

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2019

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(5), Action Item

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District 07 – Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT (PPNO 4845/EA 31340 – LOS ANGELES COUNTY – INTERSTATE 710) (CULVERT) RESOLUTION FP-19-06**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$1,340,000 for the State Highway Operation and Protection Program (SHOPP) Drainage Rehabilitation project (PPNO 4845) on Interstate 710, in Los Angeles County?

RECOMMENDATION:

The Department recommends that the Commission approve the requested allocation for this SHOPP project.

PROJECT DESCRIPTION:

This project will rehabilitate and restore damaged drainage culverts to restore full drainage system functionality. This project is consistent with the Commission-adopted Transportation Asset Management Plan.

FUNDING AND PROGRAMMING STATUS:

The project was programmed in the 2018 SHOPP for \$1,257,000 in Construction Capital and \$205,000 in Construction Support for delivery in Fiscal Year 2018-19.

The Department completed the Plans, Specifications and Estimate (PS&E) for this project in April 2019 and updated the Engineer's Estimate in May 2019. The Capital Cost has decreased from the programmed amount of \$1,257,000 to \$945,000; a \$312,000 decrease.

The updated project Construction Support cost is \$395,000, an increase of \$190,000 over the programmed amount. Therefore, the Department is requesting an allocation that exceeds the programmed Construction Support funds by more than 20 percent.

REASON(S) FOR COST INCREASE:

The construction capital cost estimate in the approved project report remains unchanged at \$1,257,000, however the Construction Support cost estimate is higher at \$395,000, as compared to the original programmed amount of \$205,000. The Department had an updated Construction Support cost estimate in June 2017, however, it was inadvertently excluded during the 2018 SHOPP development cycle.

The Construction Support allocation request at \$395,000 is higher than the programmed amount of \$205,000, because of the time now required for additional inspection and preparation of an unanticipated environmental compliance report. Also, during PS&E, it was discovered that two work locations, where portions of the two culverts are located had been relinquished to the Los Angeles County Flood Control several years ago. This required the Department to acquire a permit from Los Angeles County for these two locations. The conditions of the permit will cause extra inspections and require time for the preparation of an Environmental Compliance Report, which resulted in an increase of Construction Support costs.

In addition, the construction working days are estimated at 120 days, as compared to 90 days in the June 2015 project initiation document.

These two changes resulted in an increase in Construction Support required from the current programmed amount of \$205,000 to \$395,000, however, the overall project cost of \$1,340,000 is still less than the original programmed amount of \$1,462,000.

CONSEQUENCES:

The Department has determined that if request for a construction capital allocation of \$945,000 and a construction engineering support allocation of \$395,000 is not approved the Department will not be able to advertise this SHOPP project and needed drainage rehabilitation will not be accomplished.

FINANCIAL RESOLUTION:

Resolved, that \$945,000 be allocated from the Budget Act of 2019, Budget Act Item 2660-302-3290 for construction and \$395,000 for construction engineering, to provide funds to advertise the project.

Attachment

