



Board Report

File #: 2021-0051, **File Type:** Project

Agenda Number: 31.

**CONSTRUCTION COMMITTEE
MARCH 18, 2021**

SUBJECT: I-5 NORTH COUNTY ENHANCEMENTS PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

- A. ESTABLISH a life-of-project budget for the I-5 North County Enhancements Project in the amount of \$679,400,000.
- B. AUTHORIZE the Chief Executive Officer to negotiate and execute project related agreements, including contract modifications, up to the authorized Life-of-Project Budget.

ISSUE

An LOP budget for the Project is required to execute contracts and pursue completion of the Project. Establishing the LOP budget at the time of contract award is consistent with the recommendations in the Office of the Inspector General (OIG) Construction Management Best Practices Study Report and lessons learned regarding establishing final budgets, when adequate information (such as the receipt and validation of responsiveness of hard bids) is available.

BACKGROUND

The 13.9-mile Project will improve the operations and safety of the corridor, facilitate the movement of freight and people, and accommodate expected growth in the area on I-5 from SR-14 to Parker Road. The proposed improvements include the addition of one High Occupancy Vehicle (HOV) lane in each direction, extension of trucking/freight lanes from Calgrove Blvd. to South of Weldon Canyon in the southbound direction (2.23 miles) and from the Gavin Canyon undercrossing to Calgrove Blvd. in the northbound direction (0.98 miles); auxiliary lanes at various locations along the corridor (2.5 miles); widening of 7 bridges including the Gavin Canyon Undercrossing, Calgrove Boulevard Undercrossing, Butte Canyon Bridge, Magic Mountain Parkway Undercrossing, Santa Clara Overhead, Rye Canyon Undercrossing, and Castaic Creek Bridge; and the replacement of the Weldon Canyon bridge to accommodate the proposed freeway improvements.

The Project is being delivered through a contractual partnership between Caltrans and Metro in the form of cooperative agreements for design and construction. Metro, defined as a Local Agency within

these agreements, is responsible for advertising, awarding, and administering the contract. The Project is funded through a combination of federal and state grant funding and Metro local funding, as shown in Attachment A Funding and Expenditure Plan. Metro will be responsible for managing the Project budget and identifying any future funding, if required.

Partnering sessions with Caltrans have been ongoing to ensure a high level of collaboration and issue resolution during the Project planning, design, and procurement phase. Metro staff from Vendor/Contract Management and Program Management, supported by County Counsel, performed an extensive contract review and revision process to ensure that the highway contract reflected the technical and commercial requirements of both parties. In parallel to this contract review/revision process, a detailed low-bid style cost estimate and constructability analysis was performed. Lastly, Metro conducted an industry review of the highway contract. Caltrans-assigned oversight personnel have provided support to Metro throughout these processes.

DISCUSSION

To date, the Project has been funded on a fiscal year basis. The proposed LOP budget for this project is based on total project costs incurred including Metro labor and non-labor costs for PA&ED, PS&E, Utilities, ROW support, the forecasted construction cost and support, and required contingencies. The proposed LOP budget has been approved by FHWA and Caltrans respectively and utilizes lessons learned on past local agency delivered highway projects and the Project specific risk profile developed and approved through the FHWA risk assessment process. In October 2020, the Metro Board of Directors authorized a construction support services contract for construction management and Project oversight support. Key personnel from this contract have been onboarded to assist Metro staff in the procurement and pre-construction activities required for the Project. The Project Invitation for Bid was released on November 6th, 2020 and 3 bids were received on February 24, 2021. The bids are currently being validated for responsiveness.

OHL (Apparent Low Bid)	\$389,957,231
Flatiron Security Paving JV	\$406,182,281
Skanska / Rasmussen JV	\$513,600,000
Metro Independent Cost Estimate	\$480,841,729

Design-bid-build projects typically carry a 10 to 12 percent contingency because the design is carried out to 100%. For this Project, staff has allocated an 18 percent contingency due to the following risk factors identified in the risk assessment process:

- Due to the Project location within the mountainous Transverse Range and proximity to major fault lines, geotechnical issues are expected related to soil nail wall installation, Cast-in-Drilled-Hole pile installation, sound wall and retaining wall foundation construction, and unsuitable subgrade under pavement.
- Latent sub-surface features, including buried human-made objects and differing site conditions
- Unanticipated presence of protected special-status species in active construction areas, specifically within creeks, rivers, and Waters of the US resulting in construction delays

The risk assessment process identified approximately \$50M in additional risk contingency that is accounted for within the LOP budget.

In addition to the increased contingency, staff are recommending additional budget for oversight and support. Typical construction oversight costs for projects historically vary between 8 to 13 percent of project budget. However, given lessons learned on past collaborative highway efforts between Metro and Caltrans, staff have allocated roughly 16 percent construction oversight for the Project. This cost is inclusive of a more robust Owner controlled quality oversight program than is typical of Metro projects that is designed to reduce rework, reduce rejected work, minimize schedule delays, and ensure timely and complete Caltrans final acceptance of the Project.

Project Schedule & Community Outreach

Notice of Award is anticipated in mid-April with a start of construction in Summer of 2021. The contract duration is 58 months, which is inclusive of 100 adverse weather days anticipated during the Project. Construction completion is slated for Summer 2026. The schedule for construction contract award is developed to coincide with current budgetary considerations and to ensure contractor mobilization and construction expenditures meet the Trade Corridor Enhancements Program (TCEP) funding requirement to issue Notice to Proceed by May 13, 2021.

Staff has begun the Project communication, notification, and outreach program to the local jurisdictions, stakeholders, residents, businesses, and the general public. Metro has developed and continues to build valuable partnerships with local and regional jurisdictions and stakeholders including the County of Los Angeles, City of Santa Clarita, North County Transportation Coalition, Golden State Gateway Coalition, Santa Clarita Economic Development Corporation, and the Santa Clarita Valley Chamber of Commerce.

DETERMINATION OF SAFETY IMPACT

Approval of these recommendations will have no detrimental safety impact.

FINANCIAL IMPACT

This is a multi-year Project. Upon approval of the Life of Project budget, staff will manage the Project within the Board approved fiscal year budgets. It is the responsibility of the Project Manager and Chief Program Management Officer to budget for this project in future fiscal years.

Impact to Budget

The Project is funded through Federal Surface Transportation STBGP and Fastlane/Infra (\$56,800,000), State SB1 (\$247,000,000) and a Metro local funds match from tax measures Measure R - Highway and Measure M - Highway (\$375,600,000). These funds are not eligible for bus or rail operations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports strategic goal #1 by providing high-quality mobility options that enable people to spend less time traveling. Metro acknowledges the need for partnerships with local, regional, and state authorities to leverage funding to maintain streets, highways, and shared freight rail corridors in a state of good repair for all users. Metro continues to work with its partners in the region to advance more efficient use of roadway capacity through needed state of good repair projects.

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with the establishment of an LOP budget. This is not recommended as this may jeopardize current and future grant opportunities.

NEXT STEPS

Upon Board approval of the recommendations, staff will move the Project forward into construction.

ATTACHMENTS

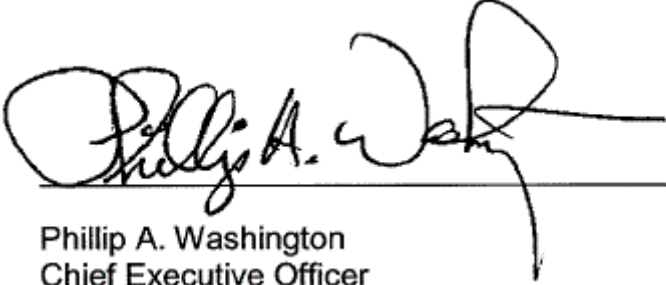
Attachment A - Funding and Expenditure Plan

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ATTACHMENT "A"
EXPENDITURE and FUNDING PLAN

ISN COUNTY ENHANCEMENTS PROJECT Cash Flow and Sources of Funds

Uses of Funds

Work Package	Thru FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	Total
PA&ED	\$ 8.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8.88
PS&E	\$ 42.25	\$ 0.26	\$ 0.20	\$ 0.70	\$ 0.50	\$ 0.46	\$ -	\$ -	\$ 44.37
ROW	\$ 0.39	\$ 0.01	\$ 0.05	\$ 0.05	\$ 0.04	\$ 0.04	\$ -	\$ -	\$ 0.58
Utilities	\$ -	\$ 0.39	\$ 4.00	\$ 3.00	\$ 1.36	\$ 0.48	\$ -	\$ -	\$ 9.23
ROW Support	\$ 0.11	\$ 0.01	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.04	\$ -	\$ -	\$ 0.40
Construction Support	\$ 2.38	\$ 6.53	\$ 20.28	\$ 24.40	\$ 24.10	\$ 21.70	\$ 10.99	\$ -	\$ 110.38
Construction Capital	\$ -	\$ 5.99	\$ 52.01	\$ 147.91	\$ 140.26	\$ 43.78	\$ -	\$ -	\$ 389.95
Unallocated Contingency	\$ -	\$ -	\$ 3.60	\$ 20.30	\$ 18.87	\$ 3.08	\$ 32.61	\$ 23.32	\$ 101.78
Program Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13.80	\$ 13.80
Total Project Estimate	\$ 54.01	\$ 13.19	\$ 80.22	\$ 196.44	\$ 185.21	\$ 69.58	\$ 43.60	\$ 37.12	\$ 679.37

Sources of Funds

Federal Revenue

Surface Transportation (STBGP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7.50	\$ 7.50
TCSPPP	\$ 2.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.31
Fastlane/Infra	\$ -	\$ 3.08	\$ 25.78	\$ 18.14	\$ -	\$ -	\$ -	\$ -	\$ 47.00
Federal Revenue Subtotal	\$ 2.31	\$ 3.08	\$ 25.78	\$ 18.14	\$ -	\$ -	\$ -	\$ 7.50	\$ 56.81

Local Revenue

Measure M - Highway	\$ -	\$ -	\$ -	\$ 70.20	\$ 90.67	\$ 33.05	\$ 24.37	\$ 21.72	\$ 240.01
Measure R - Highway	\$ 43.30	\$ 6.09	\$ 18.61	\$ 21.32	\$ 14.95	\$ 7.00	\$ 7.98	\$ 7.90	\$ 127.15
Private Funding	\$ 8.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8.41
Local Revenue Subtotal	\$ 51.71	\$ 6.09	\$ 18.61	\$ 91.52	\$ 105.62	\$ 40.05	\$ 32.35	\$ 29.62	\$ 375.56

State Revenue

SB1 Trade Corridors (Federal)	\$ -	\$ -	\$ -	\$ 5.64	\$ 53.59	\$ 29.53	\$ 11.24	\$ -	\$ 100.00
SB1 Trade Corridors (State)	\$ -	\$ 4.02	\$ 35.83	\$ 81.14	\$ 26.01	\$ -	\$ -	\$ -	\$ 147.00
State Revenue Subtotal	\$ -	\$ 4.02	\$ 35.83	\$ 86.78	\$ 79.60	\$ 29.53	\$ 11.24	\$ -	\$ 247.00

TOTAL SOURCES	\$ 54.01	\$ 13.19	\$ 80.22	\$ 196.44	\$ 185.22	\$ 69.58	\$ 43.59	\$ 37.12	\$ 679.38
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