

Committee Report

Transportation Committee



Committee Meeting Date: July 22, 2024

For the Metropolitan Council: August 14, 2024

Business Item: 2024-178

METRO Green Line Extension BNSF Construction Agreement, Contract 17M155 – Purchase Order Increase

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to increase the Purchase Order value associated with contract 17M155 with BNSF Railway for the Freight Rail Coordination Agreement – Construction Phase to add \$2,360,000 for a total amount not to exceed \$8,797,000.

Summary of Transportation Committee Discussion/Questions

Metro Transit Deputy General Manager Capital Programs, Nick Thompson, presented this item. There were no questions or comments from Council members.

It was moved by Morales, Diego, seconded by Carter, Tyronne. **Motion carried, consent to Council.**



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District(s), Member(s):	All
Policy/Legal Reference:	FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy
Staff Prepared/Presented:	Lesley Kandaras, General Manager, 612-349-7513 Nick Thompson, Deputy GM Capital Programs, 651-602-1754 Jim Alexander, Project Director, 612-373-3880 Nic Dial, Director of Construction, 612-373-2974
Division/Department:	Metro Transit/METRO Green Line Extension Project Office

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to increase the Purchase Order value associated with contract 17M155 with BNSF Railway for the Freight Rail Coordination Agreement – Construction Phase to add \$2,360,000 for a total amount not to exceed \$8,797,000.

Background

BNSF Railway (BNSF) owns and operates freight rail service on the Wayzata Subdivision. Approximately 1.4 miles of the Metropolitan Council's (Council) METRO Green Line Extension Project (Project) alignment is on or adjacent to the BNSF right-of-way in the Wayzata Subdivision. Construction of the Project requires shifting BNSF's mainline freight track to accommodate space for the LRT and future BNSF capacity. The Council's Civil Construction Contractor, Lunda McCrossan Joint Venture, is performing site and LRT work and BNSF is performing work related to their freight rail.

The Council entered into a Construction Agreement with BNSF effective February 28, 2019. A total amount not to exceed \$4.5 million for work associated with this contract was authorized per Business Item (BI) 2019-43 SW. An additional \$1,937,000 for a total amount not to exceed \$6,437,000 was authorized per BI 2023-18.

The Construction Agreement outlines BNSF's and Council's rights and obligations during the construction of the Project in the Wayzata Subdivision corridor and includes reimbursing BNSF for its costs for submittal review, flagging, inspection, and construction activities related to the Project.

Since approval of BI 2023-18, additional BNSF work resulting from the Project has been identified including addressing unsuitable subgrade and associated drainage issues near I-94 due to the freight rail shift, additional design and engineering review and material escalation associated with signal relocation, and inspection and flagging through 2026. The cost associated with this additional work is \$2,360,000.

Rationale

Increasing the funding authorization by over 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 more than \$1.6 billion of investment within a half-mile of the line. Another \$500 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

The work of this funding increase is a METRO Green Line Extension Project (61001) eligible cost. Funds for the work are available in the Project budget. This work is included in the Council's authorized capital budget.

Small Business Inclusion

The scope in the Construction Agreement is specific to BNSF and there are no opportunities for DBE inclusion.

