

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 8, 2014

Reference No.: 2.5e.(1)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti, Chief
Division of
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-14-09**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$620,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

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

RESOLUTION:

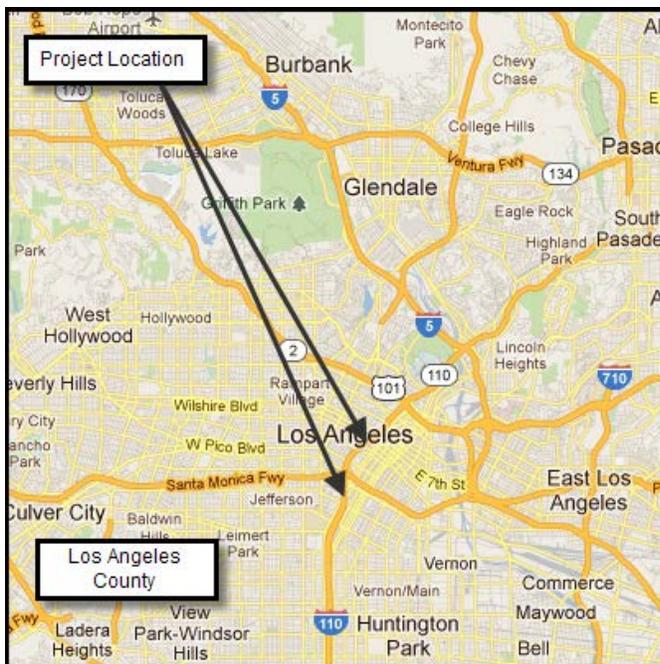
Resolved, that \$620,000 be allocated from the Budget Act of 2014, Budget Act Items 2660-302-0042 and 2660-302-0890 to provide additional funds to allow the following project to be closed-out.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Allocated Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	07-LA-110	\$29,000,000	\$25,430,000	\$620,000	\$26,050,000	2.4%

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.(1) Supplemental Funds for Previously Voted Projects					Resolution FA-14-09
1 \$620,000 Department of Transportation Los Angeles 07-LA-110 21.2/22.8	In the city of Los Angeles, from south of Washington Boulevard north of Wilshire Boulevard. Outcome/Output: Close slip-ramp, widen distributor roadways, widen and lengthen auxiliary lane, relocate gore area, and widen ramps to eliminate weaving movement and improve operations and safety. Supplemental Funds needed to close-out contract. Total Revised Amount: \$26,050,000	07-3343 SHOPP 2008-09 302-0042 SHA 302-0890 FTF 20.20.201.310 SHOPP 2011-12 302-0042 SHA 302-0890 FTF 20.20.201.310 SHOPP 2014-15 302-0042 SHA 302-0890 FTF 0700000414 4 2411U4	\$2,650,900 \$20,429,100 \$270,000 \$2,080,000	\$71,000 \$549,000	\$2,650,900 \$20,429,100 \$270,000 \$2,080,000 \$71,000 \$549,000

RECOMMENDATION:

The Department recommends that this request for \$620,000 be approved to allow this project to be closed-out.



PROJECT DESCRIPTION:

The project is located in the city of Los Angeles, from south of Washington Boulevard to north of Wilshire Boulevard. This portion of Route 110, constructed in the 1950's, is the primary access route to the Downtown Los Angeles Central Business District and serves as an important regional "through" route. The congested urban route setting has limited rights-of-way and construction access.

The freeway interchanges bracketing this project are the busiest (Route 10/110 on the south) and the eighth busiest (Route 101/110 on the north) in California. Additional traffic from nearby cultural and sporting event centers such as Staples Center, Nokia Theater/LA Live Complex, LA Convention Center, Walt Disney Concert Hall and Dodger Stadium also contribute to the congestion. Delays and congestion are caused by both high traffic volumes and extensive weaving movements. This project improves congestion, operations, and safety by constructing the following:

Southbound Direction:

- Close an existing slip-ramp between the mainline and distributor roadway system;
- Widen the existing parallel connector/distributor roadway system;
- Extend an existing auxiliary lane and widen lanes and shoulders to make standard.

Northbound Direction:

- Pave between a portion of the mainline and parallel distributor roadway to create a new lane and relocate the diverge/gore area further downstream;
- Widen an existing on-ramp for standard shoulders;
- Widen and reconstruct an existing off-ramp.

FUNDING STATUS:

This project was voted in June 2009 for \$29,000,000 and awarded for \$21,770,000 in November 2009; which includes \$790,000 in private property owner contributions. The current allotment is \$25,430,000; which includes a \$2,100,000 G-12 allocation adjustment in March 2011, and \$2,350,000 in supplemental funds voted by the Commission in March 2012. At the time of the approved March 2012 supplemental funds request, several Notice of Potential Claims (NOPC's) had been filed by the contractor, but the final amount of the claims had not yet been determined. The Department's March 2012 supplemental funds book item identified that additional supplemental funds might be required to close-out the contract. Construction was completed and accepted in June 2014, but there are insufficient funds to pay for the settlement of claims. An additional \$620,000 in supplemental funds is needed to close-out the construction contract and results in an overall increase of 2.4 percent over the current allocation.

REASONS FOR COST INCREASE:

An additional \$620,000 is needed to close-out the construction contract. None of the issues associated with these cost increases are part of the work paid by the private property owner contribution. This request for additional supplemental funds is to pay for a claim on the cumulative impact of 11 contract

change orders (CCO's) that affected the critical path of the contractor's schedule and sequence of work activities. These CCO's increased costs to perform various bid items compared to cost as planned and bid, resulting in a recognized change to the character of the work. Due to the numerous design changes, field conditions, and the issuance of the CCO's, the contractor's bid items were impacted from the original bid price. As a result, the contractor claimed additional compensation for time deferral impacts and to readjust the various CCO bid items.

The contractor claimed \$1,624,005.30 for the cumulative impact on these 11 CCO's. The Department found the claim to have merit and agreed to compensation at \$961,536.02. The available project contingency funds reduce the amount needed. An additional \$620,000 in supplemental funds is needed in order to close-out the construction contract.

FUNDING OPTIONS:

OPTION A: Approve this request as presented above for \$620,000 to allow the close-out of this construction contract.

OPTION B: Deny this request and require the Contractor 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 and interest will continue to accumulate on the unpaid amount.

RECOMMENDED OPTION:

The Department recommends that this request of \$620,000, as presented in Option A above, be approved to allow the close-out of this construction contract.