

**Board Report**

File #: 2019-0466, **File Type:** Program**Agenda Number:** 14.

**PLANNING AND PROGRAMMING COMMITTEE
JULY 17, 2019****SUBJECT: PROGRAM ADDITIONAL FUNDS FOR I-10 HOV LANES PROJECT****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

APPROVE:

- A. \$10,910,051 in Congestion Mitigation and Air Quality Improvement Program (CMAQ) Funds savings in the I-10 High Occupancy Vehicle (HOV) Lanes Project from I-605 to Puente Avenue (Segment 1) to be programmed to pay for the cost increase in the I-10 HOV Lanes Project from Puente Avenue to Citrus Avenue (Segment 2); and
- B. an additional \$836,000 in CMAQ Funds for the cost increase in Segment 2.

ISSUE

Construction of the HOV lanes on I-10 between Puente Avenue and Citrus Avenue is progressing. However, the project has experienced challenges, including changes and delays leading to the need for additional funds to complete the construction.

BACKGROUND

The I-10 HOV Project from I-605 to SR-57 is being delivered in three segments. Once completed, the Project will add over ten miles of HOV lanes in each direction. Segment 1, between I-605 and Puente Avenue was completed in 2016 with savings of \$10,910,051 in CMAQ Funds. Segment 2, with a total Funding Agreement budget of \$195,580,000 (reduced to \$189,325,000 after bid opening), between Puente Avenue and Citrus Avenue is currently under construction and is expected to open to traffic in February 2020. Segment 3, between Citrus Avenue and SR-57, also under construction, is expected to open to traffic in Spring 2021. Upon completion, the Project will close the gap and provide a continuous HOV/Express Lanes facility from east of Downtown Los Angeles to the San Bernardino County Line.

Caltrans awarded the Segment 2 construction contract to Ames Construction, Inc. in February 2014 and the contractor commenced construction in June 2014. Construction of Segment 2 is over 80% complete.

DISCUSSION

Major construction activities and the open to traffic milestone for Segment 2, originally scheduled to be completed in April 2017 are delayed to February 2020, a schedule delay of 34 months.

Caltrans attributes the delays to:

- Delays in the SCE utility relocations as power poles and utility lines that were not shown on the plans had to be relocated at several locations.
- Redesigning retaining walls and soundwalls to address conflicts with existing facilities, utilities (sewer and communications lines) and mature trees.
- Redesign of several interchange ramps to avoid conflicts with major storm drain facilities (96" and 78") that were not identified during design due to lack of as-built plans.
- Waiting on court orders for easements to demolish buildings or obtain temporary construction easements to perform construction.
- Delays due to weather conditions.

The Project has an estimated cost increase of \$19,504,112 for construction support and capital costs. Caltrans has estimated the total construction support costs at \$39,991,112, which is \$9,363,112 over the current budget of \$30,628,000. The reasons for the increase are additional labor for: construction administration costs for an additional 21 months from the previous revised schedule and budget, the support required for the SCE relocations, contract plans modifications due to differing field conditions, staging plans revisions and increased coordination with the city of West Covina for street and ramp closures.

The estimated costs for the construction capital component have increased due to a significant number of Contract Change Orders and anticipated contractor claims on the project for such items as the time related delays while Caltrans resolved the conflicts between the design and the actual field conditions and delays in relocation of SCE-owned utilities. The contractor moved forces in and out of the project on multiple occasions. While the initial bids for the project were less than the engineer's estimate, the number and magnitude of the changes have substantially increased the construction costs. The amount of the potential claims is yet to be determined. Caltrans is requesting \$10,141,000 for the additional construction capital expenses.

Caltrans will fund up to \$6,578,112 of the cost increase with state-controlled funds. Metro controlled funds are required to cover the remaining \$12,926,000. The balance would be funded through shifting the \$10,910,051 in CMAQ savings from Segment 1 to Segment 2 as proposed in Recommendation A. Additionally, the Board previously approved the use of \$3,900,000 in I-10 ExpressLanes toll revenues to fund the CCOs for the median barrier changes to accommodate the future ExpressLanes Project on Segments 2 and 3 (Attachment A, Board Report 2019-0129). \$1,180,000 of the of the \$3,900,000 is required for Segment 2. Lastly, the remaining \$836,000 shortfall would be funded with additional CMAQ funds (Recommendation B).

DETERMINATION OF SAFETY IMPACT

The proposed action has no known adverse impact to the safety of Metro patrons and employees or users of our facilities. The I-10 freeway is a state-owned facility and Caltrans standards will be adhered to in the construction of the proposed improvements.

FINANCIAL IMPACT

Adoption of the recommendation will not have an impact to the FY 2020 budget as Regional Programming has identified CMAQ funds to pay for the cost increase. CMAQ funds are pass through funds and do not impact the budget.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The construction of HOV lanes supports strategic plan goal #1, provide high-quality mobility options that enable people to spend less time traveling.

ALTERNATIVES CONSIDERED

The Board could choose to not approve the additional funding. This option is not recommended as it would result in further project delays, additional contractor claims and increased costs. Caltrans has declared that they do not have funds beyond what they have committed to and documented in this Board Report.

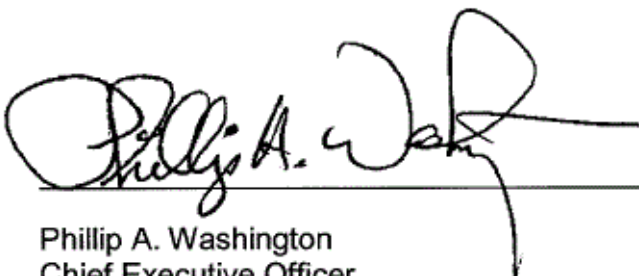
NEXT STEPS

Staff will prepare the Programming Agreement with Caltrans to facilitate payment of cost overruns.

ATTACHMENT

Attachment A - I-10 Express Lanes Extension from I-605 to LA/SB County Line File # (2019-0129)

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