



March 14, 2024

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendments to Agreements for Design Support Services and Construction Management Services for the OC Streetcar Project

Overview

The Orange County Transportation Authority is currently underway with the implementation of the OC Streetcar project. Staff is seeking Board of Directors' approval for two contract amendments for design support services and construction management services needed to support the ongoing delivery of the OC Streetcar project.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 14 to Agreement No. C-5-3337 between the Orange County Transportation Authority and HNTB Corporation, in the amount of \$2,000,000, and extend the agreement term through August 31, 2025, for continued OC Streetcar project design support services during construction. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$34,083,841.

- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 21 to Agreement No. C-6-0926 between the Orange County Transportation Authority and PGH Wong Engineering, Inc., in the amount of \$7,700,000, and extend the agreement term through February 28, 2025, for continued OC Streetcar project construction management services. This will increase the maximum cumulative obligation of the agreement to a total contract value of \$42,782,570.

Discussion

The Orange County Transportation Authority (OCTA), in cooperation with the cities of Garden Grove and Santa Ana, is implementing a modern streetcar that will operate between the Santa Ana Regional Transportation Center in the City of Santa Ana and the intersection of Harbor Boulevard and Westminster Avenue 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.

Construction activities have been underway since the issuance of the Notice to Proceed to Walsh Construction Company II, LLC, (Walsh) on March 4, 2019. As of the end of February 2024, Construction is approximately 86 percent complete. Construction milestones include the completion of the Santa Ana River and Westminster bridges with the placement of handrails, installation of all tracks and overhead contact system (OCS) poles, placement of approximately 80 percent of the roadway final pavement and striping work, and the reopening of the Santa Ana Boulevard and Santiago Street intersection.

In the Pacific Electric Right-of-Way (PEROW) portion of the alignment, ballasted rail installation was completed, and fence installation is ongoing. The at-grade crossings at Fairview Street, Fifth Street, and Raitt Street are completed with train warning and gate systems installation efforts ongoing. At the maintenance and storage facility (MSF), key activities near completion include installation of exterior walls, conduit and piping, roofing material and skylights, interior painting, heating, ventilation, air conditioning, and bi-fold doors and windows. Given the significance of the MSF to vehicle testing, staff is continuing to coordinate with Walsh to ensure significant completion of the MSF for vehicle storage at the earliest possible date.

Other ongoing construction activities include preparation for the final pavement and striping work at the Santa Ana Boulevard and Ross Street intersection, and Segments 4 and 5, placement of new traffic signal poles at various street intersections, placement of decorative pavers and concrete at Sasscer Park, installation of OCS hardware and overhead wires, service connections for the four traction power substations, installation of canopy and equipment at all 16 stations, parking lot construction at the Harbor Boulevard and Santa Ana

Regional Transportation Center stations, and preparation for tree installation along Fourth Street.

Pursuant to Federal Transit Administration (FTA) requirements, staff will be conducting a project risk assessment consistent with achieving 90 percent construction completion. Staff will return to the Board of Directors (Board) to present the results of the risk analysis, including any adjustments to the project cost and schedule, in late 2024. Until the risk assessment process is complete, staff is seeking a 12-month extension for agreements with HNTB Corporation (HNTB) for continued design support during construction (DSDC) and with PGH Wong Engineering, Inc., (PGH Wong) for continued construction management support. This approach will allow the project team to manage the respective contract budgets most effectively until an adjusted project completion date can be determined. Additionally, staff continues to closely monitor consultant support costs to ensure all work efforts are efficient and aligned with managing the contractor to complete project construction. Staff will review these costs each month with the contractors and elevate those discussions as needed to confirm efficiency in their work products.

HNTB

As the engineer of record, HNTB is providing DSDC as required by the contract, and efforts are consistent with most major construction projects. The efforts include review and response to Walsh's requests for information (RFIs), and review and acceptance of required contractor drawings and specifications submittals. The high number of interrelated elements of this Project, including railroad communications, trackwork, and a 50,000 square-foot MSF, make the design and construction complex and require the technical expertise of multiple disciplines. This complexity, especially at the MSF with design elements for electrical, mechanical, structural, civil, communication, and security, has resulted in the high number of submittals, RFIs, and in some cases, design modifications to address unforeseen conditions.

A significant increase in the level of effort and an extended period of performance has been required of HNTB due to project challenges. As of mid-February 2024, Walsh has submitted 1,793 RFIs and 2,208 contract submittals, each of which require review and action by the designer. This level of effort is significantly higher than what was anticipated at the time of the original contract execution.

A continuation of services is required for review and acceptance of contractor submittals, review and response to RFIs, preparation of requested modifications

to plans and specifications to address unforeseen conditions discovered during construction and/or to enhance system operations and safety and participate in project meetings with the construction management team to ensure and facilitate configuration of remaining project elements being constructed.

Beginning in July 2022, the Board approved continued DSDC services for HNTB in 12-month increments. This approach allows the project team to better assess field conditions and more reasonably estimate the anticipated quantity of remaining submittals, RFIs, and design modifications that require HNTB's support. RFIs and submittals are anticipated to continue for project elements that are being finalized for start-up and testing, including communication systems, railroad signaling systems, traction power substations, the OCS, and the MSF. The current contract has remaining funds through August 2024, and staff is requesting Board approval to amend the contract to ensure continuity of services. Until the project completion date can be finalized, staff has developed a conservative assumption on the required level of effort needed through August 2025 based on prior utilization of resources.

Amendment No. 14, in the amount of \$2,000,000, is required for continuity of services to avoid construction delays and to extend the term of the agreement through August 31, 2025.

PGH Wong

On July 25, 2016, the Board approved an agreement with PGH Wong for a five-year term to provide construction management services (CMS) for the Project. As the construction manager on behalf of OCTA, PGH Wong has been administering and overseeing the construction contract. Some of the key tasks under this contract include:

- Coordination between Walsh and the project team
- Performing quality assurance, including inspections
- Oversight of safety and environmental compliance
- Change management and claims support
- Oversight of labor compliance
- Support services for testing, commissioning, and start-up
- Coordination with other third-party stakeholders (cities of Garden Grove and Santa Ana, County of Orange, and Orange County Fire Authority)
- Day-to-day construction management activities, including project reporting and documentation, review of payment applications, and document control

On December 13, 2021, the Board approved Amendment No. 14 to Agreement No. C-6-0926 with PGH Wong for continued CMS through March 2024, with a contract expiration to include closeout through November 2024. An increased level of effort and extended period of performance is required of PGH Wong due to project challenges. This continued level of effort is required to manage specific areas, including:

- Enhanced oversight of quality inspections, including some instances of repeat inspections to assure compliance.
- The number of RFIs submitted by Walsh, which require extensive time and effort to coordinate responses, provide clarifications, and issue construction change notices.
- The volume and complexity of Walsh's submittals for several project elements that require extensive coordination between various technical disciplines to review and approve. This effort also includes resubmittals and changes required by field conditions.
- The volume of change directives, contract change orders, and processing of time and materials payments.
- Reviewing schedules and coordination with Walsh, including an increased number of meetings with Walsh for attempting to resolve numerous schedule and cost disputes, as well as to provide an accurate reflection of progress.
- The number of project meetings with both Walsh and stakeholders to resolve ongoing, complex issues, and to ensure proper integration of project elements, as well as an increased number of construction partnering sessions.

Staff is requesting Board approval for the additional funds in the amount of \$7,700,000, for continued CMS and to extend the term of the agreement through February 28, 2025, to manage the contract budget most effectively until an adjusted project completion date can be determined.

Procurement Approach

Design Support Services During Construction

The original procurement was handled in accordance with OCTA's Board-approved procedures for architectural and engineering services, which conform to both federal and state laws. The original agreement was issued on February 1, 2016, in the amount of \$16,434,022. This agreement has been previously amended as shown in Attachment A.

OCTA staff and HNTB have agreed upon the level of effort for the required services and staff found HNTB's price proposal, in the amount of \$2,000,000, to be fair and reasonable relative to the negotiated level of effort and the independent cost estimate prepared by the OCTA program management team. Proposed Amendment No. 14 to Agreement No. C-5-3337, in the amount of \$2,000,000, will increase the total contract value to \$34,083,841 and extend the term of the agreement through August 31, 2025.

CMS

The original procurement was handled in accordance with OCTA's Board-approved procedures for architectural and engineering services, which conform to both state and federal laws. Agreement No. C-6-0926 was issued on December 6, 2016, in the amount of \$10,752,136. This agreement has been previously amended as shown in Attachment B.

OCTA staff and PGH Wong have agreed upon the required level of effort for additional CMS through February 28, 2025. Staff found PGH Wong's cost proposal to be fair and reasonable relative to the negotiated level of effort and the independent cost estimate prepared by the OCTA project management team. Proposed Amendment No. 21 to Agreement No. C-6-0926, in the amount of \$7,700,000, will increase the total contract value to \$42,782,570 and extend the term of the agreement through February 28, 2025.

Fiscal Impact

Funding for the PGH Wong contract amendment is included in OCTA's Fiscal Year (FY) 2023-2024 Budget, Capital Programs Division, Account No. 0051-9018-TS010-Z84 and is funded with Federal Transit Administration Section 5309 New Starts grant funds and local Measure M2 funds. Funding for the HNTB contract amendment is included in OCTA's proposed FY 2024-25 Budget, Capital Programs Division, Account No. 0051-7519-TS010-Z84 and is funded with Federal Transit Administration Section 5309 New Starts grant funds and local Measure M2 funds.

Next Steps

Staff will return to the Board in late 2024 to present the results of the FTA-required risk analysis, including any adjustments to the project cost and schedule and any required contract amendments needed as a result.

Summary

Staff requests Board of Directors' approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 14 to Agreement No. C-5-3337 between the Orange County Transportation Authority and HNTB Corporation, in the amount of \$2,000,000, and extend the agreement term through August 31, 2025, for continued design support services during construction for the OC Streetcar project. Staff also requests Board of Directors' approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 21 to Agreement No. C-6-0926 between the Orange County Transportation Authority and PGH Wong Engineering, Inc., in the amount of \$7,700,000, and extend the agreement term through February 28, 2025, for continued construction management services for the OC Streetcar project.

Attachments

- A. HNTB Corporation, Agreement No. C-5-3337 Fact Sheet
- B. PGH Wong Engineering, Inc., Agreement No. C-6-0926 Fact Sheet

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