

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 18-19, 2016

Reference No.: 2.8c.(1)  
Action Item

From: NORMA ORTEGA  
Chief Financial Officer

Prepared by: Bruce Roberts, Chief  
Division of Rail and Mass  
Transportation

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT COMPLETION FOR A  
LOCALLY ADMINISTERED STATE TRANSPORTATION IMPROVEMENT  
PROGRAM (STIP) RAIL PROJECT, PER STIP GUIDELINES  
WAIVER 16-20**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve a 20-month time extension to March 31, 2018 to complete construction of Phase 1A for the Hercules Intercity Rail Station project (PPNO 2011F), in Contra Costa County.

## **ISSUE:**

On June 27, 2012, the Commission approved Resolutions MFP-11-16 and FP-11-79 allocating \$8,000,000 in Regional Improvement Program (RIP) and \$1,097,000 RIP – Transportation Enhancement funds for construction. The City of Hercules (City) experienced delays in advertising and awarding the contract due to unforeseen complexities developed from the division of the contract into two bid packages to facilitate administration of project elements subject to Federal Transit Administration and project elements specifically funded by the Federal Highway Administration. Therefore, the City needed nine additional months to award. At the December 2012 Commission meeting, a nine-month time extension was approved extending the award deadline to September 30, 2013. The City awarded the construction contract on July 29, 2013.

As described above, Phase 1A is being constructed under two separate bid packages (construction contracts). While improvements constructed under the first construction contract have been completed, the City has not accepted this contract as complete. The contractor has submitted a construction claim. The City and the construction contractor have been negotiating in good faith since December 2015. It is very likely that mediation will be required to settle this claim. If this situation goes to mediation, the City estimates it could take up to eight months to settle this claim and accept the first construction contract as complete.

The second construction contract is progressing as scheduled with completion anticipated by November 2016. There is a potential risk that work in environmentally sensitive areas may not be completed within the San Francisco Bay Conservation and Development Commission's construction window, which ends October 15, 2016. If this risk materializes, construction would re-commence on April 15, 2017. Under this risk scenario, construction would be completed during or by July 2017. If there are no claims by the construction contractor, the City could accept the contract in October 2017. If claims materialize, depending on the magnitude and complexity of the claims, it could take up to 12 months to settle the claims and accept the second contract as complete.

Since the City is already dealing with contractor claims on the first construction contract, there is a possibility that the second contract completion may get delayed due to similar issues. Since the extension request is only a one-time opportunity, the City is requesting a 20-month extension to deal with this uncertainty.

**BACKGROUND:**

Current STIP guidelines stipulate that a local agency has up to 36 months from the award of the contract to complete the project. The Commission may approve waivers to the timely use of funds deadline one time only for up to 20 months in accordance with Government code Section 14529.8.