

**Board Report**

File #: 2019-0376, **File Type:** Contract**Agenda Number:** 33.

**CONSTRUCTION COMMITTEE
JULY 18, 2019****SUBJECT: I-5 SOUTH CAPACITY ENHANCEMENTS FROM ORANGE COUNTY LINE TO I-605****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE Contract Modification No. 106 (CCO 106) by the California Department of Transportation (Caltrans) for the construction contract of Segment 2 (Valley View) of the I-5 South Capacity Enhancements Project from I-605 to Orange County Line (Project) under Funding Agreement No. MOU.P0004292, Amendment No. 3, in the amount of up to \$983,655 within the overall corridor Life of Project (LOP) budget.

ISSUE

The Project includes freeway widening and construction of HOV lanes and other improvements between I-605 and the Orange County Line. The State of California Department of Transportation (Caltrans) designed and is managing construction of the Project.

For Segment 2 between Artesia Boulevard and North Fork Coyote Creek, the work in Coyote Creek, part of Stage 2 construction, was originally scheduled to start on April 16, 2019, but cannot start until July 2019 due to delays caused by various differing site conditions, design changes, rainy weather, and utilities relocations which include high pressure gas lines, crude oil lines, water supply lines, communication lines, and power distribution and transmission lines. In order to complete the work by the targeted date of October 15, 2019 to not impact the rest of the Project, Caltrans and the contractor agreed to accelerate the work with a mutually agreed upon cost escalation of up to \$983,655.

CCO 106 authorizes up to \$983,655 to accelerate the work in Coyote Creek for Stage 2. Contract modifications exceeding \$500,000 require Board authorization.

BACKGROUND

The Project comprises of five Segments. Segment 1 (Alondra) and Segment 3 (Bloomfield) have been completed. Segments 2 (Valley View), Segment 4 (Imperial) and Segment 5 (Florence) are currently in construction. Segment 2, the subject of this report, is about 40% complete. Total LOP

budget for the combined five segments is \$1,468 billion, which includes the budget of \$634,125,000 for Segment 2 per Amendment No. 3 of Funding Agreement No. MOU.P0004292.

Segment 2 construction contract was approved on July 15, 2016. Construction began on November 30, 2016 and is expected to be completed in 2022.

DISCUSSION

The construction contract for Segment 2 includes three stages. Parts of Stages 1 and 2 involve removing two existing abutment superstructures and replacing two new pier walls for the Coyote Creek Bridge. The work in Coyote Creek for Stage 2 was scheduled as a six month period, starting on April 16, 2019 and completing by October 14, 2019. However, the Project has encountered various delays. Stage 1 is now delayed by approximately three months - pushing the start date of the work in Coyote Creek for Stage 2 to July 2019. Due to a clause in the current environmental permit of the contract document which prohibits work in Coyote Creek from October 15 to April 15, the work could stop on October 15, 2019 and resume on April 16, 2020 or could be suspended until April 16, 2020. However, both scenarios will delay the Project from 6 months to 12 months. This delay would cost between \$0.7 million and \$1.3 million in Time Related Overhead plus additional costs associated in remobilization, inefficiency and escalation cost in labors and materials.

In order to prevent the delay, Caltrans considered two options:

- 1) Paying the contractor to accelerate the work and finish the work in Coyote Creek for Stage 2 by October 14, 2019. This is the option being recommended in this Board report.
- 2) Acquiring a special permit to work in Coyote Creek beyond October 14, 2019. This option would require additional environmental impact studies, the intensive mitigation measures in the creek, and the time for the multi-agency approval processes. No time saving would be realized in this option.

It was determined that work acceleration is more economical and feasible for the Project to finish the work in Coyote Creek for Stage 2 within the Project schedule.

Findings

Caltrans, upon receipt and evaluation of the acceleration cost proposal submitted by the contractor, entered into negotiations with the contractor and ultimately agreed to an amount of up to \$983,655 to accelerate and complete the work in Coyote Creek for Stage 2 by Oct 14, 2019 under CCO 106.

DETERMINATION OF SAFETY IMPACT

There is no impact to public safety by approving this action

FINANCIAL IMPACT

The overall corridor LOP budget of I-5 South Capacity Enhancements per Funding Agreement No. MOU.P0004292, Amendment No. 3 is \$1,468,368,000, including \$215,530,000 in Federal

Funds (SAFETEA-LU and CMAQ), \$948,294,000 in State Funds (TCRP, RIP, GF-STIP, CMIA, ITIP and SHOPP), and \$304,544,000 in local Measure R 20% Highway and Prop C 25% Streets and Highway Funds. Metro's contribution to this project is limited to \$304,544,000 of Measure R 20% Highway and Prop C 25% Streets and Highway Funds.

Of the total LOP budget, \$1,255,449,155 is spent to date. Of this amount \$204,106,063 has been funded with Measure R 20% Highway and Prop C 25% Streets and Highway funds.

\$983,655 needed for CCO 106 is within the remaining overall corridor LOP budget. For FY20, \$25.6 million has been budgeted for the entire corridor within the Highway Subsidies, Cost Center 0442, I-5 South Capacity Enhancements, Projects 460340, 460339, 460338, and 460337, Account 54001 (Subsidies to Others). Upon approval of this recommendation, staff will reevaluate the budgetary needs for the corridor and proceed with the payment of CCO 106. No increase to the FY 20 budget is required at this time.

Since this is a multi-year program, the Project Manager, the Cost Center Manager and the Senior Executive Officer, Program Management - Highway Program will be responsible for budgeting costs in future fiscal years.

Impact to Budget

The source of funds for this recommendation is Measure R (20%) Highway and Prop C (25%) Streets and Highway Funds, which are not eligible for bus or rail operations. No other funds were considered.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of staff recommendation would allow for the payments to the contractor in Segment 2. The Project is consistent with the following Metro Strategic Plan Goals and Objectives:

Goal 1: Providing high-quality mobility options that enable people to spend less time traveling by widening the freeway; providing additional capacity, and including HOV lanes to encourage carpooling and improve transit efficiency;

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 these projects.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the staff's recommendation. However, this disapproval would result in further schedule delay, legal complications and cost increase.


NEXT STEPS

Upon Board's approval of the recommended action, Metro staff will authorize payment to the

Contractor

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