

Date: August 8, 2007

Committee Meeting Date: August 16, 2007

Board Meeting Date: August 30, 2007

BOARD MEMORANDUM

ACTION X DISCUSSION INFO

TO: Administration and Finance Committee
Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Jack J. Collins
Chief Engineering & Construction Officer

SUBJECT: Valley Transportation Plan
Route 87 (North) HOV Project Construction Contract Amendment

Policy-Related Action: No

Government Code Section 84308 Applies: No

RECOMMENDATION:

Authorize the General Manager to amend the Route 87 (North) HOV construction contract with RGW Construction by an amount of \$1,250,000 for a new contract amount of up to \$28,972,178, and authorize an adjustment to the current Highway Program Capital Budget appropriation for fiscal year 2008.

BACKGROUND:

The Valley Transportation Plan includes the Route 87 (North) HOV Project. The project widens the existing freeway segment between I-280 and Julian Street from a four-lane to a six-lane freeway with the addition of a high occupancy vehicle (HOV) lane in each direction. In addition, ramp metering with HOV preferential lanes at on-ramps are included in the project.

In September 2004, RGW Construction was awarded the construction contract in an amount of \$21,990,962 for the Route 87 (North) HOV Project. A contract amendment in the amount of \$2,115,280 was authorized by the VTA Board in May 2005 to account for bid quantity overruns associated with naturally occurring asbestos and differing site conditions. The contract amount can be increased up to \$27,722,178 within the change order authority delegated to the General Manager. Over the course of construction, change orders have been identified in an amount which will exceed this authority.

Construction of the interchange is almost complete with the opening of the southbound HOV lanes in late July and final acceptance from Caltrans due in September 2007. The project is funded by GARVEE Bonds.

DISCUSSION:

The increase in contract amount is required to compensate the contractor for the change order work related to the overhead signs, sign A, sign C and sign G. The foundations of signs A and C had to be modified due to a field conflict with the 30" storm drain nearby. The sign G structure and its accessories have to be refabricated due to deficient design plans that did not match the field conditions. The refabrication of the sign truss required resubmittal of shop drawings by the contractor and approval by Caltrans and thus has resulted in delays to the project. The design consultant, Ruth and Going, has been notified of these design deficiencies.

Subsequent to completion of the contract work, Caltrans is expected to perform final inspection and furnish punch list items for the project. The added costs to address signage issues and the punch list work, if needed, would be covered in the requested contract amendment amount of \$1,250,000 for a new contract amount of \$28,972,178.

ALTERNATIVES:

There are no practical alternatives to the recommended action.

FISCAL IMPACT:

Board approval for this recommendation will require an adjustment to the current Highway Program Capital Budget for fiscal year 2008. The current FY 2008 appropriation of \$37,790,756 will increase to \$39,040,756. The recommended amendment of \$1,250,000 to the contract and capital budget will be funded from GARVEE Bonds.

Operating Budget Impact: There is no VTA operating impact associated with this work, since VTA will turn over the project to Caltrans and the City of San Jose to maintain

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

The DBE goal for the current contract is 9.5%, as committed by RGW Construction. To date, the contractor has achieved a 7.4% utilization of DBE subcontractors. This DBE utilization percentage is expected to increase with the remaining work on the project.