

Item 44

Program Management

Project Budget and Schedule Status

Transit Project Delivery

Construction Committee

April 18, 2013



Metro

Construction Bid Trends

April 2013



Metro

Construction Bid Trends

- Metro has seen significant cost increases in construction bids for its projects over the last year.
- On average, the bids have been 20% higher than estimated. This has been the case particularly on projects >\$5 million.
- Nationwide other government agencies and companies in the private sector are also experiencing the same increases in the cost of construction bids.

Construction Bid Trends

California's Current Construction Market

- During 2012, nine new light rail or highway projects totaling over \$3 billion were started.
- With an initial \$6 billion in contracts for high-speed rail looming on the horizon, as well as Metro's multi-billion dollar Measure R program, the rail construction sector in California is very robust.

Construction Bid Trends

Design-Build Construction Market Conditions

- The current nationwide construction bid market place for large civil design-build projects is dominated by a limited number of large contractors.
- These contractors are well-organized, stable and bring in local firms for each project on an as-needed basis.
- They have great breadth and depth of resources and favorable relationships with large banks and insurance companies that give them market advantages over smaller regional contractors.
- Many of these large contractors have a backlog of projects.



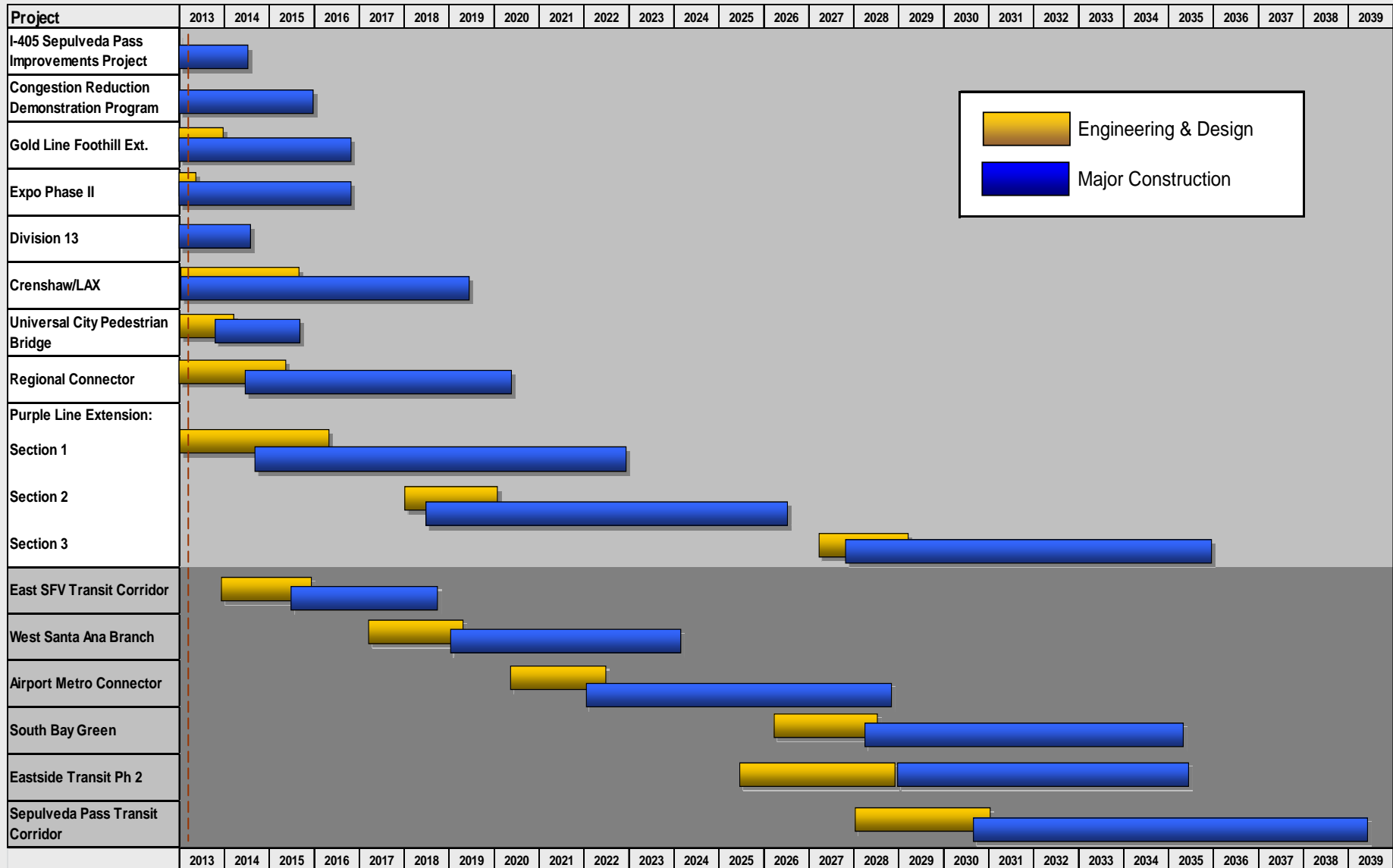
Construction Bid Trends

Next Steps

Staff will continue to:

- Monitor the trends
- Work with the construction industry to determine reasons for the increases
- Develop potential mitigation measures
- Make appropriate adjustments to Metro's estimates

Project Schedules*



*Project schedules are not accelerated. Projects in the shaded area are in the Planning phases.

Crenshaw/LAX Transit Corridor



BUDGET

	Original	Current	Forecast
Total Cost (\$ mil.)	1,749	1,762.9	1,762.9

- Continuing blackout period for Design-Build Contract C0988

SCHEDULE

	Original	Current	Forecast
Rev. Operation	Dec 2018	Dec 2018	June 2019

- Procurement process is taking 6 months longer than original plan
- BAFOs received on March 15 and evaluation process is underway

POTENTIAL RISKS

- With the additional project requirement to proceed with a best and final offer (BAFO) for Design-Build Contract C0988 and requirement to have sufficient project schedule contingency at award of a construction contract, there is potential for extending the revenue operations date to June 2019.
- DWP to accelerate Buy America compliant material for Power and Water; schedule impacts are being evaluated and potential cost increase of \$700k (.04% of Current Budget)
- CPUC suspension of 164-D process may delay approval of crossing applications
- Market conditions may lead to higher construction costs

Purple Line Extension – Section 1

(La Cienega)



 BUDGET	*Original	Current	Forecast
Total Cost (\$ mil.)	TBD	2,393	2,471

- Based on the March 2013 Financial Plan update. Does not include Planning or Finance costs
- \$78 million increase in forecast reflects updated ROW costs and Professional Services allowances

*Original budget to be adopted upon receipt of the FFGA

 SCHEDULE	*Original	Current	Forecast
Rev. Operation	TBD	Nov 2022	Dec 2022

- March 2013 – Received Price Bids for the Wilshire/La Brea Advanced Utility Relocations Contract

*Original schedule to be adopted upon receipt of the FFGA

POTENTIAL RISKS

- CEQA and NEPA lawsuits filed by Beverly Hills Unified School District and the City of Beverly Hills
- Buy America provisions as mandated by FTA . Potential cost and schedule impacts are still being assessed.
- Market conditions may lead to higher construction costs

Regional Connector



◆ BUDGET

	*Original	Current	Forecast
Total Cost (\$ mil.)	TBD	1,342	1,375

- Based on the March 2013 Financial Plan update. Does not include Planning or Finance costs
- \$33 million increase in forecast due to ROW costs and increased inflation factor from 3% to 3.5%

*Original budget to be adopted upon receipt of the FFGA

OK SCHEDULE

	*Original	Current	Forecast
Rev. Operation	TBD	May 2020	May 2020

- April 2013 – Awarded Construction Management Support Services Contract
- April 2013 – Received Price Bids for the Advanced Utility Relocations Contract

*Original schedule to be adopted upon receipt of the FFGA


POTENTIAL RISKS

- CEQA and NEPA lawsuits filed by Bonaventure Hotel, Japanese Village Plaza, and Thomas Properties Group
- Buy America provisions as mandated by FTA. Potential cost and schedule impacts are still being assessed.
- Market conditions may lead to higher construction costs

I-405 Sepulveda Pass Improvement Project

 BUDGET	Original	Current	Forecast
Total Cost (\$ mil.)	1,034	1,070.7	1,149.4

- In February 2013 the Board approved a \$22.7 million increase to the budget
- Anticipate seeking Board approval for an additional \$78.7 million in May 2013

 SCHEDULE	Original	Current	Forecast
Con. Complete	May 2013	Dec 2013	June 2014

- Forecasting a 13 month change from the original substantial completion date of May 2013 for all project elements
- Project will open an approximate 2.5 miles of General Purpose Lane in the south end by the end of June 2013

POTENTIAL RISKS


- Contractor performance, Area 5 Change Work, MSE Wall Failure re-work, and Area 4 (Sunset) work are the critical issues
- Utility relocations and adequacy of Provisional Sums – potential budget impact of \$85.8 million*
- Change Orders and Claims Risk – potential budget impact of \$29.3 million*
- Additional Professional Services – potential budget impact of \$20.2 million*

*These potential impacts are included in the budget forecast

Congestion Reduction Demonstration Program

 BUDGET	Original	Current	Forecast
Total Cost (\$ mil.)	274	291	291

- Potential impact of Patsaouras Plaza Busway Station re-bid.

 SCHEDULE	Original	Current	Forecast
Con. Complete	June 2014	June 2014	Dec 2015

I-110 ExpressLanes Nov. 10, 2012-Complete
 I-10 ExpressLanes Feb. 23, 2013-Complete

Patsaouras Plaza Busway Station June 2014 Dec 2015

- Re-bid scheduled for June 2013

POTENTIAL RISKS

- Bids for Patsaouras Plaza came in over budget, therefore they were cancelled. VE and debriefs have been completed to reduce costs. Plan is to repackage and re-solicit the project. Draft revised package due from consultant in April 2013.

Division 13 Bus Maintenance Facility



◆ BUDGET

	Original	Current	Forecast
Total Cost (\$ mil.)	95	95	104.2

- \$9.2 million increase in forecast due to CNG contract award, increase in forecasted staff and Professional Services costs, and establishing an adequate contingency
- CNG contract award and LOP revision on agenda for April 2013

OK SCHEDULE

	Original	Current	Forecast
Con. Complete	July 2014	July 2014	July 2014

- Off-site utility relocations in progress
- Demolition and removal of most Hazardous Materials completed (90%)
- Foundation construction started March 2013

POTENTIAL RISKS

- Utility relocations within City ROW
- Removal of remaining Hazardous Materials
- Possible unforeseen site conditions during underground construction
- CNG contract award
- Fossilized bone find in storm drain trench

Universal City Station Pedestrian Bridge

BUDGET

	Original	Current	Forecast
Total Cost (\$ mil.)	19.5	19.5	22

- Forecasted increase in Construction costs due to: Elevator/Escalators, steel truss, and construction cost mark-ups

SCHEDULE

	Original	Current	Forecast
Con. Complete	N/A	Sept 2015	Sept 2015

- Advertised on March 25, 2013
- Contract award is anticipated in Sept. 2013

POTENTIAL RISKS

- Design of the bridge is impressive, however costly. Value Engineering has been performed incorporating scope reduction
- If the lowest bid is higher than the remaining budget, Metro will negotiate with NBC Universal to share the increase in cost.

Gold Line Foothill Extension (Phase 2A)



BUDGET

	Original	Current	Forecast
Total Cost (\$ mil.)	690	741	741

- No issues to report

SCHEDULE

	Original	Current	Forecast
Rev. Operation	Nov 2016	Nov 2016	Nov 2016

- No issues to report

POTENTIAL RISKS

- Scope growth/betterments
- Third party impacts
- Acquisition of property for Irwindale and Duarte parking facilities




RECENT ACTIVITIES/ISSUES

- Design
 - 76 of 82 design packages approved for construction
- Site Work
 - Grading and utility relocation throughout alignment
 - Continue freight track construction (3.5 mile shared corridor)
- At-Grade Crossings
 - 1 of 14 crossings completed
 - Continuing Dalton Avenue and California Avenue
- Stations
 - Continued construction Duarte, Monrovia, and Arcadia Stations
- Bridges
 - Completed 2 of 24 bridges
 - Continued construction on 11 other bridges
- Maintenance Facility
 - Completed site grading
 - Installing building foundations and utilities


Exposition Phase I & Phase II



PHASE I

 BUDGET	Original	Current	Forecast
Total Cost (\$ mil.)	640	932	940.8

- Budget may be impacted by additional \$8.8 million forecast costs plus any contractor claims or other unknowns.
- Pursuing additional cost savings which include third party reimbursable and other cost savings (\$3.1 million).

 SCHEDULE	Current	Forecast
ROD – La Cienega	Complete	Complete
ROD – Culver City	Complete	Complete

- Revenue Operations to Culver City began June 20, 2012.

POTENTIAL RISKS

- Change Orders/Claims
- Third party overruns
- Professional Services Costs

PHASE II

 BUDGET	Original	Current	Forecast
Total Cost (\$ mil.)	1,511	1,511	1,511

- No issues to report

 SCHEDULE	Original	Current	Forecast
Rev. Operations	Nov 2016	Nov 2016	Nov 2016

Begin Maint. Facil. Constr. **June 2013** **June 2013**

POTENTIAL RISKS

- Legal appeal of Certified Environmental Document
- CPUC Rehearing of Grade Crossing Approval
- Maintenance Facility construction contract not awarded yet
- Issues with 4th Street Station including 5 minute headway requirement, location of TVMs, Fire Life Safety, and limited platform size



On target



Possible problem



Major issue



Exposition Phase I & Phase II



RECENT ACTIVITIES/ISSUES

PHASE I

- Repaving of the Culver City Parking lot completed March 13th

- Project Budget
 - Budget may be impacted by \$8.8 million forecasted overrun plus any contractor claims or other unknowns
 - Continue to pursue third party reimbursable costs and other potential savings (\$3.1 million)

PHASE II

- Waiting on ruling from Administrative Law Judge on CPUC Evidentiary Hearings on the Project grade crossing approvals
- Bikeway Contract
 - Finalized costs with the design build contractor
 - Metro completed funding agreement with City of LA, funding agreement with City of Santa Monica is still pending.
 - Metro has not authorized release of any of the bikeway funding
- Recommendation for award of Maintenance Facility contract scheduled for the Expo Board meeting in May.