



Board Report

File #: 2020-0797, File Type: Contract

Agenda Number: 36.

CONSTRUCTION COMMITTEE
JANUARY 21, 2021

SUBJECT: SOUNDWALL PACKAGE 11 HIGHWAY PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AMENDING the Life of Project Budget (LOP) Budget for Soundwall Package 11 Highway Project by \$13,303,000 from \$89,183,000 to \$102,486,000, using the fund sources from the soundwall program as summarized in Attachment D consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment E); and
- B. AUTHORIZING the Chief Executive Officer to execute individual Contract Modifications within the Board approved Life of Project budget.

ISSUE

Contract No. C39033C1101-2 Soundwall Package 11 Highway Project (Project) was awarded to Powell Constructors, Inc. in the amount of \$ 66,041,760 on October 30, 2017 and Notice to Proceed issued on December 20, 2017. The original schedule for completion of the construction phase of the Project was December 18, 2020 with a subsequent one-year plant establishment period. As of the date of this report, the Project is approximately 60% complete. Project staff have been working diligently to complete the Project within the approved budget; however, the LOP as established prior to Contract notice-to-proceed (NTP) must be increased given certain complexities of the Project as described in this report.

The requested increase to the LOP addresses all current and future direct and indirect cost impacts and will provide enough funding to complete the Project.

BACKGROUND

The Project is being performed under a Design/Bid/Build contract that is administered by Metro on behalf of Caltrans. The Project is located entirely within Caltrans right of way and consists of construction of soundwalls on Route 170 from Route 101/Route 170 interchange to the Sherman Way Overcrossing, and on Route 405 from north of Saticoy Street Undercrossing to Roscoe Boulevard Undercrossing. The construction of the soundwalls requires the modification and widening of eight existing bridges.

DISCUSSION

During construction, there were several unanticipated changes that occurred for both technical and unforeseen design related reasons as listed on Attachment B. The changes are also summarized below:

Differing Site Conditions (\$5.3M)

- Existing underground utilities not shown on the as-built record drawings required relocation.
 - Riverside Drive storm drain encasement
 - Magnolia Ave. storm drain encasement
 - Oxnard Ave. storm drain encasement
 - Chandler Blvd. storm drain encasement
 - Burbank Ave. storm drain encasement
- Unforeseen site conditions during excavation
 - Buried Man-Made Objects such as abandoned roadway materials, concrete, asphalt at various soundwall locations
- Replacing electrical pull boxes along soundwall alignment per Caltrans Standards
- Several changes related to different site conditions.
 - Slope at Soundwall No. 817 required redesign meet Caltrans Standards.

Design Changes (\$8.0)

Errors and Omissions (\$5.65M)

- Construction delays and increased costs related to permeation grouting delays and design errors
- Inefficiencies and escalations as a direct result of the permeation grouting delay to the large diameter CIDH piles.
- The design drawings incorrectly numbered and identified demolition items within the Project limits.

Third Party Requirements (\$2.35)

- Bureau of Street Lighting required that Metro upgrade and/or reconstruct all soffit lighting within the existing bridge structures. This requirement was not known at time of bid, nor was the requirement necessary to perform the scope of work within the contract.

The Design changes listed in this section are being treated as Errors and Omissions, and the Engineer of Record has been notified by County Counsel and Vender/Contract Management of Metro's intent to pursue damages.

Included within the requested \$13,303,000 LOP increase are corresponding increases to soft costs, including \$1,000,000 for Third Party reviews and field services, \$1,906,253 for Agency labor necessary for increased oversight, \$1,000,000 related for professional support services (Ghirardelli Associates, Destination Enterprises, KTJV), and \$1,000,000 for Project contingency to complete the work.

DETERMINATION OF SAFETY IMPACT

There is no impact to public safety by approving this recommendation.

FINANCIAL IMPACT

The current 89,183,000 LOP budget for Project 460324, Soundwall Package 11 is funded with local Measure R Highway 20% and Prop C 25% Funds. If all actions are approved, the LOP budget will increase by \$13,303,000 from \$89,183,000 to \$102,486,000. Funds required through Fiscal Year 2021 have been requested through the Fiscal Year 2021 Mid-Year budget adjustment, to be adopted at the January 2021 Board meeting. The additional LOP funding will be programmed in FY21 and FY22 in Cost Center 8510, Construction Contracts/Procurement, under Project 460324, Soundwall Package 11. Since this is a multi-year project, the Project Manager, Cost Center manager, and Chief, Program Management Officer will be responsible for budgeting the costs in future fiscal years.

IMPACT TO BUDGET

Soundwall Package 11 is currently funded with Measure R (20%) and Prop C 25% Highway Funds which are not eligible for bus and rail operations. The source of funds for this LOP increase is Measure R (20%) Highway Funds not eligible for bus and rail operations. Attachment E shows the Measure R and Measure M Unified Cost Management Policy (the Policy) analysis and funding strategy required for a cost increase to Measure R and Measure M Projects.

To comply with the Policy of the Metro Board of Directors, Metro staff has evaluated potential offsetting cost reductions including value engineering and scope reductions however since the project is so far along, nearing completion, these actions are no longer feasible.

Attachment E provides a detailed discussion of the Policy and recommends the use of \$13,303,000 of Measure R 20% Highway funds that are currently programmed to the Priority 2, Soundwall Packages 12, 13, and 14 projects. These projects do not have an LOP budget and are still in the project development phase. This will reduce funding for Soundwall Packages 12, 13, and 14 and may result in a need to seek additional funding which will be identified at the time the scope and costs are determined for these Soundwall Packages.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project is consistent with the following Metro Vision 2028 Goals and Objectives:

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 management and delivery 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 - Procurement Summary

Attachment B - Contract Modification

Attachment C - DEOD Summary

Attachment D - Funding/Expenditure Plan

Attachment E - Soundwall Package 11 Measure R & Measure M Unified Cost Management Policy

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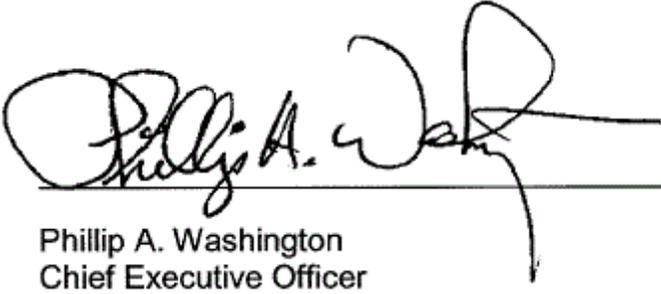
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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

NAME OF PROJECT/CONTRACT NUMBER

1.	Contract Number: C39033C1101-2		
2.	Contractor: Powell Constructors		
3.	Mod. Work Description: Various modifications to address additional work		
4.	Contract Work Description: Construction of Soundwalls on Routes 170, 101 and 405		
5.	The following data is current as of: November 30, 2020		
6.	Contract Completion Status:		
	Bids/Proposals Opened:	8/31/2017	% Completion \$s: 69.26%
	Contract Awarded:	10/30/2017	% Completion time: 60%
	NTP:	12/20/2017	Original Contract Days: 1,460
	Original Complete Date:	12/18/2020	Change Order Days: 287
	Current Est. Complete Date:	10/2/2022	Suspended Days: 0
	Total Revised Days:		287
7.	Financial Status:		
	Contract Award:	\$66,041,760.00	
	Total Contract Modifications Approved:	\$3,438,441.66	
	Current Contract Value:	\$69,480,201.66	
	Contract Administrator: Helen Gates-Bryant	Telephone Number: 213-922-1269	
8.	Project Manager: Joe Wright	Telephone Number: 213-922-7281	

A. Contract Action Summary

This Board Action is to approve an increase in the Life of Project (LOP) to provide for pending modifications/changes for the Soundwall Package 11 Project.

The Contract Modifications/Changes will be negotiated and processed in accordance with Metro's Acquisition Policies and Procedures. The contract type is a Firm Fixed Price. The award of the Soundwall Package 11 contract to the lowest price responsive responsible bidder was approved by the CEO on October 12, 2017.

The contract was awarded on October 30, 2017 to Powell Constructors, Inc. in the amount of \$66,041,760.00. The period of performance on this contract was 1460 days.

Refer to Attachment B, Contract Modification/Change Log for modifications approved to date, and those pending authorization.

B. Cost/Price Analysis

The final amount of all modifications and changes will be fully negotiated, and determined to be fair and reasonable based upon independent cost estimates, cost analysis, technical evaluation, fact finding, and negotiations, in accordance with Metro Acquisition Policies and Procedures.

CONTRACT MODIFICATION/CHANGE ORDER LOG

NAME OF PROJECT/CONTRACT NUMBER

Mod. no.	Description	Status (approved or pending)	Contract Value	Mod/CO Value
N/A	Initial Award		\$66,041,760.00	
1	Contract Conforming and Clarifications	Approved		No Cost
2	Contract Conforming and Clarifications	Approved		No Cost
3	Conforming and Clarifications Lane Closure Chart Adjustments	Approved		No Cost
4	Temporary Mainline Striping	Approved		No Cost
5	Additional Temporary Traffic Control	Approved		\$310,000.00
6	Additional Tree Removal	Approved		\$78,970.16
7	Crash Cushion Replacement	Approved		\$15,991.00
8	Striping Inefficiencies	Approved		\$38,953.99
9	Permanent Sign Detail	Approved		\$21,542.47
10	SW 951 Elect Service Connection	Approved		\$25,971.49
11	OH Sign Structures Walkway Removal	Approved		\$60,896.68
12	RW 870 Modifications & Equipment Rental	Approved		\$126,873.55
13	Various Extra Work Operations	Approved		\$86,394.00
14	DWP Full Closure & Riverside Dr. Off-Ramp Striping	Approved		\$88,538.31
15.2	COZEEP Increase	Approved		\$480,000.00
16	Caltrans Special Provision Revision Permeation Grouting	Approved		No Cost
17	Combined Extra work Items at SW 917, 860, 891 and Other Areas	Approved		\$72,173.36
18	Combined Extra Work – Tree Removal, Illegal Dumping	Approved		\$97,778.00
19	Permeation Grouting Delay (TIA)	Approved		\$860,000.00
20	Man Made Buried Objects at SW and Bridge Locations	Approved		\$86,124.00
21	COZEEP Increase	Approved		\$410,000.00
22	SW 817 Modification to Barrier Rail 736SV	Approved		\$262,563.00

23	Man Made Buried Objects Multiple SW Drainage Structures & Oxnard	Approved		\$78,830.65
24	Crash Cushion Repairs & Riverside Dr. Restripe	Approved		\$64,238.00
25	As-Built Bridge Survey	Approved		\$23,310.00
CO-00001	Additional Tree Removal	Approved		\$149,293.00
	Subtotal Approved Modifications and Change Orders			\$3,438,441.66
	Impact Cost for delay escalations & Inefficiencies	Pending		\$4,637,069.88
	BSL Lighting Change	Pending		\$1,224,554.71
	Additional COZEEP Increase	Pending		\$450,000.00
	Oxnard Encasement Work – City of LA	Pending		\$278,212.58
	Magnolia Encasement Work –City of LA	Pending		\$144,489.79
	SW 786 Alignment & Transition, Crash Cushion, City of LA TC	Pending		\$66,226.32
	Illegal Dumping at Victory, Oxnard and Burbank	Pending		\$70,000.00
	\$	\$		
Subtotal – Pending Changes/Modifications				\$6,870,553.28
Subtotal Totals: Mods. + Pending Changes/Modifications			\$	\$10,308,994.94
Subtotal – Pending Claims			\$	\$0
Total: Mods + Pending Changes/Mods + Possible Claims			\$	\$10,308,994.94
Previous Authorized CMA			\$	\$6,604,176.00
CMA Necessary to Execute Pending Changes/Mods + Possible Claims			\$	\$3,704,818.94

DEOD SUMMARY

SOUNDWALL PACKAGE 11 HIGHWAY PROJECT/ C39033C1101-2

A. Small Business Participation

Powell Constructors made a 26.35% Small Business Enterprise (SBE) and 3.41% Disabled Veteran Business Enterprise (DVBE) commitment. The project is 61% complete and the Powell Constructors is currently exceeding both of its commitments with 27.19% SBE and 5.37% DVBE participation.

Small Business Commitment	26.35% SBE 3.41% DVBE	Small Business Participation	27.19% SBE 5.37% DVBE
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B.	SBE Subcontractors	% Committed	Current Participation¹
1.	G & F Concrete Cutting	0.79%	0.73%
2.	Rupert Construction Group	2.22%	3.36%
3.	Global Transloading, LLC	1.20%	3.94%
4.	Titan Constructor Engineering	1.35%	1.40%
5.	Deco Pave, Inc.	3.67%	2.54%
6.	High-Light Electric, Inc.	9.81%	10.56%
7.	Martinez Landscape	3.21%	0.02%
8.	Miranda Logistics Enterprises, Inc.	0.27%	0.50%
9.	G & C Equipment Company (Scope A -Concrete Bridge Girders)	1.44%	0.11%
10.	G & C Equipment Company (Scope B – Ready Mix Concrete)	2.39%	4.03%
	Total	26.35%	27.19%

¹Current Participation = Total Actual amount Paid-to-Date to SBE firms ÷ Total Actual Amount Paid-to-date to Prime.

	DVBE Subcontractor	% Committed	Current Participation¹
1.	EnGEN Corporation	1.57%	3.14%
2.	RKW Veterans Solutions, LLC	1.79%	1.51%
3.	G & C Equipment Company (Scope C Sign Panels)	0.05%	0.72%

	Total	3.41%	5.37%
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¹Current Participation = Total Actual amount Paid-to-Date to DVBE firms ÷ Total Actual Amount Paid-to-date to Prime.

C. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this contract.

D. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection, construction management and other support trades.

E. Project Labor Agreement / Construction Careers Policy (PLA/CCP)

The Contractor has committed to complying with PLA/CCP requirements for this project. This project is 70% complete as of October 2020 which represents the number of construction labor hours worked to date divided by the total projected labor hours for the project. The contractor is achieving the 40% Targeted Worker Goal at 59.33%, not achieving the 20% Apprentice Worker Goal at 16.04%, and not achieving the 10% Disadvantaged Worker Goal at 5.98%. Staff will continue to monitor and report the contractor's progress toward meeting the goals of the PLA/CCP.

FUNDING/EXPENDITURE PLAN

SOUNDWALL PACKAGE 11 PROJECT

Use of Funds	Remainder of FY21	FY21	FY22	Total Capital Costs
Design Phase				
Design Contract	\$3,211,000			\$3,211,000
Construction Phase				
Construction Contract	\$45,744,000	\$19,860,000	\$10,677,000	\$76,281,000
Proj. Mgmt. Support Costs inc. Pro Svcs	\$7,163,000	\$1,850,000	\$997,000	\$10,010,000
Third Party (COLA, LADWP, BOE, BSL, CONAD, Etc.)	\$3,281,000	\$1,219,000	\$800,000	\$5,300,000
Agency Costs: Project Control, Procurement Support, Safety, Communications, etc.	\$4,551,000	\$1,040,000	\$920,000	\$6,511,000
DEOD and other Professional Services	\$96,000	\$37,000	\$40,000	\$173,000
Project Contingency	\$0	\$0	\$1,000,000	\$1,000,000
Total Project Cost	\$64,046,000	\$24,006,000	\$14,434,000	\$102,486,000
Sources of Funds				
Measure R 20% / Proposition C 25%	\$64,046,000	\$24,006,000	\$14,434,000	\$102,486,000
Total Projects Costs	\$64,046,000	\$24,006,000	\$14,434,000	\$102,486,000

ATTACHMENT E

SOUNDWALL PACKAGE 11 HIGHWAY PROJECT

Measure R and Measure M Unified Cost Management Policy Analysis

Introduction

The Measure R and Measure M Unified Cost Management Policy (the Policy) was adopted by the Metro Board of Directors in June 2018. The precursor Measure R cost management policy was adopted in March 2011. The intent of the Policy is to inform the Metro Board of Directors regarding cost increases to Measure R- and Measure M-funded projects and the strategies available to close a funding gap. The Soundwall Package 11 Highway Project (the Project) is subject to this policy analysis.

The life of project (LOP) budget for the Project as approved by the Board is \$89,183,000. The Project is subject to the Policy analysis now due to a proposed \$13,303,000 increase to the LOP budget. Funding for the cost increase is needed through FY 2022. This analysis recommends trade-offs required by the Policy to identify cost reductions or the funds necessary to meet the cost increase.

Measure R and Measure M Unified Cost Management Policy Summary

The adopted Policy stipulates the following.

If a project cost increase occurs, the Metro Board of Directors must approve a plan of action to address the issue prior to taking any action necessary to permit the project to move to the next milestone. Increases will be measured against subsequent actions on cost estimates taken by the Metro Board of Directors, including the determination of the budget. Shortfalls will first be addressed at the project level prior to evaluation for any additional resources using these methods in this order as appropriate:

- 1) Scope reductions;
- 2) New local agency funding resources;
- 3) Value Engineering;
- 4) Other cost reductions within the same transit or highway corridor;
- 5) Other cost reductions within the same subregion; and finally,
- 6) Countywide transit or highway cost reductions or other funds will be sought using pre-established priorities.

Scope Reductions or Value Engineering

The Project has an awarded Design/Bid/Build contract with a FY 2022 estimated completion. Any scope reduction or value engineering would require negotiation and agreement with the contractor that could delay the schedule. Because of this, we recommend moving to the next step.

New Local Agency Funding Resources

Local funding resources (i.e., specific to the affected corridor or subregion) are considered in the next step as opposed to countywide or regional sources so as not to

impact the funding of other Metro Board-approved projects and programs or subregions in the County.

The Project is a component of the broader Metro soundwall program, which consists of the construction of soundwalls throughout the county that meet state eligibility criteria. The program is prioritized into a Phase I (required to be constructed as part of High Occupancy Vehicle Lanes projects but were deferred) and Phase II (all others). Within Phase I, there are three priority lists. Priority 1 projects are completed. Priority 2 projects, which include the Soundwall Package 11 Highway Project, have funding programmed in the Long-Range Transportation Plan (LRTP) financial forecast. All the Priority 2 projects have funded LOP budgets approved by the Board, with the exception of three remaining Package 12, 13, and 14 projects, which are in the project initiation/approval stage. The Priority 3 projects are currently programmed in the LRTP beginning in FY 2035.

The Project is eligible for Measure R funding and is allocated a portion of the \$250,000,000 of funding in the Measure R sales tax ordinance Expenditure Plan from the highway project entitled "Countywide Soundwall Construction." The Measure R funds have been programmed to the Priority 1 and Priority 2 projects, including Package 12, 13, and 14.

As the Package 12, 13, and 14 projects do not have a LOP budget and are still in the project development phase, a portion of the Measure R funding equal to \$13,303,000 can be reprogrammed and allocated to the LOP increase on the Project. This will reduce funding for the Package 12, 13, and 14 projects and may result in a need to seek additional, future State and or federal grant funding, or local funding. The Package 12, 13, and 14 projects are within subregions that have been programmed Proposition C 25% "replacement project credits" and these could potentially be used.

Other Cost Reductions within the Same Transit or Highway Corridor, or within the Same Sub-region

The Project is in the same subregion as the I-5 North Capacity Enhancements project. This project is under construction and it is currently not known if there will be any future cost reductions. This project has a proposed \$73,200,000 increase to the LOP budget, and the funding for this (pending Board approval), would use all remaining Measure R 20% highway funds programmed to the project, and would then not be available for the LOP increase to the Soundwall Package 11 Highway Project. The project also has unused Proposition C 25% "replacement project credits" that are programmed; however, these are currently not available for use until the third decade of the LRTP.

Countywide Cost Reductions and/or Other Funds

If new local agency resources are not allocated to the Project cost increase, regional or countywide funding could be considered. These funds are programmed for other uses in Metro's financial forecast, during the timeframe when funds are needed for the Project cost increase, and additional debt financing would be needed to provide sufficient cash

flow for the Project cost increase. The primary eligible source of countywide funding is Proposition C 25%.

State and Federal Funding (Formula)

Metro receives quasi-formula funding from the State through the Regional Improvement Program (RIP) and Local Partnership Program (LPP). This is considered regional funding as it can be applied countywide to both transit and highway spending. There is currently no capacity in the RIP or LPP through FY 2025. The RIP has been allocated to projects submitted in Metro's 2020 RTIP and the next cycle of the LPP is planned to be used on the \$801 million Division 20 project. Metro also receives an allocation of funds from the "Highway Infrastructure Program," which is a federal formula grant created in 2018 for uses that include the construction of highways, bridges, tunnels, transit capital, and ITS; operational improvements; highway and transit safety improvements; and pedestrian and bicycle projects, among others. Funding from this grant will be programmed in the pending 2021 Short Range Transportation Plan.

Recommendation

Metro staff recommends the use of \$13,303,000 of Measure R 20% highway funds that are currently programmed to the Priority 2, Package 12, 13, and 14 projects to address the Project LOP budget increase. Funding for the Package 12, 13, and 14 projects will be identified at the time the scope and cost are determined.