

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 7-8, 2010

Reference No.: 2.5e.(2)  
Action Item

From: NORMA ORTEGA  
Chief Financial Officer

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Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS  
RESOLUTION FA-09-14**

## **RECOMMENDATION:**

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$1,200,000 for Segment 3 of the Route 101 HOV Lane Gap Closure project (PPNO 0342L, TCRP 31) in Marin County.

## **ISSUE:**

Additional funds are needed for one previously voted State Transportation Improvement Program (STIP), State Highway Operation and Protection Program (SHOPP), and Traffic Congestion Relief Program (TCRP) project in order to close-out the construction contract.

## **RESOLUTION:**

Resolved, that \$965,000 be allocated from the Non-Budget Act Item 2660-801-3008 and \$235,000 be allocated from the Budget Act of 2009, Budget Act Item 2660-302-0042 to provide additional funds for the project identified below.

<b>Project</b>	<b>Dist-Co-Rte</b>	<b>Current Budget (All Funds)</b>	<b>Budget Adjustment</b>	<b>Revised Budget</b>	<b>% Increase Above Current Budget</b>
1	04-Mrn-101	\$55,503,000	\$1,200,000 (\$965,000 RIP, \$235,000 SHOPP)	\$56,703,000	2.2%

Project # Allocation Amount Recipient RTPA/CTC County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Fund Type Program Codes Program	Current Amount by Fund Type	State Federal Additional Allocation	Revised Amount by Fund Type
<b>2.5e.(2) Supplemental Funds for Previously Voted Project</b>			<b>Resolution FA-09-14</b>		
2 \$1,200,000 Department of Transportation MTC Marin 04N-Mrn-101 15.5/17.8	Near Corte Madera south of Lucky Drive to north of San Pedro Road. Widen for HOV lanes.  This corridor project is being delivered in four roadway segments. This request is for Supplemental funds that are needed to close-out Segment 3 (Central San Rafael Project) construction contract.  Final Right of Way Estimate, which has been previously deferred, will now be reported at the May 2010 Commission meeting.  (Future Consideration of Funding – Resolution E-01-22, June 2001.)  (Contributions from other sources: \$1,726,000)  (\$600,000 TCRP is a portion of \$2,756,000 that was allocated [under delegated authority] in July 2001 to earlier segments of the corridor)  (\$10,125,000 TCRP represents Construction Capital portion of the total allocated amount of \$12,249,000.)  Total Revised Amount: \$56,703,000.	2261V1 04-0342L GF RIP/05-06 301-0042 SHA 301-0890 FTF 20.20.075.400  RIP/05-06 301-0042 SHA 301-0890 FTF 20.20.075.600  RIP/05-06 301-0042 SHA 301-0890 FTF 20.20.075.600  SHOPP/05-06 302-0042 SHA 20.20.201.121 SHOPP/05-06 302-0042 SHA 20.20.201.120  TCRP/01-02 899-3007 TCRF 20.20.710.870  TCRP/05-06 899-3007 TCRF 20.20.710.870  RIP/09-10 801-3008 TIF  SHOPP/09-10 302-0042 SHA 20.20.201.120	\$2,110,000  \$16,282,000  \$153,000 \$1,177,000  \$1,248,000 \$9,632,000  \$5,650,000 \$6,800,000  \$600,000  \$10,125,000	-  -  - -  - -  - -  - -  - -	\$2,110,000  \$16,282,000  \$153,000 \$1,177,000  \$1,248,000 \$9,632,000  \$5,650,000 \$6,800,000  \$600,000  \$10,125,000  \$965,000  \$235,000



In order to close-out the contract, there is now a need for an additional \$1,200,000. That will result in an increase of 2.2 percent over the current allotment. Based upon actual work items that resulted in the budget shortfall, the split between the RIP and the SHOPP funds works out to \$965,000 and \$235,000, respectively.

### **REASONS FOR COST INCREASE:**

The reasons for the total deficit of \$1,200,000 can be attributed to three items:

#### **1) Hazardous/Contaminated Materials Handling/Disposal (\$786,361):**

Areas to be excavated were characterized as hazardous/contaminated material after field sampling and testing was performed. The final volume of hazardous/contaminated soils excavated on the project, which required special handling and disposal at an authorized Class II facility, exceeded the Supplemental Work funds allocated for these work items. Excessive groundwater, some of which was contaminated, was also encountered in various excavations. The groundwater also required special handling and disposal. The excess hazardous/contaminated soils/groundwater was encountered mostly outside of the existing freeway mainline. A minimal (less than 0.2 percent) of the hazardous/contaminated soils/groundwater can be attributed to freeway rehabilitation work. Therefore, this overrun should be funded by RIP funds.

#### **2) Adjustments for Asphalt Price Index Fluctuation (\$349,806):**

Due to consistent and sharp increases in the price of oil during 2008, the adjustments for price index fluctuation payments for the asphalt items exceeded the Supplemental Work funds allocated for these items. This project was bid in December 2005. The placement of asphalt, however, did not occur until 2008, after the oil prices had sky-rocketed. The overrun due to adjustment for asphalt price can be attributed to both the rehabilitation and widening of the freeway. This overrun should be funded by both RIP and SHOPP funds. Based on actual asphalt quantities used, the cost breakdown between rehabilitation and widening work comes out to be 51 and 49 percent, respectively.

#### **3) Approach Slab Repair (\$63,833):**

The approaches at the north end of the Cal-Park Overhead (Bridge Number. 27-0007R/L) had settled during the progress of this contract. This caused an unacceptable dip at the interface between the pavement and the structure. A Contract Change Order (CCO) was executed to fix the problem. The cost for these repairs should be funded by SHOPP funds.

A total of \$1,879,000 was spent for above described three work items. The final costs and hence the ultimate overruns for these items were not fully realized until the end of the project, when all of the hazardous/contaminated soils were disposed of and the asphalt concrete items were completed. With \$679,000 available in remaining contingency funds, additional \$1,200,000 in supplemental funds is needed to close out of the contract.

**FUNDING OPTIONS:**

**OPTION A:** Approve this request for supplemental funds, as presented above, for \$1,200,000 to close-out construction contract.

**OPTION B:** Deny this request and require the contractor to pursue legal action.

**RECOMMENDED OPTION:**

The Department recommends that this request of \$1,200,000, as presented in Option A above, be approved to close-out construction contract.