



**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

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metro.net

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**PLANNING AND PROGRAMMING COMMITTEE  
MARCH 15, 2006**

**SUBJECT: COST INCREASES FOR HIGH OCCUPANCY VEHICLE LANE  
PROJECTS: I-405 FROM I-105 TO ROUTE 90  
ROUTE 60 FROM I-605 TO BREA CANYON ROAD**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATIONS**

- A. Approve \$4.2 million in additional funds to cover cost changes including the contractor's claim settlement on the I-405 High Occupancy Vehicles (HOV) Lane Project from I-105 to Route 90; and
- B. Approve \$20.0 million in additional funds to cover the estimated increase in construction support and construction costs per the State of California Department of Transportation (Caltrans) Engineer's Estimate on the Route 60 HOV Lane Project from I-605 to Brea Canyon.

**ISSUE**

In a letter dated January 31, 2006, Caltrans requested that the Los Angeles County Metropolitan Transportation Authority (Metro) provide supplemental dollars of \$4.3 million to cover construction cost increases primarily due to the settlement of the contractor's claim and necessary change orders during the project's construction. Since there is \$0.146 million savings from a previously Board approved administrative cost increase that will be transferred to this work, \$4.2 million in supplemental funds is being requested for the I-405 project. Additionally, in a letter dated February 9, 2006, Caltrans requested that Metro program an additional \$20 million due to escalating construction costs for the Route 60 HOV project.

The current Metro Board adopted policy for programming cost changes for highway projects allows for administrative approvals of up to \$5 million in the aggregate for each project. Each of these latest Caltrans requests exceeds the administrative approval limit.

**POLICY IMPLICATIONS**

The Metro Board adopted the policy for administratively approving cost increases for Caltrans highway projects in 1999 and updated the policy in June 2000. These

requests are being brought to the Metro Board because the cost changes would exceed the cumulative \$5 million limit per project. The recommended action would keep these critical transportation projects that improve mobility and air quality on schedule. The I-405 project is scheduled to open in Spring 2006 and the Route 60 project will be advertised in May 2006.

## **OPTIONS**

The Board of Directors may reject or partially approve the requests for supplemental funding. These options are not recommended as the I-405 project is 90% complete. This project completes a gap in the I-405 corridor HOV system. With completion of this segment, the HOV lanes will extend from the Orange County Line to the Route 90 Freeway in Marina Del Rey.

The Route 60 HOV project has completed design and the bid packages are undergoing preparation by Caltrans Headquarters' staff. The Project is to be advertised in May 2006. Caltrans is prohibited from advertising construction projects unless the required funds are programmed. Metro staff is recommending commitment of the additional \$20.0 million for the Route 60 project because the alternative approach of down-scoping the project would make the utility of the finished project questionable.

## **FINANCIAL IMPACT**

There are adequate funds in the current FY 06 Subsidies to Others budget (Cost Center 0441) to cover the \$4.2 million Supplemental funding request for the I-405 project. It is anticipated that Proposition C 25% dollars will be used to fund the increased costs.

The \$20.0 million in funding is available for programming to the Route 60 project from the I-10 HOV lane project. The latter project is expected to receive \$20.7 million in Traffic Congestion Relief Program (TCRP) funding. As a result of the TCRP funds, \$20.7 million in funding originally programmed to the I-10 project is now available for reprogramming.

Since the I-10 HOV lane project is currently in design, Caltrans cannot provide an up-to-date cost estimate until early calendar year 2008. As such, it is recommended that the available funds be used for the Route 60 project and update the I-10 project cost when that information becomes available.

Programming of additional funds to both the I-405 and Route 60 projects could potentially reduce the amount of funding available for future projects.

## **BACKGROUND**

The I-405 HOV project between the I-105 and Route 90 was funded through the 1997 and 1999 Call for Projects. The scope includes design, right-of-way activities, and construction of HOV Lanes and Soundwalls in both the north and southbound directions. Construction began in February 2003 and the project is expected to open to traffic in Spring 2006. The current total cost for this project (not including this request) is \$36.01 million.

There were three previously administratively approved cost increases on the I-405 project. These increases covered a change in Caltrans final cost estimate prior to listing the project for bidding, the difference between the final cost estimate and the lowest cost bid and for an Unusual and Extraordinary Noise Abatement Study. Supplemental funding is currently needed for the I-405 project due to a claim settlement, the contractor encountering different site conditions than as specified in the construction plans resulting in the need for construction change orders and an increase in the project contingency budget.

Metro has currently programmed a total of \$117.10 million for the Route 60 HOV Lane project as of December 2005. Per Caltrans February 9, 2006 letter, they are requesting \$20.0 million of which \$19.44 million is for the estimated increase in construction costs and \$0.56 million is for additional support costs.

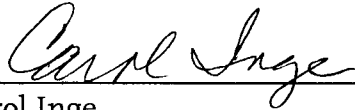
## **NEXT STEPS**

Upon Metro Board approval, Caltrans will be notified. Amendments to the existing funding agreements will be executed.

## **ATTACHMENT**

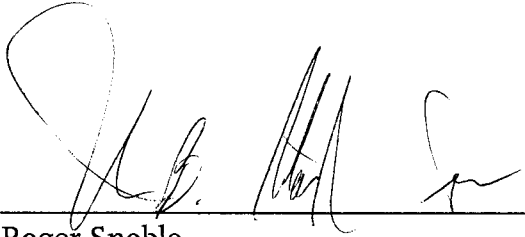
- A. Letter from Caltrans dated January 31, 2006
- B. Letter from Caltrans dated February 9, 2006

Prepared by: Randy Lamm, Transportation Planning Manager, South Bay Area Team  
Benkin Jong, Transportation Planning Manager, San Gabriel Valley  
Area Team



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Carol Inge  
Interim Chief Planning Officer  
Countywide Planning and Development



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Roger Snoble  
Chief Executive Officer

**DEPARTMENT OF TRANSPORTATION**

DISTRICT 7  
100 MAIN STREET, SUITE 100  
LOS ANGELES, CA 90012-3606  
PHONE (213) 897-0362  
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**ATTACHMENT A**

*Flex your power!  
Be energy efficient!*

January 31, 2006

Los Angeles County Metropolitan Transportation Authority (Metro)  
One Gateway Plaza, Mail Stop: 99-22-04  
Los Angeles, CA 90012-2952

Attn: Ms. Renee Berlin, Director  
South Bay Area Team

REQUEST ADDITIONAL FUNDING FOR ENTITLEMENT DUE TO DIFFERING SITE CONDITIONS  
ENCOUNTERED DURING CONSTRUCTION  
LA-405 HOV PROJECT FROM ROUTE 105 TO ROUTE 90  
EA 1198U1/MTA PROJECT NO. 2196, 2196B, 6139

Dear Ms. Berlin:

The State of California, Department of Transportation (Department) is pleased to announce that the Route 405 HOV project between Route 105 and Route 90 is nearing completion. The Department has successfully built the HOV lane with the least impact to the motoring public. The Department anticipates an improvement in the flow of traffic and an increase in shared ridership due to the newly constructed HOV lanes.

In order to complete the contract work, the Department is requesting a supplemental fund in the amount of \$4,300,000.00. The following summarizes the requested amount:

Allocate entitlement due to encountered differing site conditions during construction - \$2,795,000  
Contract Change Orders - \$1,204,000  
Projected 10% of remaining work to be completed - \$301,000

The Department currently has \$2,177,829.30 remaining in funds consisting of contingencies and G-12 allocations for this project, however, the total amount needed to complete the project is \$6,477,829.30.

Attached are detailed supporting documents for each category and item that will require additional funding to successfully conclude with the project. Should you have any questions or need additional information, feel free to contact me at 213.897.0123.

Sincerely,

A handwritten signature in black ink that reads "Monir L. Ibrahim".

Monir Ibrahim, Area Manager  
Office of Project Management South

Cc: Tad Teferi, Caltrans  
Mabel Tran, Caltrans  
Randy Lamm, Metro

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**ATTACHMENT B**

*Flex your power!  
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February 9, 2006

Re: Route 60 HOV project from Route 605  
To Brea Canyon Road  
EA 07-1294V1  
KP (PM): 18.8 (11.8) / 37.0 (23.0)

Ms. Shahrzad Amiri  
Metropolitan Transit Authority  
One Gateway Plaza  
Los Angeles, California 90012

Subject: Request for Additional Funds

Dear Ms. Amiri:

This project proposes to construct High Occupancy Vehicle (HOV) Non-Standard lane in each direction of Route 60 freeway from Route 605 to Brea Canyon Road.

The Department has completed the design work and will be ready to advertise the project in May 2006. Within the past seven months since our first request for additional fund the Department has noticed steady increase in cost of construction materials. Therefore we had to adjust the bid item prices to meet the current prices.

There are many options to be considered. One option is to down-scope the project. This option would significantly reduce the length of the HOV lanes that can be constructed, making the utility of the finished project questionable.

The Department is requesting that the Los Angeles County Metropolitan Transportation Authority (Metro) provide additional funds of \$ 20,000,000 (see attachments for details) to fully fund the project.

We look forward to your favorable response and agreement to fund the difference in order for us to proceed with completing this important Project. Should you have any questions or request any further information regarding this issue, please contact me at (213) 897-7095.

Ms. Shahrzad Amiri  
Date : February 9, 2006  
Page: 2

Sincerely,

A handwritten signature in black ink that reads "Sam S. Ekrami". The signature is written in a cursive style with a large initial "S".

Sam Ekrami  
Division of Program Project Management  
Area Manager- Central

Cc: David Yale, MTA  
Kevin Michel, MTA  
Alberto Angelini, Caltrans

Attachments