

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 7-8, 2010

Reference No.: 2.8b.(3)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Division Chief
Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR LOCALLY-ADMINISTERED STIP PROJECTS, PER RESOLUTION G-06-08, WAIVER-10-15**

RECOMMENDATION:

The California Department of Transportation recommends the California Transportation Commission (Commission) approve the request by the city of Los Angeles (City) to extend the period of contract award for the Broadway Sidewalks Reconstruction Phase II Transportation Enhancement (TE) project (PPNO 07-3159) for five months, to September 30, 2010.

ISSUE:

On October 15, 2009, the Commission approved Resolution FP-09-12, allocating \$2,000,000 for the Broadway Sidewalks Reconstruction Phase II TE project. The City anticipates being unable to award the contract prior to the award deadline of April 30, 2010, due to the result of a recent audit by the Federal Highway Administration (FHWA). The City requests a five-month time extension to September 30, 2010.

BACKGROUND:

The City submitted a Request for Authorization to Proceed with Construction (E-76) on November 10, 2009, but has not yet received approval from the FHWA. The FHWA National Review Team (NRT) recently visited Southern California and reviewed the City's federally funded projects, and found shortcomings in some of the City's projects. The City is currently working with the NRT to resolve these shortcomings. Meanwhile the Department is performing a review of the City's projects. Until the issues are resolved and the review is completed, the FHWA will not approve E-76s for any of the City's projects. Although no issues have thus far been identified in regard to the Broadway Sidewalks Reconstruction Phase II, the project is subject to the hold on E-76s. The City anticipates that the issues will be resolved by the end of March 2010.

Also, the City anticipates that a longer than usual advertisement period will be needed for this project because it will involve replacement of structural supports in ten different basements along South Broadway in downtown Los Angeles. Before bidding, bidders will have to visit the individual basements to assess each unique support structure and the sidewalks over each basement. As a result, the City will need to extend the advertisement period to three months. The City plans to advertise the project in April 2010, open bids in June 2010, review bids in July 2010, and award a

contract in August 2010. The City requests a five-month time extension to September 30, 2010, to allow sufficient time to award if problems arise during the bid process.

In June 2006, the Commission adopted Resolution G-06-08, which requires the agency implementing a project to request a time extension if the project will not be awarded within six months of the allocation. STIP Guidelines stipulate that the Commission may approve a waiver to the contract award deadline one time only for up to 20 months in accordance with Section 14529.8 of the Government Code.