



February 4, 2019

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

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

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 second quarter FY 2018-19 include:

Freeway Projects

- The complete environmental milestone for the Interstate 605 Katella Avenue interchange improvements was achieved. This project will be temporarily shelved because funding for the subsequent design and ROW phases is currently planned beyond 2026, as reflected in the 2018 Next 10 Delivery Plan (Next 10 Plan) adopted by the OCTA Board of Directors (Board) on September 10, 2018.
- The advertise construction milestone was achieved for the Interstate 5 (I-5) widening from Oso Parkway to Alicia Parkway on November 5, 2018. 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 (Caltrans) opened construction bids on January 16, 2019. Caltrans received three construction bids with the apparent low bid of \$129,773,276 submitted by Flatiron West, Inc., of Chino, California, which is 11.68 percent above the \$116,203,251 engineer's estimate of bid items. The bid is currently being assessed for responsiveness.

- The award contract milestone for construction of the second high-occupancy vehicle lane on I-5 between State Route 55 and State Route 57 was achieved. As reported previously to the OCTA Board, the project had to be re-advertised for construction bids due to lack of responsiveness. Construction activities should begin in February 2019.

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

The Fullerton Transportation Center Elevator Upgrade project is being constructed by the City of Fullerton and continues to fall behind schedule. The elevator subcontractor began final installation work in late December 2018. The City of Fullerton's contractor has submitted a schedule update reflecting completion in late February 2019.

Recap of Second 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, 12 of which were planned to be accomplished through the second quarter of the FY. The CAP and performance metrics have been updated to reflect both milestones achieved and missed through the second quarter of the FY (Attachment B). Eleven of the 12 (91.7 percent) planned milestones were achieved through the second quarter of the FY.

Although not tracked as a project delivery milestone, the OC Streetcar Full Funding Grant Agreement securing the Capital Improvement Grants Program New Starts funding from the Federal Transit Administration was approved on November 30, 2018. A limited notice to proceed was issued to Walsh Construction Company (Walsh) on November 19, 2018, which began a period for required contract submittals from Walsh for approval by OCTA. The full notice to proceed with construction is anticipated to be issued to Walsh in early February 2019. Staff plans on bringing quarterly OC Streetcar updates to the OCTA Board as construction progresses.

FY 2018-19 Cost and Performance Metric Risk Look Ahead

There is continued risk of increased costs due to construction labor and material market trends. In September 2018, the OCTA Board adopted the updated Next 10 Plan which considered updated project cost estimates and updated revenue forecasts. The I-5 widening from Oso Parkway to Alicia Parkway is the first large design-bid-build contract bid since market trends have impacted construction costs. Unit costs contained in the bids provide current local market

data on construction costs which will be used by staff to assess cost estimates of freeway projects in the final design phase approaching construction.

The Placentia Metrolink Station continues to be delayed due to the need for an agreement between BNSF Railway (BNSF) and Metrolink for the use of BNSF-owned and operated track and indemnification terms. Final approval of the new station by BNSF, City of Placentia acquisition of ROW from BNSF, and finalization of the BNSF construction and maintenance agreement for the project remain to be completed. The project schedule is continually being re-assessed, and the planned advertisement for construction will carry over into FY 2019-20.

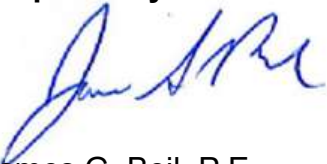
Summary

Significant capital project delivery progress has been achieved and is 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 December 2018
- B. Capital Programs Division, Fiscal Year 2018-19 Performance Metrics Through December 2018

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