

**Board Report**

File #: 2024-1085, **File Type:** Contract**Agenda Number:** 7.

**PLANNING AND PROGRAMMING COMMITTEE
FEBRUARY 19, 2025****SUBJECT: SR 57/60 INTERCHANGE IMPROVEMENT PROJECT UPDATE****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 1 to Project Identification No. MM500201 with the San Gabriel Valley Council of Governments (SGVCOG) for the SR-57/60 Interchange Improvement Project (Project) in the amount of \$13,344,233.05, increasing the contract value from \$29,525,000 to \$42,869,233.05 construction management services;
- B. EXECUTE Modification No. 5 to Contract No. AE51890001 with WKE, Inc. for the Project in the amount of \$3,037,366, increasing the contract value from \$29,213,933 to \$32,251,299 for design services during construction and extend the period of performance from December 31, 2026 to December 31, 2029; and
- C. APPROVE a reduction in the retention amount withheld in the Funding Agreement with SGVCOG from 10% to 5% to be consistent with other grantees awarded similar funding amounts and at this stage of construction.

ISSUE

In February 2019, the Board approved \$29,525,000 in Measure M funds for the SGVCOG to support utility coordination, right-of-way acquisitions, and procurement and construction services for the Project. The SGVCOG has reported, and Metro staff concurs, an increase in both general administration and construction management costs, primarily driven by escalating labor expenses and additional requirements resulting from the Project's size and complexity.

In addition, Metro directly contracts with WKE, the original designer, to support SGVCOG with design services during construction. The Project has experienced a greater number of necessary design refinements than anticipated, revisions to the Diamond Bar Golf Course mitigation, and additional need for Project drawings caused by unforeseen field conditions. Additional efforts have also been made to review and approve contractor submittals required by Caltrans, respond to Requests for Information, and provide clarifications on plans and specifications related to Project improvements

affecting the Diamond Bar Golf Course mitigation.

The funding agreement for the Project stipulates withholding 10% of eligible expenditure per invoice as retention, which is not typical at this stage of construction for a major construction project.

BACKGROUND

The SR-57 and SR-60 freeways are critical transportation and goods movement corridors within San Gabriel Valley in Los Angeles County. The current lane configuration, combined with high truck and vehicle volumes, creates a chokepoint causing severe congestion and frequent collisions. This segment of SR-57 and SR-60 has been identified by the American Transportation Research Institute's 2024 ranking as the seventh worst bottleneck in the United States and among the worst bottlenecks in California, with a truck-related collision rate 50 percent higher than the state average for comparable facilities.

In July 2018, the Board approved a contract with WKE Inc. for professional services to prepare the Plans, Specifications, and Estimates (PS&E) for the Project. In February 2019, the Board authorized a Funding Agreement between Metro and SGVCOG to provide right of way, utility relocation, contract administration, and construction support services during construction for the Project. In April 2021, the Board approved a contract modification with WKE Inc. to fund design services during construction. In January 2023, the Board authorized funding for construction allowing SGVCOG to award a construction contract and initiate construction.

Currently, the Project is in the construction phase, with 27% of the work completed as of December 30, 2024. The Project is scheduled to open to traffic in July 2028, as the facility will provide access to a nearby venue for the Olympic and Paralympic Games.

The actions being requested in this Board report pertain only to the SGVCOG contract for construction management and the WKE contract for design services during construction.

DISCUSSION

The SGVCOG has reported an increase in both general administration and construction management costs for the project, primarily driven by escalating labor expenses and additional requirements resulting from the Project's size and complexity. The increased costs stem from several factors, including the need for additional staff and time to manage the expanded scope, which now includes more extensive financial administration and reporting obligations tied to the state and federal grant funds. These obligations involve detailed compliance documentation and frequent communication with multiple agencies to meet reporting requirements for state and federal stakeholders.

The funding agreement with SGVCOG (Project Identification No. MM500201), established in early 2019, is also affected by rising labor costs. Inflation and changing market conditions have led to higher labor rates, further requiring additional resources. In addition, addressing the 9.4-acre site from the Diamond Bar Golf Course, property acquisitions, litigation issues, and the need to accelerate deliverables to meet critical grant deadlines have required more effort than initially

anticipated. These actions were crucial for securing the necessary right-of-way to meet funding timelines and obligations.

The Project also required further coordination with resource agencies, such as the California Department of Fish and Wildlife and the Army Corps of Engineers. This included extended reviews and approvals to ensure compliance with environmental regulations and permitting conditions, as well as addressing agency feedback and integrating resource protection measures into the project design and construction. Additionally, unforeseen site conditions were encountered, including varying soil conditions, groundwater levels, and man-made buried objects, all of which were addressed.

Public outreach efforts have also required additional resources not originally anticipated to ensure the community remains informed about construction activities, road closures, and detours. Consistent communication through public announcements, project updates, and signage has been essential to minimize disruption and maintain community awareness.

These unforeseen demands, which were not anticipated during the initial contract cost agreement, have been essential to maintaining compliance, meeting funding requirements, ensuring public awareness, and moving the project toward successful completion. As a result, the total increase in SGVCOG general administration and Construction Management costs amounts to \$13,344,233.05, raising the contract amount from \$29,525,000 to \$42,869,233.05.

Furthermore, the Funding Agreement for the Project stipulates withholding 10% of eligible expenditure per invoice as retention. This figure is inconsistent with other Funding Agreements of similar amounts, particularly at this stage of construction, which stipulate a 5% retention rate. Staff recommend reducing the retention rate for the Project from 10% to 5%.

In addition to the Funding Agreement with SGVCOG, needed design refinements and project drawings were required due to unforeseen field conditions, along with revisions to the Diamond Bar Golf Course mitigation under Contract No. AE51890001 with WKE Inc. Additional efforts were also made to review and approve contractor submittals, respond to Requests for Information (RFI), and clarify plans and specifications related to project improvements affecting the Diamond Bar Golf Course mitigation. This contract modification supports design interface and coordination among various parties involved in the SR 57/60 Interchange Improvement Project, including the San Gabriel Valley Council of Governments (Contracting Agency), WSP (Construction Management Contractor), Skanska (Construction Contractor), Caltrans (Highway Oversight), and Metro (Sponsoring Agency).

Additionally, Program Management has participated in reviewing the contract modification request and will continue to review future contractor submissions, RFIs, and clarifications to plans and specifications during the remainder of the construction phase with SGVCOG and WKE Inc.

The following chart identifies the Funding Agreement and Contract modifications being requested:

\$ in thousands

Contract	Metro Board Approval	Activity	Funding Source	Amount	Request February 2025	Total
MM500201	February 2019	Construction Management	Measure M	\$ 29,525	\$ 13,344	\$ 42,869
AE5189001	July 2018	Design	Measure M/TCEP	\$ 29,214	\$ 3,037	\$ 32,251

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no direct impact on the safety of Metro customers or employees. Caltrans and local safety standards will be adhered to during the implementation of the proposed Project improvements.

FINANCIAL IMPACT

There are multiple fund sources for the Project, including Measure M Highway Capital (17%), Trade Corridor Enhancement Program (TCEP), and Infrastructure for Rebuilding America (INFRA) funds. These fund sources are not eligible for bus and rail (transit) capital and operations expenses.

The balance of the Measure M Expenditure Plan allocation of \$205 million designated for the Project is available to cover the costs and contract modifications that staff recommend for Board approval.

The FY25 budget includes \$81.277 million in Complete Streets and Highway Cost Center 0442, in SR 57/60 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 multi-year project, the Project Manager, the Cost Center Manager, the Executive Officer for Complete Streets and Highways, the Senior Executive Officer for Multimodal Integrated Planning, and the Chief Planning Officer will be responsible for coordinating the programming and budgeting costs in future fiscal years.

This action will not impact the approved FY25 budget.

EQUITY PLATFORM

The Project area is not located within or directly adjacent to Equity Focus Communities (EFCs). The implementation of the Project will not result in the displacement of or other negative impacts on disadvantaged or low-income communities. However, EFCs are located within 10 miles to the east, northeast, and west of the Project locations. Additionally, California State Polytechnic University, Pomona, which is nationally recognized as one of the most diverse universities in the country, is located within two miles of the project site. Commuter students at the university will benefit from the safety improvements that will be developed as part of the Project. In preparation for future lane and/or ramp closures, the SGVCOG will proactively coordinate with various public information officers of nearby jurisdictions, utilize social media channels, and work with Caltrans to provide alerts

of any potential temporary lane and/or ramp closures during the current construction period.

WKE made a 24.25% Small Business Enterprise (SBE) and a 3.03% Disabled Veteran Business Enterprise (DVBE) commitment. Based on payment, the project is 90% complete and the current SBE participation is 25.12%, exceeding the commitment by 0.87% and the current DVBE participation is 1.94%, representing a 1.09% shortfall.

WKE is currently under construction with the design team responding to Requests for Information (RFI). WKE has received a lower than anticipated number of RFIs that are directed to the SBE and DVBE firms, which is impacting the utilization of some firms. To mitigate the shortfall, WKE will expand the scope of work and have identified additional tasks for SBE and DVBE firms to perform. WKE anticipates that the SBE and DVBE utilization will steadily increase over the remaining three years of construction and is projecting to meet the SBE and DVBE commitments by the end of the project.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While the agency remains committed to reducing VMT through transit and multimodal investments, some projects may induce or increase personal vehicle travel. However, these individual projects aim to ensure the efficient and safe movement of people and goods. This Board item will likely increase VMT in LA County. Although this item may not directly contribute to the achievement of the Board-adopted VMT Reduction Targets, the VMT Targets were developed to account for the cumulative effect of a suite of programs and projects within the Metro region, which individually may induce or increase VMT. Additionally, Metro has a voter-approved mandate to deliver multimodal projects that enhance mobility while ensuring the efficient and safe movement of people and goods.

Los Angeles County voters approved Measure M in 2016, which included the Project as part of the Major Projects within the Expenditure Plan (Line 18). In addition, a CEQA document released for public review before July 1, 2020, was not required to incorporate a VMT analysis. Based on CEQA Guidelines Section 15007(c), CEQA documents that meet requirements in effect when a document is sent out for public review do not need to be revised to include new requirements taking effect before the document is fully approved. The 2013 FEIR/FONSI for the project was approved prior to the statewide implementation of SB 743; therefore, a VMT analysis was not required in the CEQA document.

However, data estimates that 118,000 number of eastbound trips occurred through the eastbound Project limits in 2019 for a total of approximately 342,500 VMT. Total traffic is estimated to increase by 12 percent by 2036 with VMT reaching approximately 382,100. Although the number of vehicles traveling through the corridor is expected to increase, this project will help decrease congestion and

vehicle idling on arterials and local roads.

The Project has been determined to be a regionally conforming project. The Project has been listed and accounted for in the modeling associated with the currently conforming Regional Transportation Plan (RTP) and the Federal Transportation Improvement Program (FTIP). Furthermore, the Project underwent the required interagency consultation process (Title 40 Code of Federal Regulations [CFR] 93.105) to review the Project-level carbon monoxide and Particulate Matter conformity and documentation for adequacy and completeness.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the strategic plan goal:

“Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.”

Goal 1.1. Approval of the multimodal highway subregional programs will expand the transportation system as responsibly and quickly as possible as approved in Measure R and M to strengthen and expand LA County's transportation system.

“Goal 4: Transform LA County through regional collaboration”

Goal 4.1. Metro will work closely with municipalities, councils of governments, and Caltrans to implement holistic strategies for advancing mobility goals”

ALTERNATIVES CONSIDERED

The Board may choose not to accept the staff recommendations. However, this is not recommended as the Project is currently in the construction phase and on track for completion by July 2028. Failing to provide the necessary resources would negatively impact the project's delivery and construction schedule, leading to higher costs and the inability to complete the Project.

NEXT STEPS

Upon Board approval, staff will work with SGVCOG to execute the necessary funding agreement amendments approved by this action and also execute Modification No. 5 to Contract No. AE51890001 with WKE, Inc. to provide additional engineering and design support and extend the period of performance through December 31, 2029. Staff will continue to work with the various partners and contractors to identify risk and cost containment mitigation measures. This will be achieved through ongoing weekly progress meetings with SGVCOG and contractors, monthly coordination meetings with SGVCOG and Caltrans, quarterly meetings with Federal Highway Administration staff, and regular updates to the Risk Assessment and the Financial Plan Annual Update Report.

ATTACHMENTS

Attachment A - SR 57/60 Interchange Improvements Project Map

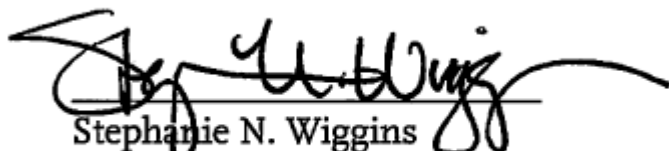
Attachment B - Procurement Summary

Attachment C - Contract Modification/Change Order Log

Attachment D - DEOD Summary

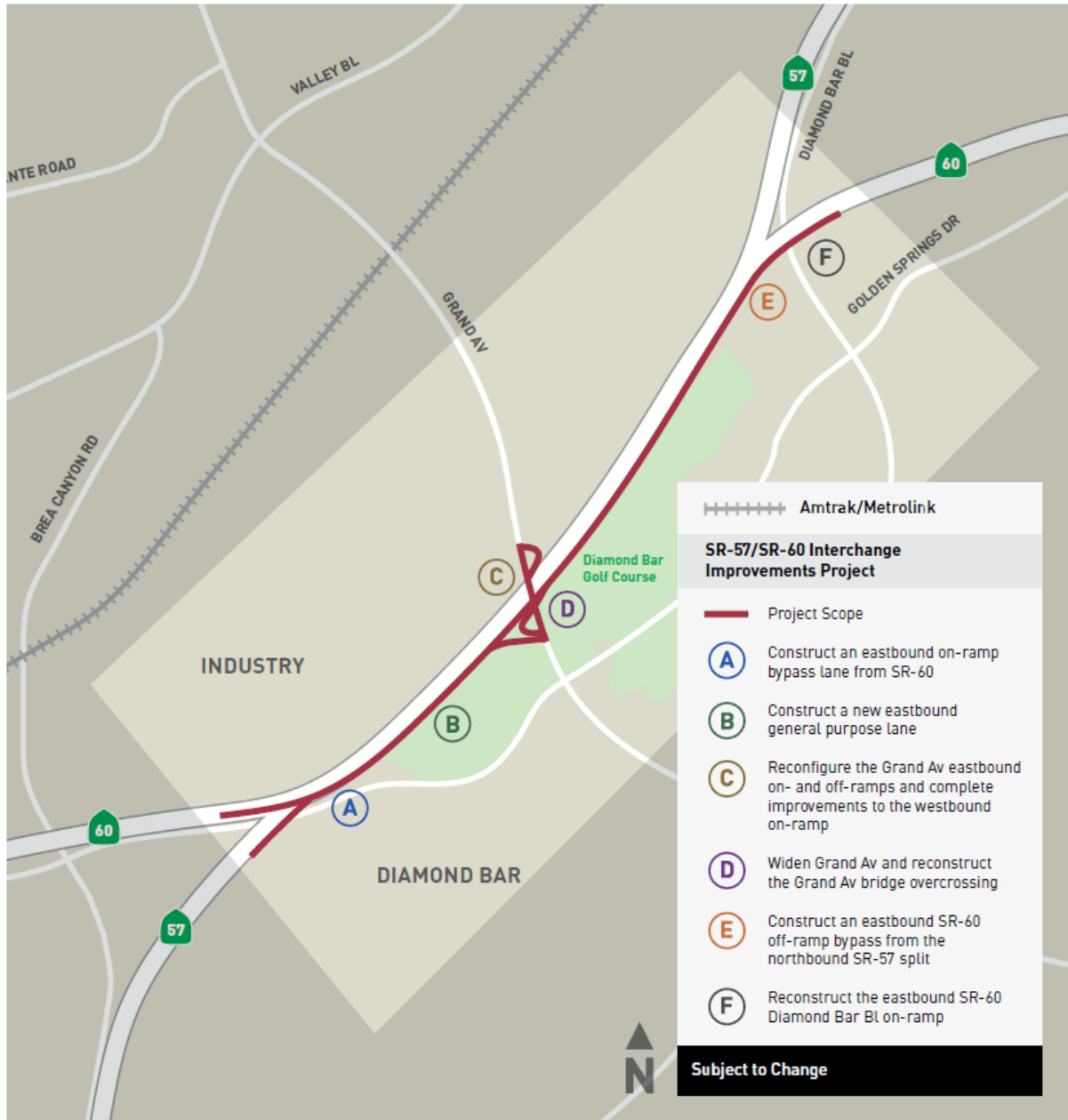
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Stephanie N. Wiggins
Chief Executive Officer

SR 57/60 Interchange Improvement Project



PROCUREMENT SUMMARY

SR 57/60 INTERCHANGE IMPROVEMENTS / AE51890001

1.	Contract Number: AE51890001		
2.	Contractor: WKE, Inc.		
3.	Mod. Work Description: Provide additional engineering design and support services during construction and extend the period of performance through 12/31/29.		
4.	Contract Work Description: Plans, Specifications, & Estimates (PS&E) for SR 57/60 Interchange Improvements		
5.	The following data is current as of: 1/8/2025		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	9/27/2018	Contract Award Amount: \$21,771,625
	Notice to Proceed (NTP):	10/15/2018	Total of Modifications Approved: \$7,442,308
	Original Complete Date:	9/30/2021	Pending Modifications (including this action): \$3,037,366
	Current Est. Complete Date:	12/31/2029	Current Contract Value (with this action): \$32,251,299
7.	Contract Administrator: Andrew Conriquez		Telephone Number: (213) 922-3528
8.	Project Manager: Roberto Machuca		Telephone Number: (213) 418-3467

A. Procurement Background

This Board Action is to approve Contract Modification No. 5 issued to provide additional engineering and design support services during construction for the SR57/60 Interchange Improvements Project. This Modification will also extend the period of performance from December 31, 2026 to December 31, 2029.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

On September 27, 2018, the Board awarded a 36-month firm fixed price Contract No. AE51890001 to WKE, Inc., for plans specifications and estimates (PS&E) for SR57/60 Interchange Improvements in an amount of \$21,771,625.

A total of four modifications have been issued to date.

Refer to Attachment C – Contract Modification/Change Order Log.

B. Cost Analysis

The recommended amount has been determined to be fair and reasonable based on a technical analysis, Independent Cost Estimate (ICE), and cost analysis using certified payroll.

Proposal Amount	Metro ICE	Recommended Amount
\$3,037,366	\$3,500,253	\$3,037,366

The difference between the ICE and the recommended amount is due to overestimating the level of effort for subtasks related to the design services during construction.

CONTRACT MODIFICATION/CHANGE ORDER LOG

SR 57/60 INTERCHANGE IMPROVEMENTS / AE51890001

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Change in the project geometry and design services for the Diamond Bar Golf Course mitigation reconstruction PS&E.	Approved	11/16/19	\$3,384,082
2	Design change to provide additional engineering design and support services during construction and period of performance (POP) extension through 12/31/2026.	Approved	4/22/21	\$3,251,666
3	Supplemental work to provide right of way, drainage design, and PS&E of maintenance traffic work.	Approved	5/3/22	\$350,718
4	Supplemental work to provide turf reduction, and biological monitoring for the reconstruction of golf course.	Approved	7/13/23	\$455,842
5	Supplemental work to provide design services during construction and POP extension through 12/31/2029.	Pending	Pending	\$3,037,366
	Modification Total:			\$10,479,674
	Original Contract:		9/27/18	\$21,771,625
	Total:			\$32,251,299

DEOD SUMMARY

SR 57/60 INTERCHANGE IMPROVEMENTS / AE51890001

A. Small Business Participation

WKE, Inc. (WKE) made a 24.25% Small Business Enterprise (SBE) and a 3.03% Disabled Veteran Business Enterprise (DVBE) commitment. Based on payment, the project is 90% complete and the current SBE participation is 25.12%, exceeding the commitment by 0.87% and the current DVBE participation is 1.94%, representing a 1.09% shortfall.

WKE contends that the project is currently under construction with the design team responding to Requests for Information (RFI). WKE further stated that they have received a lower than anticipated number of RFI's that are directed to the SBE and DVBE firms, which is impacting the utilization of some firms, and confirmed by Metro's Project Manager. To mitigate the shortfall, WKE reported they are expanding the scope of work and have identified additional tasks for SBE and DVBE firms to perform. WKE anticipates that the SBE and DVBE utilization will steadily increase over the remaining three years of construction and is projecting to meet the SBE and DVBE commitments by the end of the project.

Small Business Commitment	24.25% SBE 3.03% DVBE	Small Business Participation	25.12% SBE 1.94% DVBE
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	SBE Subcontractors	% Committed	Current Participation¹
1	ADVANTEC Consulting Engineers, Inc.	2.18%	2.41%
2	Arellano Associates, LLC	0.49%	0.22%
3	D'Leon Consulting Engineers	0.23%	0.18%
4	Earth Mechanics, Inc.	4.62%	4.71%
5	2R Drilling Incorporated	1.04%	1.00%
6	A Cone Zone, Inc.	0.41%	0.50%
7	FRS Environmental, Inc.	0.06%	0.18%
8	Galvin Preservation Associates Inc.	1.39%	2.69%
9	Impact Sciences, Inc.	0.18%	0.00%
10	Geo-Advantec, Inc.	1.22%	1.10%
11	2R Drilling Incorporated	0.27%	0.08%
12	A Cone Zone, Inc.	0.22%	0.03%
13	Kroner Environmental Services, Inc.	1.78%	3.35%
14	DC Traffic Control	0.18%	0.19%
15	Martini Drilling Corp.	0.22%	0.07%
16	Performance Analytical	0.69%	0.64%

	Laboratories, Inc.		
17	V & A Inc.	0.16%	0.00%
18	LIN Consulting, Inc.	5.51%	2.20%
19	Tatsumi and Partners, Inc.	1.37%	1.38%
20	Wagner Engineering & Survey, Inc.	1.27%	1.28%
21	A Cone Zone, Inc.	0.35%	0.00%
22	Safeprobe, Inc.	0.41%	0.19%
23	CWE	Added	0.26%
24	Guida	Added	0.25%
25	OPTITRANS Engineering, Inc.	Added	0.54%
26	PacRim Engineering Inc	Added	1.67%
	Total	24.25%	25.12%

	DVBE Subcontractors	% Committed	Current Participation¹
1	Brentwood Reprographics, Inc	0.88%	0.09%
2	MA Engineering	2.15%	1.85%
	Total	3.03%	1.94%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

SR 57/60 INTERCHANGE IMPROVEMENT PROJECT UPDATE AND CONTRACT MODIFICATION



Staff Recommendation

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 1 to Project Identification No. MM500201 with the San Gabriel Valley Council of Governments (SGVCOG) for the SR-57/60 Interchange Improvement Project (Project) in the amount of \$13,344,233.05, increasing the contract value from \$29,525,000 to \$42,869,233.05 construction management services; and
- B. EXECUTE Modification No. 5 to Contract No. AE51890001 with WKE, Inc. for the Project in the amount of \$3,037,366, increasing the contract value from \$29,213,933 to \$32,251,299 for design services during construction and extend the period of performance from December 31, 2026 to December 31, 2029; and
- C. APPROVE a reduction in the retention amount withheld in the Funding Agreement with SGVCOG from 10% to 5% to be consistent with other grantees awarded similar funding amounts and at this stage of construction.

SR 57/60 Interchange Improvements

SGVCOG (Project ID: MM500201)

- Metro Board authorization (February 2019) for utility coordination, right-of-way acquisition, procurement and construction management services.
- \$13,344,233.05 increase for construction contract administration.
- Contributing factors: Escalating labor costs, expanded scope of services, additional reporting requirements, increased coordination for right-of-way acquisitions, litigation, and unforeseen field conditions.

WKE Inc. (Contract No. AE51890001)

- Metro Board authorization (July 2018) for Final Design and later amended to include professional services during the construction bid and construction phase.
- \$3,037,366 increase for design services during construction.
- Contributing factors: Unforeseen field conditions, design refinements, additional drawings especially related to the Diamond Bar Golf Course mitigation, additional submittal reviews and clarifications.

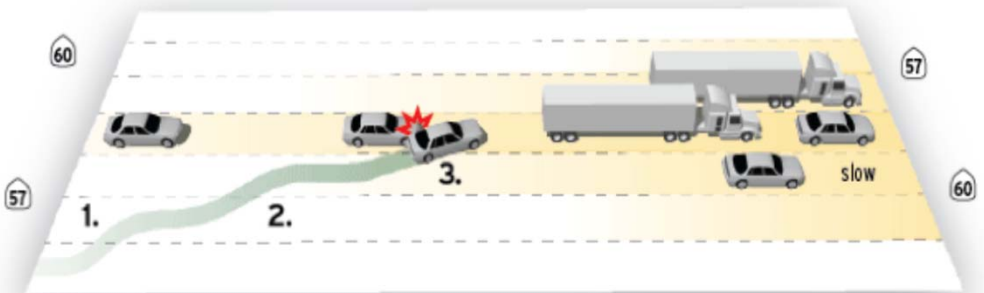
Funding Agreement Retention Change

- Reduce retention amount from 10% to 5%, which is more typical for this stage of construction and is consistent with other Metro-funded highway projects.

SR 57/60 Interchange Improvements

How collisions occur

Motorists trying to cross into the opposite freeway must sweep across several lanes quickly, one reason why the confluence is a hotspot for accidents.



- 1. Motorists on the 57 and 60 freeways are often traveling at different speeds as they enter into the confluence.**
- 2. A driver may try to transfer lanes quickly before the freeways separate again.**
- 3. This can result in collisions as motorists weave across multiple lanes in the 2-mile stretch.**



Equity Platform

- Implementation of the Project will not result in displacement of or other negative impacts on disadvantaged or low-income communities.
- Equity Focus Communities are located within 10 miles to the east, northeast, and west of the Project locations.

Next Steps

- Staff will work with SGVCOG and the Design Contractor to execute the necessary funding agreement amendments approved by this action.
- Staff will continue to work with the various partners (SGVCOG, Caltrans, Federal Highway Administration) and contractors to identify risk and cost containment mitigation measures.