

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 28, 2015

Reference No.: 2.5d.(2)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Bruce de Terra, Acting Chief
Division of
Transportation Programming

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED
AMOUNT BY MORE THAN 20 PERCENT
RESOLUTION FP-14-53**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) allocate \$41,750,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one programmed project in order to advertise the construction contract.

RESOLUTION:

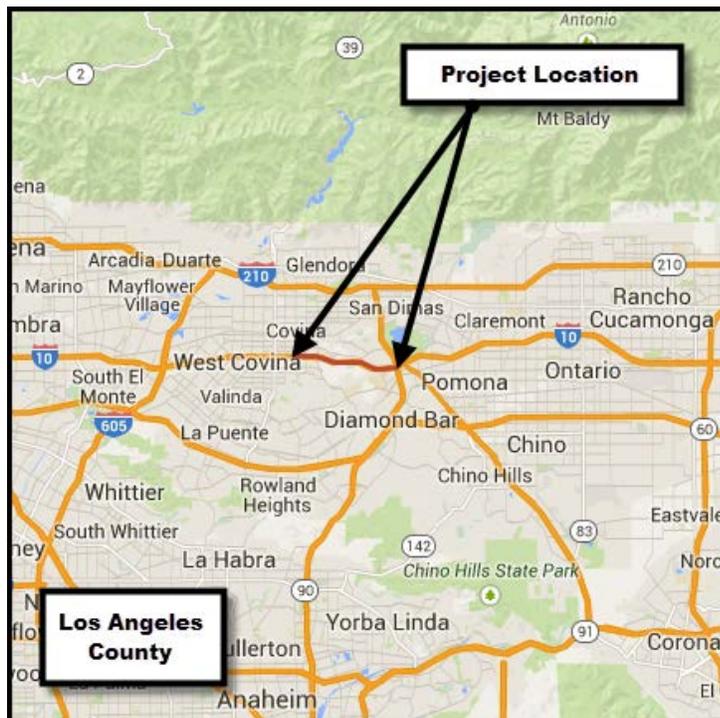
Resolved, that \$41,750,000 be allocated from the Budget Act of 2013, Budget Act Item 2660-302-0890, to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Programmed Amount</u>	<u>Program Adjustment</u>	<u>Revised Programmed Amount</u>	<u>% Increase Above Current Programmed Amount</u>
1	07-LA-10	\$33,100,000	\$8,650,000	\$41,750,000	26.1%

Project # Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	PPNO Program/Year Prgm'd Amount Project ID Adv Phase EA	Budget Year Item # Fund Type Program Code	Amount by Fund Type
2.5d.(2) Allocation for Project with Costs that Exceed the Programmed Amount by more than 20 Percent Resolution FP-14-53				
1 \$41,750,000 Los Angeles 07-LA-10 37.2/42.4	In and near West Covina, San Dimas and Pomona, from Citrus Avenue to Route 57. <u>Outcomes/Outputs:</u> Rehabilitate 46 lane-miles of pavement. Preliminary <u>Engineering</u> <u>Programmed</u> <u>Expended</u> PA&ED \$0 \$0 PS&E \$11,000,000 \$10,656,210 R/W Sup \$1,025,000 \$0 (Construction Support: \$4,392,000) (EA 311204, Project ID 0715000008, to be combined into EA 11934U, Project ID 0713000007, for construction)	07-4812 SHOPP/14-15 \$33,100,000 0715000008 311204	2013-14 302-0890 FTF 20.20.201.120	\$41,750,000

RECOMMENDATION:

The Department recommends that this request for \$41,750,000 be approved to allow this project to be advertised.



PROJECT DESCRIPTION:

The project is located in and near the cities of West Covina, San Dimas and Pomona, from Citrus Avenue to Route 57. The project will rehabilitate 46 lane-miles of pavement and improve the alignment. Two significant improvements are proposed, a non-SHOPP funded High Occupancy Vehicle (HOV) lane project and this SHOPP pavement rehabilitation project. The projects are combined for construction purposes and will complete the last remaining section of contiguous HOV lanes from downtown Los Angeles to the junction with Interstate 15 in San Bernardino County.

FUNDING STATUS:

This pavement project is currently programmed for \$33,100,000 in construction capital in the 2014 SHOPP in Fiscal Year 2014-15. This allocation request for \$41,750,000 is an increase of 26.1 percent above the programmed amount.

REASONS FOR COST INCREASE:

Two significant improvements are proposed on this segment of Interstate 10; a non-SHOPP funded HOV lane project and this pavement rehabilitation project. The HOV lane project and the SHOPP pavement rehabilitation will be constructed under one construction contract.

As a result of the deteriorating pavement condition, this SHOPP pavement rehabilitation project was initiated and a Project Initiation Document (PID) was prepared and programmed in August 2014. The HOV lane project was under design when the SHOPP pavement rehabilitation project was introduced. The two projects, pavement rehabilitation and HOV lane, have been combined into one contract for construction, to reduce the disruption to the traveling public.

However, the scope of work and estimated cost for the SHOPP pavement rehabilitation work, as originally planned, was a combination of pavement overlay and lane replacement on the existing alignment. Lane replacement is the excavation of deteriorated pavement and replacement with new pavement. Once combined with the HOV project, an opportunity was realized to vertically realign the roadway by as much as five feet to both improve the drivers' sight distance and the design speed. The change of scope to improve the vertical alignment is a significant departure from, and much more complex than, what was originally planned, estimated, and programmed. Although more costly, the change provides significant and worthy benefits, including a 40-year life span and remediation of existing collision locations, by improving the vertical alignment.

Changes in the final quantities in the engineer's estimate for the pavement and excavation items constituted the majority of the overall cost increase. These table on the following page details the items that changes as a direct result of the improvement to alignment.

Description of Item	Original Estimate (July 2014)	Current Estimate	Difference
Concrete Pavement	\$5,265,750	\$10,906,905	\$5,641,155 increase
Roadway Excavation	\$ 599,070	\$ 5,143,040	\$4,543,970 increase
Contingency And Mobilization	\$7,320,195	\$ 5,684,362	\$1,635,833 reduction
Miscellaneous Items			\$100,708 increase
Total			\$8,650,000 increase

Implementing alignment changes while at the same time minimizing the impact to travelers during construction resulted in six unique construction stages. This is a significant deviation from the approach and cost in the project as initially planned and programmed. Similarly, since the freeway will be realigned to improve sight distance and design speed, the estimated quantity for roadway excavation increased.

Contingency and Mobilization items are routinely estimated in the PID at 20 percent and 10 percent respectively. The items are reduced in the final estimate to 10 percent and 5 percent respectively.

The items that were mentioned above were the major items that had either a negative (shortfall) or a positive (saving) impact on the project. In total the SHOPP project cost increased by \$8,650,000.

FUNDING OPTIONS:

OPTION A: Approve this request, as presented above, for \$41,750,000 to allow this project to be advertised.

OPTION B: Deny this request and direct the Department to adjust the project to remain within the programmed amount. The Department has considered this option and determined that reducing the scope of work would result in greater costs and more disruption to the traveling public in the future.

RECOMMENDED OPTION:

The Department recommends that this request for \$41,750,000 as presented in Option A above, be approved to allow this project to be advertised.