

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 8, 2013

PASSED BY

Reference No.: 2.5e.(3)
Action Item

From: 
STEVEN KECK
Acting Chief Financial Officer



Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-13-09

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$560,000 in Regional Improvement Program (RIP) funds for the Salinas Road Interchange project (PPNO 0032G) in Monterey County.

ISSUE:

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

RESOLUTION:

Resolved, that \$560,000 be allocated from the Budget Act of 2013, 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	05-Mon-1	CMIA ⁽¹⁾	\$24,750,000	\$14,140,000	\$0	\$14,140,000	0.0%
		RIP	\$0	\$938,000	\$560,000	\$1,498,000	59.7%
		Total	\$24,750,000	\$15,078,000	\$560,000	\$15,638,000	3.7%

Notes:

(1) Current CMIA allocation reflects de-allocation of \$10,610,000 in May 2010.

FUNDING STATUS:

The Commission programmed \$32,633,000 of Proposition 1B Corridor Mobility Improvement Account (CMIA) funds for construction in June 2007. The Commission allocated \$24,750,000 of CMIA funds for construction in May 2009. The construction contract was awarded in October 2009 with an authorized CMIA budget of \$14,140,000. In May 2010, the Commission de-programmed \$18,493,000 of CMIA funds.

In October 2012, the Department requested, and the Commission programmed and allocated, \$938,000 of RIP funds to complete construction. The additional cost was caused by contract change orders and claims related to new mitigation measures resulting from the change in status of an endangered species, a new general permit from the Regional Water Quality Control Board, Right of Way delays, higher than anticipated required payments for asphalt concrete price index adjustments, and hot mix asphalt quality control/quality assurance pay factors. Roadway construction work is now complete, and the contract is in the plant establishment period. At this time, an additional \$560,000 is needed to pay for additional costs for the work completed, and to complete the plant establishment period.

The contractor has filed approximately \$650,000 worth of Notices of Potential Claim that are still unresolved. Therefore, it is possible that another supplemental allocation will be required after the claims process is completed.

REASONS FOR COST INCREASE:

Since October 2012, the following changes have occurred, resulting in the need for an additional \$560,000 to complete construction:

- Item Overruns – A lawsuit was filed regarding a private access road that was part of the construction contract. As a result of the lawsuit, a wider and thicker access road was required, which increased the roadway excavation and cement treated base quantities. The additional cost of roadway excavation and cement treated base was \$245,000.
- Utility Delays – The previous supplemental allocation addressed delays claimed by the prime contractor. This supplemental allocation addresses an additional \$150,000 of delays claimed by a subcontractor. Prior to the previous supplemental allocation, the subcontractor had indicated verbally that they had no additional costs. Subsequently, the subcontractor filed a claim and provided substantiating documentation requiring payment.
- New Claims – The contractor has filed 80 new claims since the previous supplemental allocation. Five of those claims have been resolved totaling \$98,000. The largest of these claims, for \$69,000, compensated the contractor for aggregate base. As-built plans used to design the project indicated existing material, under the asphalt concrete, that could be re-used on the project. That material did not exist, so additional material had to be imported, and the cost of excavation increased.
- Temporary Drainage Facilities – The cost of providing temporary drainage during the life of the contract has increased by \$40,000 due to construction delays.

- Saturated Subgrade – The contractor encountered unanticipated saturated subgrade. A \$27,000 change order was issued to install a mattress drain to remove the excess water.

Lessons learned from this project include implementation of better project contingency cost controls, early resolution of contract change orders and potential claim issues, completion of utility work in advance of construction, improved utility agreements, and timely reporting back to the Transportation Agency for Monterey County. These lessons have been implemented in the management and oversight of the San Juan Road Interchange project in Monterey County.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$560,000 to complete construction.

OPTION B: Deny this request. Under this option, the Department would not be able to pay the contractor for work already completed. The contractor would be able to file a claim against the State, and if successful, the Department would be required to pay the outstanding balance with interest.

RECOMMENDED OPTION:

The Department recommends that this request of \$560,000, as presented in Option A above, be approved to complete construction.

REVISE: Salinas Road Interchange Project (PPNO 0032G):

County	District	PPNO	EA	Element	Const. Year	PMBack	PMAhead	Route/Corridor					
Monterey	5	0032G	31592	CO	2008-09	99.9	R101.5	1					
Implementing Agency: (by component)	PA&ED	Caltrans				PS&E	Caltrans						
	R/W	Caltrans				CON	Caltrans						
RTPA/CTC:	Transportation Agency For Monterey County												
Project Title:	Salinas Road Interchange												
Location	Near Watsonville, from just south of Jensen Road to Trafton Road.												
Description:	Construct interchange and convert 2-lane highway to 2-lane expressway with access control and frontage roads.												
(DOLLARS IN THOUSANDS)													
FUND	TOTAL	Project Totals by Fiscal Year						Project Totals by Component					
		Prior	12/13	13/14	14/15	15/16	16/17	R/W	CON	PA&ED	PS&E	R/W Supp	CON Supp
RIP													
Existing	11,053	9,945	1,108					4,680	938	1,558	2,950	757	170
Change	560	0	0	560				0	560	0	0	0	0
Proposed	11,613	9,945	1,108	560				4,680	1,498	1,558	2,950	757	170
IIP													
Existing	1,510	1,510								1,510			
Change	0	0								0			
Proposed	1,510	1,510								1,510			
State Bond (CMIA)													
Existing	18,568	18,568							14,140				4,428
Change	0	0							0				0
Proposed	18,568	18,568							14,140				4,428
Total													
Existing	31,131	30,023	1,108	0				4,680	15,078	3,068	2,950	757	4,598
Change	560	0	0	560				0	560	0	0	0	0
Proposed	31,691	30,023	1,108	560				4,680	15,638	3,068	2,950	757	4,598

