



Metro

Metropolitan Transportation Authority

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

**SUBJECT: COST INCREASES FOR HIGH OCCUPANCY VEHICLE LANES (HOV)/
CONNECTOR AND SOUNDWALL PROJECTS**

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

- A. Approve \$30.0 million in additional funds for the I-5/SR-14 HOV Connector Project to cover increases in design support and construction capital costs; and
- B. Approve \$116.0 million in additional regional funds for the I-5 HOV Lane Project from Route 170 to Route 134 to cover increases in construction costs, contingent upon the passage of Proposition 1B: "The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006" and the California Transportation Commission (CTC) approval of \$73 million for the project through the Corridor Mobility Improvement Program.
- C. Approve \$28.8 million in additional funds for the I-5 Supplemental Soundwall Project from Route 14 to Route 118 to cover design and construction costs.

ISSUE

In a letter dated October 26, 2006, Caltrans requested that the Los Angeles County Metropolitan Transportation Authority (Metro) provide an additional \$30.0 million to cover cost increases in design support and construction capital for the I-5/SR-14 HOV Connector Project. The cost increase is due to changes in design standards, the redesign of a bridge widening, and increase in construction materials costs.

In a letter dated October 27, 2006, Caltrans requested that Metro provide an additional \$189.0 million for the I-5 HOV Lane Project from Route 170 to Route 134 due to escalating costs in construction materials (concrete, steel and asphalt), need for additional utilities relocation identified in the design phase, surety costs, and additional Right-of-Way needs to meet current federal standards.

In the same letter, Caltrans requested that Metro provide an additional \$28.8 million for the I-5 Supplemental Soundwall from Route 14 to Route 118 due to escalating costs in construction materials, changes in current design standards, and required design updates.

POLICY IMPLICATIONS

The recommended action would keep these critical transportation projects, which improve mobility and air quality, on schedule. The I-5/SR-14 HOV Connector Project will be advertised for construction in April 2007, the I-5 HOV Lane Project is currently in design with construction to start in Fall 2008, and the I-5 Soundwall Project will require design updates in March 2007 with construction to start in Spring 2008.

OPTIONS

The Board of Directors may reject or partially approve the requests for supplemental funding. These options are not recommended as they could cause significant delays and incur additional costs if the projects are shelved. The I-5/SR-14 HOV Connector Project is 95% complete with design and the additional funds will fully fund this project through construction.

The I-5 HOV Lane Project is currently in design and is scheduled to start construction in Fall 2008. This project is critical to the continuation of HOV lanes along the I-5 Freeway from Route 14 to Route 134. HOV projects along this segment of the freeway are currently in construction (from Route 14 to Route 118) and in design (from Route 118 to Route 134). The additional funds will fully fund this project.

The I-5 Supplemental Soundwall Project will require design updates starting in March 2007 to be completed by August 2007, in order to start construction by Spring 2008. This is necessary to satisfy federal requirements and complete the I-5 HOV Project from Route 14 to Route 118. The additional funds will fully fund this project and will keep construction schedules consistent along this stretch of the I-5 Freeway.

FINANCIAL IMPACT

The California Transportation Commission (CTC) may approve Los Angeles County's Corridor Mobility improvement program project nominations on February 28, 2007, including \$73.0 million for the I-5 HOV Lanes from Route 170 to Route 134 in the north-east San Fernando Valley. Upon CTC approval, the Metro Board of Directors will be required to program the \$116.0 million shortfall from other sources or forfeit the \$73.0 million commitment. As part of the draft 2006 Long Range Transportation Planning update process, staff had included in its financial modeling, contingencies of approximately \$270.0 million of Proposition C 25% bond capacity funds to cover volatile energy, surety and

materials costs. However, programming of these cost increases could affect the amount of funding available for other capital uses.

BACKGROUND

The I-5/SR-14 HOV Connector Project was funded through the 1999 and 2001 Call for Projects. The scope includes design, right-of-way activities, and construction of interchange improvements. The total cost of the project is \$157.0 million, of which \$127.0 million is currently programmed.

The I-5 HOV Lane Project was funded through the 1995 and 2001 Call for Projects. The scope includes design, right-of-way activities, and construction of HOV lanes and interchange improvements. The total cost of the project is \$606.0 million, of which \$417.0 million is currently programmed.

The I-5 Soundwall Project is the second phase of the I-5 HOV Project from Route 14 to Route 118, which was funded through the 1995 Call for Projects. The soundwall project which includes four bridge structures, will follow upon completion of the HOV project ultimately completing this stretch of the I-5 Freeway. The scope includes redesign, construction support and construction capital. This project was originally to be constructed as part of the parent HOV project but needed to be split off in order to move forward with the HOV project and avoid further delays. Although the design for the soundwall project was completed in May 2004, the delays resulted in increased costs due to changes in design standards and escalation of construction materials. The total cost of the project is \$45.0 million, of which \$16.2 million is currently programmed.

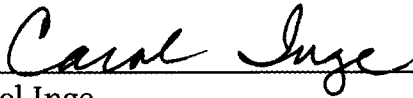
NEXT STEPS

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

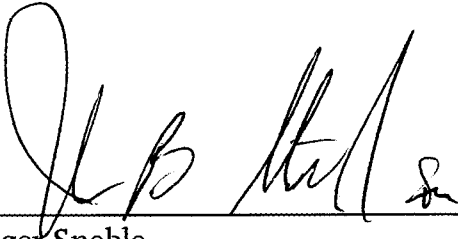
ATTACHMENTS

- A. Letter from Caltrans dated October 26, 2006
- B. Letter from Caltrans dated October 27, 2006

Prepared by: Suah Pak, Transportation Planning Manager
San Fernando Valley/North County Area Team



Carol Inge
Chief Planning Officer
Countywide Planning and Development



Roger Snoble
Chief Executive Officer

DEPARTMENT OF TRANSPORTATION
DISTRICT 7, 120 SOUTH SPRING STREET
LOS ANGELES, CA 90012-3606
PHONE (213) 897-0520



October 26, 2006

Mr. Brian Lin,
 Project Manager
 Metropolitan Transportation Authority
 One Gateway Plaza
 Los Angeles CA 90012

Ref: EA 07-168001
 LA-5/14-HOV Connector
 MTA # 6134

Dear Mr. Lin

I am writing this letter to inform you of the most recent changes to the estimate for the above referenced project that is currently at a 95% PS&E (Plans Specifications and Estimates) phase completion. Currently, the most recent estimate for the project's construction capital portion while the plans and quantities are being finalized is \$131,252,000. Compared to the previous estimate of \$106,252,000, there is a capital cost increase of \$25,000,000. This significant cost increase was due to changes in Caltrans seismic design criteria standards that the project has to comply with, the need to redesign the bridge widening at a single location to meet the Metrolink vertical clearance standards, and the continuous rising of the concrete and steel prices. In fact, at West Sylmar location, the bridge widening cost increased by \$11,650,000 as the Design Team was required to satisfy the vertical clearance requirements imposed by Metrolink. We only reached an agreement on the solution last January, 06 when we agreed to add additional columns to reduce the span. To avoid the added columns, the Team considered a compound cross slope option that was not approved by FHWA or by HQ for safety reasons.

In addition to the capital cost increase, I did include a revised estimate for the PS&E portion to become \$10,560,000, a \$5,000,000 cost increase. Compared to the construction capital cost, design support cost remains at about 8.10%, which is still below typical support cost for similar projects.

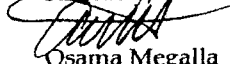
The table below indicates the most recent estimate as of 10/2006. I did include the previous estimate dated 01/2006 for your reference.

I would appreciate your help in securing the needed funding for the cost increase as the project would be ready to be advertised next April 2007.

Phase	01/2006 Estimate (x \$1000)	10/2006 Estimate (x \$1000)
PA&ED	722	722
PS&E	5,650	10,650
R/W Support	250	250
R/W Capital	3,526	3,526
Construction Support	10,200	10,200
Construction Capital	106,252	131,252
Total Project Cost	126,600	156,600

Should you have any question or need additional information, please do not hesitate to contact me at 213-897-0520.

Sincerely,


 Osama Megalla
 Project Manager
 Caltrans, District 7

DEPARTMENT OF TRANSPORTATION

DISTRICT 7

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*Flex your power!
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October 27, 2006

Ms. Carol Inge
 Los Angeles County Metropolitan Transportation Authority
 One Gateway Plaza
 Los Angeles, CA 90012

Re: Interstate 5 North Corridor - From Route 134 to Route 14

Dear Ms. Inge:

As part of the district wide High Occupancy Vehicle (HOV) program and Los Angeles County Metropolitan Transit Authority 20 year long range plan, it is our goal to provide HOV lanes along Interstate 5 from route 134 to route 14. Currently, there are several projects on this segment in various stages of completion with an overall strategy of constructing the HOV from North to South. The table below summarizes the various HOV projects along interstate 5 from route 134 to route 14:

Project No.	Project Description	Program Funds
1	Interstate 5 HOV from route 14 to route 118	\$45 million
2	Supplemental Sound-wall for Interstate 5 HOV from route 14 to route 118	No Construction Funds
3	Interstate 5 HOV from route 118 to route 170 and 5/170 HOV connector	\$264 million
4*	Interstate 5 HOV from route 170 to route 134	\$259 million
5*	Interstate 5 HOV from Buena Vista to Burbank and the Empire Ave Interchange.	\$158 million

** Projects 4 and 5 will be combined (total \$417 million) and then split to 4 projects*

The first three-mile stretch from route 14 to route 118, listed as project 1, is under construction and is scheduled for completion in fall 2007. This should be followed by project 2, the supplemental soundwall project within the same three-mile stretch. The design for project 2 was completed in May 2004 and was shelved to avoid contractor's conflict, since it is within the same limits as project 1, which is currently under construction. Our current estimate for project 2 is \$45 million which includes the support cost to update the plans and provide construction administration. In the last STIP program amendment, all construction funding for project 2 was removed (April 2006). It is understood that construction of project 2 will start on completion of project 1. We are requesting that funding for project 2 be restored in order to start the work of updating the plans and begin construction by spring 2008.

Projects 3, 4 and 5 are being designed and are scheduled to go to construction by fall 2008. Design for these projects is fifty percent complete and we now have details that allow us to plan for a cost effective and the least disruptive construction of these projects.

After extensive discussion with our design team, stake holders and independent technical reviewers it is recommended that project 3 proceed as planned with construction to start in fall 2008. It is also recommended to combine projects 4 and 5 and then split it into four separate projects. These four projects are shown in the table geographically from north to south as follows:

Project	Description	Start Const.	Programmed Cost	Estimated Cost (million)
A.	Interstate 5 HOV from route 170 to Cohasset <i>(from Route 170 to just north of Buena Vista)</i>	2007/08	From parent project	\$103
B.	Interstate 5 HOV with Buena Vista and Empire Ave Interchange modification, railroad realignment and grade separation <i>(from Buena Vista to south of Empire Ave)</i>	2008/09	From parent project	\$226
C.	Interstate I-5 HOV and Burbank Interchange reconstruction <i>(from south of Empire Ave to Magnolia Blvd)</i>	2008/09	From parent project	\$43
D.	Interstate 5 HOV from Magnolia Blvd to route 134 <i>(from magnolia to Route 134)</i>	2007/08	From parent project	\$168
		Total	\$417 million	\$540

**Projects A, B, C & D are from Projects 4 & 5 combined, currently programmed for \$417 million*

Our current estimated total cost for these projects is \$540 million, of which \$417 million is currently programmed. Based on our latest estimate we have a shortfall of \$123 million.

Projects A and C will proceed as currently planned, with construction to start in the fall of 2008. It is our intent that the Railroad realignment and grade separation, which is part of project B will be done through a service contract with Metrolink in advance of the HOV and freeway work. Since the railroad work is targeted to start in fall 2007, it will require the expenditure of capital funds earlier than the freeway work. The HOV and freeway work is targeted to start in fall of 2008.

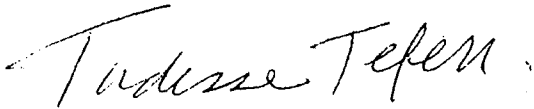
Addressee Ms. Carol Inge
Date 10/27/2006
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The district is making every effort to have the HOV open to traffic by the end of 2010. However, some of the risks we face are as follows:

- The individual high dollar value of the various contracts would limit the number of potential contractors, putting an upward pressure on the bid amounts. This factor is made even more likely as there are a number of other high value projects in the region that will be going out to construction at the same time and we may need to place incentives for early delivery.
- The project development team as well as a value analysis team have studied the advantages of further splitting the project to create smaller sub-contracts. They concluded that this will drastically increase the potential for conflicts among contractors resulting in disruption to traffic and increased construction time.
- The recently passed legislations (SB 1210 and SB1650) may add four to six months to the time required for right of way acquisition which will negatively impact the project schedule.

In summary, we request that you fund the \$123 million shortfall for projects A, B, C and D in addition to the \$45 million for project 2 (the Supplemental Soundwall). If you have any questions or need additional information please contact me at (213) 897-0691.

Sincerely



Tad Teferi
Deputy District Director,
Division of Program / Project Management