

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: September 15, 2011

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

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-11-05**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$691,000 for the I-215 Construct Auxiliary Lanes (Inland Center Drive to Second Street) project (PPNO 0247C) in San Bernardino County.

ISSUE:

Additional funds are needed for one previously voted State Transportation Improvement Program (STIP) project in order to close out the construction contract.

RESOLUTION:

Resolved, that \$691,000 be allocated from the Budget Act Items 2660-301-0042 and 2660-301-0890 to provide additional funds for the project identified below.

Project	Dist-Co-Rte	Current Budget (RIP)	Budget Adjustment (RIP)	Revised Budget (RIP)	% Increase Above Current Budget
1	08-SBd-215	\$7,649,000	\$691,000	\$8,340,000	9.0%

Project # Allocation Amount Recipient <u>RTPA/CTC</u> County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program Funding Year Item # Fund Type Program Codes Project ID Adv Phase EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	Revised Amount by Fund Type
2.5e.(5) Supplemental Funds for Previously Voted Project					Resolution FA-11-05
1 \$691,000 Department of Transportation SANBAG San Bernardino 08S-SBd-215 5.5/10.5	In San Bernardino, from Inland Center Drive overcrossing to north of 215/30 Separation. Construct one northbound and one southbound auxiliary lane, right-of-way for high occupancy vehicles. Outcome/Output: Construction of the auxiliary lanes will lessen the number of accidents that result from concentrated merge and diverge maneuvers at ramp termini on this segment of freeway. Supplemental funds needed to pay for an Arbitration Agreement. Total Revised Amount: \$8,339,900	08-0247C STIP 1997-98 301-0042 SHA 301-0890 FTF 20.20.101.610 0800000002 4 007111 STIP 2011-12 301-0042 SHA 301-0890 FTF 20.20.075.600	\$644,800 \$7,004,100	\$58,000 \$633,000	\$644,800 \$7,004,100 \$58,000 \$633,000

RECOMMENDATION:

The Department recommends that this request for \$691,000 in RIP funds be approved to allow the Department to close-out construction contract for the I-215 Construct Auxiliary Lanes (Inland Center Drive to Second Street) project.

PROJECT DESCRIPTION:

This project is located on Route 215 in the city and county of San Bernardino, from Inland Center Drive to the Second Street. The project scope consists of constructing northbound auxiliary lanes at two locations, a southbound auxiliary lane at one location and a two-lane northbound off-ramp at Second Street. The roadway widening involves three structures.

FUNDING STATUS:

This grandfathered STIP project was allocated \$5,499,000 RIP in November 1998. Using G-12 funds, the contract was awarded in December 1998 for a total project allotment of \$6,097,000. Subsequently, \$152,000 in G-12 funds was allocated during construction. At its August 1999 meeting, the Commission allocated \$1,400,000 in supplemental RIP funds to deal with the impacts of unanticipated asbestos containing material (ACM) that was exposed during the earthwork operations for the auxiliary lanes. That brought the total project allotment to its current amount of \$7,649,000.

REASONS FOR COST INCREASE:

After construction was completed, the Department issued the Proposed Final Estimate in May 2001. The contractor claimed in the “Exceptions to the Proposed Final Estimate” the damages caused by an asbestos deposit on the job-site. During the dispute review process, the Department contended that the contractor’s license had expired and, therefore, refused to conclude the review process. For the next several years, this issue was extensively litigated. Due to these delays, the arbitration did not commence until 2010. The arbitration process was concluded in March 2011, when the Arbitrator issued the final award to the contractor in the amount of \$1,123,000 (including interest).

The Department has already made a partial payment of \$432,200 towards this claim. That payment was made using all the remaining funds that have been previously allocated to the project. An additional \$691,000 in RIP funds are needed to pay-off the entire claim.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$691,000 to close-out construction contract.

OPTION B: Deny this request. The Department does not believe that it would be in the best interest of the public to appeal the final award as it will result in further litigation and the Department liability will increase.

RECOMMENDED OPTION:

The Department recommends that this request of \$691,000, as presented in Option A above, be approved to close-out construction contract for the I-215 Construct Auxiliary Lanes (Inland Center Drive to Second Street) project.