State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

TAB 140

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 19-20, 2011

Reference No.: 2.5e.(3)
Action Item

PASSED BY CTC JAN 20 2011 CALIFORNIA TRANSPORTATION COMMISSION

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PROJECT PREVIOUSLY VOTED RESOLUTION FA-10-08**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional $324,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

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

RESOLUTION:

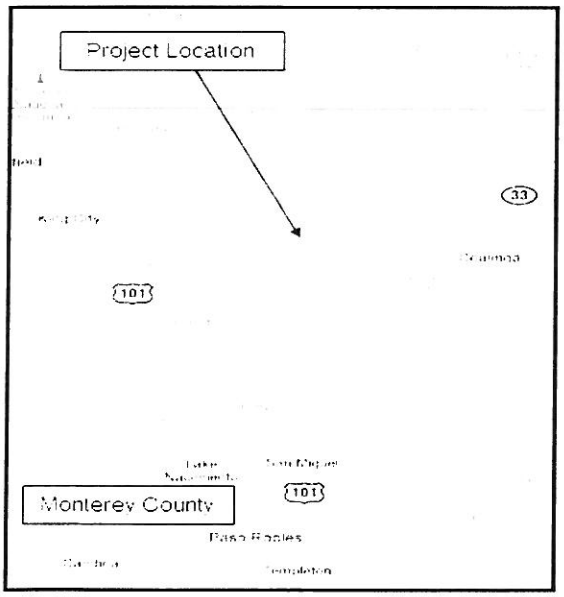
Resolved, that $324,000 be allocated from the Budget Act of 2009, Budget Act Item 2660-302-0042 to provide additional funds for the project identified below.

Project	Dist-Co-Rte	Original allocated Amount	Original Award Amount	Current Allocation	Allocation Adjustment	Revised Allocation	% Increase Above Current Allocation
1	05-Mon-198	$998,000	$638,900	$1,195,900	$324,000	$1,519,900	27.1%

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program /Year Budget Year Item # Fund Type	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(3) Supplemental Funds for Previously Voted Projects					**Resolution FA-10-08**
2 $324,000 Monterey 05N-Mon-198 22.9/23.3	Near Priest Valley, west of Priest Valley Road. Correct vertical curve and widen shoulders in order to improve sight distance and reduce collisions. .	05-1880 SHOPP/08-09 2008-09 302-0042 SHA	$1,195,900		$1,195,900
	Supplemental funds needed to close out construction contract Total Revised Amount: $1,519,900	05-1880 SHOPP/08-09 2009-10 302-0042 SHA		$324,000	$324,000

RECOMMENDATION:

The Department recommends that this request for $324,000 be approved to allow the Department to close out this project.



PROJECT DESCRIPTION:
This project is located on Route 198 in Monterey County near Priest Valley, west of Priest Valley Road. The project improves sight distance on a non-standard vertical curve in order to reduce run-off-the-road and head-on type collisions. The work scope includes excavation of the roadway to lower its vertical curvature, widening of the roadway shoulders, and traffic control as necessary.

FUNDING STATUS:
This SHOPP project was voted in October 2008 for $998,000 and awarded for $638,900 in December 2008. Construction work started March 2009. The contract was suspended in April 2009 and additional supplemental funds in the amount of $557,000 were allocated in June 2009 to cover additional costs incurred by differing site conditions. The project was completed in May 2010. The current allocation is $1,195,900. An additional $324,000 in supplemental funds is needed to resolve all remaining claims and close out the construction contract. This request for supplemental funds will result in an overall increase of 27.1 percent over the current allocation.

REASONS FOR COST INCREASE:
The project cost increase is due to unanticipated delays encountered by the contractor:

1) Wet conditions caused by periodic storms severely limited the contractor's progress during roadway excavation, aggregate base placement, and paving operations. While working through the weather delays, portions of the previously completed work sustained storm damage. Both the Department and the contractor had anticipated all work to be completed prior to the start of the rainy season. The resulting delay lasted 61 working days.
2) Paving was delayed due to limited availability of hot mix asphalt. At the time the contractor was prepared to pave, the only hot mix plant within a reasonable proximity to the project site and capable of providing paving materials, was temporarily unavailable due to a shut down for annual maintenance. The resulting delay lasted 39 working days.

The contractor filed claims for the contract based on the delays mentioned above. After review, the Department has determined that some have merit.

FUNDING OPTIONS:
OPTION A: Approve this request for supplemental funds, as presented above, for $324,000 to close out the 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 for $324,000, as presented in Option A, above, be approved to allow the close out of the current construction contract.