

Memorandum

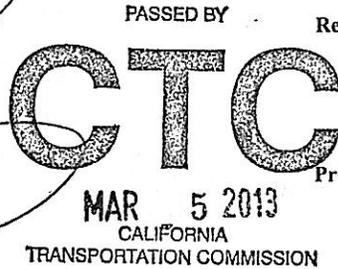
TAB 98

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 5, 2013

From: NORMA ORTEGA  
Chief Financial Officer

Reference No.: 2.1c.(1b)/2.5e.(1)  
Action Item



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Division Chief  
Transportation Programming

Subject: ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT AND CORRIDOR MOBILITY IMPROVEMENT ACCOUNT PROJECT BASELINE AMENDMENT RESOLUTION FA-12-16  
RESOLUTION CMIA-PA-1213-17, AMENDING RESOLUTION CMIA-AA-1112-015

**RECOMMENDATION:**

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$840,000 in State Transportation Improvement Program (STIP) funds (\$420,000 Regional Improvement Program [RIP] and \$420,000 Interregional Improvement Program [IIP]) and amend the Proposition 1B Corridor Mobility Improvement Account (CMIA) baseline agreement for the La Barr Meadows Widening Project (PPNO 4107) in Nevada County.

**ISSUE:**

Additional funds are needed for one previously voted multi-funded project in order to complete construction.

**RESOLUTION:**

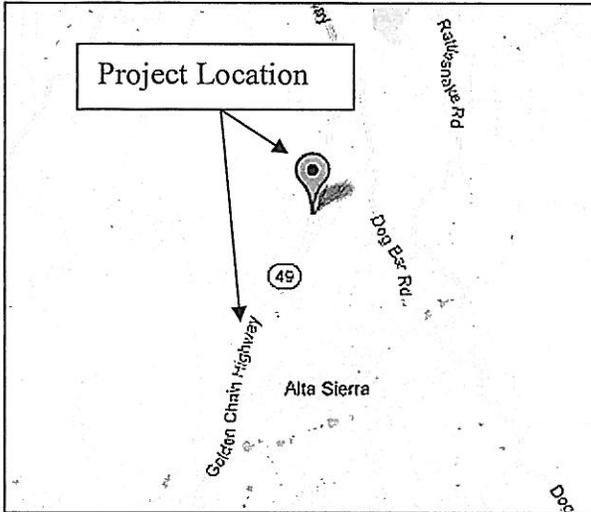
Resolved, that \$420,000 from the Regional Improvement Program and \$420,000 from the Interregional Improvement Program be allocated from the Budget Act Item of 2012, Budget Act Item 2660-301-0042, to provide additional funds for the project identified below.

Project	Dist-Co-Rte	Funds	Original Allocated Amount	Current Allocation	Allocation Adjustment	Revised Allocation	% Increase Above Current Allocation
1	03-Nev-49	CMIA	\$12,648,000	\$5,755,000	\$0	\$5,755,000	0.0%
		IIP	\$1,926,000	\$1,926,000	\$420,000	\$2,346,000	21.8%
		RIP	\$1,926,000	\$1,926,000	\$420,000	\$2,346,000	21.8%
		Total	\$16,500,000	\$9,607,000	\$840,000	\$10,447,000	8.7%

Note: Current CMIA allocation reflects allocation and award savings.



**PROJECT LOCATION:**



**Nevada County**

**FUNDING STATUS**

The Commission allocated \$12,648,000 of Proposition 1B CMIA funds and \$1,926,000 RIP and \$1,926,000 IIP funds in January 2010. The construction contract was awarded in May 2010 with an authorized budget of \$9,607,000; comprised of \$5,755,000 CMIA, \$1,926,000 RIP and \$1,926,000 IIP. In November 2010, the Commission de-allocated \$6,893,000 of CMIA.

Construction is scheduled to be completed by July 2013. However, an additional \$840,000 is needed due to unforeseen and uncontrollable issues that developed during the life of this contract. The increase is proposed to be funded by STIP – 50/50 RIP/IIP.

**REASONS FOR INCREASE**

A number of work items have led to cost overruns on this project. These items include a new Construction General Permit (CGP) for storm water discharges, drainage system modifications, increased traffic handling and a low asphalt price index at time of contract award plus a few miscellaneous issues, as described below.

New Construction General Permit - A new National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharges Associated with Construction and Land Disturbance (Order No. 2009-0009-DWQ), CGP, went into effective July 1, 2010, a month after the project was awarded. The new CGP called for a recalculation of the project's risk level. The new calculation increased the risk level, resulting in more stringent storm water requirements and increased costs to the Department. **Cost to date: \$322,500** (Costs continue at \$15,000 per month.)

Drainage Modifications - During construction several drainage systems experienced erosion problems on and off the State right of way. **Cost: \$197,000**

Increased Traffic Handling - This project constructs a new signalized intersection including two frontage roads to eliminate cross traffic from local residents and four mobile home facilities. The project plans specified the signalized intersection to be operational in the last stage of construction. During the early stages of construction it became evident that traffic wasn't flowing through the intersection and frontage roads adequately, and changes needed to be implemented to achieve a serviceable intersection. The traffic handling improvements implemented to improve safety through the un-signalized intersection and frontage roads for three stages of construction increased the construction cost. **Cost: \$178,000**

Low Crude Oil Index at Bid - The crude oil index to compensate the contractor or credit the State for adjustments in crude oil cost fluctuations is based on the crude oil index at time of bid opening. This project bid when the index was relatively low at 426.00. Asphalt paving occurred when the index was as high as 598.4 (Aug-Oct 2012). **Cost: \$218,000**

Other additional costs

The project has already issued a number of Contract Change Orders (CCOs) for items such as underground utility conflicts, man-made buried objects, temporary lighting, unsuitable material, signing omissions and changes, driveway changes and changes in county road conforms. **Cost: \$445,700**

To fully deliver the original scope of work, it is anticipated that the final item work will exceed the Engineer's Estimate. Some of the major item increases include pipe culverts and concrete rock-slope protection: **Cost \$202,200**

The project is also expected to have some Notice of Potential Claims (NOPCs). **Estimated Cost: \$69,700**

The Resident Engineer has also identified some extra work that will be needed to fortify existing areas to ensure a well functioning project free of excessive future maintenance needs. This proposed work includes erosion control measures, shoulder stabilization, concrete rock-slope protection and various drainage modifications. **Cost: \$224,100**

Summary of Increases

Total Cost Increase:	\$1,857,200
<u>Available Project Contingency Funds</u>	<u>(\$1,025,300)</u>
Funding Request:	\$ 831,900

For the reasons listed above, the Department requests supplemental funds in the amount of \$840,000 in order to fully deliver the originally scoped project.

**FUNDING OPTIONS:**

**OPTION A:** Approve this request for supplemental funds, as presented above, for \$840,000, to complete the construction contract.

**OPTION B:** Deny this request. Significant items of work will be deleted, including rubberized open graded asphalt which provides a quieter surface and safer ride during inclement weather; permanent thermoplastic traffic striping, which has greater longevity than traditional painted traffic striping; and culvert pipe liners, all of which are intended to minimize future maintenance costs. **This option does not deliver the full project benefits as committed in the approved CMIA baseline agreement.**

**RECOMMENDED OPTION:**

The Department recommends that this request of \$840,000, as presented in Option A above, be approved to close out the construction contract.

