State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

TAB 99

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 25-26, 2008

PASSED BY CTC JUN 26 2008 CALIFORNIA TRANSPORTATION COMMISSION

Reference No.: 2.5e.(2)
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-07-15**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FA-07-15, allocating an additional $450,000 for one State Transportation Improvement Program (STIP) project identified below.

ISSUE:

Additional funds are needed for one previously approved project in order to close out the construction contract.

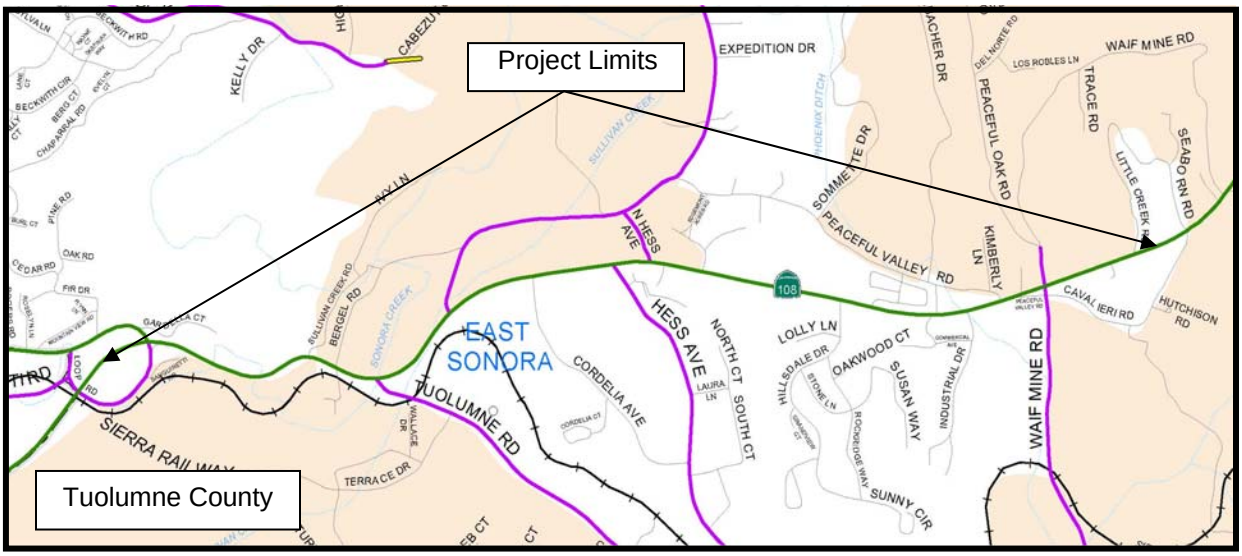
RESOLUTION:

Resolved, that $450,000 be allocated from the Non-Budget Act, Budget Act Item 2660-801-3008 to provide additional funds for the project identified below.

Project	Dist-Co-Rte	Original allocated Amount	Original Award Amount	Current Allocation	Allocation Adjustment	Revised Allocation	% Increase Above Current Allocation
1	10-Tuo-108	$40,356,000	$43,350,000	$45,605,000	$450,000	$46,055,000	1.0%

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.(2) Supplemental Funds for Previously Voted Projects					**Resolution FA-07-15**
1 $450,000 Department of Transportation Tuolumne 10-Tuo-108 R1.8/4.6	In Tuolumne County near Sonora from just west of Sanguinetti Overhead to just east of Standard Road. (Input into 2006 STIP for Supplemental vote to pay mediation settlement.) Supplemental funds are needed to closeout contract.	3404U1 10-0021I 2000-01 301-0042 301-0890 20.20.025.511 IIP	$3,986,890 $30,806,070	- -	$3,986,890 $30,806,070
		3404U1 10-0021I 2000-01 301-0042 301-0890 20.20.075.611 RIP	$810,830 $6,246,210	- -	$810,830 $6,246,210
		3404U1 10-0021I 2003-04 301-0042 301-0890 20.20.025.500 IIP	$75,000 $569,000	- -	$75,000 $569,000
		3404U1 10-0021I 2003-04 301-0042 301-0890 20.20.075.600 RIP	$13,000 $98,000	- -	$13,000 $98,000
		3404U1 10-0021I 2005-06 801-3008 20.20.025.500 IIP	$2,359,000	-	$2,359,000
		3404U1 10-0021I 2005-06 801-3008 20.20.075.600 RIP	$641,000	-	$641,000
		3404U1 10-0021I 2007-08 801-3008 20.20.025.500 IIP	-	$382,500	$137,500
		3404U1 10-0021I 2007-08 801-3008 20.20.075.600 RIP	-	$67,500	$412,500
			$45,605,000	$450,000	$46,055,000

RECOMMENDATION:
The Department recommends that this request for $450,000 be approved to allow the Department to close out the contract.



PROJECT DESCRIPTION:
The project is located in the county of Tuolumne, east of Sonora from 0.1 mile west of Sanguinetti Overhead to 0.3 miles east of Standard Road. The project constructed a two-lane expressway on a new alignment (including four new bridges), widened one bridge, rehabilitated one bridge deck, constructed an interchange, and performed environmental mitigation work.

FUNDING STATUS:
The current allocation is $45,605,000. At the November 2000 Commission meeting, $6,304,000 in Regional Improvement Program (RIP) funds (EA 340431, PPNO 0021C) and $34,052,000 in Grandfathered Interregional Improvement Program (G-IIP) funds (EA 340411, PPNO 0021A) were allocated for this combined project. To facilitate construction contract administration, the construction

projects were combined into the Sonora Bypass (Stage 1) Construction project (EA 3404U1, PPNO 0021I), and the mitigation projects were combined into a separate project (EA 3404A1, PPNO 0021J).

In February 2004, supplemental funds in the amount of $955,000 were approved to complete construction. In June 2006, supplemental funds in the amount of $4,100,000 were approved to cover partial settlement of construction claims and for additional environmental costs for the project. An additional $450,000 in supplemental funds is needed to resolve all remaining claims and close out the construction contract. This request for supplemental funds results in an overall increase of one percent over the current allocation.

REASON FOR INCREASE:

Additional funds are required to close out the construction contract. The settlement was a result of the remaining three construction claims that were not settled by the Department's Board of Review. The final three claims were estimated at $2,983,216, and through the mediation process, the Department and the Contractor agreed on a final settlement of $1,150,000.

This request for $450,000 in supplemental funds will be used to pay for this settlement and close out the construction contract.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for $450,000 to settle the construction claim and close out the construction contract.

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

RECOMMENDED OPTION:

The Department recommends that this request of $450,000, as presented in Option A above, be approved to allow the current construction contract to be closed out.