



## Board Report

File #: 2023-0415, File Type: Budget

Agenda Number: 9.

### CONSTRUCTION COMMITTEE NOVEMBER 16, 2023

**SUBJECT: RAIL TO RAIL ACTIVE TRANSPORTATION CORRIDOR PROJECT**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. INCREASING the Life of Project Budget for the Rail-to-Rail Active Transportation Project (Project) by \$23,100,000, from \$143,284,000 to \$166,384,000; and
- B. AUTHORIZING the Chief Executive Officer to execute agreements, including Contract Modifications, within the Board Approved Life of Project Budget.

#### **ISSUE**

The Life of Project (LOP) budget for the Rail-to-Rail Active Project requires an increase of \$23,100,000 for additional costs related to the remediation and disposal of unanticipated hazardous soils, differing site conditions within the public intersections, additional professional services, and third-party costs to provide oversight of the Project through completion.

#### **BACKGROUND**

The Rail-to-Rail Active Transportation Project is a dedicated walkway and bikeway approximately 5.6 miles in length that begins at the Metro K Line Florence/West Station and stretches east along the Harbor Subdivision rail right-of-way following Slauson Avenue from Inglewood through South Los Angeles, terminating at the Metro A Line Slauson station. This new east-west pedestrian and bicycle corridor will connect travelers to three major Metro transit lines - the A (Blue) Line, K (Crenshaw) Line, and J (Silver) Line - and multiple bus lines. As of this report, the Project is approximately 35% complete and remains on schedule for a Winter 2024 opening.

In January 2022, the Board approved a Life of Project budget of \$115,989,000. The budget assumed that the City of Los Angeles (City) would complete all construction work within the public right-of-way and that Metro and the City would execute a Memorandum of Understanding memorializing this arrangement. However, after approval of the LOP, Metro and the City mutually agreed to pursue a

direct financial contribution from the City in the amount of \$27,295,000 over three fiscal years, whereby the City would transfer responsibility for all construction within the public right-of-way, including 23 intersections, to Metro. Accordingly, in April 2022, the Metro Board adopted a new LOP of \$143,284,172. On May 2, 2022, the City Council approved a financial commitment of \$27,295,000 to the Project, and in July 2022, Metro and the City executed a Financial Contribution Agreement.

## **DISCUSSION**

As previously reported to the Board in April 2023, as part of the FY2024 Annual Program Evaluation, the Rail to Rail project requires an increase in Life of Project budget to account for unforeseen conditions and hazardous soils that have been encountered to date during construction of the project. There are three main categories described in greater detail below in which forecasted costs exceed the budgeted costs approved in the LOP:

**Hazardous soil in the Metro right-of-way:** Metro has encountered and performed remediation and disposal of unanticipated hazardous soil along the entire Project alignment. In 2017, Metro entered into a Voluntary Cleanup Agreement with the California Environmental Protection Agency, Department of Toxic Substances Control (DTSC). Based on the soil chemical analysis, elevated concentrations of regulated metals were expected in soils near the track centerline. However, the amount of soil exceeding non-Resource Conservation and Recovery Act (RCRA)/Cal-Haz waste thresholds was unknown. Contract C1166 contemplated the removal, transport, and disposal of contaminated soils but did not account for unquantified hazardous soils. As hazardous soils were encountered, Metro issued Modification 13 to excavate to a depth of 2 feet, remediate, and dispose of roughly 35,000 cubic yards of hazardous soils along the Metro right-of-way. The totality of this work was \$8 million in additional costs and time impact delays to the Project.

Despite this effort, the discovery of unanticipated hazardous soil at depths beyond 2 feet in the Metro right-of-way has also impacted the Project budget and schedule. After experiencing unprecedented rain events and a wetter-than-normal winter causing flooding throughout the Metro ROW, the Project encountered oversaturated soil in the Metro ROW, preventing compaction and adding to the amount of soil that needed to be removed and treated. To treat the hazardous soil material below the original 2 feet of contaminated soil, roughly 8,500 cubic yards of soil will be treated and removed to allow work to continue and mitigate the oversaturated conditions. The estimated additional cost for this work is \$1.6 million.

**Hazardous soil in the public right-of-way:** In addition to unanticipated hazardous soil within Metro's right-of-way, hazardous soil has also been discovered in the public right-of-way intersections. The Project consists of public right-of-way improvements at the 23 intersections the Project crosses and extensive intersection reconfigurations including, but not limited to, curb and gutter, storm drains, utility relocations, soil contaminated mitigation, and track removal. However, during the course of construction, the Project has encountered hazardous soil at each public intersection encountered

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thus far. As a result, the Project anticipates encountering hazardous soil at each of the remaining intersections. The cost to treat and remove the hazardous soil within the 23 intersections is estimated at \$1 million in additional costs to the Project.

**Differing site conditions in the public intersections:** Unexpected costs due to differing site conditions and third-party expenses have been higher than initially anticipated. The Project has encountered several differing site conditions of impact to civil, utility, traffic signal, and street light work at every public intersection encountered thus far, and these conditions are expected to occur at all remaining intersections. These conditions will result in additional direct costs of \$5.3 million as well as delays to the schedule, affecting professional services contracts and third-party expenses. Thus, Metro needs to increase the professional services contracts in the amount of \$2.9 million and enter into work order agreements with various City departments and third parties for work within the public right-of-way totaling \$4.3 million to relocate existing utilities and resolve differing site conditions. The total forecast of the costs associated with differing site conditions, professional services contracts, and third-party agreements providing oversight for the Project until completion is \$12.5 million.

Given the impacts outlined above, an increase to the Rail-to-Rail Project budget is requested based on the following:

• Hazardous Soil in the Metro ROW	\$9,600,000
• Hazardous Soil in the Public ROW	\$1,000,000
• Differing Site Conditions in the Public Intersections	\$5,300,000
• Professional Services	\$2,900,000
• 3 <sup>rd</sup> Party Costs	\$4,300,000
TOTAL LOP INCREASE	\$23,100,000

## **DETERMINATION OF SAFETY IMPACT**

Staff noted when it established the original LOP that this Project will significantly improve pedestrian and bicycle safety along the Slauson corridor. The Slauson corridor currently provides very limited bicycle and pedestrian facilities; sidewalks are used where possible but are discontinuous, and traffic volumes on the roadways are significant. Bicyclists weave between sidewalks and roadways, and in some areas of the corridor, pedestrians walk on existing railroad facilities which flood during winter rains and remain ponded for days afterward. Pedestrian and bicycle crossings are unsafe in some parts of the corridor as well. The Project scope addresses these safety concerns and strives to lower interactions between vehicles and pedestrians/bicyclists.

## **FINANCIAL IMPACT**

The LOP budget increase is to be partially funded using a portion of the omnibus spending bill President Biden signed into law in December 2022 that specifically earmarks \$4 million for the Rail-to-Rail project. The Project has also been awarded/earmarked \$17 million in funding from the ExpressLanes Net Toll Revenue Reinvestment Grant Program last month. The remaining \$2.1 million will be funded by Measure M 2%. None of these three fund sources are eligible for bus and rail operations. Metro staff will continue to seek and apply for funding opportunities that will backfill the local funding with other funding sources. Metro staff will also continue to pursue additional funding sources including Metro Active Transportation (MAT) Measure M funds.

This is a multi-year project with substantial completion in the second quarter of Fiscal Year 2025. Upon approval of the revised LOP budget, staff will manage the Project within the Board approved budget. It is the responsibility of the Chief Program Management Officer and Project Manager to budget for the Project in future fiscal years.

### **Impact to Budget**

There is no impact to the FY24 budget at this time. However, although the additional LOP would not be spent in FY24, staff do need additional LOP in FY24 to enter requisitions for new change orders and modifications to the construction contract, consultant task orders, and Third-Party Work Order Agreements for FY24.

## **EQUITY PLATFORM**

The benefits of this action are to ensure that the Project establishes a strong active transportation system within Equity Focus Communities for connectivity between residential areas, schools, recreational facilities, medical facilities, community services, employment areas, and shopping centers. By enhancing links to existing multimodal connections and developing a new, safer route for pedestrians and bicyclists, the Project will address existing transportation barriers and connect residents to key social and employment hubs. This improved connectivity for various transportation modes will provide ladders of opportunity to area residents and support existing businesses in the corridor. This action will ensure that hazardous soil within the Metro and Public ROW is removed from the site, which may decrease the exposure of people or the environment to hazardous materials.

In addition, the contract has a Disadvantaged Business Enterprise (DBE) commitment of 20.27%, and the contract modification requested in this report does not change the level of commitment. The current level of participation is 45.65% DBE. The majority of the DBE scope is underground civil and utility work which is the primary focus of the current phase of construction. There is more than a year left in the contract to achieve the 20.27% DBE commitment.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

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The Project promotes goals outlined in Metro's Bicycle Transportation Strategic Plan (2006 Bike Plan) and First Last Mile Strategic Plan (2014) by creating safe connections to surrounding neighborhoods, expanding the reach of transit through infrastructure improvements and maximizing multi-modal benefits. Metro plays an important role in bicycling planning across Los Angeles County, facilitating first-mile/last-mile connections to transit and supporting bicycle transportation through various policies and programs. Metro's 2006 Bike Plan established policies and priorities for bicycle transportation, improving access to transit, and encouraging and promoting bicycling-specific activities and events.

Additionally, this recommendation supports Metro's 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.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to move forward with adopting the proposed increase to the LOP. This would not be recommended because without the additional funds, Metro could not complete the project and meet our grant obligations. The Board may also elect to increase the LOP by a smaller amount than what is proposed by staff. This is not recommended because the LOP increase has been calculated from a bottom-up estimate given what the project has encountered in the field to date. Approximately \$60 million remains on the construction contract, with much of it in the public right-of-way where staff anticipates encountering utilities and additional contamination or hazardous soil. An LOP increase in the full amount proposed ensures staff can continue to execute upcoming contract modifications and future work order agreements with the various City of Los Angeles departments supporting the project.

### **NEXT STEPS**

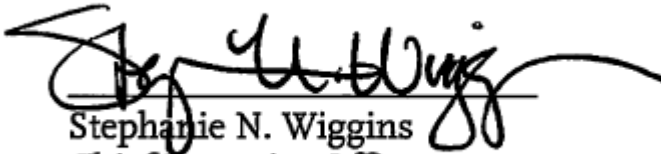
Upon approval, staff will revise the LOP budget and execute necessary modifications to the construction contract and any necessary task orders in support of the Project. Staff will also work with the City to develop FY24 agreements in the first quarter of FY24.

### **ATTACHMENTS**

Attachment A - R2R Funding and Expenditure Plan

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Stephanie N. Wiggins  
Chief Executive Officer

Rail to Rail (R2R)							
Use of Funds	Prior LOP April 2022	Current LOP Forecast	Inception- FY23	FY24	FY25	FY26+	Total Capital Costs
<b>Design Phase</b>							
3rd Party Agreements (City/County/UPRR/DTSC)	3,843,000	2,904,000	2,904,000	-	-	-	2,904,000
Environmental Clearance and Outreach	2,749,000	2,749,000	2,749,000	-	-	-	2,749,000
Legal/Four Corners/Title Reports	267,000	362,000	362,000	-	-	-	362,000
Design and related Support (HDR) inc initial traffic control	6,741,000	7,162,000	7,162,000	-	-	-	7,162,000
Hazardous Materials Clean-up	416,000	416,000	416,000	-	-	-	416,000
Agency Costs	4,932,000	4,660,000	4,660,000	-	-	-	4,660,000
<b>Design Phase Total</b>	<b>18,948,000</b>	<b>18,253,000</b>	<b>18,253,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,253,000</b>
<b>Construction Phase</b>							
TRC Hazardous Materials Clean-up/Taxes Early Work	8,000,000	8,000,000	8,000,000	-	-	-	8,000,000
Construction Contract C1166	88,100,000	104,549,000	42,299,000	36,500,000	25,750,000	-	104,549,000
City Infrastructure Coordination (incl traffic control)	2,280,000	1,744,000	647,000	647,000	450,000	-	1,744,000
3rd Party Agreements - City/DWP/County/Others	3,080,000	7,464,000	2,596,000	2,971,000	1,897,000	-	7,464,000
Tree Grant Administration	-	-	-	-	-	-	-
Design Support During Construction	2,900,000	4,297,000	934,000	1,722,000	1,641,000	-	4,297,000
CMSS and Program Mgmt Consultants	5,900,000	7,211,000	2,829,000	3,000,000	1,382,000	-	7,211,000
Environmental (Geotech/Env Comp/Archeo/DTSC)	1,600,000	1,265,000	478,000	387,000	400,000	-	1,265,000
Other Professional Services (Quality/DEOD)	471,000	608,000	9,000	349,000	250,000	-	608,000
Outreach	425,000	397,000	11,000	200,000	186,000	-	397,000
Artwork/Signage (Fabrication/Installation/Staff)	300,000	300,000	-	150,000	150,000	-	300,000
Agency Costs: Project Control, V/CM, Safety, Communications, Quality, Sustainability, etc.	5,180,000	5,720,000	2,300,000	1,920,000	1,500,000	-	5,720,000
Unallocated Project Contingency	6,100,000	6,576,000	-	-	-	6,576,000	6,576,000
<b>Construction Phase Total</b>	<b>124,336,000</b>	<b>148,131,000</b>	<b>60,103,000</b>	<b>47,846,000</b>	<b>33,606,000</b>	<b>6,576,000</b>	<b>148,131,000</b>
<b>Total Project Cost</b>	<b>143,284,000</b>	<b>166,384,000</b>	<b>78,356,000</b>	<b>47,846,000</b>	<b>33,606,000</b>	<b>6,576,000</b>	<b>166,384,000</b>
Source of Funds	Prior LOP April 2022	Current LOP Forecast	Inception- FY23	FY24	FY25	FY26+	Totals
Federal – TIGER VI (Grant CA-2017-103)	15,000,000	15,000,000	12,000,000	3,000,000	-	-	15,000,000
SB 848 (Grant CalSTA18)	8,000,000	8,000,000	8,000,000	-	-	-	8,000,000
Measure R - Admin (1.5%)	16,458,000	16,458,000	16,458,000	-	-	-	16,458,000
Measure M 2%	-	2,105,000	1,464,000	641,000	-	-	2,105,000
LA County Measure W Grant	8,000,000	8,000,000	7,500,000	500,000	-	-	8,000,000
LA County Repurposed Earmark	2,200,000	2,200,000	2,200,000	-	-	-	2,200,000
Repurposed LA County ARP Funds	15,000,000	15,000,000	-	7,500,000	7,500,000	-	15,000,000
State (CALTRANS)							
Active Transportation Program (ATP)	8,170,000	8,170,000	5,970,000	2,200,000	-	-	8,170,000
City Contribution/Funding Agreement	27,300,000	27,295,000	15,800,000	11,495,000	-	-	27,295,000
USDOT Earmark for R2R December 2022	-	4,000,000	-	2,000,000	2,000,000	-	4,000,000
Other Federal, State, Local Fund*	43,156,000	43,156,000	8,964,000	20,510,000	7,106,000	6,576,000	43,156,000
ExpressLanes Net Toll Revenue	-	17,000,000	-	-	17,000,000	-	17,000,000
<b>Total Project Funding</b>	<b>143,284,000</b>	<b>166,384,000</b>	<b>78,356,000</b>	<b>47,846,000</b>	<b>33,606,000</b>	<b>6,576,000</b>	<b>166,384,000</b>
* Metro will continue to seek eligible federal, state and local funds for Active Transportation							

# Rail to Rail ATP Project

## RECOMMENDATION:

- A. INCREASING the Life of Project Budget for the Rail-to-Rail Active Transportation Project (Project) by \$23,100,000 from \$143,284,000 to \$166,384,000; and
- B. AUTHORIZING the Chief Executive Officer to execute agreements, including Contract Modifications, within the Board Approved Life of Project Budget.



# Rail to Rail ATP Project

REASONS FOR LOP INCREASE	
Hazardous Soil in the Metro ROW	\$9,600,000
Hazardous Soil in the Public ROW	\$1,000,000
Differing Site Conditions in the Public Intersections	\$2,900,000
Professional Services	\$2,900,000
3 <sup>rd</sup> Party Costs	\$4,300,000
<b>TOTAL LOP INCREASE</b>	<b>\$23,100,000</b>

# Rail to Rail ATP - Photos



**Processing Hazardous Soil**



**Differing Site Conditions**



**Site flooding**



# Rail to Rail ATP Project

## SOURCE OF FUNDS:

- I. President Biden's Omnibus Spending Bill: **\$4,000,000.**
- II. ExpressLanes Net Toll Revenue Grant Program: **\$17,000,000.**
- III. Measure M 2%: **\$2,100,000**

**Total Project Funding: \$23,100,000**

# Rail to Rail ATP Project

## NEXT STEPS:

- I. Revise the LOP Budget and execute necessary modifications to the construction contract and task orders.
- II. Work with the City to develop FY2024 agreements.
- III. Reach Substantial Completion in 2<sup>nd</sup> Quarter of FY2025.