



Metro

Los Angeles County
Metropolitan Transportation Authority

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Los Angeles, CA 90012-2952

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metro.net

**PLANNING AND PROGRAMMING COMMITTEE
FEBRUARY 18, 2009**

SUBJECT: POST 1989 RETROFIT SOUNDWALL PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

- A. Authorize the Chief Executive Officer to cancel the existing Funding Agreement (FA) with the California Department of Transportation (Caltrans) for the construction of Soundwall Package 4 along the I-210 Freeway and transfer the Package to us for construction.
- B. Program an additional \$15.964 million in Proposition C 25% funds for Packages 4, 5, 6, 7, 8, 10 and 11 as follows:
1. \$200,000 for design support services during the construction of Package 4;
 2. \$5.923 million to cover cost increases for Caltrans to complete the design of Soundwall Packages 5 (I-405 in the San Fernando Valley), 6 (I-405 in the Gateway Cities), 7 (SR-134 in the City of Burbank), 8 (I-605 in the Cities of Santa Fe Springs and Irwindale) and 10 (I-210 in the Cities of Pasadena and Arcadia);
 3. \$5.241 million for right-of-way capital and utility relocation costs for Soundwall Packages 5, 7, 8 and 10; and
 4. \$4.6 million for us to complete the final design of Soundwall Package 11 (SR-170 and I-405 in the San Fernando Valley); and
- Attachment A contains the location of the Soundwall packages.
- C. Delegate to the Chief Executive Officer the authority to use the Planning Bench (Contract#PS-4310-1268) and to negotiate and execute a task order for design for Package 11 in an amount not to exceed \$4.6 million (see B4 above), which will also increase the threshold of the bench by the same amount.

ISSUE

In December 2008, Caltrans completed the design of Package 4, and we expressed interests in assuming responsibility for its construction to further explore cost reduction methods.

Caltrans is willing to transfer the recently completed Package 4 engineering design to us for construction. Board authorization is necessary to cancel the existing construction FA and transfer the project to us. Additionally, an additional \$200,000 needs to be programmed to reimburse Caltrans for design support services during construction.

On November 30, 2006, Caltrans agreed to do the design for Soundwall packages 5, 6 and 7, and on September 28, 2007, Caltrans agreed to do the design for Soundwall packages 8 and 10. At the time these agreements were executed, we capped Caltrans design costs at 15% of the total construction costs. On January 16, 2009, Caltrans informed us that the cap underestimated the cost to deliver the soundwalls' designs. As a result, the design costs for these packages will be exceeded by \$5.923 million over the previously programmed amount. Attachment B contains Caltrans cost increase request. Additionally, it is now time for us to program the right-of-way costs for these soundwall packages. The \$5.241 million for right-of-way capital and utility relocation costs is needed to have the projects ready for advertisement.

In order to reduce design costs, we would like to perform the design of soundwalls contained in the next package, Package 11, located along the SR-170 Freeway between US-101/Oxnard Street and Sherman Way and I-405 at Stagg Street. To accomplish this, we are requesting that the Board program \$4.6 million to cover the design efforts. We are planning to award this work to a consultant specializing in Soundwall design and are requesting authorization to use our Planning Bench to secure the services.

POLICY IMPLICATIONS

On April 27, 2000, the Board adopted the list of Post 1989 Retrofit Soundwall projects, including a delivery and funding plan. In April 2003, the Board approved working priorities for the Post 1989 Retrofit Soundwalls. These priorities guide the delivery of the Soundwall program. Through previous Board actions, we have been systematically funding the design and construction of the soundwall design packages contained in the Phase I, Priority 1 and 2 lists. Package 4 is now ready for construction, Packages 5, 6, 7, 8 and 10 are under design, and Package 11 is the next priority in the Soundwall Program.

ALTERNATIVES CONSIDERED

The alternative considered for the construction of Package 4 Soundwall was to have Caltrans continue into the construction phase. This alternative is not recommended because based on the findings of SR-134 Soundwall Demonstration project, it was agreed that we would look into other alternatives to further reduce costs and expedite delivery of the Soundwall program. By having us construct the soundwall, it will enable further evaluation of alternative delivery methods.

With regard to the design cost increases for Packages 5, 6, 7, 8, and 10, the Board has the alternatives of canceling these projects or having us assume the design responsibility. Neither of these alternatives is recommended as the Soundwall packages are over 50%

complete, and it would cost more to cancel and restart them at a later date or have us assume design responsibility, as we would need to expend funds to review the design to date.

Regarding Package 11 design, the Board has the alternatives of not moving forward with the design or having Caltrans assume the design responsibility. These alternatives are not recommended as this Soundwall is the next package in the Board adopted working priorities, and by having us assume design responsibility, it will enable further evaluation of alternative delivery methods to reduce the cost and time to deliver the Soundwall Program.

FINANCIAL IMPACT

The Board programmed \$22.2 million in Proposition C 25% for right-of-way and construction of Soundwall Package 4 in November 2007. The FY 09 budget contains \$3 million in Cost Center 0441, Subsidies to Others, Project #410040, Task #8410.02.09 for the Project's construction. Since we are now going to complete this activity ourselves, these funds will be transferred to Cost Center #4370, the San Fernando/North County Valley Area Team. Since this is a multi-year activity, the cost center manager and Chief Planning Officer will be responsible for budgeting future year expenses.

The \$11.164 million cost increase for Packages 5, 6, 7, 8, and 10 soundwall design, right-of-way and utility relocation and the \$4.6 million design cost for Soundwall Package 11 would be funded using Proposition C 25% funds and will be funded within the existing FY 09 budget due to under expenditure of other projects in the Highway Program Subsidies budget.

DISCUSSION

In October 2008, we reported our findings on the SR-134 Design-Build Soundwall Demonstration project, which showed that we could deliver the soundwall faster. We have continued to work with Caltrans staff to reduce the costs to deliver the Program. Assuming responsibility for constructing Package 4 and designing Package 11 are methods to further exploring cost reduction strategies.

In reviewing the basis for the design cost increases for Packages 5, 6, 7, 8 and 10, we found that the over-expenditure occurred in part because when Caltrans' engineering staff received greater than average pay raises and the fact that their hourly rate for reimbursed projects was about 28% higher due to indirect overhead costs.

NEXT STEPS

Upon Board approval, we will formally notify Caltrans that we are assuming the construction of Phase 1, Priority 1, Package 4 Soundwall, and will terminate the existing FA. We will also execute MOUs with Caltrans for their participation in Soundwall Packages 4 and 11. After Soundwall Package 4 is transferred, we will start the construction procurement process and

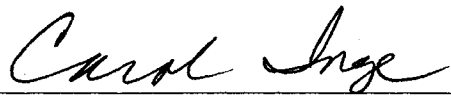
will return to the Board to award the contract and approve a Life of Project budget. We will also amend the design MOUs with Caltrans to increase the programmed funding amounts for Packages 4, 5, 6, 7, 8, and 10, respectively. In addition, we will engage a consultant to perform the design of Soundwall Package 11.

In coordination with Caltrans, we will continue to identify ways to further reduce the cost of delivering the Post 1989 Retrofit Soundwall Program, including us assuming responsibility for design and construction of the program. In addition, our Government Relations Department is also exploring the feasibility of us obtaining Design-Build authority for the Soundwall Program.

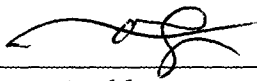
ATTACHMENTS

- A. Location of Soundwall Packages
- B. Caltrans' \$11.164 million Cost Increase Request

Prepared by: Brian Lin, Director, San Fernando Valley/North County Area Team
Henry Fuks, Deputy Executive Officer, Construction Management
Renee Berlin, Executive Officer, Transportation Development and Implementation



Carol Inge
Chief Planning Officer
Countywide Planning and Development



Roger Snoble
Chief Executive Officer

Locations of Soundwall Packages (Attachment A)



Metro

North Los Angeles County

Package 5: SR-405 (2.5 Miles)
Devonshire to San Fernando Mission Blvd -
Los Angeles

Los Angeles County

Ventura County

Package 7: SR-134 (2.1 Miles)
Cahuenga Blvd. to Riverside Dr. -
Burbank

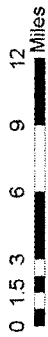
Package 10: SR-210 (5.4 Miles)
1) Fair Oaks Ave. to Wilson-Pasadena
2) Baldwin to Arcadia Wash-Arcadia

Package 4: SR-210 (2.3 Miles)
Huntington Dr to California Ave -
Arcadia & Monrovia

Package 11: SR-170 (6.5 Miles):
1) SR-101 to Sherman Way
2) SR-405 (0.1 Mile):
N of Stagg St to S of Stagg St. -
Los Angeles

Package 8: SR-605 (2.9 Miles)
Slauson Ave. to SR-10 -
Santa Fe Springs & Inwindale

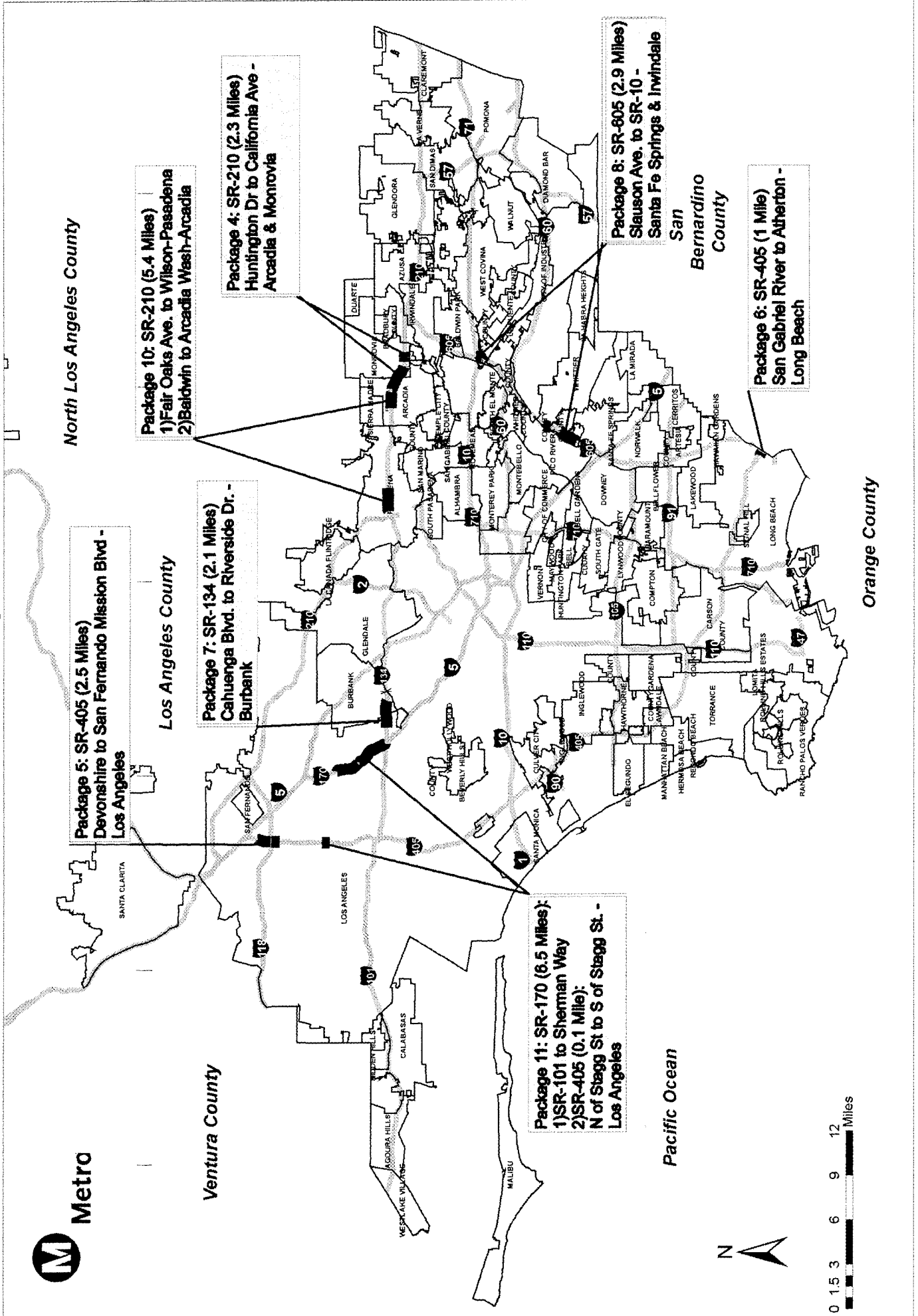
Pacific Ocean



Orange County

Package 6: SR-405 (1 Mile)
San Gabriel River to Atherton -
Long Beach

San Bernardino County



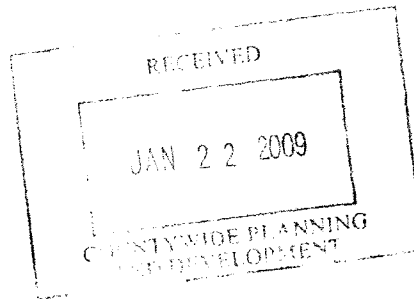
DEPARTMENT OF TRANSPORTATION

DISTRICT 7

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*Flex your power!
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January 16, 2009



Carol Inge, Chief Planning Officer
Countrywide Planning and Development
Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012

Subject: Request for additional support cost for Soundwall Projects

Dear Ms. Inge, *Carol*

Department of Transportation (Department) has been providing services to Metro for Design and Right of Way phases of Soundwall Packages 5, 6, 7, 8 and 10. We anticipate that we will exceed the allocated support cost for Design and Right of Way phases. The executed agreements underestimated the support cost for following reasons:

1. The hourly rate for reimbursed projects is about 28% higher than the Departments' STIP or SHOPP projects due to indirect overhead costs. For this reason the support cost for the above reimbursed Soundwall projects was underestimated by 28%.
2. The Department Engineering staff has received substantial pay raises since the agreements were executed. The pay increases were not known at that time and were not taken into consideration when the agreements were executed.
3. The Department finished the design and right of way phase of the May 89 retrofit Soundwall at 20 % of capital cost due to nature of projects. The May 89 Soundwall projects were considered STIP projects. The agreements for above packages were executed at 15% of capital cost, which is far less than the support cost needed for this kind of projects.

The following table shows the allocated amount for each package and the additional support cost required to deliver the projects by December 2009. The right of way acquisition is usually completed during the design phase. Therefore we are also requesting the funding for right of way capital to complete the design and right of way phase and have the projects ready for advertisement. The current estimate for construction and right of capital for all the above packages is \$93,559,000 and the support cost including the requested additional amount is \$16,575,000 which is about 18% of the capital cost. Please provide us with direction if you would like the Department to continue providing services to deliver the projects within the schedule. We appreciate the opportunity to provide services and will continue to work closely with your staff to provide them with updates. Should you have any questions, please do not hesitate to call me at (213) 897-0691.

Addressee
Date
Page

Package	Allocated amount for Design Support only	Additional request for Design and R/W Support	Right of Way capital Cost
5 (EA 22460)	\$2,102,000	\$1,283,000	\$57,000
6 (EA 26020)	\$841,000	\$1,052,000	0
7 (EA 26030)	\$2,235,000	\$1,324,000	\$4,500,000
8 (EA 23310)	\$1,452,000	\$2,058,500	\$53,000
10 (EA 23290)	\$4,022,000	\$205,500	\$631,000

Sincerely,



Tad Teferi
Deputy District Director, District 7
Program and Project Management