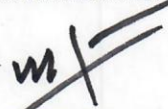


# City of Alexandria, Virginia

## MEMORANDUM

**DATE:** MARCH 18, 2020

**TO:** POTOMAC YARD METRORAIL IMPLEMENTATION WORK GROUP (PYMIG)

**FROM:** MARK B. JINKS, CITY MANAGER 

**SUBJECT:** OUTCOME OF POTOMAC YARD METRORAIL STATION SOUTHWEST ACCESS PRICING DISCUSSIONS

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**SUMMARY:** The following provides background information and an update on the procurement of an enhanced southwest access to the Potomac Yard Metrorail Station. The Washington Metropolitan Area Transit Authority (WMATA), City of Alexandria, and Potomac Yard Constructors (PYC) have agreed on a justifiable fee for the design and construction of the enhanced southwest access, Modified Idea #1 (Exhibit 1). Based on the information contained herein, staff will be recommending that the City Council at a future meeting authorize WMATA to initiate the process to award a change order to PYC. As part of that process, staff is seeking PYMIG input and concurrence on the preferred alternate recommendation. A process of next steps in this process is outlined in this memo.

**BACKGROUND:** In May 2019, you received a memo providing an update on the evaluation of potential options for enhanced access to the Potomac Yard Metrorail Station from the southwest. It contained an overview of PYC's cost and budget estimates for the three southwest access design concepts developed by the City and WMATA. It included an analysis of the City's options in light of the \$50 million in funding made available by the Commonwealth of Virginia for this specific purpose in its Amazon HQ2 incentive package.

At that time, all three alternative concepts had an estimated cost in excess of \$50 million. Through further review of the concepts, staff determined that Idea #1 could possibly be modified through the elimination of the escalator and value engineering to bring costs within the available \$50 million in funds. Furthermore, refinement of the design could eliminate some of the scope uncertainty and lower the cost estimate and allowances. Based on June 25, 2019 City Council direction, the City requested WMATA authorize further design and development of an engineering-level cost estimate for Modified Idea #1 (Exhibit 1) as well as the December 2018 DSUP ramp option (Exhibit 2).

WMATA gave direction to PYC to provide cost estimates for the two options by late Fall 2019. Subsequently, the City and WMATA began preparation of an independent cost analysis. Upon receipt and review of PYC's cost estimate, several key differences in assumptions about

materials, quantities, construction methods, and unit prices were identified between the PYC and WMATA/City estimates. WMATA and the City determined these differences in assumptions were significant enough that the estimate could not be accepted without additional research into the areas of divergence. Virginia Department of Rail and Public Transportation (DRPT) provided additional analysis and oversight to ensure justifiable use of the \$50 million in State funding.

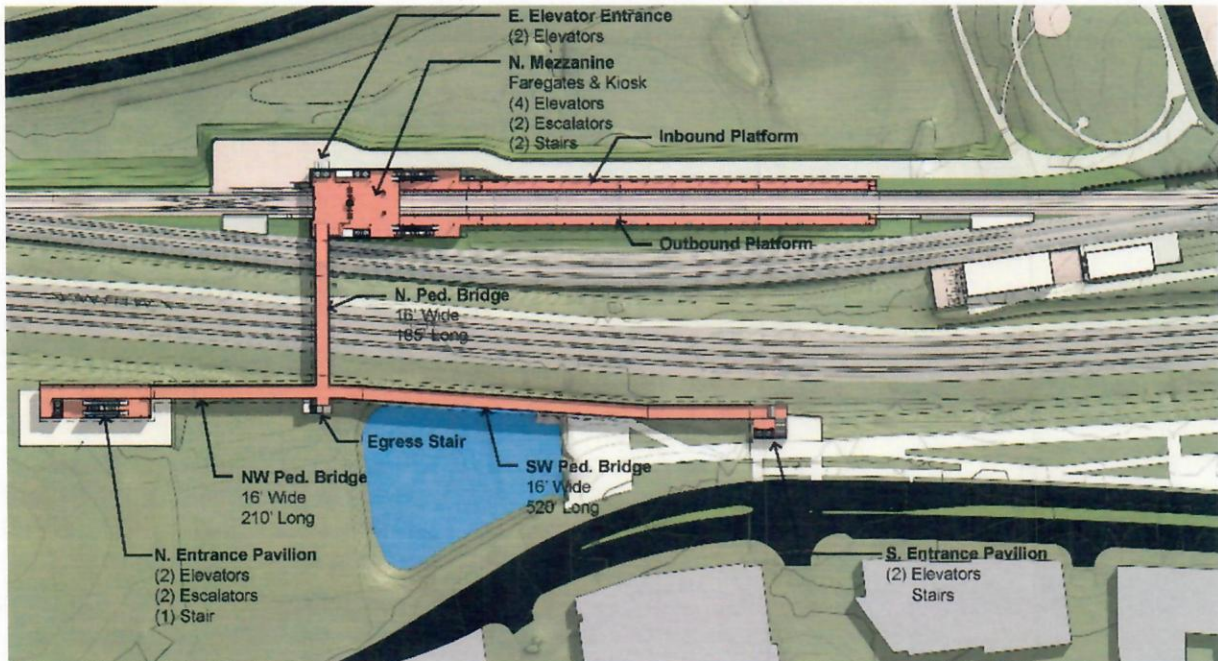
It should be noted that given a large portion of the \$50 million from the State is federal money, the federal government will be auditing the contract pricing of the southwest access project, so the contract pricing needed to be thoroughly justified.

Following the additional investigation period, WMATA entered into discussions with PYC. The City and WMATA also determined that if WMATA and PYC were unable come to an agreement, WMATA would begin a competitive procurement process for a new contractor to complete the design and construction of the enhanced southwest access.

Although this process continued longer than any would have liked, it has ultimately resulted in an agreed fee for Modified Idea #1 that was deemed fair and reasonable by WMATA, the City, and DRPT. Additionally, it was agreed that the additional construction for this access enhancement would be completed within the current project schedule completion date of March 2022.

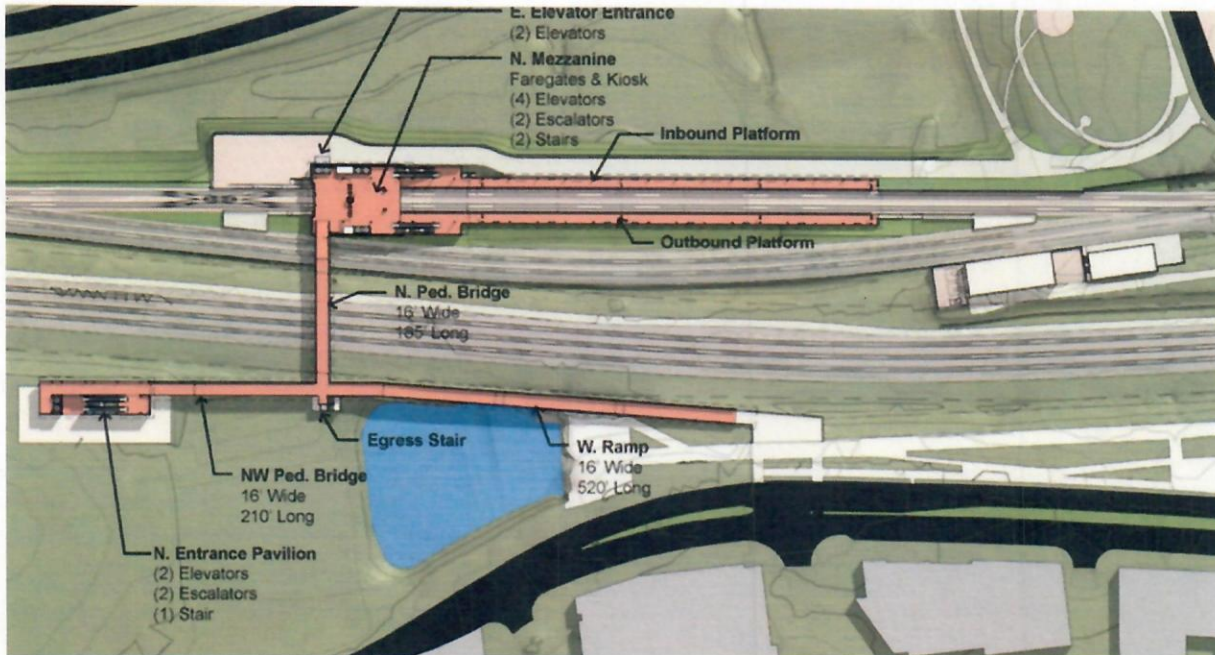
The following provides details on the two options that were considered.

Modified Idea #1 (South Entrance Pavilion with Bridge) A southwest entrance pavilion located at Potomac Avenue and E. Glebe Road with a 520 feet long bridge connecting the pavilion to the north pedestrian bridge. Pavilion to include a pair of elevators and stairs.



**Exhibit 1**

2018 DSUP Ramp (Southwest Entrance with Long Ramp) A Southwest entrance with a 520 foot long ramp from Potomac Avenue and E. Glebe Road to the North pedestrian Bridge.



**Exhibit 2**

Although WMATA has stated it is not yet able to publicly release the details of the agreed fee, it can be shared that the cost for Modified Idea #1 (South Entrance Pavilion with Bridge) is within the \$50 million State funding.

While the agreed cost estimate is specifically for Modified Idea #1, it was stipulated that any line-item costs could then be used for pricing of the 2018 DSUP Ramp, if that option was preferred by stakeholders. It is estimated that the 2018 DSUP Ramp could potentially cost \$10 to \$15 million less. If continuing with the Ramp option were the recommendation of PYMIG, additional (but greatly simplified) negotiations would be required.

**RECOMMENDATION AND NEXT STEPS:** During the May 21, 2019 PYMIG meeting, it was agreed that *“The objective is to enhance the Potomac Yard Metro southwest station entrance by maximizing accessibility, promoting walkability, and increasing economic potential for the Potomac Yard area.”* Based on this objective, further design development, and the negotiation outcome, staff recommends that PYMIG make a recommendation to City Council to approve moving forward with Modified Idea #1 as the preferred alternative.

Staff requests that PYMIG representatives discuss this recommendation with their constituents over the next week. Staff are available for one-on-one phone calls or can be contacted via email for further discussion of this memorandum.

Due to current guidance on public gatherings due to the COVID-19 virus, the March 31, 2020 meeting will not be held. State law governing public meetings prevent the City from holding virtual PYMIG meetings. On account of these circumstances, staff requests PYMIG members provide their individual input for a preferred southwest access design and high-level summary of

their discussions regarding this decision to Daphne Kott via email (daphne.kott@alexandriava.gov) by March 30, 2020. In replying to Ms. Kott by email, please do not copy other PYMIG members as that might constitute an electronic "meeting" which state law prohibits. Following the receipt of PYMIG input, a summary of the responses will be shared with fellow PYMIG members. Additional opportunity for input will be provided as needed.

After receiving a coordinated recommendation from PYMIG, staff will docket a recommendation for Council consideration on April 14, 2020. City Council approval will allow the City and WMATA to move forward with the change order process. This process is complex, involving changes to the WMA TA funding agreement, formal approval by the WMA TA Board, and issuance of the change order to PYC. To keep the construction on schedule, the City and WMA TA will develop recommendations for proceeding to allow the project elements to remain on schedule. Additional details and discussion will be provided at upcoming City Council and PYMIG meetings.

cc:

The Honorable Mayor and Members of City Council  
Emily A. Baker, PE, Deputy City Manager  
Joanna Anderson, City Attorney  
Yon Lambert, Director, T&ES  
Karl W. Moritz, Director, P&Z  
Terry Suehr, PE, Director, DPI  
Daphne Kott, PE, Project Director, DPI