State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

TAB 87

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 22, 2012

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

CTC
AUG 22 2012
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 PROJECT RESOLUTION FA-12-03**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional $1,763,000 for the Bradley Overhead project (PPNO 5645) in Merced County.

ISSUE:

Additional funds are needed for one previously voted multi-funded project in order to complete construction.

RESOLUTION:

Resolved, that $1,023,000 be allocated from the Budget Act of 2011, Budget Act Item 2660-301-0042, $15,000 be allocated from the Budget Act of 2011, Budget Act Item 2660-302-0042, and $725,000 be allocated from the Budget Act of 2011, Budget Act Item 2660-302-0890 to provide additional funds for the project identified below.

Project	Dist-Co-Rte	Funds	Original Allocated Amount	Current Allocation	Allocation Adjustment	Revised Allocation	% Increase Above Current Allocation
1	10-Mer-140	STIP	$15,640,000	$9,280,000[(1)]	**$1,023,000**	$10,303,000	11.0%
		SHOPP	$18,205,000	$13,600,000	**$740,000**	$14,340,000	5.4%
		Total	$33,845,000	$22,880,000	$1,763,000	$24,643,000	7.7%

Notes:

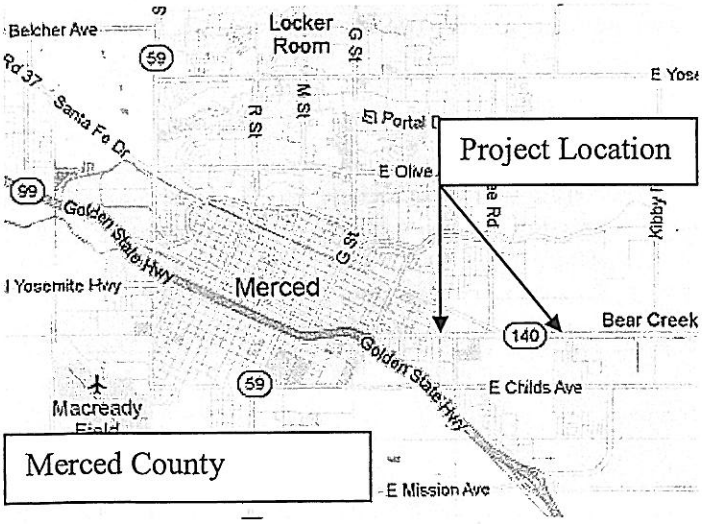
(1) Reflects an AB 608 adjustment of -$6,360,000.

Project # Allocation Amount Recipient RTPA/CTC Dist-Co-Rte Postmile	Project Title Location Project Description	PPNO Budget Year Fund Type Program Codes Project ID	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(1) Supplemental Funds for Previously Voted Projects					**Resolution FA-12-03**
1 $1,763,000 Department of Transportation MCAG 10-Mer-140 36.5/37.6	**Bradley Overhead.** In the city of Merced, from Marthella Avenue to Santa Fe Avenue at the Bradley Overhead. Widen from 2 to 4 lanes with 2-way left turn lane and sidewalks. Outcome/Outputs: Add 2.2 lane-miles. Supplemental Funds needed to complete construction Total Revised Amount: $24,643,000	10-5645 2009-10 801-3008 TIF 20.20.075.600	$9,280,000		$9,280,000
		302-0890 FTF 20.20.201.112	$13,600,000		$13,600,000
		2011-12 301-0042 SHA 20.20.075.600		$1,023,000	$1,023,000
		302-0042 SHA		$15,000	$15,000
		302-0890 FTF 20.20.201.112 1000000420 4 3A66U4		$725,000	$725,000

PROJECT DESCRIPTION:

The project is located near the city of Merced, on Route 140 at the Bradley Overhead. The project will widen the highway to four lanes with a two-way left turn lane and sidewalks.

PROJECT LOCATION:



FUNDING STATUS:

The Commission allocated $15,640,000 of Regional Improvement Program (RIP) funding and $18,205,000 of State Highway Operation and Protection Program (SHOPP) funding for this project in October 2009. The construction contract was awarded in October 2010 with an authorized budget of $22,880,000, which was comprised of $9,280,000 of RIP funds and $13,600,000 of SHOPP funds. The Commission approved an adjustment of $6,360,000 to Merced County's RIP shares in accordance with AB 608. The approval of the share adjustment eliminated the Department's delegated authority to adjust project allocations for the STIP funded portion of the project, as specified in Commission Resolution G-09-12.

The construction contract is approximately 41 percent complete. However, an additional $1,763,000 is needed to complete construction. The target date to complete construction is December 2014.

REASONS FOR COST INCREASE:

The contingency reserve has been depleted, primarily due to three large change orders:

1) The Department was required to implement new storm water specifications to meet the conditions of the new General Permit from the State Water Quality Control Board, which was approved after the contract was awarded. The estimated cost of this change is $394,000.

2) The Bradley Overhead structure was designed to be constructed in stages, with Stage 1 to be opened to traffic supported by temporary supports. However, the contract documents did not adequately address the design requirements of the temporary supports. The contractor assumed that typical falsework would suffice, but after several unsuccessful attempts at an acceptable design that would allow Stage 1 to be opened to traffic, the Department assumed responsibility for the design of the temporary supports. Ultimately, the temporary supports were designed as reinforced concrete columns with cast-in-drilled-hole piles. The redesign of the temporary supports resulted in a delay of 72 days. The estimated cost of this change is $917,000.

3) A future railroad track is planned under the Bradley Overhead. The Department designed the Bradley Overhead structure to accommodate the future track. However, the railroad changed its methodology for measuring the vertical clearance above its track after construction began. Instead of measuring directly over the centerline of the track, the revised methodology now requires that the vertical clearance be measured at the corners of a 25-foot wide box centered on the track centerline. Since the future track will be on a curve, and therefore is not flat, the elevation at the controlling corner of the 25-foot wide box is higher than the point above the track centerline. This change resulted in the redesign of the bridge super-structure, abutments, columns, four retaining walls, falsework, and drainage systems. Since the contractor was unable to work during the redesign period, these changes resulted in an additional delay of 23 days. The estimated cost of these changes is $816,000.

4) The railroad has a contract with an international shipping company which states that no deliveries can be missed in the fourth quarter of each calendar year. Therefore, the railroad agreement specifies that no work affecting the railroad can occur in the fourth quarter of each year. The above delays have pushed the demolition of the existing structure into the fourth quarter of 2012, resulting in an expected delay of 25 working days at a total cost of $125,000.

5) The contingency reserve needs to be restored to prepare for additional risks that might materialize during the remainder of the construction contract. Approximately two-thirds of the bridge construction remains, as well as demolition of the existing structure over an active railroad. There is considerable risk associated with the remaining items of work. Therefore, it is proposed to increase the project contingency balance to $585,000, which is 5 percent of the remaining contract balance of $11,694,000.

The total cost of the above changes is approximately $2,837,000, of which $1,074,000 can be funded from the contingency reserve, leaving a shortfall of $1,763,000.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for $1,763,000 to complete construction.

OPTION B: Deny this request and terminate the contract. However, the existing structure is non-standard and must be replaced. The work would have to be done under another contract, which would be cost more than completing the work under the current contract.

RECOMMENDED OPTION:

The Department recommends that this request of $1,763,000, as presented in Option A above, be approved to complete construction.