

Memorandum

TAB 83

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 25, 2012

Reference No.: 2.5e.(3)
Action Item
REPLACEMENT ITEM

From: NORMA ORTEGA
Chief Financial Officer

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Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-11-14**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$25,500,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one previously voted project in order to close out the construction contract.

RESOLUTION:

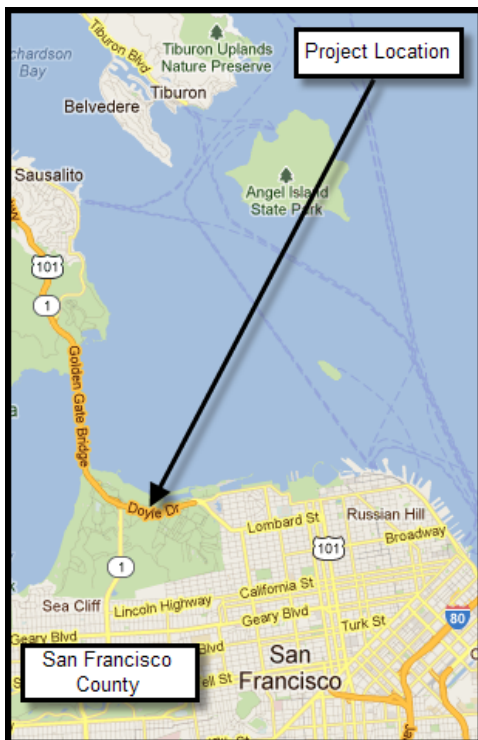
Resolved, that \$25,500,000 be allocated from the Budget Act of 2011, Budget Act Item 2660-302-0042 and 2660-302-0890 to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original allocated Amount</u>	<u>Original Award Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
4	04-SF-101	\$79,819,000	\$72,419,000	\$79,819,000	\$25,500,000	\$105,319,000	31.9%

Project #	Allocation Amount	Recipient	County	Dist-Co-Rte	Postmile	Location	Project Description	Reason for Supplemental Funds	PPNO Program Funding Year Item #	Fund Type	Program Codes	Project ID	Adv Phase	EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(3) Supplemental Funds for Previously Voted Projects									Resolution FA-11-14								
1	\$25,500,000	Department of Transportation San Francisco	San Francisco	04N-SF-101	8.8/9.2	In San Francisco, at Doyle Drive (Partial).	Outcome/Outputs: Construct southbound Battery Street tunnel, retaining walls and detour road to improve the functionality of the approach to the Golden Gate Bridge.	Total Revised Amount: \$105,319,000	04-0619G SHOPP 2008-09 302-0890 FTF 20.20.201.110 040000438 4 163744						\$7,400,000		\$7,400,000
									ARRA 2008-09 803-0890 RA-CAP 20.20.201.110						\$72,419,000		\$72,419,000
									SHOPP 2011-12 302-0042 SHA 302-0890 FTF 20.20.201.110							\$10,000,000	\$10,000,000
																\$15,500,000	\$15,500,000

RECOMMENDATION:

The Department recommends that this request for \$25,500,000 be approved to allow the Department to close out the contract.



PROJECT DESCRIPTION:

This project is located in San Francisco County, in the city of San Francisco on Doyle Drive (Route 101) and Richardson Avenue from Lombard Street to the Golden Gate Bridge Toll Plaza. The major components of this project include the construction of the new Southbound (SB) Battery Tunnel, substation and retaining walls. The objectives of this project are to improve the seismic structural and traffic safety on Doyle Drive; maintain the functions that the Doyle Drive Corridor serves as part of the regional and city transportation network; improve the functionality of Doyle Drive as an approach to the Golden Gate Bridge; and preserve the natural, cultural, scenic and recreational values of the affected portions of the Presidio.

FUNDING STATUS:

The Doyle Drive project is funded through Federal, State, and Local contributions, in a high level agreement between State, Federal and Local governments. The State, through the Commission, has committed to \$405 million from the SHOPP, and later through the Federal Stimulus package an additional \$50 million of American Recovery and Reinvestment Act of 2009 (Recovery Act) funds (via the SHOPP) were added for a total of \$455 million out of \$1,045 million in Federal/State/Local commitment. To date, \$157.4 million has been allocated for Phase 1 - Contracts 1 through 4, out of \$209.4 million committed for this phase.

REASONS FOR COST INCREASE:

The Department proceeded with this contract to achieve seismic safety on Doyle Drive as quickly as possible. In order to achieve this acceleration, the Doyle Drive project introduced calculated risks. These risks included construction on an old military base that had numerous unknowns. The utility relocation contract proceeded with limited information about existing utilities, and design and construction proceeded at risk in order to stay on the accelerated schedule and not risk the loss of the federal and local funds. If the Department had delayed the award of the various contracts to retire more of the unknown risks, the opportunities for early seismic safety and additional funding sources would have been lost. The requested additional funds of \$25,500,000 breakdown as follows:

1. New RWQCB water permit requirements	\$ 2,400,000
2. Utility modifications	\$ 2,500,000
3. Third party impacts	\$ 2,100,000
4. Structural and electrical design changes	\$ 2,200,000
5. Phase 2 impacts	\$ 2,000,000
6. Mitigation to reduce project delay due to change orders	\$ 8,300,000
7. Miscellaneous change orders	\$ 200,000
8. Presidio Trust water line upgrade	\$ 1,400,000
9. Time related overhead and equipment right of way delay costs	\$ 4,400,000
TOTAL	\$ 25,500,000

1. **New RWQCB Water Permit Requirements:** The State Water Resources Control Board adopted a new National Pollution Discharge Elimination System General Permit after contract award for storm water discharges associated with construction and land disturbances. This introduced an additional cost of \$2,400,000 into the contract to meet the new requirements.
2. **Utility Modifications:** This project is constructed on an old military base and the Presidio Trust does not have comprehensive as-built plans that reflect the exact location of all the utilities. Not all utility conflicts were identified and relocated by Contract 2. As such, several other utilities had to be designed and relocated or abandoned on this project, resulting in an additional contract cost of \$2,500,000.
3. **Third Party Impacts:** The contract was awarded while discussions were ongoing with the stakeholders, Presidio Trust and National Park Service, regarding the final details on aesthetics, environmental issues, and non-State owned facilities to be provided as per a Programmatic Agreement with these stakeholders. To mitigate impacts to the Presidio National park, additional architectural treatments were required that were not included in the project plans, adding an additional \$2,100,000 to the cost to the contract.
4. **Structural and Electrical Design Changes:** Structural details of the Southbound Battery Tunnel were modified and additional structural work was required to facilitate the tunnel construction. This work included modifying the tunnel roof ventilation opening and waterproofing, revising the sub-drain system and creating a protective shoring system to support Abutment 95. The structural design changes incorporated into Retaining Wall 8 include modifications to the textural finish, additional horizontal drains, inspection tubes and tiebacks. There were also significant changes required to the substation's electrical components, additional conduit layouts and impacts to the niches within the tunnel that have increased the cost of the electrical components of this project. These changes added an additional \$2,200,000 to the cost of the contract.
5. **Phase 2 Impacts:** There are impacts to this contract resulting from the postponement of Phase 2. Various components such as maintaining the quick change barrier longer and site maintenance have been identified to be an impact to this project after the traffic switch occurs and until Phase 2 mobilizes. This impact resulted in an additional cost of \$2,000,000 to this contract.
6. **Mitigation to Reduce Project Delay due to change orders:** Contract 2 of Phase 1 was scheduled to complete the force account utility relocations in April 2010. However, due to the amount of utilities requiring relocation, the contractor of Contract 2 did not complete the relocations until July 2010. The contractor began tunnel excavation operations in August 2010 instead of May 2010, and continued excavation into the very wet winter season, which impacted the contractor's production rates for the months of October through March. These delays along with several other design changes delayed the contract completion date approximately 17 months. If the 17 months of delay was not mitigated, the estimate cost to this contract is \$18,400,000 to pay for contractor's extended overhead, idle equipment, and schedule impacts. Delay mitigation efforts estimated to cost \$8,300,000 will reduce the amount of project delays from 17 months to only four months.

7. **Miscellaneous Change Orders:** In addition to the changes listed above this contract has issued 18 other smaller change orders, which totals \$877,177, of which \$200,000 is included in this request.
8. **Presidio Trust Waterline Upgrade:** The water for the tunnel firefighting suppression system is being supplied from the Presidio Trust's water supply network. There is inadequate water capacity to simultaneously fight both a large fire inside the SB Battery Tunnel and a fire within the National Park. Even though the likelihood of simultaneous fires is small, the Presidio Fire Marshall is requiring that the existing Presidio Trust water supply network's capacity be upgraded. This added an additional \$1,400,000 to the cost of the contract.
9. **Time Related Overhead and Equipment Right of Way Delay Costs:** The costs for the Contractor's extended field and office overhead and equipment delay costs for the remaining unmitigated delay period of four months added an additional \$4,400,000 to the cost of the contract.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$25,500,000 to allow the close-out of this project.

OPTION B: Deny this request and require the contractor to pursue payment from the Department through further legal action. The Department has considered this option and determined that the future costs to resolve these issues would most likely be greater than the current request.

RECOMMENDED OPTION:

The Department recommends that this request for \$25,500,000, as presented in Option A above, be approved to allow the close-out of this project.