

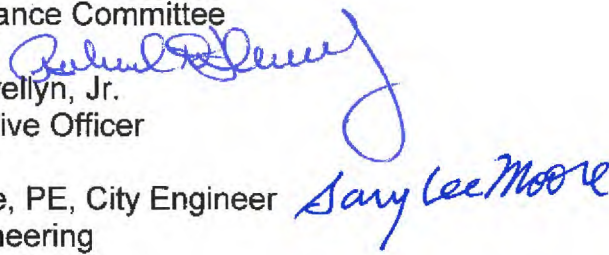
**CITY OF LOS ANGELES**  
INTERDEPARTMENTAL CORRESPONDENCE

Date May 14, 2019

To: Budget and Finance Committee

From: Richard H. Llewellyn, Jr.  
City Administrative Officer

Gary Lee Moore, PE, City Engineer  
Bureau of Engineering



Subject: **REPORT BACK (C.F. 15-0411-S2) ON THE SIXTH STREET VIADUCT REPLACEMENT PROJECT PROGRAM BUDGET AND SCHEDULE STATUS UPDATE**

**RECOMMENDATION**

That the City Council note and file this report.

**SUMMARY**

Pursuant to the Budget and Finance Committee's (B&F) instruction, this report provides a program budget and schedule status for the Sixth Street Viaduct Replacement project (C.F. 15-0411-S2).

**BACKGROUND**

The project is a 3,500-foot-long viaduct/bridge that crosses over the Los Angeles River, United States Highway 101, several railroads, industrial properties, and local streets, connecting Boyle Heights with the Arts District and downtown Los Angeles. The final construction package of the project (Task Order 5 – New Viaduct) was awarded to Skanska Stacy and Witbeck (contractor) on January 6, 2017 with a contractual completion date of November 1, 2020.

Schedule

Based on the latest schedule submitted by the contractor on April 19, 2019, the project is currently 480 days (16 months) behind schedule, with a projected completion date of February 24, 2022. The Bureau of Engineering (Engineering) and the contractor are in the process of analyzing the cause and negotiating the liability for the delays that have occurred to date, and are continuing to look for opportunities to recover some of the time to deliver the project earlier than the projected completion date. All other

construction package task orders are either complete or are not expected to impact the overall project schedule.

### Project Budget

On December 13, 2016, City Council approved the project budget in the amount of \$482 million (C.F. 14-1510-S7). Since then, several funding and programming adjustments have occurred, including the separation of the overlapping elements of the Sixth Street Park, Arts, River, and Connectivity Improvements project from the Viaduct project. As a result, the project budget has been reduced by \$5 million to \$477 million. At the April 25, 2019 Seismic Governance Committee (SGC) meeting, an Engineering report itemizing these adjustments was heard and the Engineering report was held in SGC.

During its May 6, 2019 hearing on the Mayor's 2019-20 Proposed Budget, the B&F Committee requested a report back on the current project budget (\$477 million) in comparison to the original project budget (\$401 million). The Attachment provides the requested budget comparison.

### Budget Risks

The contractor has submitted a total of \$41.5 million in outstanding claims. Engineering and the contractor are continuing negotiations on the outstanding claims, based on the input provided by the Disputes Review Board established for the Viaduct project and pending the Board of Public Works' consideration of these claims.

In addition to the outstanding claims, several other budget risks remain with the potential to increase the project's cost, which include:

- Railroad flagging costs that may exceed the budgeted amounts;
- Potential change orders associated with the remaining work;
- Extension of temporary right-of-way agreements; and,
- Additional staff and consultant costs associated with the project's delays.

Engineering is working closely with the Mayor's Office, City Attorney's Office, and the CAO to mitigate these budget risks and reduce the impact to the City's budget. Engineering will also continue to notify the California Department of Transportation of the potential project cost increases.

*RHL:BCH/LJS:05190129c*

Attachment

**ATTACHMENT: SIXTH STREET VIADUCT REPLACEMENT PROJECT**

<b>Original 2011 Viaduct Project Budget (in Millions)</b>					
<b>Includes \$5 million for landscaping</b>					
<b>Federal</b>	<b>State Prop 1B</b>	<b>Other State</b>	<b>City</b>	<b>LADWP</b>	<b>Total</b>
\$365.6	\$29.7	\$0.2	\$5.5	\$0.0	<b>\$401.0</b>
91.2%	7.4%	0.0%	1.4%	0.0%	100.0%
<b>Current Viaduct Project Budget (in Millions)</b>					
<b>Excludes all landscaping costs</b>					
<b>Federal</b>	<b>State Prop 1B</b>	<b>Other State</b>	<b>City</b>	<b>LADWP</b>	<b>Total</b>
\$396.3	\$31.8	\$0.2	\$46.3	\$2.4	<b>\$477.0</b>
83.1%	6.7%	0.0%	9.7%	0.5%	100.0%