

# The Red Line Extension Project

**Design-Build Contract**

August 14, 2024





# Red Line Extension Project History

- Dan Ryan Branch opened in 1969 with a promise to extend it to City limit in the future
- Original Dan Ryan Cost: \$38M
- If built then, Extension would have cost an additional \$144M
- Planning process began in 2006
- 2016 Draft EIS Budget: \$2.3B
- 2021 Budget for Entry to Engineering Request: \$3.6B



Dan Ryan opening Sept. 26, 1969

# 2010: Red Line Extension Project Scoping Report

“ Starting in 2002, community activists began an awareness campaign and a community petition drive which resulted in an advisory referendum being placed on the November 2004 ballot.

The referendum was supported by 38,000 voters in the 9th and 34th wards.

In 2006, the Chicago Transit Board initiated an Alternatives Analysis (AA) study for the proposed extension. ”

# CTA announces proposed path for Red Line extension to 130th Street, adding 4 new stations

By [Diane Pathieu](#) and [Evelyn Holmes](#) 

Friday, January 26, 2018

LOCAL NEWS

## CTA plans this summer to begin initial work to extend Red Line on South Side



By John Dodge  
June 4, 2024 / 10:58 AM CDT / CBS Chicago



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INVESTIGATIONS

## CTA Says Red Line Extension a 'Top Priority' for Biden Administration, on Track to Begin Construction Next Year

Nick Blumberg | April 10, 2024 1:06 pm

TRANSPORTATION NEWS METRO/STATE

## Feds make \$2B commitment to CTA Red Line extension

After 50 years of baby steps, the promise Mayor Richard J. Daley made when he opened the 95th Street station in 1969 is nearing the finish line.

By Fran Spielman | Sept 8, 2023, 1:01pm CDT

NEWS

## Red Line to get North Side overhaul, while South Siders decry wait



By CHICAGO TRIBUNE | Chicago Tribune

PUBLISHED: April 16, 2014 at 1:00 a.m. | UPDATED: August 25, 2021 at 4:03 a.m.





# Red Line Extension Project Overview

- 5.6-mile Red Line Extension from the 95th Street Terminal to 130th Street
- Four new stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street
- Parking and bus connections at each new station
- New train storage yard and maintenance facility at 120th Street

# Red Line Extension Project Benefits



## Equity

24% of RLE Project area residents live below the poverty level, compared to the City average of 18%



## Frequent Rail Service

Up to 30-minute time savings to riders traveling from the 130th St station to the Loop

By 2040, RLE will carry approx. 40,000 trips per day



## Connectivity

22% of RLE Project area households do not own a car and rely on the transit network to get to jobs and opportunities



## Economic Opportunity

46% increase in newly accessible jobs within an hour commute of the RLE Project area



## Sustainability

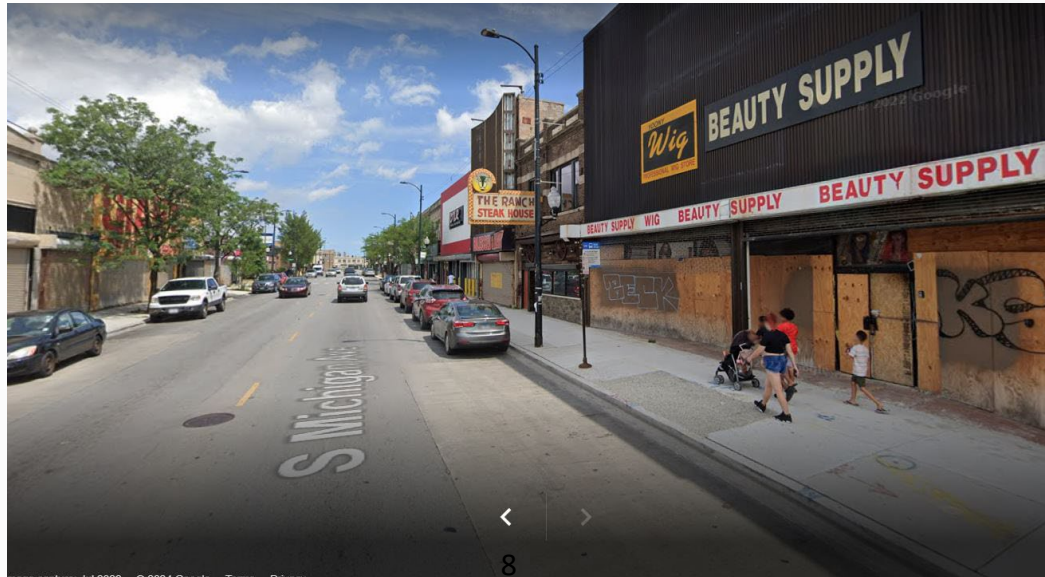
RLE will improve air quality, reduce greenhouse gas emissions, and save energy

# Red Line Extension Project Benefits

- Estimated Construction Jobs Created: 12,512
- Estimated Indirect Jobs Created: 59,800
- Estimated 25,000 additional jobs become available with the access to transit for community served
- Nationally, transit projects have a 5-to-1 economic return on investment
- Transit Supportive Development Plan for the Project
- Catalyze \$1.7B in real estate activity in RLE footprint in the years 2029-2040
  - 118,000 square feet of new retail space
  - 3,385+ new infill and rehab housing units



# Then and now: “The Avenue”





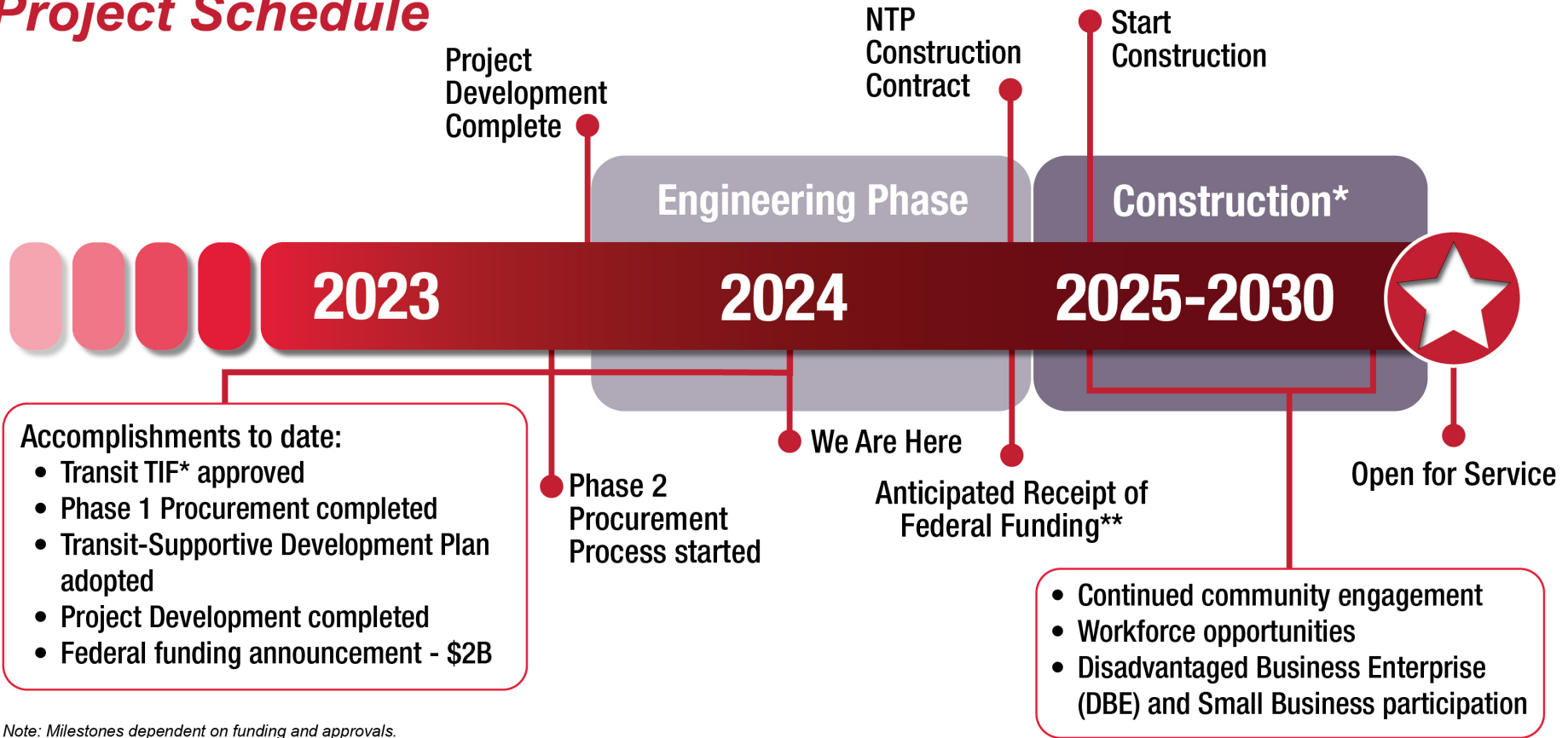
# The Future: “The Avenue”



TSD Plan Michigan Ave. Concept Rendering



# Project Schedule



*Note: Milestones dependent on funding and approvals.  
Transit Tax Increment Financing (TIF)  
\*Exact dates subject to further refinement as project advances.*

# Construction Industry: Steep Cost Increases

- Index measures construction industry costs
- **Over 50% increase in last two years**

## Major Drivers:

- Supply Chain Disruption
- Rising Materials Costs
- Labor Shortages
- Rising Interest Rates
- Reduced Competition
- Postponing project by 5 years will increase overall costs *significantly*

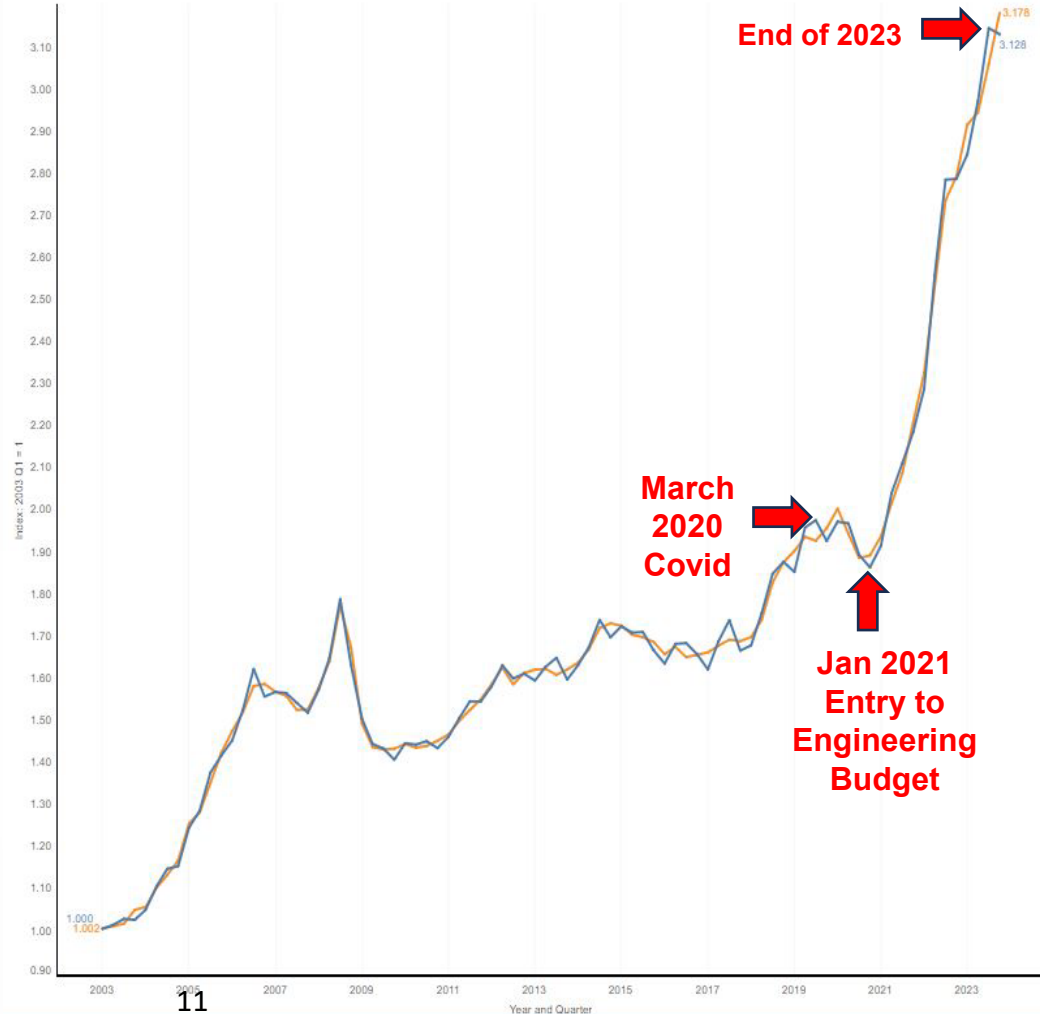


U.S. Department of Transportation  
Federal Highway Administration

Select Year and Quarter:  
2003 Q1 2023 Q4  
□ □

Select Series:  
 NHCCI  
 Seasonally Adjusted NHCCI

National Highway Construction Cost Index (NHCCI)



# Peer transit projects: Santa Clara VTA Bart Silicon Valley Phase II



- Santa Clara, CA
- Extends BART service 6-miles from San Jose to Santa Clara
- Cost Estimate:\$9.317B
- Current Projection: \$12.8B
- Project cost increase: 37%

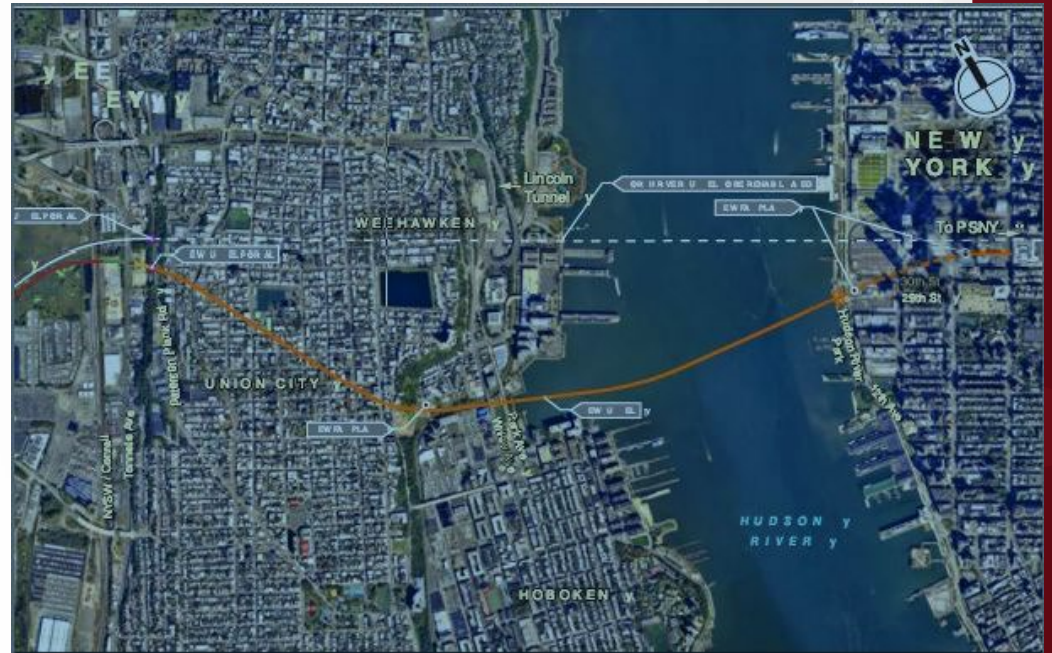
# Peer transit projects: MTA Second Avenue Subway Phase 2



- Manhattan, NY
- Extends the Q rail line north into Harlem from 96<sup>th</sup> St. to 125<sup>th</sup> St. and creates three new stations
- 2019 Program Budget \$6.4B
- Current Program Budget: \$7.7B
- Project cost increase: 17%
- NOT YET AWARDED

# Peer transit projects: New York/New Jersey Hudson Tunnel

- Construct new and rehabilitate existing tunnel under the Hudson River that carries Amtrak and NJ TRANSIT Northeast Corridor passenger trains between NJ and NY
- 2020 Project Budget: \$12.3B
- 2024 Project Budget: \$17.2B
- Project cost increase: 28%
- NOT YET AWARDED



# Peer transit projects: LA Metro East San Fernando Valley Transit Corridor Project



Los Angeles, CA

- 6.7-mile line with 11 new stations, 10 traction power substations, and a new maintenance & storage facility
- 2018 Project Budget: \$1.3B
- 2024 Project Budget: \$3.6
- Project cost increase: 117%



# CTA Past Project Performance

Project	Original Budget	Final Budget
Red and Purple Modernization Phase One	\$2,203,248,226	\$2,203,248,226
Dan Ryan South Improvements	\$332,608,701	\$318,138,762
Your New Blue Program	\$410,649,365	\$410,649,365



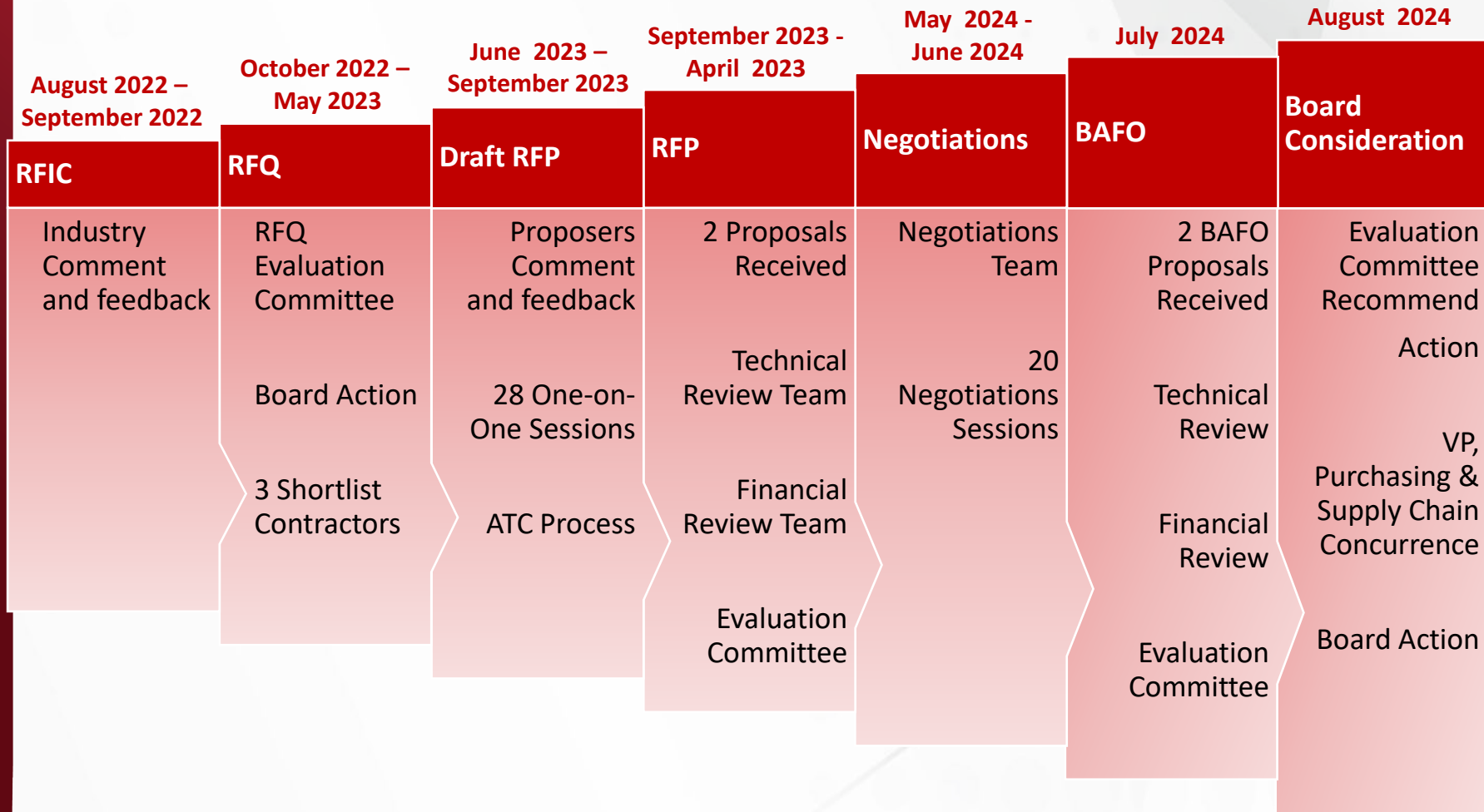


# Project Risk Mitigation Efforts

- Advance real estate acquisitions
- Advance utility coordination
- Separate packages for Mainline & Yard/Shop
- Request for Industry Comment (RFIC) issued August 2022
  - Discuss contractor concerns
  - Encourage participation and partnership
  - Craft RFP to mitigate risk
- FTA Risk Workshops and budget reviews
- Multiple rounds of value engineering
- Stipend for unsuccessful bidders



# Procurement Process



# Design-Build Contractor: WVTCP

- Name: Walsh-Vinci Transit Community Partners (WVTCP)
- Lump Sum Price: \$2,779,510,885
- Allowances: \$147M
- Total Award:
- \$2,926,510,885
- Includes a proposed budget increase of approximately \$1.16B<sub>19</sub>



# CIP Amendment

- The 2024-2028 is being amended to account for the changes to the RLE project
  - Total RLE project increased \$1.16B based on construction cost increases
  - Finance Charges were reduced due to the acceleration of the CIG fund distribution

## CTA August Board Amendment:

\$'s in millions

Capital Funding Sources	Funded <sup>(1)</sup>	2024	2025	2026	2027	2028	5 Year Funding	Outyear	Project Total
<b>Federal Share</b>									
Carbon Reduction Program (CRP)	0.0	30.0	0.0	10.0	15.0	45.0	100.0		100.0
FTA Areas of Persistent Poverty	0.5								0.5
HUD Community Project Funding	1.5								1.5
CMAQ	0.0	0.0	0.0	30.0	0.0	0.0	30.0		30.0
<b>Local Share Match</b>									
State of Illinois PayGo Funds	0.0	25.0	44.0	76.0	76.0	60.9	281.9		281.9
CTA Bonds	98.7	0.0	200.0	0.0	450.0	600.0	1,250.0	309.2	1,658.0
CTA Financing Costs	0.0	5.3	10.4	15.1	35.2	70.2	136.2	193.9	330.1
<b>August CIP Total</b>	<b>\$100.7</b>	<b>\$60.3</b>	<b>\$254.4</b>	<b>\$131.1</b>	<b>\$576.2</b>	<b>\$776.1</b>	<b>\$1,798.1</b>	<b>\$503.1</b>	<b>\$2,401.9</b>

## Anticipated Future Board Amendment for RLE:

Capital Funding Sources	Funded	2024	2025	2026	2027	2028	5 Year Funding	Outyear	Project Total
FTA 5309 CIG Funds (FFGA) - Federal <sup>1</sup>		746.0	350.0	350.0	132.0	132.0	1,710.0	264.0	1,974.0
City of Chicago TIF (Local Share)		0.0	18.1	173.1	402.2	189.2	782.6	167.4	950.0
<b>CIP RLE Amended Funds</b>	<b>\$0.0</b>	<b>\$746.0</b>	<b>\$368.1</b>	<b>\$523.1</b>	<b>\$534.2</b>	<b>\$321.2</b>	<b>\$2,492.6</b>	<b>\$431.4</b>	<b>\$2,924.0</b>
<b>CIP Funding Total</b>	<b>\$100.7</b>	<b>\$806.3</b>	<b>\$622.5</b>	<b>\$654.2</b>	<b>\$1,110.4</b>	<b>\$1,097.3</b>	<b>\$4,290.7</b>	<b>\$934.5</b>	<b>\$5,325.9</b>

<sup>1</sup> FTA includes \$126M in finance charges



# About WVTCP

## Walsh

- Multiple mega projects within the Chicago area, including the \$2.1B CTA RPM Phase 1 Project.
- Extensive Transit experience
  - NICTD South Shore Line
  - DART (Dallas) Silver Line
  - TEXRail Commuter Line
  - Crenshaw/LAX Transit
  - DART (Dallas) Green Line

## Vinci

- Completed over \$50 billion worth of Design-Build projects in 42 countries, over the past 10 years.
- Multiple mega projects in US, and transit projects around the world



# About WVTCP

## Systra

- Multiple mega projects within the Chicago area, including the \$2.1B CTA RPM Phase 1 Project.
- Extensive Transit experience
  - HART (Atlanta) Line 3
  - Seattle Sound Transit
  - WMATA (D.C.)
  - MBTA (Boston) Green Line Extension

## EXP

- Multiple mega projects within the Chicago area, including the \$2.1B CTA RPM Phase 1 Project.
- Extensive recent CTA experience
  - Garfield Gateway Project
  - O'Hare Line Belmont and Jefferson Park improvements
  - Washington/Wabash Elevated Loop Station
  - 95<sup>th</sup> Street Terminal Improvement Project
  - Illinois Medical District Station Rehabilitation



# Maximizing DBE Participation



Top, Allstate Concrete Cutting; bottom, Air & Wellness Safety Training, RPM Phase One Project

- DBE goals for design (25%) and construction (22%)
- Diversity Outreach Plan required in RFP, which included Mentor / Protégé Program for DBEs
- CTA expanded outreach to potential-DBE firms about DBE certification
- WVTCP committed to hosting targeted outreach events with CTA to educate potential-DBE firms on certification process and inform DBE community on upcoming opportunities



# Proposed DBC: DBE participation

- Committed to 25% DBE participation on design and 22% DBE participation on construction
- Each joint venture partner has pledged to provide mentorship to a DBE firm for the duration of the Project
- Has identified GMA and Torro Construction to oversee the erection of the permanent station work.
- Will conduct quarterly networking and educational sessions for small and diverse businesses
- Committed to unbundling bids into “right-sized bids” to encourage DBE participation





# Workforce Development Plan

## RLE workforce goals as a percentage of total labor hours:

- Design
  - Service Area Economically Disadvantaged Area: 10%
- Construction
  - Careers Opportunity Goal: 10%
  - Service Area Economically Disadvantaged Area: 35%
  - Union Apprentice: 15% Develop pipeline for training, apprenticeship and jobs
- Meet/exceed goals for disadvantaged worker hiring
- Actively talking with trades, assist agencies, transit peers to establish partnerships and pipelines



*Concrete pour, RPM Phase One Project*

# Proposed DBC: Workforce commitment

- Contracting team is committed to meeting the RFP workforce goals
- Team will host semi-annual career fairs in economically disadvantaged areas and project impact areas
- Team is committed to partnering with the following agencies that assist individuals with workforce re-entry:
  - Chicago Women in Trades (CWIT)
  - Chicago Urban League
  - Construction Industry Service Corporation (CISCO)
  - Various Union Locals
  - The Coalition of Black Trade Unionist (CBTU)
  - Job Corps
  - Hire 360
  - American Job Centers
  - Helmet to Hardhats
  - St. Paul Community Ministries Development Program
- Contracting team's workforce efforts will compliment CTA's robust and ongoing workforce development efforts
- Team is committed to hire 3 interns for design per year and 3 interns for construction per summer during construction.
- Team is committed to funding an annual scholarship to assist STEM students that live in Economically Disadvantaged Area (EDA) zip codes



# RLE Program DBE Performance

<u>Contract Description</u>	<u>DBE Goal</u>	<u>DBE Commitment / Attainment</u>	<u>Total Award</u>	<u>DBE Dollars</u>
Professional Consulting Video Services for RLE	30%	36.75% **	\$249,000	\$91,500
General Engineering Consultant - RLE Preliminary Engineering Survey	30%	84.18%	\$838,746	\$706,027
RLE Transit Supportive Development (TSD) Comprehensive Plan	40%	39.73%	\$1,470,202	\$584,935
RLE Final Environmental Impact and Preliminary Engineering Services	26%	26.00%	\$38,324,821	\$9,964,453
Program Management Services for RLE	30%	30.00%	\$104,193,418	\$32,872,146
Consultant to assist CTA in the analysis, development and enactment of a Transit TIF District for RLE	20%	25.79%	\$1,440,000	\$371,376
Property Management Services for RLE	30%	60.03%	\$25,532,000	\$7,059,600
RLE Ordinary Demolition Design #1 (North)	100% SBE	100%	\$485,400	\$485,400
RLE Ordinary Demolition Design #1 (South)	100% SBE	100%	\$374,754	\$374,754
RLE Complex Demolition Design	30%	37.82%	\$1,200,281	\$453,986
RLE Community Office Buildout Design	100% SBE	100.00%	\$550,948	\$550,948
RLE Advanced Work Construction Management	30%	63.40%	\$3,943,240	\$2,500,000
RLE 120th Yard and Shop Design	30%	30%	\$28,596,777	\$8,579,038
RLE Construction Management	35%	37%	\$137,545,775	\$50,908,543
RLE Complex Demo Construction Blanket	TBD per Work Order	TBD per Work Order	TBD	TBD
RLE Ordinary Demo Construction Blanket	100%	100.00%	TBD	TBD
RLE Program's Procurement Consultant	0%	0%	\$500,000	\$0
RLE Mainline Design - Build	25% Design / 22% Construction	25% Design / 22% Construction	\$2,926,510,885	\$651,208,165
<b>TOTAL</b>		<b>23.43%</b>	<b>\$3,271,756,247</b>	<b>\$766,710,871</b>



# Questions