



Metro

Board Report

File #: 2022-0124, File Type: Program

Agenda Number: 10.

REVISED
PLANNING AND PROGRAMMING COMMITTEE
APRIL 20, 2022**SUBJECT: INTERSTATE 10 HOV LANES PROJECT PROGRAMMING INCREASE****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

CONSIDER:

- A. APPROVING \$21,749,863 of additional Congestion Mitigation and Air Quality (CMAQ) programming within the current FY22 budget allocation; and
- B. AUTHORIZING the Chief Executive Officer or their designee to negotiate and execute the necessary amendments to existing agreements for additional funding to the I-10 High Occupancy Vehicle Lanes Project from Puente Avenue to SR-57.

DUPONT-WALKER AMENDMENT: Return to the board with other capital-only funding sources for this project in place of CMAQ should there be additional need for operations funding.Report back in August 2022 on the following:

- A. an operations funding outlook beyond fiscal year 23 and how cmaq can help forestall the expected operations deficit; and
- B. a policy to use CMAQ first for any eligible operations costs.

ISSUE

The I-10 High Occupancy Vehicle (HOV) Lanes Project from Puente Avenue to SR-57 (the Project) is led by Caltrans with partial funding from Los Angeles County Metropolitan Transportation Authority (Metro). Additional funds are required to close out the Project to cover several contractor claims. The anticipated costs to close out the Project are as follows: Segment 2 (PA.P000340A-3) in the amount of \$29,688,029 (State share is \$16,103,191 and Metro's share is \$13,584,837) and Segment 3 (PA.P000399A-2) in the amount of \$12,841,343 (State share is \$4,676,317 and Metro's share is \$8,165,026). Metro's total share of the additional funds required to close out the project, using segregated Contractor's bid established based on funding agreements, is: \$21,749,863. The Board's

action to increase programming for the Project will enable Caltrans to close out the construction contract.

BACKGROUND

The Project is being delivered by Caltrans in two segments and has added approximately ten miles of HOV lanes in each direction (now open to traffic), closing the gap to provide a continuous HOV/Express Lanes facility from east of Downtown Los Angeles to the San Bernardino County. Metro's current contribution to the Project is as follows: \$117,726,051 out of \$203,001,051 programmed for Segment 2 per Funding Agreement Number PA.P000340A-3, effective as of February 3, 2020, and \$157,450,000 out of \$267,116,000 programmed for Segment 3 per Funding Agreement Number PA.P000399A-2, effective as of September 30, 2020.

Segment 1, between I-605 and Puente Avenue, was completed in 2016 with a savings of \$10,910,051 in CMAQ funds. For Segment 2, between Puente Avenue and Citrus Avenue, construction was completed in January 2022. Segment 3, between Citrus Avenue and SR-57, is undergoing plant establishment (expected to be completed in February 2023) and was opened to traffic in April 2021.

DISCUSSION

The construction contract for the I-10 improvements between Puente Ave and SR-57 has several claims. The Contractor Claims for Segment 2 totaling \$47,236,856 are for inefficiencies and escalation of material and labor cost due to project delays. The project delays were due to utility relocations, right-of-way possession, site condition that required redesign of retaining walls and roadways, and discovery of buried man-made objects that required removal. The Contractor Claims for Segment 3 total \$8,458,049 primarily due to unsuitable material caused by ground water, pavement grinding issues, and other minor claims. In addition, Segment 3 needs \$2,550,000 to replenish contingencies to complete the Project.

In a letter dated February 14, 2022 (Attachment A), the California Department of Transportation (Caltrans) requested that Metro contribute \$21,749,863 in supplemental funding for Segment 2 and Segment 3 to complete construction and close out these segments. Metro staff supports the programming of additional funds as the claims are being negotiated and the requested additional funds are required for the Project's closeout. Metro's contribution to cover these additional costs was calculated based on the established work items relating to the HOV lane as the original funding agreement scope.

DETERMINATION OF SAFETY IMPACT

The proposed action has no known adverse impact to the safety of Metro patrons and employees or users of our facilities. The I-10 freeway is a state-owned facility and Caltrans standards will be adhered to in the construction of the proposed improvements.

FINANCIAL IMPACT

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Caltrans Life of Project (LOP) budget of I-10 Segments Improvement for Segment 2 is \$203,001,051 per Funding Agreement Number PA.P000340A-3 effective as of February 3, 2020 and Segment 3 is \$267,116,000 per Funding Agreement Number PA.P000399A-2 effective as of September 30, 2020.

The current project budget allocations and shortfalls are summarized in the funding tables below:

Segment 2:

Project Cost \$	\$147,564,080 (2022)
Cost Type	Estimated Cost

Revenue

Funding Source	Type	Amount	Status
State	IIP & RIP	\$6,838,000	Approved
	SHOPP	\$ 28,312,000	Approved
	IIP Shortfall	\$ 2,187,470	Pending CTC Approval
	SHOPP Shortfall	\$ 13,915,722	Pending CTC Approval
Local	CMAQ	\$ 81,776,051	Approved
	Net Toll Revenues	\$950,000	Approved
	CMAQ Shortfall	\$13,584,838	Pending Metro Board Approval
Total Revenue		\$147,564,080	

Segment 3:

Project Cost \$	\$210,100,343 (2022) (\$209,000,343 in Capital & \$1,100,000 in Support)
Cost Type	Estimated Cost

Revenue

Funding Source	Type	Amount	Status
State	SHOPP	\$41,750,000	Approved
	G-12 Award	\$4,375,000	Approved
	SHOPP Capital Shortfall	\$4,094,226	Pending CTC Approval
	SHOPP Support Shortfall	\$582,092	Pending CTC Approval
Local	CMAQ	\$148,634,000	Approved
	Net Toll Revenues	\$2,500,000	Approved

	CMAQ Capital Shortfall	\$7,647,118	Pending Metro Board Approval
	CMAQ Support Shortfall	\$517,908	Pending Metro Board Approval
Total Revenue		\$210,100,343	

IMPACT TO BUDGET

Adoption of the recommendation will not have an impact to the FY 2022 budget, as Metro staff has identified CMAQ funds to pay for the cost increase. The CMAQ funds were not included or identified for other uses in the Metro FY 2022 budget.

EQUITY PLATFORM

The Project is administrated by Caltrans. The environmental process for Segment 2 and Segment 3 were completed in December 2002 and included public participation. Throughout the construction phase, the outreach efforts consisted of sending press releases to the cities, communities, media outlets, and elected offices regarding construction work. Caltrans Public Affairs unit responded to constituent inquiries and scheduled as-needed community meetings. Progress reports and updated information have been posted on Caltrans website. Every effort has been made to avoid, minimize, and/or mitigate construction impacts on the corridor communities, such as building sound walls to mitigate noise at various locations throughout the project limits and help improve the quality of life for residents.

The Project transverses through an Equity Focus Community (EFC) within the City of West Covina. In 2019, 53% of the people in West Covina were Hispanic and 81.4% of workers in West Covina drove alone to work, followed by those who carpooled to work (9.32%). This action will complete a Caltrans project that promotes and encourages ridesharing; thereby alleviating congestion through the San Gabriel Valley. The Project was constructed within the existing Caltrans right-of-way and additional acquired right-of-way. It has DBE goal of 9.0 percent for Segment 2 and 10.0 percent for Segment 3. The contract was certified with 10 percent for Segment 2 and 10.4 percent for Segment 3 in DBE.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of staff recommendation would allow for Caltrans and Metro to close out the Project. The Project is consistent with the following Metro Vision 2028 Goals and Objectives:

Goal 1: Providing high-quality mobility options that enable people to spend less time traveling by providing improved mobility at this location through upgrading the Expressway to an access-controlled freeway and HOV lanes to encourage carpooling and improve transit efficiency.

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Goals 4 and 5: Transforming LA County through regional collaboration with Caltrans and the corridor cities by contributing funds and providing resources to assist Caltrans in management and delivery of this project.

ALTERNATIVES CONSIDERED

The Board may choose not to approve staff's recommendation. However, this would be inconsistent with our commitment to partnering with Caltrans on the delivery of High-Occupancy Vehicle network improvements.

NEXT STEPS

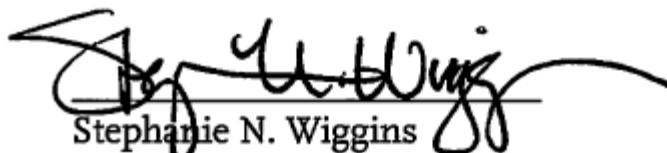
Upon Board's approval of the recommended action, Metro staff will complete the necessary funding agreements.

ATTACHMENT

Attachment A - Caltrans letter 2-14-2022

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February 14, 2022

Mr. Abdollah Ansari
Senior Executive Officer
Highway Program
Los Angeles County Metropolitan Transportation Authority (LACMTA)
One Gateway Plaza
Los Angeles, CA 90012

Dear Mr. Ansari:

First, I would like to express the California Department of Transportation (Caltrans) appreciation for LACMTA's partnership in construction of the High Occupancy Vehicle (HOV) projects on Interstate (I) 5 North, I-5 South, and I-10 corridors to serve the people of the region. As you know, these mega projects that takes many years of collaboration and resources from both agencies to complete. The I-10 corridor consists of three segments, all of which are open to traffic. Two of the segments are completed having achieved Construction Contract Accepted (CCA). The last segment is targeted to achieved CCA in February 2023.

Caltrans closed out Segment 1 of the project with the Contractor in 2018, we are now in claim negotiation with both contractors on Segment 2 and Segment 3. With the contractor submitted claims, both segments will need additional funds from Caltrans and Metro to settle the claims and close the projects with each contractor. Caltrans has been discussing the claims with LACMTA team for many months. This letter is a formal request documenting the amounts and the reasons for the LACMTA share of the project cost increase for Segment 2 and Segment 3.

Project Segment 2 (EA 07-1170U) has a total project estimated cost increase of \$29,688,029 in construction capital, of which \$13,584,837 is LACMTA share. Segment 3 has a total estimated cost increase of \$12,841,343 in construction capital and support, of which \$8,165,026 is LACMTA share.

Cost increases for projects such as these with multiple fund sources, are based on the work items that each fund type was programmed for per the STIP and SHOPP guidelines and the CTC approved funds.

ATTACHMENT A

I-10 Cost Increase Request

February 14, 2022

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For Segment 2, before the Construction contract was advertised, we established the segregated Engineer's Estimate (EE), which identified the items of work that will be funded by SHOPP (Caltrans fund) and CMAQ (Metro fund) for the HOV lane project and a combined soundwall project. The funding proportions for the project was established based on this segregated scope. The project cost split was re-established based on the segregated EE percentages and Contractor's bid prices after award of the contract. After construction complete, the project cost split was re-calculated to include change orders and claims relating to the work for SHOPP, CMAQ, and the soundwall project. Based on these calculations, the LACMTA share was calculated for the CMAQ and RIP (from Soundwall) funds.

Segment 3 project is funded by SHOPP and CMAQ funds. We used the same approach as above to calculate the cost split for Caltrans and LACMTA share.

For the reasons given above, Caltrans is requesting for LACMTA fund their proportional share of the cost increase for these two projects. We request the LACMTA submit the request to add additional funds for these two projects to the LACMTA Board for approval at April 2022 Board meeting.

Please don't hesitate to contact me at (818)254-5439 if you require any additional information.

Sincerely,



Gregory Farr
District 7 Assistant Division Chief
Program & Project Management
California Department of Transportation

c: Mark Archuleta, Deputy District Director - Construction
Susan Chang, Deputy District Director - PPM