State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

To: CHAIR AND COMMISSIONERS

PASSED BY CTC DEC 11 2003 CALIFORNIA TRANSPORTATION COMMISSION

Meeting Date: December 10-11, 2003

Reference No.: 2.5e.
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: Jim Nicholas
Division Chief
Transportation Programming

Ref: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-03-04**

RECOMMENDATION:

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

FINANCIAL RESOLUTION:

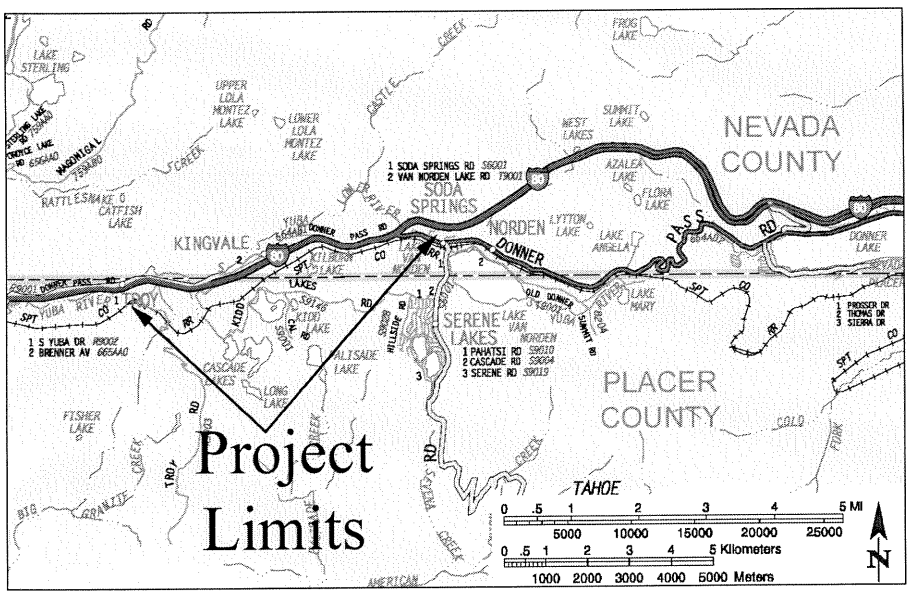
Resolved that $54,000 be allocated from the Budget Act of 2003, from Budget Act Items 2660-302-0042 and 2660-302-0890 to provide additional funds for the project listed below.

SUMMARY AND CONCLUSIONS:

This resolution allocates $54,000 of additional State and Federal funds for one (1) previously approved project listed:

Project	Dist-Co-Rte	Original Vote/G11 Amount	Award Amount	Current Budget Amount	Current Allocation Revision	Revised Budget Amount	Total Increase Vote/Award
1	03-Pla-80	$16,650,000	$12,610,000	$18,610,000	$54,000	$18,664,000	48% 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
2.5e	**Supplemental Funds for Previously Voted Projects**				**Resolution: FA-03-04**
1 $54,000 Department of Transportation Placer 03N-Pla-80 66.3/69.8	Kingvale and Donner - Troy Undercrossing to Soda Springs Overcrossing also Nev - 0.1/2.4 - Rehabilitate roadway. Supplemental funds are needed for claims settlement.	1A0701 5057 1999/00 301-0042 301-0890 20.20.201.120 SHOPP	$1,570,000 $17,040,000	- -	$1,570,000 $17,040,000
		2003/04 302-0042 302-0890 20.20.201.120 SHOPP		$5,000 $49,000	$5,000 $49,000
			$18,610,000	$54,000	$18,664,000



PROJECT DESCRIPTION

The project is located in Placer and Nevada Counties on Interstate 80, at various locations from Troy Undercrossing to Soda Springs Overcrossing and from KP R12.2 to near Donner. The work included: pavement overlay on mainline, shoulders, ramps, local roads, and chain control areas; replace existing MBGR and traffic count loops; repair culverts; install overhead sign and changeable message sign; and upgrade lighting at chain control areas.

FUNDING STATUS

The project was programmed in the 1998 SHOPP (State Highway Operations Protection Program) and was allocated for $16,650,000 for construction in FY 1999-00. On August 17, 1999, the project was awarded to Kiewit Pacific Company for $12,610,000. On June 15, 2000, the Commission approved $6,000,000 in supplemental funds to allow an alternate traffic handling plan to be used since the contract's traffic handling plan raised concerns from the local residents. This request for an additional $54,000 in supplemental funds results in an overall increase of 48% over the awarded amount of the project.

REASON FOR INCREASE

The Department revised the staging, traffic management, and traffic control plans in order to mitigate and reduce disruptions to traffic, local residents, and businesses, without compromising public safety. As a result of accommodating the revised traffic-handling plans, construction completion was delayed by one year.

The Department paid the contractor, Kiewit Pacific Company, for the direct costs of the additional work throughout the life of the contract. The Department was unable to address Kiewit's additional overhead costs until after construction was completed and an audit performed. After the contract was accepted and the audit was completed, the Department submitted the proposed final estimate (PFE) to the contractor on September 23, 2002. The contractor objected to this estimate, and seeks an additional compensation for $792,611.51 for overhead costs incurred resulting from the one-year delay of the construction contract completion.

The Department and the contractor have reached a tentative agreement, subject to Commission's approval of the supplemental funds, to settle all claims including Kiewit's additional overhead costs and interests through December 2003 for $409,000. After applying all remaining funds on the project to the settlement, an additional $54,000 is still needed to close out this project.

FUNDING OPTIONS

Option A: Approve this request as presented above for $54,000 to allow the close-out of the construction contract of this project.

Option B: Since all work has been completed and contract is accepted, denial of this request would most likely result in the contractor filing for arbitration and further legal actions to recuperate the cost. The future cost to resolve these issues would most likely be greater than the current request.

RECOMENDED OPTION

The Department recommends OPTION A as presented above for $54,000 to close out this construction contract.