



**November 4, 2024**

**To:** Regional Transportation Planning Committee

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

**Subject:** Amendment to Cooperative Agreement with the California Department of Transportation for the Interstate 5 Improvement Project Between State Route 73 and Oso Parkway

**Overview**

On October 22, 2018, the Orange County Transportation Authority Board of Directors approved a cooperative agreement between the Orange County Transportation Authority and the California Department of Transportation for construction capital and construction support services for the Interstate 5 Improvement Project between State Route 73 and Oso Parkway as part of the Interstate 5 Improvement Project between State Route 73 and El Toro Road. An amendment to the existing cooperative agreement is needed to provide additional funding for construction capital and construction support services.

**Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Cooperative Agreement No. C-8-1960 between the Orange County Transportation Authority and the California Department of Transportation, in the amount of \$3,929,113, for additional construction capital and construction support services for the Interstate 5 Improvement Project between State Route 73 and Oso Parkway. This will increase the maximum cumulative obligation of the cooperative agreement to a total contract value of \$157,942,113.
- B. Authorize the use of up to \$3,929,113 in Measure M2 funds for the construction phase of the Interstate 5 Improvement Project between State Route 73 and Oso Parkway.
- C. Authorize staff to process all necessary amendments to the Federal Transportation Improvement Program and execute or amend all necessary agreements to facilitate the above actions.

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***Discussion***

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation (Caltrans), is implementing the Interstate 5 (I-5) Improvement Project between State Route 73 (SR-73) and El Toro Road (Project). The Project is part of projects C and D in the Measure M2 (M2) freeway program and is being advanced through the updated Next 10 Delivery Plan approved by the OCTA Board of Directors (Board) in November 2023.

The Project will add one general purpose lane in each direction on I-5 between SR-73 and El Toro Road, extend the second high-occupancy vehicle lane between Alicia Parkway and El Toro Road, re-establish auxiliary lanes, and construct new auxiliary lanes at various locations. In addition, the Project will reconstruct the Avery Parkway and La Paz Road interchanges, improve several existing on- and off-ramps, and convert existing and proposed carpool lanes to continuous access.

Construction is underway in three segments with the following project limits:

- Segment 1 extends from SR-73 to south of Oso Parkway
- Segment 2 extends from south of Oso Parkway to south of Alicia Parkway
- Segment 3 extends from south of Alicia Parkway to El Toro Road

On October 22, 2018, the Board authorized Cooperative Agreement No. C-8-1960 with Caltrans to provide the construction capital and construction support services for Segment 1, between SR-73 and Oso Parkway.

Additional capital construction funding is required due to various time delay factors that have affected the critical path within the limits of Segment 1 and extended the construction schedule. These factors include third-party impacts and the redesign and subsequent construction of Retaining Wall 748, which has added an additional 112 working days to the Project. There are also claims under negotiation and additional construction change orders that are being processed for items that include the presence of excessive ground water at freeway sign foundations, and median settlement that could increase the construction contract by up to 50 working days. Construction progress and the extent of these impacts are being monitored and managed with the intent of minimizing delays to the construction completion date.

The total construction capital funding previously approved by the Board for Segment 1 is \$128,282,000, comprised of \$15,340,000 in Local Partnership Program (LPP) funds, \$65,171,000 in State Transportation Improvement Program (STIP) funds, \$29,832,000 in Trade Corridors Improvement Fund

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(TCIF) funds, \$6,433,000 in Federal Highway Infrastructure Program funds, and \$11,506,000 in M2 funds. The total increase in the construction capital cost is proposed to be funded by \$2,573,388 in additional M2 funding. The total construction capital funding required for Segment 1 is revised from \$128,282,000 to \$130,855,388, with an increase in M2 funds from \$11,506,000 to \$14,079,388. All other fund sources will remain the same.

The construction issues and delays that have been encountered have also led to increased construction management costs. The additional work resulting from delays due to the redesign and construction of Retaining Wall 748, claims under negotiation, and additional construction change orders that are being processed have increased construction management costs and extended the duration of the construction contract. At this time, Segment 1 construction is scheduled to be completed in early 2025. Additional construction scope of work also requires increased collection, processing, maintaining of project communications and records, managing of contractor progress payments, and processing of change orders and claims.

The total construction support funding approved by the Board for Segment 1 is \$25,731,000, comprised of \$3,984,000 in Surface Transportation Block Grant (STBG) program funds, \$8,564,000 in STIP funds, \$2,902,000 in LPP funds, and \$10,281,000 in M2 funds. The additional construction support cost is proposed to be funded by an additional \$1,355,725 in local M2 funds, which will fund the consultant support services. The proposed total construction support funding will be \$27,086,725, comprised of \$3,984,000 in STBG funds, \$8,564,000 in STIP funds, \$2,902,000 in LPP funds, and \$11,636,725 in M2 funds.

This amendment will increase the total cooperative agreement value from \$153,929,000 to \$157,942,113 (Attachment A). This is Project C in the Next 10 Delivery Plan, and the use of M2 funds for this Project is consistent with the Board-approved Capital Programming Policies. The Capital Funding Program Report (Attachment B) provides summary funding information for all the freeway projects, including the programming actions that are recommended in this report.

#### Fiscal Impact

Funding for the Project is included in OCTA's Fiscal Year 2024-25 Budget, Capital Programs Division, accounts nos. 0017-9084-FC102-06W and 0017-9085-FC102-06W, and is funded with local M2 funds.

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***Summary***

Board approval is requested to authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Cooperative Agreement No. C-8-1960 between OCTA and Caltrans, in the amount of \$3,929,113, for additional construction capital and construction support services for the Project. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$157,942,113, comprised of a construction capital share of \$130,855,388 and a construction support share of \$27,086,725. Additionally, staff is requesting authorization for the use of up to \$3,929,113 in M2 funds for the Project.

***Attachments***

- A. California Department of Transportation, Cooperative Agreement No. C-8-1960 Fact Sheet
- B. Capital Funding Program Report

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