

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 14-15, 2009

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

From: NORMA ORTEGA
Chief Financial Officer (Interim)

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-09-06**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$750,000 for the 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 contract.

RESOLUTION:

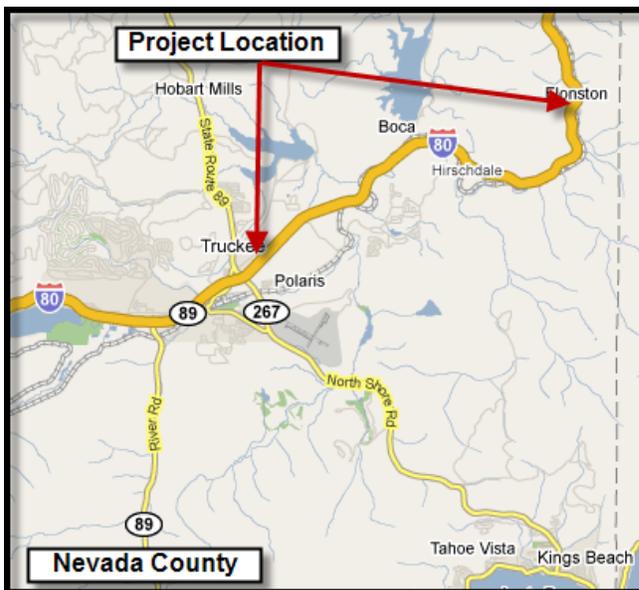
Resolved, that \$750,000 be allocated from the Budget Act of 2009, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide additional funds for the project identified below.

<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	03-Nev-80	\$96,000,000	\$93,220,000	\$110,592,000	\$750,000	\$111,342,000	0.7%

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-09-06
1 \$750,000 Department of Transportation Nevada 03N-Nev-80 17.1/28.0	Near Truckee, from west of Fibreboard Undercrossing to the west end of Truckee River Bridge. Roadway rehabilitation to include: crack and seat pavement, PCC overlay, rehabilitate culverts, pave medians and concrete barriers. Supplemental funds are needed to close out the contract. Total Revised Amount: \$111,342,000.	3A21U4 03-4236 2000-01 through 2005-06 302-0042 SHA 302-0890 FTF 20.20.201.112 SHOPP 2009-10 302-0042 SHA 302-0890 FTF 20.20.201.120 SHOPP	\$9,919,330 \$100,672,670 -	- -	\$9,919,330 \$100,672,670 \$63,000 \$687,000

RECOMMENDATION:

The Department recommends that this request for \$750,000 be approved to allow the Department to close out the contract.



PROJECT DESCRIPTION:

The project is located on Interstate 80 in Nevada County near Truckee, from Fibreboard Undercrossing to the west end of Truckee River Bridge. The project consisted of roadway rehabilitation activities, such as crack and seat pavement, Portland cement concrete overlay, rehabilitate culverts, paving medians, and constructing concrete barriers.

FUNDING STATUS:

This SHOPP project was voted in July 2000 for \$96,000,000 and awarded in January 2001 for \$93,220,000. An additional \$17,372,000 was allocated under G-11 authority, G-12 authority, and prior supplemental votes. The current allocation is \$110,592,000. An additional \$750,000 in supplemental funds is needed to resolve the final claim and close out the contract. This request for supplemental funds results in an increase of 0.7 percent over the current allocation.

REASONS FOR COST INCREASE:

In order to comply with the settlement agreement, additional funds are required for this project. This settlement is for the resolution of the last outstanding claim filed by the Contractor. This settles the delays associated with the selection, specification and testing of alternative pipelining materials necessary to rehabilitate corroded metal drainage culverts.

In February 2006, the Department requested, and the Commission approved, a supplemental allocation on this project to resolve all but this final claim. At that time, the Department indicated that this claim was outstanding and there was a possibility that additional funds would be required to close out the contract. The value of the claim at that time was estimated at \$1,300,000.

The Department and Contractor have entered into mediation and have reached an agreement to settle the claim for \$750,000. This request for \$750,000 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 \$750,000 to close out the 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 \$750,000, as presented in Option A above, be approved to allow the contract to close out.