

T Transportation Committee

Item: 2011-51

Metropolitan Council meeting: February 23, 2011

ADVISORY INFORMATION

Date Prepared: February 14, 2011

Subject: Central Corridor Light Rail Transit: Additional Limited Notices to Proceed for April 2011

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to direct staff to issue additional Limited Notices to Proceed to Central Corridor Light Rail Transit (CCLRT) contractors for April 2011 activity in an amount not to exceed \$65 million contingent upon receipt of the corresponding Letter of No Prejudice from the Federal Transit Administration and approval of the use of local funding by Project funding partners.

Summary of Committee Discussion / Questions:

Mark Fuhrmann gave a presentation on the item. A motion was made by Councilmember Scherer, seconded by Councilmember Leppik, and then approved unanimously.

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Meeting date: February 14, 2011

Metropolitan Council Meeting: February 23, 2011

ADVISORY INFORMATION**Date:** February 7, 2011**Subject:** Central Corridor Light Rail Transit: Additional Limited Notices to Proceed for April 2011**District(s), Member(s):** All**Policy/Legal Reference:** Full Funding Grant Agreement**Staff Prepared/Presented:** Brian Lamb, General Manager 612-349-7510
Mark Fuhrmann, Deputy General Manager,
651-602-1942**Division/Department:** Metro Transit/ Central Corridor Project Office**Proposed Action**

That the Metropolitan Council authorize the Regional Administrator to direct staff to issue additional Limited Notices to Proceed to Central Corridor Light Rail Transit (CCLRT) contractors for April 2011 activity in an amount not to exceed \$65 million contingent upon receipt of the corresponding Letter of No Prejudice from the Federal Transit Administration and approval of the use of local funding by Project funding partners.

Background

Metropolitan Council has sought and successfully received eight Letters of No Prejudice (LONP) over the last 18 months to enable construction to proceed in advance of receipt of the Full Funding Grant Agreement (FFGA). All eight have been received since the Federal Transit Administration (FTA) issued its final environmental Record of Decision.

These late 2009, 2010 and early 2011 Letters of No Prejudice were always contemplated prior to receipt of the Full Funding Grant Agreement anticipated in March 2011 as an effective means to begin construction work to maintain the schedule for project completion in 2014.

Due to the required Supplemental Environmental Assessment process currently underway which will extend into April 2011, the projected execution of the FFGA is now in April 2011. The current authorized spending under the issued Letters of No Prejudice will be exhausted in late March into early April. In the absence of the FFGA by the end of March, the Central Corridor Project Office has analyzed expected contractor spending for April 2011 to keep contractors on schedule. The Civil East, Civil West, Systems, Operation and Maintenance Facility and Light Rail Vehicle contractors expect additional expenditures of up to \$65 million during April 2011.

Rationale

The delay in receipt of the Full Funding Grant Agreement creates project schedule risk. Once contractors exhaust their current spending authority in March and into early April, they will have to cease work in the absence of an additional Letter of No Prejudice from FTA and an additional Limited Notice to Proceed from the Council. The request for the FTA Letter of No Prejudice to continue work through April of 2011 and

issuance of the Limited Notice to Proceed will enable each contractor and the overall project to maintain the current schedule.

Funding

The proposed action does not impact the overall project budget. The \$65 million expenditure authority is included in the \$956.9 million budget and 2011 cash flow.

Known Support / Opposition

This action is scheduled before the Counties Transit Improvement Board at its February 16 meeting, the Ramsey County Regional Railroad Authority and the Hennepin County Regional Railroad Authority meetings in early March.