

# **Interstate 80 Auxiliary Lanes Project Construction Cost Increase and Cooperative Agreement Amendment**

Item M



# BACKGROUND

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- Construction Cooperative Agreement between PCTPA and Caltrans required to fund and construct I-80 Auxiliary Lanes project.
- March 2022, PCTPA Board approved Construction Cooperative Agreement.
- March 2022, SPRTA Board approved project funding allocation not to exceed \$10.4 million.
- Approved project construction budget = \$32.133 million.
- Funding consists of federal, State and local funds; all arranged by PCTPA.



# BACKGROUND

I-80 Auxiliary  
Lanes  
Project Location





# ACTIONS REQUESTED

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- Conditionally approve entering into an amended Construction Cooperative Agreement with Caltrans.
- Authorize Chair and Executive Director to execute amended Cooperative Agreement.
- PCTPA Board action is conditional, subject to SPRTA Board approving an increased project funding commitment not to exceed \$15.7 million.



# DISCUSSION: CONSTRUCTION COST INCREASE

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- Construction bids posted January 26, 2023; six bids received.
- Bids ranged from \$36.65 to \$43.5 million; top three bids within two percent of each other.
- Low bid of \$36.65 million is considered responsive and reasonable.
- To award contract, \$40.71 million is needed.
- \$8.58 million in additional funding needed from PCTPA and Caltrans.
- Cost overrun responsibility differs between westbound and eastbound segments.
- State share is \$2.04 million; PCTPA's share is \$6.54 million.



## DISCUSSION: REASONS TO GO FORWARD

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- PCTPA and Caltrans considered rescoping and rebidding options.
- Rescoping project would not meet approved State grant funding scope.
- If project is cancelled or significantly delayed, State grant funds would be forfeited, potentially impacting ability to secure future State funds.
- Competition was considered good; top three bids were close; rebidding is unlikely to result in lower prices.
- Based on bidder debriefings, factors contributing to cost increase were consistent across all bids.
- Conclusion: PCTPA and Caltrans recommend going forward with project.



## DISCUSSION: PG&E COST OVERRUN

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- PG&E to remove and relocate two gas pipelines conflicting with westbound segment construction.
- PG&E original estimate = \$254.9K.
- PCTPA Board approved Utility Agreement in September 2021.
- PCTPA responsible for 50 percent of actual and reasonable costs.
- PG&E submitted final invoice in October 2022 = \$655.1K.
- \$200.1K in additional funding needed from PCTPA.
- Amended Utility Agreement anticipated March – May 2023.



## DISCUSSION: FUNDING NEED

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- PCTPA funding responsibility for construction cost increase plus PG&E overrun = \$6.74 million.
- Funding needed is offset by an existing \$1.47 million project reserve.
- PCTPA requires an additional \$5.27 million in SPRTA funding.
- Funding request is for \$5.3 million, scheduled for consideration at today's SPRTA Board meeting.
- Caltrans anticipates requesting CTC approval for State share in March.





## RECAP: PROPOSED BUDGET CHANGES

	Westbound	Eastbound	Total
<b>Existing Budget</b>	\$22,095,177	\$10,037,823	\$32,133,000
<b>Proposed Budget</b>	\$28,278,896	\$12,435,430	\$40,714,326
<b>Construction Funding Need</b>			\$8,581,326
<b>+ PG&amp;E Cost Overrun</b>			\$200,123
<b>= Total Funding Need</b>			\$8,781,449
<b>PCTPA Responsibility</b>			\$6,744,356
<b>State Responsibility</b>			\$2,037,093



## RECAP: PROJECT SCHEDULE

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<b>CALTRANS HQ ADVERTISES FOR BID</b>	<b>OCTOBER 31, 2022</b>
<b>OPEN BIDS</b>	<b>JANUARY 26, 2023</b>
<b>APPROVE CONTRACT (ESTIMATE)</b>	<b>APRIL 11, 2023</b>
<b>ISSUE NOTICE TO PROCEED (ESTIMATE)</b>	<b>AUGUST 9, 2023</b>
<b>COMPLETE CONSTRUCTION (MIN. 240 WORKING DAYS)</b>	<b>JULY 2024</b>



## RECOMMENDATION

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- Conditionally approve entering into an amended Construction Cooperative Agreement with Caltrans.
- Authorize Chair and Executive Director to execute amended Cooperative Agreement.
- PCTPA and SPRTA Technical Advisory Committees concur with staff recommendation.
- PCTPA Board action is conditional, subject to SPRTA Board approving an increased project funding commitment not to exceed \$15.7 million.