State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 12-13, 2007

PASSED BY CTC DEC 13 2007 CALIFORNIA TRANSPORTATION COMMISSION

Reference No.: 2.5e.
Action Item

From: CINDY McKIM
Chief Financial Officer

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Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-07-05**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FA-07-05, allocating an additional $8,170,000 for one State Transportation Improvement Program (STIP) project identified below.

ISSUE:

Additional funds are needed for one previously approved project in order to complete construction.

RESOLUTION:

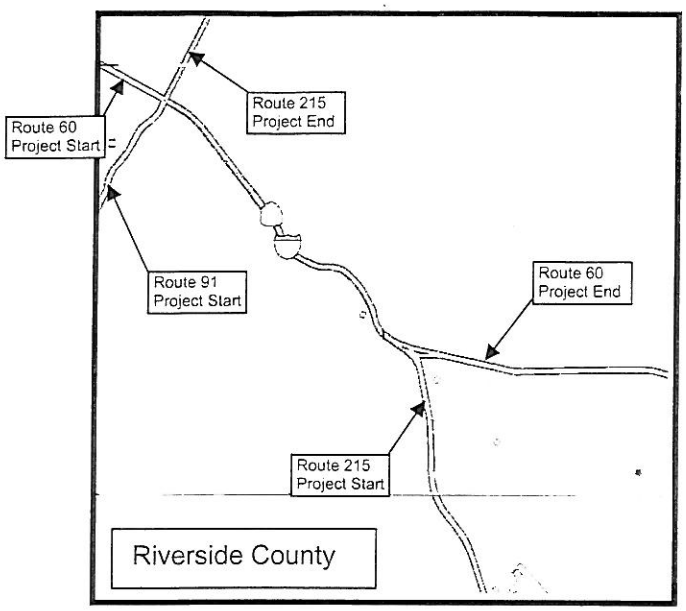
Resolved, that $8,170,000 be allocated from the Budget Act of 2007, Non-Budget Act Item 2660-801-3008 to provide additional funds for the project identified below.

Project	Dist-Co-Rte	Total Budgeted (All Funds)	Budget Adjustment	Revised Budget	% Increase Above Current Budget
1	08-Riv-60/91/215	$261,408,000	$ 8,170,000	$269,578,000	3.1%

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. Supplemental Funds for Previously Voted Projects					**Resolution FA-07-05**
1 $8,170,000 Riverside County Transportation Commission RCTC Riverside 08S-Riv-60/91/215 various	In Riverside, on Route 215 from Eucalyptus Avenue interchange to Columbia Avenue interchange, and on Route 60 from main Street interchange to 60/91/215 junction and from 60/215 junction to Day Street interchange and on Route 91 from University Avenue interchange to 60/91/215 junction. Widen Interstate 215 from six lanes to eight lanes. Construct auxiliary lane, truck bypass and climbing lane and improve mainlines and interchanges. Final Project Development Adjustment: N/A Final Right-of-Way Share Adjustment: N/A Other contributions for construction: GARVEE: $163,850,000* TCRP: $ 35,274,000 AB 3090: $ 31,324,000 CMAQ: $ 15,042,000 RSTP: $ 13,327,000 Local Measure A: $ 2,591,000 $261,408,000 * GARVEE summary: $240,000,000 voted January 22, 2004 - $ 68,330,000 R/W component - $ 7,820,000 Landscape follow-up proj. $163,850,000	334841 08-0121N IIP / 07-08 2007-08 801-3008 ~~20.20.075.600~~ **20.20.025.700**		$8,170,000 $8,170,000	$8,170,000 $8,170,000

RECOMMENDATION:

The Department recommends that this request for $8,170,000 be approved to allow the Department to complete construction.



PROJECT DESCRIPTION:

The project is located in the cities of Riverside and Moreno Valley on Route 215 from near Eucalyptus Avenue to Columbia Avenue; on Route 60 from near Main Street to the 60/91/215 interchange and from the 60/215 interchange to near Day Street; and, on Route 91 from near University Avenue to the 60/91/215 interchange. The project improves the 60/91/215 interchange with new fly-over connectors, widens Route 215 from the existing six lanes to eight lanes for high occupancy vehicle (HOV) lanes, constructs a Route 215 truck climbing lane, constructs a new truck bypass connector at the Route 60/215 interchange, widens Route 91 for future HOV lanes, constructs auxiliary lanes, upgrades several local interchanges, and rehabilitates all route mainline roadways. This project is a corridor improvement project to reduce congestion and enhance freeway operations and safety. The project was delivered to the construction phase as one of the first Phase I Design Sequencing pilot program projects.

FUNDING STATUS:

The Grant Anticipation Revenue Vehicle (GARVEE) funding for this STIP project was voted in January 2004. The project was awarded in February 2004 with combined GARVEE, Traffic Congestion Relief Program (TCRP), local, and federal funds. The project has been authorized to the maximum budgeted amount of $261,408,000 in combined GARVEE, TCRP, AB 3090 reimbursement, local sales tax measure, and federal funds. The project is approximately 80 percent complete and construction is anticipated to be completed in April 2008. The estimated funding needed to complete the project exceeds the current budgeted amount. Riverside County Transportation Commission has authorized additional Measure A funds for the project. However, an additional $8,170,000 in supplemental funds are needed to complete construction. There is potential to come back with an additional request for funding at time of project close out. This request for supplemental funds results in an overall increase of 3.1 percent over the current budgeted amount.

REASONS FOR COST INCREASE:

As a design sequencing pilot project, the final project design was completed during the construction phase of the contract. The final design has changed significantly from information originally given to the contractor at the time of bid. This has resulted in changes in the character of work, increasing item quantities and project schedules, all of which have added significantly to the cost of the project.

The number of plan sheet drawings issued to the contractor after contract award has exacerbated the complexity of the changes. More than 3,000 plan sheets were issued at the time of bidding and again for each of three design sequencing submittals. Cumulatively, well over 12,000 sheets have been issued to the contractor. Together with contract change orders, the cumulative changes to the plans, the tracking of these changes, and the field impacts of those changes became very complex. Additionally, as the design became fully realized, the need to mitigate impacts to the local community grew.

The largest increases in cost can be attributed to contract item over-runs and item bid price adjustments associated with design changes. Approximately one-third of the contract items are subject to adjustment in quantity and/or cost. The added volume of work has also resulted in significant additional storm water pollution prevention costs, as well as added storm water pollution measure maintenance costs. Moreover, changes to the project have resulted in 226 working days being added to the project. Notices of potential claim have been filed due to the volume of changes and their impact on efficiency to the contractor. The current contingency balance will be exhausted before job completion and additional funds will be required to complete the remaining balance of work.

The Department is currently in negotiation with the contractor to settle potential claim issues. Additional funds may be necessary at a later date to settle these potential claims and close out the contract. The supplemental amount requested here is for known costs and will allow the contractor to complete construction and open the project to traffic.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for $8,170,000 to complete the project as currently scoped.

OPTION B: Deny this request, direct the Department to revise the project to remain within the allocated amount and remove elements from the scope of work. The Department has considered this option and determined that reducing the scope of work on this project and executing another project to complete the deleted work later would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION:

The Department recommends that this request of $8,170,000, as presented in Option A above, be approved to allow the current construction contract to be completed.