

# Memorandum

TAB 91

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 7-8, 2010

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

From: NORMA ORTEGA  
Chief Financial Officer



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Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS  
RESOLUTION FA-09-12**

## **RECOMMENDATION:**

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FA-09-12, allocating an additional \$5,270,000, for the Sutter/Yuba Route 70 Corridor Project (PPNO 0289P) in Sutter County.

## **ISSUE:**

Additional funds are needed for the previously voted State Transportation Improvement Program (STIP) project in order to complete construction.

## **RESOLUTION:**

Resolved, that \$5,270,000 be allocated from the, Non-Budget Act Item 2660-801-3008 and Budget Act of 2009, Budget Act Item 2660-301-0890, to provide additional funds for the project identified below.

Dist-Co-Rte	Current Budget (All Funds)	Budget Adjustment	Revised Budget	% Increase Above Current Budget
03-Sut-70	\$82,360,000	\$5,270,000	\$87,630,000	6.4%

(\$1,397,000 RIP,  
\$3,873,000 IIP)

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA Dist-PPNO Prog./Budget Yr Item # Fund Type Program Codes	Current Amount by Fund Type	State Federal Additional Allocation	Revised Amount by Fund Type
<b>2.5e.(1) Supplemental Funds for Previously Voted Projects</b>					<b>Resolution FA-09-12</b>
\$5,270,000	Near Nicolaus, from 70/99 separation to 1.0 km north of Feather River Boulevard. Widen and realign roadway.	3864U1 03-0289P RIP/06-07 801-3008 TIF 20.20.075.600	\$1,360,000		\$1,360,000
Department of Transportation <u>SACOG</u> Sutter 03N-Sut-70 03N-Yub-70 0.2/8.3	(Supplemental funds are needed to complete construction.)				
	(Prior allocations were in FY 06-07 for \$126,000,000, AB 608 Adjustment to \$82,360,000 on 03/13/08 for total allocated.)	IIP/06-07 801-3008 TIF 20.20.025.700	\$81,000,000		\$81,000,000
	Supplemental allocation of \$5,270,000 coming from \$450,000 RIP Sutter Regional Shares, \$947,000 RIP Yuba Regional Shares, and \$3,873,000 Interregional share balance.	RIP/09-10 801-3008 TIF 301-0890 FTF 20.20.075.600		\$160,000	\$160,000
	Total Revised Amount: \$87,630,000.			\$1,237,000	\$1,237,000
		IIP/09-10 801-3008 TIF 301-0890 FTF 20.20.025.700		\$444,000	\$444,000
				\$3,429,000	\$3,429,000

**PROJECT DESCRIPTION:**

This project is located in Sutter County on Route 70 from Cornelius Avenue to Bear River Bridge (Yuba County). The project will construct a 4-lane expressway which will reduce traffic delays and congestion as well as improve safety.

**FUNDING STATUS:**

This project was voted in June 7, 2007, for \$126,000,000 to the project. Funding was split from \$112,944,000 Interregional Improvement Program (IIP), \$4,200,000 Regional Improvement Program (RIP) Sutter and \$8,856,000 RIP Yuba funding. Subsequently, bids came in very low and the project was awarded on December 6, 2007, for \$82,360,000 with \$81,000,000 IIP, \$438,000 RIP Sutter and \$922,000 RIP Yuba funding. The Department, Yuba and Sutter counties requested an AB 608 downward adjustment at the March 13, 2008, Commission meeting based on the amount needed to award the project.

An additional \$5,270,000 is now needed to complete construction as originally scoped, with \$3,873,000 from IIP, \$450,000 RIP Sutter and \$947,000 RIP Yuba funding. Since the majority of the construction work is complete, expected completion is by December 2010, the likelihood of encountering unknowns that could significantly impact the project cost is very low, and there is minimal risk that additional funds will be needed in the future.

**REASONS FOR INCREASE**

- Additional Import Borrow: There are several reasons additional funds are needed but the main one is the need for additional Borrow material. Additional Import Borrow is needed due to the fact that borrow quantities were underestimated during the design phase. This occurred because after construction started, it was determined that the photogrammetry work did not accurately depict borrow quantities since the project was primarily on agriculture land that included mostly vegetation. Furthermore, it was discovered that an erroneous entry of a survey monument in the US Geological Survey (USGS) database, was relied upon during the Design phase. That resulted in underestimating the Import Borrow quantities by 237,546 cyd. These two factors led to a 24 percent increase of the original Borrow quantity at a cost of \$3,632,343.
- Additional funds for Right of Way: Additional funds for Right-of-Way and Environmental work are also needed for the following reasons. First, when construction began, there were still 27 unsettled properties that were still going through the condemnation process. As part of the court settlement agreements, the Department was required to provide driveways, sleeves for irrigation systems and drainage systems that included additional Import Borrow all of which were not accounted for originally. Furthermore, it was determined that the addition of rock slope protection at various locations was also required after working out complex environmental permit requirements during construction. As a result of these factors, \$648,534 is needed to cover this work.
- Additional Funds for Unsuitable Material Removal: Funds are needed to address the discovery of unsuitable material found at several locations. This material required removal and the placement of an additional 14,935 cyd. of aggregate base resulting in an additional cost of \$375,000.
- Additional funds for Utility Relocation: Utility companies were responsible for the relocation of utilities but were unable to completely do so within the timeframe specified in the contract. As a result, \$168,000 in delay costs were incurred.
- Additional funds for Incentive payments on Asphalt Concrete Pavement: The construction contract includes a provision that gives the contractor an incentive payment if they provide asphalt concrete (AC) that exceeds the contract requirements. The contract provided \$58,900 for this contract budget item however, the contractor has exceeded expectations for this item of work and an additional \$191,100 is needed in for that item.
- Additional funds for Contingency: To date, \$2,519,000 of the contingency had been used to fund contract change orders including Flagging, Traffic Control, Partnering and Dispute Review Board items. It has also paid for the removal and disposal of unforeseen buried man-made objects, asbestos removal and various miscellaneous items where planned work differed from the site conditions. It is further requested to add to the contingency in the amount of \$250,000 which is estimated to be sufficient to complete the project.

**FUNDING OPTIONS:**

**OPTION A:** Approve this request for supplemental funds, as presented above, for \$5,270,000, to complete the project as currently scoped.

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**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 cost and more disruption to the traveling public.

**RECOMMENDED OPTION:**

The Department recommends that this request of \$5,270,000, as presented in Option A above, be approved to complete construction.