



**June 4, 2018**

**To:** Regional Planning and Highways Committee

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

**Subject:** Supplemental Contract Change Order for Extra Maintenance Work for the Interstate 405 Improvement Project from State Route 73 to Interstate 605

### **Overview**

On November 14, 2016, the Orange County Transportation Authority Board of Directors approved Agreement No. C-5-3843 with OC 405 Partners, a joint venture, for the design and construction of the Interstate 405 Improvement Project from State Route 73 to Interstate 605. A supplemental contract change order is required for extra maintenance work anticipated during construction through final project acceptance.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute supplemental Contract Change Order No. 3.1 to Agreement No. C-5-3843 between the Orange County Transportation Authority and OC 405 Partners, a joint venture, in the amount of \$1,300,000, for extra maintenance work for the Interstate 405 Improvement Project from State Route 73 to Interstate 605.

### **Discussion**

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation, is implementing the Interstate 405 (I-405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605) (Project). The Project will add one general purpose lane from Euclid Street to I-605, consistent with Measure M2 (M2) Project K, and will add an additional lane in each direction that would combine with the existing high-occupancy vehicle lane to provide dual express lanes in each direction on I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.

**Supplemental Contract Change Order for Extra Maintenance    Page 2**  
**Work for the Interstate 405 Improvement Project from**  
**State Route 73 to Interstate 605**

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On November 14, 2016, the OCTA Board of Directors (Board) approved Agreement No. C-5-3843 with OC 405 Partners (OC405), a joint venture, for the design and construction of the Project. The contract was executed and Notice to Proceed (NTP) No. 1 was issued to OC405 on January 31, 2017. NTP No. 2, for the full design and construction of the Project, was issued to OC405 on July 27, 2017.

In accordance with the contract documents, OC405 is required to perform extra maintenance work as directed by OCTA. The contract provides that OC405 is responsible for all freeway maintenance from NTP No. 2 until final Project acceptance. However, the contract distinguishes between routine maintenance work that is covered by the lump sum contract, and extra maintenance work beyond the control of OC405 that is paid by OCTA through a contract change order (CCO). Routine maintenance work that is covered by the lump sum contract includes sweeping, weed abatement, trash/litter removal, maintaining existing pavement markings, right-of-way fencing, lighting, signals, landscaping, and irrigation systems. The extra maintenance work that will be paid by OCTA includes repairs and replacements due to damage from crashes caused by the traveling public. Examples of extra maintenance work include: maintaining existing pavement and structures; repairing shoulder drop-offs; replacing and repairing existing asphalt shoulders; repairing and replacing existing overhead and roadside signs; replacing damaged guardrails and barriers; repairing and replacing impact attenuators and crash cushions; removing graffiti; repairing crash damage to permanent structures; repairing crash damage to lighting and lighting standards; performing extraordinary and emergency maintenance; and repairing damage due to force majeure such as earthquakes.

CCO No. 3, in the amount of \$200,000, was previously issued and approved by OCTA's Contracts Administration and Materials Management Department (CAMP) to gauge the level of effort needed for the initial extra maintenance work. Since then, OCTA staff developed an independent cost estimate for the anticipated extra maintenance work, in the amount of \$1,500,000, based on the level of extra maintenance required over the last ten months. This estimate assumes that extra maintenance work will be reduced once k-rail is set to establish the work zone and will occur generally at the same rate for the construction duration through final Project acceptance. Therefore, staff is now requesting OCTA Board approval of supplemental CCO No. 3.1, in the amount of \$1,300,000, which brings the total for the CCO No. 3 to \$1,500,000. Costs and expenses for extra maintenance will be tracked, reviewed, and paid on a time and materials basis.

### ***Procurement Approach***

The procurement was handled in accordance with the best-value selection process authorized by AB 401 (Chapter 586, Statutes of 2013) for design-build (DB) projects, and with OCTA's Board-approved procedures for public works projects, which conform to both federal and state requirements. On November 14, 2016, OCTA approved Agreement No. C-5-3843 with OC405 for the design and construction of the Project through a DB contract.

Supplemental CCO No. 3.1, in combination with the previous CAMM-approved CCO No. 3, in the amount of \$200,000, for a total of \$1,500,000, will give OCTA staff the ability to timely direct extra maintenance work on an as-needed basis, up to the amount authorized by the Board, without impacting the Project schedule.

Attachment A lists the seven CCOs that have been executed to date, and the pending CCOs that are currently under negotiation with OC405.

### **Fiscal Impact**

The cost for the extra maintenance work described in supplemental CCO No. 3.1 is funded from the Project contingency and will not increase the total Project estimate of \$1.9 billion. The funding for this work was approved in OCTA's Fiscal Year 2017-18 Budget, Capital Programs Division, accounts 0017-9084-FK101-OGM and 0037-9017-A9510-OGM, and is funded with a combination of federal, state, and local funds. M2 funds will be used for improvements specific to M2 Project K, and non-M2 funds will be used for improvements specific to the 405 Express Lanes.

### ***Summary***

Staff recommends Board of Directors' authorization for the Chief Executive Officer to negotiate and execute Contract Change Order No. 3.1 to Agreement No. C-5-3843 with OC 405 Partners, a joint venture, in the amount of \$1,300,000, for extra maintenance work for the Interstate 405 Improvement Project from State Route 73 to Interstate 605.

**Supplemental Contract Change Order for Extra Maintenance Page 4  
Work for the Interstate 405 Improvement Project from  
State Route 73 to Interstate 605**

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***Attachment***

A. OC 405 Partners, Agreement No. C-5-3843, Contract Change Order Log

**Prepared by:**

A blue ink signature of Dennis Mak, consisting of a stylized 'D' followed by a series of loops and a final 'M'.

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