



August 5, 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 support services.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-9-1600 between the Orange County Transportation Authority and the California Department of Transportation, in the amount of \$5,900,000, for additional construction capital and construction support services 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 \$162,085,000.
- B. Authorize the use of up to \$5,900,000 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 carpool 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 funding for construction management (CM) support 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, and required additional construction work and negotiations to implement the revised scope of work, which have caused delays to the transition to the second stage of the Project and have also required increased inspections for this work. There are also increased delay costs associated with disposal of excavated soil, which has required additional administration to process these costs, increased support and inspection costs associated with design modifications along Avenida de La Carlota to accommodate the existing site conditions which were modified post-award of the construction contract, increases in the scope of electrical work and ongoing processing and negotiations of contractor submitted Time Impact Analyses and Project Claim Reports, all within the limits of Segment 3 of the Project. These impacts have delayed the contractor's construction completion date, which also necessitates additional CM services to complete the Project. 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.
- Beginning January 1, 2023, the County of Orange Waste and Recycling (OCWR) began charging for soil deposited at OCWR landfills. The contractor has argued that changes to the Project have resulted in delays that changed the timing for exporting material from the Project and the additional costs should be borne by the Project. At this time, monthly bills are being submitted by the contractor and are being reviewed and processed by the CM team for payment.
- 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. This has increased the number of Requests for Information, correspondence and coordination with both Caltrans and the three cities where new lighting, signals, and other traffic control systems are being implemented.
- 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. To date, the contractor has submitted a total of eight separate Time Impact Analyses and 18 separate Project Claim Records with the potential to greatly increase the costs to the Project. The CM team is working diligently to analyze, address, and respond to these requests for additional time and costs. The extent of this additional CM support was not previously anticipated, but the CM team is working diligently to resolve these claims in a timely manner.

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- As all three segments of the Project near completion, increased coordination is required with adjacent project segments to plan and obtain lane closures needed to perform work as neighboring project segments complete their freeway mainline and ramp work. This has resulted in additional delay claims that need to be continually addressed by the CM team.

Delays due to changes and increased scope of work have extended the duration of the construction contract by 103 working days. At this time, Segment 3 construction is scheduled to be completed in early 2025. Traffic maintenance, electrical facility maintenance, and lane closure coordination with adjacent Segments 1 and 2 have also incurred increased support costs. These changes to the scope of work and the extended construction schedule have resulted in the need for additional CM support services requiring an increase to construction support costs of \$5,900,000.

The total construction support funding approved by the Board for Segment 3 is \$24,555,000, comprised of \$7,732,000 in Surface Transportation Block Grant (STBG) funds, \$2,000,000 in federal Highway Infrastructure Program (HIP) funds, \$1,721,000 in Local Partnership Program (LPP) funds, and \$13,102,000 in M2 funds. Staff is seeking Board approval for an additional \$5,900,000 in local M2 funds. Of this amount, \$3,700,000 will fund the consultant support services and the remaining \$2,200,000 will fund the Caltrans construction support services. The proposed total construction support funding is \$30,455,000, comprised of \$7,732,000 in STBG funds, \$2,000,000 in federal HIP funds, \$1,721,000 in LPP funds, and \$19,002,000 in M2 funds. The construction support funding is summarized in Attachment A.

This amendment will increase the total cooperative agreement value to \$162,085,000. 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. 0017-9085-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. 2 to Cooperative Agreement No. C-9-1600 between OCTA and Caltrans, in the amount of \$5,900,000, for additional construction support services for the Project. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$162,085,000, comprised of a construction capital share of \$131,630,000 and a construction support share of \$30,455,000. Additionally, staff is requesting authorization for the use of up to \$5,900,000 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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