

# Committee Report

Transportation Committee



**Committee Meeting Date:** February 12, 2024

**For the Metropolitan Council:** February 28, 2024

## Business Item: 2024-40

METRO Green Line Extension Amendment No. 5 to the TCWR Services Agreement for Flagging Services During Project Construction

### Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to negotiate and execute Amendment No. 5 to Contract 19M152 with Twin Cities & Western Railroad (TCWR) for freight rail flagging services to add \$4.25 million for a total amount not to exceed \$13.75 million.

### Summary of Transportation Committee Discussion/Questions

Metro Transit Green Line Extension Project Director Jim Alexander presented this item. There were no questions or comments from Council members.

It was moved by Carter, Tyronne, seconded by Morales. Motion carried, Consent to Council.



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| <b>District(s), Member(s):</b>   | District 3 (Carter), District 6 (Lilligren), District 8 (Cameron)  |
| <b>Policy/Legal Reference:</b>   | FM 14-2 Expenditures for the Procurement of Goods, Services  |
| <b>Staff Prepared/Presented:</b> | Lesley Kandaras, General Manager, 612-349-7513<br>Nick Thompson, Deputy General Manager, 612-349-7507<br>Jim Alexander, Project Director, 612-373-3880 |
| <b>Division/Department:</b>      | Metro Transit/Green Line Extension   |

### Proposed Action

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### Background

The Council acquired the Kenilworth Corridor and Bass Lake Spur freight corridors from the Hennepin County Regional Railroad Authority and Canadian Pacific, respectively, for the METRO Green Line Extension Project (Project). TCWR operates overhead freight rail service over these corridors. Construction of the Project requires freight rail flaggers whose purpose is to notify construction workers of approaching freight trains. The Council initially issued an emergency declaration in June 2019 (Business Item 2019-178) to execute a bridge contract with TCWR to provide flagging services in the short term. This allowed the Council to negotiate a long-term flagging agreement with TCWR for the duration of Project construction.

It was originally anticipated that the term of the agreement would expire in December 2023. In Spring 2022, the Council recognized an approximately 34-month delay to the Project's civil construction contract (Business Item 2022-35). As a result, the TCWR Services Agreement needs to be amended to increase the not-to-exceed value to cover flagging costs over the longer construction duration. The Agreement requires TCWR to provide fulltime flaggers dedicated to Project construction through civil substantial completion and provides that the Council will reimburse TCWR a flat hourly rate based on actual costs.

Through agreements and authorization from the Surface Transportation Board, TCWR is the sole freight rail operator of the Kenilworth Corridor and Bass Lake Spur. TCWR's performance of flagging services in the corridors aligns with industry standard practices due to its familiarity with the geographic area, knowledge of freight operations through the corridor, established flagging protocols, familiarity with the railroad's operating rules, and direct line of communication with freight operators. These factors ensure safety by protecting contractor workers within fouling

distance of the freight track.

## Rationale

The amendment of a contract exceeding 10% of the original value requires Council approval.

## Thrive Lens Analysis

Successful completion of the METRO Green Line Extension will advance the following Thrive MSP 2040 outcomes:

**Stewardship:** Transit investment provides an opportunity to reinvest and grow the capacity of our communities, with more inclusive development and intentional investment. It encourages businesses to invest in communities, which means access to resources, community amenities, jobs, and other community assets.

**Equity:** Connections to other METRO lines and countless local bus routes will bring people to jobs, jobs to communities, and returns to communities across the region.

**Livability:** The METRO Green Line Extension will add 14.5 miles to the existing Line, which connects downtown Minneapolis, downtown Saint Paul, and places in-between. This segment connects Eden Prairie, Minnetonka, Hopkins, and St. Louis Park to both downtown Minneapolis and Saint Paul, and major destinations at the University of Minnesota and the State Capitol.

**Prosperity:** The METRO Green Line Extension reflects strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region. Despite being under construction, the METRO Green Line Extension has already seen \$2.8 billion of investment within a half-mile of the line. Another \$780 million in investment is planned.

**Sustainability:** As many as 700,000 more people will be living, working, and moving around the Twin Cities region by 2040. As a result, a robust transportation system is needed to provide the region with choices and more mobility.

## Funding

This is a METRO Green Line Extension Project (61001) eligible cost. Funds are available in Project No. 61001 budget and costs are included in the Council's authorized capital budget.

## Small Business Inclusion

The services associated with this action are being procured through a sole source agreement. The Office of Equity and Equal Opportunity (OEEEO) does not review sole source procurements for DBE sub-contracting opportunities.

