





Metro

JULY 10, 2008

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE 
CHIEF EXECUTIVE OFFICER

FROM: RICHARD D. THORPE 
CHIEF CAPITAL MANAGEMENT OFFICER
CONSTRUCTION PROJECT MANAGEMENT

SUBJECT: METRO GOLD LINE EASTSIDE EXTENSION
PROJECT BUDGET STATUS REPORT

ISSUE

The Metro Gold Line Eastside Extension Project remains within the Board approved budget of \$898.8 million. This report provides the LACMTA Board of Directors with detailed information for the various adjustments that have been made between the individual Cost Elements to reflect the current status of the Project.

DISCUSSION

The Current Budget has been revised to reflect the status of the individual Cost Elements, within the overall Project Budget. At this time, the Project is over 82% complete and has entered into the final year of construction. During the four years of construction, the Project has achieved over 3.2-million work-hours to-date with no recorded lost-time accidents. The Project remains within the Total Project Budget of \$898.8 million and is scheduled to open six-months prior to the Full Funding Grant Agreement (FFGA) Revenue Operations Date. Change orders issued to date to the C0803 Design-Build/Design-Bid-Build Contract are less than 2% of the \$600.45 million contract award value.

The reallocations of costs, both increases and decreases within each individual Cost Element line item are shown below:

Dollars in Thousands

Cost Element	Expenditures To Date	Current Budget May 2008	Current Budget June 2008	Budget Change
Construction	\$522,819	\$651,961	\$650,702	(\$1,259)
Special Conditions	33,829	43,948	57,032	13,084
Right-of-Way	37,671	42,299	37,681	(4,617)
Professional Services	115,767	135,841	135,860	18
Project Contingency	0	14,599	7,401	(7,198)
Project Revenue	(44)	(4,633)	(4,662)	(28)
Subtotal	\$710,042	\$884,014	\$884,014	\$0
Project Finance Cost	4,314	14,800	14,800	0
Total	\$714,356	\$898,814	\$898,814	\$0

The Construction Cost Element has been decreased by \$1.3 million due to the following:

- Contract C0803 – Tunnel, Stations, Trackwork, & Systems: \$0.7 million net increase reflects completing all systems design packages and changes required for construction, closeout of unit price items on tunneling work completed, as well as finalizing steel economic price adjustments.
- Contract YS000 – Maintenance Facility and Yard Modifications: \$0.3 million decrease to reflect the Project's share of Division 21 modifications.
- Contract P2550 – Rail Vehicle Program: \$1.7 million decrease in the allowance for potential contract modifications.

The Special Conditions Cost Element has been increased by \$13.1 million due to the following:

- Environmental Compliance: \$0.2 decrease reflects the current commitment for continuation of services.
- Advanced Utility Relocations: \$0.3 million decrease reflects the current closeout status of work orders.
- Master Cooperative Agreements: \$5.8 million increase to reflect annual work plans and added support required for traffic mitigations, resulting in fewer impacts to the community.
- Utility Shared Incentive Program: \$7.0 million increase to reflect the transfer of work orders from Contract C0803, since the contractor has no means to enter into a contract with Third Party Agencies, and to reflect the increase over estimated quantities in both wet and dry utilities. Utility Expenses: \$0.8 million increase to reflect power and water services prior to revenue service.

The Right-of-Way Cost Element decreased by \$4.6 million for the removal of real estate acquisition costs previously incurred for the suspended Metro Red Line MOS-3 Eastside Extension Project. The Federal Transit Administration (FTA) concurred with the project description change and budget revision to the Project Budget on October 11, 2007. This change was permissible under the provisions of FTA Circulars 5010.1C and 5200.1A.

The Professional Services Cost Element increased by \$0.02 million due to the following:

- Agency: \$1.1 million increase to reflect the time extension to Contract C0803 Milestone 1 – Substantial Completion from January 2009 to April 2009.
- Construction Management Support Services: \$0.5 million decrease to reflect the completion of tunneling operations, portal construction and remaining support services required through project closeout.
- Eastside LRT Partners: \$1.7 million increase for continued support during the structural construction of the two underground stations and System Activation Support.
- Tunnel Advisory Panel: \$0.1 million decrease to reflect completion of tunneling operations.
- Contract P2550 Rail Vehicle Consultant: \$0.8 million increase to reflect the continued support required to the Rail Vehicle Program.
- Legal Services: \$0.9 million increase for services not chargeable to overhead.
- Miscellaneous Specialty Services: \$0.1 million increase for ceremonies planned for the Project's opening.
- Community Relations: \$0.5 million increase to offset potential impacts to the community.
- Engineering and Design Costs: \$4.4 million decrease for the removal of engineering and design costs previously incurred for the suspended Metro Red Line MOS-3 Eastside Extension Project. The FTA concurred with the project description change and budget revision to the Project Budget on October 11, 2007. This change was permissible under the provisions of FTA Circulars 5010.1C and 5200.1A.

The Project Revenue Cost Element increased by \$0.03 million to reflect income received from lease revenues.

The Project Contingency Cost Element has been decreased by \$7.2 million due to the above changes.

NEXT STEPS

Staff will notify the Board if any significant change to the Project Budget is required prior to achieving Revenue Service.

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