

Board Report 2023-0316

July 2023

Life of Project (LOP) Budget Increase

WESTSIDE PURPLE LINE EXTENSION SECTION 2

FTA OP-40 New Contingency Requirements

- 2002 – FTA Introduces Risk Assessment Requirements
- 2015 – FTA OP-40 P50 Contingency Requirement (RC, PLE1, and PLE2)
- 2019 – FTA Directs PMOC's to use P65 Contingency Requirements (PLE3)
- 2022 – FTA OP-40 Officially Adopts the P65 Contingency Requirement (ESFV)

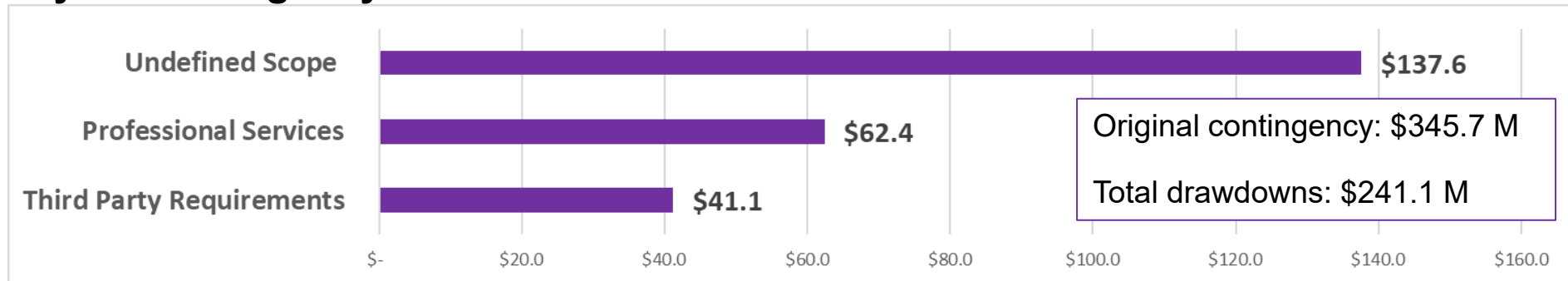
Key Milestone Checkpoints

Level	2015 Target	2022 Target
15% Design	None Provided	40%
Entry to 30% Design	25%	33%
60% Design	None Provided	26%
Pre-Bid 95% Design	15%	20%
Start Const. 100% Design	10%	13%
20% Construction Complete	None Provided	9%
50% Construction Complete	5%	7%
RSD	None Provided	2%

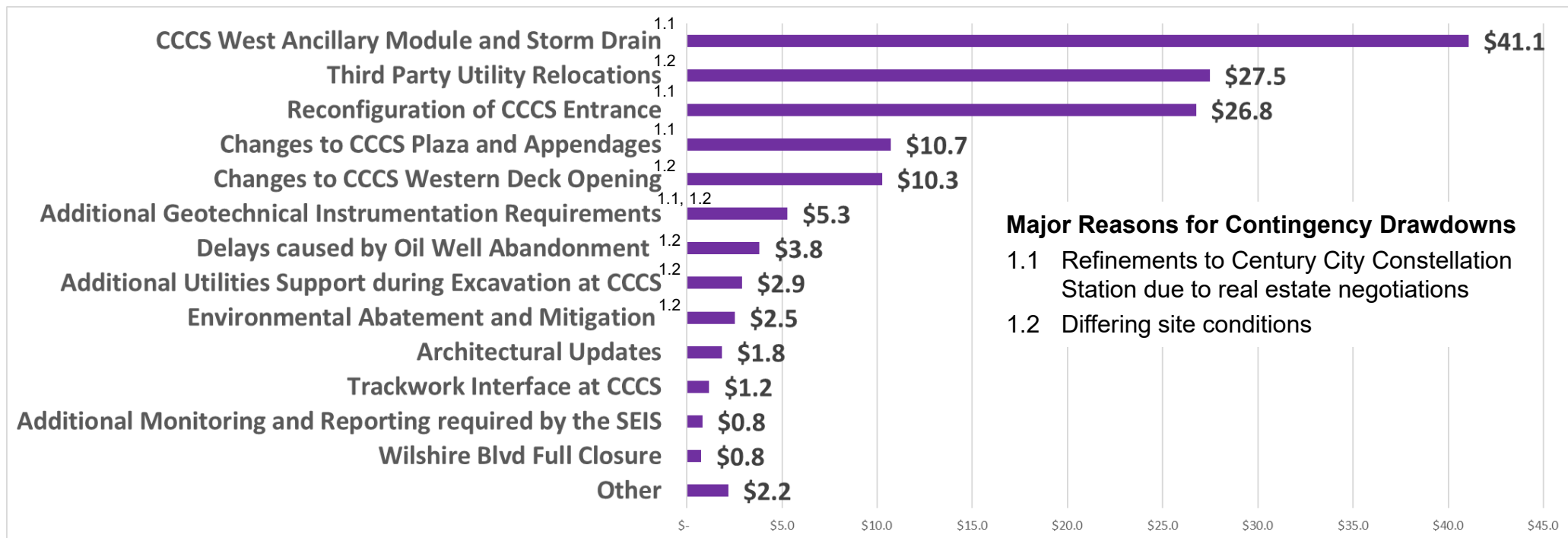
- Risk assessments by Metro staff and the Federal Transit Administration (FTA) indicate a budget shortfall of \$232M at the 65% confidence level
- The requested LOP budget increase of \$134M is based on the most favorable outcome for current Project issues and risks (just below the 50% confidence level)

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History of Contingency Drawdowns



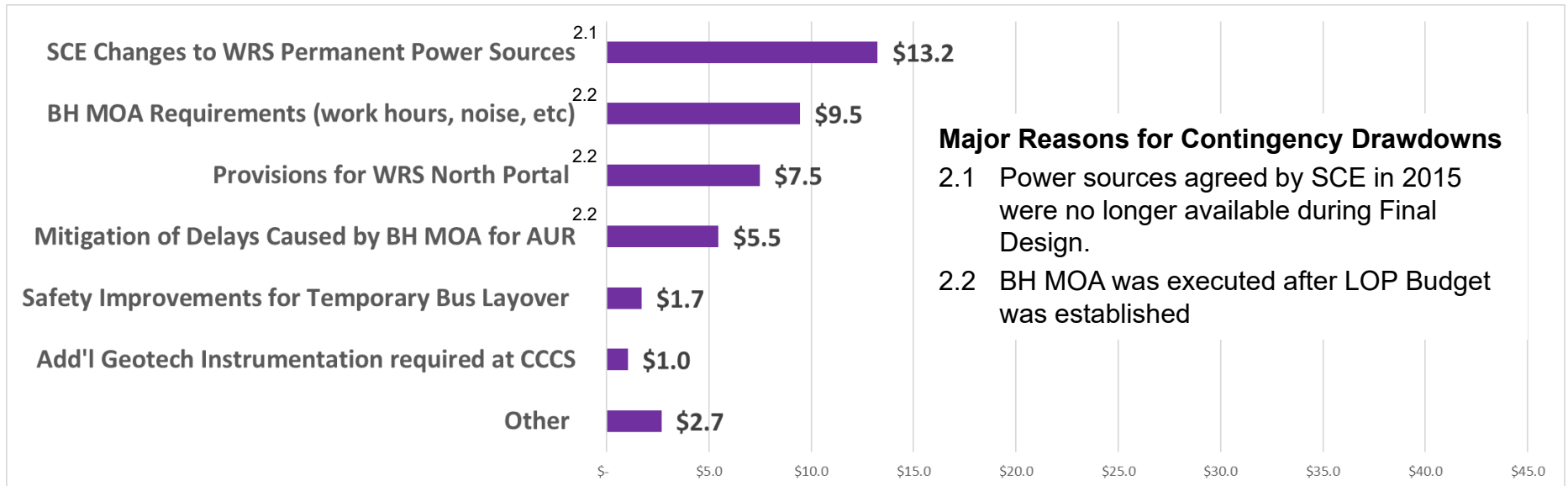
Previously Undefined Scope (\$137.6M)



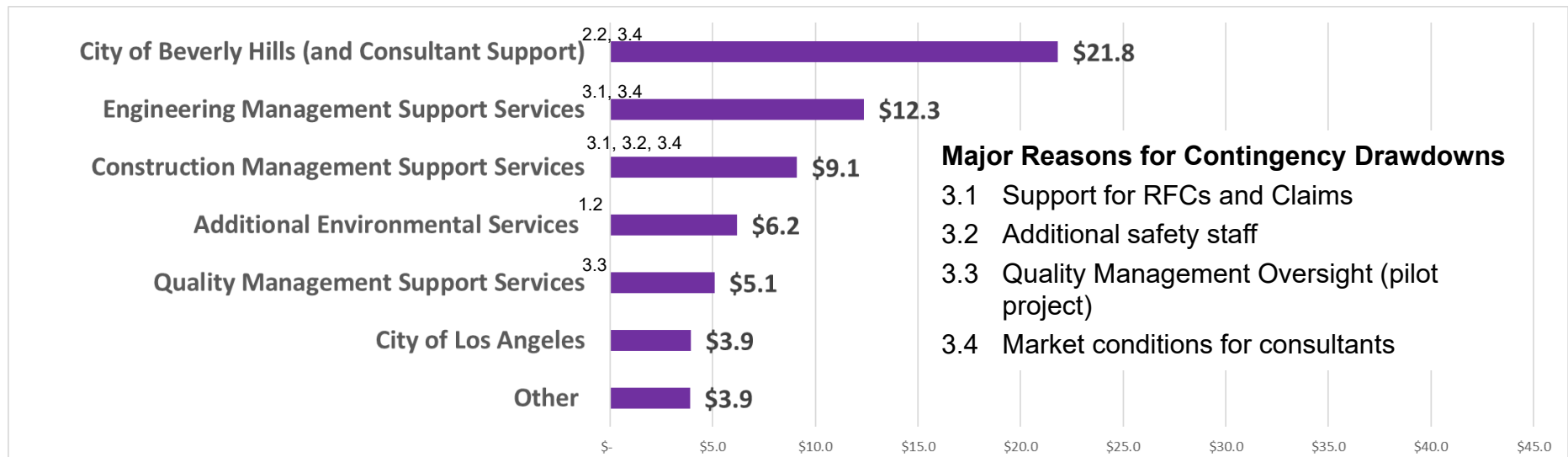
NOTE: CCCS = Century City Constellation Station

WESTSIDE PURPLE LINE EXTENSION SECTION 2

Third Party Requirements (\$41.1M)



Professional Services (\$62.4M)



CCCS = Century City Constellation Station

WRS = Wilshire Rodeo Station

Managing Risk and Future Contingency Drawdowns

- The requested LOP budget increase will replenish contingency to manage open risks which include:
 - **20** Open Claims
 - **10** Notices of Intent to Claim
- Next steps for Project Staff
 - Continue to monitor and manage current and future risks
 - Negotiate settlements on specific issues if merited
 - Utilize dispute resolution process in the Contract if necessary

WESTSIDE PURPLE LINE EXTENSION SECTION 2

Summary of C1120 Changes > \$1,000,000

Change #	Description of Change	Contractor Proposed Amount	Final Amount	Difference
MOD-173	Constellation Station West Ancillary and OPE Reconfiguration ^{1.1}	\$ 42,470,746	\$ 37,300,000	\$ 5,170,746
MOD-100	Century City Constellation Station Main Entrance - Construction ^{1.1}	\$ 32,776,271	\$ 25,500,000	\$ 7,276,271
MOD-171	WRS Permanent Power Duct Banks ^{2.1}	\$ 13,748,653	\$ 12,475,794	\$ 1,272,859
MOD-178	CCCS West Deck Access Opening Inefficiencies ^{1.2}	\$ 15,150,186	\$ 10,269,998	\$ 4,880,188
MOD-170	CCCS Entrance Plaza, Appendage, and Right-of-Way Revisions due to JMB ^{1.1}	\$ 14,060,104	\$ 10,384,466	\$ 3,675,638
MOD-179	Provisions for WRS North (Secondary) Entrance - Construction ^{2.2}	\$ 7,197,324	\$ 6,489,588	\$ 707,736
MOD-10	Worksite Traffic Control for SCG & AT&T Advanced Utility Relocation	\$ 3,931,012	\$ 3,650,000	\$ 281,012
MOD-153.1	CCCS Joint Trench Size Discrepancies (DSC-072) ^{1.2}	\$ 3,105,353	\$ 2,705,270	\$ 400,083
MOD-162.1	CCCS Relocated UPE Plenum at Westfield Mall-Construction ^{1.1}	\$ 5,227,898	\$ 2,758,978	\$ 2,468,920
MOD-104	Alternate Building Settlement Monitoring Methods (CO-24) ^{1.1, 1.2}	\$ 3,045,476	\$ 2,205,574	\$ 839,902
MOD-87	Resolution of Claim 11-Adjustment of Modification MOD-00005 Alternative for a Precast for Steel Special Tunnel Lining	\$ 2,654,890	\$ 2,533,545	\$ 121,345
MOD-176	WRS MOA Impacts to Work Activities January 5, 2021 through June 30, 2021 ^{2.2}	\$ 3,154,998	\$ 1,949,171	\$ 1,205,827
SUBTOTAL				\$ 28,300,526

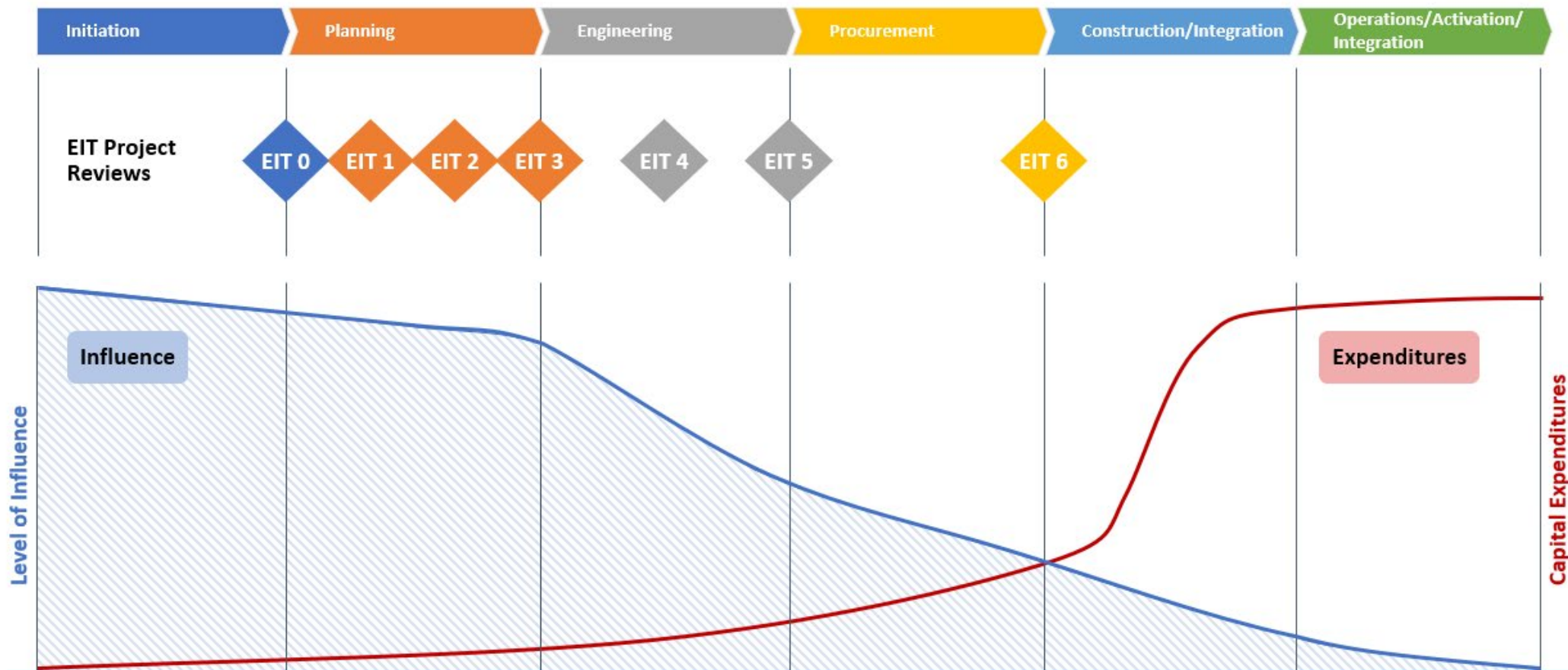
WESTSIDE PURPLE LINE EXTENSION SECTION 2

Summary of C1120 Changes > \$1,000,000 (continued)

Change #	Description of Change	Contractor Proposed Amount	Final Amount	Difference
MOD-56	LA County Sales Tax Increase	\$ 1,818,528	\$ 1,774,994	\$ 43,534
MOD-80	Demobilization and Remobilization due to COBH Moratorium ^{2.2}	\$ 1,854,511	\$ 1,698,253	\$ 156,258
MOD-55	Construction of Temporary Sound Wall/Shoring System with Slab Demolition - 2010 Century Park East	\$ 2,308,698	\$ 1,526,000	\$ 782,698
MOD-95	Station and Bicycle Parking Architectural Features Design and Construction changes at WR and CCC Stations	\$ 4,616,725	\$ 1,540,404	\$ 3,076,321
MOD-26	Santa Monica Boulevard Bus Layover - Design and Construction Changes	\$ 1,602,334	\$ 1,345,904	\$ 256,430
MOD-15	Century City Constellation Station - Main Entrance Final Design (CO-3) ^{1.1}	\$ 1,369,735	\$ 1,258,310	\$ 111,425
MOD-174	Elevator Hoistway Framing Steel Upsizing (Construction Only) – RFC 150.1	\$ 1,305,222	\$ 1,231,363	\$ 73,859
MOD-181	WRS MOA Impacts to Excavation after the Full Closure (June 16, 2020 through Nov. 12, 2020) ^{2.2}	\$ 1,217,437	\$ 1,162,784	\$ 54,653
MOD-121	Remaining Balance of Additional Geotechnical Instrumentation at Launch Box and Century City ^{1.1, 1.2}	\$ 1,259,676	\$ 1,111,131	\$ 148,545
MOD-62	North Canon Street Closure Sound Wall and Street Improvement (CO-13) ^{2.2}	\$ 1,373,075	\$ 1,084,053	\$ 289,022
MOD-73	Century City Constellation Station Trackwork Extension	\$ 2,929,409	\$ 1,180,087	\$ 1,749,322
MOD-134	Revise Design to Accommodate a Future Wilshire Rodeo Station North Secondary Entrance (CO-20.4)	\$ 1,081,155	\$ 1,000,000	\$ 81,155
TOTAL				\$ 35,123,748

PROJECT INFLUENCE CURVE / EIT STAGE GATES

The EIT focuses LA Metro's Capital Program resources where they can have the most influence on project outcomes: early in the life cycle



Lessons Learned for Metro's Early Intervention Team (EIT):

- **Undefined Scope (Added Scope)**
 - Initiate real estate processes as soon as practical, and evaluate the risks of more complicated acquisitions and make business decisions on a case-by-case basis.
 - Locate station appendages in the public right-of-way whenever possible.
 - Perform additional utility investigations (potholing, trenching, remote sensing).

- **Third Party Requirements**
 - Secure third-party agreements before issuing RFP.
 - Secure written agreements with power providers to prevent future changes.
 - Solicit early involvement from third parties to better define scope.
 - Revisit assumptions in future cost estimates for utility relocations.

- **Professional Services**
 - Secure third-party agreements before issuing RFP to confirm level of city involvement.
 - Confirm budgeted oversight staffing strategy aligns with project schedule needs and risks.