



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**REVISED  
CONSTRUCTION COMMITTEE  
FEBRUARY 21, 2013**

**SUBJECT: I-405 SEPULVEDA PASS IMPROVEMENTS PROJECT**

**ACTION: AUTHORIZATION FOR LIFE OF PROJECT BUDGET AND  
CONTRACT MODIFICATION**

**RECOMMENDATIONS**

- A. Approve a decrease to the Life-of-Project (LOP) budget by \$3.4 million to reflect reduced funding from the City of Los Angeles for overlapping areas of the City's Reversible Lane Project, decreasing the LOP budget from \$1,048 million to \$1,044.6 million;
- B. Accept \$26.1 million for project enhancements from the State of California Proposition 1B Corridor Mobility Improvement Account (CMIA), increasing the LOP budget from \$1,044.6 million to \$1,070.7 million, and;
- C. Authorize the Chief Executive Officer to execute a Contract Modification to Contract No. C0882, with Kiewit Infrastructure West Company (Kiewit), to increase funding for Contract Schedule C Provisional Items in the amount of \$15 million increasing the Total Contract Value from \$828,151,774 to \$843,151,774, with no change in the LOP budget.

**ISSUE**

On April 23, 2009, the Board established an original LOP budget of \$1,034 million for the I-405 Project. The Board has subsequently approved two (2) increases to the LOP budget to fund overlapping areas of the City of LA's Reversible Lane Project, and to fund betterment work to repair the California Department of Transportation's (Caltrans) existing drainage systems. As a result of these increases, the current LOP budget is \$1,048 million. The following adjustments are needed at this time:

- A. Decrease LOP Budget for Reversible Lane Project Work: On February 24, 2011 the Board authorized the Chief Executive Officer to negotiate payment from the City of LA to incorporate overlapping areas of the City's Reversible Lane Project into the I-405 Project. At that time, the Board also approved an increase to the LOP budget of

\$6 million from the City of LA for this work, based on staff's estimate for the work. Subsequently the City informed staff that a maximum of \$2.6 million is available to cover this work. The scope of work to be performed by the I-405 Project has been reduced, and the LOP budget must be decreased by \$3.4 million to reflect the funding available from the City of LA.

- B. Add CMIA Funding to LOP Budget: On December 9, 2012, the Board approved CMIA funding to be reprogrammed to make an additional \$26.1 million available to fund lane standardization and access improvements that the design phase showed to be necessary for the I-405 Project, which include additional right turn pockets in both a northbound and southbound direction along Sepulveda Boulevard at Wilshire Boulevard. The action before the Board will add these funds to the LOP budget, thus increasing the LOP budget to \$1,070.7 million.
- C. Provisional Sum Work: Authorize the Chief Executive Officer (CEO) to issue a Contract Modification for \$15,000,000 to cover Schedule C Provisional Sum Work. This will result in total Provisional Sum funding of \$211,807,000 for Contract C0882. As has been previously reported to the Board, Provisional Sums are used to pay for unknown but anticipated items of work that could not be accurately addressed in the preliminary engineering documents. Based on limited information, Metro assigned values to seventeen (17) Provisional Sum Items and included those amounts in the Contract (see Attachment A for details). The actual scope of such work is finalized during the design-build process, and funds are expended upon written authorization by Metro's Project Manager, based on an agreed price between Kiewit and Metro, or the work is performed on a Time and Material basis. Staff is in discussions with the Design-Builder to identify all items of work to be paid under provisional sums and will report to the Board as the discussions are finalized.

## **DISCUSSION**

### **A. Decrease LOP Budget for Reversible Lane Project**

The City of LA's Reversible Lane Project was scheduled to be completed without impacting the I-405 Project schedule, however the City's project was put on hold due to unforeseen utility conflicts. When it became obvious that the City's schedule would conflict with the I-405 Project's schedule, the Board authorized the Chief Executive Officer to negotiate an agreement with the City to incorporate Reversible Lane Project work in the overlapping areas into the I-405 Project, and have the work performed by the Design-Builder. During negotiations, the City informed staff that only \$2.6 million was available to fund Reversible Lane Project work in the overlapping areas. Staff therefore informed the City that only Reversible Lane work required for the I-405 Project will be performed, up to a maximum of \$2.6 million. The action before the Board adjusts values in the LOP Budget to be funded by the City for the Reversible Lane Project work from \$6 million to \$2.6 million. This action will decrease the LOP budget from \$1,048 million to \$1,044.6 million.

## B. Add CMIA Funding to LOP Budget

In December 2012, the California Transportation Commission (CTC) and the Metro Board approved reprogramming of \$26.1 million in CMIA funding to the I-405 Project. The action before the Board will add the \$26.1 million to the LOP budget to fund project enhancements such as lane standardization and access improvements.

When approving the transfer and re-allocation of \$26.1 million of Corridor Mobility Improvement Account (CMIA) savings funds from the Interstate 5 North HOV Lanes project at Empire Boulevard to the Interstate 405 Northbound HOV Lane project, the California Transportation Commission stipulated that the funds were to be used for "...enhanced mitigation activities which include additional right turn pockets in both a northbound and southbound direction along Sepulveda Boulevard at Wilshire Boulevard." Metro's own request for the transfer and re-allocation said that we intended to use the funds for the following purposes:

"...activities which include additional right turn pockets in both northbound and southbound directions along Sepulveda Blvd. at Wilshire Blvd. This would entail lowering the bridge footing adjacent to southbound Sepulveda Blvd. In order to provide clearance for future County widening of the Sepulveda Blvd. The request will also provide an additional northbound auxiliary lane along Sepulveda Blvd. Between proposed hook ramps and the Skirball intersection and enhance ramp capacities at Wilshire and Valley Vista. Furthermore, this request will provide improvements along the Getty property frontage as a part of Caltrans request to standardize the southbound freeway between Sunset Blvd. and Getty Center Drive to avoid the relocations of Sepulveda Blvd. to the east, in turn eliminating the need to relocate the Metropolitan Water District's A(MWD) 96-inch waterline."

Since Caltrans is typically responsible for implementing the wishes of the CTC, we will work with them to ensure that this approach to utilizing the funds is acceptable. The work is in various stages of completion, and staff estimates that these enhancements will exceed the \$26.1 million. This action will increase the LOP budget from \$1,044.6 million to \$1,070.7 million.

## C. Provisional Sum Work

As the Board has previously been informed, Provisional Sum work was substantially underestimated in the bid documents, due primarily to the following:

- Kiewit identified over 50 additional utility conflicts that were not identified in the bid documents, and additional conflicts are uncovered as construction continues.

- A 12' x 12' box culvert not shown on the Preliminary Engineering plans is estimated to cost \$30 million to protect-in-place.

On-going cost containment efforts for the Provisional Sum work were implemented over a year ago. A staff member was assigned to oversee the utility work and monitor Kiewit's progress in an effort to identify areas for cost-savings and methods to expedite the work. Lump Sum Provisional Sum Authorizations have been issued to authorize the work based on Metro's Independent Cost Estimates so that the work can proceed while fact-finding takes place between Kiewit and Metro.

Contract No. C0882 was issued for a total value of \$720,922,000 including \$157,057,000 in Schedule C Provisional Sum costs. The Board previously approved the following actions for Provisional Sum Work:

- October 27, 2011 Meeting, the Board approved a \$16,750,000 decrease for Provisional Sum Work deleted from the Contract,
- January 27, 2012 Meeting, the Board approved \$39,950,000 in added funding for Provisional Sum Work
- May 24, 2012 meeting, the Board approved \$16,550,000 in added funding for Provisional Sum Work.

The Current Total Value for all Provisional Sum Items is \$196,807,000. The action before the Board requests approval for a \$15 million funding increase for Schedule C Provisional Sum Work. Staff will return to the Board at a later date to increase Provisional Sum funding as necessary to progress the work. This action will increase the total estimated amount for all Schedule C Provisional Sum work from \$196,807,000 to \$211,807,000 (see Attachment A for details).

### **DETERMINATION OF SAFETY IMPACT**

The changes identified in this board report will have no impact on safety of the overall I-405 at completion.

### **FINANCIAL IMPACT**

Funds approved as part of the recommended actions will be added to the FY 13 and FY 14 budget in cost center number 8510, Construction Contracts/Procurement under Project 405523, I-405 Sepulveda Pass Widening Projects, account 53101, Acquisition of Buildings and Structures.

The \$15 million in modifications for the Contract C0882 change is included in the FY13 budget in cost center number 8510, Construction Contracts/Procurement under Project 405523, I-405 Sepulveda Pass Widening Projects, account 53101, Acquisition of Buildings and Structures. The cost impact of this modification is within the revised LOP budget.

Since this is a multi-year capital project, the Executive Director, Transit Project Delivery, will be responsible for budgeting in future years.

### **IMPACT TO BUS AND RAIL OPERATING AND CAPITAL**

The source of funding for this work is FHWA funds, State of California Department of Transportation funds, and Local matching funds. These funds are not eligible for bus and rail operating and capital projects.

### **ALTERNATIVES CONSIDERED**

- A. Staff requested that the City identify sources of additional funding to cover the \$6 million sought for the Reversible Lane overlapping work. However, the City informed Metro that additional funding was not available. Staff therefore informed the City that the I-405 Project will perform only the work required for the Project and the parties agreed that funding will be released when the costs have been tallied. If the Board denies this item, the LOP Project will be overestimated as the costs are not recoverable. The agreed work in the overlapping areas is required by the Project.
- B. Metro staff entered into complex three-party negotiations with the California Transportation Commission (CTC) and Caltrans to reach agreement that the CMIA funds be made available to the I-405, and in December 2012 the Board approved reprogramming the funds. This action incorporates the reprogrammed funds into the LOP budget.
- C. Staff has reviewed all known outstanding Provisional Sum work to identify work that could be avoided to save Provisional Sum costs. Particular attention was given to utility items, which comprise the majority of the Provisional Sum costs, however no substantial savings have been identified.

### **ATTACHMENT(S)**

- A. Schedule C Provisional Sum Items – Current and Revised Values

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Transit Project Delivery



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Arthur T. Leahy  
Chief Executive Officer

## ATTACHMENT A

### Schedule C Provisional Items - Current and Revised Values

Item	Description	Bid Price	CURRENT VALUE
1	Utility Work (Wet Utilities - Water and Sewer)	\$60,000,000	\$42,150,000
2	Utility Work (Electrical - LADWP and SCE)	\$27,000,000	\$47,314,197
3	Utility Work (3rd Party or Other Agency)	\$25,000,000	\$33,750,000
4	Construction Mitigation above Contract Limits Approved by LACMTA when Work is within Noise and Vibration Limits	\$2,000,000	\$1,500,000
5	Safety 1st Incentive Program	\$432,000	\$432,000
6	Hazardous Materials Assessment/Inspection	\$100,000	\$450,000
7	Hazardous Materials Removal, Remediation, Disposal	\$50,000	\$6,225,000
8	Additional Treatment and Disposal of Contaminated Groundwater	\$25,000	\$0
9	SWPPP Implementation	\$2,000,000	\$5,035,803
10	Drainage (LOCAL AGENCIES work only)	\$10,000,000	\$40,025,000
11	Added Traffic and Transportation Management Plan (TMP) Work	\$5,000,000	\$3,000,000
12	Disputes Review Board	\$250,000	\$250,000
13	Requests from 3rd Parties Approved by LACMTA	\$1,000,000	\$0
14	General Services Administration (GSA) Restoration	\$1,800,000	\$1,800,000
15	Westwood Hills Mitigation and Restoration	\$7,400,000	\$9,400,000
16	Metropolitan Water District (MWD) Relocation of Sepulveda Feeder Water Line - Location #2 Only	\$10,000,000	\$0
17	Maintenance during Construction	\$5,000,000	\$5,475,000
<b>Subtotal</b>		<b>\$157,057,000</b>	<b>\$196,807,000</b>
<b>February 2013 Board Action - Added Funding</b>			<b>\$15,000,000</b>
<b>TOTAL PROVISIONAL SUM FUNDING AFTER BOARD ACTION</b>			<b>\$211,807,000</b>