




**June 2, 2025**

**To:** Regional Transportation Planning Committee

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

**Subject:** Contract Change Order 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 required for additional directed work necessary for the completion and closeout of the Interstate 405 Improvement Project.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Contract Change Order No. 173 to Agreement No. C-5-3843 between the Orange County Transportation Authority and OC 405 Partners, a joint venture, in the amount of \$7,117,306, increasing the contract value to \$1,516,575,830 for the Interstate 405 Improvement Project Between State Route 73 and Interstate 605.

### **Discussion**

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation (Caltrans), has implemented the Interstate 405 (I-405) Improvement Project from State Route 73 (SR-73) to Interstate 605 (I-605) (Project). The Project added one general purpose lane from Euclid Street to I-605, consistent with Measure M2 (M2) Project K, and 405 Express Lanes between SR-73 and I-605.

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.

As OCTA and our contractor worked with our partners and stakeholders to close out the Project, additional work directed by OCTA was required to meet all applicable obligations. The additional directed work is described in more detail below.

#### **Additional Civil Improvements**

Additional civil improvements were necessary for the Project. This work included the installation of decorative bridge lighting requested by the cities of Huntington Beach and Westminster, reconnection of traffic loops at the State Route 22/I-405/I-605 interchange to ensure that Caltrans' Transportation Management System (TMS) is fully functional, and replacement of a Caltrans changeable message sign (CMS) that was beyond repair. Additional grading work was also performed at the Ward Street overcrossing to address right-of-way encroachment issues and at a slope near Bolsa Chica Road to complete utility relocation work. Grading and paving work was also performed at the Brookhurst Channel to provide access and an appropriate area to turn trucks around as required by the City of Fountain Valley. In addition, channelizers were added at the electronic toll and traffic management (ETTM) collection read sites and security fencing and gates were added at ETTM pad sites to protect those sites from ongoing vandalism. Finally, the inside shoulder of the 405 Express Lanes was rehabilitated during construction to minimize future maintenance and disruptions during express lanes operations. The implementation of these improvements required additional coordination, management, and overhead costs that were not anticipated in the original scope. The amount for the additional civil improvements necessary for the Project is \$4,700,000.

#### **Additional Landscape Improvements**

Additional landscape areas were identified for the Project. Working with Caltrans and the corridor cities during construction, it was determined that additional landscape areas were needed to provide more logical limits of landscaping. This effort expanded the overall areas to be landscaped, which resulted in additional costs. The amount for additional landscape improvements is \$2,000,000.

#### **Support for Toll Systems Contractor**

OC405 coordinated and provided support to OCTA's toll lanes systems integrator, Kapsch TrafficCom USA (Kapsch), during commissioning of the 405 Express Lanes. During Kapsch's installation of its tolling systems, it was determined that modifications to the OC405 constructed civil work was necessary due to the addition of numerous ETTM cabinets utilized by Kapsch. The addition of the ETTM cabinets required OC405 to modify the freeway center median barrier and other previously built elements to accommodate the

additional ETTM cabinets. These modifications were not anticipated in the original scope. The amount for additional support for the toll systems contractor is \$2,000,000.

#### Bridge Deck and City Pavement Repairs

During construction, OC405 performed extensive repairs of the existing freeway mainline bridge deck over Beach Boulevard to address safety concerns for the traveling public. Improvements to the bridge over Beach Boulevard were not a part of the contractual scope of work. The damage was due to long-term use of the concrete bridge structure and the repair was not anticipated in the original scope of work. In addition, OC405 performed numerous pavement repairs of city streets, including Harbor Boulevard. The pavement repairs were necessitated by detour and construction traffic implemented to mitigate earlier schedule delays. The extent of the pavement repairs was not anticipated in the original scope of work. The amount for the bridge deck and pavement repairs is \$1,800,000.

#### Various Electrical Equipment Repairs

OC405 performed various electrical-related repairs in order to maintain safe operations within the project limits. This included addressing damages caused by third-party traffic accidents to streetlight fixtures and traffic signals, guardrail systems, and bridge barrier. OC405 also replaced failed Caltrans/city-supplied electrical equipment, and stolen materials such as copper wiring within the project limits. OC405 implemented multiple security and safety measures to protect these facilities and minimize repair costs. The amount for the various equipment repairs is \$1,100,000.

#### Hazardous Materials and Unhoused Encampment Clean Up and Removal

OC405 performed work to remove unhoused encampments and illegal dumping throughout the project limits. This effort included the use of subcontractors specializing in removal of hazardous materials and included work to repair damaged gates and fencing. Often times, the removal and repairs to damaged gates and fencing caused by unhoused individuals occurred multiple times at the same location. The amount for hazardous materials and unhoused encampment clean up and removal was \$1,500,000.

#### Additional Coordination with Corridor Cities and Caltrans

Given the large size and scope of the Project, OC405 was required to perform multiple punchlist walks with each stakeholder, including corridor cities and Caltrans, to review new directed work in addition to the punchlist walks to review

completed contract work. The punchlist coordination for the additional scope of work extended both duration and resources by OC405. Also, OC405 received comments beyond the scope of the contract that extended resource needs for review and verification. This additional effort was not anticipated by contract and resulted in additional costs for construction. The amount of the additional efforts is \$1,900,000.

The proposed Contract Change Order (CCO) is considered full and final and includes language that OC405 agrees to waive any and all rights to future claims against OCTA.

### ***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, the Board authorized Agreement No. C-5-3843 with OC405, in the amount of \$1,217,065,000, for the design and construction of the Project through a DB contract.

The proposed CCO No. 173, will provide compensation to OC405 for the additional directed work required for the Project.

The contract contains line items for over excavation and pavement rehabilitation allowance funds that are part of the contract price but were not all used to date. Contract allowance work is complete, and no further work is anticipated. While the aggregate amount for the proposed CCO is \$15,000,000, this amount will effectively be reduced by the reallocation of \$7,882,694 in unused allowance funds, and application towards this CCO, resulting in the proposed CCO's net amount of \$7,117,306.

As such, a CCO will be issued in the amount of \$7,117,306, which will increase the total contract value to \$1,516,575,830.

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 is proposed in OCTA's Fiscal Year 2024-25 Budget, Capital Programs Division, account nos. 0017-9084-FK101-0GM and 0037-9017-A9510-0GM, and is funded with a combination of federal, state, and local funds. The costs of CCO No. 173 are funded from unused reallocated

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Contract Appendix 20 Allowance funds and project contingency and are not anticipated to increase the total project estimate of \$2.16 billion.

***Summary***

Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute CCO No. 173 to Agreement No. C-5-3843 with OC405, in the amount of \$7,117,306, for additional directed work necessary for the completion and closeout of the Project.

***Attachment***

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

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