



March 2, 2020

To: Regional Planning and Highways Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Supplemental Contract Change Order for the Interstate 405 Improvement Project from State Route 73 to Interstate 605 – 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 supplemental contract change order is needed to collect and dispose of unknown hazardous materials during construction through final project completion.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute supplemental Contract Change Order No. 8.3 to Agreement No. C-5-3843 between the Orange County Transportation Authority and OC 405 Partners, a joint venture, in the amount of \$1,900,000, to collect and dispose of unknown hazardous materials 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 the Interstate 405 Page 2
Improvement Project from State Route 73 to Interstate 605 –
Collection and Disposal of Unknown Hazardous Materials

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 was issued to OC405 for the full design and construction of the Project.

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 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 contract change order (CCO).

During construction, underground asbestos utility pipes in conflict with the Project have been encountered that were not accurately shown in the as-built plans. In some cases, the as-built plans identified the location of the pipes, but did not identify its asbestos content which requires additional measures and costs to handle as hazardous materials. In addition, during the demolition of various bridge structures, additional asbestos and lead materials were encountered that were not identified in the as-built plans, but were determined to be hazardous upon further investigation and testing. Since then, staff has performed a review of the remaining bridge demolition locations and has conducted additional potholing in areas of unknown pipe material where asbestos utility pipes may be encountered. The removal of homeless encampments, which have the potential to contain hazardous materials, is also taking more effort than originally anticipated. Lastly, the number of locations or areas with contaminated underground soil and/or contaminated groundwater has been slightly more than originally anticipated. Staff has developed an independent cost estimate, in the amount of \$1,900,000, for the anticipated extra work until Project completion.

Supplemental CCO No. 8.3 for the collection and disposal of hazardous materials, in the amount of \$1,900,000, 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 supplemental CCO No. 8.3.

Supplemental CCO No. 8.3, in the amount of \$1,900,000, in addition to previous CCO Nos. 8.0 and 8.1 that were approved by OCTA's Contracts Administration and Materials Management Department, and CCO No. 8.2 approved by the Board, 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. CCO No. 8.3 brings the total authorized amount of CCO No. 8 to \$2,500,000.

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

Fiscal Impact

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. The cost for the collection and disposal of unknown hazardous materials described in supplemental CCO No. 8.3 is funded from the Project contingency and is not anticipated to increase the total Project estimate of \$1.9 billion.

Summary

Staff recommends Board of Directors' authorization for the Chief Executive Officer to negotiate and execute supplemental Contract Change Order No. 8.3 to Agreement No. C-5-3843 with OC 405 Partners, a joint venture, in the amount of \$1,900,000, to collect and dispose of unknown hazardous materials for the Interstate 405 Improvement Project from State Route 73 to Interstate 605.

Supplemental Contract Change Order for the Interstate 405 Page 4
Improvement Project from State Route 73 to Interstate 605 –
Collection and Disposal of Unknown Hazardous Materials

Attachment

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

Prepared by:



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



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

Approved by:



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