State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: April 26-27, 2006

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

PASSED BY
CTC
APR 2 7 2006
CALIFORNIA
TRANSPORTATION COMMISSION

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
Division Chief
Transportation Programming

Ref: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-05-14**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve the following Resolution.

FINANCIAL RESOLUTION:

Resolved that $668,000 be allocated from Budget Act of 2005, Non-Budget Act Item 2660-801-3008 and Budget Act Item 2660-301-0890, to provide additional funds to pay construction claims and close out the contract.

SUMMARY AND CONCLUSIONS:

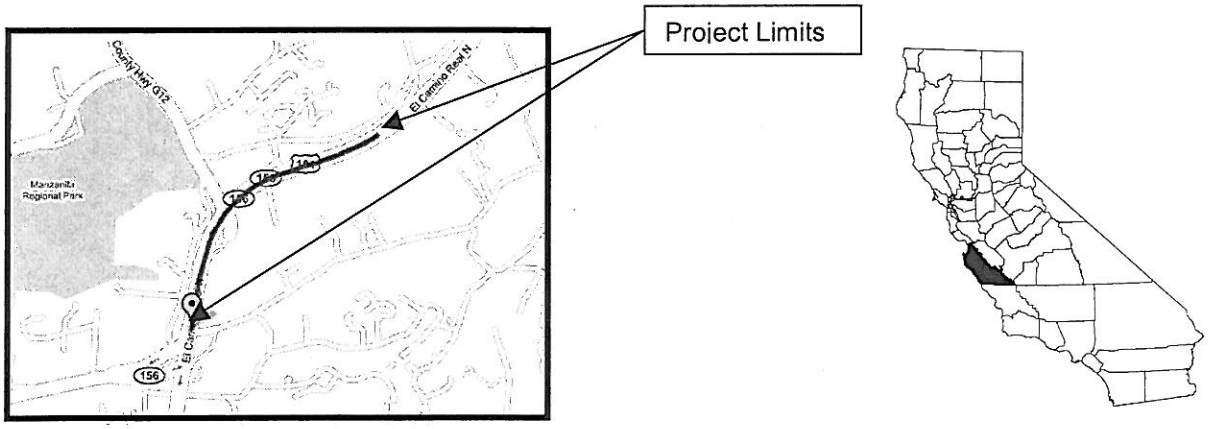
This resolution allocates $668,000 of additional State and federal funds for the previously approved project listed below:

Project	Dist-Co-Rte	Original Allocation Amount	Award Amount	Current Budget Amount	Current Allocation Revision	Revised Budget Amount	Total Increase Vote/Award
1	05-Mon-101	$8,003,000	$7,600,000	$8,560,000	$668,000	$9,228,000	9% A

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(1) Supplemental Funds for Previously Voted Projects					**Resolution FA-05-14**
1 $668,000 Department of Transportation TAMC Monterey 05N-Mon-101 96.1	Near Prunedale, at San Miguel Canyon Road. Construct interchange.	016171 05-0058J GFIIP / 99-00 301-0042 301-0890 20.20.025.511	 $953,000 $7,348,000		 $953,000 $7,348,000
		GFIIP / 04-05 301-0042 301-0890 20.20.025.511	 $29,700 $229,300		 $29,700 $229,300
		IIP / 05-06 801-3008 301-0890 20.20.025.700	 	 $76,700 $591,300	 $76,700 $591,300
			$8,560,000	$668,000	$9,228,000

RECOMMENDATION

The Department recommends that this request for $668,000 be approved to settle construction claims and close out the contract.



PROJECT DESCRIPTION

This project will construct a new interchange and retaining walls in Monterey County near Salinas, from 0.2 to 1.5 miles north of Route 101/156 separation.

FUNDING STATUS

The contract was awarded in May 2000 for $7,600,000. Two G-12 adjustments totaling $960,000 were made for the project (August 2001- $701,000; October 2002- $259,000).

REASONS FOR COST INCREASE

The Department issued the proposed final estimate for the project on August 25, 2004 and received a list of exceptions to the proposed final estimate from the contractor on September 29, 2004. Since that time, the Department and the Contractor have agreed to the resolution of claims in the amount of $668,000 for the following six items:

Extra Work –		$ 281,608
Delay and Disruption-Roadway Excavation		$ 70,000
Delay and Disruption-Earth Retaining System		$ 11,000
Delay and Disruption-1010 mm RCP		$ 56,636
Type K Temporary Railing		$ 160,652
Home Office Overhead		$ 87,221
	Total	$ 667,117

Extra Work – $281,608

This claim is for disputed extra work bills submitted over the life of the project. Originally, the contractor claimed $1,532,228. The Department has paid $64,817 of those claims, and $340,979 has been approved by the Department and will be paid. The remaining disputed extra work totals $1,126,432. After discussion between the Department and the Contractor, an agreement has been reached to settle this claim for $281,608.

Delay and Disruption-Roadway Excavation – $70,000

The roadway excavation was delayed due to the expiration of the Fish and Game permit. As a result, the contractor had to switch the hauling method from a conveyor belt system installed in a box culvert to a truck haul system, resulting in rehandling of the stockpiled material and a cost increase of $20,000. The delay in the earthwork caused other activities to extend into the winter months, which required additional Storm Water Pollution Prevention Program (SWPPP) measures costing $50,000.

The Department agrees with reimbursing the contractor $70,000 for cost associated with the delay.

Delay and Disruption-Earth Retaining System – $11,000

The Contractor submitted a sample of the architectural form liner to the Department for approval. The Department denied the use of that form liner. A second architectural form liner was purchased. It was later determined that the new form liner would lead to additional cost and delays due to the need for modified construction methods. After a six-month delay in processing this change in form liner, the original form liner was then accepted.

The Department agrees with reimbursing the contractor $11,000 for the cost of the second liner.

Delay and Disruption-1010 mm RCP – $56,636

The Contractor originally intended to place this drainage system starting in mid-September of 2000. Due to Right of Way delays, placement of the Reinforced Concrete Pipe (RCP) did not occur until December 2000. Once winter rains started, a spring was discovered and a contract change order was written to construct a French Drain System to drain the trench. The French Drain System was ineffective and by January 5, 2001, 80 linear feet of pipe had floated out. As a result, the Contractor had to remove eight joints of pipe, clean out the trench area, stockpile the backfill material, bring in new drain rock, and re-install the pipe.

The Department agrees with reimbursing the contractor $56,636 for the additional cost to place the 1010 mm RCP.

Type K Temporary Railing – $160,652
During construction, delays occurred through no fault of the Contractor. The K-rail was on the project an additional year.

The Department agrees with reimbursing the contractor $160,652 for the additional cost to rent the Temporary K Railing.

Home Office Overhead – $87,221
The contract was awarded with 360 working days on June 19, 2000, and construction was completed on April 3, 2003. The actual workdays totaled 693 days. The difference between the working days in the contract and the actual working is 333. Subtracting 53 days for approved Contract Change Orders and the 70 weather days, leaves 210 additional workdays.

The Contractor and the Department have agreed on $87,221 in compensation for the home office overhead.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for $668,000 to settle construction claims and close out the contract.

OPTION B: Deny this request and let the claims be settled through arbitration.

RECOMMENDED OPTION
The Department recommends that this request for $668,000, as presented in Option A above, be approved to pay construction claims and close out the contract.