


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 26, 2015

To: Seismic Governance Committee
Miguel A. Santana, City Administrative Officer, Chair
Sharon M. Tso, Chief Legislative Analyst
Borja Leon, Office of the Mayor

From: James Treadaway, S.E., Division Manager 
Bridge Improvement Division
Julie Allen, P.E., Division Manager
Sixth Street Viaduct Division
Bureau of Engineering

Subject: BRIDGE IMPROVEMENT PROGRAM – ANNUAL REPORT ON THE SEISMIC BOND COMPONENT TOTAL BUDGET AND COST TO COMPLETE

RECOMMENDATIONS

That the Seismic Governance Committee (SGC) approve and recommend that the City Council:

- 1) Approve a Bridge Improvement Program – Seismic Bond Component Total Budget (BIP-Seismic Budget) of \$858.9 million, as the new baseline program budget;
- 2) Instruct Bureau of Engineering to report back annually with a revised Bridge Improvement Program – Seismic Bond Component Total Budget; and
- 3) Instruct the Bureau of Engineering, City Administrative Officer and Chief Legislative Analyst to investigate and provide plan details for alternate funding sources to address the identified budget shortfall of \$7.9 million for City/Local match to the Federal Highway Bridge Program (HBP) funding.

SUMMARY

This year's Annual Report forecasts the BIP-Seismic Budget at \$858.9 million, which reflects an increase of \$25.5 million from \$833.3 million in FY 2013-14. The funding variance is comprised of a \$23.3 million increase in HBP grant funds, \$7.8 million increase in State grant funds, and a \$5.5 million decrease in City Proposition G funds (\$79.1 million in 2013 to \$73.6 million in 2014). This forecast also identifies a cash shortfall of \$7.9 million in City/Local match to the HBP funding over the next four years.

Due to the complexity of the Federal grant funding requirements, there may not always be a direct correlation between the increase or decrease in project scope and the funding allocation between Federal grant and City/Local match funds.

BACKGROUND

Seismic Bond Bridge Component History

In June 1990, the voters approved Proposition G, commonly known as the Seismic Bond. This action authorized the City to issue \$376 million in general obligation bonds to reinforce, renovate and/or replace City-owned seismically deficient bridges and buildings. Of this funding, \$176 million was made available for bridge projects. During the 1990s, 117 of the original 118 bridges identified as needing modification were retrofitted.

Subsequently, the Federal Highway Administration (FHWA) made grants available to cities and counties across the country to replace or rehabilitate structurally deficient or functionally obsolete bridges. In December of 2000, the City Council approved the creation of the current Bridge Improvement Program, using the remaining \$44 million in Prop G as leverage for the new FHWA grants. The goal of the new Bridge Improvement Program was to establish a long term program to improve deficient bridges within the jurisdiction of the City.

The Bridge Improvement Program Overview

While the Bureau of Engineering (BOE) Bridge Improvement Program (BIP) manages three separate bridge program components that are differentiated mostly by funding source, this report addresses only the 60 projects included in the Seismic Bond component. The three components are:

- Transportation Grant Fund (TGF) projects – 10 projects;
- American Recovery and Reinvestment Act (ARRA) projects – 3 projects;
- Seismic Bond projects – 60 projects

The BIP was established in 2000 and is focused on design and construction activities related to bridge widening and seismic upgrade/replacement. Since its inception, the program size has changed and is currently comprised of 60 bridge projects. Of these 60 projects, BIP has completed 32 projects and eight have been deobligated by the City Council (CF 11-1007 on June 28, 2011). There are 20 active open projects remaining.

Budget Considerations

BOE has developed the annual budget to deliver these projects, taking into consideration the remaining Prop G funds, as well as other City resources that are the City/Local match to the Federal grant funds. This budget is the result of an analysis performed that addresses the program needs until FY 2020 to complete the current scope. This budget also identifies a cash shortfall of \$7.9 million in City/Local match to the HBP funding over the next four years.

Of the 60 approved projects in the proposed BIP-Seismic Budget there are seven construction completed projects that were closed-out with Caltrans in this fiscal year, and 20 active open

projects as follows:

- 9 projects in the Design Phase
- 2 projects in the Bid & Award Phase
- 6 projects in Construction Phase
- 3 projects in Post-Construction Phase

A Program Contingency of \$7 million, based on five percent of the current construction budget (\$135 million), continues to be allocated to the program. Program Contingency of five percent against a total current construction budget is in-line with other bond-funded building construction programs, and is a standard estimation to address unanticipated expenditures. Nevertheless, there may be unforeseen/unanticipated costs, not covered by specific budget funding sources that may require funding from other sources beyond the Program Contingency. These costs will be evaluated on a project-by-project basis.

Overall, the report projects a \$5.5 million decrease in the Prop G need. In the past, Prop G funds have been used heavily to pay for project costs that are ineligible for other funding sources or to fund FHWA deobligated project. Where possible, \$7.8 million has been identified in other funding sources over the past year to replace Prop G. In addition, the HBP funding increased by \$23.3 million, \$18.3 million of this increase is matched by other Federal funding and does not require a local match.

BIP does not anticipate a shortfall for expenditures planned for fiscal year 2014-15. However, given the limited Prop G funds and uncertainty of future construction costs, the City should continue to explore other available funding sources such as Gas Tax, Proposition C, Measure R.

Table One below is the "BIP-Seismic Budget Summary for Open Active Projects". Attachment One is the entire BIP-Seismic Budget that provides a total budget summary of all 60 projects in the BIP-Seismic Bond, including complete/deobligated projects.

Table One – The BIP-Seismic Budget Summary for Open Active Projects

BRIDGE PROJECT	BUDGET	Status	Total Prop C Funding	Total HBP Funding	TOTAL OTHER SOURCE OF FUNDS
4 Ava 26 /Arroyo Seco - 1875 (Cat 1)	3,098,098	Constr	\$ 588,068	\$ 2,297,793	\$ 232,237
9 Colfax Ave/Los Angeles River - 1141	14,389,588	Cons Complete / Caltrans Closeout	\$ 988,805	\$ 11,482,353	\$ 1,940,830
14 First St/Glendale S - 0045 (Cat 1)	12,867,586	Design & ROW	\$ 1,338,274	\$ 10,435,768	\$ 893,506
16 First St Viaduct/LA River & Widening Phase III	5,151,643	Caltrans Closeout Complete	\$ 3,659,543	\$ 1,562,100	-
17 Fletcher Dr/LA River S - 0096: (Cat 1)	11,770,085	Post-Const	\$ 689,784	\$ 8,719,945	\$ 1,354,358
18 Foothill Blvd/Big Tujunga Wash S - 2633	12,078,878	Cons Complete / Caltrans Closeout Complete	\$ 782,584	\$ 10,180,898	\$ 1,136,595
19 Fourth St/Lorena S - 0331	9,568,349	Cons Complete / Caltrans Closeout Complete	\$ 1,089,068	\$ 7,358,228	\$ 1,121,052
21-24 Glendale-Hyperion Viaduct Improvement Projects - 1881, 1882, 1883, 1884 (Cat 1)	53,805,253	Design	\$ 4,861,816	\$ 40,448,067	\$ 8,197,370
26 Grand Ave 2nd to 4th S - 1184 (Cat 1)	1,853,373	Cons Complete / Caltrans Complete	\$ 161,487	\$ 1,543,886	\$ 148,178
29 Laurel Canyon Blvd - 1233	4,405,876	Bid & Award	\$ 827,567	\$ 3,222,290	\$ 358,009
32 Mounpark S/Tujunga Wash - 0076	5,058,215	Cons Complete / Caltrans Closeout Complete	\$ 578,138	\$ 276,800	\$ 4,203,278
34 N. Main St/L. A. River S - 1010 (Cat 1)	12,858,391	Constr	\$ 2,424,569	\$ 8,394,070	\$ 2,037,752
35 N. Spring St/Los Angeles River - 0859 (Cat 1)	58,094,185	Constr	\$ 4,325,949	\$ 33,871,031	\$ 18,897,205
38 & 39 Riverside Dr/Los Angeles River - 0160 & 1932	75,818,388	Constr	\$ 11,144,288	\$ 51,992,972	\$ 13,578,100
41 Riverside Dr near Zoo Dr - 1298	15,281,258	Design & ROW	\$ 2,578,488	\$ 11,867,783	\$ 794,986
44 Sixth St/Los Angeles River - 1881 (Cat 1)	422,864,880	Design & ROW	\$ 2,528,617	\$ 383,803,424	\$ 38,332,758
45 Soto St/Mission - 0013	20,880,571	Constr	\$ 1,420,515	\$ 11,850,422	\$ 7,779,534
46 Soto St/Valley - 0011	14,870,230	ROW	\$ 2,531,047	\$ 12,139,203	-
47 State St/UPRR & Busway - 1930	13,832,100	Design	\$ 2,365,867	\$ 11,583,241	-
49 Tampa Ave/Los Angeles River S - 1335 (Cat 1)	6,162,720	Cons Complete / Caltrans Closeout	\$ 1,405,381	\$ 3,704,412	\$ 1,052,928
53 Vanowen St/Bull Creek - 1361	4,124,584	Bid & Award	\$ 684,880	\$ 3,470,005	-
54 Vanowen St/Los Angeles River-1362 (Cat 1)	8,107,113	Post Constr	\$ 2,748,853	\$ 4,186,280	\$ 1,162,000
59 Winnetha Ave/Los Angeles Rive -1388 (Cat 1)	5,239,822	Cons Complete / Caltrans Closeout Complete	\$ 860,858	\$ 4,186,763	\$ 81,400
COMPLETED/DEOBLIGATED PROJECT TOTALS	\$ 54,333,724		\$ 13,888,451	\$ 39,585,411	\$ 8,881,882
OPEN PROJECT TOTALS	\$ 789,428,241		\$ 50,640,942	\$ 638,290,445	\$ 100,460,854
PROJECT SUBTOTAL	843,781,965		64,515,393	668,883,856	110,362,716
Program / Construction Mgmt & Overhead	4,346,823		4,346,823		
City Staff Contingency	3,753,380		3,753,380		
Program Contingency	7,000,000		1,000,000		6,000,000
PROGRAM MGMT SUBTOTAL	15,100,203		8,100,203		6,000,000
TOTAL BUDGET	\$ 858,862,168		Total Prop C Funding	Total HBP Funding	TOTAL TOTAL OTHER SOURCE OF FUNDS
TOTAL PROGRAM USE OF FUNDS	\$ 858,862,168		73,615,596	668,883,856	116,362,716

Project with Significant Budget Changes

The increase in HBP Federal funds is largely a result of additional funding in grant authorizations by Federal Highway Administration (FHWA) and Caltrans. Projects that received significant budget changes due to additional grant authorizations include the Sixth St Viaduct Replacement Project (\$21.7 million), North Spring Street Viaduct Project (\$2.4 million), and Soto St Bridge/Valley Blvd (\$1.1 million). Additionally, the decrease in Prop G funding was primarily due to decreases in construction estimates on the First St/L.A. River Bridge, and seven project close-outs as identified above in Table One.

Staffing

The City Staff Costs were analyzed by project for each phase and allocated within each project budget. The cost of successful project delivery has historically been higher than what can be authorized as participating in the HBP program. This is the result of the design and construction challenges of the City's bridges, working in a highly urbanized environment, and the extensive inter-agency and utility coordination required for City projects. An additional percentage for staff costs has been included for projects in right-of-way and design, which range between 15-25% of the total project costs. For projects already in construction, staffing cost-to-complete was applied based on current staffing demands. The budget line item for City Staff Cost Contingency of \$3.7 million is included as a precaution because the number of projects in the bid and award, construction, and post-construction phases increase from 11 in FY 2014-15 to a peak of 16 in FY 2016-17. BOE will not begin a significant staffing reduction until 2018 when the anticipated construction level will drop.

Table Two below illustrates the planned staffing by City Department/Bureau to complete the projects. The Bureau of Contract Administration and the City Administrative Officer staffing allocation has been made as a dollar amount for charging authority, and is indicated in the chart as a Full Time Equivalent (FTE).

Table Two - BIP Staffing Projection to Program Completion:

Fiscal Year	BIP Projects		STLT Positions	DOT Positions	BPW Positions	Total Positions	BCA FTE Only	CAO FTE Only
	In Constr	BOE Positions						
2014-15	11	24	1	3	3	31	15	1
2015-16	12	24	1	3	3	31	15	1
2016-17	16	24	1	2	3	30	15	1
2017-18	15	23	0	2	3	28	15	1
2018-19	10	15	0	1	2	18	5	1
2019-20	6	10	0	1	2	13	3	1

*BCA & CAO staff is indicated as a FTE equivalent per the charging authority dollar amount.

*BIP is the Bridge Improvement Program

*BOE is the Bureau of Engineering

*STLT is the Bureau of Street Lighting

*DOT is the Department of Transportation

*BPW is the Board of Public Works

*BCA is the Bureau of Contract Administration

*CAO is the City Administrative Offices

CONCLUSION

The BIP will revise the budget annually to update expenditures and to take into account project changes and construction bids received on upcoming projects. Completion of the Bridge Improvement Program of the Seismic Bond Component will cost \$858.9 million. BOE has identified a budget shortfall of \$7.9 million for City/Local match to the Federal Highway Bridge Program (HBP) funding, and will make every effort to mitigate this shortfall. Additionally, BOE will report back annually with a revised financial plan based on actual data conditions.

Attachment 1: BIP-Seismic Budget – Total for 60 projects

cc: Gary Lee Moore – City Engineer, BOE
Deborah Weintraub - BOE
Alfred Mata/Julie Allen - BOE
Marcel Porrás – Office of the Mayor
Patricia Huber – CAO
M. Cardenas/ L. Hancock - CAO
M. Farfan / P. Smith - CLA
S. Lau/ J. Koo/ D. Kitagawa / M. Yang/ L. Mojica – BOE
File: PG-1

ATTACHMENT ONE

BRIDGE PROJECT	TOTAL BUDGET	Status	Total Prop G Funding	Total HBP Funding	TOTAL OTHER SOURCE OF FUNDS
1 182nd St/Dominguez Channel - 1261	1,841,301	Complete	\$ 437,548	\$ 1,523,753	\$ 20,000
2 Ave 19 East - 1090	5,781,888	Complete	\$ 1,220,120	\$ 4,289,768	\$ 101,760
3 Ave 19 West - 1091	5,321,656	Complete	\$ 1,826,728	\$ 3,665,274	\$ 109,654
4 Ave 26 /Arroyo Seco - 1875 (Cat I)	3,088,058	Constr	\$ 868,068	\$ 2,297,708	\$ 252,237
5 Ave 43 /Arroyo Seco - 1877	171,638	DEOB	\$ 32,420	\$ (0)	\$ 138,518
6 Ave 60 /Arroyo Seco - 1878	208,428	Complete	\$ 75,628	\$ 132,800	\$ -
7 Bradley Ave/Division Channel - 1106	1,618,228	Complete	\$ 1,248,828	\$ 203,400	\$ 65,000
8 Canoga Ave/Los Angeles River - 1116	2,878,822	Complete	\$ 707,137	\$ 1,878,788	\$ 290,000
9 Colfax Ave/Los Angeles River - 1141	14,389,658	Complete / Caltrans Closeout	\$ 888,805	\$ 11,482,383	\$ 1,940,630
10 Corbin Ave/Los Angeles River - 1116	2,978,887	Complete	\$ 877,866	\$ 2,078,831	\$ 20,000
11 Devonshire St/Paeolma Wash S - 1152	506,312	Complete	\$ 118,588	\$ 388,723	\$ -
12 Exposition N/B Ck - 0383R	532,970	Complete	\$ 156,170	\$ 176,800	\$ -
13 Exposition S/B Ck - 0383L	342,770	Complete	\$ 186,770	\$ 176,000	\$ -
14 First St/Glendale S - 0045 (Cat I)	12,867,586	Design & ROW	\$ 1,398,274	\$ 10,435,786	\$ 893,606
15 First St/LA River Design Only - 1166	4,907,470	Complete	\$ 594,680	\$ 4,012,790	\$ -
16 First St Viaduct/LA River & Widening Phase III	5,151,843	Can Complete / Metro Closeout	\$ 3,889,543	\$ 1,582,100	\$ -
17 Fletcher Dr/LA River S - 0096: (Cat I)	11,770,003	Post-Constr	\$ 695,784	\$ 9,719,845	\$ 1,354,336
18 Foothill Blvd/Big Tujunga Wash S - 2033	12,079,878	Complete / Caltrans Closeout	\$ 762,584	\$ 10,180,699	\$ 1,138,595
19 Fourth St/Lorena S - 0331	9,588,348	Complete / Caltrans Closeout	\$ 1,009,958	\$ 7,368,229	\$ 1,121,062
20 Fulton Ave/Los Angeles River - 1176	2,743,357	Complete	\$ 2,226,551	\$ 324,003	\$ 192,803
21-24 Glendale-Hyperion Viaduct Improvement Projects - 1881,1882, 1883, 1884 (Cat I)	83,605,253	Design	\$ 4,991,815	\$ 40,446,887	\$ 8,167,370
25 Glenoaks Blvd/Tujunga Wash Rail - 1181	2,878,883	Complete	\$ 520,000	\$ 2,358,883	\$ -
26 Grand Ave 2nd to 4th S - 1184 (Cat I)	1,853,373	Complete / Caltrans Complete	\$ 181,487	\$ 1,543,888	\$ 148,178
27 Kester Ave/Tujunga Wash Rail - 1216	145,629	Complete	\$ 132,248	\$ 13,280	\$ -
28 La Cienega / DCK S - 1220	806,345	Complete	\$ 174,334	\$ 532,011	\$ 100,000
29 Laurel Canyon Blvd - 1233	4,405,876	ROW	\$ 827,587	\$ 3,222,286	\$ 356,000
30 Lindley Ave/Los Angeles River - 0063	133,327	DEOB	\$ 886	\$ 0	\$ 132,461
31 Mason Ave/Los Angeles River S - 1244	3,044,332	Complete	\$ 786,883	\$ 2,237,449	\$ 20,000
32 Moorpark St/Tujunga Wash - 0076	3,059,245	Complete / Caltrans Closeout	\$ 578,138	\$ 278,800	\$ 4,203,278
33 N. Broadway Load Rate - 1705	1,135,853	Complete	\$ 258,253	\$ 877,600	\$ -
34 N. Main St./L. A. River S - 1010 (Cat I)	12,858,361	Const	\$ 2,424,868	\$ 8,394,070	\$ 2,037,752
35 N. Spring St/Los Angeles River - 0859 (Cat I)	56,084,185	Const	\$ 4,325,949	\$ 33,871,831	\$ 18,087,205
36 Owensmouth Ave/SS Ck - 1268	1,716,284	Complete	\$ 283,248	\$ 1,233,015	\$ 200,000
37 Radford Ave/Los Angeles River - 1233	181,686	DEOB	\$ 46,486	\$ -	\$ 135,200
38 & 39 Riverside Dr/Los Angeles River - 0160 & 1932	75,519,358	Const	\$ 11,144,286	\$ 51,082,872	\$ 13,579,100
40 Riverside Dr/Tujunga Wash S - 1299	475,729	Complete	\$ 89,207	\$ 368,522	\$ 20,000
41 Riverside Dr near Zoo Dr - 1298	15,261,283	Design & ROW	\$ 2,578,488	\$ 11,887,763	\$ 794,886
42 San Fernando /Arroyo Seco - 1309	18,689	DEOB	\$ 6,534	\$ -	\$ 13,161
43 Saticoy St/Aliso Creek - 1314	1,243,414	Complete	\$ 300,385	\$ 917,030	\$ 26,000

44	Sixth St/Los Angeles River - 1881 (Cat 1)	422,684,800	Design & ROW	2,528,617	\$	383,603,424	\$	36,332,759
45	Soto St/Mission - 0013	20,850,571	Const	1,420,515	\$	11,650,522	\$	7,779,534
46	Soto St/Valley - 0011	14,870,250	ROW	2,531,047	\$	12,139,203	\$	-
47	State St/UPRR & Busway - 1930	13,932,108	Design	2,365,867	\$	11,566,241	\$	-
48	Strathern St/Aliso Creek - 1330	1,220,514	Complete	348,251	\$	872,263	\$	-
49	Tampa Ave/Los Angeles River S - 1335 (Cat 1)	6,162,720	Can Complete / Caltrans Closeout	1,405,381	\$	3,704,412	\$	1,052,928
50	Tujunga Ave/Los Angeles River - 1341	5,344,291	Complete	464,316	\$	101,675	\$	4,778,300
51	Van Nuys Blvd/Pacific Wash - -1355	2,781,600	Complete	56,900	\$	227,200	\$	2,497,500
52	Vanowen St/Aliso Creek - 1360	1,517,809	Complete	389,542	\$	1,128,167	\$	-
53	Vanowen St/Bull Creek - 1361	4,124,584	Design & ROW	854,359	\$	3,470,005	\$	-
54	Vanowen St/Los Angeles River-1362 (Cat 1)	8,107,113	Post-Const	2,748,853	\$	4,186,260		\$1,162,000
55	Via Marisol/Arroyo Seco - 0053	212,130	DEOB	42,428	\$	-	\$	169,704
56	Victory Blvd/Los Angeles River - 1369	1,767,020	Complete	257,931	\$	849,089	\$	20,000
57	Wentworth/P Div Ch - 1379	208,292	DEOB	115,482	\$	-	\$	92,800
58	West Blvd/Venice Blvd - 1380	284,685	DEOB	57,579	\$	-	\$	227,106
59	Winnetka Ave/Los Angeles Rive -1388 (Cat 1)	5,239,022	Can Complete / Caltrans Closeout Complete	960,859	\$	4,186,763	\$	91,400
60	York Blvd/Arroyo Seco - 1874	528,234	DEOB	108,439	\$	-	\$	421,795
COMPLETED/DEOBLIGATED PROJECT TOTALS		\$	54,333,724	13,866,451		30,585,411		9,881,662
OPEN PROJECT TOTALS		\$	789,428,241	50,648,942		638,298,445		100,480,854
PROJECT SUBTOTAL			843,761,965	64,515,393		668,883,856		110,362,716
Program / Construction Mgmt & Overhead			4,346,633	4,348,823				
City Staff Contingency			1,753,380	3,753,380				
Program Contingency			7,000,000	1,000,000				6,000,000
PROGRAM MGMT SUBTOTAL			15,100,203	9,100,203				6,000,000
			TOTAL BUDGET			Total Prop G Funding	Total HBP Funding	TOTAL TOTAL OTHER SOURCE of FUNDS
TOTAL PROGRAM USE OF FUNDS			\$ 858,862,168			73,615,596	668,883,856	116,362,716