

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 19-20, 2011

Reference No.: 2.5e.(5)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS**
RESOLUTION FA-10-11

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$1,500,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one previously voted project in order to close out the contract.

RESOLUTION:

Resolved, that \$1,500,000 be allocated from the Budget Act of 2009, Budget Act Item 2660-302-0890 and 2660-302-0042 to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original allocated Amount</u>	<u>Original Award Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	11-SD-15	\$6,330,000	\$5,172,000	\$5,522,000	\$1,500,000	\$7,022,000	27.2%

Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program/Year Budget Year Item # Fund Type	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(5) Supplemental Funds for Previously Voted Projects			Resolution FA-10-11		
\$1,500,000	In San Diego and Escondido, from south of Miramar Way to Mission Road. Rehabilitate Roadway.	11-0678 SHOPP/03-04 2003-04 302-0042 SHA	\$436,000		\$436,000
San Diego 11S-SD-15 M13.0/R50.9	Supplemental funds needed to close out construction contract	302-0890 FTF	\$4,736,000		\$4,736,000
	Total Revised Amount: \$7,022,000	11-0678 SHOPP/03-04 2006-07 302-0042 SHA	\$30,000		\$30,000
		302-0890 FTF	\$320,000		\$320,000
		11-0678 SHOPP/03-04 2009-10 302-0042 SHA		\$126,000	\$126,000
		302-0890 FTF		\$1,374,000	\$1,374,000

RECOMMENDATION:

The Department recommends that this request for \$1,500,000 be approved to allow the Department to close out the contract.



PROJECT DESCRIPTION:

The project is located on Route 15 in San Diego County in the city of Escondido. This project rehabilitated 50 ramps which included cold planing and replacing AC pavement with Rubberized Asphalt Concrete (RAC) Type G.

FUNDING STATUS:

This SHOPP project was voted in June 2004 for \$6,330,000 and awarded for \$5,172,000 in September, 2004. During construction, an additional \$350,000 was allocated under G-12 authority. The current allocation is \$5,522,000. The project is completed but there are insufficient funds to pay for the settlement of claims. An additional \$1,500,000 in supplemental funds is needed. This request for supplemental funds will result in an overall increase of 27.2 percent over the current allocation.

REASONS FOR COST INCREASE:

The project consisted of pavement rehabilitation of urban area interchange ramps, using rubberized asphalt concrete (RAC), with night-time work windows. The advertising and award schedule of the project resulted in the first working day in December 2004. The project was immediately suspended by the Department due to nightly temperatures below the minimums specified for placing RAC. Later the Department required the contractor to start work on April 1, 2005.

The contractor mobilized a specialized subcontractor with plant equipment to produce RAC and was ready to pave on April 1, 2005, however, unseasonably cold nightly temperatures persisted into May and the Resident Engineer did not allow the contractor to pave. During this time, the plant equipment subcontractor demobilized for other commitments that lasted until the Fall of 2005. The Department granted a time extension for the project. However, by the time the contractor was able to mobilize again, the nightly temperatures had fallen below the required 55 degrees Fahrenheit. The Department again granted a time extension until the following Summer of 2006.

From the original bid in the Fall of 2004 and the actual placing of the RAC in the Summer of 2006, the contractor's original material supplier agreements expired and the contractor was forced to pay higher market prices at that time. Additionally, due to the long delay in completing this project, additional overhead costs were also incurred by the contractor, as well as additional mobilization costs.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$1,500,000 to close out the contract.

OPTION B: Deny this request and allow the contractor to pursue the contract claim through legal action.

RECOMMENDED OPTION:

The Department recommends that this request of \$1,500,000, as presented in Option A, above, be approved to allow the Department to close out the project.