



October 7, 2019

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Contract Change Orders for the Interstate 405 Improvement Project from State Route 73 to Interstate 605 – Water Line Extensions and Collection and Disposal of Unknown Hazardous Materials

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 needed to extend the City of Fountain Valley water lines adjacent to the Warner Avenue overcrossing bridge to comply with City of Fountain Valley requirements. A supplemental contract change order is also needed to collect and dispose of unknown hazardous materials during construction through final project acceptance.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 45 to Agreement No. C-5-3843 between the Orange County Transportation Authority and OC 405 Partners, a joint venture, in the amount of \$256,244, to extend the City of Fountain Valley water lines adjacent to the Warner Avenue overcrossing bridge.
- B. Authorize the Chief Executive Officer to negotiate and execute supplemental Contract Change Order No. 8.2 to Agreement No. C-5-3843 between the Orange County Transportation Authority and OC 405 Partners, a joint venture, in the amount of up to \$400,000, to collect and dispose of unknown hazardous materials.

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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.

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.

Water Line Extensions

During final design, it was determined that an existing City of Fountain Valley (City) water line was in conflict with a proposed retaining wall for the new Warner Avenue overcrossing bridge. To mitigate this unanticipated conflict, two City water lines had to be extended approximately 450 feet in total to accommodate the revised design and to meet City requirements. The utility conflict was not identified in the original scope of work.

As such, a contract change order (CCO) is now needed for the additional design and construction efforts related to the extension of City water lines, and to request OC405 to comply with City requirements.

Collection and Disposal of Hazardous Materials

In accordance with the contract documents, OC405 is required to properly collect and dispose of hazardous materials. Hazardous materials include contaminated soil from excavations, contaminated groundwater, hazardous materials removed from homeless encampments, and abandoned asbestos utility pipes. The contract distinguishes between known hazardous materials that are defined as the responsibility of OC405 to handle as part of the lump sum contract, and unknown hazardous materials that are discovered during construction beyond

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the control of OC405. The collection and disposal of unknown hazardous materials is compensated on a time-and-materials basis at the direction of OCTA and is paid through a CCO.

CCO No. 8.0 and Supplemental CCO No. 8.1, in the amount of \$100,000 each, were previously issued to gauge the level of effort needed for the initial collection and disposal of unknown hazardous materials. Since then, OCTA staff has developed an independent cost estimate for the anticipated extra work until Project completion, in the amount of \$600,000, based on the level of extra work that was needed over the last 15 months. Therefore, staff is now requesting OCTA Board approval of Supplemental CCO No. 8.2, in the amount of \$400,000, which brings the total amount for CCO No. 8 to \$600,000. CCO No. 8.2 will be issued incrementally on an as-needed basis. Costs and expenses to collect and dispose of unknown hazardous materials 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.

Board approval is required for proposed CCO No. 45 and Supplemental CCO No. 8.2.

Proposed CCO No. 45, in the amount of \$256,244, will provide compensation to OC405 for the additional design and construction efforts necessary to comply with City requirements. The cost will be borne entirely by OCTA.

Supplemental CCO No. 8.2, in addition to the previous CCO Nos. 8.0 and 8.1 that were approved by OCTA's Contracts Administration and Materials Management Department, in the amount of \$100,000 each, for a total of \$600,000, will give OCTA staff the ability to timely direct collection and disposal of unknown hazardous materials on an as-needed basis, without impacting the Project schedule.

Attachment A lists the CCOs that have been executed to date, and the CCOs that are pending execution with OC405.

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Fiscal Impact

The cost for water line extensions described in CCO No. 45 and the collection and disposal of unknown hazardous materials described in Supplemental CCO No. 8.2 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 2019-20 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 of Directors' authorization for the Chief Executive Officer to negotiate and execute Contract Change Order No. 45, in the amount of \$256,244, and Supplemental Contract Change Order No. 8.2, in the amount of up to \$400,000, to Agreement No. C-5-3843 with OC 405 Partners, a joint venture.

Attachment

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

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