

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 8, 2014

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

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti, Chief
Division of
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-14-10**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission allocate an additional \$3,000,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one previously approved project in order to complete construction.

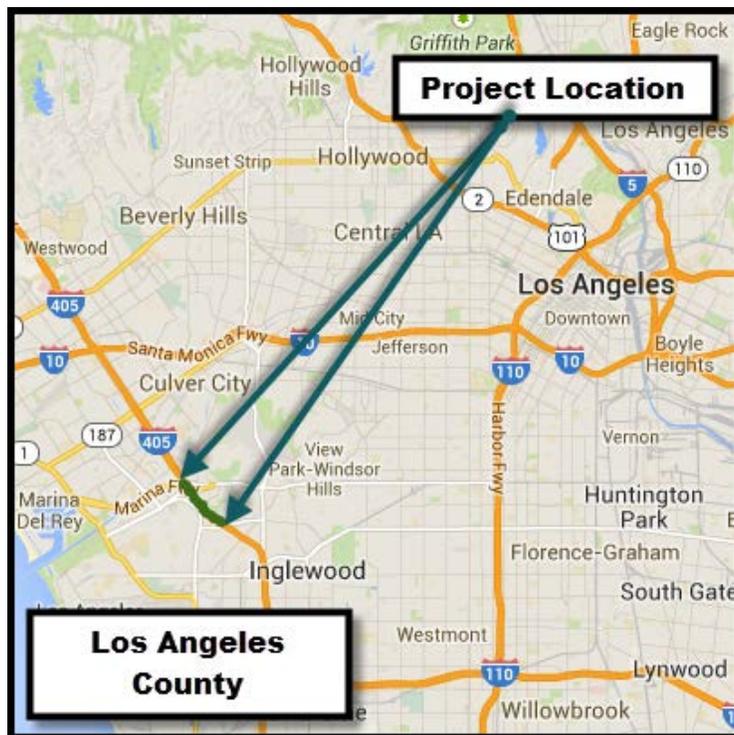
RESOLUTION:

Resolved, that \$3,000,000 be allocated from the Budget Act of 2014, Budget Act Items 2660-302-0042 and 2660-302-0890 to provide additional funds to allow the following project to complete construction.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Allocated Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	07-LA-405	\$17,318,000	\$19,249,800	\$3,000,000	\$22,249,800	15.6%

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program Funding Year Item # Fund Type Program Codes Project ID Adv Phase EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(2) Supplemental Funds for Previously Voted Projects			Resolution FA-14-10		
1 \$3,000,000 Department of <u>Transportation</u> Los Angeles	In Culver City, from La Tijera Boulevard on-ramp to Jefferson Boulevard off-ramp. <u>Outcome/Output:</u> Construct an auxiliary lane to improve traffic flow and reduce congestion.	07-3348 SHOPP 2009-10 302-0042 SHA 302-0890 FTF 20.20.201.310	\$268,000		\$268,000
07-LA-405 24.6/25.8	Supplemental Funds needed to complete construction. Total Revised Amount: \$22,249,800	SHOPP 2011-12 302-0890 FTF 20.20.201.310	\$291,800		\$291,800
		SHOPP 2014-15 302-0042 SHA 302-0890 FTF 0700000415 4 241304		\$60,000 \$2,940,000	\$60,000 \$2,940,000

PROJECT LOCATION:



“Provide a safe, sustainable, integrated and efficient transportation system to enhance California’s economy and livability”

PROJECT DESCRIPTION:

This project is located on Route 405 in Culver City, on its southern boundary with the city of Los Angeles. The project constructs a new auxiliary lane in the northbound direction from the La Tijera Boulevard on-ramp to the Jefferson Boulevard off-ramp. The project widens and seismically retrofits the Centinela Avenue Undercrossing (No. 53-1253) and the Sepulveda Boulevard Undercrossing (No. 53-1254). The Howard Hughes Parkway on-ramp and the Sepulveda Boulevard off-ramp will also be realigned and widened as part of the project. The project also constructs retaining walls to accommodate the widened roadway. The project relieves congestion by improving traffic operations.

FUNDING STATUS:

This project was voted in June 2010, for \$17,318,000. However, to award the project, \$1,640,000 under Resolution G-12 authority was allocated in May 2011. To address contract change orders (CCO's) required during construction, an additional \$291,800 was allocated to the project by the Department under resolution G-12 authority in July 2013. These CCO's were related to expedited paving work at the Howard Hughes Parkway Onramp, unforeseen buried rubble that slowed footing work, utility conflicts, and other items. The construction contract work is largely complete and open to traffic with remaining contract work to be complete in July 2015. An additional \$3,000,000 in supplemental funds is needed to complete construction, this is an overall increase of 15.6 percent over the current SHOPP allocation.

All current Notices of Potential Claims filed by the contractor have been addressed. However, a final opportunity for additional claims remains. All unforeseen claims will go through the Dispute Resolution Board (DRB) process. If rulings by the DRB are not in favor of the Department, additional supplemental funds may be required to close-out the contract.

REASONS FOR COST INCREASE:

An additional \$3,000,000 is needed to complete the construction contract to pay for both indirect time related overhead costs as well as direct costs caused by impacts on critical operations due to right of way delays. The contractor has filed several notices of potential claims that have been found to have merit by the Department, resulting in the increased costs.

The requested additional funds breakdown as follows:

1. Time Related Overhead due to Right of Way Delays	\$1,300,000
2. Inefficiencies and Unpaid Extra Work	\$ 715,000
3. Item Adjustments and Unpaid Quantities	\$ 390,000
4. Labor, Equipment and Material Escalations	\$ 300,000
5. Temporary Supports and Shoring	\$ 170,000
6. Local Street Requirements	\$ 80,000
7. Remove and Replace Sidewalks and Asphalt Paving	\$ 45,000
	<u>\$3,000,000</u>

1. Time Related Overhead due to Right of Way Delays: Right of Way delays occurred at both the Centinela Avenue Undercrossing (UC) and the Sepulveda Boulevard UC. The planned relocation of an overhead power line pole and guy wire foundation was delayed at the Centinela Avenue UC due to safety concerns with a nearby California Highway Patrol gasoline fueling station. The original pole location determined by the utility owner and the Department prior to the contract was ultimately not buildable due to an underground flood control structure. This resulted in additional time for the owner to relocate and caused a delay to the then awarded contract. Also, contract plans incorrectly showed an existing underground phone utility duct bank that resulted in a conflict with bridge bent construction requiring changes to the bridge footing design. Furthermore, an abandoned oil line was also found within the limits of bridge construction that needed to be addressed. At Sepulveda Boulevard, an adjacent city roadway improvement project delayed the implementation of construction traffic handling plans necessary for bridge widening and retrofit work at that location. The contractor's claim, with interest, for the additional time related overhead costs caused by these right of way delays added \$1,300,000 to the cost of the project.

2. Inefficiencies and Unpaid Extra Work: The contractor's work operations were re-sequenced while conflicts at the Centinela Avenue UC and the Sepulveda Boulevard UC were resolved. This caused additional equipment and personnel mobilization and re-staging costs not accounted for in the original bid. These inefficiencies to the work sequence and the unpaid extra work bills associated with re-sequencing, plus interest, added \$715,000 to the cost of this project.

3. Item Adjustments and Unpaid Quantities: The contractor was required to maintain temporary traffic striping, traffic handling, and other lump sum items for longer periods of time than anticipated due to the right of way delays at the Centinela Avenue UC and the Sepulveda Boulevard UC. The item adjustments and unpaid quantities added \$390,000 to the cost of the project.

4. Labor, Equipment and Material Escalations: The date of project completion was extended 266 working days due to the right of way delays. This caused the contractor to perform contract work at higher salary rates, higher equipment rental rates, and higher concrete prices than originally planned. This added \$300,000 to the cost of the project.

5. Temporary Supports and Shoring: The contractor incurred additional costs for temporary supports on the Centinela Avenue UC due to the delays of the overhead utility relocation. The costs were for additional bridge settlement monitoring, additional labor, and an adjustment to the bid item for temporary supports due to the right of way delay impacting the construction at that location. This added \$170,000 to the cost of the project.

6. Local Street Requirements: Contract documents failed to address local street closure requirements. The contractor's bid assumed a full-day work window to close lanes on the local streets. During construction, the city restricted lane closures for work along Sepulveda Boulevard to less time than assumed. This caused unanticipated stand-by time for welders and ironworkers waiting for street closures in order to resume work. This added \$80,000 to the cost of the project.

7. Remove and Replace Sidewalks and Asphalt Paving: Payment items were missing from the contract for removal and replacement of sidewalks and street pavement at the Sepulveda Boulevard OC column seismic retrofit locations. This added \$45,000 to the cost of the project.

FUNDING OPTIONS:

OPTION A: Approve this request as presented above for \$3,000,000 to allow this project to complete construction.

OPTION B: Deny this request and require the Contractor pursue payment from the Department through further legal action. The Department has considered this option and determined that the future costs to resolve these issues would most likely be greater than the current request and interest will continue to accumulate on the unpaid amount.

RECOMMENDED OPTION:

The Department recommends that this request of \$3,000,000, as presented in Option A above, be approved to complete construction of the project.