



Date: February 12, 2021
Current Meeting: February 18, 2021
Board Meeting: February 25, 2021

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Vice President of Infrastructure, Strategy, and Innovation Jennifer Pyrz
SUBJECT: Consideration and Approval of Capital Plan Amendment for Increased Local Commitment to the Purple Line Bus Rapid Transit Project

ACTION ITEM A – 8

RECOMMENDATION:

It is requested that the Board authorize President/CEO amend the IPTC 2019-2025 Capital Improvement Plan to reflect an increased Purple Line Capital Investment Grant-eligible budget of \$161.95 Million and local share commitment of \$80.975 Million.

BACKGROUND:

The Purple Line bus rapid transit (BRT) project will be the second of three rapid transit lines in the City of Indianapolis/Marion County. It will connect downtown Indianapolis to the City of Lawrence, via East 38th Street. The project was identified in the regional transit framework, Indy Connect, in 2009-2010 and advanced to an Alternatives Analysis (AA) study in 2014-2015. Both studies were conducted by the Indianapolis Metropolitan Planning Organization (MPO) in cooperation with IPTC, the Central Indiana Regional Transportation Association (CIRTA), and other regional partners. Those plans eventually resulted in the Marion County Transit Plan, which was presented to Marion County voters in November 2016 for adoption of a 0.25% income tax, dedicated to transit. In December 2017, the IPTC 2018-2022 Capital Plan was adopted by the IPTC board of directors. This plan outlined the Purple Line project in more detail, including the specific mix of funding sources and timelines for the development of the project. The Purple Line project design is now nearing completion. Construction will begin on the Purple Line in 2021 and conclude at the end of 2023.

DISCUSSION:

The Federal Transit Administration (FTA) and their Project Management Oversight Consultant (PMOC) conducted a risk review of the Purple Line project on December 2 and 3, 2020. As part of the risk assessment, the PMOC, FTA, IPTC staff, and Purple Line consultants discussed and evaluated potential risks to the project's schedule and budget, including the probability that they would occur and the estimated cost and schedule impacts if they did. A total of 58 risks were identified and scored. The top five risks were identified as:

- Unfavorable project bids
- Inadequate size/availability of contractor pool
- New discovery of hazardous materials
- System integration delays (TSP, real-time arrival signs, etc.)
- Lack of public support

Following the risk review, the PMOC developed a risk model to calculate probabilities that certain budget and schedule variations would occur. The outcome of this analysis and recommendations from the review were provided to IPTC in a January 11, 2021 report from the PMOC titled "Management Capacity and Capability: Project Scope; Project Schedule; Capital Cost Estimate; and Risk & Contingency Review."

One of the recommendations of this report was to increase the project's contingency. FTA concurred with the PMOC's recommendation and suggested that IPTC increase the project budget by \$6.95 Million to "ensure that adequate contingency exists to protect the Project at the P65 level for the finalization of design and to account for market and Project complexity factors" (P65 is a reference to the 65th percentile project estimate).

With this change, the project's unallocated contingency (applied to the total project costs) would increase to \$13.155 Million. The project's allocated (assigned to specific categories of the project costs) contingency would increase to \$9.676 Million. The total FTA/IPTC project budget would increase from \$155.0 Million to \$161.95 Million and IPTC's local commitment would increase from \$77.5 Million to \$80.975 Million. FTA's Federal contribution to the project would remain at a 50/50 share and would likewise increase from \$77.5 Million to \$80.975 Million. Note that a \$7.41 Million contribution from Citizen's Energy Group and Indianapolis Department of Public Works for the sewer separation on 38th Street is in addition to these numbers.

ALTERNATIVES:

The project budget could be kept at \$155 Million with a \$77.5 Million local contribution. The resulting contingency would not meet FTA's recommendation and, if additional funds were determined to be needed as the project progressed, there would be no additional Federal match.

FISCAL IMPACT:

The Purple Line project is funded 50/50 with a combination of Federal Small Starts and other local and Federal funds. The additional local commitment will be provided from our Cumulative Capital Fund which has annual revenues of \$3,604,529.

DBE/XBE DECLARATION:

Not applicable.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Finance Committee and Service Committee on February 18, 2021.