



December 3, 2018

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Contract Change Order for Additional Design and Construction Efforts for the Interstate 405 Improvement Project Between State Route 73 and 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 between State Route 73 and Interstate 605. A contract change order is now needed for additional design and construction efforts related to the relocation of City of Fountain Valley water lines into new bridge overcrossings at Brookhurst Street, Bushard Street, Magnolia Street, and Ward Street.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 17 to Agreement No. C-5-3843 between the Orange County Transportation Authority and OC 405 Partners, a joint venture, in the amount of \$800,000, for additional design and construction efforts related to the relocation of City of Fountain Valley water lines into new bridge overcrossings at Brookhurst Street, Bushard Street, Magnolia Street, and Ward Street.

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.

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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.

The current scope of work in the contract documents requires the extension of the subject City of Fountain Valley (City) water line casings to accommodate the freeway mainline widening. These City water lines are approximately 60 years old and are in poor condition per a recent City study. The Project also places additional fill on these water lines, further stressing these aging facilities.

During Project design review, the City requested OCTA to relocate the subject water lines into the new bridge overcrossings that will be constructed as part of the Project. OC405 provided its estimate for this additional design and construction work, which was negotiated by OCTA staff to \$800,000.

The City has agreed to compensate OCTA for \$750,000 of the additional design and construction work. A cooperative agreement amendment between the City and OCTA, committing the City's contribution, is anticipated to be approved by the City Council on December 18, 2018.

OCTA has agreed to contribute the balance of \$50,000, which is more than offset by savings to the Project related to the elimination of manhole relocations along the existing water lines. For example, one manhole relocation would have impacted private property and required OCTA to acquire property rights.

A contract change order (CCO) is now needed for additional design and construction efforts related to the relocation of City water lines into new bridge overcrossings at Brookhurst Street, Bushard Street, Magnolia Street, and Ward Street.

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.

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The City will reimburse OCTA for the majority of the costs of this specific work on the Project, after the City Council approves the City's \$750,000 funding agreement with OCTA specific to this work.

Board approval is required for this proposed CCO, in the amount of \$800,000, to provide compensation to OC405 for the additional design and construction efforts related to the aforementioned out-of-scope efforts. Attachment A lists the CCOs that have been executed to date and the pending CCOs that are currently under negotiation with OC405.

Fiscal Impact

The cost for the additional design and construction efforts described in CCO No. 17 is primarily funded from a reimbursement, in the amount of \$750,000, from the City. The funding for this Project 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. 17 to Agreement No. C-5-3843 with OC 405 Partners, a joint venture, in the amount of \$800,000, for additional design and construction efforts for the Interstate 405 Improvement Project between State Route 73 and Interstate 605.

Attachment

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

Prepared by:



Jeff Mills, P.E.
Program Manager
(714) 560-5925

Approved by:



James G. Beil, P.E.
Executive Director, Capital Programs
(714) 560-5646



Virginia Abadessa
Director, Contracts Administration and
Materials Management
(714) 560-5623