



February 5, 2024

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Second Quarter Fiscal Year 2023-24 Capital Action Plan Performance Metrics

Overview

Staff has prepared a quarterly progress report on capital project delivery covering the period of October 2023 through December 2023, for review by the Orange County Transportation Authority Board of Directors. This report highlights the Capital Action Plan for project delivery, which is used as a performance metric to assess delivery progress on highway and transit capital improvement projects.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) delivers highway and transit capital improvement projects from the beginning of the environmental approval phase through construction completion. Project delivery milestones are planned carefully with consideration of project scope, costs, schedule, and assessment of risks. The milestones reflected in the Capital Action Plan (CAP) are OCTA's planned and budgeted major project delivery commitments.

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

Discussion

OCTA's 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 project status and any new

projects (Attachment A). The CAP is categorized into key project groupings of freeway, grade separation, and transit improvement projects. Transit improvement projects include passenger rail, bus transit and maintenance, and OC Streetcar infrastructure projects. Project schedule milestones are used as performance indicators of progress in project delivery. The CAP performance metrics report provides a FY snapshot of the milestones targeted for delivery in the FY and provides transparency and performance measurement of capital project delivery.

The CAP project costs represent the total cost across all phases of project delivery, including support costs, 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 delivery progresses, and milestones achieved. Projects identified in the Orange County local transportation sales tax Measure M2 (M2) are identified with the corresponding M2 project logo. The CAP status update is also included in the M2 Quarterly Progress Report.

The CAP summarizes the very complex critical path project 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 when 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 construction 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 typical project delivery phases shown below.



Project schedules reflect planned baseline 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 a partnering 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. Project schedules are reviewed monthly, and milestone achievements and updated forecast dates are included to reflect project delivery status.

The following CAP milestones missed the planned delivery through the second quarter of FY 2023-24:

- Three milestones, the complete design, construction ready, and advertise construction milestones were missed on the tolled State Route 241/ 91 Express Lanes Connector (ELC) which is being implemented by the Transportation Corridor Agencies. The final plans, specifications, and estimates still need to be approved by the California Department of Transportation. In addition, two required environmental revalidations, multiple interagency operating and cooperative agreements, and the California Transportation Commission public hearing approval are outstanding. Revised target dates for these milestones have not been determined.

Recap of FY 2022-23 Performance Metrics Through the Second Quarter

The performance metrics snapshot provided at the beginning of FY 2023-24 reflected four planned major project delivery milestones to be accomplished through the second quarter (Attachment B). One of the four planned milestones was delivered. The three missed milestones are for the ELC project.

Notable CAP Milestone and Cost Updates

The forecast complete environmental milestone for the Interstate 5 (I-5) Improvement Project to add carpool lanes between Avenida Pico and the San Diego County Line was delayed two additional months until December 2024. This allows additional time to refine the vehicle miles traveled modeling, mitigations, and consensus, as well as assure community input is appropriately received and addressed in the public comment phase. Specific funding for delivery phases beyond the environmental phase has not been identified.

The forecast final delivery milestones for the Transportation Security and Operations Center (TSOC) were adjusted to allow for the completion of the required City of Anaheim plan check process.

FY 2023-24 Cost and Performance Metrics Risks

OC Streetcar project construction cost and schedule risks related to contractor performance and design deficiencies continue to challenge the project. Efforts to mediate the lawsuit filed by the contractor against OCTA continue. Staff will continue making regular reports to the Board of Directors (Board) on the status of construction and cost.

The TSOC final design package is still completing plan check with the City of Anaheim. The final engineer's estimate of cost to construct the project is projecting higher than budgeted. Staff will assess the cost estimate and bring any needed programing recommendations to the Board for consideration.

The construction market continues to experience escalation of materials and labor pricing. The Federal Highway Administration maintains the National Highway Construction Cost Index (NHCCI), which reflects quarterly cost increases equivalent to a 15.3 percent annual inflation rate. Since the end of 2020, the NHCCI shows that highway construction costs have increased by 59.3 percent. This will have impacts on estimates and forecast costs of projects not yet in the construction phase.

Summary

Capital project delivery continues to progress and is reflected in the CAP. The planned FY 2023-24 performance metrics created from forecast project schedules will be used as a general project delivery performance indicator throughout the FY. 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 2023
- B. Capital Programs Division, Fiscal Year 2023-24 Performance Metrics
Through December 2023

Prepared by:

A handwritten signature in blue ink, appearing to read 'James G. Beil', is positioned above the printed name.

James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646