



June 3, 2019

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Contract Change Order for Additional 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 from State Route 73 to Interstate 605. A contract change order is required for additional construction costs to comply with California Department of Transportation pavement smoothness requirements.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 35 to Agreement No. C-5-3843 between the Orange County Transportation Authority and OC 405 Partners, a joint venture, in the amount of \$2,900,557, for additional construction costs to comply with California Department of Transportation pavement smoothness requirements.

Discussion

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation (Caltrans), 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.

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. On July 27, 2017, NTP No. 2 for the full design and construction of the Project was issued to OC405.

As part of the Project, the freeway mainline will be widened with new reinforced concrete pavement adjacent to existing asphalt pavement. OC405 has determined that it is unable to comply with the pavement smoothness requirement in the Project Standards for the new concrete pavement because the adjacent existing asphalt pavement is deficient, and matching the new concrete pavement profile to the existing asphalt pavement profile would create a substandard product. To ensure that the new concrete pavement complies with Caltrans pavement smoothness requirements, the edge of the existing asphalt pavement will be rehabilitated to ensure that the proper profile is transmitted between the existing and new pavement sections. The length of existing asphalt pavement that will require limited rehabilitation is approximately four miles on each side of the freeway. Rehabilitating existing pavement is not within OC405's contract scope of work.

A contract change order (CCO) is now required, in the amount of \$2,900,557, for OC405 to comply with the Caltrans pavement smoothness requirements.

The additional construction cost to meet Caltrans pavement smoothness requirements is funded from the Project contingency and will not increase the total Project estimate of \$1.9 billion. The Project contingencies have been expended approximately 27 percent to date, which is in line with the percent complete for the Project from both a time and earned value standpoint.

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.

Board approval is required for the proposed CCO, in the amount of \$2,900,557, to provide compensation to OC405 for the additional construction efforts needed to comply with Caltrans pavement smoothness requirements.

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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 funding for the Project was approved in OCTA's Fiscal Year 2018-19 Budget, Capital Programs Division, accounts 0017-9084-FK101-0GM and 0037-9017-A9510-0GM, 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 authorization for the Chief Executive Officer to negotiate and execute CCO No. 35 to Agreement No. C-5-3843 with OC405, in the amount of \$2,900,557, for additional construction costs to comply with Caltrans pavement smoothness requirements.

Attachment

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

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