

MEMORANDUM

TAB 72

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 29-30, 2022

From: ANGEL PYLE, Chief Financial Officer (Acting)

Reference Number: 2.5e.(10), Action Item **YELLOW MEETING HANDOUT**

Prepared By: Tony Tavares
District 07 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION CLOSEOUT
PPNO 0310B/EA 1193U – LOS ANGELES COUNTY – INTERSTATE 10
RESOLUTION FA-21-63**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$4,095,000 in Construction Capital and \$582,000 in Construction Support for the State Highway Operation and Protection Program (SHOPP) Mobility and Pavement Rehabilitation project on Interstate 10 (I-10), Segment III, in Los Angeles County, to close out construction?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project is located on I-10, in the Cities of West Covina and Pomona, from Citrus Street to State Route 57 (Segment III), in Los Angeles County. The project will construct a High Occupancy Vehicle lane and rehabilitate the roadway in both directions.

FUNDING AND PROGRAMMING STATUS:

In November 2014, the project was programmed for \$33,100,000 in Construction Capital and \$4,392,000 in Construction Support in the SHOPP for delivery in Fiscal Year 2014-15. With the programmed amount of \$148,634,000 in Construction Capital and \$6,086,000 in Construction Support from local/federal funds, and \$17,715,000 in Construction Support from State Transportation Improvement Program (STIP) Regional Improvement Program (RIP), the total

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programmed amount was \$179,734,000 in Construction Capital and \$28,193,000 in Construction Support.

In May 2015, the project was allocated for \$41,750,000 in Construction Capital and \$8,699,000 in Construction Support. The project utilized \$4,375,000 of G-12 funds to award the contract in November 2015, for \$46,125,000 in Construction Capital and the amount that was originally allocated in Construction Support in the SHOPP. The project also utilized \$1,971,000 of G-12 funds for a total of \$19,687,000 in Construction Support in the STIP RIP. With the allocated amount of \$148,634,000 in Construction Capital and \$6,086,000 in Construction Support from local/federal funds, the total allocated amount was \$194,759,000 in Construction Capital and \$34,472,000 in Construction Support.

Construction began in April 2016, with 1530 working days. The remaining Construction Capital is currently at \$420,000 and Construction Support is currently at \$64,000. The project has been completed and reached Construction Contract Acceptance on June 17, 2022.

The total shortfall is \$11,742,000 in Construction Capital and \$1,100,000 in Construction Support. Therefore, the Department is requesting an additional \$4,095,000 in Construction Capital and \$582,000 in Construction Support in the SHOPP to complete the project, settle claims, and close out the project. The remaining \$7,647,000 in Construction Capital and \$518,000 in Construction Support will be covered by local/federal funds.

Component	Programmed Amount	Allocated Amount	Supplemental Amount	Revised Allocation Amount	Percent Over Allocated Amount
SHOPP Capital	\$31,100,000	\$46,125,000	\$4,095,000	\$50,220,000	8.9
CMAQ, Metro Capital	\$148,634,000	\$148,634,000	\$7,647,000	\$156,281,000	5.1
Total Capital	\$179,734,000	\$194,759,000	\$11,724,000	\$206,501,000	6.0
SHOPP Support	\$4,392,000	\$8,699,000	\$582,000	\$9,281,000	6.7
STIP, RIP Support	\$17,715,000	\$19,687,000	-	-	-
CMAQ, Metro Support	\$6,086,000	\$6,086,000	\$518,000	\$6,604,000	8.5
Total Support	\$28,193,000	\$34,472,000	\$1,100,000	\$35,572,000	3.2

REASON FOR COST INCREASE:

The project realized cost increases due to the cost of the planned work that was higher than anticipated due to a delay in utility relocation and Contract Change Orders (CCOs) to address differing site conditions, discovered of buried asbestos pipes, replacing additional damaged concrete slabs for traffic safety, additional site management, and maintaining traffic. This project has issued 200 CCOs and some of the CCOs have resulted in additional claims from the contractor for inefficiency, delays, and additional costs related to the differing site conditions.

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The CCOs and payment of some of the claims have depleted the contingency fund for the project. Some of the major CCOs and claims are pending final resolution.

Capital Cost Increase:

During the construction of a retaining wall and reconstruction of the roadway by lowering of the freeway profile by five feet at one location, the contractor encountered an unanticipated amount of groundwater that required constant diversion of water, removal of unsuitable material and backfilling with base material. This resulted in additional costs to replace broken concrete slabs and other items of work performed.

The project also encountered a lot of asbestos pipes that required removal and disposal of as hazardous material and required more effort to maintain traffic. During the roadway excavation located within the limits of stage six, the contractor encountered asphalt material throughout the excavation. The disposal of the material had to be handled differently than what was proposed on the project and resulted in a higher cost to the contractor.

The pavement along a section of the roadway in both directions was badly damaged and deteriorated due to the series of rain events in January and February 2017. The Department issued an emergency contract for the repair of the damaged pavement, but it was not able to cover all of the repair work, so the remaining pavement work was repaired by issuing a CCO on this project.

There was a conflict between the Contract Special Provisions and plans as no bid item was included for initial grinding of existing concrete pavement. No change order was written to address this conflict and the contractor claimed additional grinding had to be performed due to the lack of initial grinding.

A construction work window in the westbound direction near the eastern portion of the freeway, was designated in the contract as a 55-hour weekend closure to construct some of the work, but it did not contain the corresponding lane closure charts to allow for the extended lane closure. This resulted in changing the planned 55-hour work window into seven weekends of night closures to complete the work requiring additional costs to maintain traffic. In addition, due to the ongoing construction of the adjacent project (Segment II), there was a lack of accessibility to the western portion of the freeway which resulted in delays to the contractor's planned work schedule. The staging plans were altered to avoid conflicts and it also required additional costs to maintain traffic. The changes in work schedule and other restrictions resulted in a claim by the contractor.

Support Cost Increase:

The increase to the construction support cost was due to the CCOs issued as a result of differing site conditions. Additional resources were needed to address the unanticipated removal of unsuitable material, asbestos pipes, buried man-made objects that were encountered during construction, and inspection of additional concrete slab replacement. In addition to the differing site conditions, the progress of the project was impacted by the

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presence of homeless encampments. Significant resources have been expended on the project for encampment removal and clean-up throughout the duration of construction.

The project incurred 82 days of delays as of June 2021, due to weather related events. The slopes throughout the project limits were inspected during the heavy rain events. Many of the drainage systems were overwhelmed and required coordination with the Department's hydraulics and geotechnical staff to address the issues. Additional efforts were needed to implement additional storm water pollution control.

The management of work stoppages, the increase in maintaining traffic due to the limited work windows and work/noise restrictions, conflict with an adjacent ongoing project (Segment II), and the increase in working days relating to all of the issues that were encountered during construction have also contributed to the additional support cost. Additional efforts were also required to review the claims submitted by the contractor and evaluate the merit of the claims. Analysis was required to determine the value for the claims.

CONSEQUENCES:

If this allocation request for supplemental funds is not approved, the Department will not be able to address the cost of the planned work that was higher than anticipated due to CCOs. The Department will not be able to negotiate and settle the claims with the contractor. This will result in a lawsuit from the contractor and may cost more, since the Department will have to pay for legal fees and interest on the amount due to the contractor.

FINANCIAL RESOLUTION:

Resolved, that \$4,095,000 be allocated from the Budget Act of 2021, Budget Act Item 2660-302-0890 for Construction Capital, and \$582,000 for Construction Support, to provide funds to close out this SHOPP project.

Attachment

2.5 Highway Financial Matters

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

2.5e.(10)

Supplemental Funds for Previously Voted Project

Resolution FA-21-63

\$4,677,000	In West Covina and Pomona, from Citrus Street to Route 57 <u>Outcome/Output</u> : Construct HOV lane		07-0310B SHOPP/ 001-0890					\$8,699,000		\$582,000		\$9,281,000			
Department of Transportation	Supplemental funds are needed to Complete Construction.		FTF 20.20.201.121												
<u>LACMTA</u>	Total revised amount \$59,501,000		SHOPP/2013-14 302-0042					\$633,600				\$633,600			
Los Angeles			SHA 302-0890					\$45,491,400				\$45,491,400			
07-LA-10			FTF 20.20.201.120												
37.2/42.4			SHOPP/2021-22 302-0890							\$4,095,000		\$4,095,000			
			FTF 20.20.201.120												
			0713000007												
			4												
			1193U												