

# Business Item

Transportation Committee



**Committee Meeting Date:** March 27, 2023

**For the Metropolitan Council:** April 12, 2023

## Business Item: 2023-69

METRO Green Line Extension Civil Construction Cumulative Change Order Authority Increase, Contract 15P307A

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	FM 14-1 Procurement Policy, FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy
<b>Staff Prepared/Presented:</b>	Lesley Kandaras, Interim General Manager, 612-349-7513 Nick Thompson, Deputy GM Capital Programs, 651-602-1754 Jim Alexander, Project Director, 612-373-3880 Joan Hollick, Deputy Project Director, 612-373-3820, Nat Gorham, Asst. Dir, Project Controls and Contracts, 612-373-3889
<b>Division/Department:</b>	Metro Transit / Green Line Extension Project Office

### Proposed Action

That the Metropolitan Council (Council) authorize an additional 3.49% (\$27.9 million) to the 29.82% (\$238.5 million) cumulative change order authority for Contract 15P307A with Lunda McCrossan Joint Venture, resulting in 33.31% (\$266.4 million) cumulative change order authority.

### Background

The METRO Green Line Extension Project is seeking to increase the change order authority to continue to execute change orders on the Civil Construction Contract 15P307A with Lunda McCrossan Joint Venture (LMJV). FM 14-1 authorizes contract amendments greater than 10% be supported by a sole source approval and FM 14-2 authorizes the Regional Administrator to amend contracts and increase contract prices as delegated by the Metropolitan Council. Council Procurement Procedure 14-1a Section 2.1.2.23 provides 10% cumulative change order authority on construction contracts without further authorization by the Council.

In April 2021, the Council approved an increase of 10.33% (\$82.6 million) in cumulative change order authority in conjunction with the change order for the Corridor Protection Barrier (Business Item No. 2021-49). In August 2021, the Council approved a second increase of 9.49% (\$75.9 million) in cumulative change order authority in conjunction with change orders for the secant wall, contaminated soils, and grouting (Business Item No. 2021-210).

Pursuant to the authority in FM 14-1 and FM 14-2, staff is requesting that the Council authorize an additional 3.49% cumulative change order authority for the LMJV Contract. This request for an increase in change order authority is for anticipated change orders required through 2023.

The request would result in the following amounts as shown in the table below:

Description	Amount	Change Order Authorization
Contract 15P307A original contract value	\$799,514,338.22	--
Currently authorized cumulative change order Authority	\$238,453,571.96	29.82%
Value of change orders executed as of March 8, 2023	\$236,921,428.94	29.63%
Current remaining authority	\$1,532,142.02	0.19%
Additional change order authority requested	\$27,900,000	3.49%
Requested cumulative change order authority	\$266,353,571.96	33.31%

### Rationale

This authorization will allow the Project to continue executing change orders for civil construction activities.

### 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 choices and more mobility.

### Funding

No Project funds are required at this time. The requested cumulative change order authority is a METRO Green Line Extension Project (61001) eligible cost. Funds are available in Project No. 61001 budget and included in the Council's authorized capital budget.

### Small Business Inclusion

The DBE goal established for this Contract is 16%. As of January 31, 2023, LMJV is achieving 21% DBE participation. The established goal applies to the increase in cumulative change order authority.