



**January 9, 2020**

**To:** Transit Committee

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

*Y. Kenneth Rupp for*

**Subject:** Request to Exercise Option Term for Project Management Consultant Services for the OC Streetcar Project

### **Overview**

On February 23, 2015, the Orange County Transportation Authority Board of Directors approved an agreement with HDR Engineering, Inc., to provide project management consultant services for the OC Streetcar project, for a term of five years, with two, two-year option terms. An amendment to the existing agreement for execution of the first option term is requested for continued project management consultant services.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 11 to Agreement No. C-4-1854 between the Orange County Transportation Authority and HDR Engineering, Inc., to exercise the first two-year option term for project management consultant services for the OC Streetcar project, in the amount of \$8,064,286, and extend the term of the agreement through February 22, 2022. This will increase the maximum obligation of the agreement to a total contract value of \$29,026,291.

### **Discussion**

The Orange County Transportation Authority (OCTA), in cooperation with the cities of Santa Ana and Garden Grove, is implementing a modern streetcar that will operate between the Santa Ana Regional Transportation Center in the City of Santa Ana (City) and the Harbor Boulevard/Westminster Boulevard intersection in the City of Garden Grove. The OC Streetcar project (Project) will improve transit connectivity and accessibility, increase transit options, relieve congestion, and provide benefits to the community and traveling public. The Project is being implemented as part of Measure M2 (M2) Project S – Transit Extensions to Metrolink, approved by Orange County voters in November 2006.

As of November 2019, the construction contractor is approximately 14 percent complete with construction, vehicle production has commenced, third-party utility relocations are near completion, and the operations and maintenance service contract is being procured. Key tasks required for the implementation of the Project include:

- Coordination between the Project designer and the construction management (CM) consultant
- Management oversight of the CM consultant in the review of requests for information, submittals, and processing of construction change orders
- Third-party utility coordination
- Performing quality assurance activities related to design, construction, and vehicle manufacturing
- Risk analysis and management
- Safety and environmental compliance activities
- Project controls, including management of the Project schedule and budget
- Coordination with the Federal Transit Administration (FTA), including reporting requirements and monthly/quarterly meetings with FTA and its project management oversight consultant
- Vehicle design/manufacturing oversight and on-site vehicle inspection
- Operations planning, including Start-Up and Testing
- Public outreach
- Coordination with other third-party stakeholders (the City, City of Garden Grove, County of Orange, US Army Corps of Engineers, Orange County Fire Authority)
- Day-to-day project management activities, including invoice review, permits, document control

HDR Engineering Inc., (HDR) has been providing technical expertise and staff augmentation to assist in the delivery of the Project since 2015. HDR also provides specialized support in delivering an FTA New Starts project with extensive oversight by FTA. Continued support is required from HDR over the next two-year period.

### ***Procurement Approach***

The original procurement was handled in accordance with the OCTA Board of Directors (Board)-approved procedures for architectural and engineering services that conform to both state and federal laws. On February 23, 2015, the Board approved an agreement with HDR for an initial term of five years with two, two-year option terms. The total maximum obligation of the initial five-year term

is \$20,962,005 and has been previously amended in accordance with Attachment A.

Staff requested a cost proposal from HDR for the level of effort required. The cost proposal was reviewed by OCTA project staff and found to be fair and reasonable for the tasks to be performed.

At the time of the contract execution, it was assumed that the Project Revenue Service Date (RSD) would occur within the initial base term. Due to delays in negotiations with FTA in the approval of the Full Funding Grant Agreement (FFGA), as well as requests from the construction industry for an extended bidding process and a longer construction duration, the RSD extends beyond the base term of the contract, requiring Board approval to exercise the first two-year option term. Exercising this option term will add funding of \$8,064,286 and extend the term of the agreement through February 22, 2022. With the approval of this amendment, the total contract value will be \$29,026,291.

#### **Fiscal Impact**

Funding for the Project is included in OCTA's Fiscal Year 2019-20 Budget, Capital Programs Division, accounts 0051-7519-TS010-Z83 and 0051-7519-TS010-Z71, and is funded with Federal Section 5309 New Starts and local M2 funds.

Project contingency is being used to fund a portion of the option term services given that the required project management services extend beyond the RSD that was assumed in the FFGA. Additionally, a greater level of effort is needed related to CM oversight, vehicle manufacturing oversight, and risk management that was originally not anticipated. The amendment exercising the option term will not result in an increase to the Project cost of \$407.7 million, as defined in the FFGA.

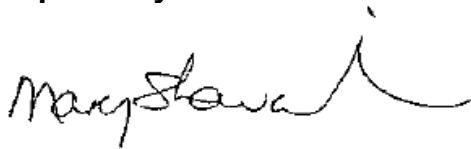
#### **Summary**

Staff is recommending the Chief Executive Officer to negotiate and execute Amendment No. 11 to Agreement No. C-4-1854 between the Orange County Transportation Authority and HDR Engineering, Inc., to exercise the first two-year option term for project management consultant services for the OC Streetcar project, in the amount of \$8,064,286, and to extend the term of the agreement through February 22, 2022. This will increase the maximum obligation of the agreement to a total contract value of \$29,026,291.

***Attachment***

A.     HDR Engineering, Inc., Agreement No. C-4-1854 Fact Sheet

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