

Business Item

Transportation Committee



Committee Meeting Date: November 25, 2024

For the Metropolitan Council: December 11, 2024

Business Item: 2024-116

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

District(s), Member(s):	District 3 (Carter), District 6 (Lilligren), District 7 (Osman), District 8 (Cameron)
Policy/Legal Reference:	FM 14-1 Procurement Policy, 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, 612-349-7507 Jim Alexander, Project Director, 612-373-3880 Nic Dial, Deputy Project Director, 612-373-3974, Jason Jaworski, Asst. Dir, Project Controls and Contracts, 612-373-5351
Division/Department:	Metro Transit / METRO Green Line Extension Project

Proposed Action

That the Metropolitan Council authorize 2.98% (\$23.8 million) in cumulative change order authority for contract 15P307A with Lunda McCrossan Joint Venture, resulting in 36.29% (\$290.2 million) total cumulative change order authority.

Background

In December 2018, following a competitive solicitation process, the Council and Lunda McCrossan Joint Venture (LMJV), executed contract 15P307A in the amount of \$799,514,338.22 for Civil construction for the METRO Green Line Extension Project (BI 2018-193).

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. FM 14-2 authorizes the Regional Administrator to amend contracts and increase contract prices as delegated by the Metropolitan Council.

The Council subsequently approved increases to the cumulative change order authorization as follows:

- In April 2021, the authorization level was increased by 10.33% (\$82.6 million) in conjunction with the change order for the Corridor Protection Barrier (BI 2021-49).
- In August 2021, the authorization level was increased by 9.49% (\$75.9 million) in conjunction with change orders for the secant wall, contaminated soils, and grouting (BI 2021-210).
- In April 2023, the authorization was increased by 3.49% (\$27.9 million) (BI 2023-69).

Pursuant to FM 14-1 and FM 14-2, staff is requesting that the Council authorize an additional 2.98%

(\$23.8 million) cumulative change order authority for the LMJV contract. This request for an increase in change order authority is for anticipated change orders required through Q1 2026.

A summary of the cumulative change order authorization is provided in the table below:

Description	Amount	Change Order Authorization
Contract 15P307A original contract value	\$799,514,338.22	--
Original authorized cumulative change order authority	\$79,951,433.82	10%
Currently authorized cumulative change order Authority	\$266,353,571.96	33.31%
Value of change orders executed as of November 6, 2024	\$261,403,193.53	32.70%
Current remaining authority	\$4,950,378.43	0.62%
Additional change order authority requested in BI 2024-116	\$23,800,000.00	2.98%
Requested total cumulative change order authority	\$290,153,571.96	36.29%

Rationale

An increase in cumulative change order authority above the original 10% of the contract value for construction contracts 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 \$3.1 billion of investment within a half-mile of the line. Another \$738 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

No additional Project funds are required at this time. Project costs within the requested cumulative change order authority are 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 September 30, 2024, LMJV is achieving 23.6% DBE participation. The established DBE goal applies to the increase in cumulative change order authority.

