



## Board Report

File #: 2022-0805, File Type: Contract

Agenda Number: 9.

### PLANNING AND PROGRAMMING COMMITTEE JANUARY 18, 2023

**SUBJECT: SR-57/SR-60 INTERCHANGE IMPROVEMENTS PROJECT**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

APPROVE the funding agreement with the San Gabriel Valley Council of Governments in the amount of \$293,590,000 for the State Route (SR)-57/SR-60 construction phase.

#### **ISSUE**

On October 14, 2022, the construction bid package for the SR-57/SR-60 Interchange Improvement Project (the "Project") was released by the San Gabriel Valley Council of Governments (SGVCOG). Final bids were due December 9, 2022; a total of five (5) bids were submitted. After evaluation and validation of the submitted bids, SGVCOG determined that Skanska USA Civil West California District Inc. was the lowest and acceptable bid for the Project's construction phase. Metro's approval of the funding agreement with the SGVCOG in the amount of \$293,590,000 is required in order to execute a notice to proceed.

#### **BACKGROUND**

As key components of the National Freight Highway Network (NFHN), SR-57 and SR-60 serve the nation's largest port complex, which includes the Port of Los Angeles and the Port of Long Beach (the San Pedro Bay Ports), as well as numerous intermodal, warehousing and manufacturing facilities, and related businesses and industries across the state and country. In the San Gabriel Valley, near the borders of San Bernardino, Riverside, and Orange Counties, these two highways merge and share an alignment for approximately two miles.

The existing lane configuration of the shared alignment, coupled with high truck and vehicle volumes, creates a chokepoint that results in severe congestion and frequent accidents, earning it the American Transportation Research Institute's 2021 ranking as the second worst truck bottleneck in California and among the worst truck bottlenecks in the United States. Southern California's second highest number of truck accidents occur within the Project limits, with a truck-related accident rate 50 percent higher than the state average for comparable facilities. The bottleneck will continue to restrict commerce, inhibit regional and local mobility, increase the costs of goods movement, generate excessive per vehicle greenhouse gas emissions, and negatively affect safety for the movement of

people and goods in Southern California.

The proposed improvements will assist in alleviating these challenges by constructing eastbound highway improvements and bypass connectors designed to separate local and freeway traffic flows, reduce weaving conflicts, increase merge lengths, and provide targeted congestion relief improvements.

In coordination with the California Department of Transportation (Caltrans), Final design, ROW Certification, and the remaining authorizations needed to enter the Project's construction phase were completed in June 2022. In addition, the California Transportation Commission (CTC) has approved the allocation of the \$217.9 million for construction, and the Federal Highway Administration (FHWA), in combination with the Office of the Secretary of Transportation (OST), have also provided the necessary approvals for the \$27 million to start the Project's construction phase.

In June 2022, the Metro Board adopted a set of Objectives for Multimodal Highway Investment. These objectives commit Metro to a holistic and multimodal approach to highway planning, accounting for the unique mobility needs and priorities of the subregions and addressing historic and potential impacts on the quality of life of adjacent communities. These objectives were adopted before the planning stages of the Project. However, the Project is consistent with the objective of improving the mobility needs of people and goods within LA County and will be done without the need for residential property acquisitions.

## **DISCUSSION**

This project is included in the 2016 voter approved expenditure plan with an allocation of \$205,000,000 Measure M funds. These funds have been leveraged to attract an additional \$266,900,000, comprised of the following State and federal sources: \$217.9 million in Trade Corridor Enhancement Program (TCEP) in December 2020 and \$27 million in Infrastructure for Rebuilding America (INFRA) in October 2022 for the construction phase. The Project also obtained \$22 million in a previous TCEP cycle, which provided \$17 million for the final design and \$5 million for right-of-way (ROW). Since the awards from TCEP and INFRA for the Project's construction phase, the Project has been on an accelerated timeline to start the construction phase ahead of schedule by nearly two years. The grant funds from TCEP and INFRA provide the necessary funds to start construction in 2023.

The San Gabriel Valley Council of Governments (SGVCOG) entered into a cooperative agreement in June 2019 with Metro for utility coordination, ROW acquisitions, construction bid procurement, and overall construction management for the Project. Under this agreement, the SGVCOG released the Project's construction bid package and evaluated the bids. The construction bid package was released on October 18, 2022, and a total of 53 calendar days were provided for submittals.

After evaluating and validating the five (5) bids submitted on December 9, 2022, it has been determined that Skanska USA Civil West California District Inc. was the lowest and acceptable bid for the Project's construction phase. The Project identified a 24% Disadvantaged Business Enterprise

(DBE) goal, the proposal includes 24.5%.

Board's approval of the funding agreement provides the authority for SGVCOG to approve and execute the NTP for the Project's construction phase.

### **DETERMINATION OF SAFETY IMPACT**

There is no impact on public safety by approving the recommendations.

### **FINANCIAL IMPACT**

The overall funding agreement of \$293,590,000 for the Project includes \$27,000,000 in Federal INFRA funds, \$217,900,000 in State SB1 TCEP funds, and finally, \$48,690,000 in local Measure M 17% Highway Capital funds dedicated for this Project. The funding plan for the Project that shows the annual sources and uses of funds is included in Attachment A.

For FY23, \$95,000,000 has been budgeted in Complete Streets & Highways Cost Centers 4730 and 0442, in SR-57/SR-60 Interchange Improvements Project 475002. No budget adjustment is needed at this time. Staff will revisit the already-established departmental budget to make any necessary adjustments in the current Fiscal Year.

Since this is a multiyear project, the Project Manager, the Cost Center Manager, the Senior Executive Officer Countywide Planning and Development and the Chief Planning Officer will continue to be responsible for budgeting costs in future fiscal years within the funding agreement.

### **Impact to Budget**

The source of funds for this Project are Measure M Highway 17% (Line 18), State SB1 TCEP funds and Federal INFRA funds. These funds are not eligible for bus and rail operations or non-Highway capital project expenditures.

### **EQUITY PLATFORM**

The Project area is not located within or directly adjacent to Equity Focus Communities (EFCs). Implementation of the Project will not result in the displacement of, or other negative impacts, to disadvantaged or low-income communities. However, EFCs are located within 10 miles to the east, northeast, and west of the Project location.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The proposed Project is consistent with the following goals of the Metro Vision 2028 Strategic Plan:

Goal 1: Provide high quality mobility options that enable people to spend less time traveling by alleviating the current operation deficiencies and improving mobility at the SR-57/SR-60 interchange.

Goal 4: Transform Los Angeles County through regional collaboration by partnering with the SGVCOG and Caltrans to identify the needed improvements on State highway and take share responsibility of development and implementation of highway improvement projects.

### **ALTERNATIVES CONSIDERED**

The Board may elect not to approve the funding agreement. This option is not recommended. Proceeding forward with the completion of the Project maintains the commitment outline in the Measure M Ordinance and utilizes leverage funding from State and Federal agencies.

### **NEXT STEPS**

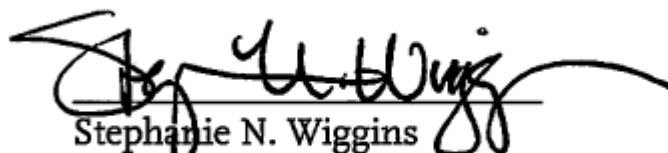
Upon approval by the Board, the SGVCOG will approve and execute the NTP for the Project's construction phase.

### **ATTACHMENTS**

Attachment A - Funding and Expenditure Plan

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**Attachment "A"**  
**Funding and Expenditure Plan**  
**SR-57/SR-60 INTERCHANGE IMPROVEMENTS PROJECT**

**Uses of Funds (\$ in millions)**

<b>Work Package</b>	<b>Prior</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>Total</b>
Construction Capital			\$ 60.33	\$ 39.53	\$ 60.65	\$ 53.44	\$ 43.56	\$ 9.38	\$ 266.90
Unallocated Contingency				\$ 26.69					\$ 26.69
<b>Total Project Estimate</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60.33</b>	<b>\$ 66.22</b>	<b>\$ 60.65</b>	<b>\$ 53.44</b>	<b>\$ 43.56</b>	<b>\$ 9.38</b>	<b>\$ 293.59</b>

**Sources of Funds**

**State/Federal Revenue**

INFRA Grant	\$ -	\$ -	\$ 1.21	\$ 18.16	\$ 7.64	\$ -	\$ -	\$ -	\$ 27.00
SB1 Trade Corridors	\$ -		\$ 59.12	\$ 48.06	\$ 44.66	\$ 44.80	\$ 21.26	\$ -	\$ 217.91
<b>State/Federal Revenue Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60.33</b>	<b>\$ 66.22</b>	<b>\$ 52.30</b>	<b>\$ 44.80</b>	<b>\$ 21.26</b>	<b>\$ -</b>	<b>\$ 244.91</b>

**Local Revenue**

Measure M - Highway	\$ -	\$ -	\$ -	\$ -	\$ 8.36	\$ 8.64	\$ 22.30	\$ 9.38	\$ 48.68
<b>Local Revenue Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8.36</b>	<b>\$ 8.64</b>	<b>\$ 22.30</b>	<b>\$ 9.38</b>	<b>\$ 48.68</b>

<b>TOTAL SOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60.33</b>	<b>\$ 66.22</b>	<b>\$ 60.65</b>	<b>\$ 53.44</b>	<b>\$ 43.56</b>	<b>\$ 9.38</b>	<b>\$ 293.59</b>
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