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DEPARTMENT OF TRANSPORTATION

DISTRICT 7
100 S. MAIN STREET, SUITE 100
LOS ANGELES, CA 90012
PHONE (213) 897-0362
FAX (213) 897-0360
TTY 711
www.dot.ca.gov

May 12, 2020

Mr. Phillip A. Washington
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority (Metro)
One Gateway Plaza
Los Angeles, CA., 90012

Dear Mr. Washington:

First, I hope that this letter finds you, your family, friends and employees in good health and safely working from home as much as possible or in the field managing the important work that you do in Los Angeles County. I want to extend my appreciation to the Los Angeles County Metropolitan Transportation Authority (Metro) staff and the great partnership between the two agencies to program the Interstate 5 South and North Corridor High Occupancy Vehicle (HOV) projects. Since early 2000, we have worked together to develop, program and construct these projects made possible through funding provided by Metro, the Federal Highway Administration, and the State of California.

Caltrans has been searching for additional State funds to contribute toward the increased project costs, as described in detail below. However, due to the project funding complexities and California Transportation Commission (CTC) guidelines, the only State funds that will be available to tap into is Regional Improvement Program (RIP). The increase will need to be covered using Local Measure funds and/or County share of RIP funds, and both would require Metro's approval. The RIP funds would be a Supplemental Fund Request that would also require CTC approval.

We are requesting Metro to provide additional funds for the anticipated cost increase for the I-5 Segment 3 Empire Interchange Project to complete construction and close out, as well as the City of Burbank's unmet needs. The City of Burbank submitted a cost estimate for their unmet needs at \$15.3 million, which will not be completed as part of this project or by Caltrans. The total request is \$73.2 million including City of Burbank's unmet needs.

Below is a table showing the additional funds requested.

Additional funds to finish project	\$9,900,000
Additional funds to settle past delay claims in 2020	\$40,000,000
Escalation and Interest to settle all delay claims after 2020	\$8,000,000
Total for Project	\$57,900,000
City of Burbank Unmet Needs	\$15,300,000 *
Total Request	\$73,200,000

*Estimate based on City of Burbank request, not verified by Caltrans

The I-5 South Corridor

The I-5 South Corridor consists of six projects, including the Carmenita Interchange (IC) project, with an estimated cost of approximately \$1.89 billion.

- Three of the six projects have completed construction and resolved all claims with the contractors (Segments 1, 3 and the Carmenita IC projects);
- The Segment 4 project has achieved substantial completion, but has outstanding claims with contractor;
- Segments 2 and 5 are ongoing in construction;
- Segment 2 will be the last segment to complete construction and is targeted to open in late 2021. We expect to accept the contract in late 2022 and resolve claims with the contractor thereafter.

The current life of the project budget for the I-5 South Corridor is adequate to close out all the project segments. There will be a savings of approximately \$6.8 million from this corridor in local funds, and an additional saving from the Carmenita IC Project of \$4.93 million.

The I-5 North Corridor

The I-5 North Corridor consists of four projects. The estimated cost for the project is approximately \$965 million.

- Two of the projects (Segment 1 & 2) have completed construction and resolved all claims with the contractor.
- Segment 4 has achieved substantial completion and targeted for contract acceptance in Winter 2020.
- Segment 3 (Empire Avenue IC Project) is ongoing in construction. The Segment 3 project has encountered many challenges from the start which has caused a few years of delay and many claims and potential claims from the contractor. Caltrans and Metro staff have been working together from the start of this project to manage the risks to minimize the delay and cost increase. Segment 3 is currently targeted to complete in Summer 2021 and accept the contract in Summer 2022. Based on the

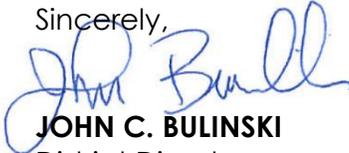
Mr. Phillip Washington
05/12/2020
Page 3

latest risk assessment at 70% confident level, the project will need additional funds to complete, settle claims, and close out the project with the contractor. In addition, the City of Burbank has submitted a list of items of work to both Metro and Caltrans that they believe the project should address, which will need additional funds.

We appreciate Metro's continuous partnership and support for the two I-5 North and I-5 South corridors. The public can now see the benefit these projects are providing to their communities and they will soon realize more benefit as the last segment of each of the corridor is completed and the continuous HOV lanes open to traffic.

Should you need additional information for this request, please don't hesitate to call me or Greg Farr, Principal Transportation Engineer, Division of Project/Program Management, Greg is our focal point of contact on the I-5 Corridor and he can be reached at (818) 254-5439.

Sincerely,



JOHN C. BULINSKI
District Director

C: Abdollah Ansari, Senior Executive Office, Highway Program, Metro
Victor Gau, Director, Engineering – Highway Program, Metro