# Committee Report

Transportation Committee

METROPOLITAN COUNCIL

**Committee meeting date:** August 25, 2025 **For the Metropolitan Council:** September 10, 2025

## Business Item: 2025-201

METRO E Line Engineering and Construction Administration Services, Contract 21P364 – Amendment 1

### Proposed action

That the Metropolitan Council authorize the Regional Administrator to execute an amendment for contract 21P364 with HDR, Inc. that will increase the contract value by $1,292,869 for a total contract not to exceed amount of $12,034,714.

### Summary of Transportation Committee discussion/questions

Metro Transit BRT Projects Manager Adam Smith presented this item. There were no questions or comments from Council members.

It was moved by Osman, seconded by Obisakin. Motion carried, consent to Council.

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**District(s), Member(s):** District 5 (Pacheco), District 6 (Lilligren), District 7 (Osman), District 14 (Carter)

**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 General Manager, 612-349-7507
Katie Roth, Director, Arterial BRT, 612-349-7772
Adam Smith, Manager, BRT Projects, Arterial BRT, 612-349-7160
Evan Owens-Ambrogio, Principal Engineer, Arterial BRT, 612-349-7605

**Division/Department:** Metro Transit / Arterial BRT

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute an amendment for contract 21P364 with HDR, Inc. that will increase the contract value by $1,292,869 for a total contract not to exceed amount of $12,034,714.

### Background

HDR, Inc. was awarded Contract 21P364 in 2022 to perform engineering and construction administration services for the METRO E Line arterial BRT project.

The proposed amendment would increase the scope of construction administration services within the contract. Upon contract award, the level of effort for construction administration and materials testing tasks was based on previously completed arterial BRT projects (A, C, and D lines), each of which typically required concurrent construction of 5 to 6 stations.

The 2024 construction season required a greater level of support than anticipated to adequately oversee construction. Additionally, during the 2024 construction season, the E Line construction contractor did not complete the number of stations projected for the season. As a result, the contractor must complete significantly more construction than anticipated during the 2025 construction season.

During May, June, and July 2025, there have been 8 to 13 stations under construction concurrently, in excess of the 5 to 6 concurrent stations that formed the budget basis for this contract. In order to adequately oversee and ensure quality of construction, Metro Transit needs to increase the construction administration effort accordingly, requiring 50-hour weeks for all field inspectors and an additional 6 field inspectors that were not included in the original contract scope.

This amendment would also replenish a depleted contingency fund within the contract for the remainder of the contract term. Additionally, the amendment would provide funds for a Federal Acquisition Regulation (FAR) true-up, in accordance with the contract terms, to account for increases in the approved overhead rates for HDR and its subconsultants from 2022 to 2024. This amendment includes funding for reviewed and approved overhead rates.

## Rationale

Council Policy requires amendments exceeding 10% of the original authorized contract value be approved by the Council if the cumulative value exceeds $500,000. Amendments to contracts that exceed 10% of the original value constitute sole source procurements.

## Thrive Lens Analysis

The Council adopted Imagine 2050 on February 12, 2025, which builds on policy direction in Thrive MSP 2040.

Under the Thrive lens, investment in the METRO E Line will advance the Thrive outcome of Prosperity by making the region more economically competitive through increased workers' access to employment and support to employers by increasing available workforce with affordable, convenient transportation.

The E Line project advances the Thrive outcome of Equity by improving transit access for communities of color and for workers at low wage jobs. Investment in the E Line will provide riders with faster service and a more comfortable waiting and riding experience.

The project also advances the Thrive outcome of Stewardship by planning for E Line corridor improvements efficiently with regional partnership from Hennepin County, Ramsey County, Minneapolis, Saint Paul, Edina, the University of Minnesota, MnDOT, and the Minneapolis Park and Recreation Board.

## Funding

Funding for Amendment 1 is available within the authorized E Line budget, Project 61004.

## Small Business Inclusion

As of August 2025, DBE achievement on 21P364 - Engineering and Construction Administration Services for the METRO E Line Arterial BRT Project is 15.2%. The Office of Equity and Equal Opportunity established a DBE goal of 18% for this project and will continue to monitor the project to ensure the DBE requirements are met, inclusive of all amendments.