

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 5, 2013

Reference No.: 2.5e.(6)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-12-21**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$230,000 for the State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

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

RESOLUTION:

Resolved, that \$230,000 be allocated from the Budget Act of 2012, Budget Act Item 2660-302-0042 to provide additional funds for the project identified below.

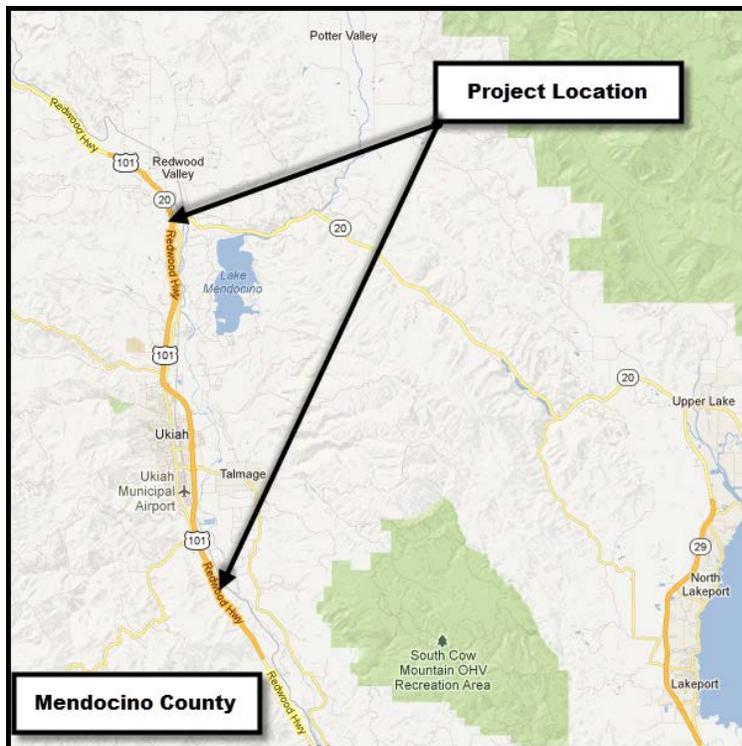
<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original allocated Amount</u>	<u>Original Award Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	01-Men-101	\$2,647,000	\$2,296,000	\$2,719,000	\$230,000	\$2,949,000	8.5%

Project # Allocation Amount Recipient RTPA/CTC Dist-Co-Rte Postmile	Project Title Location Project Description	PPNO Program Budget 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
2.5e.(6) Supplemental Funds for Previously Voted Projects					
Resolution FA-12-21					
1 \$230,000 Department of Transportation Mendocino 01-Men-101 19.7/30.8	In and near Ukiah, from El Roble Road to Route 20. <u>Outcome/Output:</u> Install cable median barrier to reduce the number and severity of median related collisions within the project limits and to comply with the recommendations of the Median Barrier Monitoring Report. Supplemental Funds needed to close-out contract. Total Revised Amount: \$2,949,000	01-4519 SHOPP 2010-11 302-0042 SHA 302-0890 FTF 20.20.201.010 0100020107 4 499904 SHOPP 2012-13 302-0042 SHA 20.20.201.010	\$20,500 \$2,698,500	\$230,000	\$20,500 \$2,698,500 \$230,000

PROJECT DESCRIPTION:

This project is located in and near Ukiah, Mendocino County, from El Roble Road to Route 20. This project installed a cable mesh barrier system to reduce the number and severity of collisions.

PROJECT LOCATION:



FUNDING STATUS:

This SHOPP project was voted in August 2010 for \$2,647,000 and awarded for \$2,296,000 in December 2010. The project is now completed, but there are insufficient funds to pay for the settlement of claims. An additional \$230,000 in supplemental funds is needed to close-out the contract and results in an overall increase of 8.5 percent over the current allocation.

REASONS FOR COST INCREASE:

The construction of this project is complete and the contract was accepted on February 2012. However, upon receiving the Proposed Final Estimate (PFE), the Contractor submitted exceptions to the PFE seeking compensation of an additional \$330,000 for work done under change order.

During construction, additional median emergency vehicle turnarounds and additional concrete weed mat were installed to enhance safety and reduce maintenance worker exposure to traffic. The Contractor disagreed with the State on the adjustment of the quantity on roadway excavation and concrete weed mat, and claimed compensation for change in character of work. A claim hearing was held in July 2012, with the Department, on the merit of the Contractor's claim. The Department has determined that the Contractor is entitled for \$214,300 out of the \$330,000 claimed. The Department and the Contractor agreed to resolve the claim for \$214,300, plus accrued interest. Supplemental funds are necessary to pay the Contractor for arbitration claims settlement as described above and final contract close-out expenses such as the resident engineer's office. This request is in the best interest of the state.

The Department is requesting an additional \$230,000 to close-out this construction contract.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$230,000 to allow the close-out of this project.

OPTION B: Deny this request and require the Contractor pursue payment from the Department through further legal action. The Department has considered this option and determined that the future costs to resolve these issues would most likely be greater than the current request.

RECOMMENDED OPTION:

The Department recommends that this request for \$230,000, as presented in Option A above, be approved to allow the close-out of this project.