



**October 7, 2024**

**To:** Regional Transportation Planning Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Amendment to Cooperative Agreement with the California Department of Transportation for the Interstate 5 Improvement Project Between Alicia Parkway and El Toro Road

**Overview**

On November 11, 2019, the Orange County Transportation Authority Board of Directors approved a cooperative agreement between the Orange County Transportation Authority and the California Department of Transportation for construction capital and construction support services for the Interstate 5 Improvement Project between Alicia Parkway and El Toro Road, which is Segment 3 of the Interstate 5 Improvement Project between State Route 73 and El Toro Road. Board of Directors' approval is requested to amend the cooperative agreement for additional funding for construction capital and construction support services.

**Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Cooperative Agreement No. C-9-1600 between the Orange County Transportation Authority and the California Department of Transportation, in the amount of \$18,980,000, for additional construction capital for the Interstate 5 Improvement Project between Alicia Parkway and El Toro Road. This will increase the maximum cumulative obligation of the cooperative agreement to a total contract value of \$181,065,000.
- B. Authorize the use of up to \$18,980,000 in Measure M2 funds for the construction phase of the Interstate 5 Improvement Project between Alicia Parkway and El Toro Road.
- C. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above actions.

***Discussion***

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation (Caltrans), is implementing the Interstate 5 (I-5) Improvement Project between State Route 73 (SR-73) and El Toro Road (Project). The Project is part of Projects C and D in the Measure M2 (M2) freeway program and is being advanced through the updated Next 10 Delivery Plan approved by the OCTA Board of Directors (Board) in November 2022.

The Project will add one general purpose lane in each direction on I-5 between SR-73 and El Toro Road, extend the second high-occupancy vehicle lane between Alicia Parkway and El Toro Road, re-establish auxiliary lanes, and construct new auxiliary lanes at various locations. In addition, the Project will reconstruct the Avery Parkway and La Paz Road interchanges and the Los Alisos Boulevard overcrossing, improve several existing on- and off-ramps, and convert existing and proposed high-occupancy vehicle lanes to continuous access.

Construction is underway for the Project in three segments with the following limits:

- Segment 1 extends from SR-73 to south of Oso Parkway
- Segment 2 extends from south of Oso Parkway to south of Alicia Parkway
- Segment 3 extends from south of Alicia Parkway to El Toro Road

On November 11, 2019, the Board authorized Cooperative Agreement No. C-9-1600 with Caltrans to provide construction capital and construction support services for Segment 3, between Alicia Parkway and El Toro Road.

Additional construction funding for capital costs is required at this time due to various impacts, including differing site conditions in the freeway median, pavement redesign of the I-5 median, protection of existing utilities, and required additional construction work, which have caused delays to the Project. There are also increased delay costs associated with the disposal of excavated soil and design modifications along Avenida de La Carlota to accommodate the existing site conditions, which were modified post-award of the construction contract and increases in the scope of electrical work. These impacts have delayed the contractor's construction completion date and construction progress, and the extent of these impacts are being monitored and managed with the intent of minimizing additional costs and delay to the construction completion date. The following describes the specific construction issues which have been encountered and require additional funding:

- During the design phase of the Project, the existing condition of the median barrier and pavement were used in the preparation of the design of the new median barrier and roadway pavement. However, once the contractor began demolition work of the existing barrier it was discovered that some of the assumptions made during design were incorrect. The design did not include a full structural road section of pavement needed as the location of the median barrier is being shifted westerly. In addition, where the median barrier was will now be a traffic lane requiring a roadway section that can carry traffic. This delayed the construction completion date by 87 working days.
- During construction of the Los Alisos bridge, the contractor encountered foundations for an existing adjacent retaining wall that were not as shown on the plans. Discovery of the foundations necessitated a change to the installation of piles needed for the new bridge that then delayed the contractor's controlling operation on the critical path. This delayed the construction completion date by 92 working days.
- Beginning January 1, 2023, the County of Orange Waste and Recycling (OCWR) began charging for soil deposited at OCWR landfills. Changes in the project scope have resulted in delays that changed the timing for exporting material from the Project and the additional costs should be borne by the Project.
- To date, there have been numerous changes to the scope of electrical work within the limits of Segment 3. The existing electrical systems, some of which have been in place since the early 1990's, are in worse condition than was previously known, requiring additional electrical cables, junction boxes, and other electrical equipment needing to be completely replaced. In addition, some of the electrical systems called out in the specifications are no longer available, resulting in increased costs associated with the newer models, which has increased the costs associated with new lighting, signals, and other traffic control systems.
- Four Southern California Edison Company transmission power poles required protection in place while excavating for a retaining wall on the southbound side of the freeway. To protect these poles, the contractor had to install significant shoring protection. Whereas the cost of shoring installation and removal was previously included in a separate cooperative agreement amendment, the delay to the Project was not. This delayed the construction completion date by 99 working days.

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- Overall project delays have added to the cost of the Project due to escalated costs in materials and labor which the contractor is entitled to recover. These delays have also necessitated additional funds for items such as increased time-related overhead, ongoing maintenance of existing electrical systems, providing additional traffic control, graffiti and trash removal, and implementation of the Storm Water Pollution Prevention Plan.

Due to changes and the increased scope of work, delays have extended the duration of the construction contract by 278 working days. At this time, Segment 3 construction is scheduled to be completed in early 2025. These changes to the scope of work and the extended construction schedule have resulted in the need for additional construction capital costs of \$18,980,000.

The total construction capital funding previously approved by the Board for Segment 3 was \$131,630,000, comprised of \$15,194,000 in Local Partnership Program – Formula funds, \$2,728,000 in federal Highway Infrastructure Program funds, \$23,036,000 in Surface Transportation Block Grant program funds, and \$90,672,000 in local M2 funds. The total increase to the construction capital costs is \$18,980,000, which is proposed to be funded by additional M2 funding. The total construction capital funding required for Segment 3 is revised from \$131,630,000 to \$150,610,000, increasing the need for M2 funds by \$18,980,000, from \$90,672,000 to \$109,652,000. All other fund sources will remain the same.

This amendment will increase the total cooperative agreement value to \$181,065,000 (Attachment A). This is Project C in the Next 10 Delivery Plan, and the use of M2 funds for this Project is consistent with the Board-approved Capital Programming Policies. The Capital Funding Program Report provides summary funding information for all the freeway projects, including the programming actions that are recommended in this report (Attachment B).

#### Fiscal Impact

Funding for the Project is included in OCTA's Fiscal Year 2024-25 Budget, Capital Programs Division, Account No. 0017-9084-FC106-1O3, and is funded with local M2 funds.

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***Summary***

Board approval is requested for the Chief Executive Officer to negotiate and execute Amendment No. 3 to Cooperative Agreement No. C-9-1600 between OCTA and Caltrans, in the amount of \$18,980,000, for additional construction capital for the Project. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$181,065,000, comprised of a construction capital share of \$150,610,000 and a construction support share of \$30,455,000. Additionally, staff is requesting authorization for the use of up to \$18,980,000 in M2 funds for the Project.

***Attachments***

- A. California Department of Transportation, Cooperative Agreement No. C-9-1600 Fact Sheet
- B. Capital Funding Program Report

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