

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

HIGHWAY FINANCIAL MATTERS
Allocations for Supplemental Funds
Resolution: FA-00-06

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CTC Meeting: January 17-18, 2001

Agenda Item: 2.5e.

Original Signed By _____

W. J. EVANS, Deputy Director
Finance
January 5, 2001

**ALLOCATION FOR ADDITIONAL FUNDS
FOR PREVIOUSLY APPROVED PROJECT**

RESOLUTION FA-00-06

RECOMMENDATION

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

FINANCIAL RESOLUTION

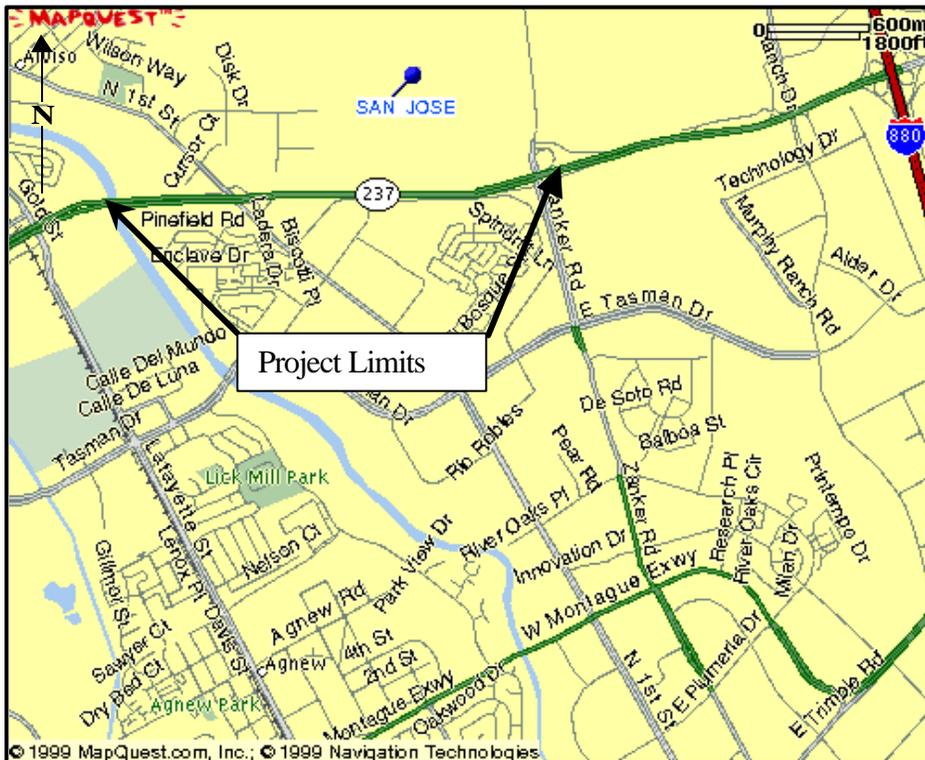
Resolved, that \$5,589,000 be allocated from Budget Act Item 2660-301-0042, Budget Acts of 1995, 1998, 1999, and 2000 to provide additional funds for the projects on the attached sheet.

SUMMARY AND CONCLUSIONS

This resolution allocates \$5,589,000 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	04-SC1-237	\$1,142,000	\$1,411,000	\$1,411,000	\$1,000,000	\$2,411,000	111% V
2	05-MON-1	\$2,513,000	\$2,092,000	\$2,892,000	\$1,144,000	\$4,036,000	93% A
3	07-LA-103	\$868,000	\$801,000	\$1,001,000	\$660,000	\$1,661,000	107% A
4	07-LA-710	\$18,335,000	-----	\$18,335,000	\$2,785,000	\$21,120,000	15% V

Project # Allocation Amount Recipient County	Location Project Description Reason for Supplemental Funds	EA PPNO Program 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 04N-SCL-237 10.3/12.9	In San Jose from Guadalupe River Bridge to Zanker Road Overcrossing. Upgrade storm drain system and install a pumping station. Supplemental funds are needed for on-going project.	438631 (0418G) 1999/00 301-0042 301-0890 20.20.075.613 STIP-RIP	\$416,739 \$993,767 \$1,410,506	\$115,000 \$885,000 \$1,000,000	\$531,739 \$1,878,767 \$2,410,506



PROJECT DESCRIPTION AND LOCATION

This project is in Santa Clara County, in San Jose, from the Guadalupe River Bridge to Zanker Road Overcrossing near Route 880. This project will construct drainage facilities and a pump station to accommodate drainage due to improvements made to Routes 237 and 880.

FUNDING STATUS

This project was programmed with a total estimated construction cost of \$3,500,000. The Santa Clara Valley Transportation Authority (VTA) secured \$2,500,000 of federal demonstration funds and \$1,000,000 of Regional Improvement Plan (RIP) funds were included in the 1998 Adopted STIP for construction in the 1999/2000 Fiscal Year. In September 1999 the STIP project was voted for \$1,142,000. In order to award the contract, a Resolution G-12 allocation of \$269,000 was made in January 2000 for a total cost of \$1,411,000. In August 2000, VTA contributed an additional \$990,000 to pay for modifications to numerous drainage systems. This request for \$1,000,000, in RIP funds combined with the previous Department delegated Resolution G-12 allocation, results in an increase of 111% over the vote amount for this contract.

BACKGROUND

The purpose of the project is to upgrade the storm drain system along Route 237 and install a pumping station. The upgrade is needed to handle increased runoff from new construction on Routes 880 and 237. The project is located near the San Jose-Santa Clara Water Pollution Control Plant and the Zanker Road Landfill.

The project was designed by a consultant for VTA with funds contributed by the City of Milpitas.

REASON FOR INCREASE

During the excavation work for the pump station, an old landfill was discovered. Required tests of the material determined that there was enough lead in the landfill to require offsite disposal of the material. Because of the contaminated material, the Contractor modified the shoring plan for the pump station excavation and ultimately had to remove a 5-foot layer of concrete that was discovered 25 feet below the ground line. The Contractor also had to drill 6 wells around the perimeter of the pump plant to de-water the excavation to place the concrete for the pump station. The Regional Water Quality Board allowed the Contractor to pump the water directly into the Guadalupe River, but these changes still resulted in a cost increase of \$450,000.

Approximately 1260 meters of the drainage pipe had to be redesigned due to conflicts with utilities that were not at the locations shown on the plans and a higher water table. The redesign requires additional trenching and excavation work as well as hauling excess trenching material off the job site. An additional \$550,000 is needed to compensate the Contractor for this change.

FUNDING OPTIONS

OPTION A: Approve the Department's request for \$1,000,000 in supplemental funds needed to proceed with this project.

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

There is no portion of work that can be eliminated without compromising the integrity of the drainage system. Denying this request would leave the storm water drainage system incapable of handling future storm water flows that could potentially flood the freeway.

RECOMMENDED OPTION

The Department, Metropolitan Transportation Commission and Valley Transportation Authority recommend OPTION A, as presented above for \$1,000,000, to allow this project to be completed as originally scoped.

Project # Allocation Amount Recipient County	Location Project Description Reason for Supplemental Funds	EA PPNO Program Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2 \$1,144,000 Department of Transportation Monterey 05N-Mon-1 34.5 KP	Near Lucia north of Limekiln Creek Bridge. Construct sidehill viaduct. Supplemental funds are needed for on- going project.	404301 (0005P) 1996/97 301-0042 301-0890 20.20.201.130 SHOPP	\$331,600 \$2,559,900 \$2,891,500	\$131,000 \$1,013,000 \$1,144,000	\$462,600 \$3,572,900 \$4,035,500



PROJECT LOCATION & DESCRIPTION

The project is in Monterey County, near Lucia, about 0.8 km north of Limekiln Creek Bridge at the area known as “Rainrocks.” The project constructed a 114-meter long, two-lane, sidehill viaduct.

FUNDING STATUS

The project was funded by a Resolution G-11 Major Damage Restoration allocation in June 1997 for \$2,513,000. In July 1997 the project was awarded for \$2,091,500. An additional \$800,000 Resolution G-11 allocation was made in February 1998 to install a permanent screen over a rock face above the viaduct to prevent falling rocks from endangering motorists and construction crews. This request of \$1,144,000 represents an increase of 93% over the award amount for this contract.

BACKGROUND

The viaduct replaced a cribwall that failed during winter storms and closed a portion of the southbound lane. The new structure is supported on piles. During construction of the viaduct the project was shut down due to falling rocks from the rock face above the construction site.

REASON FOR INCREASE

After the completion of construction, two outstanding claims were settled by a Board of Review for differing site conditions during pile operations and for unanticipated caving of rock and soil materials. The agreement settles all claims with the Contractor for the estimated sum of \$875,500 plus interest and return of liquidated damages. The estimates for interest and liquidated damages are \$230,000 and \$49,000, respectively for a total estimated settlement of \$1,154,500. The remaining contingency balance in the project is \$10,500 so \$1,144,000 in additional funds is needed to compensate the Contractor.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for \$1,144,000 to allow the full settlement of all claims on the contract.

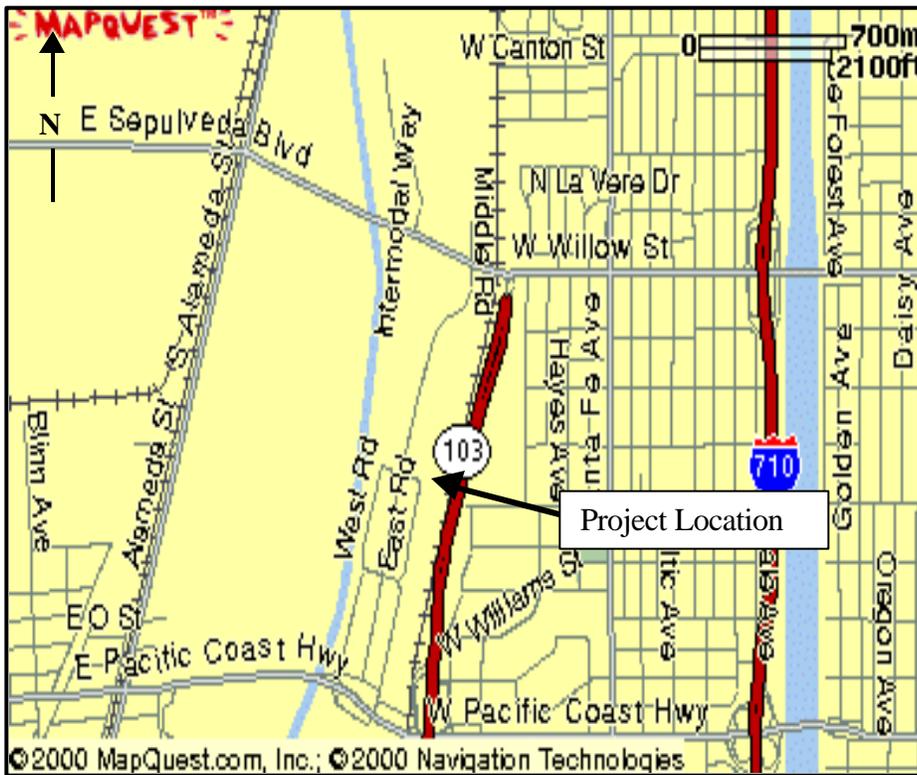
OPTION B: Deny this request in which case the Contractor would need to pursue arbitration to recover any costs for which they may be entitled.

Delaying payment may cause additional interest to accrue and increase the final cost.

RECOMMENDATION

The Department recommends that this request for \$1,144,000, as presented in Option A above, be approved to allow this contract to be closed.

Project # Allocation Amount Recipient County	Location Project Description Reason for Supplemental Funds	EA PPNO Program Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
3 \$660,000 Department of Transportation Los Angeles 07S-LA-103 6.2	In Long Beach south of West Willow Street. Environmental mitigation Supplemental funds are needed for on- going project.	196101 (2300) 1999/00 301-0042 301-0890 20.20.201.330 SHOPP	\$1,000,500 \$1,000,500	\$76,000 \$584,000 \$660,000	\$76,000 \$1,584,500 \$1,660,500



PROJECT DESCRIPTION

The project is in Los Angeles County, in Long Beach, south of West Willow Street. The project will mitigate hydrocarbon-impacted soil under the oversight of the California Regional Water Quality Control Board (RWQCB).

FUNDING STATUS

The project was programmed in the 2000 SHOPP for \$868,000 for construction in the 1999/2000 Fiscal Year. In June 2000 the project was voted for the programmed amount and awarded in August 2000 for \$801,000. The Department used its authority under Resolution G-12 to allocate \$200,000 of additional funds in December 2000 to fund de-watering efforts. This request of \$660,000 represents an accumulative increase

of 107% over the award amount for this contract.

BACKGROUND

The project will remove and dispose of contaminated soil from a 112-meter by 14-meter area that encompasses an unlined storm drain channel. The depths of removal vary between 4.5 meters and 6 meters and the contaminated soil will be disposed of at a Class II landfill facility. The project is located near the Port of Los Angeles and numerous oil refineries in Wilmington. The construction site is located just west of the Terminal Island Freeway in a section between Pacific Coast Highway and West Willow Street that is to be relinquished to the City of Long Beach.

As part of the relinquishment process, an initial site assessment and three site investigation reports were prepared. All reports showed soil contamination in the area, primarily petroleum hydrocarbons.

REASON FOR INCREASE

The contaminated material that has been removed from the channel has had a higher water content than what testing indicated. The Class II landfill facility will only accept the material if the high moisture content in the soil can be decreased to an acceptable level for fear that the water will react with other contaminants in the landfill. Removing the moisture from the contaminated soil has resulted in a cost increase of \$535,000.

The RWQCB is requiring that a permanent water bypass system be installed to avoid winter flows through the channel. The RWQCB is concerned that winter storm water flows through the channel will drive contaminants deeper into the soil and require further soil removal. This has resulted in a cost increase of \$125,000.

FUNDING OPTIONS

OPTION A: Approve the Department's request for \$660,000 in supplemental funds needed to proceed with this project.

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

The Department considered this option. As part of the relinquishment agreement with the City of Long Beach, the Department is required to remove and dispose of the existing contaminated soil. Denial of this request could result in the hydrocarbons and heavy metals penetrating further into the soil.

RECOMMENDED OPTION

The Department recommends OPTION A, as presented above for \$660,000, to allow this project to be completed as originally scoped.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Program Year Item # Prgm Codes	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
4 \$2,785,000 Department of Transportation Los Angeles 07S-LA-710 6.8/9.7	In Long Beach on Route 710 from Pacific Coast Highway to the 405 Freeway. Rehabilitate roadway and upgrade guardrail. Supplemental funds are needed to award project.	1384U1 (0191M) 1999/00 301-0042 301-0890 20.20.201.120 SHOPP	\$2,103,000 \$16,232,000 \$18,335,000	\$320,000 \$2,465,000 \$2,785,000	\$2,423,000 \$18,697,000 \$21,120,000



PROJECT DESCRIPTION

The project is in Los Angeles County on Route 710 between the Pacific Coast Highway (Route 1) and Route 405. The work involves pavement rehabilitation utilizing a Longer Life Asphalt Concrete strategy, including median and shoulder reconstruction, replacement of the median metal beam guard railing with concrete barrier, construction of maintenance pull outs, and minor textured AC work at selected locations. The rehabilitation strategy is to crack, seat and overlay the existing pavement with 9 inches of Longer Life Asphalt Concrete (AC) topped by an open graded rubberized AC wearing surface. The full structural section will be replaced at four overcrossing locations to maintain standard vertical clearances.

FUNDING STATUS

The project was programmed in the 2000 SHOPP for \$13,348,000 for construction in the 1999/2000 Fiscal Year. The project was voted in July 2000 for \$18,335,000. This request of \$2,785,000 represents an increase of 15% over the voted amount for this contract

BACKGROUND

A project to rehabilitate Route 710 between Pacific Coast Highway (Route 1) and Long Beach Boulevard was first proposed in October 1993. The original scope of work at that time was rehabilitation of the Portland Cement Concrete (PCC) pavement and widening of right shoulders from 8-foot to the standard 10-foot width from Route 1 to Long Beach Boulevard. In March 1997, the original project and a median barrier upgrade project were combined into one project with a total estimated cost of \$13,348,000.

In September 1998, the Department's Pavement Design Department proposed this project as a pilot project for Asphalt Concrete Longer Life Pavement (ACLLP). A committee composed of members from the Department, the University of California- Berkeley, and the Asphalt Industry conferred on the overlay strategy, constructability and traffic handling for this pilot project. Because the ACLLP strategy has a higher initial cost, the limits of the project were reduced and the eliminated work will be completed in a separate future contract.

REASON FOR INCREASE

The lowest Contractor's bid for this project was substantially higher than the Engineer's Estimate. Analysis of the bids indicate that the increase in cost is predominantly concentrated in traffic control, mobilization and concrete barrier. The Traffic Control System item bid was approximately \$1,450,000 higher than the Engineer's estimate; the Mobilization item was approximately \$250,000 over; the Type 60W Concrete Barrier item was approximately \$775,000 higher; and the Type 60 Modified Concrete Barrier item was over by about \$310,000. There were three bids on the project. The difference between the low bid and the high bid was approximately \$1,350,000. The spread between the second and third highest bidder was less than \$11,000.

This portion of the Long Beach Freeway serves as a major link for vehicles and truck traffic between the Port of Long Beach and the entire Los Angeles area. The low bid Contractor stated that traffic control restrictions for the project was the primary reason for the higher than anticipated bid. Due to traffic handling requirements, the concrete median barrier work will be done at night when traffic flows are much lighter and construction equipment can be mobilized with less impact on the traveling public.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for \$2,785,000 to allow this project to be awarded and expedited.

OPTION B: Deny this request and direct the Department to reject all the bids and re-advertise the contract.

Analysis of the current bids indicate that re-advertising the project will not produce bids lower than the current amount.

RECOMMENDED OPTION

The Department recommends that this request for \$2,785,000, as presented in Option A above, be approved to allow this project to be awarded to the lowest bidder.