

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 23, 2012

Reference No.: 2.5e.(1)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Kurt Scherzinger
Acting Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-11-22**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission allocate an additional \$380,000 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 construction contract.

RESOLUTION:

Resolved, that \$380,000 be allocated from the Budget Act of 2011, Budget Act Item 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	04-Ala-238	\$16,603,000	\$16,920,000	\$18,463,300	\$380,000	\$18,843,300	2.1%

PROJECT DESCRIPTION:

This project is located in Alameda County near San Leandro from Route 880 to Route 580. The 2000 Pavement Management Survey revealed that the existing pavement on Route 238 exhibited defects such as patching, moderate alligator cracking and faulting. The need to rehabilitate Route 238 was first identified in the Project Scope Summary Report approved in 2001 by the Department using Long Life Pavement (LLP) strategy. Citing budgetary constraints, it was later down scoped to standard rehabilitation strategy in 2003. This project was combined with the Route 238 widening project sponsored by Alameda County Transportation Improvement Authority (ACTIA). The combined projects were delivered as one contract in the I-238 widening and rehabilitation project.

FUNDING STATUS:

The SHOPP project was voted in February 2006 for \$16,603,000, combined with a widening project (funded by STIP, SAFETEA-LU, Measure B and ACTIA) for construction and awarded for \$100,500,000 with SHOPP total share of \$16,920,000. The project is now complete, but there are insufficient funds to close out the contract. An additional \$380,000 in supplemental funds is needed to close out the contract and results in an overall increase of 2.1 percent over the current allocation.

REASONS FOR COST INCREASE:

The contractor filed a complaint at the completion of construction for \$18,000,000. The claims were based on inefficiencies of the contract documents, contract change orders (CCOs), and interest payment. The claims were settled for \$8,000,000. The final total SHOPP obligation was determined at \$18,843,000. Amendment No. 4 to the cooperative agreement with ACTIA was executed on November 9, 2011, to increase the State's contribution from the SHOPP to \$18,843,000. However, the maximum delegated allocation available, taking into account G-12 allocation adjustment, is \$18,463,000, a difference of \$380,000. Subsequent to approval of the amendment to the cooperative agreement, a mathematical error was made by the Department in calculating the remaining G12 adjustment authority.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$380,000 to allow the close-out of this construction contract.

OPTION B: Deny this request and direct the Department to find another source of funding. The Department has considered this option and determined that there are no other known sources of State funds available to cover the requested amount.

RECOMMENDED OPTION:

The Department recommends that this request for \$380,000, as presented in Option A above, be approved to allow the close-out of this project.