

State of California
Business, Transportation and Housing Agency
Department of Transportation

HIGHWAY FINANCIAL MATTERS
Allocations for Supplemental Funds
Resolution: FA-01-02

Prepared By:
Jim Nicholas
Chief
Division of Programming
(916) 654-4013

CTC Meeting: August 22-23, 2001

Agenda Item: 2.5e



A handwritten signature in black ink that reads "Mark Leja".

MARK LEJA
Acting Chief Financial Officer
August 1, 2001

**ALLOCATION FOR ADDITIONAL FUNDS
FOR PREVIOUSLY APPROVED PROJECTS**

RESOLUTION FA-01-02

RECOMMENDATION

The Department recommends that the California Transportation Commission approve the following Resolution.

FINANCIAL RESOLUTION

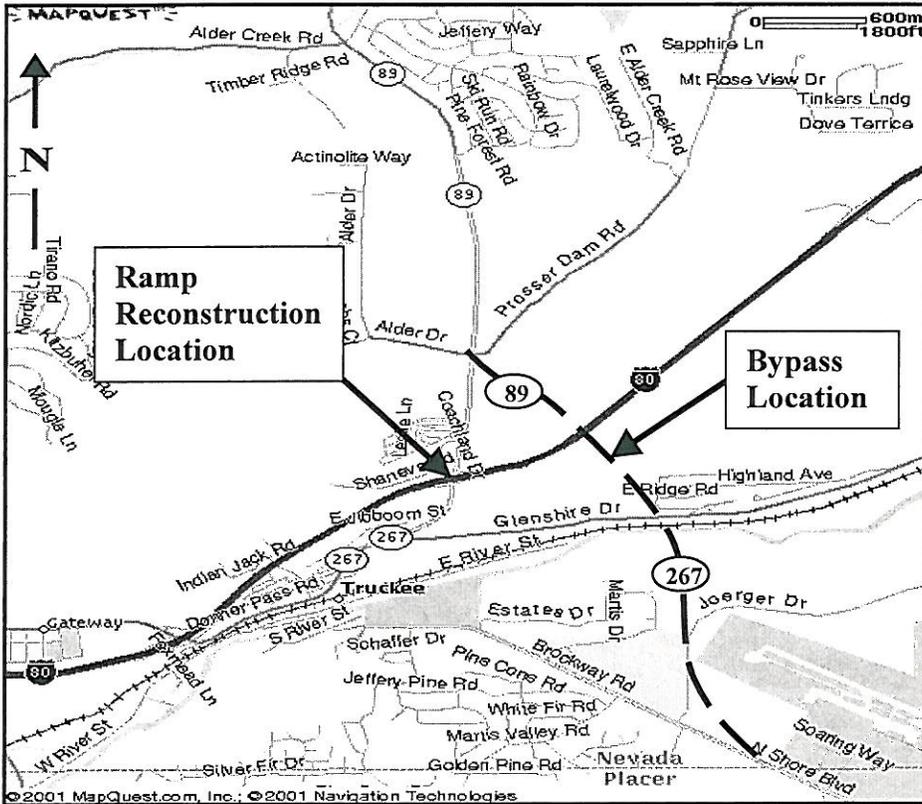
Resolved, that \$4,900,000 be allocated from Budget Act Items 2660-301-0042 and 2660-301-0890, Budget Acts of 1998 and 2001 to provide additional funds for the projects on the attached sheet.

SUMMARY AND CONCLUSIONS

This resolution allocates \$4,900,000 of additional State and Federal funds for four (4) previously approved projects listed below:

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Vote/G11 Amount</u>	<u>Award Amount</u>	<u>Current Budget Amount</u>	<u>Current Allocation Revision</u>	<u>Revised Budget Amount</u>	<u>Total Increase Vote/Award</u>
1	03-NEV-80	\$23,373,000	\$20,761,000	\$20,761,000	\$1,000,000	\$21,761,000	5%A
2	05-SLO-46	\$1,500,000	\$1,203,000	\$1,500,000	\$69,000	\$1,569,000	30%A
3	06-FR,MD-41	\$26,800,000	\$28,470,000	\$31,420,000	\$166,000	\$31,586,000	18%V
4	10-MER-99	\$30,448,000	\$26,710,000	\$29,581,000	\$3,665,000	\$33,246,000	24%A

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
1 \$1,000,000 Department of Transportation <u>NEVADA LTC</u> Nevada 03N-Nev-80/89/267 25.6/26.2	Truckee Bypass Project. Near Truckee from north of Route 80 to the Placer County Line. Construct two-lane expressway.	291001 0140A 1998/99 301-0042 301-0890 20.20.025.511 GFIP-STIP	\$2,381,000 \$18,380,000		\$2,381,000 \$18,380,000
	Supplemental funds are needed for on- going project.	20.20.025.511 GFIP-STIP			
	(Cost increase impacts the Nevada County Share Balance by \$1,000,000)	2001/02 301-0042 301-0890 20.20.075.611 STIP-RIP		\$115,000 \$885,000	\$115,000 \$885,000
			\$20,761,000	\$1,000,000	\$21,761,000



PROJECT DESCRIPTION AND LOCATION

This project is in Nevada County, in Truckee, on a new alignment for Route 267 from just north of Route 80 to the Placer County Line. The project constructs a new interchange between Routes 80/89/267 and constructs 2.4 miles of two-lane expressway on new alignment for Routes 89 and 267.

FUNDING STATUS

The project was programmed in the 1998 STIP with Grandfathered Interregional Improvement (GF-IIP) funds for \$18,659,000 for construction in the 1998/99 Fiscal Year. The project was voted in March 1999 for \$23,373,000 that included modifications to the bridge foundations at the interchange structures,

additional landscaping and environmental mitigation work and additional work to bring the existing Route 267 into a state of good repair for relinquishment. The project was awarded for \$20,761,000 in July 1999. This request of \$1,000,000 represents a total increase of 5% over the award amount for this contract.

BACKGROUND

The existing Route 267 runs through the older part of Truckee on a two-lane roadway with an at-grade railroad crossing, traffic signals and private driveways. Continued growth in tourism and train traffic has created greater traffic congestion that competes with pedestrian traffic through the historic downtown area of Truckee. A bypass around downtown Truckee has been a top priority with the Town for over 15 years.

REASON FOR INCREASE

The new interchange between Routes 80/89/267 is located approximately one-half mile east of the original interchange. As part of this project, the ramps at the original interchange were closed and then removed in order to upgrade facilities along the mainline of Route 80. The Town of Truckee, in cooperation with the Department, has completed a design that will allow for the reconstruction of the westbound on-ramp and the eastbound off-ramp at the original interchange and construct auxiliary lanes for the new interchange. The Town requested the ramps so that there is convenient access from Route 80 to the businesses in the downtown area while providing convenient access for future development planned in the area.

To reduce the costs of constructing the ramps and to reduce the delay in opening the reconstructed ramps, the Town has requested that the work be included in this project instead of going forward as a separate project. The construction of the two ramps is estimated at \$2,300,000. A cooperative agreement has been executed with the Town of Truckee that consists of the Nevada County Transportation Commission contributing \$1,000,000 in Regional Improvement Program (RIP) funds and the Town of Truckee contributing \$600,000. The additional \$700,000 will come from savings from deleting portions of work that no longer need to be done due to construction of the ramps.

The full Resolution G-12 balance exists on the project and should not be adjusted by this request.

FUNDING OPTIONS

OPTION A: Approve this request for \$1,000,000 to allow the reconstruction of the ramps.

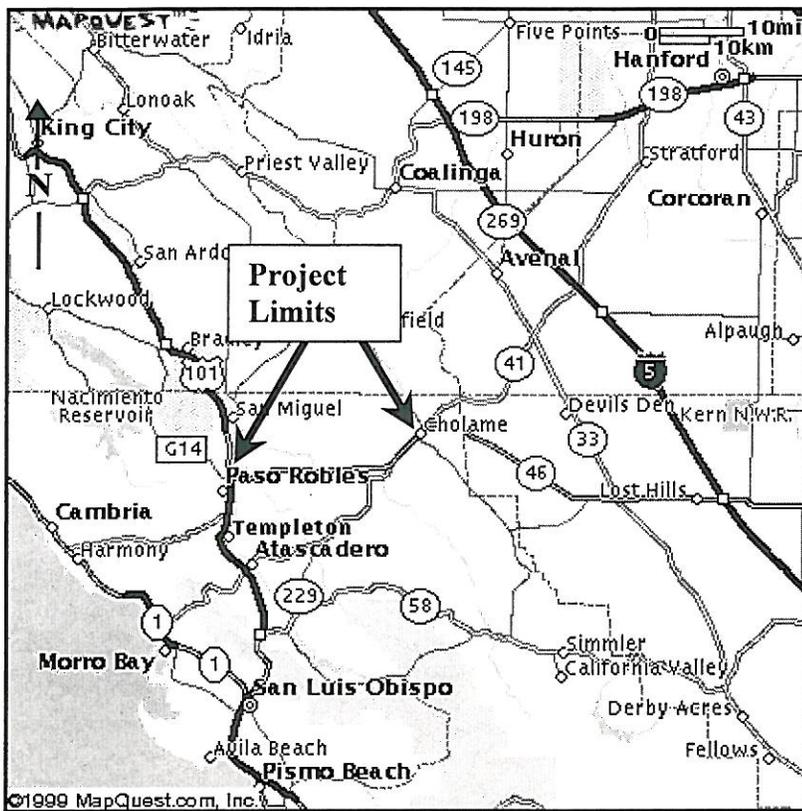
OPTION B: Deny this request and direct the Department to deliver the project within the current allocation.

The Department considered this option. The Town of Truckee has identified serious economic and traffic congestion impacts if the ramps are not reconstructed.

RECOMMENDED OPTION

The Department of Transportation, the Town of Truckee and the Nevada County Transportation Commission recommend OPTION A, as presented above for \$1,000,000, to allow the ramps to be reconstructed as part of the on-going project.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2 \$69,000 Department of Transportation San Luis Obispo 05S-SLO-46 50.7/52.7 32.3/55.0	Near Paso Robles east of Airport Road to east of Cholame Valley Road. Construct median barrier. Supplemental funds are needed to closeout project.	0C0801 0801 1998/99 301-0042 301-0890 20.20.201/010 SHOPP	\$1,500,000 \$1,500,000	\$69,000 \$69,000	\$1,569,000 \$1,569,000



PROJECT LOCATION & DESCRIPTION

The project is on Route 46 in San Luis Obispo County, near Paso Robles, from east of Airport Road to east of Cholame Valley Road. The project placed K-rail median barrier, asphalt concrete pavement and reflective object markers at designated no passing zones.

FUNDING STATUS

The project was programmed in the 1998 SHOPP Midcycle Revision for \$1,500,000 for construction in the 1998/99 Fiscal Year. In June 1999, the project was voted for the programmed amount. The project was awarded in August 1999 for \$1,203,000. A Resolution G-12 allocation was made for \$130,000 in November 1999 to remove thermoplastic yellow traffic striping and to remove additional rumble strips. An additional Resolution G-12 allocation was made for \$167,000 in February 2000 to widen the existing shoulder area. This request of \$69,000, along with the previous Resolution G-12 allocations, represents a total increase of 30% over the award amount for this contract.

BACKGROUND

The project replaced rumble strips at two-foot wide median sections with precast concrete median barrier at various segments along Route 46. Numerous head-on collisions have occurred in the past along this mostly two-lane highway that links Paso Robles and Route 101 in the west with Route 5 and Route 99 in the San Joaquin Valley.

REASON FOR INCREASE

Testing was performed on the existing yellow thermoplastic striping paint to determine the levels of lead contained within the paint. The tests revealed that the paint contained hazardous levels of lead that required the material to be disposed of at a Class 1 facility. The Contractor hired a certified industrial hygienist to develop a removal plan and to train Contractor personnel in handling the hazardous material. The extra time to train personnel and to remove the lead-based paint impacted the schedule of the project and delayed the Contractor's paving operations until the cooler rainy season when the production rates were lower. An additional \$69,000 is needed to reimburse the Contractor for the delays encountered and to closeout the project.

FUNDING OPTIONS

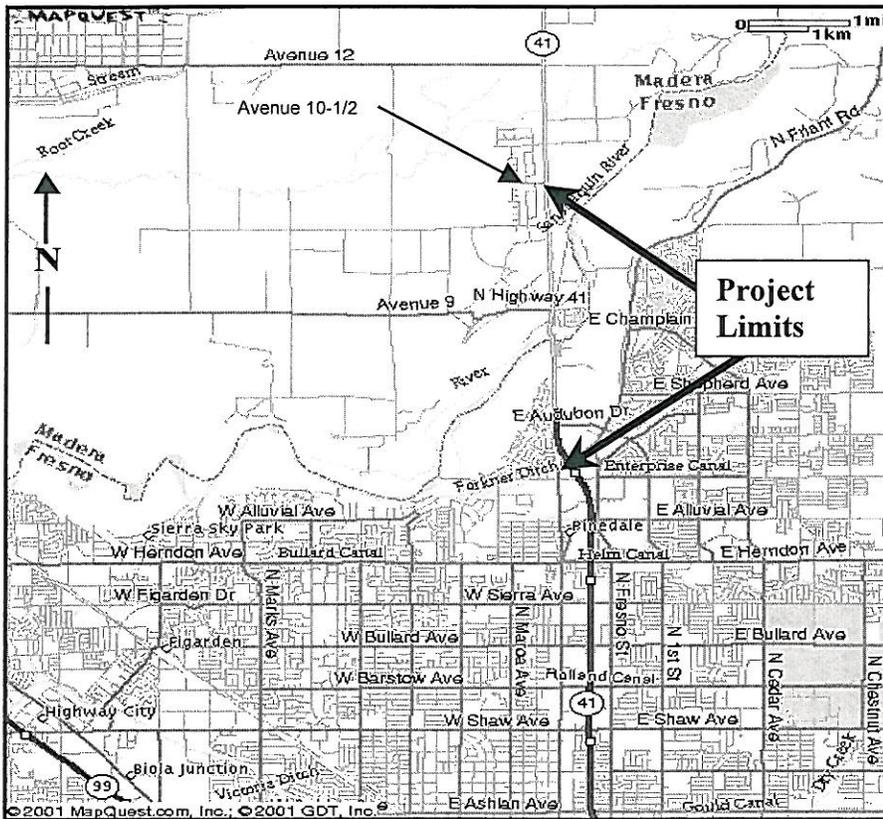
OPTION A: Approve this request as presented above for \$69,000 to allow the project to be closed out.

OPTION B: Deny this request in which cases the Contractor would need to pursue legal action to recover any costs for which they may be entitled. Delaying payment may cause additional interest to accrue and increase the final costs.

RECOMMENDATION

The Department recommends that this request for \$69,000, as presented in Option A above, be approved to allow this contract to be closed out.

Project # Allocation Amount Recipient County	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
3 \$166,000 Department of Transportation COFCG/MADERA LTC Fresno Madera 06N-Fre, Mad-41 R31.7/R33.5,0.0/R3.2	In Fresno and Madera Counties from Friant Road Undercrossing to Avenue 10-1/2. Construct embankments and bridges. Supplemental funds are needed for on- going project. (Cost increase impacts the Fresno County Share Balance by \$58,000; the Madera County Share Balance by \$108,000)	305501 B0030A 1994/95 301-0042 301-0890 20.20.075.411 GFRIP-STIP 2001/02 301-0042 301-0890 20.20.075.611 RIP-STIP	\$12,505,000 \$18,915,000	\$67,000 \$99,000	\$12,505,000 \$18,915,000 \$67,000 \$99,000 \$31,420,000 \$166,000 \$31,586,000



PROJECT DESCRIPTION AND LOCATION

The project is in Fresno and Madera Counties, in and near Fresno, on Route 41 from Friant Road Undercrossing to Avenue 10-1/2. The project constructed a new four-lane freeway including bridges crossing the San Joaquin River and the San Joaquin River overflow.

FUNDING STATUS

The project was programmed in the 1992 STIP for \$26,800,000 in Grandfathered Regional Improvement Program (GF-RIP) funds for construction in the 1996/97 Fiscal Year. The project was voted for \$26,800,000 in October 1996. A Resolution G-12 allocation was made for \$1,670,000 to award the

project in May 1997 for a total award of \$28,470,000. In October 1997 an additional Resolution G-12 allocation was made for \$1,200,000 to pay for additional Rock Slope Protection work on each of the bridge abutments. Additional funds were approved by the Commission in May 1998 for \$1,750,000 to compensate the Contractor for delays associated with 1998 winter storms. This request of \$166,000, along with previous allocations, represents a total increase of 18% over the award amount for this completed contract.

BACKGROUND

The project replaced a two-lane facility with a four-lane freeway and was the first of two phases. The limits of Phase I were from Friant Road Undercrossing to Avenue 10-1/2 while Phase II stretched from Avenue 10 to Avenue 12. Phase II, which was programmed for construction in the 1998/99 Fiscal Year and voted for \$7,000,000 with Madera County's Regional Improvement Program (RIP) funds along with a local contribution of \$1,846,000, has also been completed.

REASON FOR INCREASE

Eight bridges were constructed as part of this project including two bridges at the San Joaquin River and two bridges at the San Joaquin River Overflow. Due to a design change, the specified pile type and layout of the piling at the four bridges were modified to better suit the field conditions. The Department has determined that the Contractor is entitled to compensation of \$166,000 for undisputed billings associated with the pile changes. An additional \$166,000 will compensate the Contractor for the pile changes.

This funds request will allow the Contractor compensation for undisputed billings, but there are numerous outstanding Notices of Potential Claim that have not been resolved at this time. Additional supplemental funds may be needed in the future if the Department determines any of the potential claims submitted by the Contractor are valid.

FUNDING OPTIONS

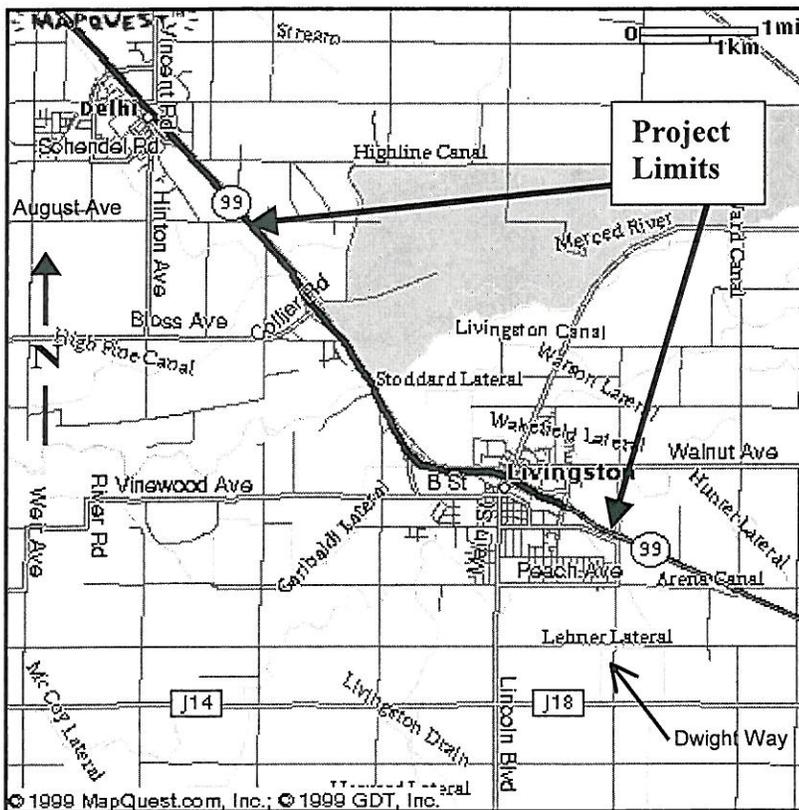
OPTION A: Approve the Department's request for \$166,000 to allow the Contractor compensation.

OPTION B: Deny this request in which cases the Contractor would need to pursue legal action to recover any costs for which they may be entitled. Delaying payment may cause additional interest to accrue and increase the final costs.

RECOMMENDED OPTION

The Department of Transportation recommends OPTION A, as presented above for \$166,000, to allow the Contractor compensation.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
4 \$3,665,000 Department of Transportation MCAG Merced 10N-Mer-99 28.2/R32.7	Livingston Project. In and near Livingston from Dwight Way to 0.1 mile south of August Avenue. Construct four-lane freeway. Supplemental funds are needed to closeout project. (Cost increase does not impact the Merced County Share Balance)	3169U1 0546B 0546C 1994/95 301-0042 301-0890 20.20.101.914 GFRIP-STIP 2001/02 301-0042 301-0890 20.20.075.411 RIP-STIP	\$3,393,500 \$26,187,500	\$420,000 \$3,245,000	\$3,393,500 \$26,187,500 \$420,000 \$3,245,000 \$33,246,000



PROJECT DESCRIPTION AND LOCATION

The project is in Merced County, in Livingston, on Route 99 from Dwight Way to just south of August Avenue. The project constructed a new four-lane freeway that replaced a four-lane expressway.

FUNDING STATUS

The project was programmed in the 1992 STIP for \$28,192,000 in Grandfathered Regional Improvement Program (GF-RIP) funds for construction in the 1993/94 Fiscal Year and for \$10,803,000 in GF-RIP funds for construction in the 1994/95 Fiscal Year for a total of \$38,995,000. The project was voted for \$30,448,000 in March 1994. The project was awarded in September 1994 for \$26,710,000. A

Resolution G-12 allocation was made for \$825,000 in December 1995 primarily to remove additional concrete pavement and to provide additional erosion control. Additional Resolution G-12 allocations were made for \$1,237,000 in March 1997 and for \$809,000 in August 1997 to increase the quantity of imported barrow used on the project and to fund other various contract change orders. This request of \$3,665,000, along with the previous Resolution G-12 allocations, represents a total increase of 24% over the award amount for this completed contract.

BACKGROUND

The project was initiated to remove the last signalized intersection on Route 99 between Bakersfield and Sacramento by converting the existing four-lane expressway to a four-lane freeway. The new controlled access freeway eliminated seven intersections and ten private driveways that slowed passing traffic through Livingston and enhanced the safety of the route.

The project included construction of interchanges at Hammett Avenue, West Livingston and Collier Road. Numerous bridge structures were constructed including a railroad overhead structure, a new southbound Merced River Bridge and a widened northbound Merced River Bridge. A bike path facility was also constructed across the Merced River for bicycles and pedestrians.

REASON FOR INCREASE

The Contractor submitted numerous claims for delays and extra expenses incurred during the construction of the project. The Contractor experienced numerous work delays, primarily during the construction of the Merced River Bridge, and claimed that differing site conditions required additional soil grading operations throughout the project. An arbitrator's award has been confirmed by the San Mateo Superior Court that settles all claims with the Contractor for the estimated sum of \$2,940,000 plus interest. The estimate for interest is approximately \$1,050,000 for a total estimated settlement of \$3,990,000. The remaining contingency balance in the project is approximately \$325,000 so \$3,665,000 in additional funds is needed to compensate the Contractor.

FUNDING OPTIONS

OPTION A: Approve the Department's request for \$3,665,000 to allow the Contractor compensation.

OPTION B: Deny this request in which cases the Contractor would need to pursue legal action to recover any costs for which they may be entitled. Delaying payment may cause additional interest to accrue and increase the final costs.

RECOMMENDED OPTION

The Department of Transportation recommends OPTION A, as presented above for \$3,665,000, to allow this project to be completed.