

**Board Report**

File #: 2020-0311, **File Type:** Contract**Agenda Number:** 20.

**CONSTRUCTION COMMITTEE
JUNE 18, 2020****SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR- 118
TO SR-134; SEGMENT 3****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE Contract Modification No. 280 (CCO 280) by the California Department of Transportation (Caltrans) for the construction contract for Segment 3 (Empire) of I-5 North Capacity Enhancements Project between SR-134 and SR-118 (Project) in the amount \$631,246.57 under Funding Agreement No. MOU.P0008355/8501A/A9 within the current LOP budget.

ISSUE

The construction contract for Segment 3 between West Magnolia Boulevard Overcrossing and 0.3 miles north of Buena Vista Street/Winona Avenue Undercrossing was awarded on November 29, 2012 with the scheduled completion date of September 27, 2017.

“Furnishing the RE’s office and equipment” (Item) was a contract bid item with a lump sum payment of \$742,000 in the original contract. Under this item, the contractor was responsible for furnishing and maintaining the RE office, equipment and supplies, and utilities. The project is now scheduled to open to traffic by December 2021 - 50 months beyond the original scheduled opening date - due to the delays resulting from relocation of utilities and other related work not accounted for in design, different site conditions, hazardous material encountered, additional work demanded by the affected communities, and design changes.

On October 1, 2019, the contractor filed a claim for \$631,246.57 for the escalated cost of work related to furnishing Resident Engineer’s (RE’s) office to maintain office and equipment until December 24, 2021. Caltrans has conducted a force account analysis for the claim and has approved the amount presented in this report.

CCO 280 authorizes \$631,246.57 to compensate the contractor for the Item until December 24, 2021. Contract modifications exceeding \$500,000 require Board authorization.

BACKGROUND

The I-5 North construction project was initiated by Caltrans in four segments. Segments 1 and 2 between North of Buena Vista Street/Winona Avenue Undercrossing and SR-118 are completed. The remaining Segments 3 and 4 between SR-134 and North of Buena Vista Street/Winona Avenue Undercrossing are in construction. Segment 3 (Empire) is about 79% complete. Metro is funding partner in these projects.

DISCUSSION

Findings

Open to traffic in Segment 3 construction was originally scheduled for the end of 2017 but now is expected to be in December 2021.

A force account analysis performed by Caltrans shows a total cost of \$1,563,046.57 for the Item including the contractor's 10% markup from June 1, 2013 (the start of occupancy by Caltrans) to December 24, 2021 (the anticipated end of occupancy). The Item was originally a contract bid item for the original duration of occupancy with a lump sum payment of \$742,000. CCO 15 and CCO 32 approved by the Board in January 2014 and January 2016 respectively authorized a combined payment of \$189,800 to compensate the contractor for this item for a total compensation of \$931,800 since the inception of the contract. The \$631,246.57 in this report will cover the period between the last adjustment and the current anticipated end of occupancy.

DETERMINATION OF SAFETY IMPACT

There are no impacts to public safety by approving this action.

FINANCIAL IMPACT

The overall corridor LOP budget set at the start of the I-5 North Capacity Enhancements per the FUNDING AGREEMENT NO. MOU.P0008355/8501 A/A9 was \$880,903,000 and included \$195,995,000 in Federal Funds (ARRA RSTP, 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 (20%) and Prop C (25%) funds. Metro's contribution to this project was limited to \$326,553,000 in Measure R Highway 20% and Prop C 25% funds.

Of the total LOP budget, \$790,573,947 is spent to date; of this amount \$242,174,213 was funded with Measure R (20%) and Prop C (25%) funds.

The \$631,246.57 cost of CCO 280 is within the current LOP budget. Current Metro funding of \$18.42 million included in the FY20 budget in Cost Center 0442 (Highway Subsidies), I-5 North Corridor Projects 460332, 460333, and 460334, Account 54001 (Subsidies to Others), will be used to fund this CCO. For FY21, a total of \$22 million is proposed for the corridor, with Quarter 1 budget currently presumed at \$2.76 million.

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 sources of funds for CCO 280 are Measure R Highway Capital (20%) and Prop C Street and Highway (25%) funds, which are not eligible for Metro bus and rail operations or capital projects.

The project risk assessment studies in February 2020 suggest an approximate \$40 million shortfall at the completion of Segments 3 & 4. Metro will continue to coordinate with Caltrans to determine cost exposure, responsibilities, and contributions.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of staff recommendation would allow for the timely compensation to the contractor. The I-5 HOV lanes 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 completion of these projects.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the staff's recommendations. However, this disapproval would result in cost increase.

NEXT STEPS

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

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