

# **OC Streetcar Project Supplemental Contingency**

# Status of OC Streetcar Project (Project)

Project progress is 48 percent complete. Planned Project progress is 79 percent complete (December 2020).

- \$169.8 million expended of \$407.8 million Full Funding Grant Agreement (FFGA) project cost (as of December 2020)
- \$37.9 million in contingency
  - \$34.5 million committed/expended\*
  - \$3.4 million remaining

Construction is 40 percent complete. Planned percent complete is 83 percent (December 2020).

- Falsework removed from Westminster and Santa Ana River Bridges
- Rail sticks delivered and welded into strings
- Track installation has started
- Maintenance and Storage Facility (MSF) building floor slabs have started
- Fairview and Raitt station platforms underway

Utility relocation near completion.

- Dry utilities being relocated by a third party are 99 percent complete
- All wet utility relocation is complete

Vehicles are 45 percent complete. Planned percent complete is 58 percent (December 2020).

- First four vehicles in static and dynamic testing

\*Including Contract Change orders (CCO) pending execution and PGH Wong (Construction Manager) agreement amendment pending Board of Directors (Board) approval

# Challenges

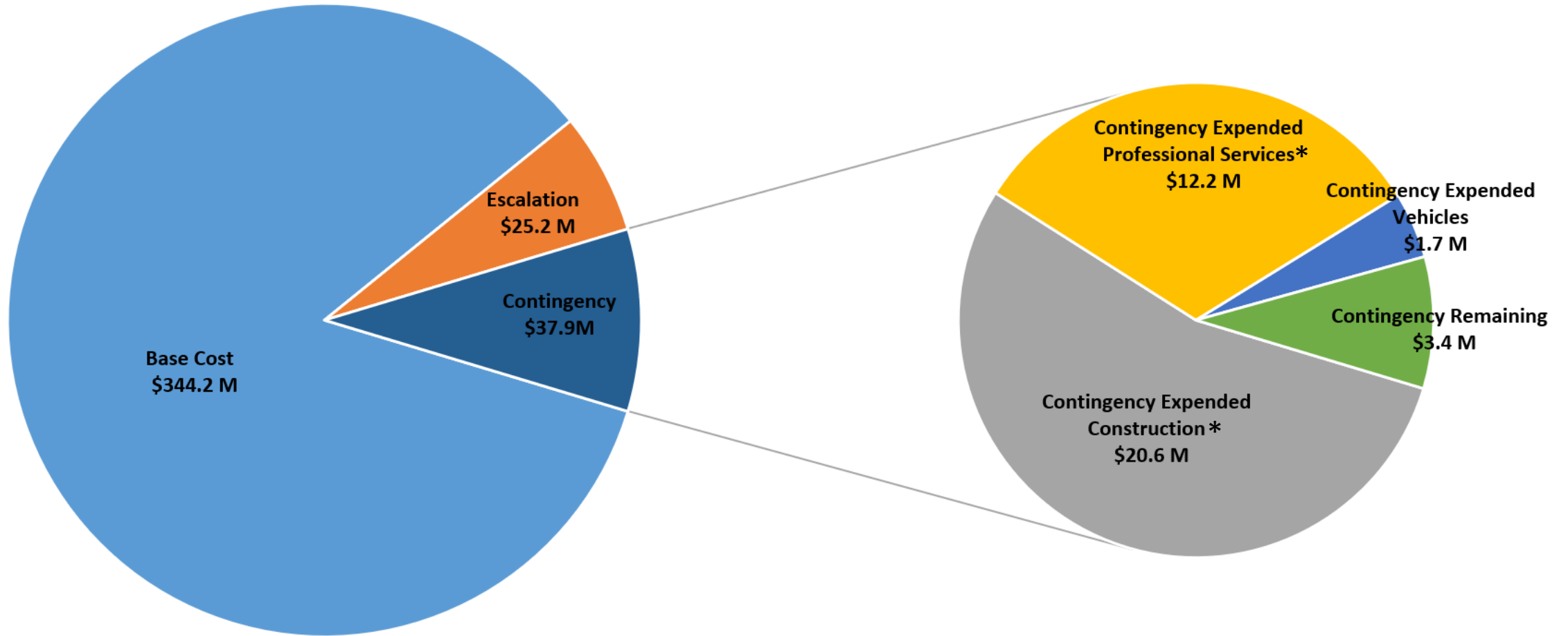
- The number and nature of utility conflicts encountered is higher and more complex than anticipated.
- Extensive amount of contamination encountered during excavations in the Pacific Electric Right-of-Way, City of Santa Ana (City) streets, and at the MSF site.
- Additional unforeseen conditions encountered including thicker pavement sections, unsuitable subgrade in city streets, abandoned well, underground storage tank, and cultural resources discovery at the MSF.
- Difficulties of Walsh Construction Company II, LLC (Walsh) complying with construction quality control plan requirements.
- Extensive number of Requests for Changes and Requests for Information.

# Impacts

- Higher than anticipated number of construction contract change orders (CCO).
- Increased level of professional services for oversight to ensure quality, safety, and environmental compliance requirements are met.
- Extension of construction completion requires professional services and staff resources for a longer duration than originally estimated.
- Project contingency has been drawn down faster than originally forecast for this stage of construction.
  - Original estimate of contingency funding was based on perceived risks at the time of construction contract award. New risks have materialized, known risks have been greater than expected, and there are additional expenses associated with items not included in the FFGA.

# Project Cost and Contingency Status

Project cost as defined in FFGA : \$407.8 million



\*Amounts include CCO's pending execution and PGH Wong Engineering, Inc. (Construction Manager) agreement amendment pending Board approval

# Federal Transit Administration (FTA) Direction on Finalizing Cost and Schedule

- In January 2021, FTA advised the Orange County Transportation Authority (OCTA) that they would be performing their own risk analysis and requested that OCTA not finalize an updated Project cost and schedule until FTA's risk effort is completed (anticipated for late summer 2021).
- Additional time will provide more certainty in finalizing an updated cost to complete, as the Project will be further along with remaining excavation work, MSF cultural resources discovery costs will be finalized, and there will be better understanding of potential coronavirus impacts.
- To maintain Project progression while the cost and schedule update is confirmed by FTA, additional funding to supplement the contingency is needed to address costs anticipated through November 2021.

# Proposed Supplemental Contingency for 2021

Description	Amount Needed	Notes
Construction	\$11,766,145	<ul style="list-style-type: none"> <li>Potential construction change orders based on current issues in the field</li> <li>Additional ticket vending machine/software costs</li> </ul>
Right-of-Way	\$200,000	<ul style="list-style-type: none"> <li>Additional estimated cost for relocation expenses</li> </ul>
Vehicles	\$1,030,471	<ul style="list-style-type: none"> <li>Additional vehicle spare parts</li> <li>Vehicle storage costs</li> </ul>
Professional Services	\$6,084,049	<ul style="list-style-type: none"> <li>Expanded scope and/or extended performance period required for designer, public outreach, and operations and maintenance contracts</li> <li>Applicable to contracts and/or contract amendments being executed through November 2021</li> </ul>
<b>Total Estimated Expenses</b>	<b>\$19,080,665</b>	
Remaining Contingency	\$(3,402,361)	<ul style="list-style-type: none"> <li>Amount assumes Board approval of PGH Wong (Construction Manager) Contract Amendment</li> </ul>
<b>Supplemental Contingency Needed</b>	<b>\$15,678,304</b>	

# Proposed Funding Plan for Contingency

Funding Programs	FFGA	Additional funding to support supplemental contingency:	Proposed FFGA Funding Plan
	(in 000's)	(in 000's)	(in 000's)
FTA 5309 (New Starts)	\$148,955	-	\$148,955
FTA 5307	\$13,599	-	\$13,599
CMAQ	\$54,123	\$8,289	\$62,412
State TIRCP	\$25,586*		\$25,586
Subtotal State and Federal	\$242,263*	\$8,289	\$250,552
M2	\$165,565	\$7,321	\$172,886
<b>Total FFGA Funding</b>	<b>\$407,828*</b>	<b>\$15,610</b>	<b>\$423,438</b>

\*Includes previously State-approved funding addition of \$0.07 Million in TIRCP  
 CMAQ – Congestion Mitigation and Air Quality Improvement Program  
 TIRCP – Transit and Intercity Rail Capital Program



# Next Steps

- Staff will continue to keep the Board apprised of Project progress, including the status of the FTA risk analysis, through quarterly Project updates and other required Board actions for the Project.
- Staff will return by November 2021 with an updated Project cost and schedule to complete, as well as a funding plan based on FTA concurrence.