

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 27, 2015

Reference No.: 2.5e.(4)  
Action Item

From: NORMA ORTEGA  
Chief Financial Officer

Prepared by: Bruce De Terra, Acting Chief  
Division Chief  
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT  
RESOLUTION FA-15-04**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$250,000 for the State Highway Operation and Protection Program (SHOPP) project identified below.

## **ISSUE:**

Additional funds are needed for one previously approved project in order to close-out the construction contract.

## **RESOLUTION:**

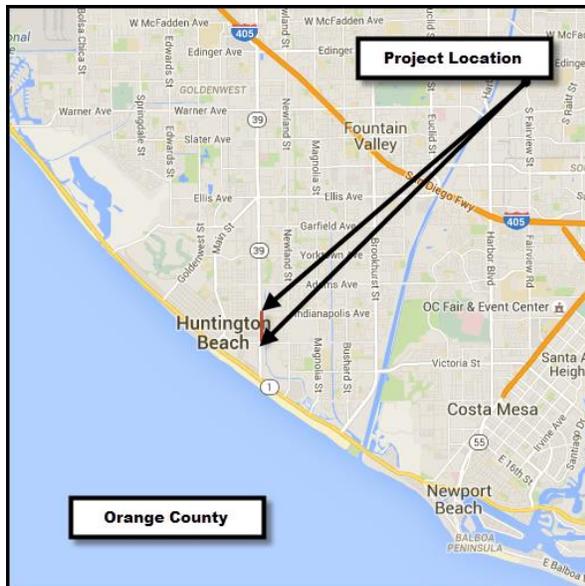
Resolved, that \$250,000 be allocated from the Budget Act of 2014, Budget Act Item 2660-302-0890 to provide funds to close-out the following project.

	Original	Current	Allocation	Revised	% Increase
	<u>Allocation</u>	<u>Allotment</u>	<u>Adjustment</u>	<u>Allocation</u>	<u>Above Original</u>
					<u>Allocation</u>
Dist-Co-Rte	\$925,000	\$1,076,000	\$250,000	\$1,326,000	43.4%
12-Ora-39					

**PROJECT DESCRIPTION:**

This project is located in Orange County on Route 39 in the city of Huntington Beach. Work includes drainage improvements, installation of a culvert, and construction of an underdrain.

**PROJECT LOCATION**



**FUNDING STATUS:**

The project is included in the Commission-approved Fiscal Year 2013-14 SHOPP annual minor program at \$925,000 for construction. In May 2014, an allocation of \$994,000 of SHOPP funds was reported to the Commission as required by the minor program resolution. On May 2, 2014, the contract was awarded for \$1,076,000 using G-12 delegation authority. Construction work commenced in June 2014, and was completed in January 23, 2015.

This request for an additional \$250,000 is an increase of 43.4 percent above the original allocated amount.

**REASONS FOR COST INCREASE:**

Upon completion of construction, the contractor submitted a Letter of Exception to the Proposed Final Estimate that included a claim amount of \$1,309,000. The exceptions focused on unanticipated conditions that resulted in additional cost and delay. These conditions included unsuitable soil encountered during excavation, a need for additional imported material, the discovery and removal of previously unknown buried reinforced concrete, and replacement of sand bedding, under the drainage culvert that was washed away by high tides, with gravel and concrete slurry. The Department negotiated with the contractor and has come to resolution that an additional \$250,000 resolves all pending claims.

**DETERMINATION:**

The Department has determined that this request of \$250,000 is warranted and the contractor has agreed this amount will close-out the contract.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	Recipient <u>RTPA/CTC</u> County Dist-Co-Rte Postmile	Project Title Location Project Description Project Support Expenditures	PPNO Program Funding Year Item # Fund Type Program Codes Project ID Adv Phase EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
<b>2.5e.(4)</b>			<b>Supplemental Funds for Previously Voted Projects</b>			<b>Resolution FA-15-04</b>	
1	\$250,000	Department of Transportation OCTA Orange 12-Ora-39 0.6/1.1	In Huntington Beach on Beach Boulevard from 0.1 mile north of Atlanta Avenue to Indianapolis Avenue. <u>Outcome/Output:</u> Construct drainage improvements by installing a culvert. and sidewalk.  Supplemental funds are needed to Close-out Contract.  Total revised amount \$1,326,000	12-XXXX SHOPP/2013-14 302-0042 SHA 302-0890 FTF 201.151  SHOPP/2014-15 302-0890 FTF 201.151 1212000115 4 0M580	\$10,500  \$1,065,500	\$10,500  \$1,065,500	\$250,000