

Memorandum

TAB 76

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 24, 2012

Reference No.: 2.5e.
Action Item
REPLACEMENT ITEM

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-12-14**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$520,000 in State Transportation Improvement Program (STIP) funds for the Milpas-Cabrillo Operational Improvements project (PPNO 0478) in Santa Barbara County.

ISSUE:

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

RESOLUTION:

Resolved, that \$520,000 be allocated from the Budget Act of 2012, Budget Act Item 2660-304-6058, to provide additional funds for the project identified below.

Project	Dist-Co-Rte	Funds	Original Allocated Amount	Current Allocation	Allocation Adjustment	Revised Allocation	% Increase Above Current Allocation
1	05-SB-101	RIP ⁽¹⁾	\$52,243,000	\$56,313,200	\$520,000	\$56,833,200	0.9%
		Local	\$792,000	\$792,000	\$0	\$792,000	0.0%
		RSTP	\$0	<u>\$1,833,000</u>	<u>\$0</u>	<u>\$1,833,000</u>	0.0%
		Total	\$53,035,000	\$58,938,200	\$520,000	\$59,458,200	0.9%

Notes:

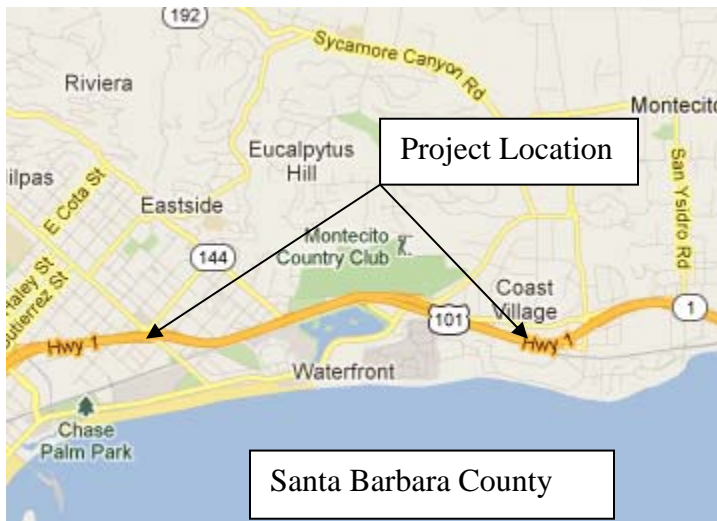
(1) Current RIP allocation reflects G-12 adjustments of -\$1,231,000 in April 2008, \$1,750,000 in November 2010, and \$3,551,200 in July 2011.

Project #	Allocation Amount	Recipient	Project Title	PPNO Program Funding Year	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
RTPA/CTC	Dist-Co-Rte	Postmile	Location	Item # Fund Type Program Codes Project ID Adv Phase EA			
			Project Description				
2.5e. Supplemental Funds for Previously Voted Projects			Resolution FA-12-14				
1	\$520,000	Department of Transportation SBCAG Santa Barbara 05S-SB-101 10.8/12.8	Milpas-Cabrillo Operational Improvements. In the city of Santa Barbara, on Route 101 from East Cabrillo Boulevard/ Hot Springs Road to Milpas Street. Construct operational improvements including adding auxiliary lanes, closing median ramps, and constructing a roundabout. (Contributions from other sources: \$792,000.) <u>Outcome/Outputs:</u> Will reduce traffic congestion on Route 101 in downtown Santa Barbara. Will improve local traffic circulation by re-connecting a local arterial under Route 101 and adding roundabouts at an un-signalized intersection of three major arterials and a minor arterial. Supplemental Funds needed to close-out the construction contract. Total Revised Amount: \$56,833,200	05-0478 RIP 2007-08 304-6058 TFA 20.20.075.600 2010-11 304-6058 TFA 20.20.075.600 2012-13 304-6058 TFA 20.20.075.600 0500000539 4 447804	\$52,762,000 	\$52,762,000 	\$52,762,000

PROJECT DESCRIPTION:

The project is located in the city of Santa Barbara, on Route 101 from East Cabrillo Boulevard/Hot Springs Road to Milpas Street. The project constructed operational improvements including adding auxiliary lanes, reconstructing two interchanges, and constructing a roundabout.

PROJECT LOCATION:





Santa Barbara County

FUNDING STATUS:

The Commission allocated \$53,043,000 of STIP funds in November 2007, which was reduced to \$52,243,000 by a technical correction in February 2008. The construction contract was awarded in April 2008 with an authorized budget of \$51,804,000, comprised of \$51,012,000 of STIP funds and \$792,000 of local funds. The Department used its delegated authority to adjust project allocations to increase the construction budget by \$5,301,200, and the Santa Barbara County Association of Governments added \$1,833,000 of Regional Surface Transportation Program funds to increase the budget to \$58,938,200.

Construction was completed in June 2012. However, an additional \$520,000 is needed to close out the construction contract.

REASONS FOR COST INCREASE:

The contractor submitted two Notices of Potential Claim (NOPC) totaling approximately \$3,000,000. The NOPCs involve delays caused by redesign of the Stage 1 work at the Milpas Street Undercrossing and various Contract Change Orders, which together resulted in a 29 percent increase in construction time. The redesign of Stage 1 was necessary because the new structures could not be built as designed due to the close proximity of existing structures. The new structures were redesigned to facilitate construction, resulting in a delay of eight months. The Dispute Review Board, contractor and Department reviewed the merits of the claims and agreed that portions of the claims are compensable. The contractor and the State have agreed to resolve any and all claims for the amount of \$763,000 plus \$35,000 interest. Payment to resolve these claims would deplete the remaining contingency funds, resulting in the need for an additional \$520,000.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$520,000 to close out the construction contract.

OPTION B: Deny this request. Under this option, the contractor will most likely take these claims to arbitration, which would result in a much higher cost to the Department due to legal fees and additional interest.

RECOMMENDED OPTION:

The Department recommends that this request of \$520,000, as presented in Option A above, be approved to close out the construction contract.