



Date: November 18, 2021
Current Meeting: December 02, 2021
Board Meeting: December 09, 2021

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation (IPTC) Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Vice President of Infrastructure, Strategy, and Innovation Jennifer Pyrz
SUBJECT: Consideration and approval to modify the minimum change order amount requiring Board Action on the Purple Line Bus Rapid Transit (BRT) Project

ACTION ITEM A – 7

RECOMMENDATION:

It is requested that the Board authorize IPTC to modify the procurement policy to allow President/CEO Inez Evans to approve change orders of \$250,000 or less through construction of the Purple Line BRT project.

BACKGROUND:

The Purple Line 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 Authority (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.

Per existing IPTC procurement policy, any Change Orders that exceed \$100,000 are presented to the board for approval. This policy applies to all projects, regardless of size. Under this process, large Change Orders can be approved no more than once per month at scheduled board meetings.

During construction of the Carson Transit Center, IPTC learned that the pace of construction on a large project required more administrative flexibility in change management. The IPTC Board at that time gave the President/CEO the authority to approve certain change orders over \$100,000 in order to avoid project delays. Similarly, in December 2018, the IPTC Board voted to approve a change in policy, specifically for the Red Line BRT construction project, for the execution of change orders up to \$250,000 with approval by the President/CEO. Any such change orders would be brought to the next Board meeting as informational items. Any change orders over that amount required Board approval.

Under that same action item, the Board also approved a modification to policy to allow change orders over \$250,000 to be approved via ratification, rather than pre-approval, in time-sensitive situations. Under this revised policy, IPTC staff was required to notify board members of the pending change order via email concurrently with its execution, and the change order would then be ratified at the following board meeting. This latter process was to be used only in times of urgent need.

DISCUSSION:

Purple Line construction is expected to start in January 2022 and be completed in 2024. Similar to the Carson Transit Center and Red Line projects, staff and the Construction Management Team desire greater flexibility to respond to project needs in a timely manner through this construction period. Staff are requesting that President/CEO Inez Evans be authorized to approve change orders of \$250,000 or less, with any approved changes brought to the next board meeting as informational items. Approvals will happen through written documentation of the request and corresponding approval.

Independent cost estimates are completed for each project change and all changes are reviewed and recommended for approval by the Designer of Record and Construction Management Team prior to IPTC execution. Change orders will be monitored by IPTC staff and the Construction Management Team via weekly change management meetings and reported to the executive team in regular meetings.

Efficient change management procedures also allow for the prompt payment of the Purple Line contractors, which allows for their prompt payment to DBEs, other subcontractors and suppliers.

ALTERNATIVES:

The Board could choose not to approve this request and require that all change orders of \$100,000 or greater receive board approval before proceeding, per existing procurement policy. This scenario could delay construction progress and potentially result in increased costs or delay claims from the contractor on critical-path items.

FISCAL IMPACT:

The Purple Line project is funded from a variety of sources, including FTA Small Starts, Bond Revenues, 5307 Formula Funds, and local funds, as documented in the Capital Plan. The overall project budget includes contingency, which is available to be used for changes deemed necessary by the project team. The project budget will not be impacted as long as the sum of all change orders does not exceed the contingency amount.

DBE/XBE DECLARATION:

Not applicable

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Finance Committee on December 2, 2021.