

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 28-29, 2023

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(9), Action Item

Prepared By: Ryan Dermody
District 09 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION COMPLETION PHASE
PPNO 0170/EA 21340 – INYO COUNTY – UNITED STATES HIGHWAY 395
RESOLUTION FA-22-88**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$7,800,000 in Construction Support for the State Transportation Improvement Program (STIP) Olanca and Cartago Expressway project on United States Highway 395 (US 395), in Inyo County, to complete the construction contract?

RECOMMENDATION:

The Department recommends that the Commission approve the requested supplemental funds allocation for this STIP project.

PROJECT DESCRIPTION:

This project is located on US 395, in and near Olanca and Cartago, from south of the Los Angeles Aqueduct Bridge to south of the Ash Creek Bridge, in Inyo County. The project will convert the two-lane conventional highway into a four-lane expressway.

FUNDING AND PROGRAMMING STATUS:

In March 2012, the project was programmed for \$5,900,000 in Construction Support in the STIP, \$3,103,000 from the Interregional Improvement Program (IIP) and \$2,797,000 from the Regional Improvement Program (RIP), for allocation in Fiscal Year 2020-21. In March 2014, the project was amended to increase the programmed amount to \$8,100,000 in Construction Support, \$4,260,000 from the IIP and \$3,840,000 from the RIP based on the refinement of the resources needed when the Project Approval and Environmental Document phase was completed. In March 2018, the project was further amended to increase the programmed amount to \$9,850,000 in Construction Support, \$5,180,000 from the IIP and \$4,670,000 from

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the RIP, based on the escalation of the resources to the year of allocation. In May 2021, the project was allocated for \$9,850,000 in Construction Support in the STIP, \$5,180,000 from the IIP and \$4,670,000 from the RIP. In October 2021, the project was awarded, and construction began in January 2022, with a planned 500 working days. The remaining funds are currently at \$1,836,000 in Construction Support. The project is 40 percent complete with 235 working days remaining. The planned Construction Contract Acceptance is scheduled for August 2024. The Department is requesting supplemental funds in the amount of \$7,800,000 in Construction Support from the IIP, to complete the construction contract.

STIP Support Component	Programmed Amount	Allocated Amount	Supplemental Amount	Revised Allocation Amount	Percent Over Allocated Amount
IIP	\$5,180,000	\$5,180,000	\$7,800,000	\$12,980,000	-
RIP	\$4,670,000	\$4,670,000	-	\$4,670,000	-
Total	\$9,850,000	\$9,850,000	\$7,800,000	\$17,650,000	79.2

REASON FOR COST INCREASE:

The project realized cost increases due to previously undiscovered archeological resources and storm issues that caused staging delays, regrading of areas, and rework of drainage. These events and changes have resulted additional work.

The project is located in an environmentally sensitive area for biology and tribal/archeological resources. Extensive tribal coordination, outreach, and consultation have been and continue to be conducted throughout project development and construction. Unanticipated finds of archaeological and tribal cultural resources, including burials, necessitated additional surveys, monitoring, treatment, avoidance measures, and security services which increased costs. These additional resources amount to \$2,700,000.

Due to the extent of newly discovered archeological resources, the northbound lanes were realigned to avoid the resources, resulting in redesign and additional utility work. These additional resources amount to \$900,000. Adding to the delay were the severe Winter storms in 2023 that caused damage to the drainage systems and surrounding rough grading and work stoppages, resulting in delays in critical path items and delaying the project by three months. An emergency project is underway, under a Director’s Order, to repair the storm damage that occurred to drainage systems in the area and on this project. The contractor on this project was brought in to perform the emergency storm damage repair work.

The resource mitigation and the emergency damage repair work will delay paving and related construction activities. An additional 175 working days will be needed to complete the project. This will result in the project being completed in three construction seasons as opposed to the two seasons that were originally planned. The project will need additional resources in the amount of \$4,200,000 to complete the remaining activities to close out the project.

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CONSEQUENCES:

If this allocation request for supplemental funds is not approved, the Department will not be able to complete construction of this project to convert the two-lane conventional highway into a four-lane expressway. If the construction contract is further delayed, it will likely result in claims by the contractor. To complete construction at a later time, another project will have to be programmed in a future STIP cycle at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$7,800,000 be allocated for Construction Support to provide funds to complete the construction phase for this STIP project.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	Recipient	Project Title	PPNO Program	Funding Year	Item #	Fund Type	State	State
<u>RTPA/CTC</u>		County	Location	Program Codes	State	Federal	Project ID	Federal	Federal
Dist-Co-Rte		Postmile	Project Description	Adv Phase	Current Amount	Amount by	EA	by Fund Type	Amount by
			Project Support Expenditures			Fund Type			Fund Type

2.5e.(9)

Supplemental Funds for Previously Voted Project

Resolution FA-22-88

1	\$7,800,000	Department of Transportation <u>ICLTC</u> Inyo 09-Iny-395 29.2/41.8	Olancha and Cartago Expressway. Near Olancha and Cartago, south of the Los Angeles Aqueduct Bridge to south of the Ash Creek Bridge. Widen 2 lane conventional highway to 4 lane expressway.	09-0170 IIP/2020-21 301-0042 SHA 20.20.025.700				\$4,132,400	\$4,132,400
			Supplemental funds are needed to Complete Construction.	IIP/2020-21 301-0890 FTF 20.20.025.700				\$31,444,800	\$31,444,800
			CEQA - EIR, 6/27/2017 NEPA - FONSI, 6/27/2017; Re-validation 6/30/2020	RIP/2020-21 301-0042 SHA 20.20.075.600				\$4,754,400	\$4,754,400
			Future consideration of funding approved under Resolution E-17-53; August 2017.						
			Total revised amount \$84,310,100						
			Concurrent addendum for the previously approved Future Consideration of Funding under Resolution E-23-98; June 2023.	RIP/2020-21 301-0890 FTF 20.20.075.600				\$36,178,500	\$36,178,500
				001-0042 SHA 20.10.025.700				\$895,000	\$895,000
				001-0890 FTF 20.10.025.700 0900000030 3 21340				\$6,905,000	\$6,905,000