State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

TAB 92

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 7-8, 2010

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

PASSED BY CTC APR 07 2010 CALIFORNIA TRANSPORTATION COMMISSION

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-09-14**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional $1,200,000 for Segment 3 of the Route 101 HOV Lane Gap Closure project (PPNO 0342L, TCRP 31) in Marin County.

ISSUE:

Additional funds are needed for one previously voted State Transportation Improvement Program (STIP), State Highway Operation and Protection Program (SHOPP), and Traffic Congestion Relief Program (TCRP) project in order to close-out the construction contract.

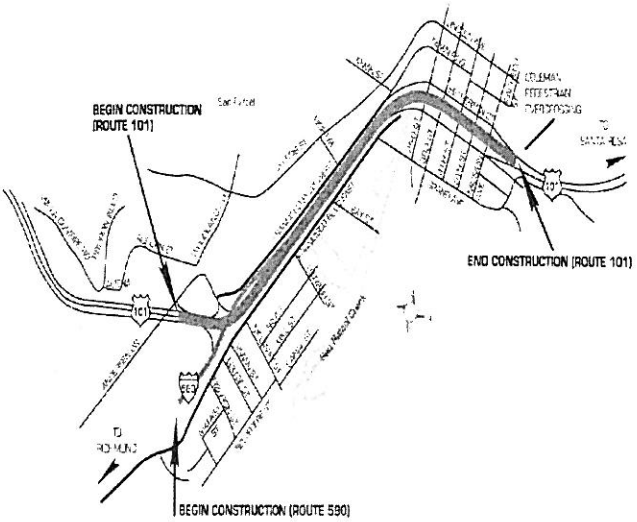
RESOLUTION:

Resolved, that $965,000 be allocated from the Non-Budget Act Item 2660-801-3008 and $235,000 be allocated from the Budget Act of 2009, Budget Act Item 2660-302-0042 to provide additional funds for the project identified below.

Project	Dist-Co-Rte	Current Budget (All Funds)	Budget Adjustment	Revised Budget	% Increase Above Current Budget
1	04-Mrn-101	$55,503,000	$1,200,000 ($965,000 RIP, $235,000 SHOPP)	$56,703,000	2.2%

Project # Allocation Amount Recipient RTPA/CTC ~~County~~ Dist-Co-Rte Postmile	~~Location~~ Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # ~~Fund Type~~ Program Codes Program	~~Current~~ Amount by Fund Type	State ~~Federal~~ Additional Allocation	Revised Amount by Fund Type
2.5e.(2) Supplemental Funds for Previously Voted Project					**Resolution FA-09-14**
2 $1,200,000 Department of Transportation MTC Marin 04N-Mrn-101 15.5/17.8	Near Corte Madera south of Lucky Drive to north of San Pedro Road. Widen for HOV lanes. This corridor project is being delivered in four roadway segments. This request is for Supplemental funds that are needed to close-out Segment 3 (Central San Rafael Project) construction contract. Final Right of Way Estimate, which has been previously deferred, will now be reported at the May 2010 Commission meeting. (Future Consideration of Funding – Resolution E-01-22, June 2001.) (Contributions from other sources: $1,726,000) ($600,000 TCRP is a portion of $2,756,000 that was allocated [under delegated authority] in July 2001 to earlier segments of the corridor) ($10,125,000 TCRP represents Construction Capital portion of the total allocated amount of $12,249,000.) Total Revised Amount: $56,703,000.	2261V1 04-0342L GF RIP/05-06 301-0042 SHA 301-0890 FTF 20.20.075.400 RIP/05-06 301-0042 SHA 301-0890 FTF 20.20.075.600 RIP/05-06 301-0042 SHA 301-0890 FTF 20.20.075.600 SHOPP/05-06 302-0042 SHA 20.20.201.121 SHOPP/05-06 302-0042 SHA 20.20.201.120 TCRP/01-02 899-3007 TCRF 20.20.710.870 TCRP/05-06 899-3007 TCRF 20.20.710.870 RIP/09-10 801-3008 TIF SHOPP/09-10 302-0042 SHA 20.20.201.120	$2,110,000 $16,282,000 $153,000 $1,177,000 $1,248,000 $9,632,000 $5,650,000 $6,800,000 $600,000 $10,125,000	- - - - - - - - - $965,000 $235,000	$2,110,000 $16,282,000 $153,000 $1,177,000 $1,248,000 $9,632,000 $5,650,000 $6,800,000 $600,000 $10,125,000 $965,000 $235,000

RECOMMENDATION:
The Department recommends that this request for $1,200,000 ($965,000 RIP and $235,000 SHOPP) be approved to allow the Department to close-out construction contract for Segment 3.



PROJECT DESCRIPTION:
This project is located on Route 101 in Marin County in San Rafael, from 0.2 mile south of the 101/580 Separation to 0.1 mile north of San Rafael Viaduct. This project is the third of four segments to construct HOV lanes in both directions to close a 4.5 mile gap in the HOV lane system that stretches from Route 1 to Route 37 in Marin County. This project provides new high occupancy vehicle (HOV) lanes, replaces South-101/East-580 Connector, widens San Rafael Viaduct, raises the freeway grade to improve drainage, realigns West Francisco Boulevard and relocates under ground utilities on the behalf of the City of San Rafael.

FUNDING STATUS:
This STIP, SHOPP and TCRP project was allocated $41,297,000 ($19,722,000 RIP, $11,450,000 SHOPP, and $10,125 TCRP) in August 2005. The project funding plan also included $1,578,000 in local funds.

The second low bid (responsible bid) was $11,953,000 over the available allotment. The Commission voted $10,880,000 in Regional Improvement Program (RIP) supplemental funds in February 2006. A supplemental SHOPP G-12 amount of $1,000,000 was also approved in February 2006. This brought the total project allotment to $54,828,000 which included $73,000 additional local funds. The contract was awarded in March 2006 and the construction began in April 2006. During the course of the construction, $600,000 TCRP savings from earlier contracts for this corridor were transferred to this contract. These TCRP funds were originally allocated in 2001. Also $75,000 additional local funds were added to the project during this time. The current project allotment now stands at $55,503,000. The construction was completed in May 2009.

In order to close-out the contract, there is now a need for an additional $1,200,000. That will result in an increase of 2.2 percent over the current allotment. Based upon actual work items that resulted in the budget shortfall, the split between the RIP and the SHOPP funds works out to $965,000 and $235,000, respectively.

REASONS FOR COST INCREASE:

The reasons for the cost increase can be attributed to three items:

1) Hazardous/Contaminated Materials Handling/Disposal (Cost:$1,231,000)
Areas to be excavated were characterized as hazardous/contaminated material after field sampling and testing was performed. The final volume of hazardous/contaminated soils excavated on the project, which required special handling and disposal at an authorized Class II facility, exceeded the Supplemental Work funds allocated for these work items. Excessive groundwater, some of which was contaminated, was also encountered in various excavations. The groundwater also required special handling and disposal. The excess hazardous/contaminated soils/groundwater was encountered mostly outside of the existing freeway mainline. A minimal (less than 0.2 percent) of the hazardous/contaminated soils/groundwater can be attributed to freeway rehabilitation work. Therefore, this overrun should be funded by RIP funds.

2) Adjustments for Asphalt Price Index Fluctuation (Cost:$548,000)
Due to consistent and sharp increases in the price of oil during 2008, the adjustments for price index fluctuation payments for the asphalt items exceeded the Supplemental Work funds allocated for these items. This project was bid in December 2005. The placement of asphalt, however, did not occur until 2008, after the oil prices had sky-rocketed. The overrun due to adjustment for asphalt price can be attributed to both the rehabilitation and widening of the freeway. This overrun should be funded by both RIP and SHOPP funds. Based on actual asphalt quantities used, the cost breakdown between rehabilitation and widening work comes out to be 51 and 49 percent, respectively.

3) Approach Slab Repair (Cost:$100,000):
The approaches at the north end of the Cal-Park Overhead (Bridge Number. 27-0007R/L) had settled during the progress of this contract. This caused an unacceptable dip at the interface between the pavement and the structure. A Contract Change Order (CCO) was executed to fix the problem. The cost for these repairs should be funded by SHOPP funds.

The final costs and hence the ultimate overruns for these items were not fully realized until the end of the project, when all of the hazardous/contaminated soils were disposed of and the asphalt concrete items were completed. With $679,000 available in remaining contingency funds, additional $1,200,000 in supplemental funds is needed to close out of the contract.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for $1,200,000 to close-out construction contract.

OPTION B: Deny this request and require the contractor to pursue legal action.

RECOMMENDED OPTION:

The Department recommends that this request of $1,200,000, as presented in Option A above, be approved to close-out construction contract.