



Board Report

File #: 2023-0159, File Type: Budget

Agenda Number: 23.

CONSTRUCTION COMMITTEE APRIL 20, 2023

SUBJECT: SOUNDWALL PACKAGE 11 HIGHWAY PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AMENDING the Life of Project Budget (LOP) Budget for Project No. 460324 Soundwall Package 11 Highway Project by an amount of \$8,525,000, increasing the LOP budget from \$102,485,000 to \$111,010,000, consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment B); and
- B. AUTHORIZING the Chief Executive Officer to execute individual Contract Modifications within the Board approved Life of Project budget.

ISSUE

Staff have been working diligently to complete the project within the approved LOP budget; however, the LOP, as established in January 2021, must be increased given certain complexities on the project that were unknown at the time of that action. Staff is seeking the Board's approval to Amend the LOP to close out the project in an amount of \$8,525,000 for a new LOP of \$111,010,000. Construction costs have escalated due to vandalism and the need to clear chronic unhoused encampments in the project areas, as well as design errors and omissions. The project is at 98% completion, and this request will provide enough funding to complete the Project and close out all associated contracts.

BACKGROUND

The Project is a Design/Bid/Build contract that is administered by Metro on behalf of Caltrans. The Project is located entirely within Caltrans right of way and consists of the construction of soundwalls on Route 170 from Route 101/Route 170 interchange to the Sherman Way Overcrossing and on Route 405 from north of Saticoy Street Undercrossing to Roscoe Boulevard Undercrossing. Construction of the soundwalls requires modification and widening of eight existing bridges. In May 2015, the Board approved the initial LOP in the amount of \$89,183,000. In January 2021, an LOP increase was approved in the amount of \$13,303,000 to resolve compensable time impacts and

construction costs related to design errors and third-party design review comments.

The Project has been adversely affected by a large influx of unhoused people and associated encampments and vandalism within the project limits. According to the Greater Los Angeles Homeless Count, approximately 69,144 people in LA County and 1,364 people in Council District 2 (prime project location) are experiencing homelessness, and 1,128 of 1,364 are without shelter. Due to the lack of available shelter space and 24-hour operating shelters County-wide, un-housed individuals have heavily populated many areas within the project limits with encampments. Individuals residing in these encampments have been documented causing vandalism to electrical and landscaping elements throughout the entire project limits, and the vandalism is ongoing. The project endured and is continuing to endure many unanticipated costs due to the frequent repairs required as a result of vandalism and encampments. Additional costs have been incurred for encampment biohazard cleanup and relocation assistance and when necessary, transporting individuals to appropriate resources for those experiencing homelessness. In addition to direct costs associated with this issue, the Project has experienced significant costs related to schedule delays directly attributable to the vandalism.

Metro has previously reported to the Board that staff are also pursuing damages for several design changes as an Errors and Omissions claim with the prime design consultant. The numerous design errors and omissions have caused significant cost and time impacts which are accounted for in this LOP amendment request.

DISCUSSION

Metro and Caltrans have jointly developed a reasonable plan to modify the scope of the contract in order to complete the project and deliver a product that Caltrans will be able to maintain in the future. The scope changes will increase the cost of the work, however, it will also provide a clear path to the completion of the project while also providing a system to Caltrans that will be more resistant to vandalism. After the scope to complete the project is amended into the contract, Metro will analyze the delays to determine if the contractor is entitled to compensation for the delay. The Critical Path Method (CPM) schedule and Time Impact Analysis (TIA) will be utilized to determine the amount of the appropriate compensation. The time-related overhead cost for this project is \$4,000 per day.

During construction, there were several unanticipated costs that occurred for the encampment and vandalism issues described above, in addition to the unforeseen design related reasons. The changes are summarized below:

Unhoused Encampments and Vandalism (\$6.3M)

- The project has encountered numerous delays because of encampments and vandalism within the project limits. The types of delays include 1) repair and rework of areas already constructed and then vandalized, 2) not able to mobilize construction crews to areas with encampments until after coordinating with several agencies to clear the areas, 3) inability of the contractor to schedule work due to the uncertainty when areas will be available, 4) ordering and procuring materials to replace those vandalized, and 5) scheduling coordination with third party agencies to reinspect areas that were vandalized and reworked

- The project has incurred the hard costs of repairing and replacing equipment and materials that were vandalized after installation. Also, the cost of encampment biohazard cleanup after clearing areas was not anticipated prior to the contract award.
- The project has been impacted more by the soft costs of the delays caused by vandalism than by the hard construction costs. The delay impacts have increased the cost of third parties (see below), construction management staff, and the contractor by extending the completion date of the project. These costs are not yet fully realized because the impacts are ongoing.
- Metro is currently working to execute the changes to the landscaping scope of work as agreed with Caltrans to minimize the impacts of vandalism. This will cause an increase in project cost.
- Numerous change orders due to vandalism and encampment biohazard cleanup are pending execution.
- Third Party reimbursable costs have increased due to the additional inspections required after vandalism has occurred on the project, and the work is repaired.
- Soffit lighting within the existing bridge structures and the City Streets was vandalized, and the cost of rebuilding and reconditioning the location was not anticipated by the project. These facilities will be maintained by the City of LA Bureau of Street Lighting.
- Department of Water and Power (DWP), Bureau of Street Lighting (BSL), and Department of Transportation (DOT) final inspection is pending once the vandalized components are repaired. The city will review and approve the as-builts once all the vandalized repairs are completed. The existing work orders have exceeded the initial negotiated values.

Staff have met with Caltrans to develop a path towards project completion and have reached an amenable solution for all parties. The path forward is technical in nature and includes acceptance of the project in stages and incorporates acceptance of work performed regardless of the fact that the work has endured vandalism. The additional costs to move the project to completion are encapsulated within this board action.

Design Changes (pursued as an E&O Claim) (\$2.2M) in addition to the previous LOP Increase

- Due to the delays on the project caused by design errors, K-rails were placed for an extended period of time, and additional traffic control was required. The contractor is pursuing rental costs for the K-rails and traffic control for the additional time it was required to complete the construction work.
- Construction delays and increased costs related to permeation grouting delays; Riverside/Tujunga Bridge Retrofit design discrepancy, BSL work design errors, and several civil, electrical, and irrigation design errors.
- Inefficiencies and escalations as a direct result of the delay.
- The design drawings incorrectly numbered and identified demolition items within the Project limits.

As has been previously reported to the Board, the Design changes listed in this section are being treated as Errors and Omissions, and the Engineer of Record and Metro staff have been evaluating and assessing the path forward to resolve this issue.

DETERMINATION OF SAFETY IMPACT

There is no impact to public safety by approving this recommendation.

FINANCIAL IMPACT

The current LOP budget for the Project is \$102,485,000M, funded by Measure R Highway 20% and Prop C 25%. Upon Board approval, the LOP budget will be increased by \$8,525,000.

This is a multi-year project, therefore, the cost center manager and the Executive Officer, Program Management would be responsible for budgeting project costs in future fiscal years.

IMPACT TO BUDGET

Consistent with the provisions of the Board adopted Measure R and Measure M Unified Cost Management Policy, the source of funds for this recommendation is Measure R (20%) Highway Funds, which are not eligible for bus or rail operations (Attachment B). No other funds were considered.

EQUITY PLATFORM

The project is designed to reduce freeway noise affecting communities that were adversely impacted by the construction of the freeway. The Soundwall program is a response to the noise complaints by residents. Soundwall 11 Project on Route 170 from Route 101/Route 170 interchange to the Sherman Way Overcrossing, and on Route 405 from north of Saticoy Street Undercrossing to Roscoe Boulevard Undercrossing. The Soundwall 11 project is 25% within or adjacent to Equity Focus Communities.

To address safety and project concerns, Caltrans has conducted outreach and relocation services for people experiencing homelessness in the Project Areas, in accordance with Caltrans CPD#21 (Construction Procedures Directives - Attachment C), and with support from the California Highway Patrol. Metro coordinated cleaning of trash and debris from encampment sites in collaboration with these Caltrans services.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project is consistent with the following Metro Vision 2028 Goals and Objectives:

Goal 1: Providing high-quality mobility options 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 this staff recommendation. This alternative is not recommended as Metro would be unable to provide funding to complete the Project according to the current schedule and close out the contracts.

NEXT STEPS

Upon Board approval, the LOP budget will be amended accordingly per the Recommendation, and staff will execute necessary Contract C39033C1101-2 modifications, process DWP bills and issue work orders to the City of Los Angeles for FY23. Anticipated Substantial Completion is Summer 2023 with an anticipated Final Acceptance in Winter 2023.

ATTACHMENTS

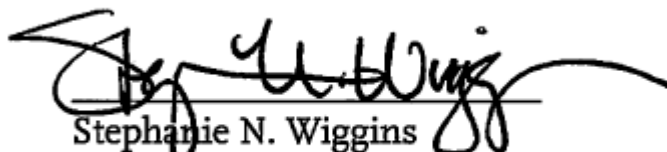
- Attachment A - Funding/Expenditure Plan
- Attachment B - Unified Cost Management Policy Analysis
- Attachment C - Caltrans Construction Procedures Directives

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