

MEMORANDUM

TAB 74

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 7-8, 2022

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(9), Action Item **YELLOW REPLACEMENT ITEM**

Prepared By: Diana Gomez
District 06 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CAPITAL OUTLAY SUPPORT PHASE
PPNO 6949/EA 0W800 – FRESNO COUNTY – STATE ROUTE 99
RESOLUTION FA-22-31**

ACTION UPDATE: *Additional information on remaining work*

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$5,800,000 in Capital Outlay Support (COS), for the State Highway Operation and Protection Program (SHOPP) Roadway Rehabilitation project on State Route (SR) 99, in Fresno County, to complete the Project Approval and Environmental Document (PA&ED) phase.

RECOMMENDATION:

The Department recommends that the Commission approve this request for a COS supplemental funds allocation for this SHOPP project.

PROJECT DESCRIPTION:

This project is located on SR 99 in the City of Fresno (City), from south of El Dorado Street to Clinton Avenue, in Fresno County. The project will rehabilitate the roadway, remove or modify interchanges, remove or replace bridges, construct retaining and sound walls, repair or replace culverts, construct pumping plants, and incorporate complete streets features at the interchanges and local road connections.

FUNDING AND PROGRAMMING STATUS:

In December 2018, this project's PA&ED phase was programmed and allocated for \$20,000,000 in the SHOPP for completion in Fiscal Year 2021-22. In October 2019, the project

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

was amended to reduce the programmed amounts for remaining support phases and revise the schedule for Right of Way (RW) Capital phase from 2021-22 to 2023-24. In December 2021, the project received an 11-month expenditure time extension for PA&ED. In June 2022, the project received a 9-month allocation time extension for the Plans, Specifications, and Estimate (PS&E) and RW Support phases. In July 2022, the project received G-12 funds for PA&ED in the amount of \$2,200,000. In October 2022, the project received a 4-month expenditure time extension amendment for PA&ED. The PA&ED phase is currently 80 percent complete, and as of October 2022, the remaining budget is \$1,353,000, which is insufficient to complete the phase. The project is scheduled to complete the remaining PA&ED activities by March 2023. This long lead project has an estimated delivery year of 2023-24.

REASON FOR COST INCREASE:

The project realized cost increases due to delays in finalizing the environmental document, which resulted from project adjustments and additional environmental studies.

The project is being delivered utilizing the Construction Manager General Contractor (CMGC) process. The Department recently released an Environmental Impact Report (EIR) on a neighboring project and has incorporated additional coordination and outreach, as a result of lessons learned. Early Coordination efforts with the CMGC, City, and property owners led to various project adjustments affecting numerous parcels needed for temporary pedestrian overcrossings, local street connection adjustments, Roeding Park land exchange, minimizing mobile home park impacts, retaining wall cost savings that added easements, and modified railroad strategies. As a result, this created the need for additional environmental studies. The complexity of the project necessitated the use of consultants for railroad involvement, utility work, and structural design work.

Additional time was needed to accommodate the multiple reviews and comments that the Department received on this project's EIR, as heightened emphasis has been placed on the Community Impact Assessment (CIA) section of the report, which addresses how this project will support the 2020-2024 Strategic Management Plan, specifically the Department's goals for equity and environmental justice. Guidance for implementing the executive order for an equity action plan in underserved communities was recently provided in April 2022. As a result, the CIA was strengthened and expanded to include a section addressing the updated requirements for the advancement of equity. The CIA ensured that environmental justice concerns raised were properly addressed and mitigated for during and after construction in this disadvantaged area. Environmental justice concerns have also been highlighted by a community-based organization during a recent public circulation of an adjacent project along SR 99. Extensive community engagement has been performed with community steering committees, leadership counsels, High Speed Rail Authority (adjacent projects), impacted local agencies, schools, mobile home parks, the adjacent park and zoo, many business owners, and numerous constituents. This engagement has led to ideas that have altered the initial design and have necessitated updated environmental studies in some cases. Additionally, other technical

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

studies (Air Quality and Noise) required extensive revisions and reviews.

The Department requested G-12 funds in July 2022 with the anticipation of completing the remaining work including the circulation of the EIR. Given the complexities and size of the project, the Department and the CMGC require additional funds to finalize the EIR and continue the preliminary engineering (solidifying geometric features for right of way engineering map development, delivery of utility conflict maps, coordinating preliminary plan development with the City) necessary to maintain the current delivery year. There are currently over 700 plan sheets undergoing development as part of the preliminary engineering effort and these are essential for annual CMGC and the Independent Cost Estimator (ICE) exercises to develop estimates and determine constructability as required by the CMGC Preconstruction Services Contract implemented during the PA&ED phase. Consultant invoices for these activities have recently been processed and significantly increased expenditures along with recent invoices for CMGC potholing activities. Over 1,200 utility potholes were performed by the CMGC, as permitted by the contract where needed since the Department did not have a potholing contractor available. This added approximately \$1,000,000 to the PA&ED phase expenditures that were originally budgeted in Right of Way Capital. The preliminary engineering work is part of the PS&E work and is anticipated to reduce the future PS&E allocation request that is scheduled for March 2023.

Final Environmental Document tasks and expenses include the collection of public comments and responses to these comments, outstanding permit and translation services invoices, alternative selection, legal review, Quality Control/Quality Assurance (QC/QA) reviews, and the updating and finalization of the report. Outstanding Project Report tasks include the conversion of the Draft Project Report to final format, the updating of the cost estimate, the circulation of the report for reviews, and the finalization of the report based on comments.

The \$5,800,000 in additional funds requested are based on the current amount expended on the project, and the projected expenditures needed to complete the PA&ED phase prior to PS&E phase allocation in March 2023. The projected expenditures have been itemized for a four-month period and only include the labor and tasks defined above as essential to keeping the project on schedule:

- Support for Department Environmental Document/Project Report completion - \$484,000
- Consultant invoices/charges - \$1,616,000
- Expenditures through end of November - \$920,000
- Consultant contract work for Structures and Utility activities - \$560,000
- CMGC constructability review and ICE estimate - \$304,000
- Preliminary Engineering activities for right of way mapping, title work, traffic, electrical, landscape, structures, railroad, and roadway - \$1,640,000

In aggregate, these items amount to an increase of \$5,524,000.

The Department received \$2,200,000 in G-12 funds in July 2022 when \$18,800,000 had been expended from a \$20,000,000 budget, increasing the budget to \$22,200,000. It was anticipated

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

that the environmental document would be circulated that month, the PA&ED could be finalized, and the PS&E phase could be allocated by the end of the year. Due to the delayed Draft EIR, higher than expected consultant invoices received and paid during this time, and a labor intensive CMGC/ICE/Department estimating exercise needed to update the project construction capital budget, past expenses exceeded projections. A portion of the \$5,800,000 will be utilized to address submitted invoices of \$2,300,000 for work previously done. It was determined in early-September 2022 that supplemental funds would be required when the Draft EIR had not been circulated yet. At that time, it was too late to request funds at the October 2022 Commission meeting and it was expected that existing funding would be sufficient through December 2022.

CONSEQUENCES:

If this supplemental allocation request for additional funding is not approved, the Department will not be able to complete the PA&ED phase to provide a long-term solution for rehabilitation of the deteriorating pavement and the positive impacts (complete streets, better freeway, and aesthetic improvements) would not be realized in this project traveling through a disadvantaged community. The project would be delayed until it is reprogrammed in a future SHOPP cycle which could lead to future cost increases.

FINANCIAL RESOLUTION:

Resolved, that \$5,800,000 be allocated to provide funds to complete the pre-construction PA&ED phase for this SHOPP project.

Attachment