

**Board Report**

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**File #:** 2015-1572, **File Type:** Contract**Agenda Number:** 25.

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**CONSTRUCTION COMMITTEE  
NOVEMBER 19, 2015****SUBJECT: CRENSHAW/LAX TRANSIT PROJECT****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZING the Chief Executive Officer to execute a Contract Modification to Contract No. C0988 with **Walsh/Shea Corridor Constructors (WSCC)**, to **increase Contract Schedule C Provisional Sums Items for the Crenshaw/LAX Transit Project** in an amount not to exceed \$3,000,000, increasing the total contract value from \$1,286,777,827 to \$1,289,777,827.

**ISSUE**

Provisional Sums are used to pay for unknown but anticipated items of work that could not be accurately addressed in the preliminary engineering documents that were included in the bid document at time of award to Contract C0988. One of the line items within Contract Schedule C Provisional Sums, Item No. 1 Unknown Utilities, is estimated to exceed current contract value, and therefore the Board is requested to approve the increase to Schedule C Provisional Sum costs by a total of \$3,000,000.

**DISCUSSION**

The Crenshaw/LAX Transit Project (Project) is a north/south corridor that serves the cities of Los Angeles, Inglewood, and El Segundo, as well as portions of unincorporated Los Angeles County. The adopted alignment extends 8.5 miles, from the intersection of Crenshaw and Exposition Boulevards to a connection with the Metro Green Line at the Aviation/LAX Station. The Project consists of multiple contracts, which includes the C0988 contract that was awarded to Walsh/Shea Corridor Constructors (WSCC) for the main line work and the C0991 contract that was awarded to Hensel Phelps/Herzog JV for the Southwestern Yard (Division 16) maintenance facility along the project alignment near Arbor Vitae that the main line will connect to.

Contract No. C0988 was issued for a total value of \$1,272,632,356, including \$1,168,307,356 in base Contract Work Schedule A, \$95,600,000 in Options Schedule B, and \$8,725,000 in Schedule C Provisional Bid Items. Provisional Sums are used to pay for unknown but anticipated items of work that could not be accurately addressed in the preliminary engineering documents that were included in the bid document at time of award to Contract C0988. Metro staff assigned values to nine (9)

Provisional Sum Items and included these amounts in the Contract as part of Schedule C.

The actual scope of work applicable to usage of Provisional Sums is finalized during the design-build process, and funds are expended upon written authorization by Metro's project manager, based on an agreed price between the design-builder and Metro, or the work is performed by the design-builder on a time and material basis. One of the line items within Schedule C Provisional Sum, Item No. 1 Unknown Utilities, is estimated to exceed current contract value, and therefore the Board is requested to approve the increase to Schedule C Provisional Sum costs by a total of \$3,000,000. The \$3,000,000 will be drawn down from the project's unallocated contingency budget line item.

Within the Advanced Utility Relocation Contract and the design-builder's Contract, there is substantial base scope of work for utility relocations. During the course of investigation by the design-builder of actual conditions in the field, there can be discoveries of unknown utilities and utility conditions that need to be relocated or protected in place prior to the start of construction. These types of utilities were unknown to Metro at the time of bid and are not included as base scope of work. These utilities have to be relocated or protected in place to not impact the design-builder's schedule. The use of Line Item No. 1 in the Contract Provisional Sums is customary in this instance as the funding was already allocated and the work can proceed on time.

This action will increase the total estimated amount for all Schedule C Provisional Sums work from \$8,725,000 to \$11,725,000 (Attachment C).

### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have an impact on established safety standards for Metro's Construction projects.

### **FINANCIAL IMPACT**

The funds for this action are included in the FY16 budget under Project 865512 (Crenshaw/LAX Transit Project), in Cost Center 8510 (Construction Project Management). This action draws down the Project's unallocated contingency and does not impact the Life of Project budget. Since this is a multi-year project, the Executive Director, Engineering and Construction, will be accountable for budgeting in future years.

#### **Impact to Budget**

The sources of funds for this project are Federal STP, CMAQ, State Proposition IB, Proposition A 35% and Measure R 35% as included in the adopted Long Range Transportation Plan and updated by Board action in June 2013. The FY16 budget does not include any Prop A 35% funds which are eligible for rail operations and capital improvements. The other funds are not eligible for bus and rail operating expenditures. No other funds were considered.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to move forward with executing this contract modification at this time. This is not recommended since it is more efficient for the Project to have the Schedule C Provisional Sums funding in advance so when a critical need arises, the project manager can direct the use of such funds to prevent any delays in the design-builder's construction schedule. By not allowing the increase in funding for Provisional Sums, the project may incur increased cost due to disruption, inefficiencies or schedule delays.

**NEXT STEPS**

Upon Board Authorization, staff will proceed with a Contract Modification to increase the value for Schedule C Provisional Sums funding. Metro staff will continue to monitor closely the use of Provisional Sums till the end of the project.

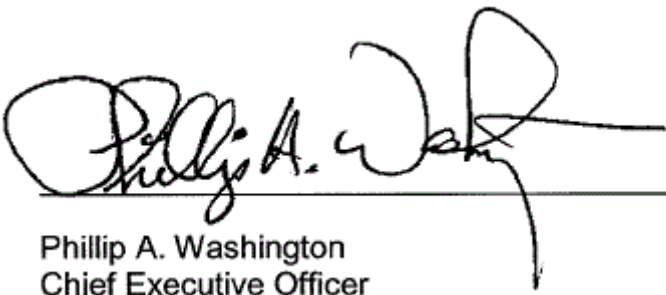
**ATTACHMENTS**

- Attachment A - Procurement Summary
- Attachment B - Contract Modification / Change Order Log
- Attachment C - Schedule C Provisional Items - Current and Revised Values
- Attachment D - DEOD Summary

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