

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: June 25-26, 2003

Reference No.: 2.5e.
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

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Transportation Programming

Ref: ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-02-10

RECOMMENDATION:

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

FINANCIAL RESOLUTION:

Resolved that \$369,000 be allocated from the Budget Act of 2002, from Budget Act Items 2660-302-0042 and 2660-302-0890 to provide additional funds for the projects listed below.

SUMMARY AND CONCLUSIONS:

This resolution allocates \$369,000 of additional State and Federal funds for one (1) previously approved project listed below:

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original</u> <u>Vote/G11</u> <u>Amount</u>	<u>Award</u> <u>Amount</u>	<u>Current</u> <u>Budget</u> <u>Amount</u>	<u>Current</u> <u>Allocation</u> <u>Revision</u>	<u>Revised</u> <u>Budget</u> <u>Amount</u>	<u>Total</u> <u>Increase</u> <u>Vote/Award</u>
1	05-SB-101	\$2,672,000	\$2,893,072	\$3,256,000	\$369,000	\$3,625,000	36% V

BACKGROUND

This project replaces the Micheltorena Street Overcrossing that was built in 1963. Inspections revealed severe cracking of the abutments, footings, and column of the structure. The bridge joins two parts of the community bisected by the freeway, and is frequently used by pedestrians and bicycles in this community. Completion of this project is vital to the local community.

FUNDING STATUS

The project was programmed in the 1998 SHOPP for \$2,672,000 for construction in the 2000/01 Fiscal Year. A supplemental vote for an additional \$801,000 was allocated in December 2001 for cost increase due to structure cost inflation, update to pile standards, and additional safety mitigation to include a separate temporary pedestrian bridge. Project was allocated a total of \$3,473,000 after supplemental funds were approved by the Commission.

The project was awarded to C A RASMUSSEN INC in May 28, 2002 for \$2,893,072. With a G-12 adjustment after the award of the contract of (- \$217,000), the project's allocation was adjusted to \$3,256,000. This request for \$369,000 in supplemental funds results in an overall increase of 36% over the vote amount.

REASON FOR COST INCREASE

The Micheltorena Street Overcrossing crosses over Highway 101, Mission Creek, and the existing Union Pacific Rail Road (UPRR) tracks. The project was originally allocated construction funding in December of 2000.

The delay in advertising the project in 2001 was due to the UPRR Company's refusal to sign the Construction and Maintenance (C & M) Agreement and their legal challenge to the Order of Possession over the value associated with the transverse crossings. On September 5, 2001, the court granted the Order of Possession for permanent easement.

Ensuing negotiations between the Department and UPRR Company resulted in a March 13, 2002 letter by the UPRR Company to the Department stating that UPRR Company will sign all necessary approvals for the Micheltorena project. The Department proceeded to advertise and award the contract based on this agreement. A Temporary Construction Easements (TCE) was approved. On April 5, 2002, the Construction and Maintenance Agreement and associated Permit-to-Enter were executed. The project was awarded on May 28, 2002 and construction began on June 25, 2002. However, compensation for the parcels and extension of the TCE were not settled with UPRR Company until May 2003, nearly half way through construction of the project.

Additional delay was encountered with UPRR Company's review of contractor's plan submittals. Although 10 weeks are provided for the railroad company to review the contractor's falsework submittals, UPRR Company delayed its review of the pedestrian overcrossing's falsework submittals for an additional 41 days beyond the 10 weeks. Another delay, resulting in an additional 4 days, are due to

REASON FOR COST INCREASE (Con't)

the failure of Union Pacific Railroad Company flaggers to show up during construction work adjacent to the railroad tracks, as agreed upon in the C&M Agreement.

As the result of these delays and additional traffic control, all available contingency funds have been allocated. Approval of this supplemental funds request is needed to avoid future shut down of the project if there are additional change orders for unforeseen works or for outstanding costs incurred. The delays have taken all remaining funds and \$369,000 is needed to complete the construction of the bridge. The Department is currently considering action against UPRR Company to recover the delay costs.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for \$369,000 to allow the completion of construction on this project.

OPTION B: Deny this request and direct the Department to deliver the project within the allocated funds. The Department considered this option. However, there are few options when replacing a bridge. The available contract items being considered for cost savings include the elimination of the environmental mitigation, slope paving adjacent to the railroad and the substitution of temporary K-rail for permanent railing. These actions would allow the next two stages of bridge's work to be completed. The eliminated items would break the commitments made for environmental mitigation and to the railroad (slope paving), compromise the safety of the travelling public, and will cost more to replace in the future.

RECOMMENDED OPTION

The Department recommends OPTION A as presented above for \$369,000, to allow the completion of construction on this project.