

Memorandum

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To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 21, 2014

Reference No.: 2.5e.(4)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Transportation Programming

Subject: ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-13-14

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$450,000 in State Transportation Improvement (STIP) Regional Improvement Program (RIP) funds, for the Harbor Boulevard Project (PPNO 0332D) in Yolo County.

ISSUE:

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

RESOLUTION:

Resolved, that \$450,000 be allocated from the Budget Act of 2008, Budget Act Item 2660-301-0042, 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	03-Yol-50	RIP	\$24,625,000	\$16,312,000	\$450,000	\$16,762,000	2.76%
		Demo	\$1,000,000	\$899,806	\$0	\$899,806	0.0%
		RSTP	\$1,585,000	\$0	\$0	\$0	0.0%
		Local	<u>\$600,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0%</u>
		Total	\$27,810,000	\$17,211,806	\$450,000	\$17,661,806	2.64%

FUNDING STATUS:

In June 2008, the Commission allocated \$24,625,000 of STIP RIP funds for construction. Including local funding, a total of \$27,810,000 was budgeted for construction capital. The construction contract was awarded in May, 2009 with significant savings due to the competitive bidding environment. At the July 2009 commission meeting, the Department requested an adjustment to the allocation per Assembly Bill (AB) 608 for a total of \$8,488,000 in RIP savings. After accounting for the AB 608 adjustment and local funding adjustments, the final project budget is \$17,211,806.

Construction began in July, 2009 and was completed in August, 2011. All claims have been addressed and an additional \$450,000 is needed to close out the construction contract.

REASONS FOR COST INCREASE:

When this contract was bid, a freeway median barrier project was underway within the project limits. Prior to construction, conflicts between the two projects were not anticipated since it was recognized that the median barrier work was taking place adjacent to the centerline of the roadway while the widening work was to occur along the outside of the travel way. Furthermore, preliminary examination showed that the two projects could be staged without interaction so conflicts were not anticipated.

However, during construction the Department determined there were unanticipated conflicts and in an attempt to mitigate, the Department initiated meetings between the two construction teams and contractors for both projects. Despite the meetings, conflicts arose which impacted the work on this contract.

As the widening work progressed, it became clear that the median barrier project, would in fact impact the widening project. This included traffic handling, the timing of bridge paving as well as the excavation and embankment fill operations. Ultimately the contractor could not excavate the fill material as originally planned and was required to excavate in other areas which led to a revised method of excavation and an increase in cost. Furthermore, the full impact of these conflicts were not fully realized by the Department until the end of the contract when claims were identified, quantified and verified.

The contractor has filed claims based on the conflicts between the contracts. After the Department reviewed the claims and had discussions with the contractor, the Department estimated that the contractor is entitled to approximately \$1.3 million dollars. With a remaining project budget of roughly \$867,000, the amount needed to resolve these outstanding claims is \$450,000. And while the Department anticipates the contractor's acceptance, there is a possibility of needing a future supplemental. If the Department does not settle these claims at this time, it could take up to two years to finalize the claims at which time additional funds would potentially be needed.

The lesson learned from this is that a more detailed analysis of the impacts of nearby projects should be performed. This lesson was implemented by the Department when it examined the interaction between the critical WX bridge repair project and the other work planned in the Sacramento area at the same. This is currently proving to be successful.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$450,000 to complete the construction contract.

OPTION B: Deny this request. Under this option, the Department would not be able to pay the contractor and would continue to accrue interest on the balance due.

RECOMMENDED OPTION:

The Department recommends that this request of \$450,000, as presented in Option A above, be approved to allow the construction contract to be closed out.