

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 12-13, 2009

Reference No.: 2.1c.(1d)  
Action Item

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Subject: **CMIA PROJECT BASELINE AMENDMENT**  
**RESOLUTION CMIA-PA-0910-008**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) amend the baseline agreement for the Route 65 Lincoln Bypass project (PPNO 0145M) programmed in the Corridor Mobility Improvement Account (CMIA) program.

## **ISSUE:**

The Department and the Placer County Transportation Planning Agency (PCTPA) request an amendment to the CMIA baseline agreement for the Route 65 Lincoln Bypass project to extend the four-lane portion of the project by 1.5 miles. The Department will negotiate with the contractor to execute a contract change order (CCO) that creates minimal risk to the completion of the contract within the existing contract allotment and schedule. The proposed extension of the four-lane facility is illustrated on the attached map of the project limits.

## **BACKGROUND:**

The ultimate scope of the Lincoln Bypass project consists of a four-lane expressway on a new alignment from south of Lincoln at Industrial Boulevard to near Riosa Road, north of Lincoln. The approved environmental document and project report as well as the right of way acquisition cover a four-lane facility for the entire 12 mile length of the project.

Due to rapid escalation of the construction cost estimate, the project was staged to initially construct a four-lane facility for approximately four miles at the southern end of the project and a two-lane facility for the remaining eight miles. The funding approved in the CMIA baseline agreement was assumed to be sufficient for this initial stage.

An allocation was approved by the Commission at its February 2008 meeting, and the contract was subsequently awarded on June 9, 2008, as a design sequencing project. At that time, the project still had significant right of way acquisitions pending and needed to account for any unforeseen financial risks such as right of way delays, utility relocation compensation and other unknowns. To mitigate these risks, a higher level of supplemental funds and contingency were used in the contract allotment. The total supplemental funds and contingency amount was approximately \$20 million.

The project has been in construction for a year and is approximately 20 percent complete. The majority of the right of way work is complete and other significant risks have not materialized. The current supplemental funds and contingency balance is \$18 million. This is about \$5.5 million more than needed to complete the contract which can be used to fund the additional work. Even with the added work, the project will still maintain the standard 5 percent contingency balance.

Based on the progress of the work done to date, the Department believes the added work will not require any funding from project reserves and can be completed within the existing contract allotment, while still maintaining the standard 5 percent contingency for the remaining work items. While unlikely, future unknowns could cause the contract amount to exceed the existing allotment. PCTPA has agreed to use local funds in the construction reserve to cover any potential cost increase.

The contractor has indicated a willingness to perform the additional work at the unit prices of the original contract. Completing this work under CCO now can be accomplished at a much lower cost as compared to a separate contract awarded at a later date. Although the additional work is at the same unit cost, the contractor agreed to not add any mark ups as done in the original contract nor does he have to include mobilization. Furthermore, the added work will not include Major Structure work as in the main contract but mainly paving and embankment. Moreover, the contractor can take advantage of the fact that he can now obtain dirt at a much reduced rate of approximately 1/10th of the original estimate. This has allowed for the additional work to be approximately one-third of the cost per lane-mile of that in the existing contract.

Furthermore, the added work does not constitute a change in scope of the contract and is appropriate to be included as a contract change order to the existing contract. Specifically, the Department's Construction Manual defines changes as being consistent with the contract scope when the conditions below have been met.

The proposed work is consistent with the following:

- The type of work for the proposed change is not significantly different from other types of work within the original contract.
- The prime contractor (or subcontractors) does not need to mobilize specialized forces and equipment to perform the work of the proposed change.
- The estimated cost of the proposed work, when combined with all other contract changes, is within the approved contract allotment.
- The proposed change does not represent a significant deletion to the original contract.
- The proposed change does not significantly delay completion of the contract when compared to the number of original contract working days.
- The proposed change is within the original contract limits.
- The project as contemplated at the time of bid can be completed without the proposed change.

**RESOLUTION CMIA-PA-0910-008:**

Be it Resolved, that the California Transportation Commission does hereby amend the Corridor Mobility Improvement Account (CMIA) baseline agreement for the Route 65 Lincoln Bypass Project (PPNO 0145M) in Placer County to reflect the changes and limits described above and as illustrated in the funding summary on page 3 and the attached map.

**Lincoln Bypass Baseline Amendment Funding Summary**

\$'s in \$1,000's							
<b>Proposed Baseline Lincoln Bypass (PPNO 0145M)</b>							
	<b>E&amp;P</b>	<b>PS&amp;E</b>	<b>R/W SUP</b>	<b>R/W</b>	<b>CON SUP</b>	<b>CON</b>	<b>Total</b>
CMIA						48,934	<b>48,934</b>
RIP (Pla)	1,866	5,134	1,350	23,907	6,471	45,411	<b>84,139</b>
IIP	2,734	8,266	1,650	29,132	15,529	56,251	<b>113,562</b>
SPRTA				17,027		6	<b>17,033</b>
SPRTA env mon						420	<b>420</b>
DEMO				5,942			<b>5,942</b>
Lincoln	1,000					11,400	<b>12,400</b>
PCTPA Demo				7,742		931	<b>8,673</b>
CMAQ funds						1,100	<b>1,100</b>
	<b>5,600</b>	<b>13,400</b>	<b>3,000</b>	<b>83,750</b>	<b>22,000</b>	<b>164,453</b>	<b>292,203</b>
<b>Proposed Lincoln Bypass Reserve (PPNO 0145M)</b>							
	<b>E&amp;P</b>	<b>PS&amp;E</b>	<b>R/W SUP</b>	<b>R/W</b>	<b>CON SUP</b>	<b>CON</b>	<b>Total</b>
CMIA						24,781	<b>24,781</b>
SPRTA						7,016	<b>7,016</b>
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,797</b>	<b>31,797</b>

Attachment

