

MEMORANDUM

TAB 73

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 29-30, 2022

From: ANGEL PYLE, Chief Financial Officer (Acting)

Reference Number: 2.5e.(9), Action Item **YELLOW MEETING HANDOUT**

Prepared By: Tony Tavares
District 07 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION CLOSEOUT
PPNO 0309N AND 0309S/EA 1170U – LOS ANGELES COUNTY –
INTERSTATE 10
RESOLUTION FA-21-64**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$16,104,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) and State Transportation Improvement Program (STIP) Mobility, Pavement Rehabilitation, and Soundwall project on Interstate 10 (I-10), Segment II, in Los Angeles County, to close out construction?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project is located on I-10, in the City of Baldwin Park and West Covina, from west of Puente Avenue to Citrus Street (Segment II), in Los Angeles County. The project will construct a High Occupancy Vehicle lane, rehabilitate the roadway, realign freeway ramps, and construct soundwalls in both directions.

FUNDING AND PROGRAMMING STATUS:

In April 2002, the project was programmed for \$8,260,000 in Construction Capital in the STIP, \$4,618,000 from the Interregional Improvement Program (IIP) and \$3,642,000 from the Regional Improvement Program (RIP). In October 2012, the project was programmed for

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that serves all people and respects the environment.”*

\$34,200,000 in Construction Capital in the SHOPP for allocation in Fiscal Year 2012-13. With the programmed amount of \$86,300,000 in Construction Capital from local/federal funds, the total programmed amount was \$128,760,000.

In December 2012, the project was allocated with STIP and SHOPP funds. In February 2014, the project was awarded for \$28,312,000 in Construction Capital in the SHOPP and \$6,838,000 in Construction Capital in the STIP, \$3,823,000 from the IIP and \$3,015,000 from the RIP. With the allocated amount of \$82,726,000 in Construction Capital from local/federal funds, the total allocated amount was \$117,876,000.

Construction began in June 2014, with 1,210 working days. G-12 funds have not been requested for this phase. The remaining budget for Construction Capital is \$17,549,000. The project has been completed and reached Construction Contract Acceptance in January 2022.

The total to settle claims and close out the project is \$47,237,000. Therefore, the Department is requesting an additional \$13,916,000 in Construction Capital in the SHOPP and \$2,188,000 in Construction Capital in the STIP from the IIP to settle the claims and close out the project. The remaining \$31,133,000 in claims will be covered by local/federal funds. The additional \$1,725,000 in Construction Capital that was needed in the STIP from the RIP will come from the additional \$13,585,000 in Construction Capital that has been acquired from local/federal funds.

Capital Component	Programmed Amount	Allocated Amount	Supplemental Amount	Revised Allocation Amount	Percent Over Allocated Amount
SHOPP	\$34,200,000	\$28,312,000	\$13,916,000	\$42,228,000	49.2
STIP, IIP	\$4,618,000	\$3,823,000	\$2,188,000	\$6,011,000	57.2
STIP, RIP	\$3,642,000	\$3,015,000	*\$1,725,000	-	-
CMAQ, Metro	\$86,300,000	\$82,726,000	\$11,860,000	\$96,311,000	16.4
Total	\$128,760,000	\$117,876,000	\$29,689,000	\$147,565,000	25.2

* Metro has agreed to use local funds to cover the increase of the RIP's share.

At time of award, the STIP shares were not adjusted downward. The STIP portion of the award was \$6,838,000 while the programmed amount was \$8,260,000. Therefore, the STIP share adjustment for this supplemental should account for what was credited in shares at the time the project was programmed. The STIP share adjustment between the IIP, and RIP is \$1,392,451 and \$1,098,161 respectively.

REASON FOR COST INCREASE:

The project realized cost increases due to the following factors. There were higher costs of planned work due to right of way and utility relocation delays; and the contractor encountered differing site conditions. Additional traffic control and site management was needed due to the delays. Unit bid prices had come in higher than the Engineer's Estimate (EE) at the time of

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award.

The contractor has filed claims for inefficiencies, escalation of cost for materials, labor, and equipment relating to bid items for delay of the project. The project was delivered with a right of way certification that had eight parcels that required work arounds due to not having possession or improvements had not been removed. The project also experienced delays with relocation of power lines at multiple locations that required the contractor and their subcontractor to skip around to perform the work. An additional delay occurred when an underground power line was discovered that required relocation. There was also an underground water line, which had to be relocated due to being in conflict with construction work.

A proposed retaining wall was found to be in conflict with an existing parking structure foundation. Realignment of the retaining wall required the redesign and relocation of a proposed sewer line to avoid an existing fiber optic vault. Several existing storm drains were found to be at shallower depths than what was shown in the as-builts, which created conflicts with the proposed roadway and soundwall footings. The alignment and profile of eight ramps were redesigned to avoid relocation of storm drains. New concrete structures were also designed to protect the existing storm drains. Hazardous material was also discovered, consisting of an asbestos abandoned utility, existing storm drains, and man-made objects which required removal.

Due to the delays encountered during construction, the duration of the contract was extended which resulted in additional costs for site management and maintaining traffic.

The unit bid prices for the SHOPP and STIP items came in higher than the EE. Due to the contractor's higher bid prices for some of the SHOPP and STIP items, the cost was \$3,581,000 over the SHOPP fund allotment and \$1,512,000 over the STIP fund allotment at the time of award for this project.

CONSEQUENCES:

If this allocation request for supplemental funds is not approved, 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 \$16,104,000 be allocated from the Budget Act of 2021, Budget Act Items 2660-302-0890 and 2660-301-0890 for Construction Capital, to provide funds to close out the construction phase for this SHOPP and STIP project.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	Recipient	County	Dist-Co-Rte	Postmile	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
															Current Amount	by Fund Type	Additional Amount by Fund Type	Revised Amount by Fund Type

2.5e.(9) Supplemental Funds for Previously Voted Project Resolution FA-21-64

\$13,916,000 Department of Transportation LACMTA Los Angeles 07-LA-10 33.4/37.5	In Baldwin Park and West Covina, from 0.1 mile west of Puente Avenue to 0.2 mile east of Hollenbeck Street. <u>Outcome/Output</u> : Replace asphalt with concrete pavement, and replace median barriers, signs, lighting, ramp meters and improve drainage. Supplemental funds are needed to Close-out Contract. Total revised amount \$42,228,000	07-0309N																	
		302-0042		\$405,000															\$405,000
		302-0890		\$27,800,205															\$27,800,205
		FTF																	
										SHOPP/2017-18									
										302-0890					\$106,795			\$106,795	
										FTF									
										20.20.201.121									
										SHOPP/2021-22									
										302-0890					\$13,916,000			\$13,916,000	
										FTF									
										20.20.201.121									
										0700000085									
										4									
										1170U									
\$2,188,000 Department of Transportation LACMTA Los Angeles 07-LA-10 33.4/37.5	Baldwin Park - Soundwalls. In Baldwin Park and West Covina, from Puente Avenue to Citrus Street. Construct soundwall (both directions). Supplemental funds are needed to Close-out Contract. Total revised amount \$9,026,000	07-0309S																	
		IIP/2011-12																	
		301-0042																	
		SHA																	
										301-0890				\$3,823,000			\$3,823,000		
										FTF									
										20.20.025.700									
										RIP/2011-12									
										301-0042									
										SHA									
										301-0890				\$3,015,000			\$3,015,000		
										FTF									
										20.20.075.600									
										IIP/2021-22									
										301-0890					\$2,188,000		\$2,188,000		
										FTF									
										20.20.025.700									
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