

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25, 2015

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

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Bruce de Terra, acting Chief
Division of
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-14-19**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission allocate an additional \$1,750,000 to a project, jointly funded by the State Transportation Improvement Program (STIP) and State Highway Operation and Protection Program (SHOPP).

ISSUE:

Additional funds are needed in order to close-out the construction contract.

RESOLUTION:

Resolved, that \$1,750,000 be allocated from the Budget Act of 2014, Budget Act Items 2660-301-0890 and 2660-302-0890, to provide funds to allow the following project to close out.

	<u>Dist-Co-Rte</u>	<u>Original Allocation</u>	<u>Award Amount</u>	<u>Current Allotment</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Award Amount</u>
STIP	03-ED-50	\$ 4,706,000	\$ 3,651,000	\$ 3,979,200	\$ 438,000	\$ 4,417,200	21%
SHOPP	03-ED-50	<u>\$13,750,000</u>	<u>\$10,666,000</u>	<u>\$11,937,800</u>	<u>\$1,312,000</u>	<u>\$13,249,800</u>	<u>24%</u>
TOTAL		\$18,456,000	\$14,317,000	\$15,917,000	\$1,750,000	\$17,667,000	23%

Project # Allocation Amount Recipient RTPA/CTC Dist-Co-Rte Postmile	Project Title Location Project Description	PPNo Program Funding Year Item No. Fund Type Program Codes Project ID	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(1) Supplemental Funds for Previously Voted Project					
Resolution FA-14-19					
\$438,000	In South Lake Tahoe (TRPA), from Trout Creek to Ski Run Boulevard. Roadway improvements.	03-3208 RIP			
Department of Transportation TRPA El Dorado 03N-ED-50 77.3/79.3 (STIP)	(This project was combined with SHOPP project 03-3298 for construction under EA 03-1A73U.) Supplemental Funds needed to close out the construction contract. Total Revised Amount: \$4,417,200. <u>Outcome/Output:</u> Class II bike lanes, curb and gutter, sidewalks, ADA compliant curb ramps, and landscaping with pedestrian lighting. Four miles of Class II bike lanes.	2008-09 301-0890 FTF	\$3,979,200		\$3,979,200
		2013-14 RIP 301-0890 FTF 20.20.075.600 0300020124 4 1A73U4		\$438,000	\$438,000
\$1,312,000	In South Lake Tahoe, from Trout Creek to Ski Run Boulevard. <u>Outcome/Output:</u> Construct water quality collection and treatment facilities to comply with California Regional Water Quality Control Board.	03-3298 SHOPP 2007-08 302-0890 FTF 20.20.201.335	\$11,937,800		\$11,937,800
Department of Transportation El Dorado 03-ED-50 77.3/79.3 (SHOPP)	(This project was combined with STIP project 03-3208 for construction under EA 03-1A73U.) Supplemental Funds needed to close-out the construction contract. (Total Revised Amount: \$13,249,800)	SHOPP 2013-14 302-0890 FTF 0300020124 4 1A73U4		\$1,312,000	\$1,312,000

RECOMMENDATION:

The Department recommends that this request for \$1,750,000 be approved to allow this project to be closed out.



PROJECT DESCRIPTION:

This project is located in El Dorado County on Route 50 in South Lake Tahoe. The work includes replacing existing drainage systems to comply with water quality standards, repaving the existing roadway, constructing bike lanes, improving lighting, and replacing curb, gutter and sidewalk to comply with Americans with Disability Act (ADA) standards.

FUNDING STATUS:

The project received an allocation at the June 2010 Commission meeting of \$13,750,000 from the SHOPP and \$4,706,000 from the STIP, for a combined total of \$18,456,000. Bids were received below the Department's estimate and the contract was awarded for \$14,317,000 on February 10, 2011. An additional \$1,600,000 was allotted during construction under G-12 authority to mitigate multiple design issues and for funds for the fluctuation of the asphalt concrete price index. The total current allotment is \$15,917,000.

This request for an additional \$1,750,000 is an increase of 23 percent above the award amount. The additional funds are needed to resolve all contract claims.

REASON FOR INCREASE:

Drainage, curb and gutter, Portland Cement Concrete (PCC) sidewalk, PCC driveways, and ADA facilities were impacted by late utility relocations, difficult coordination, and additional unknown utility conflicts. This caused delays, disruptions, and rework which turned a two season project into a more expensive three season project.

- Most of the utilities were originally planned to be relocated in advance of construction. Southwest Gas (SWG) was required to relocate and abandon by the end of 2011. In order to abandon their lines, SWG need to complete a parallel facility on Pioneer Trail. An addendum was issued that provided more time for relocation and required more coordination during construction to accommodate this move. However, in hindsight, the addendum should have also increased the contract time due to the coordination with other utilities.
- In 2010, the only utility relocation that was completed was the water lines owned by South Tahoe Public Utility District (STPUD) and a good portion of the electric lines.
- In 2011, at the start of the project, other remaining utilities were not relocated or abandoned; conflicts with AT&T to move their utility lines caused the contractor to have to re-sequence his schedule. In addition, the contractor still needed to coordinate his drainage work during construction with SWG, in accordance with an addendum. Once construction began, additional unanticipated utility conflicts, including previously unknown service connections, and design changes due to field conditions required revisions and adjustments to the drainage

design that were largely directed in the field by the Department. This disrupted the flow of the drainage work, resulting in a one month delay.

- Changes to the new Tahoe Permit in 2012 delayed the start of construction by one month in order to revise the SWPPP contract items. During the winter of calendar year 2011-12, additional design conflicts and ADA discrepancies were identified and change orders were provided. Some of these change orders were later revised due to additional unplanned conflicts and field conditions. This disrupted the flow of the remaining drainage and minor concrete work. These changes resulted in two months of delay.
- In 2013, extra work was needed to resolve right of way commitments and landscaping issues, resulting in two additional months of work.

LESSONS LEARNED:

As a result of the experience with the utility relocations in the Lake Tahoe Basin, an extensive outreach with utility companies has been implemented to minimize utility overlap with construction work. In addition, contract documents must be developed to anticipate impacts from utility relocation and coordination during construction.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$1,750,000 to close out the construction contract.

OPTION B: Deny this request. Under this option, the Department would not be able to pay the contractor and would continue to accrue interest on the balance due.

RECOMMENDED OPTION

The Department recommends that this request for \$1,750,000 as presented in Option A above, be approved to allow this project to be compensate the contractor and fully resolve all claims.