

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 6-7, 2006

PASSED BY

CTC

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

From: *Cindy McKim*
CINDY MCKIM
Chief Financial Officer

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Division Chief
Transportation Programming

**CALIFORNIA
TRANSPORTATION COMMISSION**

Subject: ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-06-04

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FA-06-04, allocating an additional \$8,331,000 for the project listed below.

ISSUE:

Additional funds are needed for a previously approved project in order to settle construction claims and close out the contract.

RESOLUTION:

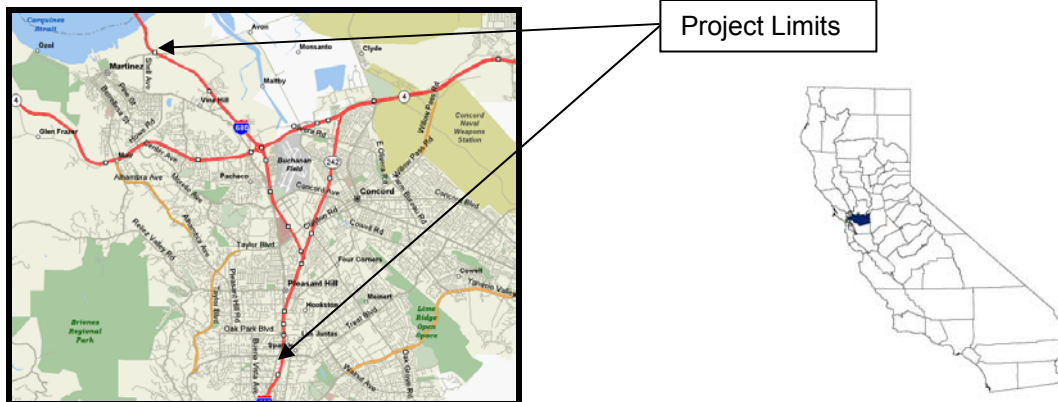
Resolved, that \$1,666,000 be allocated from the Budget Act of 2006, Budget Act Items 2660-302-0042 and 2660-302-0890, and \$6,665,000 be allocated from the Budget Act of 2006, Budget Act Items 2660-301-0042 and 2660-301-0890, to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Vote/G11 Amount</u>	<u>Original Award Amount</u>	<u>Current Budget Amount</u>	<u>Current Allocation Revision</u>	<u>Revised Budget Amount</u>	<u>Total Increase Vote/Award</u>
1	04-CC-680	\$40,605,000	\$32,790,000	\$36,123,000	\$8,331,000	\$44,454,000	25.4% 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-06-04
1 \$8,331,000 Department of Transportation Contra Costa 04N-CC-680 15.6/24.3	In Concord, Pleasant Hill, and Martinez from North Main Street to Marina Vista Boulevard. Construct HOV lanes and rehabilitate roadway. Supplemental funds are needed to settle construction claims and close out contract. This project, originally voted as two projects, STIP project EA 228561 and SHOPP project EA OC7321 was combined for construction under EA 2285U4.	2285U4 04-0295G 2002-03 302-0042 302-0890 20.20.201.121 SHOPP	\$617,000 \$6,665,000	- -	\$617,000 \$6,665,000
		2285U4 04-0295G 2006-07 302-0042 302-0890 20.20.201.121 SHOPP		\$191,000 \$1,475,000	\$191,000 \$1,475,000
		2285U4 04-0295F RIP / 2002-03 301-0042 301-0890 20.20.075.600 STIP	\$2,435,000 \$26,406,000	-	\$2,435,000 \$26,406,000
		2285U4 04-0295F RIP / 2006-07 301-0042 301-0890 20.20.075.600 STIP	- -	\$765,000 \$5,900,000	\$765,000 \$5,900,000
			\$36,123,000	\$8,331,000	\$44,454,000

RECOMMENDATION:

The Department recommends that this request for \$8,331,000 be approved to settle construction claims and close out the contract.



PROJECT DESCRIPTION:

The project is located in the cities of Walnut Creek, Concord, Pleasant Hill and Martinez, in Contra Costa County, on Interstate 680 from north Main Street Overcrossing to Marina Vista Boulevard Undercrossing. The project rehabilitated and widened the freeway by adding a High Occupancy Vehicle (HOV) lane in both directions.

FUNDING STATUS:

At the June 2002 Commission meeting, \$32,696,000 in Regional Improvement Program (RIP) shares were allocated for a project to construct HOV lanes and \$7,909,000 was allocated for a State Highway Operation and Protection Program (SHOPP) project to rehabilitate existing pavement. The two projects were combined for construction. This project was one of several projects in the State using the Design Sequencing technique in which the construction was advanced a year early. The project was advertised on November 12, 2002 and the lowest bid came in about 21% below the Engineer's Estimate. As a result, the programmed funds were adjusted to \$26,180,000 RIP and \$6,610,000 SHOPP. The project was awarded on February 21, 2003 for \$36,800,000, including \$4,010,000 in Federal TEA 21 funds. An AB 608 Request for Adjustment of Programmed Funds was adopted by the Commission on May 22, 2003. On October 25, 2004, G-12 authority for \$3,333,000 was used for various cost increases and contract change orders. The project was accepted as 100% complete on August 29, 2005, with a final project cost of \$49,390,000. Supplemental funds of \$9,257,000 are needed to settle construction claims and to close out the contract. Of the \$9,257,000, \$6,665,000 will come from RIP shares, \$1,666,000 will come from the SHOPP, and \$926,000 will come from Federal TEA 21 funds.

REASONS FOR COST INCREASE:

The overriding factor in the contractor's claim was that there were continuous modifications to the contract plans as a result of a survey datum conversion discrepancy throughout the project cycle. This project experienced a project wide survey discrepancy caused by the incorrect conversion of the as-built plans and topographic base mappings from the 1927 English survey datum into the 1983 Metric survey datum. This discrepancy resulted in numerous survey conflicts during construction that caused significant difficulties and inefficiencies in the execution of the construction contract.

The contractor's claim specifically identified inefficiencies incurred during the construction of the improvements at the Interstate 680/State Route 4 Interchange, three retaining walls, and global inefficiencies over the execution of the entire project. The claimed amount also included financing costs incurred due to the inefficiencies encountered, outstanding item adjustments and extra work billings submitted after the exceptions to the Proposed Final Estimate.

The estimated deficit of \$9,257,000 reflects the difference between the total project allotment to date and final project cost, which includes total cost to settle all outstanding construction claims and estimated permit fee cost owed to Contra Costa County Flood Control District.

FUNDING OPTIONS:

OPTION A: Approve this request, as presented above, for \$8,331,000 (RIP and SHOPP) to settle construction claims and close out the contract.

OPTION B: Deny this request and allow the contractor to pursue contract claims through legal action.

RECOMMENDED OPTION:

The Department recommends that this request of \$8,331,000, as presented in Option A above, be approved to settle construction claims and close out the contract.