



Board Report

File #: 2015-0722, File Type: Contract

Agenda Number: 43.

**CONSTRUCTION COMMITTEE
JULY 16, 2015**

**SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR-134 TO SR-118
(FUNDING AGREEMENT NO. MOU.P0008355/8501 A/A5)**

**ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE
CONTRACT MODIFICATIONS**

RECOMMENDATIONS

CONSTRUCTION COMMITTEE FORWARDED WITHOUT RECOMMENDATION:

- A. authorizing a Contract Modification No. 40 (a.k.a. Contract Change Order, CCO 40) by Caltrans for **Segment 3 construction contract of the I-5 North Capacity Enhancements from SR-134 to SR-118** under the Funding Agreement No. MOU.P0008355/8501 A/A5, in the amount of \$1,000,000 without an increase in the project budget or contract value. The contract value of this project remains \$405,575,000; and
- B. authorizing a Contract Modification No. 74 (a.k.a. Contract Change Order, CCO 74) by Caltrans for Segment 3 construction contract of the I-5 North Capacity Enhancements from SR-134 to SR-118 under the Funding Agreement No. MOU.P0008355/8501 A/A5, in the amount of \$1,500,000 without an increase in the project budget or contract value. The contract value of this project remains \$405,575,000.

ISSUE

Metro provides programming and partial funding for the I-5 North Capacity Enhancements project from SR-134 to SR-118 through an MOU with the State of California, Department of Transportation (Caltrans). The I-5 North Capacity Enhancements project was designed by Caltrans, and construction management is administrated by Caltrans. Contract modifications exceeding \$500,000 require Board authorization per the Staff Delegations of Contract Action Approval and Award Authority Memo, dated February 23, 2010.

DISCUSSION

The I-5 North Capacity Enhancements project is divided into five segments:

Segment 1A	Widen I-5 for HOV lane from SR-118-SR-170. Reconstruct I-5/SR-170 mixed flow connector. Construct soundwall
Segment 1B	Install Changeable Message Sign (CMS) along I-5 at Los Feliz Blvd.
Segment 2	Widen I-5 for HOV lane from SR-170 to Buena Vista Street
Segment 3	Widen I-5 for HOV lane from Buena Vista to Magnolia. Reconstruct Burbank and Empire Blvd. interchanges
Segment 4	Widen I-5 for HOV lane from Magnolia to SR134

This board report involves Segment 3.

CCO 40 - Segment 3, I-5 North Capacity Enhancements

CCO 40 is to compensate the Contractor for designing, constructing and removing additional shoring to facilitate the construction of the Buena Vista Street Underpass footings next to the railroad shoofly and Buena Vista Street.

Standard practice for this project relating to the Railroad is that all shoring anticipated for the project would be shown on the plans with at least a preliminary design. However, no shoring was indicated in the contract plans at the locations for the footings of the Buena Vista Street Underpass. At the time of bid, the Contractor assumed that there was sufficient room between the new footings and the railroad shoofly and Buena Vista Street to construct the footings without the need of shoring. This, however, is not the case. There is not enough room between the railroad shoofly or Buena Vista Street and the required excavation for the footings for this work. In order to maintain the traffic on the railroad shoofly and Buena Vista Street, the shoring system is necessary for this work.

The total programmed budget of construction capital and support cost for this project is \$274,763,000. Construction, including the plant establishment period, is expected to be completed in September 2019. Contract is about 23% of completion now. The initial contingencies for this project were \$24,833,356. The remaining contingencies are about 42% of the initial contingencies and \$10,500,000 after CCO 40. This contingency balance is based on the replenishment of \$10,000,000 from the budgeted right of way capital funds to the construction capital budget. The reason of this replenishment is that rail work was to be performed by Southern California Regional Rail Authority

(SCRRA), and the remaining utility relocation work was to be performed by the respective utility owners before the construction contract was awarded. All this work was budgeted under right of way capital. This work is now being performed by Caltrans' contractor, as requested by SCRRA and the utility owners, and is being paid out of contract contingencies. Metro is working with Caltrans to shift the budgeted right of way capital funds for this work to the construction capital budget, which replenish the contingencies.

Authorization of CCO 40 in the amount of \$1,000,000 will allow Caltrans to complete the work on Buena Vista Street Underpass and prevent a project delay. The total cost of this CCO does not require an increase in the overall budget, as it will be funded from the current project budget.

CCO 74-Segment 3, I-5 North Capacity Enhancements

CCO 74 is to compensate the contractor for the additional design, material and fabrication costs required to bring the design life of the railroad Mechanically Stabilized Earth Retaining Walls (MSE walls) up to the 100 year design life as opposed to the 50 year design life defined in the contract documents. This change had been requested by the Southern California Regional Rail Authority (SCRRA).

A design consultant was originally hired by SCRRA to design five retaining walls for the relocation of the railroad. At that time, the intent of Caltrans and SCRRA was to put the construction of the railroad portions of the project out to bid by SCRRA. At some point during the design of the retaining walls a decision was made to include the railroad relocation, including the construction of the five retaining walls, as part of the bid package that Caltrans would let. This led to a miscommunication between Caltrans/SCRRA and the design consultant as to the design life of the retaining walls. The 50 year design life of MSE walls is resulted in a less expensive wall with a total of \$7,123,257.90 in the contract bid price, but ultimately does not meet SCRRA's requirements of a 100 year design life. Since SCRRA will maintain the walls at the end of the project, the redesign request made by SCRRA must be accommodated. Nearly all of the requested \$1,500,000 for the design change is related to additional labor and material costs to be borne by the construction contractor. It is about 21% increase in the MSE Walls contract bid price due to this change.

The total programmed budget of construction capital and support cost for this project is \$274,763,000. Construction, including the plant establishment period, is expected to be completed in September 2019. Contract is about 23% of completion now. The initial contingencies for this project were \$24,833,356. The remaining contingencies after CCO 74 will be \$9,000,000 and about 36% of the initial contingencies

Authorization of CCO 74 in the amount of \$1,500,000 will allow Caltrans to move the project forward. The total cost of the CCO does not require an increase in the overall budget as it will be funded by

the existing project budget, including contingencies.

Project Budget Assessment

The above proposed CCOs are not over the project budget at this time, and efforts are being made to prevent that from happening in the future. The Highway Program has been working with Caltrans to continuously assess the various risks, and has requested that Caltrans evaluate and maintain the financial status of each segment. Based on the current risk assessment and financial analysis, this segment is anticipated to be completed within the current project budget. As construction continues, the Highway Program will continue to work with Caltrans to get updated assessments.

DETERMINATION OF SAFETY IMPACT

There is no impact to safety by approving this action.

FINANCIAL IMPACT

The funding of \$15,000,000 (Measure R 20% Highway only, no LOP or budget increase in FY16) for FY16 for the I-5 North Capacity Enhancements project is included in Account 54001 - Subsidies to Others, in cost center 0442, under project number 460332 I-5 North Capacity Enhancements, Task 01. The changes identified in Recommendations A and B will not increase the project budget for the current fiscal year because the local funding is only a portion of the total project programmed funding. Since this is a multi-year contract/project, the Managing Executive Officer will be accountable for budgeting the cost in future years for LACMTA's share within the existing project budget.

ALTERNATIVES CONSIDERED

If the MTA Board does not authorize this CCO, the construction cost and project budget will likely further increase due to construction delays.

NEXT STEPS

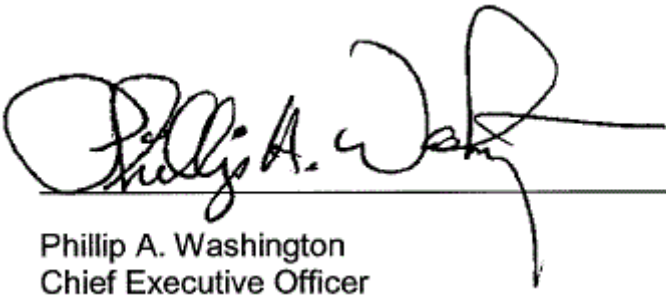
Immediate action is desired for this Board Report. As stated, the contracts are currently in construction and delays to concurrence of these modifications could cause additional costs to the contract.

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