

## MEMORANDUM

## TAB 84

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 12-13, 2021

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(5), Action Item – **PINK REVISED**

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District 03 - Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR PREVIOUSLY VOTED PROJECT (PPNO 6689/EA 3797U) – SACRAMENTO COUNTY – INTERSTATE 80) RESOLUTION FA-20-51**

Action Update: Book item updated to reflect the revised amount being requested from \$13,000,000 to \$10,000,000.

### **ISSUE:**

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional ~~\$13,000,000~~ **\$10,000,000** in construction capital for the State Highway Operation and Protection Program (SHOPP), Pavement Rehabilitation project on Interstate 80 (I-80), in Sacramento County, to close out the construction contract?

### **RECOMMENDATION:**

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

### **PROJECT DESCRIPTION:**

The project constructed auxiliary lanes, reconstruct pavement, slab replacement, and high occupancy vehicle lanes on a 10-mile segment of I-80 in Sacramento County. This project will extend the life of the pavement and reduce maintenance cost and improve operation, safety, traffic flows, air quality and mobility for commuters and freight. Soundwalls, retaining walls, and Traffic Operations System elements were also constructed/installed as part of this project.

*“Provide a safe and reliable transportation network that serves all people and respects the environment.”*

**FUNDING AND CONTRACT STATUS:**

The project was allocated in January 2011 for \$155,000,000 for construction capital and awarded to the lowest bidder in July 2011 for \$104,588,000. Construction began in August 2011. A budget augmentation was approved in May 2017 for \$2,500,000 for a total project allocation of \$107,088,000. The project was completed, and the project Construction Contract Acceptance date was on July 13, 2017.

The Department is requesting supplemental funds in the amount of ~~\$13,000,000~~ **\$10,000,000** to pay for the final claims resolution due to the contractor and to close out the contract.

**REASON FOR COST INCREASE:**

There were over 135 Contract Change Orders that depleted the project contingency funds. The change orders included emergency slab repairs, significant unsuitable material, flagging, and buried manmade objects.

The requested supplemental funds are needed to pay an arbitration award against the Department after two of the contractor's claims were litigated. It should also be noted that interest on the arbitration award continues to accrue until it is paid.

The litigated claims concerned responsibility for cracking that occurred in Jointed Plane Concrete Pavement (JPCP) placed as a pavement rehabilitation strategy for the project. The total JPCP placed was 85,285 cubic yards of which 11,928 cubic yards, or 14 percent of the total JPCP, was replaced due to cracking. **The project financing was managed proportionally between the various fund types as is the standard on project funded by multiple sources. This cost increase is under the jurisdiction and responsibility of the SHOPP portion of the project.**

**CONSEQUENCES:**

If the additional funds are not approved, the Department will not be able to meet its legal obligation to compensate the contractor in accordance with the arbitrator's ruling.

**FINANCIAL RESOLUTION:**

Resolved, that ~~\$13,000,000~~ **\$10,000,000** be allocated from Non-Budget Act Item 2660-802-3290 for construction capital, to provide funds to close out the construction of the project.

Attachment

2.5 Highway Financial Matters

**PINK REVISED**

Requested dollar amount revised from \$13,000,000 to \$10,000,000

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

2.5e.(5)

Supplemental Funds for Previously Voted Project

Resolution FA-20-51

\$10,000,000	I-80 Across the Top: In Sacramento within the median of I-80 from the Sacramento River	03-6689		
Department of Transportation	Bridge to Watt Avenue Construct Bus/Carpool (HOV) lanes, auxiliary lanes, retaining walls, soundwalls, TOS elements and replace #2,3 lanes and various slabs in #1 lanes. <u>Outcome/Output:</u>	SHOPP/2010-11	\$56,051,000	\$56,051,000
<u>SACOG</u>		302-0890		
Sacramento	Supplemental funds are needed to Close-out Contract.	FTF		
03-Sac-80	Total revised amount \$68,551,000	20.20.201.120		
0.0		SHOPP/2011-12	\$2,500,000	\$2,500,000
		302-0890		
		FTF		
		20.20.201.120		
		SHOPP/2017-18	\$10,000,000	\$10,000,000
		802-3290		
		RMRA		
		20.20.201.120		
		0300020155		
		3797U		