

**Board Report**

File #: 2018-0582, **File Type:** Contract**Agenda Number:** 10.

**AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE
NOVEMBER 14, 2018****SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR-134 TO SR-118****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE Contract Modifications No. 194, No. 222 & No. 225 (CCO 194, CCO 222 & CCO 225) by the California Department of Transportation (Caltrans) for the construction contract of Segment 4 of the I-5 North Capacity Enhancements Project from SR-134 to SR-118 (Project) under Funding Agreement No. MOU.P0008355/8501A/A8, in the amount of \$20.8 million within the overall corridor LOP budget.

ISSUE

The construction contract for Segment 4 improvements between Magnolia Blvd and SR-134 was awarded on December 6, 2010. The project encountered a number of problems including relocation of conflicting unidentified utilities, additional right-of-way acquisitions, differing site conditions, third party delays, survey data discrepancies, community concerns resulting in additional out of scope work, and other issues. The contractor has submitted 29 Notices of Potential Claims (NOPC). The total outstanding claim as of October 5, 2018 is \$28.62 million.

Caltrans and the contractor have agreed to a \$20.8 million settlement as full payment of all claims to date.

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 was comprised of four segments two of which are completed. Segments 3 and 4 are currently in construction. Segment 4, the subject of this report, is about 83% complete. Total life of project budget for combined four segments is \$880,903,000, which includes the budget of \$100,382,000 for Segment 4 after Amendment 8. A number of additional items of work outside the original scope of the contract have been completed by the contractor. The additional cost of doing this work was negotiated and agreed to by and between Caltrans and the

contractor.

Metro staff, upon receipt of confirmation of settlement of claims from Caltrans, request Board's approval to pay the cost of additional/modified work.

DISCUSSION

The I-5 North Capacity Enhancements include freeway widening and construction of HOV lanes and other improvements between SR-134 to SR-118. Caltrans designed and manages construction of the Project.

Construction of Segment 4 between Magnolia Blvd and SR-134 started in February 14, 2011 and is currently in progress.

There are 29 pending claims filed by the Contractor as of October 5, 2018 for prime and subcontractor's claims, loss of demolition subcontractor, additional labor and material, labor cost escalation, increase in cost of material, work disruptions and time delay impacts outside the control of the contractor, etc.

Findings

Caltrans, upon receipt and evaluation of claims submitted by the contractor, entered into negotiations with the contractor and ultimately agreed to a settlement amount of up to \$20.8 million for all claims listed to-date under CCOs 194 (\$0.5 million), 222 (\$0.8 million), and 225 (\$19.5 million).

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 per the FUNDING AGREEMENT NO. MOU.P0008355/8501 A/A8 is \$880,903,000 and included \$195,995,000 in Federal Funds (ARRA RSTP, SAFETEA-LU and CMAQ), \$358,355,000 in State Funds (TCRP, RIP, CMIA, IPP and SLPP), and \$326,553,000 in local Measure R Highway 20% and Prop C 25% Funds. Metro's contribution to this project is limited to the \$326,553,000 of Measure R Highway 20% and Prop C 25% funds.

Of the total LOP budget, \$701,712,122 is spent to date; of this amount \$199,456,371 has been funded with Measure R (20%) and Prop C (25%) funds.

The up to \$20.8 million funds needed for CCO 194, CCO 222 & CCO 225 is within the remaining overall corridor LOP budget. For FY19, \$27,085,539 has been budgeted for the entire corridor within the Highway Subsidies, Cost Center 0442, I-5 North Capacity Enhancements, Projects 405801, 460332, 460333 and 460334, Account 54001 (Subsidies to Others). Upon approval of this recommendation, staff will reassess the budgetary needs for the corridor, and proceed with the payment of the settlement amount.

Impact to Budget

The source of funds for this recommendation is Measure R (20%) and Prop C (25%) 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 to close all outstanding disputes in Segment 4. 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

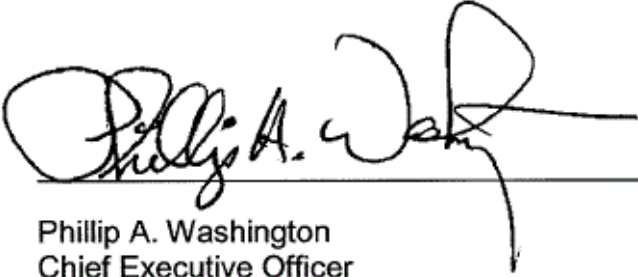
The Board may choose not to approve the staff's recommendation. However, this disapproval would result in further schedule delay, legal complications and cost increase.

NEXT STEPS

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

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