

I-405 Sepulveda Pass Improvements Project

DBIA – Balancing Risk

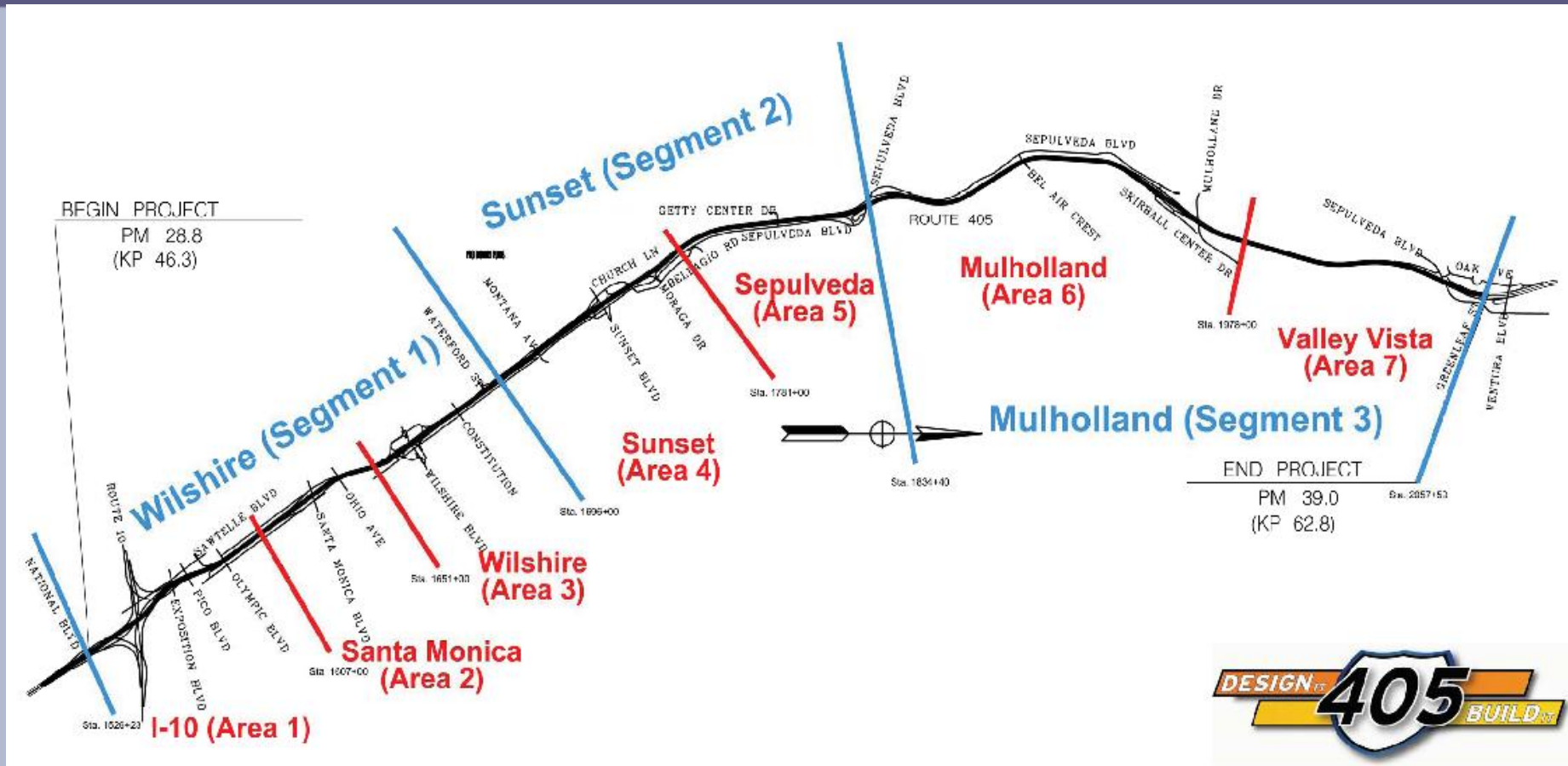
January 15, 2013



PROJECT DESCRIPTION

- Project Scope
- Costs
- 3rd Party, Stakeholders, Etc.
- Baseline Work, Provisional Sums
- Project Risks

PROJECT AREA LOCATION MAP



PROJECT SCOPE

- 26 Bridges (Replacement and Widening Bridges)
- 68 Retaining Wall - 927,000 SF/53,000 LF
- 27 Sound wall - 27,000 LF
- Cast-in-place Concrete – 110,000 CY
- Excavation - 900,000 CY
- Backfill/Embankment – 600,000 CY
- Bridge Piling - 86,000 LF

COSTS

- Bid – 739 Millions (10 Miles)
- Bid Opening – February 20, 2009
- Notice to Proceed (NTP) – June 2, 2009
- 1550 Calendar Days from NTP
- Completion Date – November 27, 2013
- Liquidated Damage (LD) - \$120,000/day
- Incentives - \$120,000/day (180 days max)

3RD PARTY / STAKEHOLDERS

- Metro
- Caltrans
- City LA
- County LA
- MWD
- Phone Companies
- Gas Company
- DWP
- Petroleum Companies
- The Getty
- GSA
- VA



Metro



I-405 Sepulveda Pass Improvements Project

Typical Infrastructure Beneath Sepulveda Bl

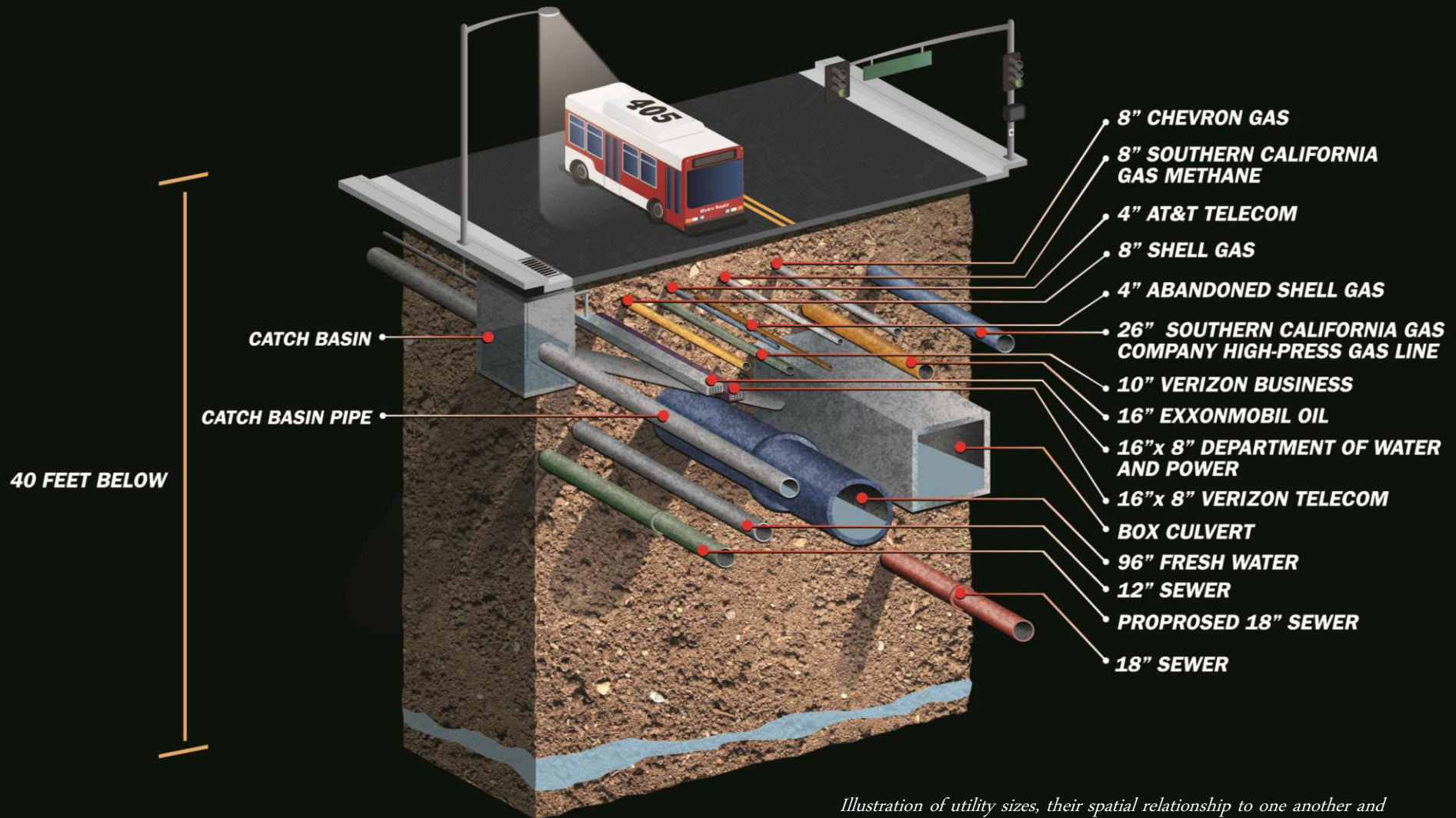


Illustration of utility sizes, their spatial relationship to one another and their depth below Sepulveda Bl.

PROVISIONAL SUMS

Description	Total Price
Utility Work (Wet)	\$60 mil
Utility Work (Electrical)	\$27 mil
Utility Work (3 rd Party/Other)	\$25 mil
Construction Mitigation	\$2 mil
Safety 1 st Incentive	\$432 thous
HazMat Assessment	\$100 thous
HazMat Removal	\$50 thous
Addl Treatment Contaminated Water	\$25 thous
SWPP Implementation	\$2 mil

Description	Total Price
Drainage	\$10 mil
TMP Addl Work	\$5 mil
DRB	\$250 thous
Request from 3 rd Party	\$1 mil
GSA Restoration	\$1.8 mil
Westwood Hills Mitigation	\$7.4 mil
MWD Waterline Relocation	\$10 mil
Maintenance during Construction	\$5 mil
TOTAL	\$157 mil

PROJECT RISKS

- Schedule / Costs
- Community – Environmental Document & what was promised
- Noise, Light, Vibration
- Traffic – Specific Closures
- Lawsuits
- Law changes
- Submittal Process
- Resolution Ladder



PROJECT RISKS

- Disagreements – needs resolution, stop deferred comments
- BMP Lawsuit – who determines how to resolve?
- Utility Relocations
- Right of Way
- Professional Services
- Multi Agency Jurisdiction
- 3rd Party Relations – City & County
- Owner / Design Builder Relationship



3RD PARTY RELATIONS

The 3 R's: Relationships, Relationships, Relationships

- Know the City of LA & LA County Departments
 - Understand their expectations
 - Explain to them the Scope of Work
 - Make someone responsible on action items
 - Weekly Meetings 10am-2pm
 - Minutes, Notes, Follow ups, etc.

OWNER / DESIGN BUILDER RELATIONSHIP

- Design-Builder's Outlook / Approach
- Low-Bid vs. Best Value
- Project Definition and Standards
- Design-Build Delivery in a Design-Bid-Build World

DESIGN BUILD I-405

▪ **Schedule**

- Start construction before design is complete
- Utility relocation would take 3+ years with Design Bid Build contract
- Designer can take advantage of flexible relocation process in integrated design build

▪ **Costs**

- Low Bid – No Risk Transfer?
- High Bid – Significant Risk Transfer?
- Provisional Sums were created to reduce risk w/ Contractor on I-405
- Provisional Sums have created a job within a job – Contractor indicated it's all on Metro?

▪ **Quality**

- Changing or creating a Design Build organization / process on our Project with so many different groups has its challenges



Things to Consider

Developing Design Build Highway Project

- **Resolution Ladder**
- **Consider Authority or Group with Authority to make decisions**
 - Includes plan approval (Caltrans; City – BOE, DOT, BSS, BLS, BSL; County, Metro)
 - Deal with Betterments
 - Deal with Comment Resolution, ROW, Relinquishments
 - Need final say with each of these groups. They all benefit from Project – why not provide management to support Project?
- **How Much Risk to Transfer**
 - There is a perception you can write a specification that hands it all over to contractor
 - Costs & lack of control (more you transfer, more it costs, and you won't be able to recoup cost Contractor put into bid)



Things to Consider

Developing Design Build Highway Project

- **Environmental Document**—owned by owner agency & contract agency
 - Improve this process
 - Agencies – what you get in this process is what you get!
 - Need signature acceptance early with key personnel (Authority)
 - Changes – money comes from somewhere?
- **Contractor is a Contractor**
 - Any opportunity to challenge contract documents!
 - If bid based on reduced risk, should we expect anything else?
 - Multi jurisdictional Tech Spec and contract documents – this will create problems – do your homework!

Things to Consider

Developing Design Build Highway Project

- **Elected Officials Process**

- Process of getting support and influence at Project level – it helps most of the time

- **Changes**, while they are generally good for Project / Community / Contractor, create too many opportunities for Contractor to undermine their contractual responsibilities

- **Agency / Department Responsibilities**

- Each Agency / Department needs to take responsibility for their part (develop clear, concise MOU, MOA)
- Hold all of these Agencies accountable (Authority)