  - Municipal Bus Operators
  - Crenshaw/LAX Project Team
  - Southwestern Maintenance Yard
- Community Outreach



**Metro**<sup>®</sup>

# Project Overview



## Project components:

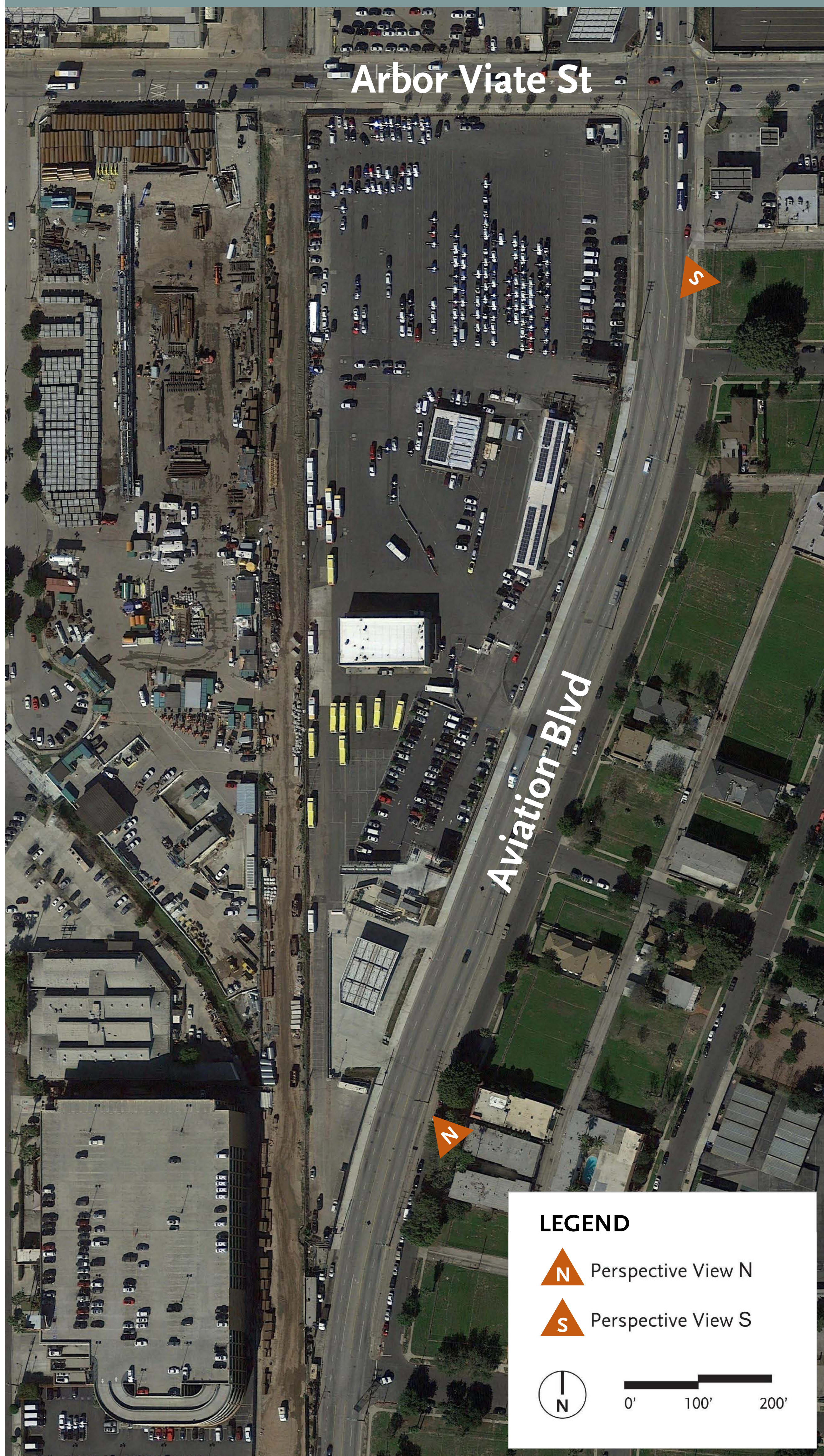
- Three at-grade Light Rail Transit (LRT) platforms to be served by the Crenshaw/LAX Line and Metro Green Line service extension
- Bus plaza and terminal facility for Metro and municipal bus operators;
- Bicycle hub with secured parking for up to 150 bicycles;
- Pedestrian plaza;
- Passenger vehicle pick-up and drop-off area; and
- Metro transit center/terminal building (“Metro Hub”) that connects passengers between the various modes of transportation including the future Automated People Mover (APM) to be built and operated by LAWA



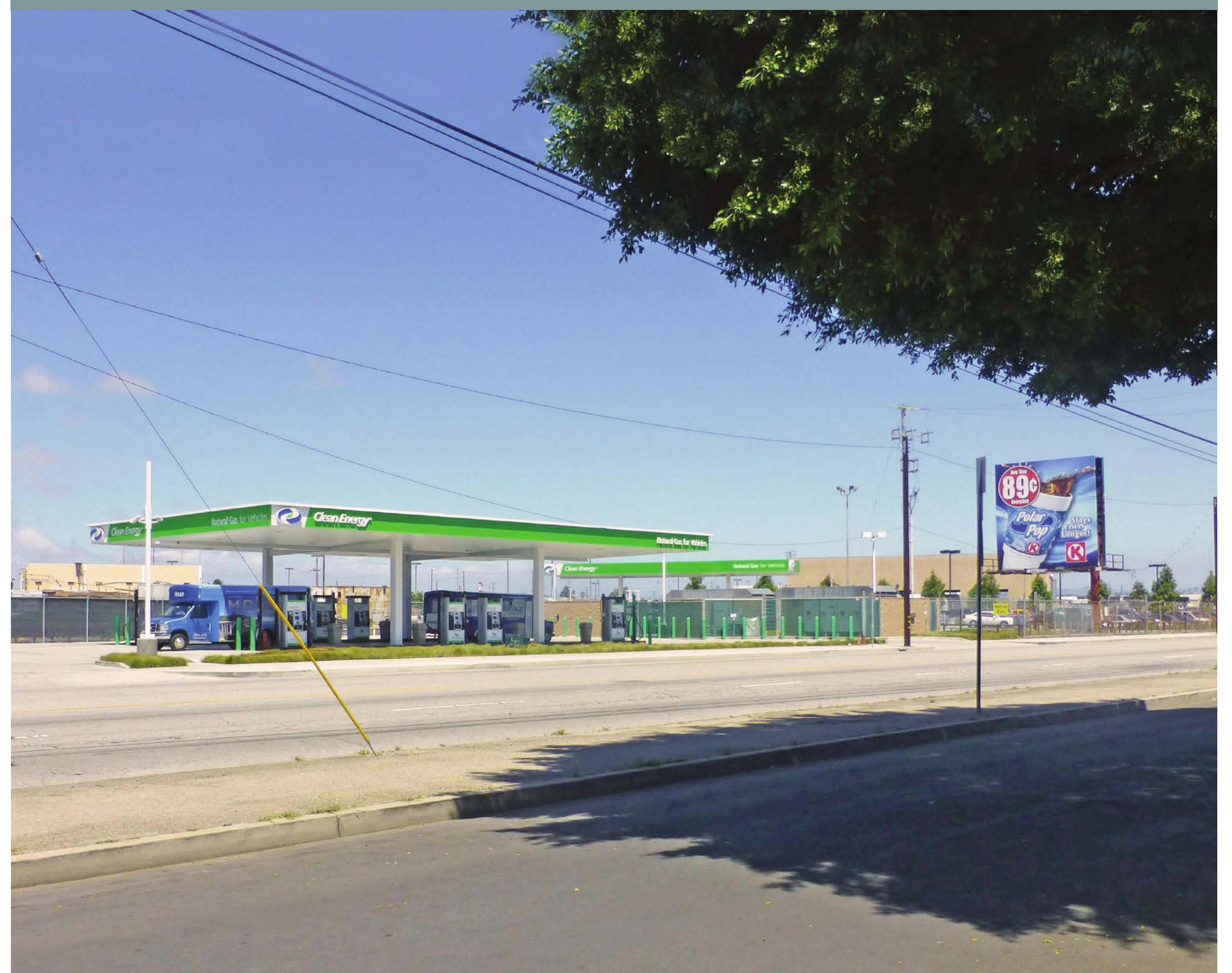
**Metro**

# Existing Conditions

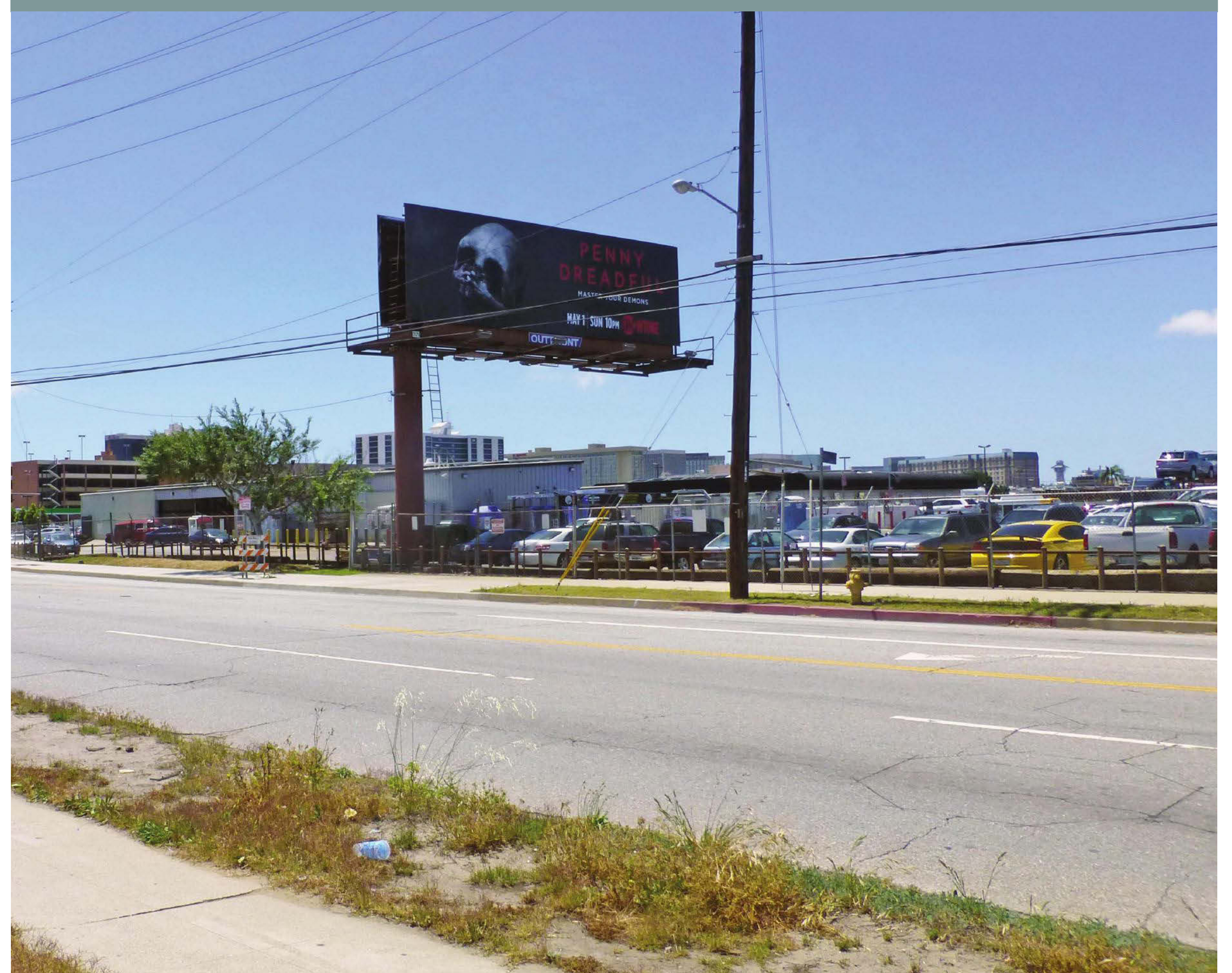
## Aerial View



## View N – Looking North

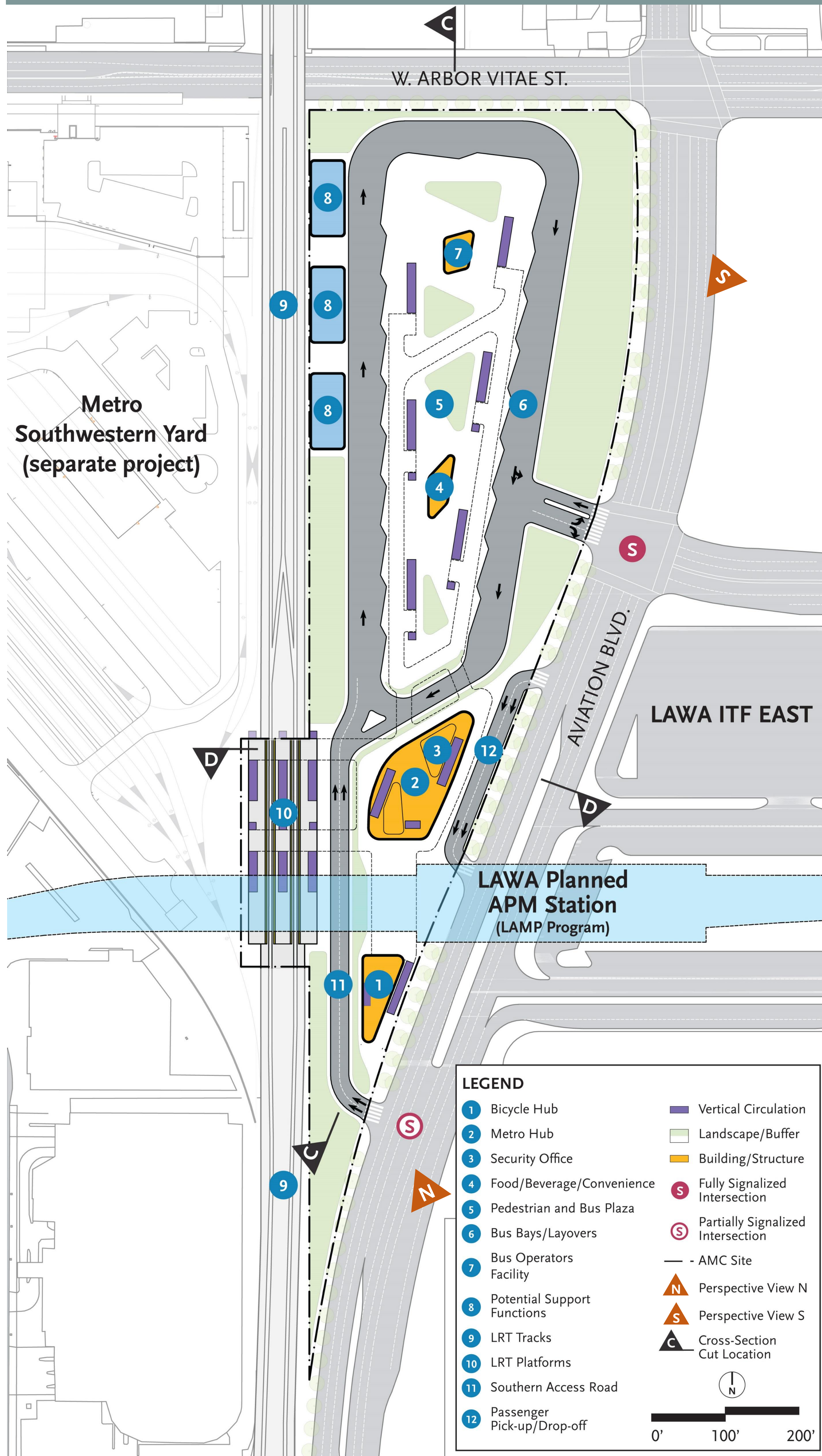


## View S – Looking South



# Cumulative: Proposed Project with LAWA APM

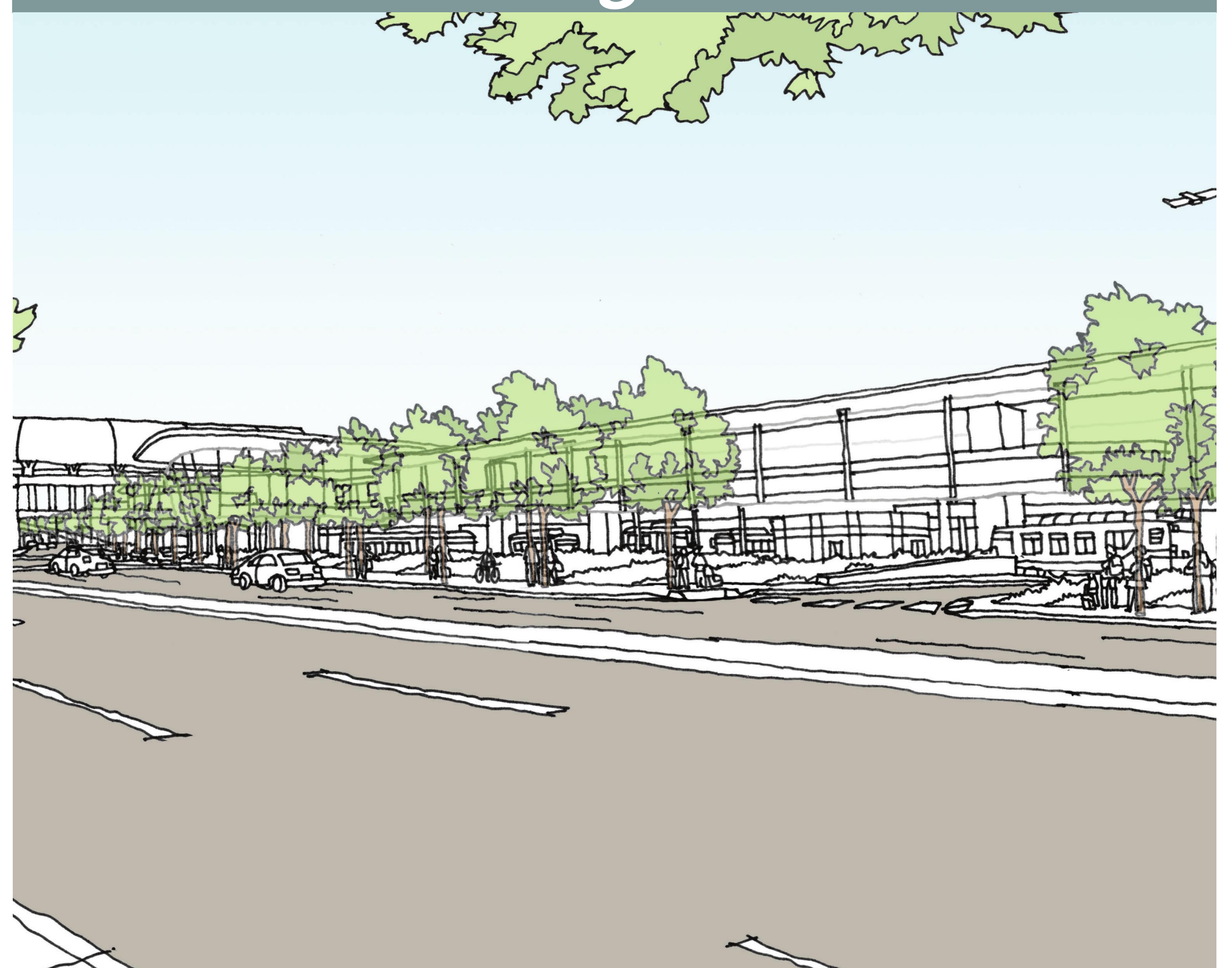
## Ground-Level Conceptual Site Plan



## Conceptual Perspective View N – Looking North



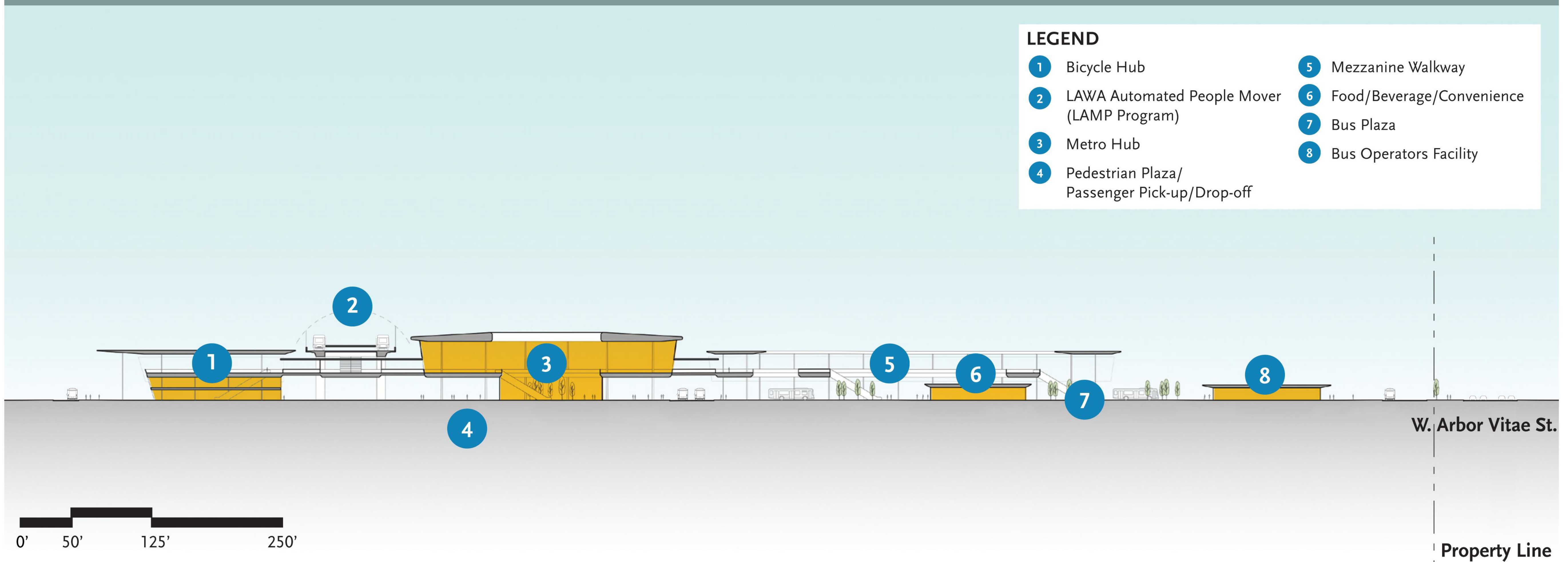
## Conceptual Perspective View S – Looking South



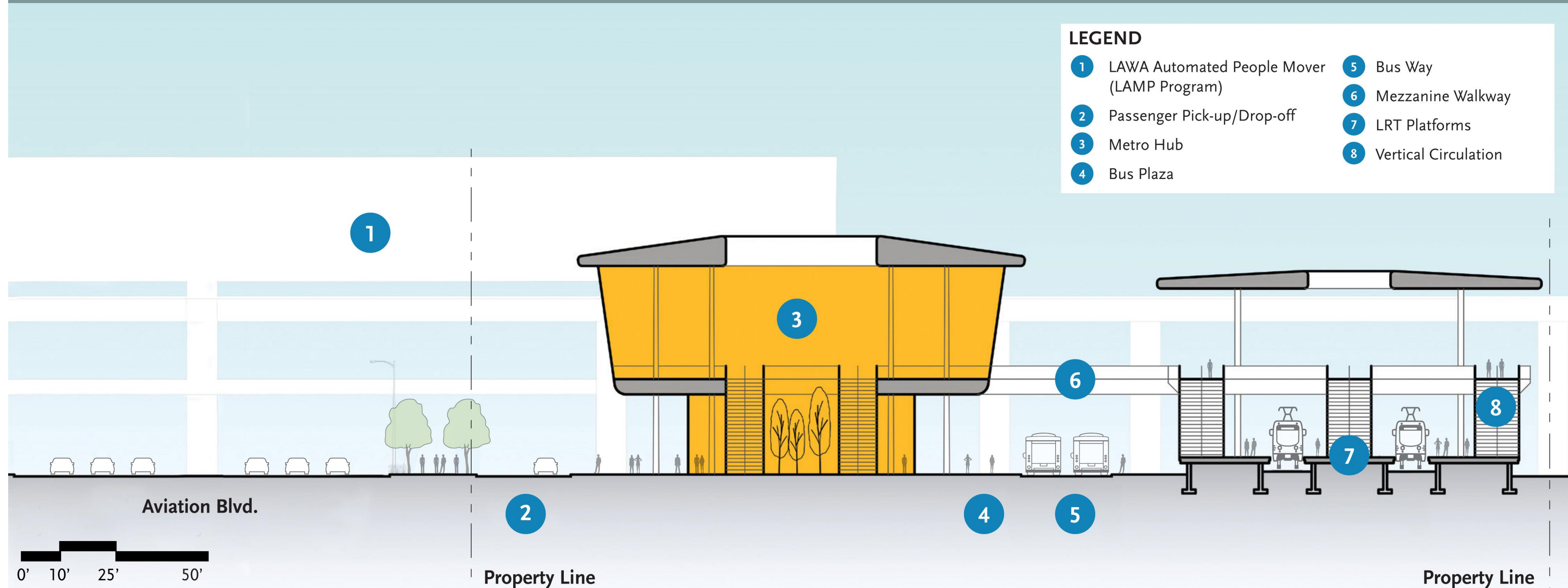


# Cumulative: Proposed Project with LAWA APM

## Conceptual Cross-Section C-C (Looking West)



## Conceptual Cross-Section D-D (Looking South)



## 4. MITIGATION MONITORING AND REPORTING PROGRAM

### 4.1. INTRODUCTION

Section 21081.6 of the Public Resources Code requires a Lead Agency to adopt a “reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment” (Section 15097 of the CEQA Guidelines provides additional direction on mitigation monitoring or reporting). Metro is the Lead Agency for the proposed project and is therefore, responsible for administering and implementing the MMRP. The decision-makers must define specific monitoring requirements to be enforced during project implementation prior to final approval of the proposed project. The primary purpose of the MMRP is to ensure that the mitigation measures identified in the Draft and Final EIR are implemented, effectively minimizing the identified environmental effects.

### 4.2. PURPOSE

Table 4.1 has been prepared to ensure compliance with all of the mitigation measures identified in the Draft EIR and this Final EIR which would lessen or avoid potentially significant adverse environmental impacts resulting from implementation of the proposed project. Each mitigation measure is identified in Table 4.1 and is categorized by environmental topic and corresponding number, with identification of:

- **Monitoring Action** – This is the criteria that would determine when the measure has been accomplished and/or the monitoring actions to be undertaken to ensure the measure is implemented.
- **Party Responsible for Implementing Mitigation** – This identifies the entity accountable for the action.
- **Enforcement Agency, Monitoring Agency and Monitoring Phase** – This identifies the agencies responsible for overseeing the implementation of mitigation and when the implementation is verified.

**Table 4.1 Mitigation Monitoring and Reporting Program**

Impact Area	Potential Effects	Mitigation Measures	Monitoring Action	Party Responsible For Implementing Mitigation	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
Hazards and Hazardous Materials	Transport, use or disposal of hazardous materials	<p><b>HAZ-1</b> Metro shall complete a Phase II Environmental Site Assessment (ESA) at locations on the project site known to have contained hazardous substances and hazardous waste. The Phase II ESA shall include a geophysical survey that confirms the presence or absence of UST(s) and other subgrade features of environmental concern including former hydraulic lifts and clarifiers. The Phase II ESA shall identify if a Soil Management Plan (SMP) would be required.</p> <p>If prescribed in the Phase II ESA, Metro shall prepare a SMP for identifying, handling, storing and disposing of suspected soils with elevated levels of volatile organic compounds (VOCs). The SMP shall comply with SCAQMD 1166 (VOC Emissions from Decontamination of Soil). The SMP shall be prepared by the construction contractor and distributed to construction personnel. If a SMP is required, a Certified Industrial Hygienist shall certify a health and safety plan based on that SMP.</p>	Verify for Compliance	Metro/Contractor	1. Metro/South Coast Air Quality Management District 2. Metro 3. Construction

Impact Area	Potential Effects	Mitigation Measures	Monitoring Action	Party Responsible For Implementing Mitigation	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
Hazards and Hazardous Materials	Accidental release of hazardous materials	<p><b>HAZ-2</b> Metro shall retain a Certified Asbestos Consultant to determine the presence of asbestos and asbestos-containing materials (ACMs) within buildings to be demolished. If asbestos is discovered, a Licensed Asbestos Abatement Contractor shall be retained to safely remove ACM in accordance with the 1994 Federal Occupational Exposure to Asbestos Standards and South Coast Air Quality Management District Rule 1403 (Asbestos Emissions from Demolition/Renovation Activities). ACM removal shall be monitored by a Certified Technician.</p>	Verify for Compliance	Metro/Contractor	<ol style="list-style-type: none"> <li>1. Metro</li> <li>2. Metro</li> <li>3. Construction</li> </ol>
		<p><b>HAZ-3</b> Metro shall test for lead-based paint (LBP) within buildings to be demolished. If LBP is discovered, a licensed lead-based paint/materials abatement contractor shall be retained to safely remove LBP in accordance with the U.S. Department of Housing and Urban Development Lead-Based Paint Guidelines.</p>	Verify for Compliance	Metro/Contractor	<ol style="list-style-type: none"> <li>1. Metro</li> <li>2. Metro</li> <li>3. Construction</li> </ol>
		<p><b>HAZ-4</b> If clarifiers and hydraulic lifts are identified on the project site in the required Phase II ESA in Mitigation Measure HAZ-1, Metro shall identify whether there have been any unauthorized releases. If the site assessment identifies a REC, Metro shall coordinate with the appropriate regulatory agencies to remediate hazardous condition.</p>	Verify for Compliance	Metro/Contractor	<ol style="list-style-type: none"> <li>1. Metro/Department of Toxic Substances Control</li> <li>2. Metro</li> <li>3. Construction</li> </ol>

Impact Area	Potential Effects	Mitigation Measures	Monitoring Action	Party Responsible For Implementing Mitigation	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
Hazards and Hazardous Materials	Hazardous Project Site	<p><b>HAZ-5</b> Metro shall coordinate with the responsible party (Honeywell International Inc.) under the direction of the Regional Water Quality Control Board to monitor potential disruptions to the existing groundwater monitoring wells at 9225 and 9601 Aviation Boulevard during construction activities or operation of the proposed project. If an existing well must be disturbed, Metro shall coordinate with the responsible party (Honeywell International Inc.) and the Regional Water Quality Control Board to relocate the monitoring wells.</p>	Verify for Compliance	Metro	<ol style="list-style-type: none"> <li>1. Regional Water Quality Control Board</li> <li>2. Metro</li> <li>3. Construction</li> </ol>
		<p><b>HAZ-6</b> Metro shall conduct a soil vapor gas survey of the project site where enclosed structures are planned for the purpose of establishing a baseline for potential indoor vapor concentrations. If the study identifies concentrations that exceed Office of Environmental Health Hazard Assessment California Human Health Screening Levels for soil or soil gas, Metro—in coordination with California Occupational Safety and Health Administration—shall prepare a remediation plan that demonstrates that interior vapor concentrations would be mitigated to below safety standards. This plan shall be prepared prior to building occupancy.</p>	Verify for Compliance	Metro/Contractor	<ol style="list-style-type: none"> <li>1. Metro</li> <li>2. Metro</li> <li>3. Construction</li> </ol>

# Airport Metro Connector 96<sup>th</sup> Street Transit Station

*Findings of Fact*

State Clearinghouse No. 2015021009



**Findings of Fact  
Pursuant to CEQA Guidelines Section 15091  
and  
Public Resources Code Section 21081**

**Airport Metro Connector  
96<sup>th</sup> Street Transit Station**

November 2016



**In Association with:**

**Cityworks Design  
Coast Surveying  
D'Leon Consulting Engineers  
Diaz Yourman & Associates  
Epic Land Solutions  
Fehr & Peers  
The Greenridge Group, Inc.**

**Lea+Elliott, Inc.  
Leighton  
Mott MacDonald  
Ted Tokio Tanaka Architects  
Terry A. Hayes Associates Inc.  
The Robert Group  
VCA Engineering**

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## ABBREVIATIONS/ACRONYMS

ACM .....	Asbestos-Containing Materials
APM .....	Automated People Mover
AQMP .....	Air Quality Management Plan
CEQA.....	California Environmental Quality Act
CMP .....	Congestion Management Plan
CONRAC.....	Consolidated Rent-A-Car Center
CTA.....	Central Terminal Area
EIR.....	Environmental Impact Report
EIS .....	Environmental Impact Statement
ESA.....	Environmental Site Assessment
FAA.....	Federal Aviation Administration
GHG.....	Greenhouse Gases
ITF .....	Intermodal Transportation Facilities
LAMP .....	Landside Access Modernization Program
LAWA .....	Los Angeles World Airports
LAX .....	Los Angeles International Airport
LBP .....	Lead-Based Paint
LRT .....	Light Rail Transit
Metro .....	Los Angeles County Metropolitan Transportation Authority
MMRP.....	Mitigation Monitoring and Reporting Program
RTP.....	Regional Transportation Plan
SCAQMD .....	South Coast Air Quality Management District
SMP.....	Soil Management Plan
USTs.....	Underground Storage Tanks
VOC.....	Volatile Organic Compounds
VMT.....	Vehicle Miles Traveled

## 1 INTRODUCTION

The Los Angeles County Metropolitan Transportation Authority (Metro) followed a prescribed process to identify the issues to be analyzed, including seeking input from the public, stakeholders, elected officials, and other affected parties. Implementation of the Airport Metro Connector 96<sup>th</sup> Street Transit Station (proposed project) will result in less-than-significant environmental impacts with inclusion of certain mitigation measures as part of project approval. As required by the California Environmental Quality Act (CEQA), Metro, in adopting these Findings of Fact, also adopts a Mitigation Monitoring and Reporting Program (MMRP). Metro finds that the MMRP, which is included in Chapter 4.0 of the Final EIR, and made a part of these findings as Attachment C to the November Metro Board Report, meets the requirements of Public Resources Code Section 21081.6 by providing for the implementation and monitoring of measures to mitigate potentially significant effects of the proposed project.

In accordance with CEQA and the CEQA Guidelines, Metro adopts these findings as part of the approval of the project. Pursuant to Public Resources Code Section 21082.1(c)(3), Metro also finds that the Final Environmental Impact Report (EIR) reflects the Metro's independent judgment as the lead agency for the proposed project.

## 2 ORGANIZATION

The Findings of Fact is comprised of the following sections:

- Section 3: Contains a brief description of the proposed project and objectives.
- Section 4: Contains the statutory requirements of the findings and a record of proceedings.
- Section 5: Identifies the potentially significant effects which were determined to be mitigated to a less-than-significant level.
- Section 6: Identifies significant impacts, if any, that cannot be mitigated to a less-than-significant level even though all feasible mitigation measures have been identified and incorporated.
- Section 7: Identifies less-than-significant impacts.
- Section 8: Identifies the potential environmental effects that were determined to have no impact.
- Section 9: Discusses potential cumulative impacts.
- Section 10: Describes the alternatives analyzed in the evaluation of the project as well as findings on mitigation measures.

### 3 PROJECT DESCRIPTION AND OBJECTIVES

Metro is proposing a new multi-modal transportation center with three at-grade light rail transit (LRT) platforms, bus plaza, bicycle hub, pedestrian plaza, passenger vehicle pick-up and drop-off area and Metro transit center/terminal building (“Metro Hub”) to connect passengers between the multiple transportation modes. The west side of Aviation Boulevard would include a 15-foot sidewalk to promote pedestrian accessibility. As part of Los Angeles World Airports (LAWA) Landside Access Modernization Program (LAMP) is proposing a multi-use path on the west side of Aviation Boulevard. Metro and LAWA are coordinating on the potential accommodation of this multi-use path on the west side of Aviation Boulevard south of Arbor Vitae Street. Site amenities would include benches, trash receptacles, bollards or other low level fixtures, bike racks, public art, and signage and wayfinding. The proposed project components would be linked together by a continuous system of elevated mezzanine walkways. The proposed project does not include LAWA's LAMP. For purposes of this EIR, the LAMP is assessed as a related project in the cumulative condition.

The proposed project is being developed to connect the Los Angeles International Airport (LAX) to the regional bus and rail transit system. Given the high volume of daily vehicular trips to and from LAX and the absence of a convenient transit connection, the goal of the proposed project is to increase transit ridership and provide a reliable and convenient transit option to and from LAX along with the regional bus and rail transit system. The three project objectives are:

- Objective #1: Provide a reliable, fast, and convenient connection for passengers traveling between the LAX area and the regional bus and rail transit system.
- Objective #2: Integrate with existing and future transit connections and airport facilities.
- Objective #3: Increase the share of transit trips to and from LAX with minimal impact to airport facilities and surrounding communities and to help reduce air pollution.

### 4 STATUTORY REQUIREMENTS

CEQA (Public Resources Code Section 21081), and particularly the CEQA Guidelines (the Guidelines) (Title 14 California Code Regulations Section 15091) require that:

*“No public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:*

- a. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.*

- b. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.*
- c. Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.”*

In short, CEQA requires that the lead agency adopt mitigation measures or alternatives, where feasible, to avoid or mitigate significant environmental impacts that would otherwise occur with implementation of the project. Project mitigation or alternatives are not required, however, where they are infeasible or where the responsibility for modifying the project lies with another agency (CEQA Guidelines, Section 15091 (a), (b)).

For those significant effects that cannot be mitigated to a less-than-significant level, the public agency is required to find that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment (see Public Resources Code Section 21081 (b)). The CEQA Guidelines state in Section 15093 that, “If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered ‘acceptable.’” No significant and unavoidable environmental impacts have been identified as a result of implementation of the proposed project, therefore a statement of overriding considerations is not needed.

#### **4.1 RECORD OF PROCEEDINGS**

For purposes of CEQA and the findings set forth herein, the record of proceedings for Metro's decision on the proposed project consists of: (a) matters of common knowledge to Metro, including, but not limited to, federal, state and local laws and regulations; and (b) the following documents which are in the custody of the Los Angeles County Metropolitan Transportation Authority, One Gateway Plaza, Records Management, MS 99-PL-5, Los Angeles, CA 90012:

- Notice of Preparation and other public notices issued by Metro in conjunction with the proposed project;
- The Draft EIR dated June 2016;
- All testimony, documentary evidence, and all correspondence submitted in response to the Notice of Preparation during the scoping meeting or by agencies or members of the public during the public comment period on the Draft EIR and responses to those comments (Chapter 3.0, Response to Comments, of the Final EIR);
- The Final EIR dated November 2016 including all appendices thereto and those documents that were incorporated therein by reference;
- The MMRP (Chapter 4.0 of the Final EIR);
- All findings and resolutions adopted by Metro in connection with the proposed project, and all documents cited or referred to therein;

- All final technical reports and addenda, studies, memoranda, maps, correspondence, and all planning documents prepared by Metro or the consultants relating to the proposed project;
- All documents submitted to Metro by agencies or members of the public in connection with development of the proposed project;
- All actions of Metro with respect to the proposed project; and
- Any other materials required to be in the record of proceedings by Public Resources Code Section 21167.6 (e).

## 5 ENVIRONMENTAL IMPACTS FOUND LESS THAN SIGNIFICANT WITH IMPLEMENTATION OF MITIGATION MEASURES

Below are the determinations of Metro regarding the environmental effects, significant impacts, and corresponding mitigation measures of the proposed project. Determination of findings by Metro follows the list of mitigation measures.

### 5.1 HAZARDS AND HAZARDOUS MATERIALS

Under CEQA, the proposed project would have a significant impact related to hazards and hazardous materials if it would:

- Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials;
- Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment;
- Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school; and/or
- Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result would it create a significant hazard to the public or the environment.

**Impact.** The proposed project would involve the excavation and transport of contaminated soils, which would potentially expose the public to hazardous materials. Underground storage tanks (USTs), clarifiers, sumps, and furnace pits were historically used on the project site in connection with the former Honeywell facility. This site is listed as a Recognized Environmental Condition (REC) on several governmental databases. The disposition of some of the UST is unknown, which would potentially create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. The project site includes groundwater monitoring wells to monitor volatile organic compound concentrations and migration resulting from residual contamination caused by the former Honeywell facility. These wells would potentially be compromised during the construction process and may need to be relocated. There would also be an impact from the potential to encounter Lead-Based Paint

(LBP) and asbestos during construction activities. The only school located within one-quarter mile of the project site is Bright Star Secondary Charter Academy, which is located approximately 0.1 miles east of the project site. The transport of hazardous construction materials would potentially expose the persons at the school to hazardous substances.

**Reference.** Section 3.3, Hazards and Hazardous Materials, of the Draft EIR, pages 3.3-16 through 3.3-23.

### Mitigation Measures

**HAZ-1** Metro shall complete a Phase II Environmental Site Assessment (ESA) at locations on the project site known to have contained hazardous substances and hazardous waste. The Phase II ESA shall include a geophysical survey that confirms the presence or absence of UST(s) and other subgrade features of environmental concern including former hydraulic lifts and clarifiers. The Phase II ESA shall identify if a Soil Management Plan (SMP) would be required.

If prescribed in the Phase II ESA, Metro shall prepare a SMP for identifying, handling, storing and disposing of suspected soils with elevated levels of volatile organic compounds (VOCs). The SMP shall comply with South Coast Air Quality Management District (SCAQMD 1166 (VOC Emissions from Decontamination of Soil)). The SMP shall be prepared by the construction contractor and distributed to construction personnel. If a SMP is required, a Certified Industrial Hygienist shall certify a health and safety plan based on that SMP.

**HAZ-2** Metro shall retain a Certified Asbestos Consultant to determine the presence of asbestos and asbestos-containing materials (ACMs) within buildings to be demolished. If asbestos is discovered, a Licensed Asbestos Abatement Contractor shall be retained to safely remove ACM in accordance with the 1994 Federal Occupational Exposure to Asbestos Standards and South Coast Air Quality Management District Rule 1403 (Asbestos Emissions from Demolition/Renovation Activities). ACM removal shall be monitored by a Certified Technician.

**HAZ-3** Metro shall test for LBP within buildings to be demolished. If LBP is discovered, a licensed lead-based paint/materials abatement contractor shall be retained to safely remove LBP in accordance with the U.S. Department of Housing and Urban Development Lead-Based Paint Guidelines.

**HAZ-4** If clarifiers and hydraulic lifts are identified on the project site in the required Phase II ESA in Mitigation Measure **HAZ-1**, Metro shall identify whether there have been any unauthorized releases. If the site assessment identifies a REC, Metro shall coordinate with the appropriate regulatory agencies to remediate hazardous condition(s).

**HAZ-5** Metro shall coordinate with the responsible party (Honeywell International Inc.) under the direction of the Regional Water Quality Control Board to monitor

potential disruptions to existing groundwater monitoring wells at 9225 and 9601 Aviation Boulevard during construction activities or operation of the proposed project. If an existing well must be disturbed, Metro shall coordinate with Honeywell International Inc. and the Regional Water Quality Control Board to relocate the monitoring wells.

**HAZ-6** Metro shall conduct a soil vapor gas survey of the project site where enclosed structures are planned for the purpose of establishing a baseline for potential indoor vapor concentrations. If the study identifies concentrations that exceed Office of Environmental Health Hazard Assessment California Human Health Screening Levels for soil or soil gas, Metro—in coordination with California Occupational Safety and Health Administration—shall prepare a remediation plan that demonstrates that interior vapor concentrations would be mitigated to below safety standards. This plan shall be prepared prior to building occupancy.

**Finding.** Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effect.

Mitigation Measures **HAZ-1** through **HAZ-3** would ensure that Metro identifies hazardous contamination and prepares an SMP, an asbestos study, and a LBP study to transport and dispose of these materials in accordance with regulatory requirements. These mitigation measures would effectively reduce and regulate the potential hazardous conditions associated with transporting construction materials, reasonably foreseeable upset and accident conditions involving the release of hazardous materials, emitting hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste. This includes potential hazardous impacts to the Bright Star Secondary Charter Academy.

A geophysical study specified in Mitigation Measure **HAZ-4** would prevent an accidental release of hazardous materials cause by any unidentified USTs. Mitigation Measure **HAZ-5** would ensure the protection of the existing groundwater wells and prevent any further contamination of groundwater on the project site and at adjoining properties.

The Phase I ESA prepared for the proposed project identified the existing hazardous conditions on the project site. Compliance with recommendations of the Phase I and Mitigation Measures **HAZ-1** through **HAZ-6** would ensure the proposed project would not create a significant hazard to the public or the environment by locating the proposed project on a hazardous materials site.

For the reasons stated above, Metro finds that impacts related to hazards and hazardous materials would be reduced to less than significant.

## 6 ENVIRONMENTAL IMPACTS FOUND SIGNIFICANT AFTER IMPLEMENTATION OF MITIGATION MEASURES

The Draft EIR does not identify impacts that would result in significant or potentially significant impacts after the implementation of mitigation measures. Metro finds that no impacts were found significant after implementation of mitigation measures.

## 7 ENVIRONMENTAL IMPACTS FOUND LESS THAN SIGNIFICANT

Metro finds that, based upon substantial evidence in the record, as discussed below, the following impacts associated with the proposed project are less than significant, and no mitigation is required.

### 7.1 AIR QUALITY

The proposed project would have a significant impact related to air quality, if it would:

- Conflict with or obstruct implementation of the applicable air quality plan;
- Violate any air quality standard or contribute substantially to an existing or projected air quality violation;
- Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors) (discussed under Section 9, Cumulative Impacts);
- Expose sensitive receptors to substantial pollutant concentrations; and/or
- Create objectionable odors affecting a substantial number of people.

**Impact.** Air quality impacts would not occur during the construction or operational phases of the proposed project and impacts would be less-than-significant.

**Reference.** Draft EIR Section 3.1, Air Quality, pages 3.1-17 through 3.1-26 and Draft EIR Chapter 5.0, Cumulative Impacts, pages 5-11 and 5-12.

**Mitigation Measures.** None required.

**Findings.** The Air Quality Management Plan (AQMP) is the applicable air quality plan, and the emissions forecasting is based on projected population and employment growth. The proposed project does not contain a residential component and would not introduce population growth to the region. Operation of the proposed project would result in minimal employment growth through the creation of small retail spaces; a majority of the project site would be dedicated to the plaza and platform areas. The proposed project was included in the Regional Transportation Plan (RTP) and would be consistent with the assumptions upon which the AQMP was devised. The proposed project would consolidate bus and rail transit services in the LAX area and provide pedestrian access to the facilities. This regional connectivity to the transit network would be consistent with regional and local air quality



reduction goals to increase transit ridership. The proposed project would be required to comply with all applicable SCAQMD rules and regulations that are in effect at the time of development, and would not conflict with or obstruct implementation of the AQMP.

Construction emissions would be generated by equipment, trucks, and worker vehicles. Emissions of air pollutants that would result from construction of the proposed project were quantified using the California Emission Estimator Model. The analysis showed that regional and localized construction emissions would not exceed the SCAQMD significance thresholds. In addition, Metro has a Green Construction Policy, which includes Tier 4 emission standards for off-road diesel-powered construction equipment greater than 50 horsepower and restricting idling to a maximum of five minutes. The project contractor would be required to comply with Metro's Green Construction Policy.

Air pollutant emissions associated with long-term operation of the proposed project were quantified for both stationary (building envelope and utilities) sources and mobile (buses and passenger vehicles) sources. Mobile sources emissions associated with operation of the proposed project include exhaust and brake and tire wear emissions from changes in bus route vehicle miles traveled (VMT) to and from the new station location, regional changes in highway VMT resulting from transit improvements and reconfiguration of local circulation patterns, and vehicle trips to the pick-up and drop-off area along Aviation Boulevard. Mobile source emissions were quantified using EMFAC2014, the California Air Resources Board-recommended model for calculating estimates of on-road mobile source emissions. The analysis showed that operational emissions would not exceed the SCAQMD significance thresholds. The proposed project would result in a less-than-significant impact related to exposing sensitive receptors to substantial pollutant concentrations.

The proposed project would utilize super-compliant architectural coatings as designated by the SCAQMD to reduce emissions of odorous chemicals. Given existing auto traffic from major and minor arterials adjacent to the project site, any odor impacts from the construction phase are not anticipated to be significant. Any emissions during the construction phase that create odors for nearby sensitive receptors would be addressed by enforcement of SCAQMD Rule 402 (Nuisance), which prohibits any emissions that cause injury, detriment, nuisance or annoyance to a considerable number of people. Land uses and industrial operations commonly associated with odor complaints include agricultural uses, wastewater treatment plants, food processing plants, chemical plants, composting, refineries, landfills, dairies, and fiberglass molding. Operation of the proposed project would include a new multi-modal transportation center with light rail platforms, a bus plaza, and pedestrian and bicycle amenities to connect LAX to Metro's regional transit system and is therefore, not anticipated to create objectionable odors.

For the reasons stated above, Metro finds that these potential air quality impacts are less than significant.

## 7.2 GREENHOUSE GAS (GHG) EMISSIONS

The proposed project would have a significant impact related to GHG emissions if it would:

- Generate GHG emissions, either directly or indirectly, that may have a significant impact on the environment; and/or
- Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases.

**Impact.** The proposed project would result in a less-than-significant impact related to GHG emissions and consistency with GHG reduction plans.

**Reference.** Section 3.2, Greenhouse Gas Emissions, of the Draft EIR, pages 3.2-14 through 3.2-23.

**Mitigation Measures.** None required.

**Findings.** Sources of temporary GHG emissions associated with construction include off-road heavy duty equipment and on-road motor vehicle travel to and from the project site. Operational GHG emissions associated with the proposed project would be generated through electricity demand and utilities (indirect as the sources are part of other entities) of the new facilities, changes in local bus routes and vehicle trips by passengers and LAX employees creating additional vehicle miles traveled (direct) and the private vehicle activity at the new pick-up and drop-off along Aviation Boulevard (direct). The operational GHG emissions can generally be divided into stationary (facility) sources and mobile (vehicular) sources. Emissions of air pollutants that would result from construction of the proposed project were quantified using the California Emission Estimator Model. Mobile source emissions were quantified using EMFAC2014, the California Air Resources Board-recommended model for calculating estimates of on-road mobile source emissions. The analysis showed that proposed project emissions would be less than the CEQA baseline condition.

Relevant GHG reduction plans, policies, and regulations adopted by Metro include the Countywide Sustainability Planning Program, the Climate Action and Adaptation Plan, the Energy Conservation and Management Plan, and the Green Construction Policy. The proposed project would incorporate strategies to reduce energy demand and GHG emissions through promotion of alternative energy vehicle use, minimizing building electricity consumption, and decreasing water use and wastewater effluent. The proposed project would be consistent with Metro, regional, and state GHG reduction policies.

For the reasons stated above, Metro finds that these potential GHG emissions impacts are less than significant.

### 7.3 HAZARDS AND HAZARDOUS MATERIALS

The proposed project would have a significant impact related to hazards and hazardous materials if it would:

- For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area;
- For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area;
- Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan; and/or
- Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands.

**Impact.** The proposed project would result in a less-than-significant impact related to safety hazards associated with airports, emergency response plans, and wildfires.

**Reference.** Section 3.3, Hazards and Hazardous Materials, of the Draft EIR, pages 3.3-23 through 3.3-25.

**Mitigation Measures.** None required.

**Findings.** The project area is located within the LAX Airport Influence Area and is subject to Federal Aviation Administration (FAA) height restrictions. The proposed project and the past, present, and reasonably probable future projects within the Airport Influence Area are legally required by the Code of Federal Regulations to file a Form 7460, Notice of Proposed Construction or Alteration, with the FAA to make an airspace determination. This determination ensures compliance with applicable federal guidelines and eliminates the potential for an impact. The proposed project is not within the proximity of a private airstrip. The proposed project would not modify emergency/disaster routes. Per state and local regulations, emergency vehicle access would be maintained at all times during construction and operation of the proposed project. The proposed project is not within or in close proximity to a Wildfire Hazard Area and would not be subject to wildland fires.

For the reasons stated above, Metro finds that these potential hazards and hazardous materials impacts are less than significant.

### 7.4 LAND USE AND PLANNING

The proposed project would result in a significant impact related to land use and planning if it would:

- Physically divide an established community; and/or

- Conflict with applicable land use plan, policy or regulation of an agency with jurisdiction over the project (including but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect.

**Impact.** The proposed project would result in a less-than-significant impact related to dividing an established community and consistency with land use policies or regulations.

**Reference.** Section 3.4, Land Use & Planning, of the Draft EIR, pages 3.4-13 through 3.4-21.

**Mitigation Measures.** None required.

**Findings.** Situated in a largely commercial-industrial area, the project site is bounded by roadways to the north, east and south and a Metro-owned railroad right-of way to the west. It does not adjoin any established residential communities. Further, the project site does not provide access to any residential areas or community facilities. The closest residences are located across Aviation Boulevard to the east in Manchester Square, which has been declining in residential units over the past ten years. The majority of these properties have been or are in the process of being relocated by LAWA as part of their Aircraft Noise Mitigation Program. The project proposes various access and circulation improvements such as signalized lights, crosswalks, pedestrian paths and driveways; however, vehicular ingress and egress is from the existing roadways thereby maintaining the general land use pattern and circulation configuration in the surrounding area.

Project implementation would not require any zone changes or plan amendments and the proposed project is compatible with applicable land use plans and policies. The proposed project would be consistent with the Regional Transportation Plan, City of Los Angeles General Plan, including the Mobility Element, and other state and local land use plans. In addition, the project site is located within the Airport Influence Area and is subject to FAA height restrictions. Metro is legally required by the Code of Federal Regulations to file a Form 7460, Notice of Proposed Construction or Alteration, with the FAA to make an airspace determination. This determination would ensure compliance with applicable federal guidelines.

The project site is not a critical habitat for threatened or endangered species and does not contain any candidate, sensitive or special status species. The proposed project would not conflict with any habitat conservation plan or natural community conservation plan.

For the reasons stated above, Metro finds that these potential Land Use and Planning impacts are less than significant.

## 7.5 NOISE AND VIBRATION

The proposed project would result in a significant impact related to noise and vibration if it would result in:

- Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies;
- Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels;
- A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project;
- A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project; and/or
- Exposure of persons residing or working in an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or a public use airport, to excessive noise levels.

**Impact.** The proposed project would result in a less-than-significant impact related construction and operational noise and vibration; permanent and temporary ambient noise levels; and noise levels associated with airports.

**Reference.** Section 3.5, Noise and Vibration, of the Draft EIR, pages 3.5-15 through 3.5-23.

**Mitigation Measures.** None required.

**Findings.** Noise levels would vary throughout the construction process depending on the activity and location. The Draft EIR determined that noise levels at nearby sensitive land uses would not exceed applicable significance thresholds. In addition, construction activities would comply with Section 41.40 of the Los Angeles Municipal Code and design criteria established by Metro (e.g., well-maintained equipment with effective noise control devices, such as mufflers).

The proposed project would generate operational noise associated with bus and passenger vehicle movements on and off the project site and light rail activity at the station. An analysis of combined noise levels at sensitive receptors was completed using the Federal Transit Administration guidance. The proposed project would increase noise levels by 1.0 decibels or less at sensitive receivers, and noise levels would not exceed the Federal Transit Administration impact criteria for moderate or severe impacts.

Construction activity can generate varying degrees of vibration, depending on the construction procedure and the construction equipment used. The proposed project would not involve impact or sonic pile driving or large vibratory rollers. Based on the anticipated equipment mix, there would be the potential for impacts to occur within 37 feet of the project site. The nearest sensitive receptors are single family residences located at 9608 – 9612 Aviation Boulevard, approximately 100 feet to the east of the project site. Therefore, the proposed project would result in a less-than-significant impact related to construction vibration.

Operational vibration would be generated by light rail activity on the Crenshaw/LAX and Metro Green LRT lines and bus activity on the roadway network. The proposed transit station would result in lower train speeds than assessed in the Crenshaw/LAX Transit Project

Environmental Impact Report/Environmental Impact Statement (EIR/EIS) because the trains will need to slow to stop at the station. Trains generate less vibration at lower speeds and vibration levels would be less than presented for the Crenshaw/LAX Transit Project, and would not result in a new impact that was not disclosed in that EIR/EIS. Regarding bus vibration, the Federal Transit Administration has stated that the rubber tires and suspension systems of buses provide vibration isolation, making it unusual for buses to cause ground-borne noise or vibration problems. Most problems with bus-related vibration can be directly related to a pothole, bump, expansion joint, or other discontinuity in the road surface. The roadway system near the project is in good condition, and project-related buses would not generate perceptible vibration.

The project site is located in the LAX noise contours and has the potential to expose people working in the project area to excessive noise levels. However, because the project site is located near LAX, existing ambient noise levels are relatively high due to aircraft noise and, the ambient noise levels are not considered excessive. The proposed project is not within the proximity of a private airstrip.

For the reasons stated above, Metro finds that impacts related to noise and vibration would be less than significant.

## 7.6 TRANSPORTATION AND TRAFFIC

The proposed project would result in a significant impact related to transportation and traffic if it would:

- Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit;
- Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways;
- Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks;
- Substantially increase in hazards due to a design feature or incompatible uses;
- Result in inadequate emergency access; and/or
- Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities.

**Impact.** The proposed project would result in a less-than-significant impact related to transportation and traffic.

**Reference.** Section 3.6, Transportation and Traffic, of the Draft EIR, pages 3.6-15 through 3.6-29.

**Mitigation Measures.** None required.

**Findings.** Construction activities will be primarily limited to and contained within the project site, with the exception of the addition of traffic signals at the main project driveway on Aviation Boulevard and the potential installation of a second signal at the southern entry in Access Option 2. All construction and worker vehicles are anticipated to be accommodated on site throughout construction. During operation, the average increased delay at intersections would be less than the intersection traffic operations significance thresholds established by the City of Los Angeles Department of Transportation and other local jurisdictions. Construction and operational activities would be consistent with applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system in the future condition.

The Congestion Management Plan (CMP) is a state-mandated program administered by Metro's 2010 CMP that provides a mechanism for coordinating land use and development decisions. A detailed CMP analysis is not necessary because the proposed project would not add more than 150 trips to the freeway monitoring locations nor would it add more than 50 trips to the intersection monitoring locations.

The project site is within the LAX Airport Influence Area, which is subject to FAA height restrictions, but is not within a Runway Protection Zone or safety zone. The proposed project is a surface transportation and general development project and would not change air traffic patterns. Thus, the proposed project would be consistent with regional policies to reduce urban sprawl, efficiently utilize existing infrastructure and reduce regional congestion.

Changes to the roadway network would comply with standard engineering practices and design standards, and design elements would not increase roadway hazards or impede emergency access. Since the proposed project would not include a substantial new population center and is located in close proximity to four fire station, there would be no need to build a new or expand an existing fire station to serve the proposed project or add additional personnel or equipment to maintain acceptable service ratios, response times, or other performance objectives for fire protection.

The proposed project is being developed to connect LAX to the regional transit system and is included in the Metro's 2009 Long Range Transportation Plan and the Measure R Expenditure Plan to finance new transportation projects and programs. The proposed project would consolidate bus transit services in the LAX area and provide pedestrian and bicycle amenities. In addition, the proposed project would have the capacity to accommodate both the existing and future passengers presently using the LAX City Bus Center and the Aviation/LAX transit center. The facility will be capable of handling the consolidated bus service with room for expanded frequency or additional lines in the future.

For the reasons stated above, Metro finds that impacts related to transportation and traffic would be less than significant.

## 8 ENVIRONMENTAL EFFECTS FOUND TO HAVE NO IMPACT

The proposed project would have either no impact or no impact when incorporating applicable laws and regulations related to the following issues: Aesthetics, Agricultural Resources, Biological Resources, Cultural Resources, Geology and Soils, Hydrology and Water Quality, Mineral Resources, Population and Housing, Public Services, Recreation, Utilities and Service Systems, Energy Resources, and Growth Inducing Effects. The Draft EIR also included that there would be no potential for impacts associated with Hazards and Hazardous Materials (proximity to a private airstrip), Land Use and Planning (conflicts with habitat or natural community conservation plans) and Noise and Vibration (noise exposure from private airstrips).

**Impact.** No significant impacts would occur.

**Reference.** Chapter 4.0, Other CEQA Considerations, of the Draft EIR, pages 4-4 through 4-30.

**Mitigation Measures.** None required.

**Findings.** Metro finds that the proposed project would not result in impacts to the above issues and no mitigation measures are required.

## 9 CUMULATIVE IMPACTS

The cumulative impacts analysis in the Draft EIR included projects that may occur in the project vicinity within the same timeframe as the proposed project. As such, the cumulative impact analysis considers the combined effect of the proposed project with improvements proposed by LAWA as part of the LAMP, the Crenshaw/LAX Line, Aviation/Century station, and privately developed projects in the project vicinity. Refer to Chapter 5.0, Cumulative Impacts, of the Draft EIR for a list of projects in the cumulative condition, including details related to LAWA's LAMP.

As stated in CEQA Guidelines Section 15130(a)(1), the cumulative impacts discussion in an EIR need not discuss impacts that do not result in part from the proposed project evaluated in the EIR. Further discussion is not warranted for environmental issue areas. Metro finds that there is no potential for a cumulative impact related to:

- Aesthetics
- Agricultural Resources
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hydrology and Water Quality
- Mineral Resources
- Population and Housing
- Public Services
- Recreation



- Utilities and Service Systems
- Energy Resources

## 9.1 AIR QUALITY

**AQMP Consistency.** The AQMP is the applicable air quality plan, and the emissions forecasting is based on projected population and employment growth. Projects that are considered to be consistent with the AQMP would not interfere with attainment because the associated growth is included in the projections utilized in the formulation of the AQMP. However, the AQMP was prepared in 2012 and it is possible that projects developed or planned since the completion of the modeling would be inconsistent with the AQMP. Therefore, the proposed project combined with past, present, and reasonably probable future projects could result in a cumulative impact. The proposed project is included in the growth forecasts and is consistent with the AQMP. The proposed project would consolidate bus and rail transit services in the LAX area and provide pedestrian street access to the facilities. This regional connectivity to the transit network would be consistent with regional and local air quality reduction goals to increase transit ridership. The proposed project would be required to comply with all applicable SCAQMD rules and regulations that are in effect at the time of development, and would not conflict with or obstruct implementation of the AQMP. For the reasons stated above, Metro finds that the proposed project's incremental contribution to the significant cumulative impact associated with AQMP consistency is not cumulatively considerable.

**Air Quality Standards Violations, Exposure of Sensitive Receptors to Substantial Pollutant Concentrations, and Nonattainment Pollutant Emissions.** The South Coast Air Basin is currently designated nonattainment for ozone and particulate matter. Emissions generated by the proposed project combined with past, present, and reasonably probable future projects could impede attainment efforts or result in locally significant pollutant concentrations. Therefore, the proposed project combined with past, present, and reasonably probable future projects could result in a cumulative impact. Project emissions would not exceed significance thresholds and, therefore, would not violate any air quality standard or contribute substantially to an existing or projected air quality violation. For the reasons stated above, Metro finds that the proposed project's incremental contribution to the significant cumulative impact associated with violations of air quality standards, substantial pollutant concentrations is not cumulatively considerable.

**Odors.** Neither the project area nor the proposed project includes land uses identified by the SCAQMD as commonly associated with odor complaints. For the reasons stated above, Metro finds that the proposed project combined with other past, present, and reasonably probable future projects would not create a significant cumulative impact.

## 9.2 GHG EMISSIONS

**GHG Emissions and Consistency with GHG Emission Reduction Plans.** Through Assembly Bill 32, the State of California has acknowledged that GHG emissions are a Statewide impact.

Emissions generated by the proposed project combined with past, present, and reasonably probable future projects could contribute to this impact. Both the proposed project and the LAMP have been approved as consistent with transportation and sustainability efforts within the City of Los Angeles. The proposed project and the LAMP together would encourage alternative modes of transportation to passenger vehicles, and improve the ability of people at existing and future transit oriented development to access LAX using the regional transit system. The proposed project would implement several defined features for sustainability, including LEED Silver minimum rating for the building structures and reduced potable water demand by using recycled water for landscaping and installing low-flow plumbing fixtures. The GHG analysis determined that the proposed project would not result in significant impacts and would be consistent with applicable GHG plans, policies, and regulations. For the reasons stated above, Metro finds that the proposed project's incremental contribution to the significant cumulative impact associated with GHG emissions is not cumulatively considerable.

### 9.3 HAZARDS AND HAZARDOUS MATERIALS

**Transport, Use or Disposal of Hazardous Materials.** There are multiple contaminated properties near the project site and the project site is known to have contaminated soils. Therefore, the proposed project combined with past, present, and reasonably probable future projects could result in a cumulative impact. The proposed project includes Mitigation Measures **HAZ-1** through **HAZ-4**, which would reduce impacts to less than significant levels. In addition, the proposed project would be required to comply with all applicable rules and regulations related to contaminated soils, asbestos-containing materials, and lead-based paint. Therefore, Metro finds that the proposed project's incremental contribution to the significant cumulative impact associated with construction activities is not cumulatively considerable.

Regarding operational activities, the proposed project combined with past, present, and reasonably probable future projects would involve the occasional use, storage and disposal of common hazardous materials. Therefore, the proposed project combined with past, present, and reasonably probable future projects could result in a cumulative impact. The proposed project would be regulated by the California Division of Occupational Safety and Health, the City of Los Angeles Fire Code and all other federal, state and local regulations. All hazardous materials would be required to be contained, stored and used in accordance with manufacturers' instructions and handled in compliance with applicable standards and regulations. For the reasons stated above, Metro finds that the proposed project's incremental contribution to the significant cumulative impact associated with operational activities is not cumulatively considerable.

**Release of Hazardous Materials from Upset or Accident Conditions.** The proposed project combined with past, present, and reasonably probable future projects could create a cumulative impact associated with disturbance of a natural gas line and groundwater monitoring wells, as well as other Recognized Environmental Conditions. The proposed project would be required to comply with all laws, rules and regulations. In addition, the proposed project would incorporate Mitigation Measures **HAZ-1** through **HAZ-6**, which would reduce impacts to less than significant levels. For the reasons stated above, Metro finds that the proposed project's incremental contribution to the significant cumulative impact associated with construction activities is not cumulatively considerable.

Regarding operational activities, the proposed project combined with past, present, and reasonably probable future projects would involve the occasional use, storage and disposal of common hazardous materials that could be released during upset or accident conditions. The proposed project would be required to comply with all laws, rules and regulations that control hazardous materials. For the reasons stated above, Metro finds that the proposed project's incremental contribution to the significant cumulative impact associated with operational activities is not cumulatively considerable.

**Hazardous Conditions at a School, Safety Hazard Near a Private Airstrip, and Wildland Fires.** The cumulative condition does not include a school located within one-quarter mile of the

project site, the project site is not located near a private airstrip, and project site is not subject to wildland fires. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Located on a site that would create Significant Hazard to the Public or Environment.** The project site and adjacent land uses contain several existing hazardous materials contaminations and existing groundwater monitoring wells are located on the project site. Therefore, the proposed project combined with past, present, and reasonably probable future projects could result in a cumulative impact. Hazardous materials site remediation and hazardous materials themselves are well regulated. The proposed project would be developed on contaminated site but would comply with all regulations related hazardous materials removal and monitoring. Compliance with Mitigation Measures **HAZ-1** through **HAZ-6** would ensure the proposed project would not create a significant hazard to the public or the environment. This mitigation and remediation would also eliminate the project's potential to contribute to the cumulative impact. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Safety Hazard near a Public Airport.** The project area is located within the Airport Influence Area and is subject to FAA height restrictions. The proposed project and the past, present, and reasonably probable future projects within the Airport Influence Area are legally required by the Code of Federal Regulations to file a Form 7460, Notice of Proposed Construction or Alteration, with the FAA to make an airspace determination. This determination ensures compliance with applicable federal guidelines and eliminates the potential for a cumulative impact. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Safety Hazard near a Private Airstrip.** The proposed project and the Related Projects are not within the proximity of a private airstrip. Therefore, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Emergency Plans.** The proposed project and the Related Projects would not modify emergency/disaster routes. Per state and local regulations, emergency vehicle access would be maintained at all times during construction and operation of the proposed project and Related Projects. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Wildland Fires.** Exhibit D of the City of Los Angeles Safety Element indicates that no portion of the project area or the surrounding area is within or in close proximity to a Wildfire Hazard Area (City of Los Angeles, 1996). For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

## 9.4 LAND USE AND PLANNING

**Division of an Established Community.** Manchester Square is the only residential community that would be affected by the development of the Related Projects and currently consists of sparsely distributed multi-family residences, a small number of single-family homes and an elementary school east of the proposed project. This area is proposed to be developed by LAWA for the Automated People Mover (APM), the Intermodal Transportation Facilities (ITF) East/Consolidated Rent-A-Car Center (CONRAC) with adjacent collateral land use development. Thus, in the cumulative condition, the remaining residences and Bright Star Secondary Charter Academy would be relocated and thus considered a significant cumulative impact. Therefore, the proposed project combined with past, present, and reasonably probable future projects could result in a cumulative impact. The proposed project would have no direct or indirect effect on this change. Given the scale and nature of the proposed project as a transit station with light rail platforms, bus bays and ancillary facilities, the overall contribution of the proposed project to land use change would not be significant. For the reasons stated above, Metro finds that the proposed project's incremental contribution to that significant cumulative impact is not cumulatively considerable.

**Compatibility with Land Use Plans and Policies.** Project implementation would not require any zone changes or plan amendments and the proposed project is compatible with applicable land use plans and policies. Accordingly, impacts on existing land use plans and policies would be less than significant. Due to the nature of the development of the uses proposed by the Related Projects (i.e., primarily airport-serving commercial uses) in an area largely designated for LAX, LAX-related, and a mix of industrial and commercial uses; significant cumulative impacts are not anticipated. For the reasons stated above, Metro finds that proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Habitat Conservation.** Neither the site nor the cumulative impact study area are identified as critical habitat for threatened or endangered species and does not contain any candidate, sensitive or special status species. Neither the proposed project nor the Related Projects would conflict with any habitat conservation plan or natural community conservation plan. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

## 9.5 NOISE AND VIBRATION

**Exposure to Excessive Noise Levels.** The potential exists for construction activities associated with the proposed project to combine with past, present, and reasonably probable future projects to create a cumulative noise impact at land uses near the project site. The project-related construction noise increase would be approximately 0.5 decibels, and would not likely evoke a community reaction. For the reasons stated above, Metro finds that the proposed project's incremental contribution to a potential significant cumulative impact is not cumulatively considerable.

Regarding operational activities, the cumulative condition includes the proposed project and Related Projects, including LAWA's LAMP. Noise generating components of the LAMP include operation of the APM and increased traffic volume due to parking and roadway improvements. The Draft EIR determined that the proposed project combined with past, present, and reasonably probable future projects could result in a cumulative impact related to increased operational noise levels. A quantitative analysis demonstrated that the proposed project would constitute a small portion of operational noise in the cumulative condition. The majority of noise in the cumulative condition would be associated with LAX-related land uses, roadway noise not related to the proposed project, the Crenshaw/LAX Line, and the LAMP components. For the reasons stated above, Metro finds that the proposed project's incremental contribution to a potential significant cumulative impact is not cumulatively considerable.

**Exposure to Excessive Ground-Borne Vibration.** Vibration impacts typically occur within 25 feet of the source. In the cumulative condition, the nearest sensitive receptor to the project site would be the Travelodge Hotel LAX. Neither the project site nor the projects within 25 feet of the Travelodge Hotel LAX would be located within 25 feet of the Travelodge Hotel LAX. Regarding operational activities, vibration is a localized and instantaneous effect and would not differ along Aviation Boulevard in the project or cumulative condition. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Exposure to Excessive Noise Levels Associated with Public Airports.** The potential for a cumulative impact related to excessive public airport noise is site specific. The Draft EIR assessed LAX-related noise levels at the project site, which were determined to be less than significant. This potential impact would be independent of Related Projects. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Exposure to Excessive Noise Levels Associated with Private Airstrips.** The proposed project and Related Projects are not within the proximity of a private airstrip. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

## 9.6 TRANSPORTATION AND TRAFFIC

**Circulation System.** Construction of the proposed project and Related Projects within the study area may include temporary intermittent lane closures, although this is unlikely to be necessary on Aviation Boulevard due to the center turn median on Aviation Boulevard. In the event of road closures due to simultaneous construction activities, the proposed project combined with past, present, and reasonably probable future projects could result in a cumulative impact. To the extent feasible, construction management plans for both the proposed project and LAWA's LAMP will be coordinated to maintain access for nearby land uses, limit lane closures, and maintain safe and adequate pedestrian protection. For the

reasons stated above, Metro finds that the proposed project's incremental contribution to a potential significant cumulative impact is not cumulatively considerable.

Regarding operational activities, cumulative conditions with Related Projects within the study area that affect local roadway circulation include the CONRAC, East and West ITFs, the APM, roadway improvements throughout the cumulative impact study area and collateral private development on the east side of Aviation Boulevard. This scenario analyzes the cumulative forecasted conditions for the year 2035, reflecting regional growth and transportation improvements identified in the Regional Transportation Plan, as well as the proposed projects within the study area. Cumulative conditions with and without the proposed project were used to determine traffic operations with the anticipated growth and transportation improvements in the cumulative impact study area. The cumulative condition also includes rerouted bus transit trips and passenger vehicle pickup and drop-off trips. The analysis demonstrated that there would be no exceedances of the applicable intersection traffic operations significance thresholds. For the reasons stated above, Metro finds that proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**CMP Analysis.** The CMP is a state-mandated program administered by Metro's 2010 CMP that provides a mechanism for coordinating land use and development decisions. A detailed CMP analysis is not necessary because the proposed project would not add more than 150 trips to the freeway monitoring locations nor would it add more than 50 trips to the intersection monitoring locations. For the reasons stated above, Metro finds that proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Air Traffic Patterns.** The proposed project and Related Projects are surface transportation and general development projects and would not change air traffic patterns. The overall intentions of the proposed project and Related Projects are to satisfy existing and future transit demand in the airport vicinity. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Traffic Hazards.** None of the transportation system improvements proposed by the project would introduce new safety hazards at intersections or along roadway segments. Roadway improvements, including driveway access and crosswalks, would be designed to ensure the safety of all roadway users. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Emergency Access.** Construction activity in the cumulative condition may include temporary, intermittent lane closures on adjacent streets and emergency access could slightly affect emergency access. These impacts would be negligible and temporary and the proposed project would be required to prepare a Construction Staging and Traffic Management Plan that would address traffic control and emergency access during construction. For the reasons

stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

Regarding operational activities, changes to the roadway network would comply with standard engineering practices and design standards. Design elements would not increase roadway hazards or impede emergency access. There are four fire stations located in proximity to the project site, there would be no need to build a new or expand an existing fire station to serve the proposed project because the proposed project would not include a substantial new population center. In addition, the County of Los Angeles Sheriff's Department and the City of Los Angeles Police Department, including the Los Angeles Airport Police Division, would patrol the project area on a regular basis. Response times would be minimally affected by new development due largely to the fact that most officers respond to calls for service from the field and not from the station. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

**Public Transit, Bicycle or Pedestrian Facilities.** The proposed project and LAWA's LAMP are being developed to enhance regional bus and rail connectivity and connectivity to LAX. The Metro Hub and ITFs would link the multiple modes of transportation. The bicycle hub on the project site would accommodate up to 150 bicycles in a secure location and additional space for up to 50 bicycles would be provided for short-term parking. The LAMP would also include bicycle facilities, a multi-use path along west side of Aviation Boulevard and other bicycle network improvements. The proposed project's transport modes would connect directly via vertical circulation elements (i.e., stairs, escalators, and elevators) to an elevated mezzanine level. The elevated walkways and interconnected mezzanines would allow safe transfers between the proposed project components and the LAMP APM station. The cumulative condition would have the capacity to accommodate both the existing and future passengers, as it would have room for expanded frequency or additional lines in the future. Under the LAMP, the LAX FlyAway service may be consolidated onto the project site to provide a single location for bus transfers. For the reasons stated above, Metro finds that the proposed project combined with past, present, and reasonably probable future projects would not create a cumulative impact.

## 10 ALTERNATIVES AND MITIGATION MEASURES

### 10.1 ALTERNATIVES

Pursuant to Section 15060, a preliminary review of the proposed project was conducted and it was determined that the appropriate level of environmental review involved the preparation of an EIR. During the course of preparing this Draft EIR, it was determined that the proposed project would have no significant effects with the implementation of mitigation measures. Although the proposed project meets the criteria for the preparation of a Mitigated Negative Declaration (Section 15070), Metro decided to continue preparing the Draft EIR to facilitate greater public participation during the environmental review process. CEQA requires an analysis of alternatives to the proposed project to reduce or eliminate significant impacts



associated with project development. Alternatives were considered that would avoid or reduce potential impacts of the proposed project to a less than significant level.

As indicated previously, mitigations measures are required to reduce the proposed project's hazardous materials impact to a less-than-significant level. To avoid or substantially reduce this impact would require the relocation of the proposed project to an alternate site where there would be no or substantially reduced contamination and remediation requirements. While the proposed project's hazardous materials impact would be less than significant with mitigation; this analysis is provided to address alternate sites and avoid hazardous materials impacts without requiring mitigation or create a new impact that would not occur if the proposed project were built. In addition, the proposed project requires approximately 4.5 acres to accommodate the bus facility. As discussed in Chapter 6.0, Alternatives, of the Draft EIR, there are no viable alternate sites to provide a feasible alternate location for the proposed project. Therefore, the only alternative considered in the Draft EIR was the No Project Alternative, as discussed in Section 10.3 of this Findings of Fact.

## **10.2 FINDINGS FOR ENVIRONMENTALLY SUPERIOR ALTERNATIVE**

CEQA Guidelines Section 15126.6 requires that an “environmentally superior” alternative be selected among the alternatives that are evaluated in the EIR. As described in the Draft EIR, the No Project Alternative has been found to have the least amount of environmental impacts and is the environmentally superior alternative. If the No Project Alternative is identified as the environmentally superior alternative, the next best environmentally superior alternative must be identified.

The degree to which an alternative meets the objectives of a proposed project is discussed as part of an alternatives analysis pursuant to CEQA. The proposed project consists of series of significant transportation elements and associated infrastructure components, including the LRT platforms, to be served by the Crenshaw/LAX Line and a service extension of the Metro Green Line, a bus plaza and terminal facility for Metro and municipal bus operators, bicycle hub with secured parking for up to 150 bicycles, pedestrian plaza, passenger vehicle pick-up and drop-off area and Metro transit center/terminal building (“Metro Hub”) that connects passengers between the various modes of transportation. These project components are intended to provide a reliable and convenient transit option to and from LAX and the regional transit system. The stated objectives of the proposed project are to provide a reliable, fast and convenient connection for passengers traveling between the LAX area and the regional bus and rail transit system; integrate with existing and future transit connections and airport facilities; and increase the share of transit trips to and from LAX with minimal impact to airport facilities and surrounding communities and to help reduce air pollution.

## **10.3 NO PROJECT ALTERNATIVE**

The No Project Alternative is required by Section 15126.6 of the CEQA Guidelines and would not include development related to the proposed project. The proposed project site would continue to be occupied by the existing rental car facilities, CNG fueling station and towing

storage yard. The site would continue to be characterized by low-rise industrial structures (totaling approximately 19,000 square feet) and paved surfaces. The Crenshaw/LAX Line would continue to be located on the western boundary of the proposed project site.

The No Project Alternative would include a number of differences from the existing conditions analysis. Specifically, the Crenshaw/LAX Line is scheduled for completion in 2019 and will be operating with or without development of the proposed project. Also, it is reasonably foreseeable that the No Project Alternative would include the development of a bus facility at the Aviation/Century station to provide better connectivity between bus and rail transit services. The Crenshaw/LAX Line, including the Aviation/Century station, the extension of Metro's Green Line and a proposed bus facility, were studied in the Crenshaw/LAX Transit Corridor Project EIS/EIR, which was certified by the Metro Board in September 2011 and issued a Record of Decision from the Federal Transit Administration in December 2011. Therefore, impacts of the proposed bus facility at the Aviation/Century station are not included in this assessment. The bus facility at Aviation/Century station would not be built if the proposed project is built. Most importantly, the Aviation/Century station would not provide a convenient connection to other future airport development projects such as the Airport People Mover (APM) discussed in Chapter 5.0, Cumulative Impacts, of the Draft EIR.

#### **10.4 FINDINGS FOR THE NO PROJECT ALTERNATIVE**

Metro finds that specific economic, legal, social, technological, or other considerations, make infeasible the No Project Alternative identified in the Draft EIR (CEQA Guidelines Section 15091(a)(3)). Although the No Project Alternative would involve fewer environmental impacts and provide a regional transit connection to LAX through the Aviation/Century station it would not be integrated with the future APM and airport facilities included in the LAMP, as discussed in Chapter 5.0, Cumulative Impacts. Locating the bus facility at the Aviation/Century station would require patrons to walk to the proposed APM adjacent to the project site. This could require additional pedestrian and bicycle facilities along Aviation Boulevard. The project site was selected because of its strategic location and ability to link to existing and foreseeable transit projects. Therefore, despite being the environmentally superior to the proposed project, the No Project Alternative would not fully satisfy the project objectives.

#### **10.5 FINDINGS FOR MITIGATION MEASURES**

Metro has considered all of the mitigation measures recommended in the Draft EIR. None of the recommended measures that are within the Metro's jurisdiction have been rejected by Metro. To the extent that these Findings conclude that various proposed mitigation measures outlined in the Draft EIR are feasible and have not been modified, superseded or withdrawn, Metro hereby binds itself to implement or, as appropriate, require implementation of these measures. These Findings of Fact, in other words, are not merely informational, but rather constitute a binding set of obligations that will come into effect when Metro adopts a resolution approving the proposed project. The mitigation measures are referenced in the MMRP adopted concurrently with these Findings of Fact and will be effectuated through the process of constructing and implementing the proposed project.

**Notice of Determination**

**To:**

Office of Planning and Research  
*U.S. Mail:* *Street Address:*  
 P.O. Box 3044 1400 Tenth St., Rm 113  
 Sacramento, CA 95812-3044 Sacramento, CA 95814

County Clerk  
 County of: Los Angeles  
 Address: 12400 Imperial Hwy, Norwalk, CA 90650

**From:**

Los Angeles County Metropolitan  
 Public Agency: Transportation Authority (Metro)  
 Address: One Gateway Plaza  
Mail Stop 99-22-3  
 Contact: Cory Zelmer  
 Phone: 213-922-1079

Lead Agency (if different from above):  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

***SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.***

State Clearinghouse Number (if submitted to State Clearinghouse): 2015021009

Project Title: Airport Metro Connector (AMC) 96th Street Transit Station

Project Applicant: Los Angeles County Metropolitan Transportation Authority (Metro)

Project Location (include county): Los Angeles

**Project Description:**

This Proposed Project is located in the City of Los Angeles and adjacent to the Los Angeles International Airport. The Project will add a new Metro Rail station to the Crenshaw/LAX Line at the 96th Street and Aviation Boulevard. The Project components include three new Light Rail Transit (LRT) platforms, bus plaza, bicycle hub, passenger pick-up and drop-off area, and transit center/terminal building.

This is to advise that the Los Angeles County Metropolitan Transportation Authority (Metro) has approved the above  
 Lead Agency or  Responsible Agency

described project on December 1, 2016 and has made the following determinations regarding the above  
 (date)  
 described project.

1. The project [ will  will not] have a significant effect on the environment.
2.  An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.  
 A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [ were  were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [ was  was not] adopted for this project.
5. A statement of Overriding Considerations [ was  was not] adopted for this project.
6. Findings [ were  were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:

www.metro.net/laxconnector and at the following libraries: City of LA Central, Westchester Loyola Village Branch, City of Inglewood, Crenshaw-Imperial Branch, El Segundo, Hawthorne, Lennox and Metro

Signature (Public Agency): \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date Received for filing at OPR: \_\_\_\_\_

**MOTION FROM DIRECTORS KNABE AND RIDLEY-THOMAS  
ACCELERATING THE LAX/AIRPORT METRO CONNECTOR  
GREEN LINE EXTENSION TO LAX**

Connecting Los Angeles International Airport (LAX) directly to the Metro Rail System is among our highest priorities. Completing an accelerated transit connection to LAX by 2019, concurrent with the planned opening of the Crenshaw/LAX Line, would show our prospective Federal funding partners and regulatory agencies that we are serious about working with them to build a transit system that makes sense and that we value a regional rail system directly connected to LAX.

Last month the MTA Board approved a preferred alternative rail connection that moves forward into the environmental review process. However, Metro's most recent Countywide Financial Forecasting Model (FY 2013-2040, Draft Short Range Financial Plan, March 13, 2014) continues to show that Metro's piece of the LAX transit connection won't be completed until 2028. We can and should do better than having the Green Line to LAX/Airport Metro Connector Project completed by 2028, an incredible 14 years from now. Working together to successfully align our planning, advocacy and funding efforts, we can reach the goal of completing the project in less than half the time.

**WE, THEREFORE, MOVE THAT THE MTA BOARD:**

Instruct the CEO to report back to the Board in September at the Planning and Construction Committees and at the September 25, 2014 full Board Meeting, with written details on the strategic next steps and plan to "accelerate" completion of the Green Line to LAX/Airport Metro Connector Project, for project delivery by 2019, on a timeline that complements both the Crenshaw/LAX Light Rail Project and the South Bay Green Line Extension Project, which are connected to and share the Green Line Corridor. The report is requested to include the following:

- A. A detailed action plan that includes an array of funding alternatives, formal arrangements for working with LAWA, as well as local, state, and federal partners, to fund and implement the Green Line to LAX/Airport Metro Connector Project on an accelerated schedule to deliver the project by 2019;
- B. A specific approach to advocacy efforts with relevant federal agencies including the FTA and FAA to better coordinate and align with the federal review process, including resolving any road blocks to project funding, implementation and acceleration;
- C. A detailed timeline and the specific MTA Board actions that are needed to accelerate delivery of the project including the environmental review, or other actions that may be necessary to complement, align and expedite project delivery to match the completion date of the Crenshaw/LAX Light Rail Project in 2019.

## ATTACHMENT F

June 26, 2014 Board Motion

**MTA Board Meeting  
June 26, 2014**

**Relating to Item 65**

**MOTION BY  
MAYOR ERIC GARCETTI, COUNCILMEMBER MIKE BONIN, SUPERVISOR  
DON KNABE & SUPERVISOR MARK RIDLEY-THOMAS**

For decades, the biggest missing piece of the transportation puzzle in Los Angeles has been a quick, convenient, and viable option for the traveling public to connect to our airport using our mass transit system. Making that connection has been a high priority for all Angelenos, who clearly made their position known by overwhelmingly supporting the construction of a direct airport connection as part of Measure R.

Several criteria are essential in evaluating the various alternatives that have been proposed for the Airport Metro Connector including cost, travel time, and interoperability with the regional network. However, given the considerable importance that the transit riders have placed on a seamless and robust airport connection, the final project will be judged largely by its ability to deliver on one critical aspect: passenger convenience.

The desire to provide an exceptional passenger experience should guide the Metro Board in designing this project. This airport connection will only be as good as the passenger experience it delivers, and the ridership numbers will largely reflect our ability to anticipate, meet, and exceed the expectations of the traveling public.

Done right, Alternative A2 (96<sup>th</sup> Street Station) could be the airport rail connection that Angelenos have longed for. It would provide a direct rail connection that will not only help address the ground transportation challenges at LAX, but also continue to expand MTA's regional transportation network, and has the potential to provide a world-class passenger experience to the traveling public.

The 96<sup>th</sup> Street Station can be the new "front door" to LAX for transit riders, and MTA and LAWA should work together and think imaginatively to meet and exceed the needs of the traveling public, and create a robust, visionary transit facility.

WE THEREFORE MOVE THAT the MTA Board of Directors adopt and direct the Chief Executive Officer to do the following:

1. Develop the 96<sup>th</sup> Street Station, in consultation with LAWA, using the following design guidelines:
  - a. Enclosed facility
  - b. Integrated APM/Light Rail station, minimizing walk distances
  - c. Concourse areas
  - d. LAX airline check-in with flight information boards
  - e. Station restrooms
  - f. Free public WiFi & device charging areas
  - g. Private vehicle drop-off area, and taxi stand
  - h. Pedestrian plaza with landscaping and street furniture
  - i. Metro Bike Hub with parking, a bike repair stand and bike pump, showers, lockers, controlled access and 24-hour security cameras
  - j. Retail (food/beverage and convenience)
  - k. L.A. visitor info and LAX info kiosk
  - l. Connectivity to Manchester Square and surrounding areas, including walkways
  - m. At a minimum, LEED Silver certification
  - n. Public art installation
  - o. Other amenities for airport travelers, including currency exchange and bank/ATM machines
  - p. Passenger safety

2. Report back at the September 2014 MTA Board meeting, in consultation with LAWA, with a review of baggage check amenities that are available at other transportation centers that serve major airports, including an assessment of the feasibility of offering baggage check at the proposed 96<sup>th</sup> Street Station.
3. Procure a qualified architectural firm to design the station as described under no. 1 above.
4. Provide quarterly updates, in coordination with LAWA staff, including, but not limited to, on the development of the 96<sup>th</sup> Street Station, the Intermodal Transportation Facility and Automated People Mover, of the following:
  - a. Design
  - b. Schedule
  - c. Cost Estimates
5. Report back at the September 2014 MTA Board meeting with a conceptual and station design approach plan as described above, and provide quarterly updates on implementation progress thereafter; and
6. Instruct the CEO to work with LAWA and the Board of Airport Commissioners to obtain their written commitment to construct and operate an automated people mover connecting the airport's central terminal area to a planned Metro Rail Station, and to report back at next month's (July 2014) Planning and Programming and Construction Committees, and at Committees each month thereafter until this written commitment is obtained, in order to ensure that the light rail connection to LAX that was promised to the voters in Measure R becomes a reality.



Metro

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

## Board Report

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**File #:** 2017-0003, **File Type:** Oral Report / Presentation

**Agenda Number:** 4.1

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**REGULAR BOARD MEETING  
JANUARY 26, 2017**

RECEIVE **Annual State of the Agency Address** from Chief Executive Officer, Phillip A. Washington.



# State of the Agency



**Metro**

Phillip A. Washington  
Chief Executive Officer  
January 26<sup>th</sup>, 2017

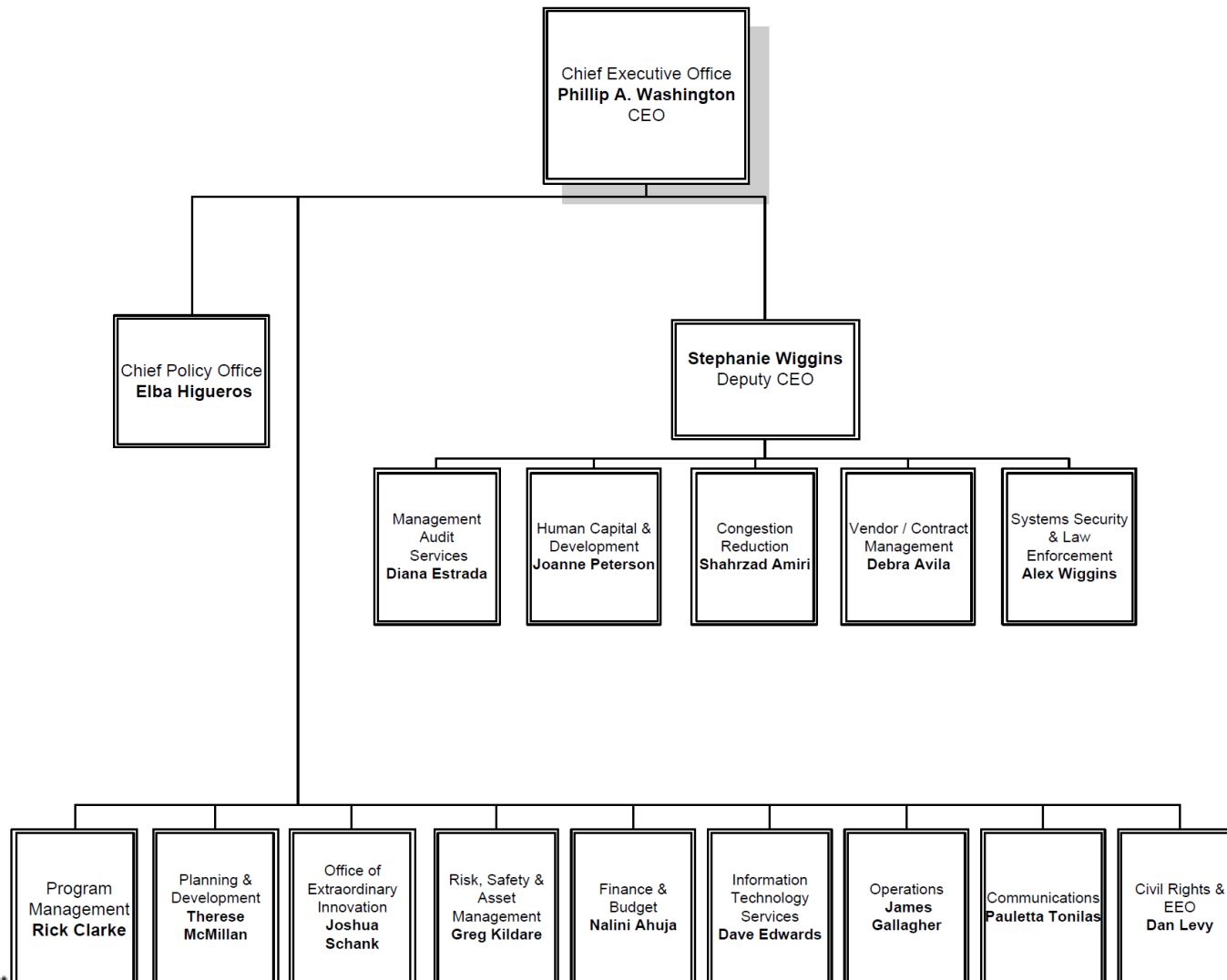
# State of the Agency Overview

To report on the State of the Agency on an annual basis, outlining the previous year's accomplishments, the upcoming year's goals and challenges, and the general state of the agency as seen from the lens of the CEO.

# Agency Organizational Chart

Los Angeles County Metropolitan Transportation Authority

## FY17 Organization Chart



## Program Management 2016 Accomplishments

1. Surpassed 50% Completion of the Crenshaw/LAX project; Harriet completed boring of the southbound tunnel and started the northbound tunnel and partnered with construction authorities to open both Gold and Expo rail lines.
2. Completed Westside Purple Line Extension – Segment 1 Advanced Utilities Relocation contracts on-time and on-budget.
3. Created and implemented the Annual Program Evaluation (APE) initiative and Program Management Plan (PMP).

# Program Management

## 2017 Goals

1. Westside Purple Line Extension – Segment 2 – Issue Notice to Proceed for Design/Build contract.
2. LINK US Project and I-710 South – Release draft EIS/EIR.
3. Completion of all 2017 Measure M Tactical Plan List items.

# Program Management 2017 Challenges

1. Managing projects within budget and schedule considering significant technical, managerial, political and unknown risks.
2. Working effectively with stakeholders to concurrently meet Metro and stakeholder goals.
3. Maintaining the resources and qualified people needed to manage large and complex projects.

# Management Audit Services

## 2016 Accomplishments

1. Completed Departmental Five Year Strategic Plan.
2. Completed and/or managed 231 audits consisting of:
  1. 95 contracts and grants audits. (reviewed \$684.4 Million)
  2. 125 financial and compliance audits to support fiscal responsibility and legal/regulatory compliance (Prop A, C, Measure R, STA, TDA, CPC, NTD, etc.)
  3. 11 performance audits with recommendations to promote efficiency and effectiveness, safeguard of assets, operational and financial information reliability, and regulatory compliance.

# Management Audit Services

## 2017 Goals

1. Complete financial and compliance audits of grants, contracts and funding requirements, such as Prop. A, Prop. C, Measure R, TDA, STA to support financial stability, legal and regulatory compliance, and capital project delivery on time and within budget.
2. Establish Measure M Independent Taxpayer Oversight Committee and hold joint meetings for all Taxpayer Oversight Committees.
3. Complete performance audits to promote efficiency and effectiveness, safety, security, innovation, information reliability and excellence in customer service.



# Management Audit Services

## 2017 Challenges

1. Hire and/or retain staff/consultants with the right competency and skills to match and fulfill the various audit requirements.
2. Juggling multiple priorities in providing assurance in the growing areas of compliance, advancing technology, big data, and risk management (including fraud).
3. Alignment of audit coverage with growing strategic initiatives, evolving operational risks and emerging compliance risks.

# Risk, Safety and Asset Management

## 2016 Accomplishments

1. Completed condition assessments on Metro Rail bridge and tunnel structures (Phase I) and Metro Red Line communication infrastructure.
2. Metro's major transit project OSHA recordable injury rate for all of 2016 for all projects combined was 2.6 which is below the national average rate of 2.8.
3. Achieved significant results through vigilant administration of industrial injury and bodily injury/property damage claims:
  - Number of reported industrial injury claims was reduced by 2.1% and number of bodily injury/property damage claims was reduced by 0.5% from 2015 saving future total expenditures by at least an estimated \$1.6 million.
  - Open claims inventory for industrial injury claims was reduced 13.7% and for bodily injury/property damage claims was reduced 9.8% year over year as of December 31, 2016, reducing our obligations for unpaid liabilities by at least \$5 million total.

# Risk, Safety and Asset Management

## 2017 Goals

1. Effect changes to the labor contracts under negotiation to include safety provisions.
2. Meet all FTA regulations and deadlines regarding the transit asset management (TAM) rulemaking. A significant component is to Initiate multi-year assessment inspection contracts for: Metro's Rail Bridge, Tunnel and Structures; Critical Maintenance and Operations Facilities; Critical Fire/Life Safety Elements and Critical Wayside Control & Power Systems.
3. Complete Metro's first All Hazard Mitigation Plan to focus on and prioritize hazards determined to be "high and moderate risk" as determined from a transportation wide county-level hazard risk and threat assessment.

# Risk, Safety and Asset Management

## 2017 Challenges

1. Continuing to advance Metro's safety culture by ensuring that safety is an ongoing part of operational and capital decisions moving forward.
2. Expanding the Enterprise Transit Asset Management department to more broadly assess the component level real depreciation of Metro's infrastructure/rolling stock and then implementing a sustainable program to fund and maintain the assets.
3. Recruiting and selecting highly qualified and competent rail safety, fire/life safety, construction safety and transit asset management staff related to the Measure M ramp up.

# Human Capital & Development

## 2016 Accomplishments

1. Development & implementation of the Non-Contract classification & compensation study which included the implementation of the merit-based performance program.
2. Developed and implemented the HEAR Program (Helping Employees Access Resources) to assist employees in accessing resources and providing clarity to employees seeking guidance. HEAR will direct employees to the appropriate agency resource to hear their concerns.
3. Completed year one of the Metro Leadership Academy (MLA) with 40 employees graduating. Initiated year two of the MLA welcoming 40 new students.

# Human Capital & Development

## 2017 Goals

1. Set up a first level consultation team to support management in resolving labor issues at the lowest level possible.
2. Negotiate new comprehensive collective bargaining agreements with all five (5) of the represented bargaining units before June 30, 2017.
3. Broaden career pathways model to be inclusive of all departments within Metro.

# Human Capital & Development

## 2017 Challenges

1. Preparing for Measure M staffing needs while being impacted by emerging increase of retirements.
2. Further designing and resourcing effective knowledge transfer and succession planning programs.
3. Accomplishing a win-win scenario in labor ratification of all five (5) collective bargaining agreements.

# Office of Extraordinary Innovation

## 2016 Accomplishments

1. Launched two initial pilots: Uber/Expo Partnership and L.A. Transportation Podcasts.
2. Executed marketing and outreach strategy that yielded 54 unsolicited proposals, including 9 on major capital projects, with 14 in phase II review.
3. Scoped, planned, and launched strategic plan initiative.



# Office of Extraordinary Innovation

## 2017 Goals

1. Advance a Public Private Partnership (P3) delivery method for a major Measure M capital project and explore visionary opportunities.
2. Complete a strategic plan that will define a customer-focused vision for the future of Metro.
3. Pilot a new mobility solution that will integrate on-demand services with core transit assets.

# Office of Extraordinary Innovation

## 2017 Challenges

1. Prioritizing the ideas that can deliver the greatest value from a large array of possible projects.
2. Familiarizing Metro and the County with the value of the strategic planning process.
3. Focusing agency-wide staff on pilot implementation/P3 development without diverting resources from other projects.

## Finance and Budget 2016 Accomplishments

1. Developed a zero based balanced Budget for FY17 with a 2.5%, or a \$142M, reduction from FY16, even with the operation of two new Metro Rail lines.
2. Metro's record of fiscal responsibility and prudent debt management was rewarded with \$20M in interest expense savings and an improved credit rating.
3. Established a framework and allocation of non-capital (47%) of the Measure M Program through the regional stakeholder working groups.

# Finance and Budget

## 2017 Goals

1. Develop a comprehensive 10-year budget plan that incorporates financial and performance measures.
2. Ensure financial systems are in place for a seamless administration and distribution of Measure M funds.
3. Implement a TAP account-based system and integrate with services such as mobile, bikeshare, parking, electric vehicle car share and fare subsidy programs.

# Finance and Budget 2017 Challenges

1. Continue to foster a culture of financial discipline and fiscal responsibility even with Measure M.
2. Implement a performance driven timeline with a realistic budget to ensure the delivery of Measure M promised projects and transit services.
3. Manage a rising interest rate environment that potentially increases the cost of borrowing funds required for capital projects.

# Office of Civil Rights

## 2016 Accomplishments

1. Provided online training for all staff in sexual harassment prevention.
2. Completed and submitted triennial Title VI Program Report to FTA.
3. Held Accessibility Fairs at all bus divisions.

# Office of Civil Rights

## 2017 Goals

1. Initiate Mystery Ride observations for Limited English Proficiency program.
2. Successful full implementation of Wayfindr system at Union Station.
3. Implement department EEO briefings and updated concurrence system.

# Office of Civil Rights

## 2017 Challenges

1. Ensuring that excellent service and support are provided to all passengers with disabilities or other protected status.
2. Securing support and funding to ensure all facilities can be made compliant with existing federal and state accessibility requirements.
3. Ensuring staff are not complacent regarding civil rights of customers and fellow employees.



# Vendor/Contract Management

## 2016 Accomplishments

1. Rolled out the Medium Size Business Enterprise Program (MSZ) on non-federal, negotiated awards for supplies, equipment, materials and services ranging in size from \$12m-\$30M. The MSZ provides set asides for businesses that are no longer eligible for Metro's Small Business Program.
2. Implemented Internal Client Survey and dashboard to improve client experiences, promote culture of communication and collaboration, and ongoing focus of continuous improvement.
3. Achieved the overall agency shared responsibility goal of 25% for Small Business and Disadvantaged Business Enterprise participation for the first time since inception of the program.

# Vendor/Contract Management 2017 Goals

1. Complete baseline assessment of procurement processes and identify actionable solutions to begin streamlining the end to end procurement process.
2. Initiate Business Intelligence performance reporting/dashboard to include procurement cycle time.
3. Implement Metro's WIN-LA program to support Metro's workforce needs as well as serve the historically underserved workforce.

## Vendor/Contract Management 2017 Challenges

1. Multiple competing priorities on procurement and projects, need to attract, hire, and retain staff to support workload.
2. Storage space for material/spares in our warehouses in support of Metro's State of Good Repair.
3. Manage internal cultural shift to new innovations, streamlining and process improvements that will be proposed as areas of focus for 2017.

# Operations

## 2016 Accomplishments

1. Successfully activated, integrated, and trained staff for the opening of two rail extensions, including 2 new rail operating facilities, in FY16 (Gold Line extension in March 2016 and Expo Line extension in May 2016).
2. Received and completed the acceptance of forty-two, P3010 base order cars to support both rail extensions.
3. Activated and integrated a new bus facility, Division 13, in February 2016 and gradually augmented service to full capacity in an effort to seamlessly train staff and deliver quality bus service.

# Operations

## 2017 Goals

1. Continue to improve in-service on-time performance and attract riders through the delivery of safe, clean and reliable service.
2. Continue to improve the planned performance of rail and bus equipment through maintenance and overhaul programs.
3. Continue to develop, train and invest in all contract and non-contract staff in professional development, succession planning, recognition, and by providing them the resources necessary to perform their jobs safely, effectively and efficiently.

# Operations

## 2017 Challenges

1. Succession planning and hiring for the future. Operations has an aging workforce throughout all of its ranks. Metro needs to be prepared to replace this valuable human resource and to capture the organization memory before these individuals retire to help ensure Metro's success in the future.
2. Maintaining bus service speed in an increasingly congested service area in Los Angeles County.
3. Attract and retain staffing levels to support service requirements, preventative maintenance, and capital programs.

## Congestion Reduction 2016 Accomplishments

1. Completed Round 2 of the ExpressLanes Net Toll Revenue Reinvestment Grant program.
2. Completed implementation of Veterans related programs funded through the Veterans Transportation and Community Living Initiative grant.
3. Initiated system development efforts associated with the next generation of 511 and Regional Integration of Intelligent Transportation Systems (RIITS).

# Congestion Reduction

## 2017 Goals

1. Implement next generation of 511 and other technological systems.
2. Plan and hold 5<sup>th</sup> Anniversary events associated with the Metro ExpressLanes.
3. Implement ExpressLanes Video Passenger Detection at key locations within the 10 and 110 ExpressLanes.



# Congestion Reduction 2017 Challenges

1. Deploying new technologies and systems which require collaboration with outside partners.
2. Implementing improvements that are on the leading edge of technology in a timely manner.
3. Ensuring that we have the appropriate level of resources, staffing and knowledge/training to effectively deliver our services.

# Communications

## 2016 Accomplishments

1. Led a multi-faceted communications program contributing to the successful passage of Measure M.
2. Planned and orchestrated widespread and inclusive marketing, outreach, customer service and special events for Gold Line Extension and Expo Extension Line grand openings.
3. Guided Metro's participation in the federal funding process that secured funding awards for Purple Line Section 2, Rosecrans/Marquardt Grade Crossing and CNG buses and facilities.

# Communications

## 2017 Goals

1. Develop and implement a strategic and coordinated communications plan to educate the public about Measure M implementation and progress.
2. Grow constituencies for Metro's programs, projects and services including partnerships to maximize state and federal funding opportunities.
3. Foster and maintain relationships and enhance internal and external communications with/for diverse audiences.

# Communications

## 2017 Challenges

1. Secure necessary resources to expand the communications program with the implementation of Measure M.
2. Redirect and coordinate the agency's various communications efforts through the Communications Department.
3. Coordinate communication and outreach efforts for cross-over projects within communities.

# Systems Security and Law Enforcement

## 2016 Accomplishments

1. Established a task force to address homelessness on the Metro system and developed Metro's Homelessness Action plan that emphasizes:
  - Multi-disciplinary outreach services to address housing, mental health and substance abuse.
  - Training Metro 's front line personnel to recognize persons in need of assistance and referring them to services.
  - Partnering with existing social service agencies to address homelessness from a holistic perspective.
2. Significantly increased the system-wide security presence through additional fixed posts.
  - Established a new 24/7 CCTV surveillance team to facilitate real-time monitoring of key transit hubs
  - Doubled security staffing at train stations, platforms and bus hubs
3. Crafted a comprehensive Transit Policing Request for Proposal (RFP) that believe provides a new foundation for rider safety and security.

# Systems Security and Law Enforcement

## 2017 Goals

1. Develop an industry leading transit security training program, that looks to serve and protect both riders and employees.
2. Increase partnerships with law enforcement agencies within Metro's service area to improve system safety and security.
3. Improve Metro's system-wide physical security program to address longstanding gaps in access control, CCTV surveillance and intrusion detection.

# Systems Security and Law Enforcement

## 2017 Challenges

1. Improving the customer experience by enforcing Metro's Code of Conduct.
2. Effectively managing the workload and eliminating unnecessary overtime.
3. Improving customer perception of security.

# Information Technology Services

## 2016 Accomplishments

1. Completed several initiatives in support of the Customer Experience Transformation Program:
  - Installed cellular connections on 150 buses as a pilot project.
  - Implemented Verizon, Sprint and T-Mobile cellular service along segments of the subway tunnels, in conjunction with the Operations Department.
  - Implemented a new next generation “Open” Trip Planner.
2. Installed and activated voice, network, data and security communication technology in the newly constructed facilities.
3. Completed key technology assessments and plans, including the Fleet Technology Strategic Plan; Cyber Security Assessment and a Technology Governance Program Pilot.



# Information Technology Services

## 2017 Goals

1. Implement/upgrade several key mission critical business systems:
  - HASTUS scheduling and daily dispatching system
  - TAP payment system
  - In house payroll system
  - Business Intelligence financial, operations and security dashboards.
2. Provide cellular service from three major carriers on the entire Purple Line by spring of 2017. Activate cellular service on the Red Line to North Hollywood by the end of the calendar year.
3. Complete several technology assessments and plans:
  - IT Strategic Plan
  - Maintenance and Material Management Requirements Definition for new system
  - IT State of Good Repair assessment

# Information Technology Services

## 2017 Challenges

1. Preparing to address the increased workload demands supporting Measure M.
2. Addressing exponential growth in Electronically Stored Information.
3. Succession planning for aging workforce and recruiting hard to fill technical skill set positions.

# Countywide Planning and Development

## 2016 Accomplishments

1. Planning, Programming, and Grants Management
  - Adoption by Board of Measure M Ordinance and Expenditure Plan
  - Finalized Full Funding Agreement, TIFIA loan and \$1B in other grants
2. Major Project Achievements – Real Estate, Joint Development and Transit Corridors
  - Resolution of Grant Central Market – Proceeds of \$24.8M
  - Delivery of all required parcels for Crenshaw and Purple Line Segment 1
  - Airport Metro Connector/96<sup>th</sup> Street Station – completed project definition and environmental clearance for transition to Program Management
  - Purple Line Section 2 – completed Supplemental Environmental Report in support of pending Full Funding Grant Agreement
3. Active Transportation
  - Launch of Downtown Los Angeles Bikeshare Pilot
  - Adoption of Active Transportation Strategic Plan



# Countywide Planning and Development

## 2017 Goals

1. Complete all Measure M Guidelines for adoption by the Board
2. Launch significant new Long Range Transportation Plan efforts
3. Advance design and any needed environmental clearance for major transit corridor projects including:
  - East San Fernando Valley (Van Nuys Blvd) Corridor
  - West Santa Ana Branch LRT
  - Gold Line Eastside LRT Extension
  - Crenshaw Northern LRT Extension
  - Vermont, North Hollywood to Pasadena and Northeast San Fernando Valley BRT
  - Orange Line Grade Separations and other improvements
  - South Bay Green Line LRT Extension
  - Inglewood/NFL Stadium Rail Connector

# Countywide Planning and Development

## 2017 Challenges

1. Allocate FY2017 resources to complete major planning priorities given new Measure M demands.
2. Manage expanded partner agency and public participation in the implementation of Measure M.
3. Attract and retain talented planning and real estate workforce.

# Agency-wide Emerging Challenges and Priorities for 2017

1. Continued fiscal discipline despite the perceived windfall of Measure M.
  - Risk Allocation Matrix (RAM) Implementation
  - Service and Fare Media Optimization
  
2. On time, on budget – Program Management and Planning
  - Pushing back on requests for changes and modifications that delay projects.
  
  - Realizing vision for Los Angeles Union Station
  
  - Further implementation of Annual Program Evaluation initiative.
  
  - Accelerating projects through OPERATION Shovel Ready (impacting projects county wide).

# Agency-wide Emerging Challenges and Priorities for 2017 cont.

- Streamlining contract award/administration/processes on major projects.
- Improve community outreach and relations associated with environmental and construction activity.
- Continue improving partnerships to improve construction permitting processes. (TIGER Teams)
- Implement lessons learned on mega projects, i.e., early identification of underground utilities, setting LOP's accurately and timely with proper due diligence.
- Move even more aggressively on TOC's and Value Capture opportunities.

# Agency-wide Emerging Challenges and Priorities for 2017 cont.

## 3. Further Enhance the Ridership Experience

- Increasing ridership by enhancing system security (includes passenger and employee safety).
- Continue installation of cellular service in the subway tunnels.
- Asset management and State of Good Repair
- ADA Compliance
- Better understanding the communities and customers we serve.
- Increased technological advancement to benefit the rider (outward facing).



# Agency-wide Emerging Challenges and Priorities for 2017 cont.

4. Workforce Development/Performance Management
  - Continue Merit-Performance based accountability.
  - Succession planning at all levels.
  - Reaching into our communities to identify, assess, train and put people to work (WIN-LA).
  - Further strengthen safety culture.
  - Building career pathways (entry to exit).
5. Implementing innovation in all areas and creating a culture of innovative thought.

# General State of the Agency

- Very sound, with development of a learning and accountability culture.
- Prepared for positive and transformative change.
- Tremendous safety culture developing.
- Sense of pride, progressive mindset, and performance-based.
- Innovative and private sector friendly.
- More strategic versus simply task oriented.
- Investing in people.
- An understanding that transformation is at hand and a belief that the best is yet to come here at LA Metro.

## Q&A



## Board Report

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**File #:** 2016-0885, **File Type:** Contract

**Agenda Number:** 22

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**CONSTRUCTION COMMITTEE  
JANUARY 19, 2017**

**SUBJECT: CLIMATE CHANGE ADAPTATION AND GREENHOUSE GAS EMISSIONS  
CONSULTANT SERVICES**

**ACTION: EXECUTE PROFESSIONAL SERVICES CONTRACT FOR CLIMATE CHANGE  
ADAPTATION AND GREENHOUSE GAS EMISSIONS**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to execute:

- A. a five year cost-plus fixed fee Contract No. PS20109 to **LSA Associates, Inc. for sustainability climate change adaptation and greenhouse gas emissions reduction (GHG)** services on task orders, with an initial amount not-to-exceed \$6,365,000 inclusive of three base years (not to exceed \$3,742,143) with two one-year options (year one = \$1,274,468 and year two = \$1,348,109), subject to resolution of protest(s), if any; and
- B. individual Task Orders and changes within the Board approved contract amount.

**ISSUE**

Metro's operational sustainability program is recognized nationally as one of the leading programs in the transit industry. Under this program, reductions in Metro's operations costs have been achieved through greenhouse gas emission reductions, climate adaptation, and other sustainability projects and initiatives within our construction and operational activities. To continue the success of Metro's sustainability program and further achieve operational cost saving and associated benefits, we have solicited and recommend the execution of a professional services contract for climate change adaptation and greenhouse gas emission reduction services design and implementation.

Metro's current Environmental Compliance Services contract included consultant support for Metro's sustainability program. This contract was solicited to increase participation of firms that work in the sustainability industry in Metro's programs, especially those which are involved in the climate change adaptation and greenhouse gas emission reductions space.

## **DISCUSSION**

Metro's current Environmental Compliance Services contract supports numerous sustainability projects, such as researching and preparing sustainability and greenhouse gas emission reduction measures and best practices for use in Metro's system and facilities, recommending policies, procedures, and actions that encourage and promote sustainability and greenhouse gas emission reductions throughout the organization, and identifying and measuring the agency's sustainability and emissions reduction activities.

Staff divided the current scope of sustainability-related work into four new individual scopes of work to increase participation of firms that work in the sustainability industry, specifically in the climate adaptation and greenhouse gas emission reduction industries. This Contract, No. PS20109, is the last of the four, three of which were approved in earlier years: Contract No. PS84203244, Engineering Services for Energy Efficiency and Renewable Energy, was issued on May 20, 2015; Contract No. PS84203245, Water Conservation, Solid Waste and Recycling contract, was issued on May 20, 2015; and Contract No. PS325890084203243, Sustainability Program Assistance Services contract, was issued on May 22, 2015.

Contract No. PS20109 would be an indefinite delivery/indefinite quantity contract. The consultant is not guaranteed any work because as the need for specific climate change/GHG-related design and consulting services arises, only then will staff be able to issue Contract Work Orders from which Task Orders or changes are drawn. These Task Orders and changes can be funded from an existing project's budget with consideration of any information available at the time of planning and applicable time constraints on performance of the work.

All of the work under this framework are negotiated on a not-to-exceed basis, and can only be performed and paid based on agreed upon rates negotiated at the onset of the project. Staff applies strict project controls in the execution of each of these Task Orders to closely monitor the Consultant's budget and Task Order schedules. No funds are obligated until a Contract Work Order/Task Order is awarded against a valid project.

The Contract No. PS20109 includes a 28% Race Conscious Disadvantaged Business Enterprise (RC DBE) goal. DBE attainment is based on the aggregate value of all task orders issued.

The success of Metro's sustainability program has resulted in its significant expansion over the last few years, prompting the diversification and focus of Metro's sustainability consultant support into several disciplines. The anticipated level of effort required to address climate change adaptation and greenhouse gas emissions reduction include the assistance in the preparation of design and construction documents and specifications, analyses, studies, surveys, investigations, modeling, predictions, and/or reports related to the operation and maintenance of Metro's transportation system, facilities, and support activities.

To accomplish the assigned tasks, the consultant will provide necessary staff, sub-consultants, equipment, software, supplies, and services. The consultant shall employ or subcontract as

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necessary with such diverse professionals as Climate Change Scientists; Climate Adaptation Specialists; Risk Management Specialists; Climate Resiliency Specialists; GIS Operators; CADD/Microstation Operators; Greenhouse Gas Specialists; Grants Managers; Technical Experts; Professional Engineers; Sustainability Engineers; Sustainability Planners; Coastal Engineers; Transportation Specialists; and such other professional practitioners as may be needed to support the required climate adaptation and GHG emission reduction related initiatives/projects.

The new contract is for three years with two one-year options for a total of five years. The Procurement Summary for this contract is documented in Attachment A.

### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have an adverse impact on safety standards for Metro. It will however increase safety as projects become more resilient and adaptive to climate change.

### **FINANCIAL IMPACT**

Contract No. PS20109 is an Indefinite Delivery/Indefinite Quantity (IDIQ) contract. No Metro funds are obligated until a Contract Work Order (CWO) is issued by a Metro authorized Contracting Officer against a valid project budget. No expenditures are authorized until a Task Order is awarded by a Metro authorized Contracting Officer for a specific package of work within the CWO. In other words, all task orders are to be individually negotiated and level of effort fully defined prior to the authorization of any project specific funds. Completion of work under those Task Orders within those CWO awards can continue beyond the contract end date.

Obligations and authorizations made within the total Contract Amount will be against specific project or operations budgets which make up the Board-approved Metro budget for this particular fiscal year. Specific funding for this contract will parallel the project approved by Board under separate actions. The Department Chiefs and Project Managers overseeing these projects will be responsible for providing appropriate budgets.

#### **Impact to Budget**

There will be no net impact to Bus and Rail Operating Budgets. The initial source of funds for this contract is included in the FY17 budget under Project Number 450004 - Climate Adaptation Initiative, Cost Center 8420 Environmental Compliance and Sustainability, Account 50316 Professional and Technical Services. Future task orders are to be individually negotiated and level of effort fully defined prior to the authorization of funds from the projects that would use these services.

### **ALTERNATIVES CONSIDERED**

If Contract No. PS20109 is not awarded, then Metro could experience a delay in the implementation of sustainability projects, which will result in missed opportunities for achieving operational cost savings and system-wide resilience. During the last five years, the Metro Board has approved

various policies and plans (as well as provided direction to staff through several climate change related Motions) to achieve reductions in operational greenhouse gas emissions; implement innovative approaches and strategies to enhance customer experience, reduce limited natural and energy resource use; investigate public-private partnerships to supplement limited funds to design, build, operate, and maintain sustainability related infrastructure; and increase operational efficiency. Metro's operational sustainability program administered through the Environmental Compliance and Sustainability Section has executed significant portions of that mandate; and will continue to do so using all of the sustainability-related consulting contracts (including Contract No. PS20109) as an expert supplement for current staff's expertise.

The Metro Board may reject the recommended action and direct staff to do all climate change adaptation, GHG emission reduction, and related projects in house. Under such situation, Metro would have to hire additional staff that has specific expertise, which staff currently does not have. These would include Climate Change Scientists; Climate Adaptation/Resiliency Specialists; Risk Management Specialists; GIS Operators; CADD/Microstation Operators; Greenhouse Gas Specialists, and other related specialized disciplines.

While there are cost efficiencies that may be achieved by having some of these credentialed and highly skilled staff hired full-time, current Metro staff determined that it would be financially challenging to maintain these specialized highly skilled resources for the next five years (as regular employees) since they are currently projected to be needed only for short-term defined assignments. However, staff will need to revisit the need for long-term sustainability-related skills needs (that can potentially be hired full-time) every three years as our portfolio of these types of infrastructures increase (in-step with the expansion of our transit system).

Staff can solicit and award individual contracts for each climate change/GHG emission reduction expert consulting need, as the need arises. Staff does not recommend this alternative. Individually procuring these CWO's and Task Orders have associated inconsistent and most likely cumulative higher administrative and execution costs. As many of these types of projects overlap with one another in a single major capital project or facility, having multiple consultants with overlapping skills will cause delays and resulting administrative inefficiencies.

### **NEXT STEPS**

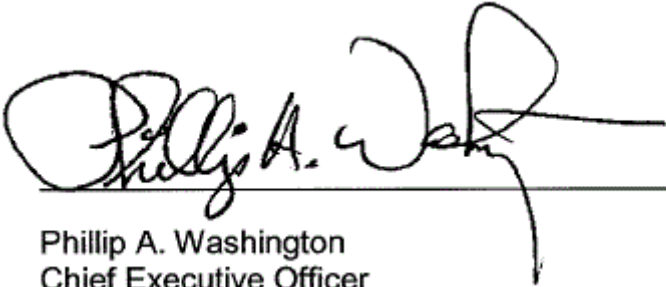
After the recommended Board Action is approved, staff will complete the process to negotiate and award Contract No. PS20109.

### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary  
Attachment C - Forecasted GHG Emissions Reduction Work

Prepared by: Cris B. Liban, Executive Officer Environmental Compliance and Sustainability  
(213) 922-2471

Reviewed by: Richard Clarke, Chief Program Management Officer (213) 922-7557  
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer



## PROCUREMENT SUMMARY

CLIMATE CHANGE AND ADAPTATION AND GREENHOUSE GAS EMISSIONS  
CONSULTANT SERVICES/PS20109

1.	<b>Contract Number:</b> PS20109	
2.	<b>Recommended Vendor:</b> LSA Associates, Inc.	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> March 4, 2016	
	<b>B. Advertised/Publicized:</b> March 11, 2016	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> March 17, 2016	
	<b>D. Proposals/Bids Due:</b> April 14, 2016	
	<b>E. Pre-Qualification Completed:</b> November 30, 2016	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> September 14, 2016	
	<b>G. Protest Period End Date:</b> 1/23/2017	
5.	<b>Solicitations Picked up/Downloaded:</b> 98	<b>Bids/Proposals Received:</b> 6
6.	<b>Contract Administrator:</b> Tamara Reid	<b>Telephone Number:</b> (213) 922-7215
7.	<b>Project Manager:</b> Emmanuel Liban	<b>Telephone Number:</b> (213) 922-2471

**A. Procurement Background**

This Board Action is to approve the award of Contract No. PS20109, for sustainability engineering services for climate change and adaptation and greenhouse gas emissions services. The scope of the Contract is to support the preparation of design and construction documents and specifications, analyses, studies, surveys, investigations, modeling, predictions, and/or reports related to the operation and maintenance of Metro's transportation system, facilities, and support activities. Board approval of contract awards are subject to resolution of all properly submitted protests.

The Request for Proposal (RFP) was issued in accordance with Metro's Acquisition Policy and California Government Code §4525 – 4529. The contract type is a five year cost-plus fixed fee, base year of three years and two one-year options.

Three amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on March 19, 2016 to revise technical specifications and submittal requirements;
- Amendment No. 2, issued on April 1, 2016 to change the proposal due date from April, 7, 2016 to April 14, 2016; and
- Amendment No. 3, issued on April 11, 2016 to remove redundant sections and documents.

On March 17, 2016, a pre-proposal conference was held with 26 firms in attendance. A total of six proposals from the following firms were received on April 14, 2016:

1. AECOM Technical Services, Inc. (AECOM)
2. AMEC Foster Wheeler (AMEC/FW)
3. ATC Group Services, LLC (ATC)
4. ICF International (ICF)
5. LSA Associates, Inc. (LSA)
6. WSP/Parsons Brinckerhoff (WSP/PB)

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Environmental Compliance and Transportation Planning was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposals were evaluated based on the following evaluation criteria and weights:

- |  |     |
|--|-----|
| • Degree of Skills and Experience                                      | 30% |
| • Understanding of Work Appropriateness of Approach for Implementation | 25% |
| • Innovative Climate Change/Greenhouse Gas Practices & Experience      | 25% |
| • Effectiveness of Management Plan                                     | 20% |

This is an Architecture and Engineering (A&E), qualifications based procurement. Price cannot be and was not used as an evaluation factor as governed by California Government Code §4525 - 4529. The evaluation criteria was appropriate and consistent with criteria developed for other, similar A&E solicitations.

During the week of August 1, 2016, the evaluation committee conducted oral presentations with the firms. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Also highlighted were staffing plans, work plans, and perceived project issues. Each team was asked questions relative to each firm's proposed alternatives and previous experience.

### **Qualification Summary of Recommended Firm:**

The evaluation performed by the PET, in accordance with evaluation criteria set forth in the RFP, determined LSA Associates, Inc. (LSA) as the most qualified firm to provide the required services.

LSA has provided relevant environmental experience working on Metro projects such as Interstate 710 (I-710) and Countywide Planning Bench. LSA provided a very detailed report on Metro's current resiliency and vulnerability and strategies to mitigate these issues. A detailed presentation of the staffing level requirements as well as the necessary software tools was submitted which demonstrated a clear understanding of the proposed scope of work.

LSA demonstrated they are well-skilled in providing the scope of services at the level required by this contract, and has the capabilities to provide staffing for task order assignments that may be issued under this contract.

The PET ranked the proposals and assessed strengths, weaknesses and associated risks of each of the Proposers to determine the most qualified firm.

<b>1</b>	<b>FIRM</b>	<b>Average Score</b>	<b>Factor Weight</b>	<b>Weighted Average Score</b>	<b>Rank</b>
<b>2</b>	<b>LSA</b>				
<b>3</b>	Degree of Skills and Experience	78.50	30%	23.55	
<b>4</b>	Understanding of Work and Appropriateness of Approach for Implementation	91.60	25%	22.90	
<b>5</b>	Innovative Climate Change/Greenhouse Gas Practices & Experience	90.40	25%	22.60	
<b>6</b>	Effectiveness of Management Plan	90.50	20%	18.10	
<b>7</b>	<b>Total</b>		<b>100%</b>	<b>87.15</b>	<b>1</b>
<b>8</b>	<b>ICF</b>				
<b>9</b>	Degree of Skills and Experience	75.40	30%	22.62	
<b>10</b>	Understanding of Work and Appropriateness of Approach for Implementation	84.00	25%	21.00	
<b>11</b>	Innovative Climate Change/Greenhouse Gas Practices & Experience	86.80	25%	21.70	
<b>12</b>	Effectiveness of Management Plan	85.00	20%	17.00	
<b>13</b>	<b>Total</b>		<b>100%</b>	<b>82.32</b>	<b>2</b>

<b>14</b>	<b>ATC</b>				
<b>15</b>	Degree of Skills and Experience	69.33	30%	20.80	
<b>16</b>	Understanding of Work and Appropriateness of Approach for Implementation	80.00	25%	20.00	
<b>17</b>	Innovative Climate Change/Greenhouse Gas Practices & Experience	81.60	25%	20.40	
<b>18</b>	Effectiveness of Management Plan	82.00	20%	16.40	
<b>19</b>	<b>Total</b>		<b>100%</b>	<b>77.60</b>	<b>3</b>
<b>20</b>	<b>AECOM</b>				
<b>21</b>	Degree of Skills and Experience	66.33	30%	19.90	
<b>22</b>	Understanding of Work and Appropriateness of Approach for Implementation	75.64	25%	18.91	
<b>23</b>	Innovative Climate Change/Greenhouse Gas Practices & Experience	74.00	25%	18.50	
<b>24</b>	Effectiveness of Management Plan	76.50	20%	15.30	
<b>25</b>	<b>Total</b>		<b>100%</b>	<b>72.61</b>	<b>4</b>
<b>26</b>	<b>WSP/PB</b>				
<b>27</b>	Degree of Skills and Experience	63.53	30%	19.06	
<b>28</b>	Understanding of Work and Appropriateness of Approach for Implementation	75.64	25%	18.91	
<b>29</b>	Innovative Climate Change/Greenhouse Gas Practices & Experience	74.00	25%	18.50	
<b>30</b>	Effectiveness of Management Plan	76.50	20%	15.30	
<b>31</b>	<b>Total</b>		<b>100%</b>	<b>71.77</b>	<b>5</b>
<b>32</b>	<b>AMEC/FW</b>				
<b>33</b>	Degree of Skills and Experience	60.66	30%	18.20	
<b>34</b>	Understanding of Work and Appropriateness of Approach for Implementation	69.32	25%	17.33	

<b>35</b>	Innovative Climate Change/Greenhouse Gas Practices & Experience	72.00	25%	18.00	
<b>36</b>	Effectiveness of Management Plan	70.00	20%	14.00	
<b>37</b>	<b>Total</b>		<b>100%</b>	<b>67.53</b>	<b>6</b>

**C. Cost/Price Analysis**

The cost analysis included: (1) a comparison with cost historical data of other firms offering similar services; (2) an analysis of prior audited and overhead rates, and factors for labor, and other direct costs, and (3) compliance with Federal Acquisition Regulation (FAR) Part 31 guidelines. Metro has rates for direct labor and negotiated provisional overhead rates, and negotiated fixed fee factor for the Contract. The negotiated amount has been determined to be fair and reasonable.

An audit request has been submitted to the Metro Management Audit Services Department (MASD). In order to prevent any unnecessary delay in contract award, provisional overhead rates have been established subject to retroactive Contract adjustments. In accordance with FTA Circular 4220.1.f, if an audit has been performed by any other cognizant agency within the last twelve month period, Metro will receive and accept that audit report for the above purposes rather than perform another audit.

<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Recommended NTE Amount</b>
LSA Associates	\$10,061,346	\$6,365,000	\$6,365,000

Note: This is a five year cost-plus fixed fee Contract with an initial amount not-to-exceed \$6,365,000 inclusive of three base years (not to exceed \$3,742,143) with two one-year options (year one = \$1,274,468 and year two = \$1,348,109).

**D. Background on Recommended Contractor**

LSA, was founded in 1976. LSA is an employee owned environmental, transportation, and community planning firm. LSA has provided services in environmental analysis, transportation planning and engineering, biology, wetlands, habitat restoration, natural resource management, water quality, global climate change, geographic information systems (GIS), community and land planning, cultural and paleontological resources, and air quality assessments for both public and private agencies.

LSA has been the primary consultant with Metro on the interstate 710 (I-710) Corridor Project Environmental Impact Report/Environmental Impact Statement (EIR/EIS). As the lead subcontractor to AECOM, LSA has been managing the

environmental team preparing the EIR/EIS and leading preparation of the technical studies. LSA is currently on Metro's Countywide Planning Bench for GIS services.

## DEOD SUMMARY

**CLIMATE CHANGE ADAPTATION AND GREENHOUSE GAS EMISSIONS  
CONSULTANT SERVICES/PS20109**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 28% Disadvantaged Business Enterprise (DBE) goal for this solicitation. LSA Associates, Inc. exceeded the goal by making a 30.36% DBE commitment.

<b>Small Business Goal</b>	<b>28% DBE</b>	<b>Small Business Commitment</b>	<b>30.36% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	GlobalASR Consulting	Asian Pacific American	5.47%
2.	Katherine Padilla & Associates	Hispanic American	2.98%
3.	PacRim Engineering	Asian Pacific American	1.99%
4.	Pika Environmental	Caucasian Female	4.02%
5.	Sapphos Environmental	Hispanic American	15.90%
<b>Total Commitment</b>			<b>30.36%</b>

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

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

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to the Contract.

**D. Living Wage Service Contract Worker Retention Policy Applicability**

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

**Attachment C. Forecasted GHG Emissions Reduction Work**

Climate Action/Adaptation & GHG Reduction/Monitoring	FY17	FY18	FY19	FY20	FY21
<b>a. Green Infrastructure and Resiliency Program</b>	<b>\$385,448.02</b>	<b>\$375,980</b>	<b>\$383,500</b>	<b>\$391,170</b>	<b>\$411,145</b>
1. Life Cycle Analysis/Monitoring	\$199,068.71	\$194,682.15	\$198,575.79	\$202,547.31	\$212,518.33
2. Sustainability/Leadership Council	\$50,411.50	\$48,994.78	\$49,974.68	\$50,974.17	\$53,709.24
3. Climate Resiliency Planning, Implementation and Monitoring	\$135,967.82	\$132,303.01	\$134,949.07	\$137,648.05	\$144,917.63
<b>b. EMS Integration</b>	<b>\$197,752.15</b>	<b>\$192,618</b>	<b>\$196,470</b>	<b>\$200,400</b>	<b>\$210,838</b>
1. Initiation	\$45,689.04	\$148,456.68	\$151,425.81	\$154,454.32	\$162,246.47
2. On-going support	\$152,063.12	\$44,161.27	\$45,044.49	\$45,945.38	\$48,591.62
<b>c. Green Construction Policy Tracking</b>	<b>\$73,351.11</b>	<b>\$72,001.00</b>	<b>\$73,441.02</b>	<b>\$74,909.84</b>	<b>\$78,401.08</b>
<b>d. Climate Change Tools' Development &amp; Management</b>	<b>\$34,300.61</b>	<b>\$31,988.95</b>	<b>\$32,628.73</b>	<b>\$33,281.30</b>	<b>\$36,067.70</b>
<b>e. GHG Mitigation, Tracking &amp; Verification</b>	<b>\$54,892.24</b>	<b>\$53,514.05</b>	<b>\$54,584.33</b>	<b>\$55,676.02</b>	<b>\$58,541.26</b>
1. GHG Mitigation Strategy Support/Implementation	\$27,192.50	\$26,533.61	\$27,064.28	\$27,605.57	\$29,008.58
2. GHG Tracking & Verification	\$27,699.74	\$26,980.44	\$27,520.05	\$28,070.45	\$29,532.68
<b>f. Climate Action/Adaptation Program</b>	<b>\$473,595.46</b>	<b>\$452,331.86</b>	<b>\$461,378.50</b>	<b>\$470,606.07</b>	<b>\$501,762.70</b>
1. Climate Action & Adaptation Plan	\$170,268.06	\$163,687.98	\$166,961.74	\$170,300.97	\$180,771.41
2. Design Criteria/Specifications Update	\$70,021.52	\$68,023.79	\$69,384.27	\$70,771.96	\$74,591.49
3. Climate Adaptation Pilot Studies	\$233,305.88	\$220,620.09	\$225,032.49	\$229,533.14	\$246,399.79
<b>g. Climate Change/GHG Policy Tracking &amp; Support</b>	<b>\$48,347.29</b>	<b>\$46,544.82</b>	<b>\$47,475.72</b>	<b>\$48,425.23</b>	<b>\$51,353.02</b>
<i>Yearly Total</i>	<b>\$1,267,686.88</b>	<b>\$1,224,978.56</b>	<b>\$1,249,478.13</b>	<b>\$1,274,467.70</b>	<b>\$1,348,109.04</b>
ROM Amount	<b>\$6,364,720.31</b>				
Contingency (15%)*	\$954,708				
Total with Contingency	\$7,319,428				

\*Contract shall be managed to the awarded amount of \$6,365,000 which excludes CMA/Contingency





## Board Report

File #: 2016-0887, File Type: Contract

Agenda Number: 25

### CONSTRUCTION COMMITTEE JANUARY 19, 2017

**SUBJECT: CEQA/NEPA ENVIRONMENTAL SERVICES AND SUPPORT**

**ACTION: AWARD PROFESSIONAL SERVICES CONTRACT**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute:

- A. a five-year cost-plus fixed fee Contract No. PS20111, with **ICF International for CEQA/NEPA Environmental Services and Support** on Task Orders, inclusive of two one-year options with an initial amount not-to-exceed \$25,604,000, inclusive of three base years (not to exceed \$15,076,003) with two one-year options (year one = \$5,211,497 and year two = \$5,315,727), subject to resolution of protest(s)subject to resolution of protest(s), if any; and
- B. individual Task Orders and changes within the Board approved contract amount.

#### **ISSUE**

Environmental analysis and clearance of Los Angeles County Metropolitan Transportation Authority (Metro) projects is conducted under the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), Section 106 of the National Historic Preservation Act (NHPA), and Section 4(f) of the Department of Transportation Act (DOTA) of 1966, and other appropriate federal, state, and local laws, regulations, and guidelines related to the impact that Metro projects may have on the environment.

These Metro projects normally include rail development projects, bus service projects, and Metro facilities projects that have been planned and environmentally cleared through the use of federal Major Investment Study, Alternative Analysis/ Draft and Final Environmental Impact Statement processes or through a CEQA Draft and Final Environmental Impact Report. These projects may also have been evaluated with various supplemental or subsequent environmental documents.

#### **DISCUSSION**

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The existing Environmental Compliance contract is a five year contract that expired on December 31, 2016. The environmental compliance services that the existing contract provides were in support of the major projects and various other bus and rail capital projects and this work needs to be continued. While existing Task Orders executed prior to the expiration of the previous contract provide continued support until the end of the period of performance for the specific Task Order, there is a need for a new environmental compliance services contract to execute new Task Orders that will support additional project needs to ensure Metro's continued compliance to NEPA, CEQA, and related statutes. The new environmental compliance services solicitation for the Contract that is to be awarded through this Board Report was initiated in mid-2016 and the evaluation has now been completed to ensure continuation of these services. The new Contract is for three years with two one-year options for a total of five years. The Procurement Summary for this contract is documented in Attachment A.

The services that this Contract provides include the preparation of studies, surveys, investigations, modeling, predictions, data analyses and reporting related to the categories of impact found in the CEQA/NEPA guidelines, or as required by conditions identified during the planning, development, and design stages of a project and/or during the construction, operation or close-out phases of a project. This work also includes the engineering and design of mitigation measures necessary to comply with the above listed requirements.

To accomplish the assigned tasks, the Contractor will provide necessary staff, sub-consultants, equipment, software, supplies, and services. They shall employ or subcontract as necessary with such diverse professionals like Acoustical Engineers, Air Quality Engineers, Biologists, Botanists, Arborists, Historians, Archeologists, Paleontologists, Legal Counsel, Environmental and Sustainability Scientists and Engineers and such other professional practitioners as may be needed to support Metro's environmental compliance programs.

### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have an impact on established safety standards for Metro's Construction projects.

### **FINANCIAL IMPACT**

As specific environmental compliance needs arise, Task Orders will be issued and funded from their associated project budget, upon approval by the responsible Project Manager. Board approved and forecasted budgets within the FY17 to FY21 timeframe include, for example, major Bus and Rail Construction Projects, Metro Crenshaw Light Rail Project, Metro Regional Connector, and Metro Westside Extension Project, Bus Division Expansion Projects, Energy Conservation and Management (450001), Policy Development and Implementation (450002), Environmental Management System Implementation (450003), and Greenhouse Gas Emissions and Climate Change Management (450004). Anticipated services that will be used by these projects are provided

in Attachment C.

Contract No. PS20111 is an Indefinite Delivery/Indefinite Quantity (IDIQ) contract. No Metro funds are obligated until a Contract Work Order (CWO) is issued by a Metro authorized Contracting Officer against a valid project budget. No expenditures are authorized until a Task Order is awarded by a Metro authorized Contracting Officer for a specific package of work within the CWO. In other words, all task orders are to be individually negotiated and level of effort fully defined prior to the authorization of any project specific funds. Execution of work under those Task Orders within those CWO awards can continue beyond the contract end date.

Obligations and authorizations made within the total Contract Amount will be against specific project or operations budgets which make up the Board-approved Metro budget for this particular fiscal year. Specific funding for this contract will parallel the project approved by Board under separate actions. The Chiefs of the business units and Project Managers overseeing these projects will be responsible for providing appropriate budgets.

#### Impact to Budget

The Bus and Rail Operating and Capital Budgets are not impacted by this action.

#### **ALTERNATIVES CONSIDERED**

If Contract No. PS20111 is not awarded, Metro could experience increased liability for Contractor claims for delay to schedule completion milestones, incur opportunity costs, or risk fines and lawsuits resulting from inaction to comply with regulatory agency, local government, or community group requirements.

The Metro Board may reject the recommended action and direct staff to do all environmental compliance services support work in house. Under such situation, Metro would have to hire additional staff with expertise in many different subjects, such as acoustical engineering, archeology, paleontology, biology, botany, traffic engineering, environmental science and engineering; as well as purchase specialized equipment such as sound monitors, traffic counters, bio-monitors, etc. and related equipment. Such an action is not practical or cost-effective. Metro would incur more cost to do the work internally compared to employing consultants.

#### **NEXT STEPS**

After the recommended Board Action is approved, staff will complete the process to award PS20111.

#### **ATTACHMENTS**


Attachment A - Procurement Summary, Environmental Compliance Services  
Attachment B - DEOD Summary  
Attachment C - Forecasted Environmental Compliance Services Work FY17-FY22

Prepared by: Cris B. Liban, Executive Officer, Environmental Compliance and Sustainability (213) 922-3471

Reviewed by: Richard Clarke, Chief Program Management Officer  
(213) 922-7557

Debra Avila, Chief Vendor/Contract Management Officer

(213) 418-3051



Phillip A. Washington  
Chief Executive Officer

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## PROCUREMENT SUMMARY

## CEQA/NEPA ENVIRONMENTAL SERVICES AND SUPPORT / PS20111

1.	<b>Contract Number:</b> PS20111	
2.	<b>Recommended Vendor:</b> ICF International	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> January 29, 2016	
	<b>B. Advertised/Publicized:</b> February 9, 2016	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> February 18, 2016	
	<b>D. Proposals/Bids Due:</b> March 14, 2016	
	<b>E. Pre-Qualification Completed:</b> November 2, 2016	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> June 3, 2016	
	<b>G. Protest Period End Date:</b> 1/2017	
5.	<b>Solicitations Picked up/Downloaded:</b> 81	<b>Bids/Proposals Received:</b> 5
6.	<b>Contract Administrator:</b> Tamara Reid	<b>Telephone Number:</b> (213) 922-7215
7.	<b>Project Manager:</b> Emmanuel Liban	<b>Telephone Number:</b> (213) 922-2471

**A. Procurement Background**

This Board Action is to approve Contract No. PS20111, issued in support of CEQA/NEPA environmental services and support. The scope of the Contract is to support the preparation of studies, surveys, investigations, modeling, predications, data analyses and reporting related to the categories of impact found in the CEQA/NEPA guidelines or as required by conditions identified during the planning, development, and design stages of a project and/or during the construction, operation or close-out phases of a project. Board approval of contract awards are subject to resolution of all properly submitted protests.

The RFP was issued in accordance with Metro's Acquisition Policy and California Government Code §4525-4529. The contract type is a five-year cost-plus fixed fee contract, inclusive of two one-year options.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on March 9, 2016 to modify RFP documents.

On February 18, 2016, a pre-proposal conference was held with 30 firms in attendance. A total of five proposals from the following firms were received on March 14, 2016:

1. AECOM Technical Services, Inc. (AECOM)
2. CH2M Hill

3. ICF International (ICF)
4. Sapphos Environmental Inc. (Sapphos)
5. Ultrasystems

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Environmental Compliance and Transportation Planning was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

- |   |     |
|---|-----|
| • Proposed Team Capabilities and Experience   | 26% |
| • Role and Relevant Experience and Capability of the Firms on the Prime Contractor's Team | 25% |
| • Staff Positions Identified in the Scope of Services                                     | 25% |
| • Project Management Approach   | 20% |
| • DBE Contracting Outreach and Mentor Protégé Approach                                    | 4%  |

This is an Architecture and Engineering (A&E), qualifications based procurement. Price cannot be used as an evaluation factor as governed by California Government Code §4525 - 4529. The evaluation criteria are appropriate and consistent with criteria developed for other, similar A&E solicitations.

During the week of April 18, 2016, the evaluation committee conducted oral presentations with the firms. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Also highlighted were staffing plans, work plans, and perceived project issues. Each team was asked questions relative to each firm's proposed alternatives and previous experience.

### **Qualification Summary of Recommended Firm:**

The evaluation performed by the PET, in accordance with evaluation criteria set forth in the RFP, determined ICF as the most qualified firm to provide the required services.

ICF has provided relevant environmental planning and regulatory compliance experience working on Metro projects such as the Blue Line, Green Line, Orange Line, Red Line, and Gold Line and their extensions; the Wilshire BRT project; Crenshaw/LAX Transit Corridor; Exposition Line Phase I; and projects along the I-5, I-710, I-405, SR 2, SR 57, SR 60, and SR 210 freeways. ICF provided a detailed Project Management Plan that included extensive coordination with internal teams

and Metro as well as staffing requirements demonstrated a clear understanding of the proposed scope of work.

ICF demonstrated they are well-skilled in providing the scope of services at the level required by this contract, and has the capabilities to provide staffing for task order assignments that may be issued under this contract.

The PET ranked the proposals and assessed strengths, weaknesses and associated risks of each of the Proposers to determine the most qualified firm.

<b>1</b>	<b>FIRM</b>	<b>Average Score</b>	<b>Factor Weight</b>	<b>Weighted Average Score</b>	<b>Rank</b>
<b>2</b>	<b>ICF</b>				
<b>3</b>	Proposer's team capabilities and experience	92.65	26%	24.09	
<b>4</b>	Role and relevant experience and capability of the firms on the prime contractor's team	90.00	25%	22.50	
<b>5</b>	Staff positions identified in the scope of services	95.32	25%	23.83	
<b>6</b>	Project management approach	90.65	20%	18.13	
<b>7</b>	DBE Contracting Outreach & Mentor Protégé Approach	100.00	4%	4.00	
<b>8</b>	<b>Total</b>		<b>100%</b>	<b>92.55</b>	<b>1</b>
<b>9</b>	<b>AECOM</b>				
<b>10</b>	Proposer's team capabilities and experience	86.35	26%	22.45	
<b>11</b>	Role and relevant experience and capability of the firms on the prime contractor's team	86.32	25%	21.58	
<b>12</b>	Staff positions identified in the scope of services	88.68	25%	22.17	
<b>13</b>	Project management approach	83.00	20%	16.60	
<b>14</b>	DBE Contracting Outreach & Mentor Protégé Approach	100.00	4%	4.00	
<b>15</b>	<b>Total</b>		<b>100%</b>	<b>86.80</b>	<b>2</b>

<b>16</b>	<b>Sapphos</b>				
<b>17</b>	Proposer's team capabilities	91.00	26%	23.66	

	and experience				
<b>18</b>	Role and relevant experience and capability of the firms on the prime contractor's team	87.68	25%	21.92	
<b>19</b>	Staff positions identified in the scope of services	87.32	25%	21.83	
<b>20</b>	Project management approach	88.35	20%	17.67	
<b>21</b>	DBE Contracting Outreach & Mentor Protégé Approach	25.00	4%	1.00	
<b>22</b>	<b>Total</b>		<b>100%</b>	<b>86.08</b>	<b>3</b>
<b>23</b>	<b>Ultrasystems</b>				
<b>24</b>	Proposer's team capabilities and experience	80.65	26%	20.97	
<b>25</b>	Role and relevant experience and capability of the firms on the prime contractor's team	82.00	25%	20.50	
<b>26</b>	Staff positions identified in the scope of services	86.00	25%	21.50	
<b>27</b>	Project management approach	83.35	20%	16.67	
<b>28</b>	DBE Contracting Outreach & Mentor Protégé Approach	75.00	4%	3.00	
<b>29</b>	<b>Total</b>		<b>100%</b>	<b>82.64</b>	<b>4</b>
<b>30</b>	<b>CH2MHill</b>				
<b>31</b>	Proposer's team capabilities and experience	70.00	26%	18.20	
<b>32</b>	Role and relevant experience and capability of the firms on the prime contractor's team	64.32	25%	16.08	
<b>33</b>	Staff positions identified in the scope of services	80.00	25%	20.00	
<b>34</b>	Project management approach	81.65	20%	16.33	
<b>35</b>	DBE Contracting Outreach & Mentor Protégé Approach	75.00	4%	3.00	
<b>36</b>	<b>Total</b>		<b>100%</b>	<b>73.61</b>	<b>5</b>



### **C. Cost/Price Analysis**

The cost analysis included: (1) a comparison with historical cost data of other firms offering similar services; (2) an analysis of prior audited and overhead rates, and factors for labor, and other direct costs, and (3) compliance with Federal Acquisition Regulation (FAR) Part 31 guidelines. Metro has rates for direct labor and provisional overhead rates, and a negotiated fixed fee rate for the contract. The negotiated amount has been determined to be fair and reasonable.

An audit request has been submitted to the Metro Management Audit Services Department (MASD). In order to prevent any unnecessary delay in contract award, provisional overhead rates have been established subject to retroactive Contract adjustments. In accordance with FTA Circular 4220.1.F, if an audit has been performed by any other cognizant agency within the last twelve month period, Metro will receive and accept that audit report for the above purposes rather than perform another audit.

<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Funding Amount</b>
ICF International	\$26,000,000	\$25,604,000	\$25,604,000

Note: This is a a five-year cost-plus fixed fee Contract inclusive of two one-year options with an initial amount not-to-exceed \$25,604,000, inclusive of three base years (not to exceed \$15,076,003) with two one-year options (year one = \$5,211,497 and year two = \$5,315,727).

### **D. Background on Recommended Contractor**

ICF was founded in 1969. ICF is a multidisciplinary firm providing professional services in environmental planning and regulatory compliance. ICF provides the full range of environmental documentation for transportation projects and Categorical Exclusions under NEPA and Categorical Exemptions under CEQA.

ICF has a successful partnership with Metro that dates back to 1980, and has had a role helping to deliver some of Metro's largest projects, including the Blue Line, Green Line, Orange Line, Red Line, and Gold Line and their extensions; the Wilshire BRT project; Crenshaw/LAX Transit Corridor; Exposition Line Phase I; and projects along the I-5, I-710, I-405, SR 2, SR 57, SR 60, and SR 210 freeways in Los Angeles.

## DEOD SUMMARY

## CEQA/NEPA ENVIRONMENTAL SERVICES AND SUPPORT / PS20111

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 30% Disadvantaged Business Enterprise (DBE) goal for this solicitation. ICF International, Inc. met the goal by making a 30% DBE commitment.

<b>Small Business Goal</b>	<b>30% DBE</b>	<b>Small Business Commitment</b>	<b>30% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	A. Ontiveros & Associates	Hispanic American	0.50%
2.	ACT Consulting Engineers	Asian Pacific American	1.00%
3.	The Alliance Group Enterprise	Asian Pacific American	0.50%
4.	Arellano Associates	Hispanic American	1.70%
5.	BRC-Equals3, Inc.	Caucasian Female	1.00%
6.	Civil Works Engineers, Inc.	Caucasian Female	0.50%
7.	Cross-Spectrum Acoustics	African American	3.00%
8.	California Watershed Engineering Corp.	Subcontinent Asian American	1.00%
9.	Diaz Yourman Consultants	Hispanic American	2.50%
10.	Geospatial Professional Solutions, Inc.	Asian Pacific American	0.50%
11.	Global ASR Consulting	Asian Pacific American	1.00%
12.	Katherine Padilla & Associates	Hispanic American	1.70%
13.	LRS Program Delivery, Inc.	Asian Pacific American	0.50%
14.	Morgner Construction Mgmt.	Hispanic American	1.00%
15.	Paleo Solutions, Inc.	Caucasian Female	4.00%
16.	Public Connections Organization	African American	1.00%
17.	Ramos Consulting Services	Hispanic American	0.50%
18.	Terry A. Hayes Associates	African American	7.10%
19.	Translink Consulting, LLC	Asian Pacific American	1.00%
	<b>Total Commitment</b>		<b>30.00%</b>

**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.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this Contract.

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

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

**Attachment C. Forecasted Environmental Compliance Work - FY17 to FY21**

CEQA/NEPA	FY17	FY18	FY19	FY20	FY21
<b>a. Documents</b>	<b>\$256,700.14</b>	<b>\$258,651.86</b>	<b>\$263,824.90</b>	<b>\$269,101.39</b>	<b>\$274,483.42</b>
1. Exemptions/ Exclusions	\$42,581.65	\$42,902.01	\$43,760.05	\$44,635.25	\$45,527.96
2. Initial Studies/Environmental Assessments	\$21,191.99	\$21,334.35	\$21,761.04	\$22,196.26	\$22,640.19
3. Negative Declarations/ Mitigated Negative Declarations/ FONSI	\$29,783.35	\$29,977.42	\$30,576.97	\$31,188.51	\$31,812.28
4. EIR/EIS	\$163,143.14	\$164,438.07	\$167,726.83	\$171,081.37	\$174,502.99
<b>b. Supporting Documentation/Studies</b>	<b>\$214,479.86</b>	<b>\$214,384.71</b>	<b>\$218,672.40</b>	<b>\$223,045.85</b>	<b>\$227,506.77</b>
1. Air Quality	\$15,757.49	\$15,608.05	\$15,920.21	\$16,238.61	\$16,563.39
2. Biology	\$20,163.77	\$20,312.77	\$20,719.02	\$21,133.40	\$21,556.07
3. Cultural	\$46,936.02	\$46,986.85	\$47,926.59	\$48,885.12	\$49,862.82
4. Geology and Soils	\$31,135.52	\$30,987.16	\$31,606.91	\$32,239.04	\$32,883.83
5. Hydrology and Water Quality	\$23,195.10	\$23,194.21	\$23,658.10	\$24,131.26	\$24,613.88
6. Land Use and Planning	\$16,933.75	\$17,070.44	\$17,411.85	\$17,760.08	\$18,115.29
7. Noise	\$25,868.64	\$25,628.95	\$26,141.53	\$26,664.36	\$27,197.65
8. Transportation and Traffic	\$26,184.62	\$26,226.52	\$26,751.05	\$27,286.08	\$27,831.80
9. Visual Resources and Aesthetics	\$8,304.95	\$8,369.75	\$8,537.14	\$8,707.89	\$8,882.05
<b>c. Field Monitoring</b>	<b>\$4,486,384.71</b>	<b>\$4,536,091.33</b>	<b>\$4,626,813.16</b>	<b>\$4,719,349.42</b>	<b>\$4,813,736.41</b>
1. Air Quality	\$41,913.70	\$41,342.43	\$42,169.28	\$43,012.67	\$43,872.92
2. Archeology	\$1,944,566.09	\$1,968,595.45	\$2,007,967.36	\$2,048,126.71	\$2,089,089.24
3. Paleontology	\$1,939,535.02	\$1,963,826.20	\$2,003,102.73	\$2,043,164.78	\$2,084,028.08
4. Historical	\$481,898.21	\$484,571.14	\$494,262.56	\$504,147.81	\$514,230.77
5. Noise and Vibration	\$78,471.69	\$77,756.10	\$79,311.23	\$80,897.45	\$82,515.40
<i>Yearly Total</i>	<b>\$4,957,564.71</b>	<b>\$5,009,127.90</b>	<b>\$5,109,310.46</b>	<b>\$5,211,496.67</b>	<b>\$5,315,726.60</b>
ROM Amount	<b>\$25,603,226.34</b>				
Contingency (15%)*	\$3,840,484				
Total with Contingency	\$29,443,710				

\*Contract shall be managed to the awarded amount of \$25,604,000 which excludes CMA/Contingency

**Board Report**

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**File #:** 2016-0768, **File Type:** Contract**Agenda Number:** 38

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
JANUARY 19, 2017****SUBJECT: EXERCISE OPTIONS FOR P3010 LIGHT RAIL VEHICLE PROCUREMENT  
CONSULTING SERVICES****ACTION: AUTHORIZE CEO TO EXECUTE OPTION YEARS FOR EXISTING CONTRACTS  
(OP39602795A & OP39602795B)****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute a Contract Modification exercising three one-year options to:

- A. Contract No. OP39602795A with **LTK Engineering Services for Element A, Consultant for Light Rail Vehicle Acquisition, Technical Support Services**, in an aggregate amount of \$5,972,304, increasing the total Contract amount from \$15,236,445 to a total not-to-exceed amount of \$21,208,749; and
- B. Contract No. OP39602795B with CH2M Hill Inc. for **Element B, Consultant for Light Rail Vehicle Acquisition, Program Management Support Services**, in an aggregate amount of \$2,291,639, increasing the total Contract amount from \$6,087,246 to a total not-to-exceed amount of \$8,378,885.

**ISSUE**

In April 2012, the Board approved a contract with Kinkisharyo International, LLC (KI) for the manufacture and delivery of 78 new Light Rail Vehicles. Subsequently, the Board approved the award of the four options for the P3010 LRV Project (CP 206035) for an additional 157 vehicles, for a total of 235 vehicles. With the exercise of those quantity options, the last car will not be delivered until later half of 2020. To ensure continuity of consultant support for the P3010 LRV project, it is recommended that Metro award the remaining three one-year options on the existing contracts with LTK Engineering Services and CH2M Hill, Inc.

**DISCUSSION**

To support Metro staff with the management of the P3010 LRV project two sets of consultants were contracted. The consultant support to the project is divided into elements A and B:

- Element A Technical Support Services: LTK Engineering
- Element B Program Management Support Services: CH2M Hill Inc.

On March 22, 2012, the LACMTA Board awarded a base five-year contract, No. OP39602795A, to LTK Engineering (LTK) to provide technical support services for the P3010 LRV Procurement Project. The base contract is for five years and will expire March 25, 2017.

On March 22, 2012, the LACMTA Board also awarded Contract No. OP39602795B, to CH2M Hill Inc. to provide program management support services for the P3010 LRV Procurement project. The base contract is for five years and will expire March 25, 2017.

### **DETERMINATION OF SAFETY IMPACT**

The approval to execute the three options years for the Technical Support and Program Management Support Services will ensure continuity of the LRV Procurement Project and will assist with maintaining overall system safety, service quality, system reliability and overall customer satisfaction.

### **FINANCIAL IMPACT**

Funding for P3010 consultant support services has been allocated and initial LOP budget of \$30,000,000 for Consulting Services for Light Rail Vehicle Procurement was approved by the Board in 2012. Funds required in fiscal year 2017 are included in Cost Center 3043, Capital Project (CP) 206036. Since this is a multi-year project, the Chief Operating Officer and the Project Manager are responsible for budgeting in future years. Within CP 206036, there are two consultant supporting services specified: Technical Support and Program Management Support Services. Executing the three one-year options to continue the consultant support services will not increase the Board-approved LOP of \$30,000,000.

#### **Impact to Budget**

Funding for these services will come from Proposition A 35% Rail. This funding source is eligible for Rail Capital Projects and will maximize fund use based on funding allocation provisions.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to execute the three one-year options years. This alternative is not recommended as critical project activities being supported by consultant staff will be interrupted, likely impacting project schedule. These activities include, but are not limited to: auditing manufacture and assembly site activities, witnessing commissioning tests, reviewing test procedures and test reports, providing warranty support, reviewing car history books prior to submittal to CPUC, and conducting schedule and milestone reviews. The Metro project team currently does not have the resources to absorb this work.

### **NEXT STEPS**

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Upon Board approval exercise the three one-year options with each CH2M Hill and LTK Engineering Services.

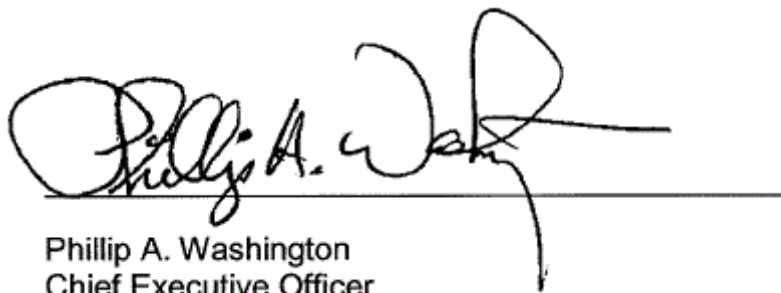
**ATTACHMENTS**

Contract No.: OP39602795A - LTK Engineering Services  
Attachment A - Procurement Summary  
Attachment B - Contract Modification Log  
Attachment C - DEOD Summary

Contract No.: OP39602795B - CH2M Hill, Inc.  
Attachment A - Procurement Summary  
Attachment B - Contract Modification Log  
Attachment C - DEOD Summary

Prepared by: Annie Yang, Sr. Director, Rail Vehicle Acquisition, (213) 922-3254  
Jesus Montes, Sr. EO, Vehicle Acquisition, (213) 922-3838

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424  
Debra Avila, Chief Vendor/Contract Management Officer  
(213) 418-3051



Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

EXERCISE OPTIONS FOR LIGHT RAIL VEHICLE  
CONSULTING SERVICES / OP39602795A

1.	<b>Contract Number:</b> OP39602795A		
2.	<b>Contractor:</b> LTK Engineering Services		
3.	<b>Work Description:</b> Consulting Services for Light Rail Vehicle (LRV) Acquisition, Technical Support Services		
4.	<b>The following data is current as of:</b> 12/07/2016		
5.	<b>Contract Status:</b> Base Year Task Order Contract expires 3/25/17		
	<b>Bids/Proposals Opened:</b>	11/30/2011	<b>Contract Award Amount:</b> \$15,236,445 Base
	<b>Contract Awarded:</b>	03/22/2012	<b>Total of Modifications Approved:</b> 21
	<b>NTP:</b>	08/13/2012	<b>Current Contract Value:</b> \$15,236,445 (Base)
	<b>Original Complete Date:</b>	03/25/2017 (Base)	<b>Current Est. Complete Date:</b> 03/25/2017 (Base)
6.	<b>Contract Administrator:</b> Elizabeth Hernandez		<b>Telephone Number:</b> (213) 922-7334
7.	<b>Project Manager:</b> Annie Yang		<b>Telephone Number:</b> (213) 922 -3254

**A. Procurement Background**

On March 22, 2012, Contract No. OP39602795 for Element A was awarded to LTK Engineering Services (LTK), in the not-to-exceed amount of \$15,236,445, for the five year Base Contract for Consulting Services for light rail vehicle acquisition, technical support. An aggregate total amount of \$5,972,304 for up to three one-year options was proposed and evaluated at the same time. The total Contract amount with the three one-year options would total a not-to-exceed amount of \$21,208,749.

The Board action authorized the Chief Executive Officer to award the five year base contract to LTK that is set to expire on March 25, 2017. Staff recommends the exercise of the three one-year options for LTK to continue to provide technical consulting services support to the P3010 LRV acquisition project. This is consistent with the prior Board approval to award all options for the P3010 LRV Project (CP 206035) for an additional 157 LRV cars. With the exercise of these Contract Options the technical services will coincide with the delivery of the last P3010 car scheduled to be delivered by early 2020.

Attachment B shows that 21 zero dollar Contract Modifications have been issued to date to update the names of the staff/personnel authorized in the various labor categories identified in Contract.



## **B. Cost/Price Analysis**

The recommended not-to-exceed amount for these Contract Options is consistent with the labor rates defined in the Contract. Those rates were deemed fair and reasonable through adequate price competition, audit prior to Contract award and recent market survey. Any future changes to the Contract will be based upon additional audit, cost analysis, technical evaluation, and negotiations.

## PROCUREMENT SUMMARY

EXERCISE OPTIONS FOR LIGHT RAIL VEHICLE  
CONSULTING SERVICES / OP39602795B

1.	<b>Contract Number:</b> OP39602795B		
2.	<b>Contractor:</b> CH2M HILL, INC.		
3.	<b>Work Description:</b> Consulting Services for Light Rail Vehicle (LRV) Acquisition, Program Management Support Services		
4.	<b>The following data is current as of:</b> 12/07/2016		
5.	<b>Contract Status:</b> Base Year Task Order Contract expires 3/25/17		
	<b>Bids/Proposals Opened:</b>	11/30/2011	<b>Contract Award Amount:</b> \$6,087,246 Base
	<b>Contract Awarded:</b>	03/22/2012	<b>Total of Modifications Approved:</b> 21
	<b>NTP:</b>	08/13/2012	<b>Current Contract Value:</b> \$6,087,246
	<b>Original Complete Date:</b>	03/25/2017 (Base)	<b>Current Est. Complete Date:</b> 03/25/2017 (Base)
6.	<b>Contract Administrator:</b> Elizabeth Hernandez		<b>Telephone Number:</b> (213) 922-7334
7.	<b>Project Manager:</b> Annie Yang		<b>Telephone Number:</b> (213) 922 -3254

**A. Procurement Background**

On March 22, 2012, Contract No. OP39602795 Element B was awarded to CH2M Hill, Inc. (CH2M), in the not-to-exceed amount of \$6,087,246, for the five-year base Contract for Consulting Services for Light Rail Vehicle Acquisition, Program Management Support. An aggregate total amount of \$2,291,639 for up to three one-year options was proposed and evaluated at the same time. The total Contract amount with the three one year options will total a not-to-exceed amount of \$8,378,885.

The Board action authorized the Chief Executive Officer to award the five year base contract to CH2M that is set to expire on March 25, 2017. Staff recommends the exercise of the three one-year options for CH2M to continue to provide Program Management consulting services support to the P3010 LRV acquisition project. This is consistent with the prior Board approval to award all Contract Options for the P3010 LRV Project (CP 206035) for an additional 157 LRV cars. With the exercise of these Contract Options the program management services will coincide with the delivery of the last P3010 car scheduled to be delivered by in early 2020.

Attachment B shows that 18 zero dollar Contract Modifications have been issued to date to update the names of the staff/personnel authorized in the various labor categories identified in Contract.

## **B. Cost/Price Analysis**

The recommended not-to-exceed amount for these Contract Options is consistent with the labor rates defined in the Contract. Those rates were deemed fair and reasonable through adequate price competition, audit prior to Contract award and recent market survey. Any future changes to the Contract rates will be based upon additional audit, cost analysis, technical evaluation, and negotiations.

**ATTACHMENT B**

**CONTRACT MODIFICATION/CHANGE ORDER LOG**

**EXERCISE OPTIONS FOR LIGHT RAIL VEHICLE  
CONSULTING SERVICES / OP39602795A**

<b>Mod. no.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>Amount</b>
1	Mod. No. 1 - Modify Exhibit 1 Firm Fixed Labor Rates and Travel Costs to include additional personnel to the list and their respective fully burdened hourly rates.	Approved	10/01/12	\$0
2	Mod. No. 2 - Modify and replace Exhibit 1-A with Exhibit 1-B Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, and sub-contractors Turner and Virginkar, to the list and their respective fully burdened hourly rates	Approved	11/19/12	\$0
3	Mod. No. 3 - Modify and replace Exhibit 1-B with Exhibit 1-C Firm Fixed Labor Rates and Travel Costs to include additional personnel from sub-contractors Turner, Sean Costello, to the list and their respective fully burdened hourly rates	Approved	01/24/13	\$0
4	Mod. No. 4 - Modify and replace Exhibit 1-C with Exhibit 1-D Firm Fixed Labor Rates and Travel Costs to include additional personnel from sub-contractors Turner, Sean Costello, to the list and their respective fully burdened hourly rates	Approved	03/29/13	\$0
5	Mod. No. 5 - Update Statement of Work language consistent with Contract negotiations.	Approved	06/25/13	\$0
6	Mod. No. 6 - Modify Statement of Work to add language regarding transfer of electronic project files from the LTK Sharepoint Project Control Center to Metro servers upon project closeout.	Approved	06/26/13	\$0
7	Mod. No. 7 - Modify and replace Exhibit 1-D with Exhibit 1-E Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, K. Bisset, J. Morgan, A. Staytieh, M. Barbarash, and B. Whitbred	Approved	09/13/13	\$0
8	Mod. No. 8 - Modify and replace Exhibit 1-E with Exhibit 1-F Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, and modify travel costs and labor costs allocation. The total Contract Amount remain unchanged.	Approved	11/27/13	\$0
9	Mod. No. 9 - Modify and replace Exhibit 1-F with Exhibit 1-G Firm Fixed Labor Rates and	Approved	12/20/13	\$0

	Travel Costs to include additional personnel from LTK, and modify travel costs and labor costs allocation. The total Contract Amount remain unchanged.			
10	Mod. No. 10 - Modify and replace Exhibit 1-G with Exhibit 1-H Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, and modify travel costs and labor costs allocation. The total Contract Amount remain unchanged.	Approved	02/21/14	\$0
11	Mod. No. 11 - Modify and replace Exhibit 1-H with Exhibit 1-I Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Judy Hong and modify travel costs and labor costs allocation. The total Contract Amount remain unchanged.	Approved	03/31/14	\$0
12	Mod. No. 12 - Modify and replace Exhibit 1-I with Exhibit 1-J Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Louis Lim. The total Contract Amount remain unchanged.	Approved	07/09/14	\$0
13	Mod. No. 13 - Modify and replace Exhibit 1-J with Exhibit 1-K Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Richard Whitwell. The total Contract Amount remain unchanged.	Approved	10/21/14	\$0
14	Mod. No. 14- Modify and replace Exhibit 1-K with Exhibit 1-L Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK sub-contractor, Virginkar & Associates, Inc., Clark Kidwell. The total Contract Amount remain unchanged.	Approved	10/21/14	\$0
15	Modification No. 15 - Revise Article VII: Invoices to change submittal of invoices to Annie Yang, Project Manager	Approved	01/12/15	\$0
16	Mod. No. 16- Modify and replace Exhibit 1-L with Exhibit 1-M Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Correia, McKinley and Bakar, and Nicholas and Thornburg from TENCOi. The total Contract Amount remain unchanged.	Approved	05/28/15	\$0
17	Mod. No. 17- Modify and replace Exhibit 1-M with Exhibit 1-N Firm Fixed Labor Rates and Travel Costs to include additional personnel from LTK, Ji, TENCO, Lawrenc and VAI Arellano & Cosio. The total Contract Amount remain unchanged.	Approved	08/05/15	\$0
18	Mod. No. 18- Modify and replace Exhibit 1-N with Exhibit 1-O Firm Fixed Labor Rates and Travel Costs to to replace Julio Jimenez with Diane Finkel for LTK, and add Magid Elgendi toTENCO. The total Contract Amount remain unchanged.	Approved	10/30/15	\$0
19	Mod. No. 19- Modify and replace Exhibit 1-O with Exhibit 1-P Firm Fixed Labor Rates and Travel Costs to replace Diane Finkel with	Approved	01/07/16	\$0

	Carol Joe for LTK, and add Bernivce Lopp and Noah Jones toTENCO. The total Contract Amount remain unchanged.			
20	Mod. No. 20- Modify and replace Exhibit 1-P with Exhibit 1-Q Firm Fixed Labor Rates and Travel Costs toreplace FMI Inspector in Japan Keith Bates with a local Inspector from Osaka, Takahiro Matsumura. The total Contract Amount remain unchanged.	Approved	02/23/16	\$0
21	Mod. No. 21- Modify and replace Exhibit 1- Q with Exhibit 1-R for the addition of Daniel Davies of Virginkar & Associates to provide full time manufacturing inspection and testing support for the carbody shells and trucks. The total Contract amount remains unchanged.	Approved	05/04/16	\$0
	<b>Modification Total:</b>			<b>\$0</b>
	<b>Original Contract:</b>			<b>\$15,236,445</b>
	<b>Pending for Options:</b>			<b>\$5,972,304</b>
	<b>Total Not-To-Exceed Amount:</b>			<b>\$21,208,749</b>

**ATTACHMENT B**

**CONTRACT MODIFICATION/CHANGE ORDER LOG**

**EXERCISE OPTIONS FOR LIGHT RAIL VEHICLE  
CONSULTING SERVICES / OP39602795B**

<b>Mod. no.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>Amount</b>
1	Modification No. 1 - Revise Exhibit 1 Firm Fixed Labor Rates and Travel Costs to include Francois Lavoie and Gregory Wasz to the list and their respective fully burdened hourly rates	Approved	10/01/12	\$0
2	Modification No. 2 - Revise Exhibit 1-A Firm Fixed Labor Rates and Travel Costs to include additional personnel to the list and their respective fully burdened hourly rates	Approved	01/09/13	\$0
3	Modification No. 3 - Revise Exhibit 1-B Firm Fixed Labor Rates and Travel Costs to include additional personnel to the list and their respective fully burdened hourly rates	Approved	05/30/13	\$0
4	Modification No. 4 - Revise Exhibit 1-C Firm Fixed Labor Rates and Travel Costs to include additional CH2M Hill personnel to the list and their respective fully burdened hourly rates	Approved	07/02/13	\$0
5	Modification No. 5 - Revise Exhibit 1-D Firm Fixed Labor Rates and Travel Costs to include additional CH2M Hill personnel to the list and their respective fully burdened hourly rates	Approved	07/12/13	\$0
6	Modification No. 6 - Revise SOW to designate PM and Assistant PMI; Add title to Section 2.1 E Risk Management Plan	Approved	10/10/13	\$0
7	Modification No. 7 - Revise Exhibit 1 to substitute Sub-Contractor Administrator for CH2M Hill Christine Fischer with Shannon Daisey and Teresa Rankins	Approved	04/25/14	\$0
8	Modification No. 8 - Revise Exhibit 1 to substitute Schedule Analyst for GBSI Ernesto Trias with Debra Kiss	Approved	07/16/14	\$0
9	Modification No. 9 - Revise Exhibit 1 to substitute Project Accountant for CH2M Hill Sarah Quick with Laura Simon.	Approved	09/25/14	\$0

10	Modification No. 10 - Revise Article VII: Invozes to change submittal of invoices to Annie Yang, Project Manager	Approved	01/12/15	\$0
11	Modification No. 11 - Replace Proj. Schedule Analyst Debra Kiss with Ian McDonald & delete reitred Scott Rodda from list of personnel; Reduce total Contract Price by the unexpended travel costs allocated to S. Rodda	Approved	02/06/13	\$0
12	Modification No. 12 - Add Charles Ng, CH2MHil, as Deputy Project Managerto Exhibit 1 list of authorized personnel; Contract amount revmains unchanged	Approved	08/06/15	\$0
13	Modification No. 13 - Add Vish Mawley, Bogonovich Gapola, Muthukrishanan and Heather Anderson to Exhibit 1 list of CH2M Hill authorized personnel and designate Lucian Popescu as Inspector for Global; Contract amount revmains unchanged	Approved	10/26/15	\$0
14	Modification No. 14 - Add Capitol Government Contract Specialists (CGCS) to the Contract as a SBE sub-contractor to perform Buy America Audit and Carnell Parks, Auditor to Exhibit 1-L list of CH2M Hill authorized personnel. Contract amount revmains unchanged	Approved	12/29/15	\$0
15	Modification No. 15 - Modify SOW - Buy America; Contract amount revmains unchanged	Approved	12/30/15	\$0
16	Modification No. 16 - Modify hourly rate for Charles Ng the designated Project Manager, replace Popescu with Jermaine Watson and Laura Simon with Tesha Fillis in Exhibit 1-M List of CH2M Hill authorized personnel; Indicate the change in business name of SBE Global Business Solutions, Inc. to Global Design Build, Inc. Contract amount revmains unchanged	Approved	03/16/16	\$0
17	Modification 17 - Add Robert Bafus and his hourly rate to the list of authorized presonnel under Exhibit 1-N as lead commissioning engineer; Contract amount remain unchanged	Approved	03/29/16	\$0
18	Modification 18 - Replace Robert Bafus with David Trimble and his hourly rate to the list of authorized presonnel under Exhibit 1-O as lead commissioning engineer; Contract amount remain	Approved	08/24/16	\$0



	unchanged			
	<b>Modification Total:</b>			<b>\$0</b>
	<b>Original Contract:</b>			<b>\$6,087,246</b>
	<b>Pending Option Years:</b>			<b>\$2,291,639</b>
	<b>Total Not-To-Exceed Amount:</b>			<b>\$8,378,885</b>

**DEOD SUMMARY**

Consulting Services for Light Rail Vehicle (LRV) Acquisition, Technical Support Services/OP39602795A

**A. Small Business Participation**

LTK Engineering (LTK) made a 25.36% Small Business Enterprise (SBE) commitment. The project is 63% complete. Current SBE participation is 15.20%, a shortfall of 10.16%. LTK explained that 3.1% of the shortfall resulted from the loss of work committed to Virginkar & Associates (SBE subcontractor) for one task order. Virginkar & Associates was unable to provide an inspector to perform work in Japan. Despite this loss, LTK confirmed that Virginkar & Associates is actively being utilized to perform inspection services domestically. LTK further committed to make every effort possible to achieve or exceed its SBE commitment through the completion of contract.

<b>Small Business Commitment</b>	<b>25.36% SBE</b>	<b>Small Business Participation</b>	<b>15.20% SBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	A-Train Enterprises	2.05%	2.47%
2.	Turner Engineering	2.80%	6.71%
3.	Virginkar & Associates	20.51%	6.02%
	<b>Total</b>	<b>25.36%</b>	<b>15.20%</b>

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

**B. Prevailing Wage Applicability**

Prevailing Wage is not applicable to the contract.

**C. Living Wage and Service Contract Worker Retention Policy Applicability**

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

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

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

## DEOD SUMMARY

EXERCISE OPTIONS FOR LIGHT RAIL VEHICLE  
CONSULTING SERVICES / OP39602795B**A. Small Business Participation**

CH2M Hill Inc. (CH2M) made a 26.35% Small Business Enterprise (SBE) commitment. The project is 94% complete; CH2M is currently exceeding their SBE commitment with an SBE participation of 27.10%.

<b>Small Business Commitment</b>	<b>26.35% SBE</b>	<b>Small Business Participation</b>	<b>27.10% SBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	Global Business Solutions	26.35%	19.56%
2.	Global Design Build	Added	6.51%
3.	Capitol GCS	Added	1.03%
	<b>Total</b>	<b>26.35%</b>	<b>27.10%</b>

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

**B. Prevailing Wage Applicability**

Prevailing Wage is not applicable to the Contract.

**C. Living Wage and Service Contract Worker Retention Policy Applicability**

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

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

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



**Board Report**

**File #:** 2016-1005, **File Type:** Program

**Agenda Number:** 45

**REVISED  
EXECUTIVE MANAGEMENT COMMITTEE  
JANUARY 19, 2017**

**SUBJECT: CONSIDER GOALS AND ACTIVITIES CONTAINED IN THE  
2017 LEGISLATIVE PROGRAM**

**ACTION: ADOPT THE 2017 FEDERAL AND STATE LEGISLATIVE PROGRAM**

**RECOMMENDATION**

ADOPT the **proposed 2017 Federal and State Legislative Program.**

FASANA amendment in Attachment B, Goal 12.

**ISSUE**

The Board of Directors adopts, on an annual basis, a legislative program for the upcoming state legislative and federal congressional sessions, which provides guidance to staff on legislative issues and policy as a means of advancing and protecting Metro’s authority and the transportation interests of Los Angeles County.

**DISCUSSION**

Policy Implications

The role of the legislative program is to clearly define Metro’s goals and objectives by securing necessary legislative authority, program funding and regulatory actions needed at the state and federal levels. To achieve these important goals, Government Relations staff will implement a legislative strategy of consensus building and coordination with transportation stakeholders throughout Los Angeles County, the State of California and with Federal officials.

Federal Recap

In 2016, the agency continued to pursue our Board approved federal legislative priorities in Washington, D.C. Among the challenges with respect to advancing our agenda on Capitol Hill was the continued gridlock between the U.S. Senate and the U.S. House of Representatives. In a welcome departure from this gridlock, on December 3, 2015, Congress passed the Fixing America’s

Surface Transportation Act (FAST Act) and the President signed the bill into law on December 4, 2015. That action set the stage for 2016 where U.S. Department of Transportation worked to implement the new legislation which authorizes funding for all surface transportation programs through 2020. Metro worked closely with our Congressional Delegation to include a number of priorities in the FAST Act including dedicated funding for freight and goods movement projects, ensuring the continuation of important programs such as Transportation Infrastructure Finance and Innovation Act (TIFIA) and the New Starts Grant program, and lastly increased direct funding from the federal government for all transportation programs through the Highway Trust Fund.

In calendar year 2016, Metro secured a number of grants/loans authorized under the FAST Act, with a total value of over \$1.54 billion - in addition to receiving over \$500 million in federal formula transportation funds.

On April 19, 2016, Metro secured a \$4.3 million federal Low or No Emissions grant from the FTA for five battery-electric zero-emission buses, as well as eight charging stations for the Orange Line bus rapid transit corridor.

On July 28, 2016, Metro secured a federal TIGER grant in the amount of \$15 million for the Rosecrans/Marquardt Grade Separation project in Santa Fe Springs.

On September 8, 2016, Metro secured a \$10.5 million federal Bus and Bus Facilities grant for the replacement of buses that have met their useful life with CNG buses to operate in the South Bay and Gateway cities areas. This federal grant will also permit Metro to install related CNG infrastructure and train workers on the new technology.

On October 5, 2016, Metro - in partnership with the City of South Gate and Eco-Rapid Transit - received \$2 million in federal Transit Oriented Development funding to plan cooperatively to increase economic development throughout the proposed West Santa Ana Branch Light Rail corridor between downtown Los Angeles and Artesia.

On October 7, 2016, Metro secured a \$3 million Advanced Transportation and Congestion Management Technologies Deployment Program grant for Metro's Freight Advanced Traveler Information System (FRATIS).

On October 7, 2016, Metro secured a \$1.3 million Mobility on Demand (MOD) Sandbox grant to explore the viability of first/last mile solutions for trips originating and ending at select transit stops.

On December 15, 2016 Metro successfully signed a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration in the amount of \$1.2 billion to fund the Westside Purple Line Extension (WPLE) Section 2.

On December 20, 2016, Metro closed a \$307 million TIFIA loan with the U.S. Department of Transportation for the WPLE Section 2.

In addition to FAST Act implementation, Metro successfully worked with U.S. Department of Transportation in 2016 to extend the Local Hire Pilot Program until March of 2017. This action allows

Metro to move forward on including local hire provisions in our contracting to ensure that the residents of Los Angeles County are benefitting from the local investment being made in our expanding transportation infrastructure. Metro looks forward to working with our Congressional Delegation and the Administration on making this program permanent in the 115th Congress.

Since 2010, at the direction of the Board of Directors, our agency began a campaign to advance legislative proposals that would address the acceleration of our transit and highway program, now known as America Fast Forward. Our America Fast Forward initiative has and continues to be discussed and debated by many senior transportation policymakers in Washington, D.C. This initiative remains a relevant policy proposal for President-elect Trump and the 115th Congress as discussion of an infrastructure package moves forward in 2017. A key aspect of the incoming Administration's proposal on infrastructure is to create innovative financing mechanisms that can help expand the nation's transportation infrastructure. That notion is a key aspect of the America Fast Forward initiative and we look forward to embedding innovative financing and funding tools in any infrastructure package advanced by the incoming Trump Administration and considered by Congress.

For the upcoming 115th Congress, we will be working to expand on our successes by working closely with the incoming Trump Administration and Congress on ways that we can best leverage our local funding to advance transit and highway projects across Los Angeles County. Given President-elect Donald Trump's stated interest in launching a new initiative to rebuild America's transportation infrastructure, our agency will be prepared with innovative financing proposals for the White House, incoming U.S. Secretary of Transportation Elaine Chao and Congress to consider.

### State Recap

Each year, Metro successfully moves the largest legislative program of any transportation agency in the State of California through the legislative process. We were successful in obtaining approval through AB 2690 (Ridley-Thomas) to authorize Metro to require bidders to include subcontracting opportunities for small business enterprise (SBEs) and disabled veteran business enterprises (DVBES) as a component of the procurement process. Not only were we successful in securing passage of the legislation we were able to accomplish a key priority of the Board, expanding access to competition for small and disabled veteran business enterprises in the procurement process. Additionally, we advocated in support of a number of measures, including AB 1889 (Mullin), a measure that helped to secure funding specifically allocated to the "bookend" projects for the High Speed Rail project.

The 2016 Legislative session ended, yet again without resolution to one of the major challenges faced by the Legislature; addressing transportation funding in the First Extraordinary Session. A number of proposals were introduced into this session including a \$3 billion proposal from Governor Brown which contained a number of elements for which Metro had advocated. Senator Jim Beall and Assemblymember Jim Frazier introduced \$7 billion legislative funding proposals during the Special Session on Transportation in September 2016. Unfortunately, the leaders were unable to call a meeting of the Special Session to vote on the measures during the final hours of the legislative session. Metro advocated in support of the measures, and worked closely with the two Chairmen and key members of the Los Angeles County legislative delegation to communicate the Board's priorities for funding and policy reform.

On May 18, 2016, the California Transportation Commission (CTC) adopted the 2016 State Transportation Improvement Program (STIP) retaining \$152.5 million in programming in Los Angeles County over the 2016 STIP period, from Fiscal Year (FY) 2017 through 2021. Of this funding, \$102 million is for the Light Rail Vehicles and \$34.4 million is for a reimbursement to Metro for its advance expenditure on the Crenshaw/LAX Light Rail Transit project. A total of \$55.6 million (7.4%) in project funding was deleted from the Los Angeles County STIP program. This deletion included both Segment 6 (\$13.7 million) and Segment 13 (\$41.9 million) of State Route 138.

On August 16, 2016 the California State Transportation Agency (CalSTA) formally announced that Metro was awarded \$109.2 million in cap and trade funds under the Transit and Intercity Rail Capital Program for the Airport Metro Connector/96th Street Station and the Red/Purple Line Core Capacity Improvements projects. Metro received the largest share of the \$390 million that was available statewide. Metro staff continues to advocate to increase the share of cap and trade funding for transit and highway projects under the TIRCP, LCTOP, SHOPP and STIP programs. The STA funding allocation formula fix remains a challenge.

We were successful in advocating in support of increased funding for ITS programs under the purview of the UC system from the state's Public Transportation Account. The Budget Subcommittee adopted an additional \$3 million in funding for the ITS program in 2016-17.

One key priority is the continued authorization to pursue Public Private Partnerships (P3s). The authorization expired at the end of 2016. Metro is working closely with a coalition of stakeholders in Sacramento to continue to urge the Legislature to reauthorize this important tool and Metro's state advocacy team will continue those efforts in next year's legislative session.

In addition to advocating in support of the re-authorization for Public Private Partnerships, we are working to ensure passage of an urgency measure that would extend Caltrans' NEPA delegation authority indefinitely. The Federal NEPA delegation for Caltrans expired at the end of 2016, and a new measure was introduced at the beginning of the 2017 legislative session due to the sponsorship of Self-Help Counties and our added support. Caltrans' federal NEPA delegation authority allows Caltrans the ability to evaluate projects for NEPA clearance directly, streamlining project approval processes.

Also unresolved from this year is the push for the re-structuring of Metro's current Board of Directors. In 2016, two separate proposals were introduced in the legislature to re-structure Metro's Board of Directors to include members appointed by the State legislature and representatives from the Gateway Cities area. Staff were successful in advocating against the measures that would offset the balance of the current structure, which was established as a result of a bottoms-up process. We anticipate that a new measure will be brought forward this upcoming legislative session.

During next year's legislative session, staff anticipates that we will be addressing a number of new challenges. We anticipate there will continue to be discussions about federal freight funding under the FAST Act as the CTC determines guidelines for distribution of discretionary funds. We have been engaged internally to ensure that we are working in partnership with other regional transportation agencies and our State partners to prioritize funding for Southern California. We have a distinct

priority to advance highway and freight corridor projects under the FASTLANE grants program and we are continuing to maximize the opportunities through the partnerships with the Governor and on the federal level. In addition, OPR is establishing guidelines for sustainability under Senate Bill 743 and we are working closely to ensure that Metro's sustainability and transit oriented development priorities are incorporated in the final guidelines.

Both policy committee chairs as well as leadership in both houses continue to discuss the various proposals and have indicated that they would like to reach agreement on a package early in 2017. Despite multiple attempts last year to reach consensus on a comprehensive transportation funding package, an agreement still remains elusive. Metro is working closely with a coalition of transportation stakeholders to both urge the Legislature to come to agreement on a package and to ensure that the package reflects the needs of Los Angeles County. We remain hopeful that an agreement can be reached early in 2017.

A major initiative of Metro in the 2017 State Legislative session will be to seek changes in state law, including increased penalties, for those who commit assaults against our operators and personnel. Thousands of our employees are spread across Los Angeles County as we provide service to the largest service area of any public transit agency in the Country. Our employees are vulnerable and we must do everything we can to protect them. Metro has taken a series of steps to prevent assaults including the installation of protective barriers, television monitors located above the farebox, and training employees on de-escalation techniques. We have also worked closely with the Los Angeles Sheriff's Department and the District Attorney to support full prosecution of those who assault our operators. Despite these efforts, assaults still occur far too often and when cases are prosecuted they rarely result in serious penalties being assessed.

Specifically we would look to advance two changes in law. The first would be to allow such assaults to be charged as a felony if the assault occurs when a transit vehicle is in operation. Secondly, a limited number of agencies in California have been authorized to issue prohibition orders to individuals under certain circumstances. We would also look to include Metro as one of the agencies authorized to use this enforcement tool.

In addition to the above staff will be working to address a variety of other issues in the Legislative process, budget process as well as in various administrative processes in Sacramento these include but are not limited to:

- Funding for goods movement projects - The new federal bill allocates funds to California and the California Transportation Commission (CTC) will be finalizing guidelines early in the year and allocating these funds in 2017.
- Metro is proposing to expand the ExpressLanes network in Los Angeles which will require authorization by the CTC.
- Clarifying the process by which utilities bill Metro and potentially reduce Metro's operating costs.
- Increasing funding for Metro's Freeway Service Patrol program.
- Working with the California Air Resources Board to advance Metro's Zero Emission Bus



Program.

- Supporting the allocation of cap and trade funds to Los Angeles County.
- Extending the authorization to Metro to establish Enhanced Infrastructure Financing Districts.

#### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will not have an impact on safety.

#### **FINANCIAL IMPACT**

A number of the proposed state and federal legislative initiatives may provide additional funding for countywide transportation programs and projects.

#### **ALTERNATIVES CONSIDERED**

The Board of Directors could determine that a legislative program is unnecessary for the agency. Failure to adopt a legislative program could result in Metro being ill prepared to address the policy and legislative challenges that will arise during the coming year.

#### **NEXT STEPS**

Government Relations staff will continue to regularly sponsor briefings in Washington, D.C. and Los Angeles County for our Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees. We have and will continue to place a strong emphasis on briefings for professional staff members working for House and Senate committees with primary responsibility for authorizing and appropriations bills - in addition to advancing our plan to accelerate both our transit and highway program through our America Fast Forward initiative.

In Sacramento, we will continue to develop and strategically advance our agency's Board approved State Legislative Program through maintaining support and close relationships with the Los Angeles County State Legislative Delegation, key leaders in the Senate and Assembly Transportation Committees, as well as key stakeholders including, the Governor, Caltrans, California Transportation Commission, and the California State Transportation Agency.

Government Relations staff will initiate briefings for the Gubernatorial Administration, members of the Legislature as well as committee staff. We will also work with state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will keep in close contact with new and existing members of our Congressional delegation and key Authorizing and Appropriations staff to keep our projects at the forefront. Staff will continue to monitor and track legislative efforts sponsored by other transportation interests and inform the Board of that legislation. Pursuant to the Board adopted Board Advocacy Plan we will also work closely with the Board to utilize Board member's relationships and experience in legislative matters.

Government Relations will continue to ensure that our legislative priorities and efforts are coordinated with our regional transportation partners, including Metrolink, Southern California Associations of Governments (SCAG), Municipal Operators, and Southern California County transportation commissions.

In addition, Government Relations will continue to pursue state and federal legislative initiatives that promote the efficient and rapid delivery of Measure R and Measure M projects as well as leverage Measure R and Measure M funds for additional state and federal transportation resources, and to form a coalition to protect state revenues.

The 2017-2018 State Legislative Session began on December 5, 2016. The 2017 Federal Legislative Session with both the U.S. House of Representatives and U.S. Senate is scheduled to return in January 2017 to convene the new 115th Congress.

#### **ATTACHMENTS**

Attachment A - 2017 Federal Legislative Program

Attachment B - REVISED 2017 State Legislative Program

Prepared by: Michael Turner, Deputy Executive Officer, State Affairs, (213) 922-2122

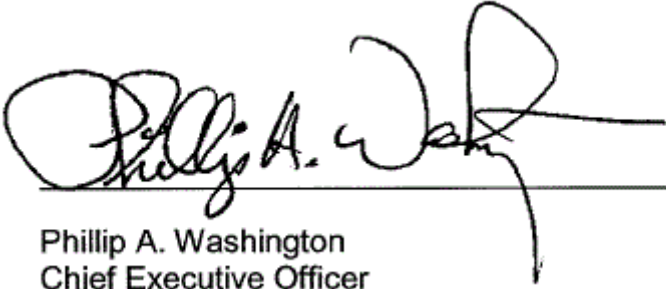
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Phillip A. Washington  
Chief Executive Officer

**2017 FEDERAL LEGISLATIVE PROGRAM**

**GOAL #1: WORK TO PURSUE LEGISLATIVE INITIATIVES THAT PROMOTE INNOVATIVE FINANCING TOOLS THAT HELP ACCELERATE LOCAL TRANSPORTATION PROJECTS**

Proposed Activities:

Seek to adopt language in any tax reform legislation or infrastructure package that would create an America Fast Forward Transportation Bond Program or program that helps transit agencies leverage local funding to accelerate transit and highway projects. Concurrently, work to advance initiatives that would amend sections of the FAST Act, like the FASTLANES grant program, to dramatically expand its funding level, make it a multi-year grant program like the New Starts program and ensure that the program works for eligible P3 transit and highway projects. Securing new and innovative federal finance tools will permit our agency to accelerate the construction of key transit and highway/goods movement projects funded both under Measures R and M.

**GOAL #2: CONTINUE TO AGGRESSIVELY ADVANCE OUR EFFORT TO REFORM FEDERAL LOCAL HIRE RULES**

Proposed Activities:

Work with the incoming Trump Administration and key members of Congress to advocate for the continuation of the Local Hire Pilot Program begun by the U.S. Department of Transportation in 2014. Parallel to this effort, Metro will work with Congresswoman Karen Bass and others to have language included in the Fiscal Year 2017 transportation appropriations bill to reform federal Local Hire rules. Our efforts in this regard will highlight studies that have shown that local hire programs do not compromise competition for transit and highway projects and procurements.

**GOAL #3: PROMOTE INCREASED FEDERAL INVESTMENT IN FREIGHT AND GOODS MOVEMENT PROJECTS IN LOS ANGELES COUNTY**

Proposed Activities:

With the addition of two new grant programs in the FAST Act, one discretionary and one formula, which dedicate federal funding for projects that improve the movement of goods, Metro will work aggressively with our Congressional Delegation, the incoming Trump Administration as well as with key regional and national stakeholders to advocate for funding to move freight more efficiently across Los Angeles County. In

addition to the recently created FAST Act freight grant programs, Metro will also seek to secure additional federal funding for goods movement projects through other grant sources that can also be used on freight projects – for example – through the TIGER grant program.

**GOAL #4: WORK TO OBTAIN FUNDING FOR METRO’S NEW STARTS PROJECTS AND ADVANCE OUR NON-NEW STARTS PROJECTS – GOLD LINE FOOTHILL EXTENSION AND CRENSHAW/LAX TRANSIT PROJECTS**

Proposed Activities:

Work with our Congressional Delegation, transportation leaders in the House and Senate and the U.S. Department of Transportation to ensure the free flow of funds from Full Funding Grant Agreements and TIFIA loans for both the Regional Connector and the Westside Subway Extension. Parallel to this effort and as previously directed by our Board of Directors, we will continue to support seeking non-New Starts funds for the Gold Line Foothill Extension and Crenshaw/LAX transit projects. In addition, we will work to ensure that the Federal Transit Administration, Federal Aviation Administration, among other federal agencies, continue to work cooperatively with our agency on issues related to bringing a rail connection to LAX.

**GOAL #5: ADVOCATE FOR REGULAR ORDER IN THE ANNUAL APPROPRIATIONS PROCESS**

Proposed Activities:

Work with our Congressional Delegation and stakeholder organizations to advocate for the importance of debating and enacting annual appropriation bills that provide a full year of funding for transportation programs. Included in funding that is approved by the House and Senate Appropriations Committees is funding for the New Starts Grant program and the TIGER Grant Program. Both of these grant programs are funding outside of the Highway Trust Fund and are vitally important to advancing the transportation goals for Los Angeles County.

**GOAL #6: CONTINUE TO WORK WITH METROLINK AND REGIONAL TRANSPORTATION AGENCIES TO SUPPORT – AS NEEDED - THE APPLICATION OF FEDERAL FUNDS FOR POSITIVE TRAIN CONTROL (PTC) TO SIGNIFICANTLY IMPROVE THE SAFETY OF COMMUTER RAIL SERVICE IN LOS ANGELES COUNTY AND ADJOINING COUNTIES**

Proposed Activities:

Continue to work in close cooperation with U.S. Senator Dianne Feinstein and U.S. Senator-elect Kamala Harris, members of the Los Angeles County Congressional Delegation, Metrolink, APTA and other key stakeholders to ensure that any federal

funding provided for Positive Train Control takes into consideration commuter rail lines that dedicated significant local funds to meet the new federally mandated PTC deadline of December, 2018.

## **GOAL #7: ADDITIONAL PRIORITIES**

Proposed Activities:

Work to secure federal funds to advance Metro's Transit-Oriented Communities policy;

Work to secure federal funds to enhance Metro's security program;

Work with Metro's regional partners to advance career education and training programs that will ensure the needed workforce to operate and maintain our transit system is ready and available;

Aggressively advocate for the renewal of the alternative fuels excise tax credit;

Work to extend the commuter tax benefit to remain at \$230 per month for transit users;

Work to ensure that the U.S. Department of Transportation clarifies that ferryboat miles between mainland Los Angeles and Catalina Island are counted for purposes of Los Angeles County's annual apportionment from the Section 5307 Urbanized Area Formula Program (UAFP);

Work to advocate for all Metro discretionary grant applications;

Work closely with the Administration and USDOT on regulations and proposed rulemakings that impact Metro.

**2017 STATE LEGISLATIVE PROGRAM**

**GOAL #1: ENSURE THE STATE CONTINUES TO FULLY FUND THE MAJOR TRANSPORTATION PROGRAMS IN THE STATE**

Proposed Activities:

Protect Metro's key fund sources;

Communicate the importance of stable transportation funding to improve mobility in Los Angeles County, foster economic development and create jobs;

Protect the transportation funding system established by the sales tax/gas swap legislation;

Protect Public Transportation Account revenues which have been funded by the sales tax on diesel fuel;

Secure proportionate share of federal funds allocated via state mechanisms, such as CMAQ and alternative transportation programs; and

**GOAL #2: PURSUE LEGISLATIVE INITIATIVES AIMED AT INCREASING FUNDING FOR LOS ANGELES COUNTY TRANSPORTATION PROJECTS**

Proposed Activities:

Support transportation funding proposals and ensure that they are structured to support Metro's projects and programs.

Work with statewide partners on any efforts to implement new transportation related fees or taxes and ensure these revenues are allocated in proportion to LA County's needs and at the discretion of local agencies; and

Support legislation that would enhance opportunities for Value Capture or related concepts and mechanisms to fund transportation infrastructure or promote Transit-Oriented Developments.

**GOAL #3: WORK TO ENSURE IMPLEMENTATION OF METRO'S BOARD ADOPTED LRTP**

Proposed Activities:

Pursue strategies and funding opportunities to implement the Highway Program in the LRTP;

Work to secure additional funds through the STIP, SHOPP and bond funds; and

Pursue Public Private Partnerships, Construction Manager/General Contractor procurement, and other innovative opportunities to advance projects in the LRTP.

**GOAL #4: SUPPORT EFFORTS TO IMPROVE SAFETY ON THE REGION'S COMMUTER RAIL SYSTEM**

Proposed Activities:

Advocate for additional state funding to increase the safety of the commuter rail system in Los Angeles County and the entire Metrolink service area;

Support additional funding for enhanced commuter rail safety, especially for automatic train stop/positive train control systems, grade separations and double tracking single track portions of Metrolink's service area; and

**GOAL #5: MAXIMIZE OPPORTUNITIES FOR FUNDING LOS ANGELES COUNTY'S TRANSPORTATION PROJECTS AND PROGRAMS THROUGH IMPLEMENTATION OF THE STATE'S CAP AND TRADE PROGRAMS**

Proposed Activities:

Ensure Cap & Trade funds are allocated to transportation, that Los Angeles County receives a proportionate share; and

Advocate and secure commitment for Cap & Trade revenues to be allocated by the County Transportation Commission and other agencies.

**GOAL #6: COORDINATE WITH OUR LOCAL AND STATE PARTNERS TO INCORPORATE THE REGION'S NEEDS IN EMERGING CLIMATE CHANGE AND SUSTAINABILITY PROGRAMS**

Proposed Activities:

Monitor continued implementation of AB 32 and SB 375 (including sustainable community strategies and related initiatives/ documents);

Work in partnership with the California Air Resources Board (CARB) to support Metro's projects and programs;

Advocate the connection between transit operations funding, SB 375 and other state global warming policies, programs and initiatives;

Support initiatives that promote greenhouse gas emissions reduction strategies such as vehicle miles travelled reduction, active transportation, and operational efficiency best practices;

Support continued efforts to encourage smart growth and other connectivity and livability principles and their interaction with transit and highway investments while preserving authority of local agencies;

Support legislative efforts to include (programs affecting environmentally sensitive stakeholders and clean air programs) in our region, particularly with regards to regional transit planning, construction, and procurement efforts;

Support new initiatives that encourage the use of advanced, environmentally friendly and cost-effective strategies in the construction and retrofit of transit facilities including infrastructure related to renewable energy, low impact development, sustainable construction practices, and similar technologies;

**GOAL #7: ACTIVELY WORK WITH STATE, REGIONAL AND LOCAL TRANSPORTATION INTERESTS TO SECURE, PROTECT AND ENHANCE TRANSPORTATION FUNDING AND PROGRAMS STATEWIDE**

Proposed Activities:

Work with Governor Brown's Administration to preserve and increase flexibility in the use of transportation funds;

Identify and pursue opportunities for additional funding for Southern California transportation projects, including, but not limited to, mechanisms to reinvigorate the State's infrastructure bank;

Support efforts to secure funding and/or obtain authority to generate additional funding for bus transit capital, operations, security needs, corridor projects, soundwalls, bike projects, Service Authority for Freeway Emergencies (SAFE) and other important transportation projects and programs;

Work with other agencies and the State to seek remedies to increase funding for Metro's Freeway Services Patrol (FSP) operations.

Work cooperatively with other transit agencies throughout the State, including the CTA, to secure and increase funds for transportation services, projects and programs;



Support efforts to secure new funding for regional rideshare services; and

Identify and pursue opportunities for funding and to enhance authority where necessary to improve security and safety for customers, employees and property.

**GOAL #8: SUPPORT LEGISLATIVE AND REGULATORY ACTIONS THAT ENHANCE AND PROTECT METRO'S ABILITY TO DELIVER TRANSPORTATION PROJECTS AND SERVICES IN LOS ANGELES COUNTY**

Proposed Activities:

Support efforts to clarify the oversight responsibilities of the PUC with respect to rail transit and improve the administration of PUC regulations;

Oppose legislation that would seek to restructure the Metro Board of Directors;

Oppose legislation that would preempt collective bargaining, impose benefits in collective bargaining agreements or restrict the rights of local agencies in the collective bargaining process;

Preserve our authority in regional transportation funding decisions including those granted through SB 45;

Continue to advocate for California Environmental Quality Act (CEQA) reforms for transportation projects with continued collaboration of statewide stakeholders and organizations;

Monitor and work with implementation of pension reform so that Metro is able to maintain a stable work force and ensure adequate succession planning;

Support efforts to enhance the use of electronic fare payment or smart card technology; and

Explore authorizing the use of forward facing cameras on Metro's buses.

**GOAL #9: OPPOSE ANY LEGISLATION THAT COULD NEGATIVELY IMPACT METRO'S ABILITY TO OPERATE THE EXPRESSLANES PROGRAM AND SUPOORT LEGISLATION THAT ALLOWS FOR FUTURE EXPRESSLANES EXPANSION.**

Proposed Activities:

Support legislation that:

1. Encourages development and utilization of regulations and technologies that would enhance the ability to verify vehicle occupancy and toll collection/payment.

2. Enhances Metro's ability to enforce the ExpressLanes Board adopted toll policy.
3. Amends or clarifies California vehicle code sections to authorize Metro to enforce occupancy requirements in the ExpressLanes; amends Streets and Highways codes that impact Metro's interoperability with other California toll agencies.
4. Enables implementation of Metro's ExpressLanes strategic plan network upon Board approval.
5. Provides clarification of AB 194 regarding roles and responsibilities of Metro and Caltrans.

Vigorously oppose legislation that negatively impacts:

1. Metro's ability to manage ExpressLanes demand utilizing congestion pricing.
2. Financial viability and local control of ExpressLanes revenues.
3. Limit Metro's ability to expand the ExpressLanes network.

#### **GOAL #10: SUPPORT EFFORTS TO IMPLEMENT HIGH SPEED RAIL (HSR) IN LOS ANGELES COUNTY**

Proposed Activities:

Metro supports the California High Speed Rail Project.

Metro is encouraged by the efforts to incorporate a blended corridor concept in its planning and to continue to evaluate and identify the need to connect the project to Los Angeles County.

We encourage the State to make specific commitments to funding the segment connecting to Los Angeles County and to maintain this segment as a high priority in future plans.

Metro supports the allocation of funding to elements of the blended corridor concept in Los Angeles County to support the ultimate completion of the High Speed Rail project.

Ensure timely implementation of Proposition 1A including allocation of connectivity funds.

#### **GOAL #11: SECURE APPROVAL OF KEY FREIGHT PROJECTS AT THE CALIFORNIA TRANSPORTATION COMMISSION**

Proposed Activities:

Support efforts to establish local consensus on federal FAST Act guidelines for funding allocation.

Support efforts to fund goods movement and freight projects through the CTC.

**GOAL #12: SPONSOR THE FOLLOWING LEGISLATION TO IMPROVE OUR ABILITY TO DELIVER QUALITY SERVICE**

Proposed Activities:

Sponsor legislation to strengthen penalties for assaults on bus operators.

Sponsor legislation to clarify utility billing for Metro.

Sponsor legislation to update various provisions of Metro's statutes ~~ethics requirements~~ to conform those provisions to those of other agencies.

Sponsor legislation that would authorize Metro to establish Enhanced Infrastructure Financing Districts.



Board Report

File #: 2016-0980, File Type: Agreement

Agenda Number: 48

**REVISED**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**JANUARY 18, 2017**  
**CONSTRUCTION COMMITTEE**  
**JANUARY 19, 2017**

**SUBJECT: CRENSHAW/LAX TRANSIT PROJECT AND AIRPORT METRO CONNECTOR ACCOMMODATIONS**

**ACTION: APPROVE CONTRACT MODIFICATION FOR 96<sup>TH</sup> STREET ACCOMMODATIONS AND COST/SCHEDULE IMPACTS AGREEMENT**

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) to negotiate and execute contract modification(s) to Contract No. C0988 with **Walsh/Shea Corridor Constructors (WSCC)**, for **final costs associated with construction on accommodations so as not to preclude a future Light Rail Transit (LRT) Station at 96<sup>th</sup> Street** and implement an agreement on critical cost and schedule impacts in an amount of \$59,150,000 increasing the total contract value from \$1,311,627,532 to \$1,370,777,532, no impact to Crenshaw/LAX Project Life-of-Project Budget;
- B. AMENDING the FY17 budget by \$28,600,000 for Project 460303 Airport Metro Connector Accommodations from \$10,760,760 to \$39,360,760 for the allocable portion of its costs related to the \$59,150,000 under Recommendation A; and
- C. AUTHORIZING the CEO for a pilot period of 1 year to negotiate and execute project-related agreements, including contract modification(s) up to the authorized Life-of-Project budget, to streamline project management of the Crenshaw/LAX Transit Project subject to monthly reporting requirements, that would include any pending project-related agreements, change orders/contract modifications and any significant changes to contract contingency to the Board of Directors. This action would allow the board to see in advance all project-related agreements and change orders.

**ISSUE**

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WSCC commenced construction of the accommodations so as not to preclude a future LRT Station at 96<sup>th</sup> Street in July 2016. Metro and WSCC have completed negotiations for the direct, indirect and delay impact costs associated with the Crenshaw/LAX Transit Project constructing the accommodations. Board authorization is requested to provide funding to modify the WSCC contract to allow construction to be completed and implement the agreement on cost and schedule impacts for the accommodation scope of work and to gain commitment from WSCC to complete Contract work for a fall 2019 Revenue Operations Date.

## **DISCUSSION**

### Accommodations so as not to preclude a future LRT Station at 96<sup>th</sup> Street

On May 28, 2015, the Board approved Design Option 3 for the Crenshaw/LAX track alignment so as not to preclude a future LRT Station at 96<sup>th</sup> Street. Subsequently, staff issued change orders to Walsh-Shea Corridor Constructors (WSCC), Metro's Crenshaw/LAX Transit Project design-builder, for engineering design services to incorporate the design changes for Option 3. The design modifications increased construction costs specifically associated with the required accommodations. On June 23, 2016, the Board approved funding to commence construction on the accommodations so as not to preclude a future LRT Station at 96<sup>th</sup> Street. Metro has now concluded negotiations with WSCC for the direct, indirect and delay impact costs associated with the Crenshaw/LAX Transit Project constructing the accommodations.

### Underground Stations Deluge Impacts

Metro and WSCC have concluded negotiations to resolve cost impacts for the addition of an underground station deluge system within the Expo/Crenshaw Station crossover area. This system is required for Fire Life Safety requirements. The value represents a negotiated agreement.

### Critical Cost and Schedule Impacts

Metro and WSCC have concluded negotiations to resolve schedule and cost related disputes that occurred during the first three years of the Contract with WSCC.

The schedule component of the agreement includes all time related matters for the first three years of the Contract through October 24, 2016. As part of the agreement, WSCC has submitted a Completion Schedule, that Metro has accepted, which provides a detailed description of how WSCC and Metro will collaboratively work together to complete the remaining project scope of work. WSCC has committed to Metro to complete Contract scope of work to support Metro in maintaining a fall 2019 Revenue Operations Date. This commitment by WSCC allows Metro to maintain the commitment made in the TIFIA loan document of completing the Crenshaw/LAX Transit Project by fall 2019. Another advantage of this commitment by WSCC to a fall 2019 Revenue Operations Date is that Metro and supporting staff cost can be maintained at its planned level that otherwise would have to be increased if a later Revenue Operations Date was established. Therefore, this decreases

the Project risk for additional cost increases.

Attachment “D” identifies the WSCC issues and amounts related to cost and schedule impacts that are included in the agreement. Attachment “E” identifies the Metro issues and amounts such as requests for cost and time credits that are included in the agreement. Both WSCC and Metro continue to have the right to pursue previously submitted non-time related cost impacts that are not identified as resolved by the agreement in either Attachment D or E.

### Project Authority Levels

The Crenshaw/LAX project like many Metro mega projects, is a fast-moving, challenging and complex design-build project. Quick decision-making is required to take advantage of cost and scheduling opportunities and to keep the project moving. A lengthy change order approval process is not consistent with the needs of a large, design-build project and is being addressed at the staff level. Part of the process is the requirement to receive Board of Directors approval for changes above a specified threshold. On the Crenshaw/LAX Project, this threshold is for any change above \$1 million.

As Metro projects have grown in size and complexity over the years, the authorization levels have not kept pace with the demands of the projects. On a large mega-project, the thresholds requiring approval are easily exceeded. The need to bring a contract modification to the Board for approval can add two months to the schedule when contractors could have started the work immediately. This time can be critical to project schedules and risks exposure to extended overhead payments due the contractor, should the project be delayed.

As mentioned in the most recent Los Angeles Construction Market Analysis Update received by the Board in September 2015, contractors have indicated that delays in processing changes to be a significant risk when working on Metro projects. As a result they have had to include contingencies in their proposals to address this risk. This delay also puts DBEs subs at risk of not receiving timely payment for work performed.

The cost to the Crenshaw and Regional Connector projects for schedule delays ranges from \$3.3 to \$5 million per month for a total of \$6.6 million to \$10 million for a 2-month delay. Much of this delay can be avoided if Board approval was not required prior to implementing a change.

Therefore, staff is proposing CEO authority, as a one-year pilot, to execute contract project related agreements including contract modifications up to the Life of Project budget subject to monthly reporting requirements, that would include any pending project-related agreements, change orders/contract modifications and any significant changes to contract contingency. This action will allow the Board to see in advance all project-related agreements and change orders but would allow the staff the flexibility, responsibility and authority to manage this large, fast moving project consistent with the need for rapid decision-making and Project Schedule. Any change that results in a LOP budget increase would still require Board approval, which is the most critical aspect of managing

projects. This approach is consistent with other transit agencies including San Jose, Seattle, and Denver.

In addition, staff would continue to report on the project budget, project labor agreement and small business/disadvantaged business compliance as part of the monthly updates to the Construction Committee and the detailed monthly reports that are issued to all stakeholders including the Board.

The benefits of this action:

- Provides staff with the flexibility, responsibility and authority to manage this large, fast moving project consistent with the need for rapid decision-making and project schedule.
- Still requires approval for any action requiring a LOP budget increase.
- Keeps the big picture focus on overall project budget management as opposed to detailed change orders.
- Consistent with industry best practices for time sensitive, effective project management.

### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have an impact on established safety standards.

### **FINANCIAL IMPACT**

Under recommendations 1 and 3, distinct financial impacts arise from the cost and schedule impacts Agreement affecting the Airport Metro Connector Project Accommodations (460303) and the Crenshaw/LAX Transit Project (865512).

#### **Airport Metro Connector (AMC) Accommodations**

If recommendations A and B are approved, \$28,600,000 will be added to the FY17 budget under Project 460303, AMC Project Accommodations, in Cost Center 8510, Program Management-Construction Procurement. Added to the previously approved \$7,400,000 from the June 2016 Board action, brings the total FY17 funds required for this effort to \$36,000,000. Although WSCC is the design-build contractor for the Crenshaw/LAX Transit Project, this recommendation is funded by the AMC Project (460303). The Crenshaw/LAX Transit Project Life-of-Project budget is a separate allocation.

#### **Crenshaw/LAX Transit Project**

If recommendation A is approved, the Crenshaw/LAX Transit Project (865512) will fund two items of the cost and schedule impacts Agreement as follows: 1) Underground Stations Deluge for \$650,000 and 2) Critical Cost and Schedule for \$29,900,000. The combined total of \$30,550,000 is included in the adopted FY17 budget for Project 865512, Crenshaw/LAX Transit Project, in Cost Center 8510, Program Management-Construction Procurement. The Crenshaw/LAX Transit Project FY17 and Life-of-Project budget is not impacted by this action.

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Under existing Project Contingency Management policy, staff is required to inform the Board when project contingency is drawn down below the 3% project reserve line. The funding for this action of \$30,550,000 draws down from the Project 865512, Crenshaw/ LAX Transit Project contingency cost element and total project contingency remains above the reserve line upon approval of this Board action. Since this is a multi-year project the Chief Program Management Officer and the Project Manager will be responsible for budgeting in future fiscal years.

### **Impact to Budget**

Measure R 35% is the planned funding source for the \$28,600,000 AMC Accommodations allocation. Existing Project contingency within the Crenshaw/LAX Transit Project Life of Project Budget will be used to fund the \$30,550,000 allocation of the Claims Agreement. Funding sources for the Crenshaw/LAX Transit Project include; Federal STP, CMAQ, State Proposition IB, Proposition A 35% and Measure R 35% as identified in the Crenshaw/LAX project funding plan. The FY17 budget does not include any Prop A 35% funds which are eligible for rail operations and capital projects. The other Crenshaw fund sources are not eligible for bus and rail operating expenditures as they have been programmed to support the Life of Project Budget plan. No other funds were considered.

### **ALTERNATIVES CONSIDERED**

For the 96<sup>th</sup> Street accommodations, the Board may elect not to approve the negotiated final costs, including resolution of delay impact costs. Staff does not recommend this alternative since the Board in June 2016 approved beginning construction of the accommodations and construction is underway. Any delay would further impact the schedule to complete construction of the Crenshaw/LAX Transit Project and jeopardize the Project from maintaining the fall 2019 Revenue Operations Date.

The Board may elect to defer approval of the resolution of cost and schedule impacts at this time. Staff does not recommend this alternative for the Crenshaw/LAX Transit Project. Historically, cost and schedule impacts not addressed timely have increased in value over time when deferred. WSCC has, based on the agreement resolving the cost and schedule impacts, committed to complete Contract work to support Metro in maintaining a planned fall 2019 Revenue Operations Date. If the outstanding cost and schedule impacts are not resolved at this time, the associated delay cost may be higher as the costs tend to escalate with time. Also, if the contract modification for the agreement is not executed at this time, the current planned date of fall 2019 Revenue Operation Date would be in jeopardy.

### **NEXT STEPS**

Upon Board Authorization, staff will proceed with issuing the required modifications to WSCC's contract.

### **ATTACHMENTS**

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



Attachment D - WSCC Claims/Request for Changes included in Agreement

Attachment E - Metro Request for Credit included in Agreement

Prepared by:

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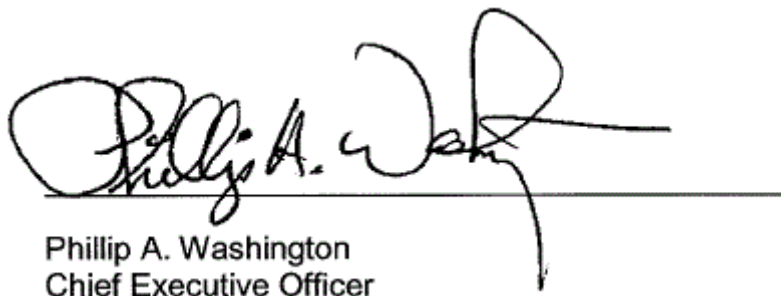
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Reviewed by:

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## CRENSHAW/LAX TRANSIT PROJECT/ C0988

1.	<b>Contract Number:</b> C0988 – Crenshaw/LAX Transit Corridor Design-Build		
2.	<b>Contractor:</b> Walsh/Shea Corridor Constructors		
3.	<b>Mod. Work Description:</b> Design and Engineering, 96th Street Station accommodation, Excavation of EXPO and MLK Stations, South bore tunnel, replace sewer at Expo, protect-in-place both the LADWP electrical ductbank at Manchester and the Central Outfall Sewer at the I-405.		
4.	<b>Contract Work Description:</b> Design and construction the Crenshaw/LAX Light Rail Transit System.		
5.	<b>The following data is current as of:</b> October 31, 2016		
6.	<b>Contract Completion Status:</b>		
	<b>Bids/Proposals Opened:</b>	6/12/12	<b>% Completion \$s:</b> 53.4%
	<b>Contract Awarded:</b>	6/27/13	<b>% Completion time:</b> 61.4%
	<b>NTP:</b>	9/10/13	<b>Original Contract Days:</b> 1824
	<b>Original Complete Date:</b>	9/08/18	<b>Change Order Days:</b> 41
	<b>Current Est. Complete Date:</b>	5/1/19	<b>Suspended Days:</b> 0
	<b>Total Revised Days:</b>		1865
7.	<b>Financial Status:</b>		
	<b>Contract Award:</b>	<b>\$1,272,632,356.00</b>	
	<b>Total Contract Modifications Approved:</b>	<b>\$38,995,175.59</b>	
	<b>Current Contract Value:</b>	<b>\$1,311,627,531.59</b>	
	<b>Contract Administrator:</b> Frederick Origel Director, Contract Administration	<b>Telephone Number:</b> (213) 922-7331	
8.	<b>Project Manager:</b> Charles Beauvoir, S.E. Deputy Executive Officer, Project Management	<b>Telephone Number:</b> (213) 922-3095	

**A. Contract Action Summary**

This Board Action is to approve Contract Modifications for the design and construction of the necessary accommodations for the future 96<sup>th</sup> Street Station, and approve claims resolution agreements in support of the Crenshaw/LAX Transit Design-Build Project.

Contract No. C0988 is a firm-fixed price type contract awarded in June 2013, in the amount of \$1,272,632,356 to Walsh/Shea Corridor Constructors (WSCC). WSCC was the highest rated proposer of four qualified design-build teams that submitted proposal and its proposal was determine to provide the best value to Metro. The Federal Transit Administration (FTA) defines best value as “the overall combination

of quality, price and other elements of a proposal that, when considered together, provides the greatest overall benefit in response to requirements described in the solicitation documents.” The Contract was awarded on June 27, 2013, with an original substantial completion date of September 8, 2019. The substantial completion date will be revised to May 1, 2019 upon Board approval of the recommended actions.

A total of 240 Modifications have been approved totaling \$38,995,175 and 28 contract modifications estimated at \$68,910,969 are pending, including the recommended contract modifications in this board item. The approved and pending contract modifications are listed in Attachment B.

**B. Cost/Price Analysis**

96<sup>th</sup> Street Station Accommodations Direct Cost

The recommended price for the design and construction of the 96<sup>th</sup> Street Station accommodation has been determined to be fair and reasonable in accordance with Metro Procurement Policies and Procedures. The negotiated process included, but was not limited to, fact finding, technical evaluation, development of an independent cost estimate (ICE), and cost analysis.

<b>Change Description</b>	<b>Proposal amount</b>	<b>Metro ICE</b>	<b>Negotiated</b>
Design and Construct accommodations for the Light Rail Station at 96 <sup>th</sup> Street. (Direct Cost – No Delay Cost)	\$17,833,687	\$9,524,580	\$10,400,000

Claims Agreement

WSSC and Metro agreed to fully and finally resolve certain claims, including the delay impact costs associated with change work to accommodate a future 96<sup>th</sup> Street Station for a lump sum amount of \$56,150,000. The claims are identified in attachments D and E. Attachment D identifies the WSSC issues and costs related to Request for Changes and Claims. Attachment E identifies Metro issues and costs against WSSC for scope and time credits. Included in the agreement price is \$650,000 to design and construct a water-based car deluge system for the underground station guideways at Vernon (Leimert), Martin Luther King, and Exposition Stations. The car deluge system will suppress a fire from a stalled Metro light rail vehicle (LRV).

**ATTACHMENT B**

**CONTRACT MODIFICATION / CHANGE ORDER LOG –  
CRENSHAW/LAX TRANSIT PROJECT / C0988**

<b>Mod. No.</b>	<b>Description</b>	<b>Status</b>	<b>Cost</b>
1	Administrative Change - Update Special Provision SP -05- Notice and Service and SP-06-Insurance Requirements	Approved	No Cost
2	Administrative Change - Technical Reports Part 6.3 PSR/PR	Approved	No Cost
3	CPUC Application	Approved	No Cost
4	Administrative Change - Revised Contractor's Mailing address	Approved	No Cost
5.3	Clarification of Schedule F Applicability	Approved	No Cost
6	Administrative Change – Update Metro Rail Directive Drawings	Canceled	Canceled
7	Design -Aviation/Century Station – Pedestrian Vertical Circulation	Approved	\$366,400.00
8	Design - Century Boulevard Future Right Turn Lane (LAWA)	Approved	\$47,820.00
9	Design -Protect for Future Transport. Corridor at 98th Street	Approved	\$120,458.00
10	Update Volume 1: Form of Contract, Volume 4: Metro Specifications and Volume 5: Metro Rail Design Criteria	Canceled	Canceled
11	Special Events Traffic Control Site Improvements	Approved	\$26,754.00
12	Design Fare Gates At-Grade Latching	Approved	\$239,000.00
13	Construction of Fare Gates At-Grade Latching	Approved	\$2,310,000.00
14	Hazardous Material Abatement Parcel	Approved	\$260,338.90
15	Hazardous Material Abatement Parcel Florence	Approved	\$481,555.20
16	Updated Volume 1, 4, and 7	Approved	No Cost
17	Construction - Century Boulevard Future Right Turn Lane (LAWA)	Approved	\$122,503.49
18	Construction -Protect for Future Transport. Corridor at 98 <sup>th</sup> St	Approved	\$240,434.34
19	Update MRDC Station Benches	Approved	No Cost
20	Waste Removal Bellanca & Arbor ROW	Approved	\$80,880.00
21	Design Underground Structure HDPE	Approved	No Cost
22	ADA Directional Tile	Approved	No Cost
23	Modify Property Turnover Dates	Approved	No Cost
24	Phone System For Field Office	Approved	\$44,019.07
25	Additional Property Demo, Parcel HS-2706	Approved	\$60,731.85
26	Rail Design Criteria Update – Full Height Platform End Gate	Approved	\$194,412.00
27	Rail Design Criteria Update – LED Lighting	Approved	\$407,242.00
28	Rail Design Criteria Update – Park and Ride Lot ETEL	Approved	\$407,552.00
29.1	Traffic Control Support for DWP Utility Work	Approved	\$113,232.00
29.2	Adjustment Traffic Control for DWP at MLK	Approved	\$112,216.00
30.3	Access for Construction of Temporary Roadway	Approved	No Cost
31	Security Guard – Crenshaw/LAX IPMO	Approved	\$102,757.54
32	ACM Removal Century-Aviation Bridge	Approved	\$55,012.20
33	Revised Steel Canopy Sections	Approved	(\$66,254.00)
34	Temporary Fencing at Avis Property	Approved	\$1,212.43
35	Hazardous Material Abatement Gourmet Food Bldg	Approved	\$341,074.00
36	Hazard Material Abatement-Bldgs /Properties	Approved	\$211,166.00
37	Dispute Review Board Procedures	Canceled	Canceled
38.2	Update Volume 1 Conformed Articles	Approved	No Cost
39.1	Update Vol 1 SP 6 Insurance Requirements	Approved	No Cost

40.1	ADA Tactile Guidance Pathways	Approved	\$565,376.00
40.2	ADA Tactile – Color Change	Approved	No Cost
41	Parking for Florence/West Park & Ride	Approved	\$99,500.00
42	SC Edison Design Engineering	Approved	\$55,606.11
43	HVAC Repair/Replacement LAX IPMO	Approved	\$119,630.00
44	Fencing at ROW Cedar/Eucalyptus	Approved	\$8,695.00
45	Construct HDPE Geo membrane Cushion	Approved	\$697,495.00
46	Striping and Traffic Loops	Approved	\$19,041.13
47	CHP Support for Century Crush	Approved	\$46,566.84
48.2	35 Day Delay – Milestone	Approved	No Cost
49	Hazardous Material Parcels	Approved	\$52,420.00
50	UST Removal – Parcels SW-0103	Approved	\$51,827.00
51	UST Removal-Parcels HS2201/2206 CR3701	Approved	\$176,376.00
52	Update Roll-Up Grilles & Pay Phone	Approved	\$136,597.00
53	Contaminated Soil/Slurry	Approved	\$240,218.00
54	COI Design Serv. Century Crush	Approved	\$14,543.00
55	Security Guard – 24 hour Shifts	Approved	\$82,947.12
56	Station Architectural Standards	Approved	\$69,162.00
57	Millstone Revision Exercise Option 2A & 2B	Approved	No Cost
58.2	Design Extended Track	Approved	\$274,876.55
59	SP 24 Incorporating BAFO Changes	Approved	No Cost
60	Design Accommodations for 96 <sup>th</sup> St Sept 1,2, Part A	Approved	\$641,378.28
61.1	TIFA Certification Requirements	Approved	No Cost
62	Design Centinela Crossing/Eucalyptus	Approved	\$251,158.00
63	Design Harbor Sub At Grade Lighting	Approved	\$216,080.00
64	Removal of Contaminated Seg A Imperial	Approved	\$1,824.07
65	Capri AC Unit Replacement	Approved	\$22,191.89
66	Unknown UG Obstruction at MLK Phase	Approved	\$30,234.68
67	3rd Party (Conad) Repair on Victoria	Approved	\$1,592.63
68	LADWP Gate and Laydown	Approved	\$1,767.14
69.1	Revised Radio System Frequencies	Approved	\$6,222.00
70	Clarification of Radiating Cable and Assembly Parts	Canceled	Canceled
71	Aviation/Century Temp Sidewalk	Approved	\$18,207.00
72	Hazardous Material Removal at Parcel SW-010CR 3304	Approved	\$33,212.00
73	Dollar Rent A Car Facility Hazardous Material Removal	Approved	\$204,924.00
74	Access to Covered Manholes	Approved	\$200,000.00
75	Design Updated Station Customer Signage Directive Drawings	Approved	\$55,665.00
76	Capri Electrical-Surveillance Camera	Approved	\$19,649.58
77	Relocate LAWA Water Service – Design	Approved	\$50,702.00
78	African Drum Project Tree Removal	Approved	\$2,512.76
79	Update Vol. 1 Indefinite Qty Equipment	Approved	No Cost
80	Contaminated Drilling Slurry Century	Canceled	Canceled
81	Reroute Northrop Bent 1A	Approved	\$20,988.00

82	96th Station West Option Analysis	Approved	\$17,333.52
83	Additional Recurring of Properties	Approved	\$8,331.44
84	MIC Control System	Approved	\$1,076,736.00
85	Delete HS-2001 & 0.1 FM SP 16/17	Approved	No Cost
86	Fence Adjustment at MLK	Approved	\$10,011.21
87	Claim Resolution-Electric Mtrg Switchgear	Approved	\$610,300.00
88	Design 10" & 8" Abandon Lines Crenshaw	Approved	\$18,180.00
89	At Grade Station Ticketing Zone	Approved	\$70,074.00
90	Utility Investigation for 96th Street	Approved	\$35,808.21
91	Additional Security " Taste of Soul"	Approved	\$15,912.55
92	Abandoned 8" and 10" Pipe at Vernon Station	Approved	\$222,752.00
93	Daily Stand By Construction Zone 2/2A	Approved	\$90,000.00
94	Storage Trailer at the Arlington Yard	Approved	\$8,695.00
95	Unknown Concrete Slab Encounter at FCBC Facility	Approved	\$11,032.00
96	Electrical Ductbank Revisions at Exposition Station	Approved	\$541,193.00
97	Continuous Deflection Monitoring Greenline Counterweight Removal	Approved	\$155,461.00
98	Intrusion Detection Access Control Interface	Approved	\$65,926.00
99	16" Gas Pipe ACM Abatement Expo	Approved	\$17,972.98
100	Additional Rebar at Deck Panel	Approved	\$282,386.56
101	Security Guard for Crenshaw/LAX – Year 2	Approved	\$171,919.90
102	Cable Transmission System Update	Approved	\$65,517.00
102.1	Cable Transmission System Update – Add Diagrams	Approved	No Cost
103	Obstructions at Green Line Bent 3 and 4	Approved	\$30,821.00
104	Contaminated Soil – Multiple Locations	Approved	\$387,257.46
105	Century/Aviation Bridge Camera	Approved	\$9,719.00
106	Asbestos Testing Monitoring at Avis	Approved	\$1,894.00
107	Haz Mat Investigation Removal – Car Wash UST	Approved	\$14,541.73
108	Reconfiguration of Traffic Control Plan – La Brea	Approved	\$55,053.00
109	Cedar Encroachment Removal	Approved	\$17,566.00
110.2	Transmit LACMTA Lease Agreement and SWY Turnover Dates	Approved	\$26,533.00
111.1	Crenshaw Blvd. Tree and Landscaping	Pending	\$65,213.00
112	HNTB Design Costs for 96 <sup>th</sup> Street W. Alignment	Approved	\$920,532.00
113	Centinela Crossing Tree Preservation	Approved	\$45,450.00
114	Claim Resolution – DWP Vault Relocation MLK	Approved	\$125,614.66
115	Deletion of Public Phone	Approved	(\$59,315.19)
116	Harbor Sub Encasement Verification – Non Highlighted Utilities	Approved	\$94,240.13
117	Harbor Sub Encasement Verification – Unknown Utilities	Approved	\$159,743.78
118	Harbor Sub Encasement Verification – Highlighted Utilities	Approved	\$208,350.12
119	Encasement Verification – City of LA	Approved	\$45,448.78
120	Contaminated Oil Removal – UG1 FOG Lines	Approved	\$41,193.00
121	Florence/West Station – Redondo Blvd. Temporary Parking	Approved	\$35,000.00
122	ATC System at Slauson Signals	Approved	\$244,934.50
124.2	City of Inglewood Water Line Relocation	Pending	(\$9,639.95)

125	LKC Design W. Alignment Shift for 96 <sup>th</sup> Street	Approved	\$217,638.00
126.1	Provisional Sum – Unknown Utility	Approved	\$3,000,000.00
127.1	Modifications for 24" FAA Fiber Optic Duckbank at UG1	Approved	\$134,735.00
128	Greenline Safety Walkway – Design	Approved	\$44,068.00
129	Support of Excavation 2.0 Safety Factor	Approved	\$504,769.00
130	Unique 65 Foot Mast Arm at Aviation Blvd. and Century Blvd.	Canceled	Canceled
131	Unknown Obstructions at 405 Bridge Bent 2	Approved	\$63,480.00
132	Claim Resolution – Traffic Control at LADOT's	Approved	\$155,988.75
133	Design – Eliminate DWP Switchgear at MLK	Approved	\$51,410.00
134	Addition of LATS Time Synchronization	Approved	\$39,880.00
135	Updated Standard Wayside Rail Operation Signage	Approved	\$39,735.00
136	UG 1 Wayfinding – Design	Approved	\$68,548.00
137	LKC Design Accommodations 96 <sup>th</sup> Street, Step 2 part A	Approved	\$65,132.00
138	Claim Resolution – Install Video Detection Camera	Approved	\$27,216.00
139	Claim Resolution – ATSAC Fiber Optic Relocation at Expo	Approved	\$221,652.00
141	Mitigation Reimbursement (Golf Carts)	Approved	\$14,853.90
142	Design- North Yard Lead Revisions	Approved	\$21,030.00
143	Line Removal at Florence and Isis in Conflict with Storm Drain Installation	Approved	\$4,483.00
144	Removal of Underground Storage Tanks at Florence Properties	Approved	\$69,486.57
145	Remove/Dispose/Burn Contaminated Soils from Expo	Approved	\$487,827.24
146	TPSS No. 2 Upgrade from 1.5 MW to 2.0 MW	Approved	\$46,802.00
147	Unknown Slab at 111 <sup>th</sup> and Aviation	Approved	\$6,746.00
148	Subsurface Investigation 317 E. Florence	Approved	\$30,087.60
149	Removal of Underground Storage Tank at Expo Yard Excavation	Approved	\$43,876.87
150	Gas Line in Pole Foundation at Arlington and MLK	Approved	\$2,489.41
151	Market Street Catch Basin Tie-in	Approved	\$14,010.00
152	Abandoned 8" and 10" Pipe Environmental Testing UG-4	Approved	\$417,000.00
153.1	Removal of the Track/Rail and Hump at Imperial and Aviation Blvd.	Approved	\$70,128.00
154	18in Sanitary Sewer Relocation at MSE Wall	Approved	\$614,133.00
155	Claim Resolution – TPSS #1 Relocation S. Imperial	Approved	\$91,252.00
156	Qwest Line Relocation	Approved	\$436,312.00
157	Delay Cost at CP-4	Approved	\$115,000.00
158	Vernon ATSAC Relocation	Approved	\$270,555.00
159	Claim Resolution – FAA LAWA Navid Light	Approved	\$125,000.00
160	Pothole & Remove 216in Gas Line	Approved	\$52,000.00
162	Tunneling Requirements	Approved	(\$5,534.40)
163	Claim Resolution – 104 St. Deck Lid – Design	Approved	\$62,000.00
165	Claim Resolution – SWY Removal of Electric Service	Approved	\$25,000.00
168	Bronson Street Vacation	Approved	\$25,039.00
169	Quality Control Inspection	Approved	No Cost
170	Detector Loop Cable Repair 60th & Crenshaw	Approved	\$1,210.00
171.1	Encasement Verification of LA Sewer	Approved	\$10,000.00

172	Unknown Buried Culvert at Centinela	Approved	\$12,970.00
173	Florence/ La Brea Bus Transfer Station	Approved	\$2,200,000.00
174.1	Signal House Monitors	Pending	\$60,476.71
175	LAX Section Time of Day Limit UG-1	Approved	\$54,000.00
176	Claim Resolution -Support of FAA Ductbank UG-1	Approved	\$190,000.00
177	Harbor Subdivision Potholing unknown Utilities at Eucalyptus	Approved	\$17,631.34
178	TBM Lowering Event	Approved	\$28,730.60
180	Board Approved Station Name Change	Approved	\$138,450.81
181	TPSS No.1 New Power Transmission	Approved	\$324,093.00
182	LAWA Storm Drain Monitoring Unit Relocation	Approved	\$26,046.00
184	Claim Resolution - Ballast Retainer Wall	Approved	\$41,426.00
185	Claim Resolution - At-Grade Stations Check	Approved	\$22,197.00
186	Security Guard for Crenshaw/LAX - Year 3	Approved	\$180,990.51
188.1	Claim Resolution - Design Radio Redundancy	Approved	\$250,000.00
189	Revise Street Plans at Hindry Avenue - Design	Pending	\$56,925.00
190.1	Design Signage/Striping at Cedar	Pending	\$17,000.00
191.0	96th Street Station Accommodation - Agreed Direct Cost	Approved	\$1,452,819.57
192	Bones Discovered - Vernon Station	Pending	\$4,875.89
193	Shut Down at MLK Station	Approved	\$123,912.00
194.1	Revise CPUC Striping	Pending	\$2,807.00
195	COLA Roadway and Curb Revision	Approved	\$484,854.54
196	Compensate Time Extension Expo Delay	Approved	\$100,200.00
197	Relocate DWP Water Mains at Crenshaw	Pending	\$54,184.63
199	TWC Routing Through Crenshaw	Approved	\$79,978.00
200	Security Guard for Crenshaw/LAX - Year 2 and 3 Adjustment	Approved	\$127,377.04
201	Design Deluge System at Expo Crossover	Pending	\$650,000.00
202.1	Turnback and Speed Restrictions	Pending	\$356,675.19
203.1	LADOT Parking Lots Improvements	Pending	(\$856.11)
204.1	Design - Tree Well Brick Pavers	Pending	\$16,793.00
205	Walgreens Encroachment Fence	Pending	\$6,754.00
206	Unknown Concrete at Cedar and Oak	Approved	\$4,242.00
207	Metro Right-of-Way Property	Pending	\$425,000.00
208	Unknown Concrete Obstruction at RW75	Pending	\$3,931.17
209	Redondo Stockpile - Unknown Condition	Pending	No Cost
210	Manchester/Florence Aviation Traffic Signal	Pending	\$10,496.83
211	Imperial & Aviation Traffic Signal	Pending	\$22,947.00
212	SCGC Removal at Redondo	Pending	\$55,573.00
213	UST Removal at Pedestrian Underpass	Pending	(\$82.77)
214	Black Tar-like Substance at Arbor Vitae	Pending	No Cost
215	Time Warner Conflict at RW 75	Pending	\$71.99
216	Wally Fence Encroachment	Pending	No Cost
217	Tree Species and Bike Racks	Pending	\$20,110.00
TBD	96 <sup>th</sup> Street Station Accommodations and Settlement Agreement	Pending	\$66,550,000.00



Change Orders			
CO 18.1	Track Drainage CI Pipe in Lieu of PVC	NTE	\$130,217.00
CO 31	City of Inglewood Water Line Relocation	NTE	\$973,598.00
CO 37.2	Design Hold Out Signals Aviation/Century	NTE	\$50,000.00
CO 38	Abandoned 8" and 10" Pipe Environmental Test and Removal (UG3)	NTE	\$362,500.00
CO 40.2	Relocate LAWA Water Service to 111 <sup>th</sup>	NTE	532,695.00
CO 41	Design Deluge System at Expo Crossover	NTE	\$0
CO 44.1	UG-1 H2S Ventilation Fans - Design	NTE	\$390,429.00
CO 46.3	Underground Fire Rated Conduit Cable	NTE	\$300,000.00
CO 47	Crenshaw Blvd. Tree and Landscaping	NTE	\$399,308.00
CO 50.1	Turnback and Speed Restrictions	NTE	\$100,000.00
CO 60.1	Revise Street Plans at Hindry Avenue	NTE	\$21,600.00
CO 61	Park Mesa Heights Re-sequencing	NTE	\$300,000.00
CO 62	Encase City of LA Sanitary Sewers	NTE	\$100,000.00
CO 63.1	Civil Revisions for CPUC Striping at West Street	NTE	\$30,000.00
CO 64.1	Crenshaw Landscaped Median Rendering	NTE	\$126,000.00
CO 67.1	Ballast Wall Extension at Eucalyptus	NTE	\$51,395.00
CO 69.2	Unknown 18inch Storm Drain UG-1	NTE	\$22,931.00
CO 71	Credit Crenshaw Tree Permit	NTE	No Cost
CO 72	Removal of 24in Storm Drain at MLK Station	NTE	\$100,000.00
CO 73	Tree Species and Bike Racks	NTE	\$8,000.00
CO 74	Pedestrian Lights Slauson Station	NTE	\$16,000.00
CO 76.2	LADOT Parking Lots Improvements	NTE	\$86,423.00
CO 77	Imperial & Aviation Traffic Signal	NTE	\$12,000.00
CO 78	LADOT Requested Comment Matrix	NTE	\$20,000.00
CO 79	Shortening of Median Island Brynhurs	NTE	\$4,000.00
CO 80	Extended Track - Construction	NTE	\$350,000.00
CO 81.2	96th Street Station Accommodation - Construction	NTE	\$1,000,000.00
CO 82	Harbor Subdivision At-Grade Lighting - Construction	NTE	\$100,000.00
CO 84	Encase ATT Ductbank Near Redondo Blvd.	NTE	\$5,000.00
CO 85	LABSL Requests	NTE	\$140,000.00
CO 86	Relocate DWP Water Mains at Crenshaw	NTE	\$100,000.00
CO 87	UG-1 Raised Walkway - Design	NTE	\$131,287.00
CO 88.1	Remove and Install Driveways at Crenshaw	NTE	\$39,448.73
CO 90.1	Black Tar-like Substance at Arbor Vitae	NTE	\$4,014.75
CO 91	96th Street Station Accommodation - Electrical Requirements	NTE	\$500,000.00
CO 92.1	Support SCGC - Abandon 2" Gas at Brynhurs	NTE	\$7,500.00
CO 93	COI Sewers (UID 1216 & 1263) Design	NTE	\$16,000.00
CO 96	Time Warner Conflict at RW 75	NTE	\$3,570.91
CO 98	Redondo Stockpile - Unknown Condition	NTE	\$4,409.62
CO 101	UST Removal at Pedestrian Underpass	NTE	\$61,063.22
CO 102.1	TPSS #3 Redesign for SCE Power	NTE	\$80,000.00

CO 103	Imperial Non-percentage Pavement Profile	NTE	\$80,000.00
CO 104	Support DWP Water 6" Water Relocation	NTE	\$24,000.00
CO 105.1	Clarify Integration with Green Line	NTE	\$64,225.00
CO 107	UG-1 Raised Walkway - Construction	NTE	\$347,888.00
CO 109	Relocate Concrete with Steel Poles	NTE	\$80,000.00
CO 110	Design At-Grade Station Fencing	NTE	\$120,000.00
CO 111	Wally Fence Encroachment	NTE	\$983.73
CO 112	Removal/Disposal of Asbestos Pipes 255+00	NTE	\$23,314.40
CO 113	Accommodations for Bus Shelter	NTE	\$4,000.00
CO 114	Emergency Ventilation & Egress UG-1	NTE	\$30,000.00
CO 115	Special Permitting Process Impact	Pending	\$508,713.45
CO 116	96th Street Station Accommodations - Additional Ballast Wall	NTE	\$370,040.00
CO 117	Station Signage Revision (ADA)	NTE	\$50,000.00
CO 118	Cameral Install and Removal I405 Time Laps	NTE	\$3,200.00
CO 119	Cable Transmission System Update	NTE	\$168,000.00
CO 120	New Power Transmission TPSS #6	NTE	\$117,220.60
CO 121	Station Architectural Standards - Construction	NTE	\$435,334.00
CO 122	UG-1 Center Walkway Lighted Handrail	NTE	\$75,000.00
CO 123	Segment B-2 North and Central Tree	NTE	\$31,800.00
CO 124	City of Inglewood Sewer (UID 1263) C	NTE	\$76,000.00
CO 125	Florence/West Station – Redondo Blvd. Temporary Parking	Pending	\$15,000.00
CO 126	Grade Crossings Bell Noise Reduction	Pending	\$18,000.00
Subtotal – Approved Modifications & Change Orders			<b>\$38,995,175.59</b>
Subtotal – Pending Changes/Modifications			<b>\$68,910,969.03</b>
<b>Total Mods and Pending Changes (Including this Change)</b>			<b>\$107,906,144.62</b>
Prior CMA Authorized by the Board (including base award and other modifications)			<b>\$144,299,993.00</b>

## DEOD SUMMARY

## CRENSHAW/LAX TRANSIT PROJECT/C0988

**A. (1) Small Business Participation - Design**

Walsh/Shea Corridor Constructors (WSCC) made a 20.59% Disadvantaged Anticipated Level of Participation (DALP) commitment for Design. DBE commitments were made to 10 DBE subcontractors at the time of award, and 11 additional DBE subcontractors have been added to-date. WSCC is currently exceeding its commitment for Design with 24.86% DBE participation.

<b>DISADVANTAGED BUSINESS ENTERPRISE ANTICIPATED LEVEL OF PARTICIPATION COMMITMENT</b>	<b>20.59% DALP</b>	<b>DISADVANTAGED BUSINESS ENTERPRISE ANTICIPATED LEVEL OF PARTICIPATION</b>	<b>24.86% DALP</b>
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	<b>Design DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>	<b>Current Participation</b>
1	BA, Inc.	African American	0.61%	0.95%
2	D'Leon Consulting Engineers Corporation	Hispanic American	0.85%	1.42%
3	FPL & Associates, Inc.*	Asian Pacific American	0.41%	0.44%
4	IDC Consulting Engineers, Inc.	Asian Pacific American	0.94%	0.97%
5	Innovative Engineering Group, Inc.*	Asian Pacific American	0.23%	0.29%
6	Libby Engineers, Inc.	Caucasian Female	0.85%	0.99%
7	Lynn Capouya, Inc.	Caucasian Female	0.96%	1.26%
8	MGE Engineering, Inc.	Asian Pacific American	1.48%	1.96%
9	MLA Green Inc	Hispanic American	0.51%	0.40%
10	NBA Engineering Inc	Caucasian Female	0.72%	0.80%

11	Parikh Consultants, Inc.	Asian Pacific American	1.85%	2.58%
12	Sapphos Environmental, Inc.*	Hispanic American	0.02%	0.01%
13	Selbert Perkins Design Inc.	Caucasian Female	0.27%	0.30%
14	T E C Management Consultants, Inc.*	African American	0.41%	0.76%
15	Ted Tokio Tanaka Architects*	Asian Pacific American	0.51%	0.49%
16	Togo Systems, Inc.*	Asian Pacific American	0.46%	0.71%
17	Universal Reproductions Inc. dba Universal Reprographics, Inc.*	Caucasian Female	0.03%	0.14%
18	V & A Inc.	Hispanic American	9.25%	10.18%
19	Y B I Management Services*	African American	0.03%	0.01%
20	YEI Engineers, Inc.*	Asian Pacific American	0.20%	0.12%
21	C & L Drilling Company*	Caucasian Female	Added	0.08%
<b>Total</b>			<b>20.59%</b>	<b>24.86%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime

\*DBEs added after contract award

**B. (2) Small Business Participation – Construction**

Walsh/Shea Corridor Constructors (WSCC) made a 20% Disadvantaged Anticipated Level of Participation (DALP) commitment for Construction at the time of contract award, and made five DBE subcontract commitments. After the start of Construction, 106 DBE subcontractors were added. WSCC is currently achieving 14.26% of their proposed 20% DBE subcontract commitment for Construction. It is expected that DBE commitments will continue to increase as Construction progresses.

Based on the total amount paid-to-date to WSCC, the total actual amount paid-to-date to DBE subcontractors, current participation is 25.36%. WSCC is expected to continue ongoing outreach and good faith efforts to meet their DBE contract commitment.

<b>DISADVANTAGED BUSINESS ENTERPRISE ANTICIPATED LEVEL OF PARTICIPATION COMMITMENT</b>	<b>20.00% DALP</b>	<b>DISADVANTAGED BUSINESS ENTERPRISE ANTICIPATED LEVEL OF PARTICIPATION</b>	<b>25.36% DALP</b>
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	<b>Construction DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>	<b>Current Participation</b>
1	A & M Gentry Trucking*	Caucasian Female	0.46%	0.37%
2	Advantage Demolition & Grading, Inc.*	African American	0.07%	0.13%
3	Alameda Construction Services, Inc.*	African American	0.00%	0.00%
4	Analysis & Solutions Consultants*	African American	0.04%	0.08%
5	Anytime Dumping, Inc.*	African American	0.68%	1.39%
6	APW Construction, Inc. dba Ace Fence Co.*	Asian Pacific American	0.03%	0.08%
7	Anthony & Sons Trucking	Hispanic American	Added	0.01%

8	Artnancy Transportation	Hispanic American	Added	0.04%
9	C & S Early Trucking	African American	Added	0.00%
10	C J Express	African American	Added	0.04%
11	Caliche Trucking	Hispanic American	Added	0.03%
12	City2City Trucking	African American	Added	0.03%
13	Convenient Trucking	Hispanic American	Added	0.00%
14	D B Trucking	African American	Added	0.03%
15	Diamond Transport	Hispanic American	Added	0.02%
16	Edward J Howell Jr	African American	Added	0.02%
17	Freeway Trucking Company	African American	Added	0.00%
18	Gant Trucking	African American	Added	0.03%
19	H & L Dump Service	Hispanic American	Added	0.05%
20	H P Trucking	African American	Added	0.05%
21	J. C. Martinez Trucking	Hispanic American	Added	0.01%
22	J. Reynaga Trucking	Hispanic American	Added	0.02%
23	JoJo's Trucking, Inc.	Hispanic American	Added	0.02%
24	Jus Dumpin LLC	African American	Added	0.02%
25	KIR Trucking	African American	Added	0.03%
26	L & T Enterprize	African American	Added	0.05%
27	My Three Brothers and Me	African American	Added	0.02%
28	Ocha Transportation	Hispanic American	Added	0.02%
29	Orlando's Trucking	Hispanic American	Added	0.01%
30	RDL Trucking	African American	Added	0.04%
31	Ready Two Roll Trucking, LLC	African American	Added	0.04%

32	Reynaga Trucking	Hispanic American	Added	0.02%
33	S C Transportation, Inc.	African American	Added	0.05%
34	Smashmouf Trucking	African American	Added	0.03%
35	West Side Boyz	Hispanic American	Added	0.05%
36	B & B Diversified Materials*	Asian Pacific American	0.26%	0.33%
37	Bravo Pacific, Inc. dba Marmolejo Contractors, Inc.*	Hispanic American	1.68%	2.91%
38	C & L Drilling Company*	Caucasian Female	0.00%	0.00%
39	C.P.R. Trucking, Inc.	Hispanic American	0.20%	0.06%
40	3531 Trucking	Caucasian Female	Added	0.00%
41	Abrego Trucking	Hispanic American	Added	0.00%
42	California Trucking	Hispanic American	Added	0.01%
43	Clean Street Sweeping, Inc.	Hispanic American	Added	0.04%
44	Coco's Trucking	Hispanic American	Added	0.00%
45	El Camino Trucking, Inc.	Hispanic American	Added	0.01%
46	Fortino Trucking	Hispanic American	Added	0.01%
47	HBA Trucking	Hispanic American	Added	0.01%
48	HD Trucking	Hispanic American	Added	0.01%
49	Hugos Trucking	Hispanic American	Added	0.01%
50	J P Sepulveda Trucking	Hispanic American	Added	0.01%
51	Joe G. Trucking	Hispanic American	Added	0.01%
52	L S Trucking	Hispanic American	Added	0.01%
53	Marquez Delivery	Hispanic American	Added	0.01%
54	MCB Trucking	Hispanic American	Added	0.01%

55	Omar Trucking	Hispanic American	Added	0.01%
56	P.G. TRUCKING	Hispanic American	Added	0.01%
57	P.M.R. Trucking	Hispanic American	Added	0.01%
58	Red Dragon Transport, Inc.	Hispanic American	Added	0.01%
59	SMR Transport	Hispanic American	Added	0.05%
60	Speedy Gonzalez Trucking	Hispanic American	Added	0.01%
61	Willie Trucking	Hispanic American	Added	0.01%
62	Cabrinha, Hearn & Associates*	Hispanic American	0.12%	0.44%
63	CBass Dirtyworks Trucking*	African American	0.03%	0.17%
64	Cindy Trump Inc*	Caucasian Female	0.00%	0.00%
65	Clean Up America, Inc.*	African American	0.04%	0.09%
66	Coast Surveying, Inc	Hispanic American	0.25%	0.43%
67	Coleman Construction, Inc.*	African American	0.07%	0.19%
68	D C D Electric Inc.*	African American	0.38%	0.67%
69	Davis Blue Print Co., Inc.*	Hispanic American	0.00%	0.03%
70	DC Engineering Group*	Hispanic American	0.01%	0.19%
71	Deborah Dyson Electrical Contractor*	African American	0.00%	0.01%
72	Deco Pave, Inc.*	Asian Pacific American	0.01%	0.10%
73	E-Nor Innovations Inc.*	African American	0.06%	0.13%
74	EW Corporation Industrial Fabricators*	Hispanic American	0.01%	3.37%
75	Excelsior Elevator Corp.*	Asian Pacific American	0.64%	0.34%



76	Fine Grade Equipment, Inc.*	Native American	0.02%	0.01%
77	Flores Construction*	Hispanic American	0.00%	0.01%
78	fs3, Inc.*	Hispanic American	0.01%	0.01%
79	G & C Equipment Corporation*	African American	2.21%	2.92%
80	G. O. Rodriguez Trucking, Inc.*	Hispanic American	0.00%	0.01%
81	Global Transloading, LLC*	Hispanic American	0.55%	0.97%
82	GW Civil Constructors, Inc.*	African American	1.05%	2.11%
83	Inspection Services, Inc. (ISI)*	Asian Pacific American	0.05%	0.09%
84	Integrity Rebar Placers, Inc.*	Hispanic American	2.85%	3.09%
85	Lowers Welding and Fabrication, Inc*	Caucasian Female	0.02%	0.62%
86	J P AND CONCEPTS CO.*	Caucasian Female	0.55%	0.51%
87	KLP Commercial, LLC*	Native American	0.07%	0.04%
88	Morgner Technology Management*	Hispanic American	0.07%	0.10%
89	Nextline Protection Services*	African American	0.03%	0.41%
90	Nexus Consulting and Management Services, Inc.*	Hispanic American	0.02%	0.08%
91	PacRim Engineering Inc*	Asian Pacific American	0.00%	0.01%
92	Padilla & Associates, Inc.	Hispanic American	0.15%	0.33%
93	Quality Engineering Inc.	African American	0.31%	0.35%
94	R J LaLonde, Inc.*	Caucasian Female	0.00%	0.01%
95	R.J. Safety Supply Company	Caucasian Female	0.00%	0.01%

	Inc.*			
96	Robnett Electric, Inc.*	African American	0.00%	0.01%
97	Safeprobe, Inc.*	Asian Pacific American	0.02%	0.03%
98	Sapphos Environmental, Inc.	Hispanic American	0.05%	0.07%
99	Seaport Lighting, Inc.*	Caucasian Female	0.74%	0.02%
100	Soteria Company, LLC	Hispanic American	0.10%	0.12%
101	South Coast Sweeping, Inc.*	Caucasian Female	0.12%	0.22%
102	TEC Management*	African American	0.02%	0.03%
103	The Jungle Nursery, Inc.*	Hispanic American	0.01%	0.02%
104	Thomas Land Clearing*	African American	0.03%	0.11%
105	Titan Disposal, LLC*	African American	0.03%	0.01%
106	Treesmith Enterprises, Inc.*	Hispanic American	0.02%	0.04%
107	Tri-County Drilling, Inc.*	Caucasian Female	0.01%	0.19%
108	Universal Reproductions Inc. dba Universal Reprographics, Inc.*	Caucasian Female	0.00%	0.02%
109	V & A Inc.*	Hispanic American	0.07%	0.12%
110	Valverde Construction, Inc.	Hispanic American	0.00%	0.01%
111	VMA COMMUNICATIONS, INC	Hispanic American	0.04%	0.09%
112	Y B I Management Services*	African American	0.00%	0.01%
<b>Total</b>			<b>14.26%</b>	<b>25.36%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime

\*DBEs added after contract award

**C. Project Labor Agreement / Construction Careers Policy (PLA/CCP)**

The Contractor has committed to complying with PLA/CCP requirements for this project. This project is 80.11% complete (based on total construction labor hours expended, divided by the total estimated construction labor hours in the approved Employment Hiring Plan) and the contractor is achieving the 40% Targeted Worker Goal at 58.80%, achieving the 20% Apprentice Worker Goal at 20.35%, and achieving the 10% Disadvantaged Worker Goal at 12.65%. Staff will continue to monitor and report the contractor's progress toward meeting the goals of the PLA/CCP.

**D. 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). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection, construction management and other support trades.

**E. Living Wage Service Contract Worker Retention Policy**

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

**ATTACHMENT D**

**WSSC/METRO AGREEMENT**

**REQUEST FOR CHANGES AND CLAIMS**

Item No.	RFC / Claim No.	Title
<b>WSSC - Direct Cost</b>		
1	Claim No. 62	HOBAS Inefficiencies (Direct Cost)
2	Claim No. 48	Central Outfall Sewer at I-405
3	Claim No. 70	1) Differing Site Condition - Exposition Station Excavation - CSM 2) Differing Site Condition - Exposition Station Excavation - Water Leakage/ Jet Grouting
4	Claim No. 71	Differing Site Condition - Martin Luther King Station - CSM
5	Claim No. 80 & 92	Protect in Place (PIP) of LADWP Duct Bank at Manchester (Design & Construction)
6	Claim No. 69	Special Permitting Process (SPP) - Los Angeles Department of Transportation
7	RFC No. 132	Special Permitting Process (SPP) - Los Angeles Bureau of Engineering (LABOE) - Support of Excavation (SOE) Calculations - Before 1/31/15
8	Claim No. 74	SPP - LABOE SOE Calculations - After 1/31/15
<b>WSSC - Extension of Time</b>		
9	RFC No. 53	TIA # 2 BOE Stop Notice
10	RFC No. 53	TIA # 4 Hobas Pipe Installation
11	Claim No.85	TIA # 5 96 th Street (Rev # 3)
12	Claim No. 70	TIA # 6 DSC - CSM at Exposition
13	Claim No. 70	TIA # 7 DSC Leaks
14	Claim No. 62	TIA # 8 Hobas Pipe Settlement Criteria

ATTACHMENT D

WSSC/METRO AGREEMENT

REQUEST FOR CHANGES AND CLAIMS

Item No.	RFC / Claim No.	Title
<b>Subcontractor's - Extension of Time Delay</b>		
15	Claim No. 85	LKC - Extended Overhead Neal Electric - Extended Overhead Select Electric - Extended Overhead DCD Electric - Extended Overhead Herzog - Extended Overhead
<b>Design Extended Performance - HNTB</b>		
16	Claim No. 39	Alignment Changes (HNTB)
17	Claim No. 55	Design - Extended Performance Due to City of LA (HNTB)
18		Design - Extended Performance Due to Metro (HNTB) - (submittal was pending)

**ATTACHMENT E  
WSCC/METRO AGREEMENT  
METRO REQUEST FOR CREDITS**

Item No.	Description	Segment
1	Weekend vs Full Closure for Decking at Underground Stations	C
2	Park Mesa Heights Roadway Work	B
3	Re-use existing light poles	B
4	Pedestrian separate light pole vs attachment	B
5	Unarmored vs Armored fiber optic cable	
6	Florence Roadway Work	B
7	La Brea Station Area - Existing Structures to Remain	B
8	Ballast Retainers	A and B
9	CMU Walls in Underground Trainway Areas	C
10	Mist vs Deluge @ Underground Platforms	C
11	Deflection of SOE	C
12	Removal of Basin Effect from Seismic Criteria	System wide
13	Timber Lagging for Temporary Shoring of Underground Structures	System wide
14	Plastic Hinge Zone Reinforcement (Compression Face) At Underground Stations	C
15	Load Tests for Drilled Shafts and Use of Miniature Shaft Inspection Device (MiniSID)	A and B
16	Joints in Cut and Cover Structures	System wide
17	Allow Application of Single Rail, Power Frequency Tack Circuits for Train Detection on Crossovers	System wide
18	End-bearing Resistance of SOE Vibrated Soldier Piles Supporting Underground Structures	System wide
19	UG1 & UG 3 Mud Slab Tolerance	A and B

**WSCC/METRO AGREEMENT  
METRO REQUEST FOR CREDITS**

Item No.	Description	Segment
20	Plinth Direct Fixation Stirrup Reinforcement	System wide
21	Fans at Portal @ UG4	C
21A	Fans @ Crossover	C
22	Fans size at UG3	B
23	West Station Park and Ride Lot Aisle Width	B
24	Maximum Allowed Actual Superelevation (Ea)	System wide
25	Elimination of Local Utility Power Supply to the MLK TP	C
26	24" DWP Water Line Relocation at Vernon	C



Board Report

File #: 2016-0973, File Type: Informational Report

Agenda Number: 49

**REVISED**  
**CONSTRUCTION COMMITTEE**  
**JANUARY 19, 2017**

**SUBJECT: REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT**

**ACTION: ESTABLISH A REVISED LIFE OF PROJECT BUDGET TO RIGHT-PRICE THE REGIONAL CONNECTOR PROJECT**

**RECOMMENDATION**

CONSIDER:

- A. INCREASING the Life of Project (LOP) Budget on the **Regional Connector Transit Corridor Project** by \$199 million from \$1,551,840,570 to \$1,750,840,570;
- B. AMENDING the FY17 Budget on the Regional Connector Transit Corridor Project by \$30.6 million from \$220,730,000 to \$251,330,000;
- C. AUTHORIZING the CEO to execute Contract Modification No. 74 with Regional Connector Constructors (RCC) in the amount not to exceed \$50,600,000, for delays and schedule mitigation measures, electrical and water utility relocation costs, additional fire life safety engineering and other design and construction changes, increasing the total contract value from \$1,052,391,660 to \$1,102,991,660.
- D. AUTHORIZING the CEO, as part of a one-year pilot, to negotiate and execute project-related agreements, including contract modification(s) up to the authorized Life of Project budget, to streamline project management of the Regional Connector Transit Corridor Project subject to monthly reporting requirements, that would include any pending project-related agreements, change orders/contract modifications and any significant changes to contract contingency to the Board of Directors. This action would allow the Board to see in advance all project-related agreements and change orders.

**ISSUE**



The Regional Connector Transit Corridor Project (Project or Regional Connector Project) is a 1.9-mile underground light rail transit subway in Downtown Los Angeles connecting the existing Metro Gold Line, Metro Blue Line, and Metro Exposition Line light rail transit systems. The Project is extremely complex as it will interface with the different system elements from the existing transit lines and is being constructed through one of the oldest and most congested areas in Downtown Los Angeles, traversing through the heart of the Financial District/Historic Core and Little Tokyo/Arts District. Accordingly, traffic mitigation, stakeholder coordination, and aging third party infrastructure are key challenges for the Project.

With 95% of the design completed, a recently-performed risk assessment with the FTA affirms that this large, unique, and complex mega Project requires additional project budget based on a more thorough analysis of Project scope and risks. In conjunction with this review, the CEO has identified the need to streamline the contract administration process for the Regional Connector Project and is requesting the authority to negotiate and execute any remaining agreements such as professional services agreements, City or utility work orders and contract modifications within the LOP budget, subject to monthly reporting to the Board.

## **BACKGROUND**

From the outset, this Project experienced budgetary pressures from a variety of causes. These include minimal initial contingency funding for significant project risks, insufficient funding for professional, agency and third party services, increased costs due to differing site conditions related to utility relocation, cost increases from repeated litigation-related impacts and delays, cost increases due to longer than anticipated durations for plan and permit approvals, and the resultant schedule impacts and mitigation expenses from all these factors. Costs to complete multiple aspects of the project are forecast to exceed the current approved budget and are summarized by major cost element in Table 1.

The Board authorized additional funding for the Project in December 2015, at which time staff indicated that a second budget augmentation request could be forthcoming once project needs were fully identified (Attachment F). Since that time, the Project was re-sequenced to position the project for success. Despite ongoing challenges, project momentum continues to ramp up significantly in all areas. Design is now nearing completion and heavy construction work at all three stations is well underway and the tunnel boring machine (TBM) is being assembled and will begin mining operations in mid-January 2017. Work along Flower Street, while still extremely challenging, is now progressing after extensive re-sequencing. Overall, Project completion is now approaching 30% complete.

The December 2015 Board Report included a "Next Step" Section which explained that the Project would perform a formal risk assessment in conjunction with FTA, where schedule and costs would be evaluated and the results and recommendations thereafter shared with the Board. This schedule and cost risk assessment has been completed and the guidance gained has been addressed and included in the recommendations contained in this report.

The results from the risk assessment indicate that projected costs listed in this Board report are now

reasonably forecast, and the completion schedule closely correlates with a model having a confidence factor consistent with conservative FTA standards. The fact that many of the Project’s risk areas have now been well researched or are now behind the Project, adds to the high level of confidence in both the cost estimate and schedule, and therefore leads to this “right-pricing recommendation.”

The resolution of various schedule issues, payment for compensable delay due the contractor, and additional design and construction scope elements have been incorporated into a comprehensive agreement which places the responsibility for a timely construction completion with the design-build contractor. This comprehensive agreement has the added benefit of simplifying the Project by consolidating milestones and bus bridging operations to provide for a single stage opening of the line earlier than would otherwise be possible under the original two-phased opening.

**DISCUSSION**

The Regional Connector Project has experienced budgetary pressures from a variety of causes since the outset of the Project. These include costs for mitigating construction permitting risks, normally assumed by the contractor and responding to continuing litigation related impacts beginning with an initial temporary restraining order requiring a Supplemental Environmental Impact Report (SEIR). Two subsequent and pending lawsuits continue to impact the Project and have required work re-sequencing, adoption of inefficient work methods and have resulted in permitting delays.

Additionally, at contract award, 21 bid options were identified as a means to allow the project additional design time to investigate further cost saving measures. Some cost saving measures proved to be feasible, however not as many as had been anticipated, thereby placing additional strain on the project budget. Nine (9) bid options were later exercised totaling \$47.5 million that was not included in the original Project budget.

Furthermore the minimal funding of professional services, agency expenses, third party and master cooperative agreements (MCA) now require that the cost for each of these elements be augmented to successfully complete the Project. A narrative describing broad areas of budget variances and requirements to right-price the project is provided below.

**Table 1: Summary of Budget Variances** Dollar in Millions

Element Description	Original LOP	Current Budget	Current Forecast	\$ Var
Design Build Contract	927.2	1,056.4	1,138.6	82.2
3rd Party, City of LA	28.4	57.1	70.4	13.3
ROW	74.2	82.7	92.7	10.0
Professional Services (CPJV)	154.6	164.8	227.3	62.6
Other Professional Services	26.1	32.6	46.1	13.6
Community Relations Office, PMA, QA, and				
Unallocated Contingency	126.9	67.6	84.9	17.3

**Design-Build Contracts.** In April 2014 the Board approved an LOP budget of \$1,420 million and awarded the C0980 Design/Build Contract for \$927,226,995, which was approximately \$53 million over the design-build budget established at the time the FTA Full Funding Grant Agreement was obtained in February 2014. To reduce costs during the solicitation of Contract No. C0980, Metro assumed responsibility for obtaining all City work hour variances and permits. At the time of the C0980 contract award, the Board was informed that this assumption of risk by Metro would save up to 15% on the contract value and one year of schedule. Contingency for this added risk was not included in the LOP budget. Subsequent experience has shown that these risks are significant and have contributed to major cost and schedule impacts on the project, particularly along Flower Street, at 1<sup>st</sup>/Alameda and 2<sup>nd</sup>/Broadway. To date, these additional costs have been absorbed through contingency utilization.

In January 2014, Metro awarded Contract No. C0981R to Pulice Construction Inc. for design-bid-build delivery of advanced utility relocations (AUR) of water, sewer and electrical power lines to allow for the cut and cover construction of the stations, guideways and portals by the Project's design-build contractor. During performance of the AUR work, the AUR Contractor encountered a significant number of unknown and abandoned utilities and structures that were either not shown, or shown incorrectly on the current as-built drawings. As a result, construction progress and schedule were significantly impacted. The AUR schedule impacts threatened the progress of the C0980 contract and led to the termination for convenience of the C0981R Contract in April 2015, and the transfer of the remaining AUR work to the Design-Builder. Given the extent of the unforeseen conditions, this was the best possible decision, as the Design-Build Contractor was better positioned to perform the additional work in ways that could mitigate further substantial delays. Notwithstanding these benefits, the transfer of this work to the Design-Builder in April 2015 added to the Project cost with a significant schedule impact.

A number of schedule recovery measures were authorized by the Board in December 2015 which yielded schedule mitigation of six (6) months. The costs associated with the transfer of the AUR work and schedule recovery measures to the design-build contract was \$76,100,000 and was included in the LOP Budget increase also authorized by the Board at that time.

Despite the successful implementation of these schedule recovery measures, construction progress continued to slip due to delays in the start of construction activities resulting from litigation, a delay to the start of work in Little Tokyo in response to community concerns, and increased time for approvals of design elements. Construction progress was further impacted by the inability to receive work-hour variances, particularly along Flower Street, which added significant schedule impacts that required mitigation. Over the course of several months, it became clear that further work re-sequencing was necessary to ensure that a practical and achievable schedule was in place for the balance of the Project. Collaboration between the Project and RCC resulted in a re-baselined project schedule that now demonstrates high confidence levels with reasonable flexibility.

However, the potential for future legal actions, late approvals to begin work and the continued difficulty in receiving extended construction work hours remain as serious threats to the project schedule. To successfully complete the Project as currently scheduled, Project staff requires assistance from all parties to maintain timely design approvals, and to receive and maintain extended construction work hours. Without continued assistance, further cost and schedule impacts are to be

expected.

The collective impact of utility conflicts, construction delays and work inefficiencies, together with outstanding design and construction scope items will, subject to Board approval of Recommendation B, be addressed in a comprehensive agreement (Contract Modification No. 74) with RCC for an amount up to \$50.6 million. This comprehensive agreement includes payment for compensable time due the contractor, for the above mentioned impacts and for associated engineering costs to manage and implement the added scope. The comprehensive agreement also pays for extensive electrical relocation work at 6th and Flower streets which was not part of the original project scope. This comprehensive agreement also further simplifies the construction of the north and east Gold Line tie-ins by consolidating project milestones and bus bridging operations into a more efficient, single-stage reopening of the Gold Line, at a lower overall cost to Metro.

**Third Party, MCAs and Private Utilities:** Significant scope and cost growth has occurred in this element due to previously described inaccuracies in the identified location and condition of underground utilities and the level of City effort required to support the project. The current budget of \$57.1 million is now estimated to cost \$70.4 million at completion.

**Professional Services (Agency, CMSS, CPJV):** This cost element consists of professional services from the project's consultant teams and Metro staff including project management, construction management and design support. This element has risen by more than 41% over the course of the Project due primarily to underfunding during the out years at the time of project inception. A protracted NEPA/CEQA and preliminary design phase also consumed significant resources during the planning phase.

These "soft costs" (including the Other Professional Services described below) now represent approximately 16% of revised total project costs. This is consistent with industry standards and below the 20% goal that Metro's Program Management Department has set. The current professional services budget of \$164.8 million is now estimated at \$227.3 million at completion.

**Other Professional Services:** Other professional services comprise legal counsel, auditing, project management assistance and construction relations. Continuing litigation defense costs on the Project and a significant level of necessary community and construction relations support in a challenging downtown environment have been largely responsible for cost growth in this category to \$46.1 million.

**Real Estate:** With rising property values in the Little Tokyo area, the planned three-year extension of the Temporary Construction Easement of the Mangrove Yard is now being valued well above the anticipated rates, resulting in a projected budget impact of \$10 million. Negotiations with the City of Los Angeles (the owner of the property) are pending.

**Unallocated Contingency:** While the cost forecast has considered all risks known to date and which are currently being actively managed, it does not account for other potential risks which may surface over the next five years. Examples of these risks include the following items among others:

- Easements or Right of Entry delays
- Processing and approvals of designs and permit delays
- Safety certification issues or incompatibility of tie-ins related to existing Metro facilities
- Right-of-Way court awards which exceed prudent forecasts
- Schedule improvements
- Work hour variances that are delayed or revoked leading to schedule erosion
- Unknown utility or private-party encroachments impacting design or construction.

Additionally, if the above risks manifest themselves, their impacts may likewise range from mild to severe. A major element of the FTA risk assessment process discussed above is the evaluation of contingency. While the recommended contingency value of \$85M or 8% of estimated costs-to-go is lower than FTA's recommended value, total project costs are consistent with their risk findings.

### **Supporting Effective Project Management**

The Regional Connector Project, like many Metro projects, is a fast-moving, challenging and uniquely complex design-build project. Quick decision-making is required to take advantage of cost and scheduling opportunities and to keep the project moving. A slow contract administration process is not consistent with the needs of a large, design-build project. There are limited project management resources, so the more time that project managers work on process-related activities, the less time they have solving problems. No process or too much process likely results in confusion, inefficiencies, and in some cases, conflicts. Part of the current process is the requirement to receive Board of Directors approval for project-related agreements and contract changes above a specified threshold. (On the Regional Connector Project, this threshold is for \$500,000 for agreements and \$1 million for change orders.)

On a large mega-project, the thresholds requiring approval are easily exceeded. The need to bring a project-related agreement or design-build contract modification to the Board for approval can add two months to the schedule when contractors could have started the work immediately. This time can be critical to project schedules and risks exposure to extended overhead payments due the contractor, should the project be delayed.

As mentioned in the most recent Los Angeles Construction Market Analysis Update received by the Board in September 2015, contractors have indicated that delays in processing changes to be a significant risk when working on Metro projects. As a result they have had to include contingencies in their proposals to address this risk. This delay also puts DBE subs at risk of not receiving timely payment for work performed.

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The cost to the Regional Connector project for a schedule delay is \$5 million per month for a total of \$10 million for a 2 month delay. Much of this delay could be avoided if Board approval was not required prior to implementing a change.

Therefore, staff is proposing CEO authority, as part of a one-year pilot, to execute project-related agreements and change orders in any amount up to the Life of Project budget subject to monthly reporting requirements, that would include any pending project-related agreements, change orders/contract modifications and any significant changes to contract contingency. This action would allow the Board to see in advance all project-related agreements and change orders but would allow the staff the flexibility, responsibility and authority to manage this large, fast moving project consistent with the need for rapid decision-making and Project Schedule. Any change that results in a LOP budget increase would still require Board approval, which is the most critical aspect of managing projects. This approach is consistent with other transit agencies including San Jose, Seattle and Denver.

In addition, staff would continue to report on the project budget, project labor agreement and small business/disadvantaged business compliance as part of the monthly updates to the Construction Committee and the detailed monthly reports that are issued to all stakeholders including the Board.

The benefits of this action are:

- Provides staff with the flexibility, responsibility and authority to manage this large, fast moving project consistent with the need for rapid decision-making and Project Schedule
- Still requires approval for any action requiring a LOP budget increase
- Keeps the big picture focus on overall management of the Project Budget as opposed to detailed change orders
- Consistent with industry best practices for time sensitive, effective project management.

**Lessons Learned:** Several lessons learned on the Regional Connector project have already been adopted by the agency on other major capital projects. These include:

1. Establishing the LOP budget later in the development phase to provide sufficient time to perform a higher level of engineering that will enable Metro to better identify scope and project risks;
2. Modifying the LOP budget at project award to reflect any increases in project award costs over budget and other modifications made during the procurement process;
3. Provide sufficient schedule for the procurement and execution of Advance Utility Relocation Contracts and agency approval of permits, in anticipation of encountering changed conditions

resulting in schedule impacts.

### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have any negative impact on established safety standards.

### **FINANCIAL IMPACT**

Upon approval of recommendation A, the LOP Budget will be increased by \$199,000,000 from \$1,551,840,570 to \$1,750,840,570 under Project 860228 - Regional Connector Transit Corridor, in Cost Center 8510 - Construction Project Management. Upon approval of recommendation B, the FY 17 budget will be amended by \$30,610,000 to a revised total of \$251,330,000 per attachment D affecting the aforementioned project and cost center. Since this is a multi-year capital project, the Chief Program Management Officer and the Project Manager will be responsible for budgeting costs for future fiscal years.

### **Impact to Budget**

The sources of funds for \$199 million LOP increase are: Repayment of Capital Project Loans, Congestion Management/Air Quality (CMAQ) and the August Redistribution of CMAQ funds as shown in Attachment E. The proposed funding for the Regional Connector project does not negatively impact funding for operations or safety. The Measure R Cost Management Process and Policy Analysis, Attachment E, describes the process used to analyze the availability of funds for these cost and revenue assumption changes.

### **ALTERNATIVES CONSIDERED**

The Board may decline to approve any or all of the recommended actions. This is not recommended for the following reasons:

1. If Recommendations A and B are not approved, the Agency will have a significant challenge delivering the Regional Connector Project and could place at risk the receipt of future FTA funds for other Metro projects.
2. If Recommendation C is not approved, the project will continue to seek Board approval of project-related agreements and contract modifications in accordance with current practice.

..Next Steps

### **NEXT STEPS**

Under the terms of the Design-build contract and as part of risk sharing, Metro and the Design-Build Contractor have respective responsibilities for applying for, and obtaining, the necessary City permits, variances and approvals. Staff will continue working closely with City staff and the Council representative to obtain all necessary permits, variances, and approvals to expedite the project schedule so that Metro meets its commitment to FTA.

## **ATTACHMENTS**

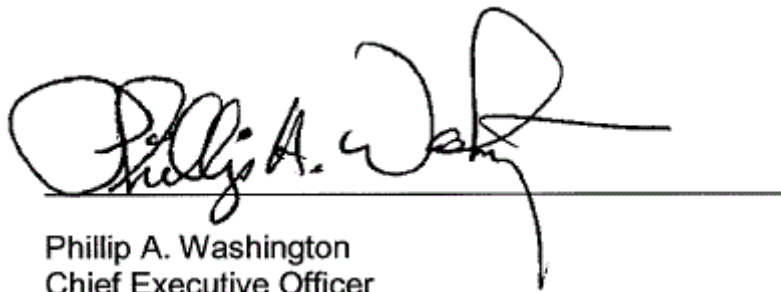
Attachment A - Procurement Summary  
Attachment B - DEOD Summary  
Attachment C - Contract Modification/Change Order Log  
Attachment D - Funding and Expenditure Plan  
Attachment E - Measure R Cost Management Process and Policy Analysis  
Attachment F - Construction Committee Report dated November 19, 2015.

### Prepared by:

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Phillip A. Washington  
Chief Executive Officer



## PROCUREMENT SUMMARY

REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT/  
CONTRACT NO. C0980

1.	<b>Contract Number:</b> C0980		
2.	<b>Contractor:</b> Regional Connector Constructors, J.V.		
3.	<b>Mod. Work Description:</b> Agreement to revise project schedule due to impacts from additional utility relocations and third party impacts		
4.	<b>Contract Work Description:</b> Regional Connector Transit Corridor Project		
5.	<b>The following data is current as of:</b> December 5, 2016		
6.	<b>Contract Completion Status:</b>		
	<b>Bids/Proposals Opened:</b>	4	<b>% Completion \$s (Total Incurred Cost per November 2016 Invoice):</b> 40.4%
	<b>Contract Awarded:</b>	05/06/14	<b>% Completion time (Duration % Complete):</b> 34%
	<b>NTP:</b>	07/07/14	<b>Original Contract Days:</b> 2,300
	<b>Original Complete Date:</b>	03/01/21	<b>Change Order Days:</b> 150
	<b>Current Est. Complete Date:</b>	07/28/21	<b>Suspended Days:</b> 0
		<b>Total Revised Days:</b>	2,450
7.	<b>Financial Status:</b>		
	<b>Contract Award:</b>	\$ 927,226,995	
	<b>Total Contract Modifications Approved:</b>	\$ 125,164,665	
	<b>Current Contract Value:</b>	\$1,052,391,660	
	<b>Contract Administrator:</b> Susan Santoro	<b>Telephone Number:</b> 213-922-4974	
8.	<b>Project Manager:</b> Gary Baker, Deputy Executive Officer, Project Management	<b>Telephone Number:</b> 213-893-7118	

**A. Contract Action Summary**

This Board Action is to approve Contract Modification No. 74 issued in support of a comprehensive agreement with Regional Connector Constructors, JV to resolve outstanding schedule mitigation and work scope issues.

On May 6, 2014, Contract No. C0980 was awarded to Regional Connector Constructors (RCC), a Joint Venture between Skanska USA Civil West California District, Inc., and Traylor Bros. Inc., the responsive and responsible proposer determined to provide Metro with the "Best Value", in the amount of \$927,226,995 for the final design and construction of the Regional Connector Transit Corridor Project.

Metro and RCC have negotiated a comprehensive agreement that addresses schedule mitigation measures, compensable delays that have been determined to be due to RCC, and various outstanding and/or disputed design and construction elements. This agreement achieves a mutually agreed amount for the work items, and acknowledges RCC's responsibility for prompt construction completion.

**B. Cost/Price Analysis**

The negotiated amount of the comprehensive agreement is a business decision by the Project to resolve a number of changes, resolve all known potential claims, and to compensate RCC for excusable and compensable delays through December 8, 2106.

Contractor's Amount	Metro's Estimated Amount	Negotiated Amount
\$52,070,997	N/A	\$50,600,000

## DEOD SUMMARY

REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT/  
CONTRACT NO. C0980A. (1) Small Business Participation - Design

Regional Connector Constructors (RCC) made a 22.63% Disadvantaged Business Enterprise (DBE) commitment for Design. 11 DBE commitments were made at the time of award, and one additional DBE subcontractor has been added to-date. Current DBE participation is 23.32%. RCC is exceeding its Design commitment.

<b>DISADVANTAGED BUSINESS ENTERPRISE COMMITMENT</b>	22.63%	<b>DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION</b>	23.32%
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	<b>Design DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1	Abratique & Atienza, Inc.	Asian-Pacific American	1.32%	0.60%
2	Anil Verma Associates, Inc.	Subcontinent Asian American	0.25%	1.07%
3	Armand Consulting, Inc.	Subcontinent Asian American	2.19%	1.61%
4	D'Leon Consulting Engineers Corporation	Hispanic American	2.50%	2.49%
5	Earth Mechanics Inc.	Asian-Pacific American	1.32%	0.50%
6	Electrical Building Systems, Inc.	Hispanic American	3.21%	2.29%
7	MARRS Services, Inc.	Subcontinent Asian American	1.75%	2.28%
8	Mc Lean & Schultz, Inc.	Hispanic American	3.51%	4.23%
9	PacRim Engineering, Inc.	Asian-Pacific American	2.19%	2.65%
10	Parthenon Corporation*	Hispanic American	ADDED	0.62%
11	Transmetrics, Inc	Hispanic American	1.76%	1.51%
12	V & A Inc.	Hispanic	2.63%	3.47%

	American		
<b>Total</b>		<b>22.63%</b>	<b>23.32%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.  
 \*DBE added after contract award

**A. (2) Small Business Participation – Construction**

RCC made an 18% Disadvantaged Business Enterprise (DBE) commitment for Construction at the time of contract award, listing one known DBE subcontractor and identifying DBE scopes of work. After the start of Construction, 50 DBE subcontractors were added. RCC is currently achieving 4.1% of their proposed 18% DBE subcontract commitment for Construction. It is expected that DBE commitments will continue to increase as Construction progresses.

Based on the total amount paid-to-date to RCC, and the total actual amount paid-to-date to DBE subcontractors, current participation is 18.94%. RCC is expected to continue ongoing outreach and good faith efforts to meet their DBE contract commitment.

<b>DISADVANTAGED BUSINESS ENTERPRISE COMMITMENT</b>	18%	<b>DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION</b>	18.94%
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Item No.	Construction DBE Subcontractors	Ethnicity	% Commitment	Current <sup>1</sup> Participation
1.	AAA Oil, Inc. dba California Fuels & Lubricants*	Hispanic American	0.01%	0.03%
2.	Abratique & Atienza, Inc.*	Asian-Pacific American	0.05%	0.28%
3.	Absolute Security International, Inc. dba Absolute International Security*	Asian-Pacific American	0.00%	0.38%
4.	Alameda Construction Services, Inc.*	African American	0.04%	0.13%

5.	Angela Liu Consulting Arborist, LLC*	Asian-Pacific American	0.00%	0.01%
6.	Anytime Dumping, Inc.*	African American	0.01%	0.11%
7.	APW Construction, Inc. dba Ace Fence Co.*	Hispanic American	0.03%	0.17%
8.	Aragon Construction Inc*	Hispanic American	0.01%	0.04%
9.	Armed Exterminators*	African American	0.00%	0.00%
10.	BA, Inc.*	African American	0.02%	0.10%
11.	C G O Construction Company*	African American	0.03%	0.11%
12.	C2PM, Inc.*	Asian-Pacific American	0.00%	0.00%
13.	Clean Street Sweeping, Inc.*	Hispanic American	0.01%	0.03%
14.	Clean Up America, Inc.*	African American	0.08%	0.11%
15.	D & D Lee, Inc.*	African American	0.00%	0.00%
16.	Davis Blue Print Co., Inc.*	Hispanic American	0.00%	0.07%
17.	E-Nor Innovations Inc.*	African American	0.03%	0.51%
18.	Ellis Equipment, Inc.*	Asian-Pacific American	0.00%	0.02%
19.	Empire Steel, Inc.*	Asian-Pacific American	0.01%	0.06%
20.	EW Corporation Industrial Fabricators*	Hispanic American	2.07%	11.65%

21.	EW Moon Inc*	African American	0.01%	0.09%
22.	G & C Equipment Corporation*	African American	0.06%	0.43%
23.	G & F Concrete Cutting, Inc.*	Hispanic American	0.02%	0.15%
24.	JET Drilling, Inc.*	Hispanic American	0.11%	0.32%
25.	Invictus Environmental Safety Solutions*	African American	0.00%	0.00%
26.	J L M Staffing Solutions*	African American	0.00%	0.05%
27.	J N A Builders, Inc.*	Asian-Pacific American	0.03%	0.19%
28.	JET Drilling, Inc.*	Hispanic American	0.00%	0.00%
29.	Juan Carlos Marquez Vega*	Hispanic American	0.02%	0.18%
30.	Jungle Communications, Inc.*	Hispanic American	0.00%	0.01%
31.	Jungle Nursery, Inc., The*	Hispanic American	0.00%	0.00%
32.	Kramer Translation*	Asian-Pacific American	0.00%	0.00%
33.	M&J Works, LP*	Hispanic American	0.01%	0.03%
34.	MAD Transportation*	Hispanic American	0.01%	0.00%
35.	Miranda Logistics Enterprise, Inc.*	Hispanic American	0.02%	0.04%
36.	Morgner Technology Management*	Hispanic American	0.07%	0.40%

37.	EXARO Technologies Corp.*	Hispanic American	0.00%	0.00%
38.	Parthenon Corporation*	Hispanic American	0.00%	0.04%
39.	Pre-Con Products Ltd.*	Hispanic American	0.01%	0.04%
40.	PTS Surveying Inc.*	Native American	0.05%	0.89%
41.	California Testing & Inspections, Inc.*	Hispanic American	0.40%	0.49%
42.	R. Dugan Construction*	Caucasian Female	0.01%	0.04%
43.	Rivera Trucking LLC*	Native American	0.81%	1.41%
44.	Robnett Electric, Inc.*	African American	0.00%	0.06%
45.	Soteria Company, LLC (formerly Griego and Associates)	Hispanic American	0.01%	0.02%
46.	Super Seal & Stripe*	Caucasian Female	0.01%	0.04%
47.	Supreme Wholesale Electric, Inc.*	African American	0.00%	0.13%
48.	Treesmith Enterprises, Inc.*	Hispanic American	0.00%	0.00%
49.	TSG Enterprises, Inc.*	Hispanic American	0.04%	0.07%
50.	Ultimate Maintenance Services*	Hispanic American	0.00%	0.01%
51.	Young Communications Group*	African American	0.00%	0.00%

	<b>Total Commitment</b>		<b>4.1%</b>	<b>18.94%</b>
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<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.  
 \*DBE added after contract award

**B. Project Labor Agreement / Construction Careers Policy (PLA/CCP)**

The Contractor has committed to complying with PLA/CCP requirements for this project. This project is 14.06% complete (based on total construction labor hours expended, divided by the total estimated construction labor hours in the approved Employment Hiring Plan) and the contractor is achieving the 40% Targeted Worker Goal at 57.95%, not achieving the 20% Apprentice Worker Goal at 19.10%, and not achieving the 10% Disadvantaged Worker Goal at 9.37%. Prime Contractor has submitted an Employment Hiring Plan which states compliance with the PLA/CCP workforce goals will be met in mid-2018. Staff will continue to monitor and report the contractor’s progress toward meeting the goals of the PLA/CCP.

**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. Living Wage Service Contract Worker Retention Policy**

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



**CONTRACT MODIFICATION/CHANGE ORDER LOG**  
**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT - CONTRACT NO. C0980**

Mod. No.	Description	Status (approved or pending)	Cost		
			Contract Value	Mods.	Board Approved CMA
N/A	<b>Initial Award</b>	<b>Approved</b>	<b>\$927,226,995</b>		<b>\$ 92,722,700</b>
CO001	TIFIA Certification Requirements	Approved		\$ -	
CO002	Revision to SP-01 DBE Reporting	Approved		\$ -	
CO009	Admin.Modification to Incorporate Missing Specifications	Approved		\$ -	
CO012	Addition of Bulkhead for TBM Retrieval Pit Design Only	Approved		\$ 50,000	
CO013.1	Revisions to TPIS Requirements Design Only	Approved		\$ 214,000	
2	Opt. No. 3 - 2nd/Hope Upper Level Ent. & Ped. Bridge	Approved		\$ 3,320,000	\$3,320,000
3	Opt. RCC-1 2nd/Broadway SEM Cavern	Approved		\$ 16,000,000	
4	Opt. No. 10 Add Open Roof	Approved		\$ 4,100,000	
5	Opt. No. 11 Add Ventilation Under Deck	Approved		\$ 2,150,000	
6	Opt. No. 12 Change Basis of Design to Super Fast/Arson Growth Rate	Approved		\$ 8,000,000	
7	Opt. RCC-2 Add Deep Foundations @ 2nd/Broadway	Approved		\$ 1,250,000	
8	Opt. RCC-5 2nd/Broadway Decking	Approved		\$ 100,000	
9	Opt. RCC-3 Glazing at Portal Canopies	Approved		\$ 500,000	
10	Additional Utility Relocations (Transfers from C0981R)	Approved		\$ 27,100,000	\$ 27,100,000
11	Rail Truck and Trailer	Approved		\$ 991,749	
12	Little Tokyo Second Entrance (Design)	Approved		\$ 150,528	
13	Shoofly Temporary Communications Design	Approved		\$ 26,880	
14	Additional Site Investigation at Volk Property	Approved		\$ 16,606	
15	Additional Abatement at Bldg. Demo.	Approved		\$ 13,115	
16	Analysis of Track Design Options at Wye	Approved		\$ 11,123	
17	Hazardous Soil Removal at Volk Property	Approved		\$ 377,237	
18	1st/Central SOE Tieback Easement	Approved		\$ 595,560	
19	Lead-Contaminated Soil Removal at Volk Property - Ph. 2	Approved		\$ 131,822	
20	Opt RCC-8 Revert to Tunnel Lighting Spacing of 25'	Approved		\$ 340,000	
21	1st/Alameda Bumpouts (Design)	Approved		\$ 626,287	
22	Extra Utility Relocation Mobilization	Approved		\$ 999,971	
23	Deputy Grading Inspector for TBM Launch Pit SOE	Approved		\$ 165,424	
24	Delete subsurface easement at Stavrium Property	Approved		\$ -	
25	Tactile Guidance Strips in Stations - Design Only	Approved		\$ 209,637	
27	JVP Tunnel Liners Reinforcement - Design Only	Approved		\$ 41,209	
28	Buried Bricks in Shoofly excavation in Mangrove (DSC)	Approved		\$ 102,900	
29	Little Tokyo Second Entrance (Construction) & Shoofly Temp Comm.	Approved		\$ 552,520	

**CONTRACT MODIFICATION/CHANGE ORDER LOG**

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT - CONTRACT NO. C0980**

Mod. No.	Description	Status (approved or pending)	Cost		
			Contract Value	Mods.	Board Approved CMA
30	Relocate Cherry Tree	Approved		\$ 10,540	
31	Rail Car Transporter Modifications	Approved		\$ 27,200	
32	Schedule Recovery Measures	Approved		\$ 49,000,000	\$49,000,000
33	Add Wye Junction Fan Plant (Design Only)	Approved		\$ 1,210,000	\$1,210,000
34	K-Rail Modifications for Clarke Closure	Approved		\$ 24,193	
35	Additional Traffic Control/Flaggers at 2nd/Broadway LA Times	Approved		\$ 287,830	
36	1st/Alameda Additional Utility Potholing	Approved		\$ 425,010	
37	CN 25.1, CN 32, CN 33	Approved		\$ 51,796	
38	Environmental Impairment Liability Site (Pollution Legal Liability) Ins.	Approved		\$ 402,602	
39	Cut and Cover SOE Redesign (1/A & 2/B)	Approved		\$ 676,749	
40	Tunnel Liner Revisions	Approved		\$ 329,817	
41	Sprint Relocation at 2nd/Broadway	Approved		\$ 87,362	
42	Delete Public Pay Phones	Approved		\$ (25,910)	
43	2nd/Hope Ped Bridge Design	Approved		\$ 123,713	
44	Little Tokyo TVM Relocations	Approved		\$ 24,420	
45	24" W.L Conflict w/MFS telecomm./Flower Exploratory Potholing	Approved		\$ 180,727	
46	Revisions to Metro Station Signage Standards - Design Only	Approved		\$ 181,732	
47	CFD Analysis	Approved		\$ 77,000	
48	Artwork Lighting Revisions	Approved		\$ -	
50	Additional DSSP Install @ JVP	Approved		\$ 106,068	
51	Flower Street Delete Crossover/ Revise Eemrgency Exiting (Design Only)	Approved		\$ 918,000	
52.1	Increase Quantities for Bid Item 64 Removal Hazardous Materials - Asbestos	Approved		\$ 10,000	
53	2nd/Broadway Mandrel Pulice Conduits	Approved		\$ 80,358	
54	Shoofly Catch Basin Revised Design	Approved		\$ 11,818	
55	Automatic Train Control Synchronization	Approved		\$ 59,286	
56	Flower Street Roadway, Sidewalk & Lighting Improvements - (Design Only)	Approved		\$ 372,018	
57	Repair of Qwest Conduit on 5th Street E/O Flower	Approved		\$ 30,280	
58	Temporary Relocation of Storm Drain Lateral at 4th and Flower	Approved		\$ 130,861	
59	Flower Street Cut and Cover Mandrel of DWP(P) Ductbanks	Approved		\$ 53,550	
60	Add ATSAC CCTV Video Camera Sys. at 1st/Hope and 1st/Broadway	Approved		\$ 306,030	
63	Add Longitudinal Settlement Sensors	Approved		\$ 406,849	
64	MFS Telecom Duct bank Relocation on Flower Street	Approved		\$ 362,500	
65	Revise Communications Radio System SOW (Design Only)	Approved		\$ 298,221	
66	Otium Preconstruction Survey - Hope Station	Approved		\$ 45,577	

**CONTRACT MODIFICATION/CHANGE ORDER LOG**  
**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT - CONTRACT NO. C0980**

Mod. No.	Description	Status (approved or pending)	Cost		
			Contract Value	Mods.	Board Approved CMA
67	1/C & Flower Certified Welding Inspector (For 981 work)	Approved		\$ 213,000	
68	Revise Signal Aspects at Venice Interlocking	Approved		\$ 20,100	
69	2nd & Broadway Station Plaza Reconfiguration	Approved		\$ 55,000	
70	Common Station Features Redesign	Approved		\$ 301,000	
71	Add Construction Document Management Software	Approved		\$ 137,800	
72	Backflow Preventer Relocation	Approved		\$ 15,000	
TBD	Add Wye Junction Fan Plant Construction	Approved		\$ 10,790,000	\$ 10,790,000
73	Revise Excavation to Provide TBM Removal Shaft	Approved		\$ 3,700,000	\$ 3,700,000
<b>Subtotal (Approved)</b>				<b>\$ 139,654,665</b>	<b>\$ 187,842,700</b>
74	Agreement to Revise Project Schedule due to Impacts from Additional Utility Relocations and Third Party Impacts	Recommended		\$ 50,600,000	
<b>Subtotal (Recommended)</b>				<b>\$ 50,600,000</b>	

Subtotal - Approved Modifications		\$ 139,654,665	
Subtotal - Recommended Changes/Modifications		\$ 50,600,000	
<b>Subtotal Approved Modifications + Recommended Changes/Modifications</b>		<b>\$ 190,254,665</b>	
Subtotal - Pending Claims		\$ -	
<b>Total: Mods + Recommended Changes/Mods + Possible Claims</b>		<b>\$ 190,254,665</b>	
Previous Authorized CMA			\$ 187,842,700
CMA Necessary to Execute Recommended Changes/Mods + Possible Claims			\$ 50,600,000
<b>Total CMA including this Action</b>			<b>\$ 238,442,700</b>
<b>CMA Remaining for Future Changes/Mods after this Action</b>			<b>\$ 48,188,035</b>

**REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT**  
**ATTACHMENT D**  
**FUNDING/EXPENDITURE PLAN**  
**(Dollars in Millions)**

<b>Capital Project 860228</b>	<b>Prior</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>Total</b>	<b>% of Total</b>
<b>Uses of Funds</b>										
Construction	327.86	180.37	128.34	175.18	211.11	123.65	7.37	0.00	<b>1,153.87</b>	65.9%
Right-of-Way	46.32	16.95	17.15	9.26	3.06	-	-	-	<b>92.74</b>	5.3%
Vehicles	0.84	5.85	7.40	1.91	0.27	-	-	-	<b>16.28</b>	0.9%
Prof. Services	188.37	45.52	39.58	29.35	29.81	25.37	14.23	4.28	<b>376.51</b>	21.5%
Project Contingency	-	2.38	22.99	17.98	18.11	14.10	8.40	1.00	<b>84.95</b>	4.9%
Subtotal Project	563.38	251.07	215.46	233.68	262.36	163.12	30.00	5.28	<b>1,724.34</b>	98.5%
Environmental/Planning	24.85	0.27	0.31	0.31	0.31	0.31	0.16	-	<b>26.50</b>	1.5%
<b>Total LOP Cost</b>	<b>588.23</b>	<b>251.33</b>	<b>215.77</b>	<b>233.99</b>	<b>262.66</b>	<b>163.42</b>	<b>30.15</b>	<b>5.28</b>	<b>1,750.84</b>	<b>100.0%</b>
<b>LOP Budget as of Dec. 2015</b>	<b>662.28</b>	<b>220.73</b>	<b>156.60</b>	<b>179.93</b>	<b>246.62</b>	<b>65.99</b>	<b>19.70</b>	<b>-</b>	<b>1,551.84</b>	
<b>Variance</b>	<b>(74.05)</b>	<b>30.61</b>	<b>59.17</b>	<b>54.06</b>	<b>16.05</b>	<b>97.44</b>	<b>10.45</b>	<b>5.28</b>	<b>199.00</b>	
<b>Sources of Funds</b>										
Federal 5309 New Starts	167.39	97.61	100.00	100.00	133.18	71.72			669.90	38.3%
Measure R 35% (TIFIA Loan Proceeds)	25.21	36.66	55.94	17.91	6.18	18.11			160.00	9.1%
Lease Revenues			6.01	27.84	30.40				64.25	3.7%
Repaymnt of Cap Proj Loans	122.48	38.20	10.80	65.37	20.91	51.49	10.95	5.28	325.48	18.6%
TDA	0.26								0.26	0.0%
STIP Regional Improvement Program	2.59								2.59	0.1%
City of Los Angeles contribution	5.00	7.00	6.00		23.98				41.98	2.4%
High Speed Rail Bonds	114.87								114.87	6.6%
Prop 1B PTMISEA	109.14	8.90	13.18	3.88					135.10	7.7%
CMAQ & RSTP	41.29	62.97	23.84	18.99	48.02	22.10	19.20		236.41	13.5%
<b>Total Project Funding</b>	<b>588.23</b>	<b>251.34</b>	<b>215.76</b>	<b>233.99</b>	<b>262.67</b>	<b>163.42</b>	<b>30.15</b>	<b>5.28</b>	<b>1,750.84</b>	<b>100.0%</b>

Variance 0.00 (0.00) 0.00 (0.00) (0.00) (0.00) 0.00 0.00 0.00 0.00 -

## ATTACHMENT E

### Regional Connector

#### Measure R Cost Management Process and Policy Analysis

##### Introduction

The Measure R Cost Management Process and Policy (the Policy) was adopted by the Metro Board of Directors in March 2011. The Policy caps Measure R project funding at the amounts in the Measure R Expenditure Plan. The intent of the Policy is to inform the Metro Board of Directors regarding potential cost increases to Measure R-funded projects and the strategies available to close any funding gaps. The Regional Connector project is subject to this policy analysis.

The Regional Connector Project Life-of-Project (LOP) budget requires an increase of \$199 million, from \$1,551.84 million to \$1,750.84 million. This analysis recommends trade-offs required by this policy to identify the funds necessary to meet the \$199 million cost increase. Table 1 summarizes the approach to addressing the cost increase.

**Table 1 – Strategy to Address Regional Connector Cost Increase (\$ in millions)**

	Repayment of Capital Proj. Loans	Prop. C 25%	MR 35%	CMAQ	CMAQ August Redist.	Total
<b>Regional Connector</b>	\$41.0			\$98.0	\$60.0	<b>\$199.0</b>
<b>Westside Purple Line Ext. Sect. 1</b>	(\$6.6)		\$6.6			<b>\$0.0</b>
<b>Crenshaw/ LAX LRT</b>	(\$34.4)	\$132.4		(\$98.0)		<b>\$0.0</b>
<b>New Revenues/ Efficiencies</b>					(\$60.0)	<b>(\$60.0)</b>
<b>Balance</b>	<b>\$0.0</b>	<b>\$132.4</b>	<b>\$6.6</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$139.0</b>

## **Measure R Cost Management Policy Summary**

The adopted Policy stipulates the following:

If a project increase occurs, the LACMTA Board of Directors must approve a plan of action to address the issue prior to taking any action necessary to permit the project to move to the next milestone. Increases will be measured against the 2009 Long Range Transportation Plan (LRTP) as adjusted by subsequent actions on cost estimates taken by the LACMTA Board of Directors. With certain exceptions, shortfalls will first be addressed at the project level prior to evaluation for any additional resources using these methods in this order:

- 1) Value engineering and/or scope reductions;
- 2) New local agency funding resources;
- 3) Shorter segmentation;
- 4) Other cost reductions within the same transit corridor or highway corridor;
- 5) Other cost reductions within the same sub-region; and finally,
- 6) Countywide transit and highway cost reductions and/or other funds will be sought using pre-established priorities.

The policy was amended in January 2015 to establish Regional Facility Areas at Ports, airports and Union Station; and states that any:

*“...capital project cost increases to Measure R funded projects within the boundaries of these facilities are exempt from the corridor and subregional cost reductions. Cost increases regarding these projects will be addressed from the regional programs share.”*

The Regional Connector Project does not fall within a Regional Facility Area.

### Value Engineering and/or Scope Reductions

The Regional Connector Project has undergone several scope reductions, including the removal of the 5<sup>th</sup>/Flower Street Station. Further reductions in scope would likely substantially delay the project or result in a project not consistent with the Locally Preferred Alternative. As a result, we recommend moving to the next step.

### New Local Agency Funding Resources

We recommend programming \$60.0 million in Congestion Mitigation and Air Quality Improvement (CMAQ) Program funds to the project. Given the prohibition on using Proposition A and C funds, CMAQ is the only available discretionary fund source available.

This approach is to advance \$60.0 million of Metro’s share of CMAQ funds through the statewide pool of such funds managed by Caltrans. By drawing from the statewide pool, the funding advance will come from other possible commitments Caltrans could have made to other projects across the entire state. Over time, Metro will seek to roll the advance of its share forward each year by continuing to over-deliver projects into

the statewide pool. If we are successful, each year Caltrans redistributes (in August) similar advances that it receives from a nationwide pool of federal funds. These “August Redistribution” funds from the national pool are the ultimate target funding source for the \$60.0 million commitment to the Regional Connector Project.

We have been successful in the past with this approach. However, there may be the possibility of not being able to roll the CMAQ share advance forward into the statewide pool each year. The tradeoff with this approach is the potential to experience funding delays for CMAQ-funded projects. However, we still recommend this strategy as these expenses are not avoidable and the only other alternative is to fully fund the cost increase with Metro’s own cash resources.

While the passage of Measure M brings new revenue to the agency, the Regional Connector is not part of the expenditure plan and thus is not eligible for Measure M funds.

As a result of this step, a \$139 million funding gap remains. We recommend strategies in the following steps to close the remaining funding gap.

#### Shorter Segmentation

Given that the goal of the Regional Connector project is to provide seamless travel between two points, it is not possible to shorten the project. The two end points of the project (Little Tokyo/Arts District Station and 7th Street/Metro Center Station) are 1.9 miles apart and there is no possible way to shorten the segment between these points which is consistent with the LPA and the operational objectives of the project. We therefore recommend moving to the next step.

#### Other Cost Reductions within the Same Transit Corridor

As the Regional Connector links several corridors together into one, we looked at possible cost reductions along all connected corridors. The corridors included in this analysis were Exposition Light Rail Transit Phase II, Gold Line Foothill Extension Phase 2A, and the Gold Line Eastside Transit Corridor Extension Phase II.

The Exposition Light Rail Transit Phase II and Gold Line Foothill Extension have been completed and have no additional savings which could be transferred to the Regional Connector Project. While the Gold Line Eastside Transit Corridor Extension Phase II is in the same corridor, the funding for the project is outside of the timeframe needed for the Regional Connector.

#### Other Cost Reductions within the Same Sub-region

The Regional Connector Project is located within the Central Subregion. Given that this project will create continuous corridors between several subregions (Central, Gateway, San Gabriel Valley, and Westside), we are recommending that any remaining funding shortfall for the Regional Connector Project be dealt with at the Countywide level.

### Countywide Cost Reductions and/or Other Funds

Given the regional nature of this project, we are proposing shifting funds from the Crenshaw/LAX Transit Light Rail Transit Project and the Westside Purple Line Extension Section 1. This is necessary for two principal reasons: 1) Proposition A and Proposition C funds are restricted to non-subway uses only; and, 2) no additional Measure R 35% Transit Capital can be assigned to this project because the Measure R Expenditure Plan caps the Measure R 35% allocation to the Regional Connector at \$160 million.

We propose transferring \$98 million in CMAQ funds and \$34.4 million in Repayment of Capital Project Loans Fund 3562 from the Crenshaw/LAX Transit Light Rail Transit Project to the Regional Connector. To backfill the Crenshaw/LAX Transit Light Rail Transit Project, we propose using Proposition C 25% by issuing additional bonds.

We also recommend transferring \$6.6 million of Repayment of Capital Project Loans Fund 3562 from the Westside Purple Line Extension Section 1 to the Regional Connector Project. The Westside Purple Line Extension Section 1 will be backfilled with some of the total remaining Measure R 35% designated for all three sections of the Westside Purple Line Extension.



## Metro

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



## Board Report

File #:2015-1630, File Type:Contract

Agenda Number:28.

**2<sup>nd</sup> REVISED**  
**CONSTRUCTION COMMITTEE**  
**NOVEMBER 19, 2015**

**SUBJECT: REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT**

**ACTION: ESTABLISH A REVISED LIFE OF PROJECT BUDGET AND AUTHORIZE CONTRACT MODIFICATIONS TO CONTRACT C0980 TO MITIGATE COST AND SCHEDULE IMPACTS**

**RECOMMENDATION**

- A. INCREASING the **Life of Project (LOP) Budget on the Regional Connector Project** by \$131.8 million, from \$1,420 million to \$1551.8 million;
- B. INCREASING the **Regional Connector FY16 Budget by \$20 million**;
- C. AUTHORIZING the CEO to execute Contract Modification No. 32 to Contract C0980, Regional Connector Constructors (RCC) for additional utility work and schedule recovery measures, in an amount not-to-exceed \$49,000,000, increasing the total contract price from \$986,177,590 to \$1,035,177,590; and
- D. AUTHORIZING the CEO to execute Contract Modification No. 33 to Contract C0980, Regional Connector Constructors (RCC) for the addition of a fan plant at the wye junction, in an amount not-to-exceed \$12 million, increasing the total contract price from \$1,035,177,590 to \$1,047,177,590. Upon Board approval of this recommendation and execution of Modification no. 33, staff will cancel Modification No. 4 \$4.1 million. Therefore, the net effect of this additional work is \$7.9 million.

**ISSUE**

In May 2014, the Metro Board awarded the C0980 contract to RCC for \$927.23 million, and established a life of project budget for the project at \$1,420 million, including \$92.7 million in contingency. Since contract award, several significant costs have been incurred which have eroded project contingency. Furthermore, FTA requested a project contingency analysis be performed which indicated that additional contingency is required to complete the project. The staff recommendation includes additional funding of \$132 million to cover cost growth on the project and to replenish contingency. Staff intends to aggressively manage all areas of the project and to continue to reduce costs wherever possible.

On April 30, 2015, the Metro Board approved Contract Modification No. 10, to transfer the remaining utility relocation work from Contract C0981R, for a not-to-exceed amount of \$27.1 million. Staff has negotiated the direct costs this work in the amount of \$18.1 million. The remaining amount is associated with extended overhead associated with schedule delay. These costs are currently being audited by MASD and the audit is expected to be completed by the end of November. As a follow-up to the Board's previous authorization, this report also recommends the approval of a not-to-exceed Contract Modification of \$49 million, to Contract C0980 to resolve all remaining costs associated with the additional utility work as well as schedule recovery measures, to ensure the project is completed by the FTA FFGA Revenue Service Date (RSD) of May 2021 and TIFIA. Staff is requesting approval of a not-to-exceed value at this time so that work critical to the project recovery schedule may begin by early January 2016. The recommended recovery measures must be started no later than January 4, 2016, or the Project will not be completed per the FFGA schedule agreed with FTA and TIFIA. If the FFGA schedule is not met, then as much as \$587.24 million in FFGA/TIFIA funds may be at risk. Late completion will also entitle the C0980 Contractor to additional extended overhead costs of \$3 million per month, as well as other Project costs, totaling approximately \$5 million per month. Also, late completion of the Regional Connector may put at risk future FTA funds for other Metro projects.

This report also recommends the approval of a not-to-exceed Contract Modification of \$12 million, to Contract C0980 to design and construct a fan plant at the wye junction. The addition of the fan plant resolves a long-standing project design issue to address on-going operational and fire/life safety recommendations. Upon Board approval of this recommendation and execution of the Modification no. 33, staff will cancel Modification No. 4 (Option 10 - Add Open Roof) as it will not be necessary when the fan plant is added, saving the project \$4.1 million. Therefore, the net effect to this Project of this additional work is \$7.9 million. Staff is requesting approval of a not-to-exceed value at this time so that work critical to the project schedule may begin in early December 2015. Overall design of the project is now 85% complete and delays in implementing the fan plant will negatively impact the overall project completion schedule and increase project costs.

There are a number of Lessons Learned arising from the content of this Board Report, many of which have already been implemented by staff and include, but are not limited to: timing of development of the final LOP in relation to the ~~Full Funding Grant Agreement process~~ project budget; additional risk assessments beyond those normally conducted; increased early utility investigations with a corresponding budget increase (additional community interface); and, close collaboration with the City of Los Angeles departments and Council to garner and receive support for granting of variances, permits and necessary street closures. These items are essential to progress and success of Metro projects.

## **DISCUSSION**

### **Project Description:**

The Regional Connector Transit Corridor Project (the Project) consists of the design and construction of a 1.9-mile light rail transit subway in downtown Los Angeles which creates an underground trunk line, connecting the existing Metro Gold Line, Metro Blue Line, and Metro Exposition Line light rail transit (LRT) systems.

The Project begins at the existing 7th/Metro Station and extends north to 2nd Street and Hope Street,

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turning east along 2nd street to a new underground rail junction on Alameda street. The Project will include three new underground stations at 2nd/Hope, 2nd/Broadway, and 1st/Central Avenue.

The contract currently calls for construction to be substantially complete on October 23, 2020, followed by two months of pre-revenue testing to be completed on December 23, 2020. The Revenue Service Date (RSD) required under the FFGA is May 29, 2021, which provided five months of schedule float for project completion.

### Background

In February 2014, the FFGA budget of \$1,402.9 million was approved for the project, including \$670 million in federal New Start funds. In May 2014, the C0980 design-build construction contract was approved awarded for \$927.23 million establishing and the life of project budget was established at \$1,420 million, including ~~\$92.7~~ 141.7 million in project contingency. The design-build construction contract (including options) was \$111 million higher than what was the estimated ~~construction line item~~ in the approved FFGA budget. The budget and estimate was set very early in the process with only a conceptual engineering design since Metro wanted to expedite the execution of the FFGA and secure the funding early to advance the project.

Contingency Recovery: The current project contingency is \$67.5 million including allocated and unallocated contingency. A project risk assessment has been performed in accordance with FTA guidelines, which establishes contingency level recommendations for the project. The revised LOP budget in amount of \$1,551.8 million contains ~~Accordingly the revised LOP budget contains the FTA recommended~~ the contingency of \$114.9 million, including allocated contingency of \$34.6 million and \$80.3 million of unallocated contingency (FFGA and Non-FFGA). This will increase the current project percentage contingency from ~~4.87.1%~~ to 7.410.7% of remaining project budget that is within FTA guidelines.

Since the inception of the contract, additional work scope has been identified requiring the issuance of contract modifications to the design-builder. Additionally, there has been a corresponding increase in associated support costs which collectively have eroded contingency levels on the project. A summary of 1) design-build contract costs, and 2) associated project support costs is provided below. A detailed discussion of each major project cost element is provided in Attachment D.

Since the award of the Design-Build contract (C0980), the following three significant events have occurred which have increased, or will potentially increase, the contract cost.

## 1.0 Design Build Contract Costs

- A. Selection of Design Options: During the Best and Final Offer negotiations with the Design-Builder, a number of project elements were identified as possible options and were added to the contract as potential cost saving measures. The intent was that after award, the Design-Builder would have time to fully investigate these elements and to determine if they were necessary, potentially reducing costs to within the available budget. A total of 21 options totaling \$58.7 million were added to the contract. After award, nine options were exercised, which added \$35.7 million to the contract. By not exercising the remaining 12 options, the project was able to reduce potential costs by \$21 million, along with a

corresponding drawdown from contingency.

- B. AUR Transfer: Due to continuous and multiple unforeseen conditions and schedule delays, the AUR (Advanced Utility Relocation) contract (C0981R) was terminated for convenience and the Board approved transferring the balance of this utility work to the C0980 contract in April 2015, at a cost to the project of \$27.1 million. Since transferring this work to C0980, significant additional discoveries have occurred, including the discovery that electrical utilities, which were originally anticipated to be suspended under the deck, could not be temporarily supported for safety reasons, and which now all must be relocated in advance of construction. This and other unforeseen discoveries have added additional scope, costs and schedule impacts to the project. These additional scope, costs and schedule impacts are addressed in Item C (Schedule Delay Mitigation) below.
- C. Schedule Delay Mitigation: With the transfer the AUR work, the Board action recognized that the project schedule would be impacted by six months, based on the best information available at that time. As mentioned above, the additional work required as a result of the additional utility discoveries have extended the project schedule by a minimum of 2 and potentially 4 additional months, for a total impact of 8 to 10 months to contract C0980. These delays need to be recovered to meet the FFGA RSD of May 29, 2021. Staff has aggressively analyzed multiple schedule recovery scenarios and has worked collaboratively with the Design-Builder over the last several months to jointly develop a schedule recovery plan to meet FFGA schedule. A significant contributor to the LOP budget request is the estimated not-to-exceed amount of \$49 million associated with performing additional utility work required, as well as accelerating construction to meet the FFGA schedule. Without proactive measures to recover lost schedule, the contractor has the contractual right to submit a request for extended overhead costs for the actual utility caused delay. With 8 to 10 months of project delay, the potential cost to the project if mitigation measures are not adopted, ranges between \$49 and \$59 million. The incremental net cost to Metro for accelerating construction for an on-time completion is estimated at up to \$10 million. With the continued support of the City, the recovery strategy is scheduled to begin in early January 2016, subject to Board approval.

2. Associated Project Support Costs:

Additional support services costs are included in the project budget. These costs include: Third Party Work, Right-of-Way Acquisition, P3010 Light Rail Vehicles, Professional Services, Other Support Costs, and Environmental Planning. A detailed discussion of each of these project cost elements is provided in Attachment D.

### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have any negative impact on established safety standards.

### **FINANCIAL IMPACT**

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The funding increase of \$131.8 million will be included in the Life-of-Project budget under Project 860228 (Regional Connector Transit Corridor), in Cost Center 8510 (Construction Project Management). The FY16 Budget will be increased by \$20 million.

Since this is a multi-year capital project, the Executive Director of Program Management and the Project Manager will be responsible for budgeting costs for future years.

### Impact to Budget

As discussed in Attachment F, the analysis required by the Uniform Cost Management Process and Policy for Measure R projects, the increase to the Life of Project budget for this project presents a special challenge in that the Metro Reform and Accountability Act of 1998 made underground work ineligible for Propositions A and C. In addition, the Regional Connector LOP already includes its full complement of Measure R funding, \$160 million. This leaves very few alternatives for addressing the LOP increase. To address the funding eligibility challenges, we recommend the funding transfers shown in Table 2, Strategy to Address Regional Connector Funding Gap in Attachment F.

The recommended transfers keep the LOP of project budgets whole for the projects already under construction. In June of 2015, we reported to the Metro Board of Directors that a shortfall exists in the SRTP forecast. At that time, the shortfall was still manageable, but we identified the risk of changing circumstances, such as rising costs and the possibility of a recession. Next spring, we will be updating the SRTP forecast and returning to the Metro Board of Directors with a recommendation for addressing this continuing problem.

### ALTERNATIVES CONSIDERED

The Board may decline to approve recommended actions A and B. This is not recommended as not approving the LOP budget adjustment and funding under recommendations A and B, would have a significant impact on the Agency's ability to deliver the project with the current total unallocated contingency of ~~2.27.1%~~ (\$~~67.530~~ million). The Board may also decline to approve recommendation C. This is also not recommended as not approving the additional utility work and adoption of schedule recover measures means that work required to complete the project could not be performed, and that the Project would not be completed per the FFGA schedule agreed with FTA and TIFIA. This puts at risks the receipt of future FTA funds for other Metro projects. This late completion also entitles the C0980 Contractor to additional extended overhead costs as well as additional Project costs totaling approximately \$5 million per month.

### NEXT STEPS

Under the terms of the Design-Build contract and as part of risk sharing, Metro and the Design-Build Contractor have respective responsibilities for applying for, and obtaining, the necessary City permits, variances and approvals under the terms of the base contract. In this regard, Staff anticipates working closely with City staff and the Council representative to obtain all necessary permits, variances, and approvals to expedite the project schedule so that Metro meets its commitment to FTA.

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At this time, the project is approximately 20% complete. By FY18, Staff anticipates the project will be over 50% complete (design will be complete, and tunneling and excavation for stations will be substantially complete). In the intervening period, Staff will undertake a formal risk assessment with FTA. The results of this risk assessment will be shared with the Board, along with a recommendation for the appropriate Board action in FY18, which could include a request for additional funding resources.

### **ATTACHMENTS**

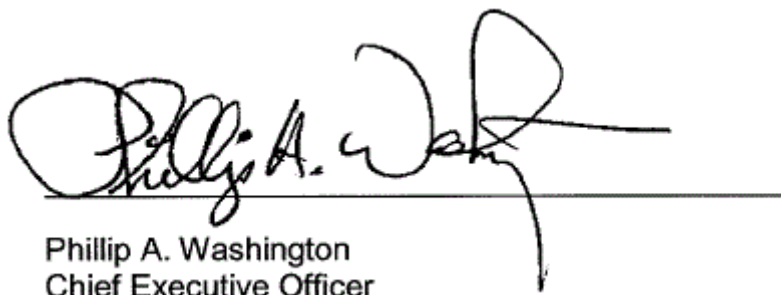
Attachment A - Procurement Summary  
Attachment B - DEOD Summary  
Attachment C - Contract Modification Authority (CMA) Summary  
Attachment D - Project Cost Summary by Element and LOP Variance  
Attachment E - Funding/Expenditure Plan  
Attachment F - Uniform Cost Management Process and Policy Analysis  
Attachment G- Regional Connector Presentation

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## Board Report

File #: 2016-0971, File Type: Contract

Agenda Number: 50

**REVISED**  
**CONSTRUCTION COMMITTEE**  
**JANUARY 19, 2017**

**SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 2 PROJECT**

**ACTION: AWARD DESIGN/BUILD CONTRACT AND ESTABLISH LIFE-OF- PROJECT BUDGET**

**RECOMMENDATION**

CONSIDER:

- A. ESTABLISHING a Life-of-Project Budget (LOP) Budget of \$2,440,969,299 for the **Westside Purple Line Extension Section 2 Project**;
- B. AUTHORIZING the Chief Executive Officer (CEO) to award a 102-month firm fixed price contract under Request for Proposal (RFP) No. C1120 to Tutor Perini/O & G, a Joint Venture (TPOG), the responsive and responsible Proposer determined to provide Metro with the best value for the final design and construction of the Westside Purple Line Extension Section 2 Project (Project) for a firm fixed price of \$1,376,500,000.00, subject to resolution of protest(s), if any; and
- C. AUTHORIZING the CEO, as part of a one-year pilot, to negotiate and execute project related agreements, including contract modification(s), up to the authorized Life-of-Project Budget for Sections 1 and 2 of the Westside Purple Line Extension Project, to streamline project management of the Project subject to monthly reporting requirements, that would include any pending project-related agreements, change orders/contract modifications and any significant changes to contract contingency to the Board of Directors. This action would allow the board to see in advance all project-related agreements and change orders.

**ISSUE**

In June 2016, a Full Funding Grant Agreement (FFGA) budget of \$2,410,544,879 (minus finance charges) was established by the Board for the Westside Purple Line Extension Section 2 Project. Within that Board approval action, it was noted that a LOP Budget would be established concurrent with the staff recommended contract award. This approach is consistent with the recommendations in the Office of the Inspector General (OIG) Construction Management Best Practices Study Report and

lessons learned regarding establishing final budgets, when adequate information (such as the selected price) is available.

In August 2016, the United States District Court for the Central District of California ruled that the Federal Transit Administration (FTA) must produce a Supplemental Environmental Impact Statement (SEIS) for portions of the Project. In its ruling, the Court declined to vacate the Record of Decision (ROD) for the Westside Purple Line Extension, allowing Metro and FTA to sign an FFGA for the Project. With the signed FFGA in hand, awarding the Design/Build contract at this time allows for preconstruction activities such as final design and utility relocations to occur while staff completes the SEIS, preventing a delay to the Project's schedule.

This report provides a recommendation for award of the contract within the FTA approved Full Funding Grant Agreement (FFGA). TPOG offers the best value to Metro given that the weighted technical results were comparable to the other proposers and the team's firm fixed price proposal is \$452 million less than the second ranked firm. In conjunction with this procurement, the CEO has identified the need to streamline the contract administration process for the Westside Purple Line Extension Section 2 Project and is requesting the authority as part of a one -year pilot, to negotiate and execute any remaining agreements such as professional services agreements, City or utility work orders, and contract modifications within the LOP budget, subject to monthly reporting to the Board, that would include any pending project-related agreements, change orders/contract modifications and any significant changes to contract contingency. This action would allow the Board to see in advance all project-related agreements and change orders but would allow the staff the flexibility, responsibility and authority to manage this large, fast moving project consistent with the need for rapid decision-making and Project Schedule.

The Metro leadership of the core Westside Purple Line team has a proven track record over a thirty year span, with successful project delivery on the Red line, Gold line and more recently on the successful startup of the Westside Purple Line Segment 1 Design build contract. The Project Manager for Segment 2 has over 20 years of experience in the design and construction of underground structures. His experience includes lead technical and management roles on complex underground construction projects for transit, highway and other heavy civil projects. In addition to the Metro leadership and core project management and support team, the project team will be supplemented in the integrated project management office by key staff from two nationally and internationally recognized consultants/Joint ventures providing engineering and construction management expertise. Additionally, Metro is in the process of procuring additional private sector program management expertise to supplement the Metro team at a strategic level.

As part of the approval process of the FFGA and the TIFIA loan, staff was required to produce a Westside Purple Line Extension Section 2 Project Management Plan (PMP) and sub plans that would ensure that Metro has the capacity and capability to manage and oversee the Project safely, on-time and within budget. As part of the Metro mid-year budget process, to strengthen the existing project management and support team, staff will be including the need for an additional 22 full time Metro staff. These staff will support engineering and construction management, project controls, safety,



quality, environmental compliance, third party coordination, community relations, real estate, vendor/contract management and project labor agreement administration. Furthermore, additional staff may be requested as part of the FY 18 budget and future budget processes, in accordance with the PMP and the needs of the project.

## **BACKGROUND**

The Westside Purple Line Extension Section 2 Project consists of twin-bored tunnels and two underground stations located at Wilshire/Rodeo (City of Beverly Hills) and Century City Constellation (City of Los Angeles). Advanced utility relocation work has begun under pre-award authority that was granted by the Federal Transit Administration in December 2014. The major construction work will be performed under Contract No. C1120 which includes the design and construction of tunnels, stations, systems, and trackwork.

The recommended action to approve the LOP Budget is consistent with the approval action taken by the Board in June 2016 and the recent FTA approval of the Westside Purple Line Extension Section 2 Project FFGA and the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan from the United States Department of Transportation. The LOP Budget also includes \$30,424,420 of concurrent non-FFGA project activities. These concurrent activities include the planning/environmental phase of the Project, real estate loss of business goodwill, additional insurance coverage for Measure R Projects, certain community relations expenses, and public artwork. As of October 1, 2015, the Fixing America's Surface Transportation (FAST) Act prohibits federal transit funding for art elements of a transit project. The full funding plan is outlined in Attachment C.

On January 22, 2015, the Board authorized staff to use a design/build contracting delivery approach to complete the final design and construction of the Westside Purple Line Extension Section 2 Project and to solicit a contract for the 2.59 mile dual track heavy rail extension and two new underground stations. The Board authorized the procurement under Public Contract Code Section 20209.5 et seq., which allows for the negotiation and award of a design/build contract to a responsible proposer whose proposal is determined to be the best value to Metro.

A Request for Qualifications (RFQ)/Request for Proposals (RFP) two-step negotiated procurement was implemented for this design/build delivery approach. An open procurement was advertised on September 14, 2015, which culminated with three firms meeting the RFQ requirements and subsequently invited to submit proposals in response to the second phase of the solicitation, the RFP. Additional details for the procurement process, including the evaluation results, are in Attachment A.

## **DISCUSSION**

The recommended action to award the contract to the most advantageous proposer, TPOG, is based on a "Best Value" selection process. In accordance with Public Contract Code (PCC) 20209.5 - 20209.14, and its succeeding legislation, California Public Contract Code (PCC) § 22160-22169

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(effective January 2015), the RFP defined Best Value as a value determined by objective criteria and may include, but is not limited to price, features, functions, life-cycle costs, and other criteria deemed appropriate by Metro; and the Best Value Proposal as the most advantageous Proposal to Metro when evaluated in accordance with the Evaluation Criteria defined in the RFP.

The Source Selection Plan and Request for Proposal (RFP) established the weighted value assigned to the major evaluation criteria:

- Project Management 45%
- Technical Approach 20%
- Price 35%
  - *Subtotal* 100%
- A Prompt Payment to Subcontractors Initiative 5% (bonus scoring)
  - Total 105%

After a thorough and extensive competitive procurement process, Staff recommends TPOG as the contracting team for the final design and construction of the Westside Purple Line Extension Section 2 project.

#### Request for Best And Final Offer (BAFO)

The FTA Best Practices Manual points out that “BAFOs are revised proposals that extinguish the prior proposals”. The BAFOs may increase or decrease their original amount and make any other changes to the proposal unless specifically prohibited by the request for BAFO. Once a Proposer has submitted its BAFO, Metro does not have the luxury of picking between the original and subsequent proposals. New BAFO proposals are the only proposals that may then be considered and could require another round of evaluations and discussions if in the best interest of the Agency.

Unlike the mega project design-build procurements for Crenshaw/LAX, Regional Connector, and Westside Purple Line Extension Section 1, after discussions with Proposers were completed, there was no indication that a BAFO would result in lower pricing or other benefits for the Agency nor was it necessary to accommodate changes to the Scope of Work. There was reason to believe that prices might in fact increase given details that arose during Proposers’ respective discussions on issues within their proposals. The conclusion about the inefficacy of a BAFO was later supported by increased pricing submitted by two proposers, whereas the lowest price Proposer did not increase their price.

BAFOs may be sought at the discretion of the Contracting Officer after discussions/ negotiations have been completed with proposers in the competitive range. BAFOs are requested when it is determined necessary because (1) the nature of those discussions/negotiations has a significant or material impact on the proposals submitted; (2) the discussions/negotiations have resulted in a material change to the Scope of Work or other specifications; or (3) the Contracting Officer has

determined additional requirements are necessary. None of the above requisites existed for this solicitation to necessitate a request for BAFOs.

### Supporting Effective Project Management

The Westside Purple Line Section 2, like many Metro projects, is a fast-moving, challenging and uniquely complex design-build project. Quick decision-making is required to take advantage of cost and scheduling opportunities and to keep the Project moving. A slow change order process is not consistent with the needs of a large, design/build project. There are limited project management resources, so the more time that project managers work on process-related activities, the less time they have solving problems. No process or too much process likely results in confusion, inefficiencies, and in some cases, conflicts. Part of the current process is the requirement to receive Board of Directors approval for changes above a specified threshold.

On a large mega-project, the thresholds requiring approval are easily exceeded. The need to bring a contract modification to the Board for approval can add two months to the schedule when contractors could have started the work immediately. This time can be critical to project schedules and risks exposure to extended overhead payments due the contractor, should the project be delayed.

As mentioned in the most recent Los Angeles Construction Market Analysis Update received by the Board in September 2015, contractors have indicated that delays in processing changes to be a significant risk when working on Metro projects. As a result they have had to include contingencies in their proposals to address this risk. This delay also puts DBEs subs at risk of not receiving timely payment for work performed.

The cost to the Crenshaw and Regional Connector projects for schedule delays ranges from \$3.3 to \$5 million per month for a total of \$6.6 million to \$10 million for a 2 month delay. Much of this delay could have been avoided if Board approval was not required prior to implementing a change.

Therefore, staff is proposing CEO authority to execute project related agreements, including change orders up to the LOP Budget. Any change that results in a LOP Budget increase would still require Board approval, which is the most critical aspect of managing projects. This approach is consistent with other transit agencies including San Jose, Seattle, and Denver.

In addition, staff would continue to report on the project budget, project labor agreement and small business/disadvantaged business compliance as part of the monthly updates to the Construction Committee and the detailed monthly reports that are issued to all stakeholders including the Board.

The benefits of this action are:

- Provides staff with the flexibility, responsibility and authority to manage this large, fast moving project consistent with the need for rapid decision-making and project schedule
- Still requires approval for any action requiring a LOP Budget increase

- Keeps the big picture focus on overall project budget management as opposed to detailed change orders
- Consistent with industry best practices for time sensitive, effective project management

In addition, Metro has or is in the process of implementing a number of construction best practices that would improve our ability to deliver projects on time and within budget. Examples include:

- Regular monthly reviews of the project status, together with a formal Annual Program Evaluation to continually assess project status for Board reporting.
- Implement a robust risk assessment process commencing early in the project development process and periodically through the project life to allow staff to identify risks/issues to facilitate early mitigation.
- Implement improved partnering processes at all levels from Chief Executive Officer on down to improve communication and facilitate timely resolution. Focus would be on avoiding or resolving disputes.
- Initiate a process to control potentially disruptive betterments, third party or Metro generated changes.
- To continuously provide adequate staff to manage the project, consistent with the approved Project Management Plans.

## **DETERMINATION OF SAFETY IMPACT**

This Board action will not have an impact on established safety standards for Metro's construction projects.

## **FINANCIAL IMPACT**

Funds required in fiscal year 2017 for this board action are included in Project 865522 Westside Purple Line Extension Section 2 Project, in Cost Center 8510 (Construction Project Management), and Account Number 53101 (Acquisition Building and Structure).

Since this is a multi-year Project, the Chief Program Management Officer and the Project Manager will be responsible for budgeting costs in future years.

### **Impact to Budget**

The sources of funds for the Project are capital funds identified in the recommended Funding/Expenditure Plan as shown in Attachment C. The recommended LOP Budget was assumed in the Long Range Transportation Plan for the Westside Purple Line Extension Section 2 Project and does not have an impact to operations funding sources. With respect to the \$30,424,420 of Concurrent Non-FFGA Project Activities, Attachment D shows the Measure R Cost Management Process and Policy analysis required for cost increases to Measure R projects. To comply with the Policy of the Metro Board of Directors, additional Measure R funds required for this Project will be from the projected remaining Measure R 35% Transit funds committed to the Westside Purple Line

Extension Section 1, 2, and 3 collectively.

This Project is not eligible for Propositions A and C funding due to the proposed tunneling element of the Project.

### **ALTERNATIVES CONSIDERED**

The Board may choose to not move forward with the contract award and adopting a LOP Budget. This is not recommended as this is an adopted project within the Long Range Transportation Plan, and not moving forward with the recommendations will delay the schedule, increase the cost of the Project, and jeopardize \$1.5 billion in grants and loans from the US Department of Transportation, as well as jeopardize completion of the Westside Purple Line Extension by 2024.

The Board may also choose to not move forward with authorizing the CEO to negotiate and execute project related agreements, including contract modifications, up to the authorized Life-of-Project Budget. This is not recommended because of the risks associated with potential schedule delays related to the approval process for project related agreements.

### **NEXT STEPS**

Upon approval by the Board, Metro will issue a Notice-of-Award, execute a contract with the recommended Design/Build Contractor and once bonds, insurance, and project labor agreement requirements are met; issue a Contract Notice-to-Proceed.

Based on the Court's ruling, the SEIS will be a limited scope document, providing additional detail and assessment of the Project. A Draft SEIS will be released for public comments in writing and at a public hearing in early 2017. Metro staff anticipates the Final SEIS will be published in late summer 2017, prior to the start of major construction, which is scheduled to begin after January 2018.

### **ATTACHMENTS**

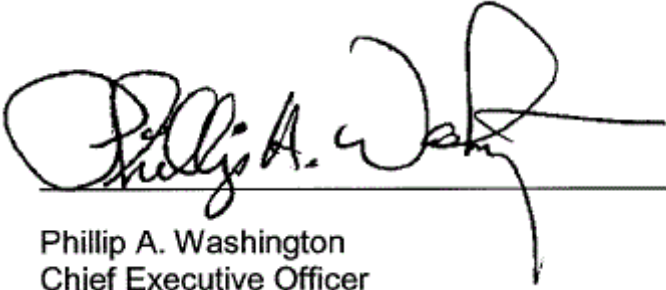
- Attachment A - Procurement Summary
- Attachment B - DEOD Summary
- Attachment C - Funding/Expenditure Plan
- Attachment D - Measure R Cost Management Process and Policy Analysis

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

WESTSIDE PURPLE LINE EXTENSION SECTION 2 PROJECT – DESIGN/BUILD  
CONTRACT NO. C1120

1.	<b>Contract Number:</b> C1120	
2.	<b>Recommended Vendor:</b> Tutor Perini/O & G, a Joint Venture	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP–A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 9-14-2015	
	<b>B. Advertised/Publicized:</b> 9-11-2015	
	<b>C. Pre-Proposal Conference:</b> 10-6-2015	
	<b>D. Proposals Due:</b> 06-01-2016	
	<b>E. Pre-Qualification Completed:</b> 12-4-2015	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 6-8-2016	
	<b>G. Protest Period End Date:</b> 1/27/2017	
5.	<b>Solicitations Picked up:</b> 114	<b>Bids/Proposals Received:</b> 3
6.	<b>Contract Administrator:</b> Kenneth Stewart	<b>Telephone Number:</b> 213-922-7687
7.	<b>Project Manager:</b> Michael McKenna	<b>Telephone Number:</b> 213-312-3132

**A. Procurement Background**

This Board Action is to approve the award of a design-build “Best Value” procurement issued in support of the Westside Purple Line Extension Section 2 Project. Contract No. C1120 will extend the existing heavy rail subway Purple Line approximately 2.55 miles from the future terminus at Wilshire/La Cienega and will include two new stations: Wilshire/Rodeo and Century City Constellation. The Section 2 alignment travels westerly beneath the City of Beverly Hills and Century City area of the City of Los Angeles. Board approval of the contract award is subject to resolution of any properly submitted protest(s).

The Work under this Contract includes, but is not limited to, furnishing all management, coordination, professional services, labor, equipment, materials and other services to perform the final design and construction of twin bored Tunnels, Stations, Trackwork, Utilities and Systems of the Westside Purple Line Extension Section 2 Project. The contract type is a firm fixed price.

A Request For Qualifications (RFQ)/Request for Proposals (RFP) was issued on September 14, 2015. A pre-proposal conference was held on October 6, 2015, in the Board Room with representatives of approximately 200 firms in attendance. A networking event was held for the subcontracting community immediately after the conference.

The RFQ/RFP implemented a two-step negotiated procurement in accordance with California Public Contract Code § 22160-22169 and in accordance with Metro’s Acquisition Policy. The first phase of the procurement was a request for Statement of Qualifications (SOQ). A prequalification evaluation team evaluated the SOQs. Three responsive SOQs were received on October 30, 2015.

The three firms met the RFQ requirements, were designated as prequalified parties, and were invited to submit proposals in response to the second phase of the solicitation, the RFP.

The prequalified firms submitted technical and commercial questions which were recorded and reviewed by Metro staff. Formal written answers to approximately 600 questions were provided to the prequalified firms and the other 111 planholders.

Thirteen amendments were issued during the solicitation and evaluation process:

- Amendment No. 1, issued on October 7, 2015, extended the due date for SOQ questions by one week and adjusted the number of electronic/hard copies required;
- Amendment No. 2, issued on October 19, 2015, extended the SOQ due date by one week and made clarifications to various requirements;
- Amendment No. 3, issued on November 2, 2015, updated DBE listings and forms, updated General Requirements and provided technical documentation;
- Amendment No. 4, issued on November 10, 2015, extended the period of time for Proposers to perform DBE outreach events;
- Amendment No. 5, issued on December 4, 2015, announced the three firms pre-qualified to submit proposals for the benefit of the subcontracting community;
- Amendment No. 6, issued on December 10, 2015, provided additional and revised technical documents including requirements, drawings and design criteria;
- Amendment No. 7, issued on February 1, 2016, clarified contract language;
- Amendment No. 8, issued on February 4, 2016, clarified campaign contribution language, easement and right of way availability, the schedule of quantities and prices, and provided new and revised technical documentation;
- Amendment No. 9, issued on February 23, 2016, provided new and revised technical specifications and drawings;
- Amendment No. 10, issued on March 9, 2016, updated the DBE listing and introduced new subcontractor payment language;
- Amendment No. 11, issued on March 23, 2016, clarified Good Faith Efforts language, removed the DBE Tiered Program requirement disapproved by the FTA, updated DBE forms, clarified organizational document requirements, revised Provisional Sum definitions, and clarified technical document labelling and special inspections language;
- Amendment No. 12, issued on April 13, 2016, extended the proposal due date to June 1, 2016, revised the standard payment to subcontractor language and added an optional prompt payments to subcontractors initiative along with updated submittal language and evaluation criteria, clarified permitting language, added rail system related appendices, and provided a schedule template reference document;
- Amendment No. 13, issued on October 6, 2016, clarified Schedule of Quantities and Prices- Schedule D-Delay Compensation unit rate definitions and requirements and requested extension of the validity period of proposals an additional 90 days to February 26, 2017.



Three proposals were received on June 1, 2016, from the following firms:

1. Skanska-Obayashi a Joint Venture
2. Tutor Perini/O & G, a Joint Venture
3. Walsh Strabag Joint Venture

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro Project Engineering, Metro Project Management, Metro Rail Wayside Systems, and the City of Los Angeles Bureau of Engineering conducted a comprehensive evaluation of the proposals received. The team was supported by 17 subject matter experts (SME) who reviewed selected portions of each proposal and prepared written reports to the PET according to their respective area of expertise. The PET considered the SMEs' input as part of their evaluation and score of each proposal.

The PET performed a detailed evaluation of all three proposals in accordance with the factors and sub-factors set forth in the RFP to assign a score and ranking. The evaluation considered all technical and price factors defined in the RFP and Source Selection Plan.

The proposals were evaluated based on the following major evaluation criteria and weights

- |   |                           |
|---|---------------------------|
| • Project Management                            | 45 percent                |
| • Technical Approach                            | 20 percent                |
| • Price   | 35 percent                |
| • A Prompt Payment to Subcontractors Initiative | 5 percent (bonus scoring) |

The Proposers could opt for the prompt payment initiative, noted above, that requires the prime contractor to pay its first tier subcontractors for work completed prior to submitting its monthly billing to Metro. This triggers the cascading of earlier payments where each subcontractor must make payment to their subcontractors of undisputed amounts within 7 days of having received payment. In return, Metro provides terms of Net 21 days payment of undisputed amounts to the Contractor.

Each Proposer received written Requests for Clarification regarding topics such as work experience, safety documentation, Disadvantaged Business Entity (DBE) forms, design cost reporting, subcontractor work scopes and registrations, and organizational documents.

Each proposing team was invited to make an oral presentation to the PET for the purpose of clarifying their proposal and demonstrating their understanding of Metro's requirements, thus allowing the PET to refine technical scoring. The presentation meeting format, the amount of time allowed, and general questions asked were standardized.

The Contract Administrator and Project Manager held separate discussions with each Proposer between August 4, 2016, and August 11, 2016, to address potential deficiencies, understand concerns about risk, and review assumptions taken in relation to the price proposal. Two of the Proposers, after discussions were held, submitted a revised proposal at a higher price.

Discussions confirmed the Proposers' understanding of the scope and appropriate approaches and plans to complete the scope of work. No material change to the Scope of Work was discovered that would necessitate a request for Best and Final Offers.

Each of the three proposals were responsive to the requirements of the RFP, including evidence of bonding capability, insurability, current contract licenses, appropriate and duly notarized joint venture agreements, as well as disclosure of litigation.

All three Proposers were determined to be within the competitive range so that all aspects of their offerings could be fully explored and understood.

## **Summary of Firms within the Competitive Range**

### **Tutor Perini/O & G, a Joint Venture**

Tutor Perini/O & G, JV is a joint venture made up of Tutor Perini Corporation of Sylmar, California and O & G Industries of Torrington, Connecticut, with Frontier Kemper as a tunneling subcontractor. Tutor Perini maintains a large nationwide presence building infrastructure in large metropolitan areas and has built railways and stations for Metro including multiple portions of Metro's Red Line Project. O & G Industries has delivered many important public projects on the East Coast.

### **Skanska-Obayashi a Joint Venture**

Skanska-Obayashi JV is a joint venture between Skanska USA Civil West California District Inc. of Riverside, California and Obayashi Corporation of Burlingame, California. Skanska's experience includes building Metro's Foothill Gold Line and the Expo 2 Line. Skanska is currently a joint venture member building the Regional Connector Project and the Westside Purple Line Section 1 Project. Obayashi is a large, multinational construction firm maintaining offices and executing large construction projects, including those with tunnels, throughout the world.

### **Walsh Strabag Joint Venture**

Walsh Strabag JV is a joint venture between Walsh Construction II, LLC of Chicago, Illinois and Strabag Corp of Wilmington, Delaware. Walsh is a very large privately held construction company with regional offices covering North America. It has executed transit projects in several large metropolitan areas throughout the United States. Walsh is currently a joint venture member building the Crenshaw/LAX Project. Strabag is a large, multinational construction firm maintaining offices and executing large projects throughout the world including a special tunneling division.

## **Evaluation Outcome**

Based on a thorough evaluation of all proposals, as performed and determined by the Proposal Evaluation Team, the Tutor Perini/O & G, a Joint Venture proposal offers the "Best Value" and is the most advantageous to Metro.

Tutor Perini/O & G, a Joint Venture demonstrated strengths with readily available key personnel, an innovative approach to moving material underground, their Contracting Outreach and Mentor Protégé plan and the joint venture partners' history of working together. While the other two Proposers' weighted scores for Project Management and Technical Approach were minimally higher, the difference in the technical capability found in their proposals was not great enough to justify the significantly higher prices proposed. The Tutor Perini/O & G proposal is determined technically comparable at an award price that is approximately \$452 million lower than the next lowest proposal.

The final scores and ranking of the proposals is summarized in the table below.

### Final Evaluation Scoring

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Tutor Perini/O &amp; G, JV</b>				
3	Project Management	71.47	45.00%	32.16	
4	Technical Approach	73.10	20.00%	14.62	
5	Price	100.00	35.00%	35.00	
6	*Voluntary Payment to Subcontractors Initiative	100.00	5.00%	5.00	
7	<b>Total</b>		<b>105.00%</b>	<b>86.78</b>	<b>1</b>
8	<b>Skanska-Obayashi, JV</b>				
9	Project Management	76.31	45.00%	34.34	
10	Technical Approach	77.15	20.00%	15.43	
11	Price	68.31	35.00%	23.91	
12	*Voluntary Payment to Subcontractors Initiative	100.00	5.00%	5.00	
13	<b>Total</b>		<b>105.00%</b>	<b>78.68</b>	<b>2</b>
14	<b>Walsh Strabag JV</b>				
15	Project Management	73.44	45.00%	33.05	
16	Technical Approach	79.05	20.00%	15.81	
17	Price	65.23	35.00%	22.83	
18	*Voluntary Payment to Subcontractors Initiative	100.00	5.00%	5.00	
19	<b>Total</b>		<b>105.00%</b>	<b>76.70</b>	<b>3</b>

All Scores rounded to the second decimal.

\*All Proposers received full credit.

### C. Cost/Price Analysis

A line by line proposal pricing evaluation was performed, with certain line items of each proposal being identified as of interest. The line items of interest were different for each Proposer. The respective line items were addressed during the commercial and technical discussions with Proposers.

The price of the recommended award is determined to be fair and reasonable based on adequate price competition and comparison to the independent cost estimate which was submitted concurrently with the proposals.

Proposer Name	Total Price Proposal <sup>1</sup>	Total ICE <sup>2</sup> Price Proposal	Award Price <sup>3</sup>	ICE Award Price <sup>3</sup>
Tutor Perini/O & G, JV	\$1,453,622,111	\$1,343,780,007	\$1,376,500,000	\$1,234,711,573
Skanska-Obayashi, JV	\$1,947,004,375		\$1,828,934,700	
Walsh Strabag JV	\$2,324,627,678		\$2,018,569,899	

Note<sup>1</sup>: The Total Price Proposal includes the Base Work, Provisional Sums, Unit Prices, Delay Compensation, and Life Cycle Costs.

Note<sup>2</sup>: The Independent Cost Estimate (ICE) amounts are submitted before the due date and opened concurrently with the other Proposals.

Note<sup>3</sup>: The Award Price includes Base Work and Provisional Sums only.

### D. Background of Recommended Contractor

Tutor Perini/O & G, JV is a fully integrated joint venture between Tutor Perini Corporation (Tutor Perini), the Managing Partner with 75% equity, and O & G Industries, Inc. (O & G) with 25% equity.

Tutor Perini is advertised as the largest publicly traded civil works contractor that is headquartered in California and was ranked 14th of Engineering News-Record (ENR)'s Top 400 Contractors list for 2015. Tutor Perini has performed work on very large projects in the City of Los Angeles, throughout California, and the United States, including projects for LACMTA's underground system. Tutor Perini's experience includes the BART Extension to San Francisco International Airport line and track; the AirTrain at JFK International Airport, and Metro's Red Line.

O & G Industries, Inc. is a privately held company. O & G has been ranked as the 210<sup>th</sup> of the country's top 400 construction companies and is one of the larger heavy/civil contractors in the northeastern United States. O & G has worked with Tutor Perini on large projects in the past. Locally, Tutor Perini and O & G delivered the D-B Alameda Corridor Project in south Los Angeles.

STV Incorporated (STV) is the lead engineering firm. STV has worked with Tutor Perini on D-B transportation projects around the nation since 1997.

## DEOD SUMMARY

WESTSIDE PURPLE LINE EXTENSION  
SECTION 2 PROJECT / C1120**A. (1) Small Business Participation - Design**

The Diversity and Economic Opportunity Department (DEOD) established a 25% Disadvantaged Business Enterprise (DBE) goal for Design. Tutor Perini/O & G, JV exceeded the goal with a 25.31% DBE commitment.

<b>SMALL BUSINESS GOAL</b>	<b>DBE 25%</b>	<b>SMALL BUSINESS COMMITMENT</b>	<b>DBE 25.31%</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1	Arellano Associates LLC	Hispanic American	0.26%
2	Coast Surveying, Inc.	Hispanic American	0.52%
3	Cornerstone Studios, Inc.	Asian Pacific American	0.53%
4	PacRim Engineering, Inc.	Asian Pacific American	4.21%
5	DR Consultants & Designers	Hispanic American	2.55%
6	Epic Land Solutions	Caucasian Female	TBD
7	Exeltech Consulting, Inc.	Subcontinent Asian American	2.69%
8	Fariba Consulting	Other	1.18%
9	GC Tech, Inc.	African American	0.96%
10	Lin Consulting, Inc.	Asian Pacific American	2.46%
11	NBA Engineering, Inc.	Caucasian Female	2.10%
12	Paleo Solutions, Inc.	Caucasian Female	0.02%
13	Ted Tokio Tanaka Architect	Asian Pacific American	5.24%
14	YEI Engineers, Inc.	Asian Pacific American	1.63%
15	Electrical Building Systems, Inc.	Hispanic American	0.96%
		<b>Total Commitment</b>	<b>25.31%</b>

**B. (2) Small Business Participation - Construction**

DEOD established a 17% DBE goal for Construction. Tutor Perini/O & G, JV made a 17% DBE commitment. To be responsive to DBE requirements, Tutor Perini/O & G, JV was required to identify all known DBE subcontractors at the time of proposal. Tutor Perini/O & G, JV listed seven (7) known DBE firms as noted below, with commitments totaling 8.27%. In addition, Tutor Perini/O & G, JV was required to submit a DBE Contracting Plan identifying construction opportunities to meet its DBE commitment throughout the Construction phase of the project. Tutor Perini/O & G, JV is required to update the Contracting Plan monthly as contract work is bid and awarded to DBE firms. DEOD reviewed and approved the Contracting Plan submitted by Tutor Perini/O & G, JV which included a 17% DBE commitment for Construction and identified scopes of work for DBE subcontracting opportunities.

<b>SMALL BUSINESS GOAL</b>	<b>DBE 17%</b>	<b>SMALL BUSINESS COMMITMENT</b>	<b>DBE 17%</b>
	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1	Analysis & Solutions Consultants	African American	0.58%
2	Chaudhary & Associates, Inc. (2 <sup>nd</sup> Tier)	Asian Pacific American	0.02%
3	Jet Drilling (2 <sup>nd</sup> Tier)	Hispanic American	0.12%
4	J. Hernandez Consulting	Hispanic American	0.01%
5	G & C Equipment Corporation (Supplier – 60%)	African American	3.72%
6	Martinez Steel Corporation	Hispanic American	2.51%
7	Valverde Construction, Inc.	Hispanic American	1.31%
8	To Be Determined at Time of Final Design	TBD	8.73%
		<b>Total Commitment</b>	<b>17%</b>

**C. Contracting Outreach and Mentoring Plan**

To be responsive to DBE requirements, Tutor Perini/O & G, JV was required to submit a DBE Contracting Outreach and Mentoring Plan (COMP), which included the minimum requirement to apply 25% of the total DBE commitment dollars for

Design and 15% of the DBE commitment dollars for Construction for participation in the mentor protégé program.

**D. Project Labor Agreement/Construction Careers Policy (PLA/CCP)**

The PLA/CCP requires that contractors commit to meet the following targeted hiring goals for select construction contracts over 2.5 million dollars: This contract is subject to the USDOT Pilot Local Hire Initiative.

Community / Local Area Worker Goal	Apprentice Worker Goal	Disadvantaged Worker Goal
40%	20%	10%

**E. 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).

**F. Living Wage Service Contract Worker Retention Policy Applicability**

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

**FUNDING/EXPENDITURE PLAN**  
**WESTSIDE PURPLE LINE EXTENSION SECTION 2 PROJECT**

(DOLLARS IN MILLIONS)

Capital Project 865522	Prior	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	Total	% of Total
<b>Uses of Funds</b>														
Construction	0.2	81.9	106.6	218.7	267.8	237.0	228.2	156.9	78.3	24.2	-	-	1,400.0	57.4%
Right-of-Way	80.7	50.6	95.8	185.4	7.0	-	-	-	-	-	-	-	419.4	17.2%
Vehicles	-	-	-	-	-	-	42.0	-	-	-	-	-	42.0	1.7%
Professional Services	46.4	24.0	44.5	36.7	31.0	29.8	30.5	29.5	25.6	23.4	52.2	-	373.5	15.3%
Project Contingency	-	16.9	25.0	23.0	24.5	25.9	33.3	14.8	7.4	1.5	3.3	-	175.7	7.2%
<b>FFGA Subtotal*</b>	<b>127.2</b>	<b>173.4</b>	<b>271.9</b>	<b>463.8</b>	<b>330.2</b>	<b>292.7</b>	<b>334.1</b>	<b>201.3</b>	<b>111.3</b>	<b>49.1</b>	<b>55.5</b>	<b>-</b>	<b>2,410.5</b>	<b>98.8%</b>
Concurrent Non-FFGA Project Activities	0.0	8.5	7.3	5.8	3.8	0.3	0.1	0.1	-	-	-	-	26.1	1.1%
Planning/Environmental	0.5	2.6	1.2	-	-	-	-	-	-	-	-	-	4.3	0.2%
<b>Non-FFGA Subtotal</b>	<b>0.5</b>	<b>11.2</b>	<b>8.5</b>	<b>5.8</b>	<b>3.8</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30.4</b>	<b>1.2%</b>
<b>Total Project Cost</b>	<b>127.7</b>	<b>184.5</b>	<b>280.4</b>	<b>469.7</b>	<b>334.1</b>	<b>293.1</b>	<b>334.3</b>	<b>201.4</b>	<b>111.3</b>	<b>49.1</b>	<b>55.5</b>	<b>-</b>	<b>2,441.0</b>	<b>100.0%</b>
<b>Sources of Funds**</b>														
Federal 5309 New Starts	58.0	30.0	128.3	183.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0	87.0	1,187.0	48.6%
Federal TIFIA Loan Proceeds (Repaid with Measure R 35%)	-	146.0	61.0	100.0	-	-	-	-	-	-	-	-	307.0	12.6%
Measure R 35%	14.9	8.5	78.1	156.0	178.1	149.1	208.3	101.4	11.3	(50.9)	(44.5)	(87.0)	723.2	29.6%
Repayment of Capital Project Loans	54.8	-	-	-	-	-	-	-	-	-	-	-	54.8	2.2%
Federal CMAQ	-	-	13.0	30.0	56.0	44.0	26.0	-	-	-	-	-	169.0	6.9%
<b>Total Project Funding</b>	<b>127.7</b>	<b>184.5</b>	<b>280.4</b>	<b>469.7</b>	<b>334.1</b>	<b>293.1</b>	<b>334.3</b>	<b>201.4</b>	<b>111.3</b>	<b>49.1</b>	<b>55.5</b>	<b>-</b>	<b>2,441.0</b>	<b>100.0%</b>

\*Does not include \$88.7 in finance costs.

\*\*Timing of funding sources is subject to change.



**MEASURE R COST MANAGEMENT PROCESS AND POLICY ANALYSIS**  
**WESTSIDE PURPLE LINE EXTENSION SECTION 2 PROJECT**

**Introduction**

The Measure R Cost Management Process and Policy (the Policy) was adopted by the Metro Board of Directors in March 2011. The Policy caps Measure R project funding at the amounts in the Measure R Expenditure Plan. The intent of the Policy is to inform the Metro Board of Directors regarding potential cost increases to Measure R-funded projects and the strategies available to close any funding gaps.

The Westside Purple Line Extension Section 2 Project warrants such an analysis due to a \$30.4 million cost increase. The Measure R funds assumed for the Westside Purple Line Extension Section 2 Project to date amount to \$999.8 million (out of a total Measure R commitment of \$4,074 million for all three sections). At this time, we estimate that \$286.4 million of Measure R 35% would remain at the completion of the three sections. We propose using \$30.4 million of the \$286.4 million to address the cost increase as shown in the “Other Cost Reductions within the Same Transit Corridor” step.

**Measure R Cost Management Policy Summary**

The adopted Policy stipulates the following:

If a project cost increase occurs, the LACMTA Board of Directors must approve a plan of action to address the issue prior to taking any action necessary to permit the project to move to the next milestone. Increases will be measured against the 2009 Long Range Transportation Plan (LRTP) as adjusted by subsequent actions on cost estimates taken by the LACMTA Board of Directors. With certain exceptions, shortfalls will first be addressed at the project level prior to evaluation for any additional resources using these methods in this order:

- 1) Value engineering and/or scope reductions;
- 2) New local agency funding resources;
- 3) Shorter segmentation;
- 4) Other cost reductions within the same transit corridor or highway corridor;
- 5) Other cost reductions within the same sub-region; and finally,

- 6) Countywide transit and highway cost reductions and/or other funds will be sought using pre-established priorities.

The policy was amended in January 2015 to establish Regional Facility Areas at Ports, airports and Union Station; and states that any:

*“...capital project cost increases to Measure R funded projects within the boundaries of these facilities are exempt from the corridor and subregional cost reductions. Cost increases regarding these projects will be addressed from the regional programs share.”*

The Westside Purple Line Extension Section 2 Project does not fall within a Regional Facility Area.

### **Value Engineering and/or Scope Reductions**

During the development of the Preliminary Engineering for the Request for Proposal (RFP) documents, staff conducted Value Engineering (VE) Workshops utilizing a VE Panel of transit industry professionals with participation including the FTA’s Project Management Oversight Consultant (PMOC). The VE items believed to have the potential of yielding the largest cost savings were incorporated into the Advanced Preliminary Engineering (PE) designs in 2012. These items included the reduction of underground station footprint sizes and station depths. Station room layouts and other architectural elements were standardized to reduce design, construction, operations and maintenance costs. The Project Team also analyzed constructability issues and various construction sequencing scenarios to reduce risks and the overall durations for tunneling and cut-and-cover underground construction.

In 2014, an operational analysis was performed and the operational infrastructure was evaluated to determine the impacts if scope items were not constructed or purchased. The resulting operational impacts are as follows:

- Not constructing the track crossover, east of the Wilshire/Rodeo Station, will increase passenger wait times between trains when one track is out of service between Wilshire/La Cienega and Century City/Constellation stations.
- Not constructing tunnel/systems/track for the tailtrack west of the Century City/Constellation Station will not provide for storage of trains for routine operations, special events or vehicle maintenance issues. However, the station will still provide the minimum operational requirements for a temporary terminus to be located at the Century City/Constellation Station.
- Reducing the heavy rail vehicles to be acquired for the WPLE Section 2 Project from 20 to 10 will require either: 1) increases in the passenger wait times or 2) operation of shorter trains.

The impact of the crossover and tailtrack elimination has been determined to be reasonably acceptable for the operation of WPLE Section 2.

Further reductions in scope would likely substantially delay the project or result in a project not consistent with the Locally Preferred Alternative. As a result, we recommend moving to the next step.

### **New Local Agency Funding Resources**

Similarly, the \$1,187 million New Starts Full Funding Grant Agreement (FFGA) states that all cost increases are to be borne by the project sponsor, not the Federal Transit Administration. Accordingly, we are assuming that no additional New Starts funds can be made available to cover the cost increase.

While the passage of Measure M brings new revenue to the agency, the Westside Purple Line Extension Project Section 2 Project is not part of the expenditure plan and thus is not eligible for Measure M funds.

### **Shorter Segmentation**

While shorter segmentation is possible for the Westside Purple Line Extension, we recommend against this step for several reasons. The only Section which could be shortened is Section 3. This would require eliminating the Veteran Affairs Station and moving the terminus to Westwood. In addition to higher real estate prices in Westwood, eliminating the Veteran Affairs station would require LACMTA to prepare a supplemental Environmental Impact Statement/Environmental Impact Report (EIS/EIR) due to significant project changes. As a result, there may be significant project delays and increased costs to the project. We do not recommend shorter segmentation.

### **Other Cost Reductions within the Same Transit Corridor**

The Westside Purple Line Extension will be constructed in three sections. Section 1 is already under construction and there are no reductions that can be moved from Section 2 to Section 3. As we enter into advanced preliminary engineering for Section 3, we will be considering further value engineering studies. The results of these studies will not be available in the timeframe necessary for this action.

The current financial model update has identified up to \$286.4 million in Measure R 35% assigned to the Westside Purple Line Extension as potentially available<sup>1</sup>. Allocating \$30.4 million from this source now to Section 2 to meet the cost overrun will result in \$256.0 million remaining.

### **Other Cost Reductions within the Same Subregion**

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<sup>1</sup> Section 7(1)(d)(4) of the Measure R Ordinance allows any unused Measure R be credited to the Transit Capital Subfund and expended for Capital Projects located within the same subregion as the project so completed.

This cost increase does not require any subregional cost reductions or other funds.

**Countywide Transit Cost Reductions and/or Other Funds**

This cost increase does not require any countywide cost reductions or other funds.



## Board Report

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File #: 2016-1006, File Type: Policy

Agenda Number: 51

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**REVISED  
EXECUTIVE MANAGEMENT COMMITTEE  
JANUARY 19, 2017**

**SUBJECT: METRO SYSTEM ADVERTISING POLICY**

**ACTION: APPROVE REVISED METRO SYSTEM ADVERTISING POLICY**

### **RECOMMENDATION**

ADOPT revisions to **Metro's System Advertising Policy in order to update policy and expand Metro's current advertising opportunities and generate additional revenue** - as recommended in the Risk Allocation Matrix (RAM) process approved at the January 2016 Board meeting.

### **ISSUE**

Metro's System Advertising Policy provides the agency with a significant opportunity to generate advertising revenue as a way to leverage and optimize sales tax revenues, state and local funds, fare revenues and other forms of agency funding.

In January 2016, the Metro Board of Directors approved the Risk Allocation Matrix (RAM) where staff identified cost saving and revenue generating initiatives, and created the Internal Savings Account - intended as tools to ensure long-term financial stability and mitigate projected budget shortfalls. Among some of the financially significant initiatives is the expansion of advertising on the Metro system to include digital advertising, opportunities at parking structures, facilities and buildings, and other Metro-owned properties.

Revision of the Metro System Advertising Policy would enable staff to explore expanded advertising opportunities on Metro's system in order to generate additional and significant revenue for the agency. This revised policy positions the agency to benefit from expanded advertising opportunities.

### **DISCUSSION**

#### **Background**

Metro's System Advertising Policy was last revised June 2013 to permit advertising from non-profit organizations, and strengthen content restrictions on tobacco products, firearms and gun violence, demeaning or disparaging statements, adult entertainment, political endorsements, religious issues, and unsafe or disruptive transit behavior.

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In January 2016, the last and final option with Outfront Media's advertising contract was approved and will have generated \$24,000,000 in revenue for Metro from January to December 2017. Some of the additional techniques include advertising space on bike racks on Metro buses and additional 2-sheet ad panels on the Expo, Gold, Blue, and Green Line stations.

### Policy Update

While Metro's System Advertising Policy has successfully provided the structure to responsibly generate revenue using Metro's capital assets, it is necessary to revisit the policy so it may address new products, new technologies, and keep in alignment with agency progress.

### **Restriction Additions**

- The emergence of electronic cigarettes and cannabis have become more prevalent as a smoking device and activity, thusly, language has been added to include prohibition of electronic cigarettes and cannabis in the content restrictions, Section 2.1.1. Alcohol, Tobacco, and Cannabis Adverting.

### **Restriction Removals**

- Advertising is placed on all Metro service except the Orange Line. Staff recommends removing the restriction to place advertising on the Orange Line as potential revenue may reach \$200,000 annually. Since the expansion to Chatsworth in 2012, the Orange Line receives an estimated 8.4 million annual ridership; the line also services at least six neighborhoods including North Hollywood, Van Nuys, Reseda, Canoga Park, and Chatsworth.
- Metro Rapid and articulated buses currently do not include advertising. There are no safety, or logistical issues with placing advertising on Rapid and articulated buses, it simply has not been done in the past. An estimated additional 500 Rapid and articulated vehicles may receive advertising, with the potential to earn \$250,000 annually.
- ~~Local events are becoming cultural and financial milestones for the Los Angeles area. Many of these events combine food and drink activities, such as Los Angeles Food & Wine Festival, BBQ & Craft Brews Festivals, and L.A. Beer and Food Festival. Staff recommends allowing advertising for food and drink events in the content restrictions, Section 1. Alcohol and Tobacco Adverting~~

### **Expanded Properties**

- Advertising placed on Metro's digital assets such as websites, social media platforms, blogs, and mobiles apps already generate revenue; and staff have added language to explicitly include these digital platforms in the policy.
- Advertising on Metro's facilities and other properties such as maintenance buildings and facilities, parking structures and lots, and other properties as recommended by the Risk Allocation Matrix (RAM). Staff has added language to include physical and virtual property in the policy.

### **DETERMINATION OF SAFETY IMPACT**

Revision of this policy does not have impact on safety. Staff will consult Risk Management and Safety to review final advertising scopes of work, and individual deliverables such as digital advertising.

### **FINANCIAL IMPACT**

#### **Impact to Budget**

No impact to the FY17 or FY18 Budget is anticipated as a result of approval of the policy.

Upon approval of the policy, it may warrant evaluation of staffing to manage the execution of contracts and business needs associated with expanded advertising.

### **ALTERNATIVES CONSIDERED**

Decline to adopt the revised Metro System Advertising Policy.

This is not recommended as the proposed policy changes enable staff to fulfill the Board's previous directive of implementing the 2016 RAM/Internal Savings Account, and explore opportunities to generate additional revenue through expanded advertising opportunities.

### **NEXT STEPS**

Upon Board approval, staff will procure services for expanded advertising on Metro's system to include bus, rail, and properties. Recommendations will be presented for Board approval of new advertising contract(s) before the current contracts expires in December 2017.

### **ATTACHMENTS**

Attachment A - Metro System Advertising Policy (COM6)-ORIGINAL2013

Attachment B - Metro System Advertising Policy (COM6)-CHANGEScolor

Attachment C - Metro System Advertising (COM6)-CLEAN

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Phillip A. Washington  
Chief Executive Officer





**Metro**

## **COMMUNICATIONS Metro System Advertising**

(COM 6)

### **1.0 GENERAL**

The display of paid (revenue-generating) advertising carries with it a responsibility to protect the agency from potential litigation and to recognize the potential association of advertising images with Metro services while simultaneously respecting First Amendment principles. The agency addresses these issues through the responsible and consistent application of written criteria for advertising acceptability. It is not Metro's intent to create a public forum through the acceptance of advertising.

At the same time, Metro's ability to reach its customers directly is crucial to adequate dissemination of transit information. Any use of the unique distribution channels at its command (such as allotments of interior and exterior bus advertising space as well as on-board "take-one" boxes and in-station Variable Message Signs) for purposes unrelated to customer information or retention is to be avoided, as it effectively "pre-empts" the availability of transit information to the public. Metro's Communications Department administers the use of these unique distribution channels as part of its overall responsibility for customer communication.

### **2.0 PROCEDURES**

#### **2.1 Revenue-Generating Advertising**

Metro contracts with outside vendors to sell and display advertising on bus and rail vehicles and facilities for the sole purpose of generating revenue. Metro does not sell or post advertising directly. Vendors for such contracts are solicited through competitive bids which must conform to Metro's procurement procedures and be approved by Metro's Board of Directors. Such agreements may dedicate no more than 90% of the available space covered by the contract for revenue-generating advertising, reserving the remaining available space for Metro's own transit-related information.

Locations for revenue-generating advertising may include, but are not limited to: exterior surface areas of buses and rail cars (see restrictions in section 2.1.1 below), interior display frames in bus and rail vehicles, back-lit map cases inside stations, automated public toilets and other fixed outdoor displays on Metro property, electronic Variable Message Signs (VMS) on station platforms, banner ads on Metro's website, space in Metro's printed brochures, timetables and other publications and printed materials, and any other location approved by Metro's Board of Directors. Metro shall not place or allow any exterior advertising on its Orange Line vehicles.



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Los Angeles County  
Metropolitan Transportation Authority

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Content restrictions for advertising displayed through these arrangements are as follows:

### 1. Alcohol and Tobacco Advertising

Advertising of all alcohol and tobacco products is prohibited. All products that simulate and/or encourage the act of smoking also are prohibited.

### 2. Non-Commercial Advertising

Metro does not accept advertising from non-governmental entities if the subject matter and intent of said advertising is non-commercial. Specifically, acceptable advertising must promote for sale, lease or other form of financial benefit a product, service, event or other property interest in primarily a commercial manner for primarily a commercial purpose.

Exception 1: Governmental Agencies, meaning public agencies specifically created by government action located in Los Angeles County or a Federal or State of California Governmental Agency, may purchase advertising space for messages that advance specific government purposes. The advertising must clearly, on the face of the advertising, identify the Governmental Agency. It is Metro's intent that government advertising will not be used for comment on issues of public debate.

Exception 2: Metro will accept paid advertising from non-profit organizations that partner with a Governmental Agency (as defined in Exception 1 above) and submit advertising that advances the joint purpose of the non-profit organization and the Governmental Agency, as determined by each of them. In order for advertising to qualify under this exception, the advertising must clearly, on the face of the advertising, identify the Governmental Agency and indicate that the Governmental Agency approves, sponsors, or otherwise authorizes the advertising. The non-profit organization must also provide a Statement of Approval (attached) from the Governmental Agency describing the joint purpose to be advanced and setting forth a statement acknowledging support and approval for the submitted advertising. Any message displayed under this exception must adhere to all other content restrictions stated in this policy.



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### 3. Other Subject Matter Restrictions

Advertising may not be displayed if its content involves:

- Illegal activity - Promotes or relates to an illegal activity.
- Violence - Contains images, copy or concepts that promote guns/firearms or gun violence, or that depict weapons or other devices in an act of violence or harm on a person or animal, or contain any material that incites or encourages, or appears to incite or encourage, violence or violent behavior.
- Demeaning or disparaging matter - Contains images, copy or concepts that actively denigrate, demean or disparage any individual or group.
- Vulgarity - Contains images, copy or concepts that are obscene, vulgar, crude, sexually suggestive, indecent, profane or scatological.
- Obscene matter - Contains obscene matter as defined in the Los Angeles County Code, Chapter 13.17, Section 13.17.010, or sexually explicit material as defined in the Los Angeles County Code, Chapter 8.28, Section 8.28.010D.
- Adult entertainment – Promotes or displays images associated with adult book stores, video stores, dance clubs or other adult entertainment or sexually-oriented establishments, telephone services, internet sites, films, video games or escort services.
- Political endorsements – Contains messages that are political in nature, including messages of political advocacy, that support or oppose any candidate or referendum, or that feature any current political office holder or candidate for public office, or take positions on issues of public debate.
- Religion - Contains images, content or copy related to religion or religious ideas or viewpoints.
- Negative connotations of public transit - Contains images, copy or concepts that actively denigrate public transportation.
- Unsafe transit behavior – Contains images, copy or concepts that depict unsafe behaviors aboard buses or trains, or in or around transit stations or railroad tracks.
- Injurious to Metro's interests – Promotes products, services or other concepts that are adverse to Metro's commercial or administrative interests.



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## **COMMUNICATIONS Metro System Advertising**

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- Metro's endorsement – Contains images, copy or concepts that inaccurately state or imply Metro's endorsement of the subject of the advertisement.
- Harmful or disruptive to transit system – Contains material that is so objectionable as to be reasonably foreseeable that it will result in harm to, disruption of, or interference with the transportation system.

### 4. Metro's Right of Rejection

Beyond the above, Metro's vendors may review advertising content according to their own guidelines of acceptability. Metro does not screen individual ads submitted to its vendors prior to posting unless specifically requested to do so by the vendors. Nevertheless, in all contracts Metro reserves the right to reject any advertising content submitted for display on its properties and/or to order the removal of any advertising posted on its properties. Decisions regarding the rejection or removal of advertising are made by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

#### 2.1.1 Vinyl Window Graphics

To ensure the safety and security of passengers, operators and law enforcement officers, advertising displays which employ vinyl window graphics are restricted from obscuring window surfaces on Metro vehicles as follows:

- Buses: No more than 30% of the vehicle's total window surface, and no more than 50% of the window surface of any bus side, may be covered by vinyl window graphics. (Note: this excludes the front window surface, which may not be covered in any manner.)
- Rail Cars: No windows may be covered on rail cars.
- Metro Rapid: No wrapped advertising, bus backs or oversized king ads are permitted on Metro Rapid vehicles or on any articulated buses.

### **2.2 Informational Advertising**

Metro has several unique distribution channels at its disposal for disseminating transit information for which it incurs no "space" cost (the fee charged for advertising space). These distribution channels include, but are not limited to: "take-one" boxes on board Metro Buses and Metro Rail trains, "take-one" racks



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## **COMMUNICATIONS Metro System Advertising**

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at Metro Customer Centers, back-lit and non-lit map cases inside Metro Rail stations and on Metro Bus Stop poles, advertising kiosks at select Metro Rail stations, electronic Variable Message Signs (VMS) on Metro Rail platforms, and interior rail posters on board Metro Rail trains.

In addition, as specified in section 2.1, Metro has the use of an allotment of exterior and interior bus advertising space at no charge by agreement with the vendor that sells all remaining interior and exterior bus advertising space under a revenue-generating agreement.

Acceptable information for these distribution channels is categorized as follows:

### 2.2.1 Regular Transit Information

Regular transit information is prepared by Metro's Communications Department in accordance with its annual strategic planning process as well as upon request from other internal departments. Regular transit information includes, but is not limited to: service features and changes, fare information and changes, safety and security messages, maps and explanations of related transportation services.

### 2.2.2 Cross-Promotional Information

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to participate in cross-promotional opportunities that offer a direct opportunity to promote use of transit. Any materials distributed for this purpose must prominently include promotion of Metro services (i.e. "Go Metro to Fiesta Broadway"). Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Communications Department, provide an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.). Any cross-promotional arrangement must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

### 2.2.3 "Added Value" Materials

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to



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provide “added value” materials to its customers. Such materials must present a specific and time-dated offer uniquely provided for Metro Bus and Metro Rail customers (generally a money-saving discount) in which transit can be used to access the redemption point. Any materials distributed for this purpose must prominently include the Metro logo and other wording approved by Metro’s Communications Department to indicate that the offer is specifically designed for Metro Bus and Metro Rail customers. Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro’s Communications Department, provide an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.). Any added value programs must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

### **3.0 DEFINITION OF TERMS**

**Added Value Materials** – Informational advertising which offers a tangible benefit to patrons as a means of rewarding and retaining customers (i.e., a money-saving discount).

**Cross-Promotion** – A cooperative partnership in which two or more entities work together with the goal of jointly promoting their respective services.

**Exterior King Ad** – Large ad measuring 144” x 30” displayed on the sides of Metro Buses. King ads are directly applied to the bus with adhesive vinyl.

**Exterior Tail light or “Tail” Ad** – Smaller ad measuring 48” x 15 ½” or 72” x 21” displayed on the rear of Metro Buses. Tail ads are directly applied to the bus with adhesive vinyl.

**Governmental Entities** – Public entities specifically created by government action.

**Interior Bus Car Card** – A 28” x 11” poster that mounts above the seats in Metro Buses to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Interior Rail Poster** – A 21” x 22 ¼” poster that mounts in frames on the walls of Metro Rail cars, used to display Metro Rail System Maps and provide information on fares,



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routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Map Cases** – Fixed cases in Metro Rail stations that hold a 46¾" x 46¾" display, usually back-lit. Used to display Metro Rail System Maps and provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Non-Commercial Advertising** – A public service announcement, event notification, political statement or other message which does not have as its primary purpose to propose a commercial transaction.

**Take-One** – A printed brochure measuring 3½" x 8½" placed inside Metro Buses or Metro Rail trains, used to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Take One Box** – A metal rack or plastic holder installed on the interior of Metro Buses and Metro Rail trains designed to hold approximately 40 take-ones. Many Metro Buses have a multi-pocket rack in addition to 2 plastic take-one boxes; most Metro Rail cars have from 2 to 6 plastic take-one boxes.

**Variable Message Signs (VMS)** – Electronic sign boards in Metro Rail stations controlled from the Rail Operations Control Center that scroll through a series of written messages. Used to provide information on safety, pass & token sales locations, service changes, emergency announcements and other matters relevant to the use of the Metro System.

**Vinyl Window Graphics** – An adhesive vinyl super-graphic which covers a portion of the window surface of a bus or rail vehicle. Such graphics are manufactured to be largely transparent to those inside the vehicle, permitting passengers to see outside through the graphics.

### **4.0 RESPONSIBILITIES**

**Communications Department** prepares all messages and materials for dissemination on board Metro Buses and Metro Rail trains; administers the distribution/display of transit information; tracks/coordinates the availability and use of Metro's unique information distribution channels.



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**Mailroom** distributes quantities of take-ones to Metro Operating Divisions and Customer Centers according to distribution list prepared by project managers in Communications.

**Operators and Service Attendants** physically place take-ones on buses/trains for distribution to the public.

**Advertising Vendors** sell, post and maintain all revenue-generating advertising on Metro properties; implement Metro's policies on revenue-generating advertising; post all Metro informational advertising according to instructions from Metro Marketing Department.

**Chief Communications Officer (or designee)** reviews and approves/rejects all cross-promotions and added value programs using Metro's unique distribution channels based upon the criteria in this policy statement; enforces Metro's right to reject and/or order removal of revenue-generating advertising based upon the criteria in this policy statement.

### **5.0 FLOWCHART**

Not Applicable

### **6.0 REFERENCES**

Not Applicable

### **7.0 ATTACHMENTS**

Statement of Approval form pertaining to advertising from Non-Profit organizations partnered with a Governmental Agency.

### **8.0 PROCEDURE HISTORY**

- |          |   |
|----------|---|
| 03/23/00 | Original policy adopted by Metro's Board of Directors.  |
| 01/27/05 | Policy amended by Board of Directors to permit advertising on Metro Rapid vehicles.   |
| 09/26/08 | Biennial review and update. Policy updated to include Board of Directors amendment to permit all forms of non-traditional advertising displays as well as advertising on rail car exteriors and other types of transit service with the exception of Orange Line vehicle exteriors. |





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### **1. GENERAL**

The display of paid (revenue-generating) advertising carries with it a responsibility to protect ~~the agency~~ **Metro** from potential litigation and to recognize the potential association of advertising images with Metro services, while simultaneously respecting First Amendment principles. The agency addresses these issues through the responsible and consistent application of written criteria for advertising acceptability. It is not Metro's intent to create a public forum through the acceptance of advertising.

~~At the same time,~~ Metro's ability to **directly** reach ~~its~~ customers ~~directly~~ is crucial **in order to provide transit and agency information** ~~to adequate dissemination of transit information~~. Any use of the unique distribution channels at its command (such as allotments of interior and exterior bus advertising space; ~~as well as~~ on-board "take-one" boxes; and in-station Variable Message Signs) for purposes unrelated to customer information or retention is to be avoided, as it effectively "pre-empts" the availability of transit information to the public. Metro's Communications Department administers the use of these unique distribution channels as part of its overall responsibility for customer communication.

### **2. PROCEDURES**

#### **2.1. Revenue-Generating Advertising**

Metro contracts with outside vendors to sell and display advertising on ~~bus and rail vehicles and facilities~~ **its transit-related properties** for the sole purpose of generating revenue. Metro does not sell or post advertising directly. Vendors for such contracts are solicited through competitive bids, which must conform to Metro's procurement procedures and be approved by Metro's Board of Directors.

Such agreements may dedicate **up to, but** no more than, 90% of the available space covered by the contract for revenue-generating advertising, reserving the remaining available space for Metro's own transit-related information. **This percentage of available space, and the remaining percentage of space held for Metro's information, will be negotiated as part of any contract with an outside advertising space vendor.**

Locations for revenue-generating advertising may include, but are not limited to: exterior surface areas of buses and rail cars (see restrictions in section 2.1.1 below);



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interior display frames in bus and rail vehicles; back-lit map cases, **at stations and transit hubs**; automated public toilets and other fixed outdoor displays on Metro property; electronic Variable Message Signs (VMS) on station platforms; banner ads on Metro's website; Metro-owned/run social media **channels**~~venues~~, **Metro-sponsored computer/phone apps**; space in Metro's printed brochures, timetables and other publications and printed materials, **interior and exterior of Metro buildings, facilities and parking structures**; and any other location approved by Metro's Board of Directors. ~~Metro shall not place or allow any exterior advertising on its Orange Line vehicles.~~

Content restrictions for advertising displayed through these arrangements are as follows:

### 2.1.1 Alcohol, Tobacco, and Cannabis Advertising

**Advertising of all alcohol, tobacco, and cannabis products, services, and events is prohibited. Advertisements that simulate or encourage drinking, smoking, vaping, or ingesting of alcohol, tobacco and cannabis are prohibited.** ~~An exception would be an event such as a food and wine festival that does not feature a specific alcohol product or simulate someone consuming wine.~~

### 2.1.2 Non-Commercial Advertising

Metro does not accept advertising from non-governmental entities if the subject matter and intent of said advertising is non-commercial. Specifically, acceptable advertising must promote a for-sale, lease or other form of financial benefit for a product, service, event or other property interest in primarily a commercial manner ~~for primarily a commercial~~ **and** purpose.

Exception 1: Governmental Agencies, meaning public agencies specifically created by government action located in Los Angeles County or a Federal or State of California Governmental Agency, may purchase advertising space for messages that advance specific government purposes. The advertising must clearly, on the face of the advertising, identify the Governmental Agency. =It is



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Metro's intent that government advertising will not be used for comment on issues of public debate.

Exception 2: Metro will accept paid advertising from non-profit organizations that partner with a Governmental Agency (as defined in Exception 1 above) and submit advertising that advances the joint purpose of the non-profit organization and the Governmental Agency, as determined by each of them. - In order for advertising to qualify under this exception, the advertising must clearly, on the face of the advertising, identify the Governmental Agency and indicate that the Governmental Agency approves, sponsors, or otherwise authorizes the advertising. -The non-profit organization must also provide a Statement of Approval (attached) from the Governmental Agency describing the joint purpose to be advanced and setting forth a statement acknowledging support and approval for the submitted advertising. -Any message displayed under this exception must adhere to all other content restrictions stated in this policy, **including that this advertising will not be used for comment on issues of public debate.**

### 2.1.3. Other Subject Matter Restrictions

Advertising may not be displayed if its content involves:

- Illegal activity - Promotes or relates to an illegal activity.
- Violence - Contains images, copy or concepts that promote guns/firearms or gun violence, or that depict weapons or other devices in an act of violence or harm on a person or animal, or contain any material that incites or encourages, or appears to incite or encourage, violence or violent behavior.
- Demeaning or disparaging matter - Contains images, copy or concepts that actively denigrate, demean or disparage any individual or group.
- Vulgarity - Contains images, copy or concepts that are obscene, vulgar, crude, sexually suggestive, indecent, profane or scatological.
- Obscene matter - Contains obscene matter as defined in the Los Angeles County Code, Chapter 13.17, Section 13.17.010, or sexually explicit material as defined in the Los Angeles County Code, Chapter 8.28, Section 8.28.010D.



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- Adult entertainment and content – Promotes or displays images associated with adult book stores, video stores, dance clubs or other adult entertainment or sexually-oriented establishments, telephone services, internet sites, films, video games or escort services.
- Political endorsements – Contains messages that are political in nature, including messages of political advocacy, that support or oppose any candidate or referendum, or that feature any current political office holder or candidate for public office, or take positions on issues of public debate.
- Religion - Contains images, content or copy related to religion or religious ideas or viewpoints.
- Negative connotations of public transit - Contains images, copy or concepts that actively denigrate public transportation.
- Unsafe transit behavior – Contains images, copy or concepts that depict unsafe behaviors aboard buses or trains, or in or around transit stations or railroad tracks.
- ~~Injurious to Metro's interests~~ – Promotes products, services or other concepts that are adverse to Metro's commercial or administrative interests.
- Metro's endorsement – Contains images, copy or concepts that inaccurately state or imply Metro's endorsement of the subject of the advertisement.
- Harmful or disruptive to transit system – Contains material that is so objectionable as to be reasonably foreseeable that it will result in harm to, disruption of, or interference with the transportation system.

### 2.1.4. Metro's Right of Rejection

Beyond the above, Metro's vendors may review advertising content according to their own guidelines of acceptability. Metro ~~will does not~~ screen ~~and individual ads submitted to its vendors prior to posting unless specifically requested to do so by the vendors. Nevertheless,~~ in all contracts Metro reserves the right to reject any advertising content submitted for display on its properties and/or to order the removal of any advertising posted on its properties. Decisions regarding the rejection or removal of advertising are made by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

### 2.1.5. Vinyl Window Graphics

To ensure the safety and security of passengers, operators and law enforcement officers, advertising displays which employ vinyl window graphics are restricted from **fully** obscuring window surfaces on Metro vehicles as follows. (Note: this excludes the front window surface, which may not be covered in any manner.)



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~~• Buses: No more than 30% of the vehicle's total window surface, and no more than 50% of the window surface of any bus side, may be covered by vinyl window graphics. Rail Cars: No windows may be covered on rail cars.~~

### ~~2.1.2 Metro Rapid:~~

~~No wrapped advertising, bus backs or oversized king ads are permitted on Metro Rapid vehicles or on any articulated buses.~~

## 2.2 Informational Advertising

Metro has several unique distribution channels at its disposal for disseminating transit information for which it incurs no "space" cost (the fee charged for advertising space). These distribution channels include, but are not limited to: "take-one" boxes onboard Metro buses and Metro Rail trains; "take-one" racks at Metro Customer Centers; back-lit and non-lit map cases inside Metro Rail stations and on Metro bus stop poles; advertising kiosks at select Metro Rail stations; electronic Variable Message Signs (VMS) on ~~Metro Rail station~~ platforms **digital advertising kiosks**; interior rail posters on board Metro Rail trains; **Metro's website; Metro-owned/run social media channels**~~venues, venues~~; and **Metro-sponsored computer/phone apps.**

As specified in section 2.1, Metro has the use of an allotment of exterior and interior bus advertising space at no charge by agreement with the vendor that sells all remaining interior and exterior bus advertising space under a revenue-generating agreement.

Informational advertising space is limited, and reserved exclusively for Metro transit information. All messages and materials distributed by this means are prepared, approved and/or authorized by the Chief Communications Officer or their designee.

Acceptable information for these distribution channels is categorized as follows:

### 2.2.1 Regular Transit Information

Regular transit information is prepared by Metro's Communications Department in accordance with its annual strategic planning process, as well as upon request from other internal departments. Regular transit information includes, but is not limited to: **campaigns promoting ridership**, service features and changes, fare information and changes, safety and security messages, maps and explanations of related transportation services.



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#### 2.2.2 Cross-Promotional Information

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to participate in cross-promotional opportunities that offer a direct opportunity to promote use of transit. Any materials distributed for this purpose must prominently include promotion of Metro services (e.g., **Metro Ridership Promotion such as**, "Go Metro to Fiesta Broadway"). Metro is prohibited by law from donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Communications Department, provide an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.). Any cross-promotional arrangement must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

#### 2.2.3 "Added Value" Materials

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to provide "added value" materials to its customers. Such materials must present a specific and time-dated offer uniquely provided for Metro bus and Metro Rail customers (generally a money-saving discount) in which transit can be used to access the redemption point. Any materials distributed for this purpose must prominently include the Metro logo and other wording approved by Metro's Communications Department to indicate that the offer is specifically designed for Metro bus and Metro Rail customers. Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Communications Department, provide an equivalent or greater value in cross-promotional benefits (e.g., advertising space, editorial space, etc.). Any added value programs must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.



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### 3.0 DEFINITION OF TERMS

**Added Value Materials** – Informational advertising which offers a tangible benefit to patrons as a means of rewarding and retaining customers (i.e., a money-saving discount).

**Cross-Promotion** – A cooperative partnership in which two or more entities work together with the goal of jointly promoting their respective services.

**Digital Advertising Kiosks** - A small physical structure (often including a computer and a display screen) that displays information for people walking by. Kiosks are common near the entrances of shopping malls in North America where they provide shoppers with directions.

**Exterior King Ad** – Large ad measuring 144” x 30” displayed on the sides of Metro buses. King ads are directly applied to the bus with adhesive vinyl.

**Exterior Tail Light or “Tail” Ad** – Smaller ad measuring 48” x 15 ½” or 72” x 21” displayed on the rear of Metro buses. Tail ads are directly applied to the bus with adhesive vinyl.

**Governmental Entities** – Public entities specifically created by government action.

**Interior Bus Car Card** – A 28” x 11” poster that mounts above the seats in Metro buses to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Interior Rail Poster** – A 21” x 22 ¼” poster that mounts in frames on the walls of Metro Rail cars, used to display Metro Rail System Maps and provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Map Cases** – Fixed cases in Metro Rail stations that hold a 46¾” x 46¾” display, usually back-lit. Used to display Metro Rail System Maps and provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.



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**Metro Transit-Related Properties – Metro Bus and Rail systems; Metro facilities; Metro electronic outreach channels (websites, social media, computer/phone apps, etc.).**

**Non-Commercial Advertising** – A public service announcement, event notification, political statement or other message which does not have as its primary purpose to propose a commercial transaction.

**Social Media Channels – Online/digital communications channels dedicated to community-based input, interaction, content-sharing collaboration.**

**Take-One** – A printed brochure measuring 3½” x 8½” placed inside Metro buses or Metro Rail trains, used to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Take-One Box** – A metal rack or plastic holder installed on the interior of Metro buses and Metro Rail trains designed to hold approximately 40 take-ones. Many Metro buses have a multi-pocket rack in addition to 2 plastic take-one boxes; most Metro Rail cars have from 2 to 6 plastic take-one boxes.

**Variable Message Signs (VMS)** – Electronic sign boards in Metro Rail stations controlled from the Rail Operations Control Center that scroll through a series of written messages. Used to provide information on safety, pass & token sales locations, service changes, emergency announcements and other matters relevant to the use of the Metro System.

**Vinyl Window Graphics** – An adhesive vinyl super-graphic which covers a portion of the window surface of a bus or rail vehicle. Such graphics are manufactured to be largely transparent to those inside the vehicle, permitting passengers to see outside through the graphics.

### 4.0 RESPONSIBILITIES

**Communications Department** prepares all messages and materials for dissemination on board Metro buses and Metro Rail trains; administers the distribution/display of





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transit information; tracks/coordinates the availability and use of Metro's unique information distribution channels.

**Mailroom** distributes quantities of take-ones to Metro Operating Divisions and Customer Centers according to distribution list prepared by project managers in Communications.

**Operators and Service Attendants** physically place take-ones on buses/trains for distribution to the public.

**Advertising Vendors** sell, post and maintain all revenue-generating advertising on Metro properties; implement Metro's policies on revenue-generating advertising; post all Metro informational advertising according to instructions from the Metro Marketing Department.

**Chief Communications Officer (or designee)** reviews and approves/rejects all cross-promotions and added value programs using Metro's unique distribution channels based upon the criteria in this policy statement; enforces Metro's right to reject and/or order removal of revenue-generating advertising based upon the criteria in this policy statement.



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**1. GENERAL**

The display of paid (revenue-generating) advertising carries with it a responsibility to protect Metro from potential litigation and to recognize the potential association of advertising images with Metro services, while simultaneously respecting First Amendment principles. The agency addresses these issues through the responsible and consistent application of written criteria for advertising acceptability. It is not Metro's intent to create a public forum through the acceptance of advertising.

Metro's ability to directly reach customers is crucial in order to provide transit and agency information. Any use of the unique distribution channels at its command (such as allotments of interior and exterior bus advertising space; on-board "take-one" boxes; and in-station Variable Message Signs) for purposes unrelated to customer information or retention is to be avoided, as it effectively "pre-empts" the availability of transit information to the public. Metro's Communications Department administers the use of these unique distribution channels as part of its overall responsibility for customer communication.

**2. PROCEDURES**

**2.1. Revenue-Generating Advertising**

Metro contracts with outside vendors to sell and display advertising on its transit-related properties for the sole purpose of generating revenue. Metro does not sell or post advertising directly. Vendors for such contracts are solicited through competitive bids, which must conform to Metro's procurement procedures and be approved by Metro's Board of Directors.

Such agreements may dedicate up to, but no more than, 90% of the available space covered by the contract for revenue-generating advertising, reserving the remaining available space for Metro's own transit-related information. This percentage of available space, and the remaining percentage of space held for Metro's information, will be negotiated as part of any contract with an outside advertising space vendor.

Locations for revenue-generating advertising may include, but are not limited to: exterior surface areas of buses and rail cars (see restrictions in section 2.1.1 below); interior display frames in bus and rail vehicles; back-lit map cases, at stations and transit hubs; automated public toilets and other fixed outdoor displays on Metro property; electronic Variable Message Signs (VMS) on station platforms; banner ads



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on Metro's website; Metro-owned/run social media channels, Metro-sponsored computer/phone apps; space in Metro's printed brochures, timetables and other publications and printed materials, interior and exterior of Metro buildings, facilities and parking structures; and any other location approved by Metro's Board of Directors.

Content restrictions for advertising displayed through these arrangements are as follows:

### 2.1.1 Alcohol, Tobacco, and Cannabis Advertising

Advertising of all alcohol, tobacco, and cannabis products, services, and events is prohibited. Advertisements that simulate or encourage drinking, smoking, vaping, or ingesting of alcohol, tobacco and cannabis are prohibited. ~~An exception would be an event such as a food and wine festival that does not feature a specific alcohol product or simulate someone consuming wine.~~

### 2.1.2 Non-Commercial Advertising

Metro does not accept advertising from non-governmental entities if the subject matter and intent of said advertising is non-commercial. Specifically, acceptable advertising must promote a for-sale, lease or other form of financial benefit for a product, service, event or other property interest in primarily a commercial manner and purpose.

Exception 1: Governmental Agencies, meaning public agencies specifically created by government action located in Los Angeles County or a Federal or State of California Governmental Agency, may purchase advertising space for messages that advance specific government purposes. The advertising must clearly, on the face of the advertising, identify the Governmental Agency. It is Metro's intent that government advertising will not be used for comment on issues of public debate.

Exception 2: Metro will accept paid advertising from non-profit organizations that partner with a Governmental Agency (as defined in Exception 1 above) and submit advertising that advances the joint purpose of the non-profit organization and the Governmental Agency, as determined by each of them. In order for advertising to qualify under this exception, the advertising must clearly, on the face of the advertising, identify the Governmental Agency and indicate that the Governmental Agency approves, sponsors, or otherwise authorizes the advertising. The non-profit organization must also provide a Statement of



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Approval (attached) from the Governmental Agency describing the joint purpose to be advanced and setting forth a statement acknowledging support and approval for the submitted advertising. Any message displayed under this exception must adhere to all other content restrictions stated in this policy, including that this advertising will not be used for comment on issues of public debate.

#### 2.1.3. Other Subject Matter Restrictions

Advertising may not be displayed if its content involves:

- Illegal activity - Promotes or relates to an illegal activity.
- Violence - Contains images, copy or concepts that promote guns/firearms or gun violence, or that depict weapons or other devices in an act of violence or harm on a person or animal, or contain any material that incites or encourages, or appears to incite or encourage, violence or violent behavior.
- Demeaning or disparaging matter - Contains images, copy or concepts that actively denigrate, demean or disparage any individual or group.
- Vulgarity - Contains images, copy or concepts that are obscene, vulgar, crude, sexually suggestive, indecent, profane or scatological.
- Obscene matter - Contains obscene matter as defined in the Los Angeles County Code, Chapter 13.17, Section 13.17.010, or sexually explicit material as defined in the Los Angeles County Code, Chapter 8.28, Section 8.28.010D.
- Adult entertainment and content – Promotes or displays images associated with adult book stores, video stores, dance clubs or other adult entertainment or sexually-oriented establishments, telephone services, internet sites, films, video games or escort services.
- Political endorsements – Contains messages that are political in nature, including messages of political advocacy, that support or oppose any candidate or referendum, or that feature any current political office holder or candidate for public office, or take positions on issues of public debate.
- Religion - Contains images, content or copy related to religion or religious ideas or viewpoints.
- Negative connotations of public transit - Contains images, copy or concepts that actively denigrate public transportation.
- Unsafe transit behavior – Contains images, copy or concepts that depict unsafe behaviors aboard buses or trains, or in or around transit stations or railroad tracks.
- Injurious to Metro's interests – Promotes products, services or other concepts that are adverse to Metro's commercial or administrative interests. Metro's



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- endorsement – Contains images, copy or concepts that inaccurately state or imply Metro’s endorsement of the subject of the advertisement.
- Harmful or disruptive to transit system – Contains material that is so objectionable as to be reasonably foreseeable that it will result in harm to, disruption of, or interference with the transportation system.

#### 2.1.4. Metro’s Right of Rejection

Beyond the above, Metro’s vendors may review advertising content according to their own guidelines of acceptability. Metro will screen and in all contracts Metro reserves the right to reject any advertising content submitted for display on its properties and/or to order the removal of any advertising posted on its properties. Decisions regarding the rejection or removal of advertising are made by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

#### 2.1.5. Vinyl Window Graphics

To ensure the safety and security of passengers, operators and law enforcement officers, advertising displays which employ vinyl window graphics are restricted from fully obscuring window surfaces on Metro vehicles as follows. (Note: this excludes the front window surface, which may not be covered in any manner.)

## **2.2 Informational Advertising**

Metro has several unique distribution channels at its disposal for disseminating transit information for which it incurs no “space” cost (the fee charged for advertising space). These distribution channels include, but are not limited to: “take-one” boxes onboard Metro buses and Metro Rail trains; “take-one” racks at Metro Customer Centers; back-lit and non-lit map cases inside Metro Rail stations and on Metro bus stop poles; advertising kiosks at select Metro Rail stations; electronic Variable Message Signs (VMS) on station platforms digital advertising kiosks; interior rail posters on board Metro Rail trains; Metro’s website; Metro-owned/run social media channels; and Metro-sponsored computer/phone apps.

As specified in section 2.1, Metro has the use of an allotment of exterior and interior bus advertising space at no charge by agreement with the vendor that sells all remaining interior and exterior bus advertising space under a revenue-generating agreement.



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Informational advertising space is limited, and reserved exclusively for Metro transit information. All messages and materials distributed by this means are prepared, approved and/or authorized by the Chief Communications Officer or their designee.

Acceptable information for these distribution channels is categorized as follows:

### 2.2.1 Regular Transit Information

Regular transit information is prepared by Metro's Communications Department in accordance with its annual strategic planning process, as well as upon request from other internal departments. Regular transit information includes, but is not limited to: campaigns promoting ridership, service features and changes, fare information and changes, safety and security messages, maps and explanations of related transportation services.

### 2.2.2 Cross-Promotional Information

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to participate in cross-promotional opportunities that offer a direct opportunity to promote use of transit. Any materials distributed for this purpose must prominently include promotion of Metro services (e.g., Metro Ridership Promotion such as, "Go Metro to Fiesta Broadway"). Metro is prohibited by law from donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Communications Department, provide an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.). Any cross-promotional arrangement must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

### 2.2.3 "Added Value" Materials

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to provide "added value" materials to its customers. Such materials must present a specific and time-dated offer uniquely provided for Metro bus and Metro Rail customers (generally a money-saving discount) in which transit can be used to access the redemption point. Any materials distributed for this purpose must prominently include the Metro logo and other wording approved by Metro's Communications



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Department to indicate that the offer is specifically designed for Metro bus and Metro Rail customers. Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Communications Department, provide an equivalent or greater value in cross-promotional benefits (e.g., advertising space, editorial space, etc.). Any added value programs must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

### 3.0 DEFINITION OF TERMS

**Added Value Materials** – Informational advertising which offers a tangible benefit to patrons as a means of rewarding and retaining customers (i.e., a money-saving discount).

**Cross-Promotion** – A cooperative partnership in which two or more entities work together with the goal of jointly promoting their respective services.

**Digital Advertising Kiosks** - A small physical structure (often including a computer and a display screen) that displays information for people walking by. Kiosks are common near the entrances of shopping malls in North America where they provide shoppers with directions.

**Exterior King Ad** – Large ad measuring 144" x 30" displayed on the sides of Metro buses. King ads are directly applied to the bus with adhesive vinyl.

**Exterior Tail Light or "Tail" Ad** – Smaller ad measuring 48" x 15 ½" or 72" x 21" displayed on the rear of Metro buses. Tail ads are directly applied to the bus with adhesive vinyl.

**Governmental Entities** – Public entities specifically created by government action.

**Interior Bus Car Card** – A 28" x 11" poster that mounts above the seats in Metro buses to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Interior Rail Poster** – A 21" x 22 ¼" poster that mounts in frames on the walls of Metro Rail cars, used to display Metro Rail System Maps and provide information on fares,



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routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Map Cases** – Fixed cases in Metro Rail stations that hold a 46¾" x 46¾" display, usually back-lit. Used to display Metro Rail System Maps and provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Metro Transit-Related Properties** – Metro Bus and Rail systems; Metro facilities; Metro electronic outreach channels (websites, social media, computer/phone apps, etc.).

**Non-Commercial Advertising** – A public service announcement, event notification, political statement or other message which does not have as its primary purpose to propose a commercial transaction.

**Social Media Channels** – Online/digital communications channels dedicated to community-based input, interaction, content-sharing collaboration.

**Take-One** – A printed brochure measuring 3½" x 8½" placed inside Metro buses or Metro Rail trains, used to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

**Take-One Box** – A metal rack or plastic holder installed on the interior of Metro buses and Metro Rail trains designed to hold approximately 40 take-ones. Many Metro buses have a multi-pocket rack in addition to 2 plastic take-one boxes; most Metro Rail cars have from 2 to 6 plastic take-one boxes.

**Variable Message Signs (VMS)** – Electronic sign boards in Metro Rail stations controlled from the Rail Operations Control Center that scroll through a series of written messages. Used to provide information on safety, pass & token sales locations, service changes, emergency announcements and other matters relevant to the use of the Metro System.

**Vinyl Window Graphics** – An adhesive vinyl super-graphic which covers a portion of the window surface of a bus or rail vehicle. Such graphics are manufactured to be largely transparent to those inside the vehicle, permitting passengers to see outside through the graphics.





**Metro**

## **COMMUNICATIONS Metro System Advertising**

(COM 6)

### **4.0 RESPONSIBILITIES**

**Communications Department** prepares all messages and materials for dissemination on board Metro buses and Metro Rail trains; administers the distribution/display of transit information; tracks/coordinates the availability and use of Metro's unique information distribution channels.

**Mailroom** distributes quantities of take-ones to Metro Operating Divisions and Customer Centers according to distribution list prepared by project managers in Communications.

**Operators and Service Attendants** physically place take-ones on buses/trains for distribution to the public.

**Advertising Vendors** sell, post and maintain all revenue-generating advertising on Metro properties; implement Metro's policies on revenue-generating advertising; post all Metro informational advertising according to instructions from the Metro Marketing Department.

**Chief Communications Officer (or designee)** reviews and approves/rejects all cross-promotions and added value programs using Metro's unique distribution channels based upon the criteria in this policy statement; enforces Metro's right to reject and/or order removal of revenue-generating advertising based upon the criteria in this policy statement.