

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 13-14, 2008

Reference No.: 2.8b.(3)
Action Item

From: CINDY McKIM
Chief Financial Officer

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Transportation Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR TCRP PROJECTS,
PER RESOLUTION G-06-08
WAIVER-08-06**

RECOMMENDATION:

The California Department of Transportation is submitting this request to the California Transportation Commission (Commission) for consideration on behalf of North Coast Railroad Authority (NCRA). Waiver-08-06 will extend the period of contract award for nine months, to October 31, 2008, for Traffic Congestion Relief Program (TCRP) Project #32.9 – North Coast Railroad; long term stabilization.

ISSUE:

NCRA received a construction allocation of \$13,588,000 in July 2007, and has been advertising and awarding multiple contracts for construction. Contracts totaling \$6,189,000 have been awarded, but \$7,399,000 remains to be awarded. NCRA needs additional time to advertise and award the last portion of the allocation.

As a result of cost escalation in materials and accelerated deterioration of the railroad infrastructure, the bids for signals and bridges exceeded estimates. As a result, design for movable bridges and track rehabilitation was revisited to stay within budget. The track contract was originally advertised in October 2007, but was delayed due to the determination that costs would be less after completion of other improvements. The moveable bridges contract was advertised in December 2007, with bid opening planned in January 2008.

The City of Novato initiated a lawsuit in September 2007, and on January 8, 2008, the judge for the case issued a preliminary decision that indicated his inclination to issue a temporary restraining order for work contracted after October 15, 2007. To date, no revision to this preliminary decision has been filed. NCRA believes it would be imprudent to award additional contracts until additional information becomes available from the court.

The contracts remaining to be awarded are for the moveable bridge improvements (\$399,000) and track improvements (\$7,000,000). Depending on the Judge's decision, NCRA may be able to award these contracts as early as mid-March 2008. However, it is possible that they will be delayed until

NCRA's Environmental Impact Report (for Russian River Division re-opening) is certified. Therefore, NCRA is requesting a nine-month extension, until October 31, 2008.

BACKGROUND:

On July 29, 2007, the Commission approved Resolution TFP-07-02, allocating \$13,588,000 for the construction of bridge structures, and bridge and roadbed rehabilitation. In accordance with Resolution G-06-08, the deadline to award contracts for projects allocated in July 2007 is January 31, 2008. NCRA has not been able to meet the deadline for the full allocation amount and is requesting a nine-month extension to award the remaining amount, extending the deadline to October 31, 2008.