



May 6, 2024

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Third 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 January 2024 through March 2024, 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 extraordinarily 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.

CAP milestones achieved in the third quarter of FY 2023-24 include:

- The complete construction milestone was achieved on the Interstate 405 Improvement Project with the design-builder achieving substantial completion. Minor work, punch list work, and landscaping is ongoing and targeted to be completed in the fourth quarter of FY 2023-24.
- The complete environmental milestone for the Orange County Metrolink Maintenance Facility (OCMF) is now being shown as achieved since OCTA adopted and filed the Notice of Determination for the Initial Study/Mitigated Negative Declaration environmental document under the California Environmental Quality Act (CEQA). However, the City of Irvine petitioned the Orange County Superior Court seeking a Writ of Mandate under the provisions of CEQA against OCTA seeking judicial review and invalidation of OCTA's adoption, claimed unlawful actions, determinations, decisions, and approvals.

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

- Three milestones, including the complete design, construction ready, and advertise construction milestones continue to be delayed on the tolled State Route 241/91 Express Lanes Connector (ELC) which is being implemented by the Transportation Corridor Agencies (TCA). The final

plans, specifications, and estimates still need to be approved by the California Department of Transportation (Caltrans). In addition, two required environmental revalidations, multiple interagency operating and cooperative agreements, and the California Transportation Commission (CTC) public hearing approval are outstanding. Revised target dates for these milestones are currently in FY 2024-25.

- The construction ready milestone for the State Route 91 (SR-91) Improvement Project between State Route 55 (SR-55) and Lakeview Avenue was missed due to continuing iterative design comments and resolution cycles between the consultant designer of record and Caltrans. However, the construction ready milestone will be achieved in the fourth quarter of FY 2023-24. The project is planned to receive a funding allocation from the CTC in June 2024, and be advertised for construction bids in July 2024.

Recap of FY 2023-24 Performance Metrics Through the Third Quarter

The performance metrics snapshot provided at the beginning of FY 2023-24 reflected seven planned major project delivery milestones to be accomplished through the third quarter (Attachment B). Three of the seven planned milestones were delivered. Of the four missed milestones, three are for TCA's ELC project and one is the SR-91 Improvement Project between State Route 55 (SR-55) and Lakeview Avenue.

Notable CAP Milestone and Cost Updates

The complete environmental milestone for the Interstate 5 (I-5) Improvement Project between Avenida Pico to San Diego County Line was revised to March 2025. Technical study completion and reviews and approvals took more time to complete with Caltrans. Additionally, the proposed vehicle mile traveled mitigation development and the Historical Property Survey Report approvals took additional time to complete.

The remaining delivery milestones for the I-5 Improvement Project from Yale Avenue to SR-55 were accelerated to achieve a May 2025 CTC funding allocation deadline for the Caltrans funded scope that is included in the project design.

The remaining delivery milestones for the three segments of the SR-91 Improvement Project between Lakeview Avenue and Acacia Street were adjusted to reflect current delivery schedules.

The remaining delivery milestones for the Interstate 605/Katella Avenue Interchange Improvement Project were revised to accommodate schedules to complete the ROW acquisition needs.

The remaining delivery milestones for the Transit Security and Operations Center (TSOC) were revised to reflect the forecast construction contract award schedule.

Notable FY 2023-24 Cost and Performance Metrics Risks

The OC Streetcar project cost and schedule risks related to design deficiencies and contractor performance continue to be a challenge. Staff, in partnership with the Federal Transit Administration (FTA) and FTA's consultants, will be preparing an FTA prescribed 90 percent complete risk assessment to forecast the completion cost and schedule. This risk assessment will be thoroughly reviewed by the FTA's program management consultant and should be completed to report to the Board of Directors (Board) in fall 2024. Efforts to mediate the lawsuit filed by the contractor against OCTA continue. Staff will continue making regular reports to the Board on project status.

There is a cost risk on the construction pricing for the TSOC project. Construction bids are planned to be received and opened on June 3, 2024. Construction and material costs on specialty buildings, such as TSOC, are extremely sensitive to contractor and market pricing risks.

The construction market continues to experience pricing escalation. The March 2024 update to the OCTA Infrastructure Cost Index indicates that as wage growth has begun to moderate, concrete structures and structural steel have reached a new annual high through 2023. Escalation is forecast to be in the two percent to six percent range through 2025.

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 March 2024
- B. Capital Programs Division, Fiscal Year 2023-24 Performance Metrics Through March 2024

Prepared by:

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

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