



**May 6, 2019**

**To:** Executive Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Capital Programs Division - Third Quarter Fiscal Year 2018-19  
Capital Action Plan Performance Metrics

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**Overview**

The Orange County Transportation Authority's Strategic Plan key strategies and objectives to achieve the goals for Mobility and Stewardship include delivery of all Capital Action Plan projects on time and within budget. The Capital Action Plan is used to create a performance metric to assess capital project delivery progress on highway, grade separation, rail, and facility projects. This report provides an update on the Capital Action Plan delivery and performance metrics.

**Recommendation**

Receive and file as an information item.

**Background**

The Orange County Transportation Authority (OCTA) Capital Programs Division is responsible for project development and delivery of highway, grade separation, rail, and facility projects from the beginning of the environmental approval phase through construction completion. Project delivery commitments reflect defined project scope, costs, and schedules. Project delivery commitments shown in the Capital Action Plan (CAP) are key strategies and objectives to achieve the Strategic Plan goals for Mobility and Stewardship.

This report is a quarterly update on the CAP performance metrics, which are a snapshot of the planned CAP project delivery milestones in the budget fiscal year (FY).

**Discussion**

The Capital Programs Division objective is to deliver projects on schedule and within the approved project budget. Key project cost and schedule commitments

are captured in the CAP, which is regularly updated with new projects and project status (Attachment A). The CAP is categorized into four key project groupings; freeway projects, grade separation projects, rail and station projects, and facility projects. Schedule milestones are used as performance indicators of progress in project delivery. The CAP performance metrics provides a FY snapshot of the milestones targeted for delivery in the budget FY, and provides transparency and performance measurement of capital project delivery.

The CAP project costs represent the total cost of the project across all phases of project delivery, including support costs, and right-of-way (ROW) and construction capital costs. Baseline costs, if established, are shown in comparison to either the actual or forecast cost. Baseline costs may be shown as to-be-determined (TBD) if project scoping studies and estimates have not been developed or approved, and may be updated as project delivery progresses and milestones are achieved. Projects identified in the Orange County local transportation sales tax Measure M2 (M2) are identified with the corresponding M2 project letter. The CAP status update is also included in the M2 Quarterly Report.

The CAP summarizes the very complex capital project critical path delivery schedules into eight key milestones.

|                            |   |
|----------------------------|---|
| Begin Environmental        | The date work on the environmental clearance, project report, or preliminary engineering phase begins.  |
| Complete Environmental     | The date environmental clearance and project approval is achieved.  |
| Begin Design               | The date final design work begins, or the date when a design-build contract begins.   |
| Complete Design            | The date final design work is 100 percent complete and approved.  |
| Construction Ready         | The date contract bid documents are ready for advertisement, including certification of ROW, all agreements executed, and contract constraints cleared. |
| Advertise for Construction | The date a construction contract is advertised for bids.  |
| Award Contract             | The date the construction contract is awarded.  |

**Construction Complete**

The date all construction work is completed, and the project is open to public use.

These delivery milestones reflect progression across the project delivery phases shown below.



Project schedules reflect approved milestone dates in comparison to forecast or actual milestone dates. Milestone dates may be shown as TBD if project scoping or approval documents have not been finalized and approved, or if the delivery schedule has not been negotiated with the agency or consultant implementing the specific phase of a project. Planned milestone dates can be revised to reflect new dates from approved baseline schedule changes. On a monthly basis, actual dates are updated when milestones are achieved, and forecast dates are updated to reflect project delivery status.

CAP milestones achieved in the third quarter FY 2018-19 include:

**Freeway Projects**

- The complete environmental milestone for the northbound State Route 57 widening from Orangewood Avenue to Katella Avenue was achieved. This project will be temporarily shelved because funding for the subsequent final design and ROW phases is currently planned beyond 2026, as reflected in the 2018 Next 10 Delivery Plan adopted by the OCTA Board of Directors (Board) on September 10, 2018.
- The award contract milestone for construction of the Interstate 5 (I-5) widening from Oso Parkway to Alicia Parkway was achieved on March 5, 2019. This is the middle of three segments of I-5 widening between State Route 73 and El Toro Road, and the first to move into the construction phase. The California Department of Transportation awarded the \$129.77 million contract to Flatiron West, Inc., of Chino, California. Construction will begin in late April or early May 2019 and is planned to be completed in the fourth quarter of 2023.

**Rail and Station Projects**

- The award contract milestone for construction of the San Juan Capistrano Railroad Passing Siding project was achieved on January 14, 2019.

The OCTA Board awarded the \$16.95 million contract to Reyes Construction, Inc., of Pomona, California. Construction will begin in May 2019 and is planned to be completed in the first quarter of 2021.

- Construction of the Orange Metrolink Station Parking Structure is complete, and the parking structure opened for public use on February 19, 2019. Final construction contract closeout activities are underway.

The following CAP milestone missed the planned delivery through the third quarter of FY 2018-19:

The Fullerton Transportation Center Elevator Upgrade construction project administered by the City of Fullerton incurred additional contractor delays and failed to meet a forecast completion timeline in late February 2019. State inspection of the elevator was completed in mid-April 2019, and the final punch list and completion activities are scheduled to take place in late April and early May 2019.

As previously reported, the construction ready and advertise construction contract milestones for the Placentia Metrolink Station will not be achieved this FY and are being re-scheduled in FY 2019-20.

#### Recap of Third Quarter FY 2018-19 Performance Metrics

The performance metrics snapshot provided at the beginning of FY 2018-19 reflects 25 planned major project delivery milestones to be accomplished, 18 of which were planned to be accomplished through the third quarter of the FY. The CAP and performance metrics have been updated to reflect both milestones achieved and missed through the third quarter of the FY (Attachment B). Fifteen of the 18 (83.3 percent) planned milestones were achieved.

#### FY 2018-19 Cost and Performance Metric Risk Look Ahead

There is continued risk of construction cost increases due to construction market changes. Unit cost bid pricing from the recent construction bids received for the I-5 widening from Oso Parkway to Alicia Parkway is being used to assess and update construction cost estimates for projects in the final design phase.

The construction cost estimate for the I-5 widening between State Route 73 and Oso Parkway was increased by \$9,274,000, to \$121,282,000 (8.3 percent). Advertisement for construction bids is planned in mid-2019.

The I-5 widening between Alicia Parkway and El Toro Road is also at risk for cost increase and schedule delays. The final design and cost estimates are underway and scheduled for completion in the fourth quarter of the FY. Cost risks are primarily driven by market changes. Schedule risks include obtaining final possession of required ROW for construction, and ongoing negotiations with the State of California Department of Fish and Wildlife (DFW). DFW, during review of the final design as part of the Notification of Streambed Alteration for I-5 bridge widening work over Aliso Creek, is requiring an assessment and installation of a fish passage system for southern steelhead trout, which may exist downstream of the I-5 crossing. Additional modifications to the streambed will require studies, reviews, and approvals by multiple regulating agencies.

The Placentia Metrolink Station continues to be delayed while awaiting final approvals by BNSF. BNSF approvals are required for leasing of BNSF ROW by the City of Placentia and finalization of the construction and maintenance (C&M) agreement with BNSF. BNSF and Metrolink have agreed to a 180-day path forward plan to negotiate new terms for Metrolink's shared use of BNSF-owned and operated railroad, along with new liability and indemnifications terms. In parallel, BNSF has agreed to finalize the station engineering approvals, negotiate the draft C&M agreement, and begin processing the draft lease agreement. The goal is to have all agreements between OCTA, City of Placentia, Metrolink, and BNSF ready to be executed in 180 days. Concurrently with this effort, OCTA will update the project cost estimate to reflect current market pricing and inclusion of costs being negotiated in the C&M agreement. Staff will seek OCTA Board approval of required funding revisions prior to release of an invitation for bids for construction planned now in January 2020.

### ***Summary***

Capital project delivery continues to progress and has been reflected in the CAP. The planned FY 2018-19 performance metrics created from forecast project schedules will be used as a general project delivery performance indicator. Staff will continue to manage project costs and schedules across all project phases to meet project delivery commitments and report quarterly.

***Attachments***

- A. Capital Action Plan, Status Through March 2019
- B. Capital Programs Division, Fiscal Year 2018-19 Performance Metrics Through March 2019

**Prepared by:**

A handwritten signature in blue ink, appearing to read "James G. Beil".

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