



## Board Report

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### AD-HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE SEPTEMBER 19, 2018

**SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR-134 TO SR-118**

**ACTION: AUTHORIZE CONTRACT MODIFICATION**

#### **RECOMMENDATION**

AUTHORIZE Contract Modification No. 168 (CCO 168) by the California Department of Transportation (Caltrans) for the construction contract of Segment 2 of the I-5 North Capacity Enhancements Project from SR-134 to SR-118 (Project) under Funding Agreement No. MOU.P0008355/8501A/A7, in the amount of \$11 million within the overall corridor LOP budget.

#### **ISSUE**

Segment 2 improvements between SR-170 and north of Buena Vista Street were completed and work was accepted by the State of California Department of Transportation (Caltrans) on December 15, 2015.

Four claims were submitted by the contractor as contract exceptions in response to the proposed final estimate (PFE) dated January 20, 2016.

Contractor filed for arbitration on December 29, 2016. Caltrans and the contractor agreed to settle all claims in the amount of \$11 million on August 13, 2018.

CCO 168 authorizes up to \$11 million for the resolution of claims. Contract modifications exceeding \$500,000 require Board authorization.

#### **BACKGROUND**

The project includes widening/upgrading of I-5 and inclusion of High Occupancy Vehicle (HOV) lanes between SR-134 and SR-118. The Project is being implemented in four (4) segments. Upon completion of each segment, Caltrans conducts final inspections, validates completed work and the work done but not yet paid for, and completes final cost negotiations with the contractor to close that segment. Segment 2 is now completed and ready to close upon settlement of remaining claims.

## **DISCUSSION**

The I-5 North Capacity Enhancements include freeway widening and construction of High Occupancy Vehicle (HOV) lanes and other improvements between SR-134 and SR-118. Caltrans designed and manages construction of the project. Construction of Segment 2 between SR-170 and north of Buena Vista Street was completed in December 2015.

The Contractor filed 4 claims as the exceptions to the PFE on January 20, 2016 in the amount of \$13,372,383.29

Claim 1 - Unpaid Extra Work and Other Costs: Compensation for 7 bid items including time related overhead, temporary fence, structure excavations, erosion control and conduit due to the quantity discrepancy and delay.

Claim 2 - Unpaid / Disputed Bid Items: Payment for the disputed extra work bills and the unit cost adjustment for “temporary fiber roll”, “temporary gravel bags”, “erosion control type D” and “joint seal” due to delay.

Claim 3 - Unpaid / Disputed Change Orders (CCOs): Additional compensation related to direct costs, time related impacts, stand-by equipment delay cost, labor, material and equipment rate escalation due to delay.

Claim 4 - Notice of Potential Claims (NOPCs): Interest accrued on late and pending payments due to delay.

Caltrans has reviewed the supporting documents provided by the Contractor along with the project records. A final settlement amount up to \$11 million was reached by and between Caltrans and the Contractor for all claims.

## **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 North Capacity Enhancements is \$854,418,000 and included \$192,245,000 in Federal Funds (ARRA RSTP, SAFETEA-LU and CMAQ), \$358,355,000 in State Funds (TCRP, RIP, CMIA, IPP and SLPP), and \$303,818,000 in local Measure R Highway 20% and Prop C 25% Funds. Metro’s contribution to this project is limited to the \$303,818,000 of Measure R Highway 20% and Prop C 25% funds.

Of the total LOP budget, \$692,350,034 is spent to date; of this amount \$198,531,510 has been funded with Measure R and Prop C 25% funds.

The up to \$11 million funds needed for CCO 168 is within the overall corridor LOP budget and within Metro’s total obligation to this project. The required funds are included in FY19 adopted budget in Cost Center 0442 (Highway Subsidies), between projects 460333 and 460334, task 5.5.100, account 54001 (Subsidies to Others).

Since this is a multi-year contract/project, the Project Manager, 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 CCO168 is Measure R Highway 20% which are not eligible for Metro bus and rail operations or capital projects. No other funds were considered.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Approval of staff recommendation would allow for final payment to the contractor to close Segment 2. The Project is consistent with the following Metro Vision 2028 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 recommendations. However, this disapproval would result in further legal complications and cost increase.

#### **NEXT STEPS**

Upon Board's approval of the recommended actions, Metro staff will authorize payment to the Contractor.

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