

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 24, 2012

Reference No.: 2.1c.(5f)/2.5b.(2) - **REVISED**
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Subject: **FINANCIAL ALLOCATION AMENDMENT AND TCIF PROJECT BASELINE AMENDMENT FOR LOCALLY ADMINISTERED MULTI-FUNDED DESIGN-BUILD PROJECT ON THE STATE HIGHWAY SYSTEM RESOLUTION FP-12-24, AMENDING RESOLUTION FP-10-32 RESOLUTION TCIF-AA-1213-06, AMENDING RESOLUTION TCIF-A-1011-05 RESOLUTION TCIF-P-1213-16, AMENDING RESOLUTION TCIF-P-1213-09**

CTC ACTION UPDATE: The California Transportation Commission approved up to \$200,205,000 in CMIA funding for the Gerald Desmond project.

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) amend Resolutions FP-10-32 and TCIF-A-1011-05 to de-allocate \$153,657,000 in State Highway Operation and Protection Program (SHOPP) funds from the Gerald Desmond Bridge project (PPNO 4425) in Los Angeles County, thereby reducing the original SHOPP construction capital allocation of \$170,205,000 to \$16,548,000, and amend the Trade Corridors Improvement Fund (TCIF) Project Baseline Agreement for TCIF Project 23, Gerald Desmond Bridge project (PPNOs 3037 and 4425) in Los Angeles County, to update the project funding plan.

ISSUE:

The Department and the Port of Long Beach (Port) propose to de-allocate \$153,657,000 in SHOPP funds and amend the Proposition 1B TCIF Project Baseline Agreement to update the project funding plan for TCIF Project 23, Gerald Desmond Bridge.

BACKGROUND:

At its June 2011 meeting, the Commission approved Resolutions FP-10-32 and TCIF-A-1011-05, allocating \$170,205,000 in SHOPP construction capital for the Gerald Desmond Bridge project. At its June 2012 meeting, the Commission approved Resolution CMIA-P-1112-24, which specifies that all Proposition 1B Corridor Mobility Improvement Account (CMIA) contract award savings beyond June 30, 2012 will be programmed and allocated to SHOPP projects; as of October 8, 2012, CMIA contract award savings total \$153,657,000. It is proposed that \$153,657,000 of SHOPP Construction funds be removed from the project and replaced with CMIA funds as shown below.

The necessary changes are reflected in strikethrough and bold in the following vote box.

Project # Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	PPNO Program/Year Prgm'd Amount Project ID AdvPhase EA	Budget Year Item # Fund Type Program Code	Amount by Fund Type
2.5b.(2) Allocation Amendment – SHOPP - Gerald Desmond Bridge Project				Resolution FP-12-24 Amending Resolution FP-10-32 Resolution TCIF-AA-1213-06 Amending Resolution TCIF-A-1011-05
1 \$170,205,000 \$16,548,000	At the Port of Long Beach at the Gerald Desmond Bridge. <u>Outcome/Output:</u> Replace the Gerald Desmond Bridge to restore bridge load capacity. (SHOPP funded Trade Corridor Improvement Fund (TCIF) project.)	07-4425 SHOPP/10-11 \$200,000,000 \$46,548,000 0700021080 4 288604	2011-12 302-0890 FTF 20.20.201.110	\$170,205,000 \$16,548,000
Los Angeles 07S-LA-710 3.7/6.0				
<u>Amend Resolutions FP-10-32 and TCIF-A-1011-05 to de-allocate \$153,657,000 SHOPP CONST.</u>				

Funding Plan Changes

The environmental cost has increased from \$9,782,000 to \$11,862,000 due to the addition of a bicycle/pedestrian facility, which required an addendum to the Environmental Impact Report and a revalidation of the Finding of No Significant Impact, and additional site investigations, such as potholing, to reduce uncertainties for the Design-Build contractor, and thus reduce the cost of the Design-Build contract.

The design cost has increased from \$28,880,000 to \$37,878,000 due to converting the project from Design-Bid-Build to Design-Build. Additional work, including more design, thorough risk evaluation, and preparation of the Request For Qualifications and Request For Proposals documents, resulted in a cost increase of approximately \$4,000,000. The cost of purchasing work product from the two unsuccessful proposers was approximately \$2,000,000, and the cost of outside legal counsel to date is approximately \$3,000,000.

Construction Support is being segregated from Construction to reflect the fact that \$30,000,000 of Construction Support will be performed by the Department, and \$52,000,000 of Construction Support will be performed by the Port.

The Right of Way cost has increased from \$100,589,000 to \$128,104,000 due to the change from Design-Bid-Build to Design-Build. To minimize risks to the Design-Build contractor, and thus get a more favorable construction contract bid, the Port moved forward with additional utility relocations in advance of the Design-Build contractor beginning construction. The cost increase reflects the utility work that was moved from Construction into Right of Way.

The construction cost has decreased from \$811,589,000 to \$782,359,000 because some utility relocation work that was originally anticipated to be completed by the construction contractor was completed in advance by the Port as described above.

The proposed funding plan changes are summarized in the table below.

REVISE: Gerald Desmond Bridge project (PPNOs 3037 and 4425)

(DOLLARS IN THOUSANDS)											
FUND	TOTAL	Project Totals by Fiscal Year					Project Totals by Component				
		Prior	12/13	13/14	14/15	15/16	R/W	CON	PA&ED	PS&E	Con Sup
PNRS (SAFETEA-LU)											
Existing	90,589	90,589					81,789			8,800	
Change	9,411	9,411					(3,867)			13,278	
Proposed	100,000	100,000					77,922			22,078	
SHOPP - Bridge Preservation (TCIF)											
Existing	299,795	299,795						299,795			
Change	0							(36,398)			36,398
Proposed	299,795	299,795						263,397			36,398
SHOPP - Bridge Preservation											
Existing	200,205	200,205						200,205			
Change	(153,657)	(153,657)						(183,657)			30,000
Proposed	46,548	46,548						16,548			30,000
STP											
Existing	1,230	1,230							1,230		
Change	0										
Proposed	1,230	1,230							1,230		
Bridge Discretionary Program											
Existing	4,552	4,552							4,552		
Change	0										
Proposed	4,552	4,552							4,552		
HBRR-L (AC)											
Existing	0	22,114			(20,000)	(2,114)					
Change	0										
Proposed	0	22,114			(20,000)	(2,114)					
HBRR-L											
Existing	211,848	211,848						201,848		10,000	
Change	(48)	(22,162)			20,000	2,114	40,000	(46,245)			6,197
Proposed	211,800	189,686			20,000	2,114	40,000	155,603		10,000	6,197
STPL-R											
Existing	11,315				11,315			11,315			
Change	0										
Proposed	11,315				11,315			11,315			
Local Funds (LA Metro Prop C)											
Existing	17,306		17,306					17,306			
Change	0										
Proposed	17,306		17,306					17,306			
Local Fund (Port of Long Beach)											
Existing	114,000	114,000					18,800	81,120	4,000	10,080	
Change	0	(7,805)				7,805	(8,618)	1,413	2,080	(4,280)	9,405
Proposed	114,000	106,195				7,805	10,182	82,533	6,080	5,800	9,405
CMIA											
Existing	0										
Change	153,657		153,657					153,657			
Proposed	153,657		153,657					153,657			
Total											
Existing	950,840	944,333	17,306		(8,685)	(2,114)	100,589	811,589	9,782	28,880	0
Change	9,363	(174,213)	153,657		20,000	9,919	27,515	(111,230)	2,080	8,998	82,000
Proposed	960,203	770,120	170,963		11,315	7,805	128,104	700,359	11,862	37,878	82,000

There are concurrent requests on this month's Commission agenda to program and allocate \$153,657,000 of CMIA Construction funds to the project.

RESOLUTION FP-12-24, AMENDING RESOLUTION FP-10-32
RESOLUTION TCIF-AA-1213-06, AMENDING RESOLUTION TCIF-A-1011-05:

Be it Resolved, that \$170,205,000 in SHOPP funds (302-0890) originally allocated under Resolutions FP-10-32 and TCIF-A-1011-05 for the Gerald Desmond Bridge project (PPNO 4425) in Los Angeles County is hereby amended by \$153,657,000, reducing the original SHOPP construction capital amount to \$16,548,000 in accordance with the above revised vote box.

RESOLUTION TCIF-P-1213-16, AMENDING RESOLUTION TCIF-P-1213-09

Be it Resolved, that the California Transportation Commission does hereby amend the Trade Corridors Improvement Fund Project Baseline Agreement for the Gerald Desmond Bridge project (PPNO 3037) in accordance with the information described above.