



## Board Report

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Agenda Number: 5.

### CONSTRUCTION COMMITTEE NOVEMBER 17, 2022

**SUBJECT: SOUNDWALL PACKAGE 10 HIGHWAY PROJECT**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AMEND the Life of Project Budget (LOP) for Soundwall Package 10 Highway Project (Project) by \$21,682,694 from \$50,862,000 to \$72,544,694, using the fund sources from the soundwall program as summarized in Attachment A consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment B); and
- B. AUTHORIZE the Chief Executive Officer to negotiate and execute project related agreements, including contract modifications, up to the authorized Life-of-Project budget.

#### **ISSUE**

Staff is seeking the Board's approval to Amend the LOP for the Project that was established in 2015 and assumed a construction budget of \$34,165,000 (inclusive of ROW activities); construction costs have escalated since the LOP was established in 2015 and certain project components and scope have been added since then. Additionally, staff seeks the Board's approval to execute project-related agreements, including contract modifications within the Life of Project budget.

#### **BACKGROUND**

This project consists of constructing soundwalls along I-210 freeway from west of Marengo Avenue Overcrossing to Wilson Avenue in the City of Pasadena, constructing soundwalls from Baldwin Avenue to Santa Anita Avenue in the City of Arcadia, and constructing soundwalls on SR-134 East of Cahuenga Blvd near Arcola Street.

Caltrans completed the Package 10 PS&E and Right of Way work in 2012 with the standards in effect at that time and delivered the PS&E to Metro. Caltrans had also secured many of the Temporary Construction Easements (TCEs) for the Project. Although the project was anticipated to be advertised

shortly after LOP was established, there were multiple factors which delayed the Project:

#### Project Delivery Selection

The Project was nominated to be included in the Accelerated Regional Transportation Improvements (ARTI) project. The construction of the Project was on hold while the evaluation process for ARTI was being conducted. After a lengthy process, ARTI was determined to be infeasible as a bundle of projects and Soundwall Package 10 was advanced as a standalone project with changes, including updating the PS&E to 2015 standards and specifications, adding new soundwall segments that were not identified in the original project scope, extending TCEs that expired, and obtaining new TCEs.

#### Redesign from Lessons Learned on Adjacent Project

Package 4 soundwalls between Santa Anita Ave in Arcadia and California Ave in Monrovia were completed in November 2013. Due to adverse geological conditions at the project site, foundations for the soundwalls needed to be redesigned from piles to spread footing, thereby increasing the cost of the project for additional design, technical support services and time adjustment for construction delays resulting in a 29% increase in construction costs. The location of Package 10 Project is adjacent to the Package 4 project. Due to similarities in terrain conditions between Packages 4 and 10, Caltrans revised the design of the foundations for Package 10 to avoid the delays and change orders in construction. Final design (100% PS&E) was completed by Caltrans in December of 2020 and RTL was achieved in July of 2021 in conjunction with the application for the HIP funds that were submitted to FHWA in partnership with Caltrans.

#### Source of Federal Funds

In July 2021, Metro pursued federal HIP funds to supplement the construction cost of the Project, the total available HIP funds for the project are \$48,649,000. Eligible costs include construction capital as well as construction engineering. The funds authorization request was approved in September 2021 at which time Metro was able to begin the procurement process for the construction contract

### **DISCUSSION**

The proposed increase in the LOP budget for this project is based on total project costs incurred including Metro labor and non-labor costs for PA&ED, PS&E, Utilities, ROW support, the forecasted construction cost and support, and required contingencies. The current LOP budget was approved by the Board in May 2015, prior to the current Program Management policy of establishing project LOP's upon receipt of construction bids. The current LOP does not accurately reflect the current cost of construction as well as the scope changes that have occurred since the LOP was established.

#### Right of Way Cost Increase

The original TCEs will be expiring in FY 2023. It is required that TCEs be extended to FY 2026 to accommodate the construction duration and account for any Project deficiencies encountered during construction. The extension of TCEs will increase the original Right of Way cost established in the current LOP budget.

#### Construction Cost Increase

The Project Invitation for Bid was released on June 6, 2022 and 5 bids were received on August 30, 2022. The bids are currently being evaluated for responsiveness and responsibility.

C.A. Rasmussen	\$48,890,254.70
Powell Constructors	\$49,091,986.85
Ortiz Enterprises	\$56,161,960.20
Security Paving	\$60,596,660.00.
Skanska	\$63,895,900.00
Metro Independent Cost Estimate	\$42,324,121.00

The current LOP assumed a construction budget of \$34,165,000 (inclusive of ROW activities); construction costs have escalated since the LOP was established in 2015 and the redesign of the soundwall footings and additional location of a soundwall on the 134 freeway in Toluca Lake are not accounted for.

#### Contingency

Design-bid-build projects typically carry a 10 to 15 percent contingency because the design is carried out to 100%. For this Project, staff has allocated a 15% percent contingency due to the following risk factors that could result in cost increases and schedule delays:

- Project is located in an area with a cobble top layer in the alluvial fan of the San Gabriel Mountains which could result in geotechnical issues not known at the time of design. Spread footings will need to be utilized and there is a high likelihood of latent sub-surface features, including buried human-made objects and differing site conditions.
- Current market conditions following extreme Covid-19 volatility, resulting in supply-chain issues, material shortage and procurement delays of long-lead item.
- Throughout the year there are events organized by local jurisdictions, such as the Rose Bowl parade, that have a high likelihood of impacting traffic, road closures and construction sequencing.
- Construction activities in the City of Pasadena right of way will require City's inspection and concurrence which could cause delays in construction, plant establishment, and Project close-out.

#### Construction Support

In addition to the increased contingency, staff are recommending additional budget for oversight and support. Given lessons learned on past collaborative highway efforts between Metro and Caltrans, staff have allocated roughly 20% percent construction oversight for the Project. This cost is inclusive of a Caltrans mandated Owner controlled quality oversight program that is not typical of Metro projects. This program is designed to reduce rework, reduce rejected work, minimize schedule delays, and ensure timely and complete Caltrans final acceptance of the Project.

#### **DETERMINATION OF SAFETY IMPACT**

The recommended Board action will have no detrimental safety impact.

#### **FINANCIAL IMPACT**

Allocation of HIP funds for the project releases approximately \$27.0 million of previously planned Measure R 20% and Prop C 25% funds. These funds will be available for current and future highway projects. These funds are not eligible for bus and rail operation expenses. This is a multiyear project; the Project Manager and the Chief Program Management Officer are responsible for future budgets.

#### Impact to Budget

The anticipated expenditure of \$6.7 million is included in FY2023 adopted budget for this project hence no additional budget is required.

### **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 10 traverses along the 210 Freeway between Pasadena and Arcadia. The westernmost portion of the soundwall project is anticipated to benefit seven Equity Focus Communities (EFC) concentrated in the City of Pasadena.

Metro awarded a Construction Support Services Contract in 2021, for this and other projects. The selected firm was an SBE Firm who committed to achieving a 64.06% SBE goal and a 3.95% DVBE goal. This commitment exceeded the DEOD recommended goal of 27% SBE and 3% DVBE. It is anticipated that Metro will award the construction contract after the bids have been evaluated and the construction contract has a 22% DBE goal. To ensure maximum opportunity for participation on this Project, Metro staff performed extensive outreach to the small business community, including those within the Disadvantaged Veterans Business Enterprise and the Small Business Enterprise programs for each procurement. The solicitations were advertised through periodicals of general circulation, posted on Metro's Vendor Portal, and e-mail notices to small business with applicable NAICS codes.

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

The Project supports the following strategic goals:

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 completion 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.

**NEXT STEPS**

Upon Board approval, the LOP budget will be amended accordingly per the Recommendation.

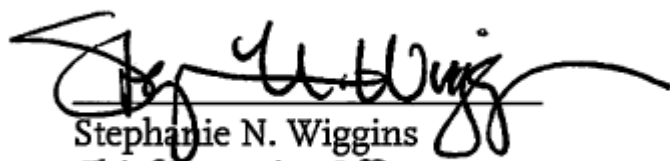
**ATTACHMENTS**

Attachment A - Funding and Expenditure Plan

Attachment B - Soundwall Package 10 Measure R & Measure M Unified Cost Management Policy

Prepared by: Brad Owen, Executive Officer, Program Management (213) 418-3143  
Paul Sullivan, Deputy Executive Officer, Program Management (213)922-4958  
Michelle McFadden, Deputy Executive Officer, Program Management (213) 922-3026  
Behnam Mehraie, Senior Director, Program Management (213)200-8296  
Craig Hoshijima, Executive Officer, Countywide Planning (213)547-4290  
Debra Avila, Deputy Chief Vendor/Contract Management Officer, (213) 418-3051

Reviewed by: Bryan Pennington, Chief Program Management Officer, (213) 922-7557



Stephanie N. Wiggins  
Chief Executive Officer