

# Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: May 21-22, 2003

Reference No.: 2.5e.  
Action Item

From: ROBERT L. GARCIA  
Chief Financial Officer

Prepared by: Jim Nicholas  
Division Chief  
Transportation Programming

Ref: ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS  
RESOLUTION FA-02-07

## RECOMMENDATION:

The Department recommends that the California Transportation Commission (Commission) approve the following Resolution.

## FINANCIAL RESOLUTION:

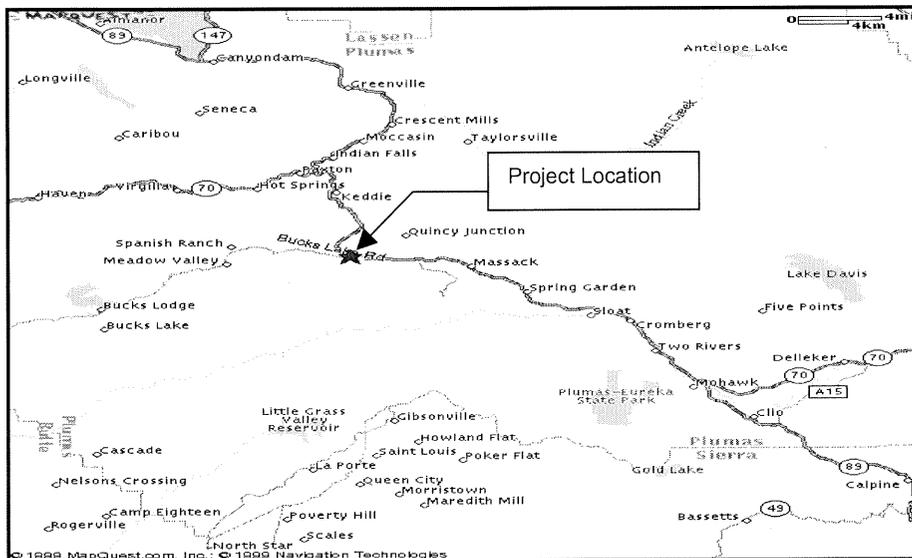
Resolved that \$1,657,000 be allocated from the Budget Act of 2002, from Budget Act Item 2660-302-0042 to provide additional funds for the projects listed below.

## SUMMARY AND CONCLUSIONS:

This resolution allocates \$1,657,000 of additional State and Federal funds for two (2) previously approved projects listed below:

Project	Dist-Co-Rte	Original Vote/G11 Amount	Award Amount	Current Budget Amount	Current Allocation Revision	Revised Budget Amount	Total Increase Vote/Award
1	02-Plu-L5727	\$2,100,000	\$2,568,000	\$2,568,000	\$55,000	\$2,623,000	25% V
2	08-SBd-10	\$9,462,000	\$10,608,200	\$10,928,200	\$1,602,000	\$12,530,200	32% V

Project #	EA	State	State	State
Allocation Amount	PPNO	Federal	Federal	Federal
Recipient	Budget Year	Current	Additional	Revised
County	Item #	Budget	Allocation	Total Amount
Dist-Co-Rte	Prgm Codes	Amount		
Postmile	Program			
Location	Reason for Supplemental Funds			
<b>2.5e Supplemental Funds for Previously Voted Projects</b>				
<b>Resolution: FA-02-07</b>				
1				
\$55,000	In Plumas County, at the Quincy maintenance station. Reconstruct, remodel.	341801		
Department of Transportation		1001		
Plumas		1999/00		
02U-Plu-L5727	Supplemental funds are needed for an overrun of contract items quantities.	301-0042	\$2,568,000	- \$2,568,000
		301-0890	-	-
		20.20.201.352		
		SHOPP		
		2002/03		
		302-0042	-	\$55,000 \$55,000
		302-0890	-	-
		20.20.201.352		\$2,623,000
		SHOPP		



**PROJECT DESCRIPTION**

This project is located in Plumas County, in the City of Quincy, at the Quincy Maintenance Station. Work consists of constructing an office, a mechanics facility, storage buildings, and upgrading and rehabilitation of two existing buildings.

**BACKGROUND**

The Quincy Maintenance Station is located on Main Street in Quincy, CA and is responsible for maintaining and snow removal of 40 miles of Route 70 and 23 miles of Route 89 in Plumas County. The project includes the construction of five new buildings and the upgrade and rehabilitation of two existing buildings.

The existing mechanics facility is 42 years old with 32-foot long service bays. The standard service bay for snowplows is 50 feet. Approximately 35% of the territory equipment cannot be maintained in a safe work environment due to the size of the equipment and the limitations of the facility. The office space and parts storage is not available with the existing facility. Indoor storage is adequate for the seven dump trucks but covered storage is needed for 22 other pieces of equipment. The three structures for material and equipment storage are 65 years old and do not meet current building codes. Fire, life, and electrical systems need to be brought up to current code standards. Also, salt is currently stored in the sand storage building, thus reducing the sand storage capacity. Additionally, to comply with National Pollutant Discharge Elimination System (NPDES) policy, portions of the pavement need to be removed and re-graded for storm-water run-off to properly flow to the oil-water separator and not to the fences around the yard.

#### FUNDING STATUS

This project, programmed in the 1998 SHOPP, was voted on November 1999 for \$2,100,000. Higher than expected bid results in March 2000 necessitated a supplemental funds request for the amount of \$640,000. The supplemental fund was approved by the CTC in May 2000. Project was re-advertised in August 2000 with a \$2,740,000 budget. Bids were opened on October 3, 2000 and the project was awarded to Arcadian Enterprises on October 20, 2000 for \$2,568,000. An excess of \$172,000, resulted from the lower bid, was returned to the G-12 funds.

This request for \$55,000 in supplemental funds results in an overall increase of 25% over the voted amount for this project.

#### REASON FOR COST INCREASE

The contractor has completed all items of work and the contract has been accepted. The additional cost is mainly due to higher final quantities than estimated in the asphalt concrete pavement required for storm-water runoff. The cost increase has been offset by decrease in other items of work. An additional \$55,000 is needed to compensate the contractor for this work.

#### FUNDING OPTIONS

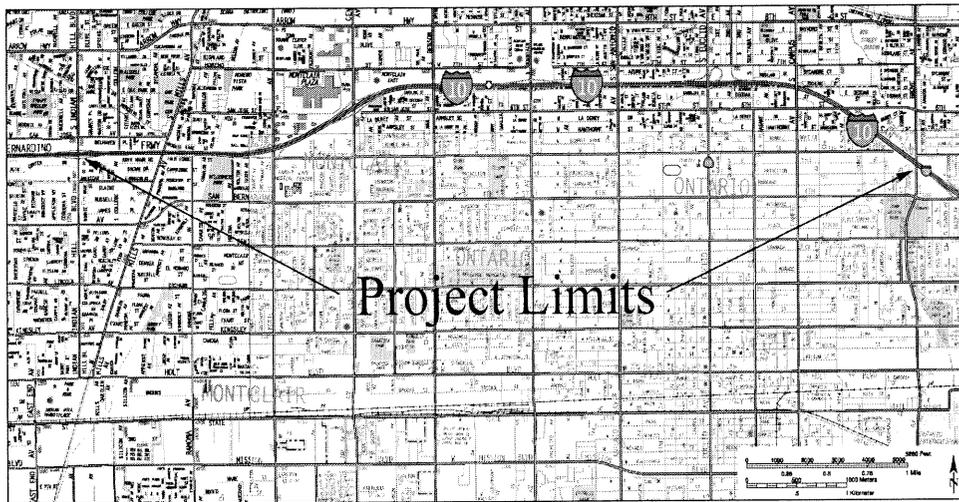
OPTION A: Approve this request as presented above for the \$55,000 to allow the items payment of this project.

OPTION B: Since all work has been completed and contract is accepted, denial of this request would most likely results in the contractor pursuing legal actions to recuperate the cost. The future costs to resolve these issues would most likely be greater than the current request.

#### RECOMMENDED OPTION

The Department recommends OPTION A as presented above for \$55,000 to allow the items payment of this project.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
<b>2.5e Supplemental Funds for Previously Voted Projects</b>					<b>Resolution: FA-02-07</b>
2 \$1,602,000 Department of Transportation San Bernardino 08S-SBd-10 0.0/4.9	In Pomona, Montclair, Upland and Ontario from Los Angeles/San Bernardino County line to Grove Avenue Undercrossing. Add HOV lanes, auxiliary lane, soundwalls, median barrier, rehabilitation, and IC reconstruction.	367611 129E 1996/97 301-0042 301-0890 20.20.RAS.HA22 SHOPP	\$698,800 \$7,599,400	- -	\$698,800 \$7,599,400
	Supplemental funds are needed for arbitration settlement.	1996/97 301-0042 301-0890 20.20.RAS.HB1 SHOPP	- \$2,180,000	- -	- \$2,180,000
		1996/97 301-0042 301-0890 20.20.OHC.HB4N SHOPP	\$450,000 -	- -	\$450,000 -
		2002/03 302-0042 302-0890 20.20.201.120 SHOPP	- -	\$1,602,000 -	\$1,602,000 \$12,530,200



**PROJECT DESCRIPTION**

The project is located in Los Angeles and San Bernardino Counties in the cities of Pomona, Montclair, Upland and Ontario from 0.5 mile west of Los Angeles/San Bernardino County Line to Grove Avenue Undercrossing. Work consists of adding HOV lanes in the median, constructing soundwalls, installing median barrier, adding auxiliary lane, reconstructing interchanges, pavement rehabilitation, and landscaping.

### BACKGROUND

Route 10 serves interstate, interregional and commuter travel by connecting the highly urbanized areas of Los Angeles, San Bernardino and Riverside counties. Interstate Route 10 within the limits of the project is an eight-lane urban freeway. It is also a major truck route for hauling agricultural and industrial products in and out of greater Los Angeles area. Rapid development and growth of business, commercial, and industrial facilities within the regions have resulted in significant increase in the traffic volume of this corridor.

This project is a joint effort between the local transportation agency, San Bernardino Association of Government (SANBAG), and the Department. The project's scope was combined from State Highway Operations and Protection Program (SHOPP), local Transportation Enhancement Activities (TEA4), and Measure "I" projects, and was programmed using federal, state, and local funds. Work on this joint project includes adding High Occupancy Vehicle (HOV) lanes in the median, constructing soundwalls, installing median barrier, adding auxiliary lane, reconstructing interchanges, pavement rehabilitation, and landscaping. SANBAG, through agreements with the cities of Ontario and Montclair, is responsible for funding the HOV widening, soundwalls, reconstruction of two bridges, and landscaping. The Department is responsible for funding the pavement rehabilitation and the construction of median barriers. Construction on the joint project began on September 1, 1997 and was completed on October 2, 2000.

### FUNDING STATUS

The State's portion of the project, programmed in the 1996 SHOPP, was voted in February 1997 for \$9,462,000. The Engineer's Estimate for the joint project is \$48,831,126. This joint project was advertised on March 24, 1997 and bid opened on May 15, 1997. The low bid for the project was \$2,279,874 or 4.67% higher than the engineer's estimate. The overrun was attributed to the higher costs of transporting equipment and materials, and the necessity of performing the majority of work at night due to complex lane closure restrictions.

This request for \$1,602,000 in supplemental SHOPP funds, for the arbitration, results in an overall increase of 32% over the voted amount (state's share) for this project.

### REASON FOR COST INCREASE

The prime contractor, Washington Group International, and three subcontractors filed claims totaling \$5,600,000 for construction delays, work disruption, and inefficiency damages. State attorneys reached an arbitration settlement on February 7, 2003 with a final adjustment on March 3, 2003 in the amount of \$2,900,000 for the claimants. CALTRANS' portion of the claim is \$1,602,000 and SANBAG is responsible for the remainder of the claim.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for the \$1,602,000 to complete the arbitration settlement of the claim on this project.

OPTION B: Deny this request and direct the Department to continue claim negotiation. Denying this request will not eliminate the claim. The State's attorneys recognize that the State is liable for additional compensation to be granted to the contractor and recommended the approval of the settlement. The future costs to resolve these issues would most likely be greater than the current request.

RECOMMENDED OPTION

The Department recommends OPTION A as presented above for \$1,602,000 to allow the close out of this project.