

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 10-11, 2009

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

From: CINDY McKIM
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-08-16**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$873,000 for one State Highway Operation and Protection Program (SHOPP) project and \$110,000 one State Transportation Improvement Program (STIP) project identified below.

ISSUE:

Additional funds are needed for two previously voted projects in order to close out the contracts.

RESOLUTION:

Resolved, that \$873,000 be allocated from the Budget Act of 2008, Budget Act Items 2660-302-0042 and 2660-302-0890 and \$110,000 from Non-Budget Act Item 2660-801-3008, to provide additional funds for the projects identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original allocated Amount</u>	<u>Original Award Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	8-SBd-40	\$7,099,000	\$5,563,000	\$6,313,000	\$873,000	\$7,186,000	13.8%
2	12-Ora-55	\$17,733,000	\$16,811,000	\$18,711,000	\$110,000	\$18,821,000	0.6%

PROJECT DESCRIPTION:

The project is located on Interstate 40 in San Bernardino County, from Kellbaker Road Undercrossing to Water Road Overcrossing. The project consisted of removing deck asphalt concrete, applying a sealcoat of methacrylate polymer on bridge decks, replacing joint seals, and rehabilitating structure approach and departure paving.

FUNDING STATUS:

This SHOPP project was voted in November 2002 for \$7,099,000 and awarded in February 2003 for \$5,563,000. An additional \$750,000 was allocated under G-12 authority. The current allocation is \$6,313,000. The contract was accepted in December 2005. An additional \$873,000 in supplemental funds is needed to close out the construction contract. This request for supplemental funds results in an overall increase of 13.8 percent over the current allocation

REASONS FOR COST INCREASE:

In order to comply with an arbitration ruling, additional funds are required for this project. The arbitration ruling was based on insufficient information shown on the project plans. This request for \$873,000 in supplemental funds will be used to pay the contractor and close out the construction contract.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$873,000 to close out the construction contract.

OPTION B: Deny this request and allow the contractor to pursue the contract claim through legal action.

RECOMMENDED OPTION:

The Department recommends that this request of \$873,000, as presented in Option A above, be approved to allow the construction contract to be closed out.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Fund Type Program	Current Amount by Fund Type	Additional Amount by Fund Type	Revised Amount by Fund Type
2.5e.(1) Supplemental Funds for Previously Voted Projects					Resolution FA-08-16
2 \$110,000	In Orange, from 0.4 kilometer north of Walnut Avenue Overcrossing to 0.3 kilometer south of Taft Avenue Undercrossing. Widen freeway.	013331 12-3530B 1998-99 301-0042	\$1,928,200		\$1,928,200
Department of Transportation OCTA Orange 12S-Ora-55 14.3/15.5	Supplemental funds are needed to closeout the contract. Total Revised Amount: \$18,821,000	SHA 301-0890 FTF STIP/RIP	\$14,882,800		\$14,882,800
		1999-00 301-0042 SHA 301-0890 FTF STIP/RIP	\$201,000 \$1,549,000		\$201,000 \$1,549,000
		2005-06 801-3008 TIF 301-0890 FTF STIP/RIP	\$18,000 \$132,000		\$18,000 \$132,000
		2008-09 801-3008 TIF STIP/RIP		\$110,000	\$110,000

RECOMMENDATION:

The Department recommends that this request for \$110,000 be approved to allow the Department to close out the contract.



PROJECT DESCRIPTION:

The project is located on Route 55 in Orange County, north of Walnut Avenue Overcrossing to south of Taft Avenue Undercrossing. This project was to construct major improvements to Route 55, including new outside lanes in both directions, a new Route 55/Katella Avenue Interchange with upgraded landscape, a new Collins Avenue Overcrossing, and new soundwalls.

FUNDING STATUS:

This STIP project was voted in December 1998 for \$17,733,000 and awarded in April 1999 for \$17,350,000. Through a cooperative agreement, the project allotment was reduced to \$16,811,000 in May 1999. An additional \$1,900,000 was allocated under G-12 authority. The current allocation is \$18,711,000. Construction was completed in October 2003. An additional \$110,000 in supplemental funds is needed to close out the construction contract. This request for supplemental funds results in an overall increase of 0.6 percent over the current allocation.

REASONS FOR COST INCREASE:

The contractor submitted claims in the amount of \$1,220,774.30. The claims were mainly due to payment of contractor overhead due to project delays. The Department reviewed the claims and recommended total compensation of \$115,119.62. The contractor was paid and later filed action against the Department. Through the arbitration process a settlement of \$204,000 was reached. This request for \$110,000 in supplemental funds will be used to pay for this settlement and close out the construction contract.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$110,000 to close out the construction contract.

OPTION B: Deny this request and allow the contractor to pursue the contract claim through legal action.

RECOMMENDED OPTION:

The Department recommends that this request of \$110,000, as presented in Option A above, be approved to allow the construction contract to be closed out.