

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2019

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(3), Action Item

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District 07 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR PREVIOUSLY VOTED PROJECT
(PPNO 4137/EA 07-20211 – LOS ANGELES COUNTY – INTERSTATE 710
(PAVEMENT)
RESOLUTION FA-19-05**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$4,800,000 for the State Highway Operation and Protection Program (SHOPP), Pavement Rehabilitation project (PPNO 4137) on Interstate 710 (I-710), in Los Angeles County, to close out the construction contract?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project, in Los Angeles County, is located on I-710 in and near the Cities of Los Angeles, Monterey Park, Vernon, Maywood Bell, Cudahy, Bell Gardens and Downey. The project will rehabilitate the existing pavement section, reduce accidents by bringing lanes and shoulders to current design standards, provide better horizontal and vertical sight distance and incorporate the most current design standards for median barriers. The project will improve 44 miles of highway, 36 miles of widened shoulders, and provide pavement that has a 40-year service life.

FUNDING AND CONTRACT STATUS:

The project was completed in September 2018. It was a programmed SHOPP project that was allocated for \$190,222,000 and awarded to the contractor for \$103,000,000. The total project allotment was \$131,384,000. The Department settled with the contractor most of the claims

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to enhance California’s economy and livability”*

prior to acceptance of contract, however, there are 37 outstanding claims that the contractor is willing to settle on for \$16,264,000. The available project budget is \$11,464,000 and the Department is requesting an additional \$4,800,000 to close out the project for an overall total cost of \$136,184,000.

REASON(S) FOR COST INCREASE:

This project was a pilot for the innovation of pavement rehabilitation; with the largest use of Precast Prestressed Concrete Panels (PPCP) on any road renovation in the United States. The main feature of the 9.2-mile project was the experimental installation of the PPCP that was promoted for rapid installation. However, the roadway's geometry led to the need for trapezoidal panels to taper in width from 26 feet on one end to 36 feet on the other. Additionally, variations of PPCP panel widths in many locations created shapes that were challenging to the post-tensioning design. Due to the unique features of the project, the contractor faced many challenges with respect to the PPCP. In an effort to manage the risks facing the completion date and project budget, the Department issued various Construction Change Orders changing the design of PPCP from trapezoidal to rectangular panels, replacing PPCP with Joint Plain Concrete Pavement and/or Rapid Setting Concrete (RSC) and in some instances, eliminating the PPCP completely.

There were 98 contract claims, most were resolved prior to Construction Contract Acceptance, but some claims remain unresolved. The Department determined that the majority of the contractor's claims have merit and have agreed that a supplemental allocation of \$4,800,000 will satisfy the terms of the agreed upon resolution totaling \$16,264,000 to pay for delay costs.

CONSEQUENCES:

The Department has determined that additional funds are needed to close out this construction contract and the additional funds requested are in the best interest of the State.

The Department has exercised all feasible measures to minimize costs in closing out this project and has determined that this request is well-supported and is the only viable alternative available.

If this request for an additional \$4,800,000 is not approved, the Department will not be able to close out the project, and the Department will see greater financial exposure during arbitration.

FINANCIAL RESOLUTION:

Resolved, that \$4,800,000 be allocated from Non-Budget Act Item 2660-802-3290 for construction to provide funds for the SHOPP Pavement Rehabilitation project on I-710 in Los Angeles County, to close out the construction contract.

Attachment

2.5 Highway Financial Matters

Project #	Project Title	PPNO Program Funding Year	State	State	State
Allocation Amount	Location	Item #	Federal	Federal	Federal
Recipient	Project Description	Fund Type	Additional	Revised	Revised
<u>RTPA/CTC</u>	Project Support Expenditures	Program Codes	Current Amount	Amount by	Amount by
County		Project ID	by Fund Type	Fund Type	Fund Type
Dist-Co-Rte		Adv Phase			
Postmile		EA			
2.5e.(3)	Supplemental Funds For Previously Voted Project		Resolution FA-19-05		
\$4,800,000	From South Gate to Monterey Park from Los Angeles River Bridget to Ramona Blvd. <u>Outcome/Output:</u> Rehabilitate roadway.	07-4137 SHOPP/2011-12 302-0042	\$396,000		\$396,000
Department of Transportation <u>LACMTA</u>	Supplemental funds are needed to Close-Out.	SHA 302-0890	\$130,987,800		\$130,987,800
Los Angeles 07-LA-710 17.2/26.4	Total revised amount \$136,183,800	FTF 20.20.201.120			
		SHOPP/2017-18 802-3290 RMRA 20.20.201.120 0700020869 4 20211		\$4,800,000	\$4,800,000