



Expo

Exposition Metro Line
Construction Authority

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DATE: MARCH 18, 2011

TO: BOARD OF DIRECTORS

**FROM: RICHARD D. THORPE
CHIEF EXECUTIVE OFFICER**

**ACTION: ADOPT A LIFE-OF-PROJECT BUDGET FOR PHASE 2 OF THE
EXPOSITION LIGHT RAIL TRANSIT PROJECT IN THE AMOUNT
OF \$1,511,158,000**

RECOMMENDATION

Adopt a Life-of-Project (LOP) Budget for Phase 2 of the Exposition Light Rail Transit Project (Expo Project) in the amount of \$1,511,158,000, and update the Phase 2 Budget as shown in Attachment A.

SUMMARY

In February, 2011, the Los Angeles County Metropolitan Transportation Authority (Metro) Board approved a LOP Budget in the amount of \$1,511,158,000 for Phase 2 of the Expo Project. The Exposition Metro Line Construction Authority (Authority) staff has allocated the LOP Phase 2 budget among several categories including Design-Build Corridor Construction, Other Construction, Right-of-Way, Vehicles, Professional Services, Special Conditions, and Project Reserve.

DISCUSSION

The LOP Budget of \$1,511,158,000 was based on the budget developed and included in the Final Environmental Impact Report (FEIR) for the Phase 2 Project. This amount has also been allocated in Metro's Long Range Plan and is included in the Funding Agreement for Phase 2 approved by the Metro Board. The budget has been further refined based on the submittal of bids for the Design-Build Contract. The following details show how the \$1.5 billion has been allocated among the various budget categories:

Design-Build Corridor Budget

The baseline budget amount for the Design-Build Category is \$606,825,000. The budget includes all components of construction for the main alignment of the project. The Design-Build budget includes funding for all guideway and track construction, station construction, support facility construction, site work, systems and equipment, final design, general requirements, Contractor Controlled Insurance Program, professional liability insurance and allocated design-build construction provisional amounts. Construction contingency is allocated for the following items: potential contract modifications, design modifications, Colorado storm drain, storm water run-off mitigation and LRV test track, if warranted.

Other Construction Elements

The baseline budget for Other Construction Elements is \$159,475,000. The budget includes all components for the Venice Boulevard Bridge, Maintenance Facility, Storage Yard and Paint/Body Shop. Included in this budget are costs for each project's Contractor Controlled Insurance Program, as well as Metro procured equipment and construction contingency. Construction contingency is allocated for potential contract modifications and design modifications.

Right-of-Way Budget

The baseline budget for the Right-of-Way Category is \$265,000,000. The budget includes all components of Right-of-Way including acquisition, appraisal costs, relocation, lease termination, environmental services, and real estate consultant costs.

Vehicles Budget

The baseline budget for the Vehicles Category is \$202,100,000 for Phase 2 of the Expo Project. The allocation of this amount for Vehicles was mutually agreed upon with Metro per the Phase 2 Funding Agreement Term Sheet and Master Cooperative Agreement.

Professional Services

The baseline budget for Professional Services Category is \$148,200,000. The budget includes funding for both Authority and Metro labor, overhead and non-labor costs, design-engineering services, project management/construction management services, legal services, other specialty services, as well as allocated contingency. The Professional Services Budget will include all costs associated with completing design of the maintenance facility and design of the Venice Boulevard Bridge.

Special Conditions Budget

The Phase 2 baseline budget for the Special Conditions Category is \$63,600,000. The Special Conditions Budget includes funding for the art program, utility relocations by third parties, third party agreements, commissioning (start-up), and allocated contingency for Special Conditions related work.

Project Reserve

The Expo Phase 2 baseline Project Reserve budget is \$65,958,000.

Project Enhancements

A potential enhancement to the Phase 2 baseline project is the possible addition of the Sepulveda Grade Separation and aerial station. This enhancement would be paid for by the City of Los Angeles and is not part of the above referenced \$1.511 billion Phase 2 LOP Budget. Should this enhancement be funded by the City and added to the project, it will be tracked in a separate Project Enhancements Category outside of the baseline LOP Budget.

FINANCIAL IMPACT

This action does not result in a net financial impact to the project.

NEXT STEPS

Expo will monitor the project budget and will bring regular updates to the Board.

ATTACHMENT(S)

A. Expo Phase 2 Life-of-Project Budget

ATTACHMENT A: Expo Phase 2 Life-of-Project Budget

Design Build Corridor

Category	Description	Total LOP Budget (x000)
Guideway & Tracks		\$ 71,335
	Design Build	\$ 71,335
Stations		\$ 37,390
	Design Build	\$ 37,390
Sitework & Special Conditions		\$ 121,185
	Design Build	\$ 96,210
	Schedule F Provisional Amounts	\$ 15,000
	Contractor Insurance	\$ 9,975
Systems & Equipment		\$ 76,330
	Design Build	\$ 76,330
Final Design		\$ 59,000
	Design Build - Final Design	\$ 59,000
General Requirements		\$ 176,490
	Design Build	\$ 176,490
Sub-Total: Design Build Corridor		\$ 541,730
Allocated Contingency*		\$ 65,095
Total: Design Build Corridor		\$ 606,825

* Contingency amounts for potential Change Orders, Contract Modifications, Colorado Storm Drain, Storm Water Run-Off Mitigation and LRV Test Track

Other Construction Elements

Category	Description	Total LOP Budget (x000)
Guideway & Tracks		\$ 15,000
	Venice Blvd. Bridge	\$ 15,000
Support Facilities		\$ 97,540
	Maintenance Facility	\$ 61,230
	Storage Yard	\$ 25,310
	Div 22 Paint/Body Shop	\$ 11,000
Sitework & Special Conditions		\$ 8,505
	Maintenance Facility	\$ 2,500
	Contractor Insurance	\$ 6,005
Systems & Equipment		\$ 28,430
	Metro Procured Equipment	\$ 28,430
Allocated Contingency*		\$ 10,000
Total: Other Construction Elements		\$ 159,475

* Contingency amounts for potential Change Orders and Contract Modifications.

Right of Way

Category	Description	Total LOP Budget (x000)
Appraisal		\$ 250
Acquisition		\$ 245,750
Relocation		\$ 18,600
Environmental Services		\$ 250
Other RE Consultants		\$ 150
Total: Right of Way		<u>\$ 265,000</u>

Vehicles

Category	Description	Total LOP Budget (x000)
Light Rail Vehicles		\$ 202,100
Total: Vehicles		<u>\$ 202,100</u>

Professional Services

Category	Description	Total LOP Budget (x000)
Authority Labor/Non Labor		\$ 29,830
Metro Labor/Non Labor		\$ 9,480
Design Engineering		\$ 34,935
	Environmental & PE Services	\$ 11,000
	PE Services - DB	\$ 10,000
	PE Services - Venice Blvd. Bridge	\$ 935
	PE Services - Maintenance Facility	\$ 3,000
	Final Design - Venice Blvd. Bridge	\$ 1,800
	Final Design - Maintenance Facility	\$ 5,000
	Design Support (EOR)	\$ 3,200
PM/CM Services		\$ 42,820
Legal Services		\$ 5,235
Other Specialty Services		\$ 6,900
Allocated Contingency		\$ 19,000
	Metro Reserve	\$ 4,500
	Other (10%)	\$ 14,500
Total: Professional Services		<u>\$ 148,200</u>

Special Conditions

Category	Description	Total LOP Budget (x000)
Art Program		\$ 2,860
Utility Relocations		\$ 19,760
Third Party Agreements		\$ 27,480
	DWP	\$ 3,060
	LA City	\$ 17,300
	LA County	\$ 290
	City of Santa Monica	\$ 4,000
	SCE	\$ 330
	Caltrans	\$ 2,500
Commissioning	Testing & Start Up	\$ 4,500
Allocated Contingency	Other (15%)	\$ 9,000
Total: Special Conditions		\$ 63,600

Project Reserve

Category	Description	Total LOP Budget (x000)
Project Reserve		\$ 65,958
Total: Project Reserve		\$ 65,958

Summary

Design Build	\$ 606,825
Other Constuction Elements	\$ 159,475
Right of Way	\$ 265,000
Vehicles	\$ 202,100
Professional Services	\$ 148,200
Special Conditions	\$ 63,600
Project Reserve	\$ 65,958
Total LOP:	\$ 1,511,158

Project Enhancements

Category	Description	Total LOP Budget (x000)
Sepulveda Blvd. Bridge & Aerial Structure		\$ 5,300 *
Total: Project Enhancements		\$ 5,300

* Cost will be funded by the City of Los Angeles.