



**August 31, 2023**

**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

*For*

**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, which is Segment 1 of the Interstate 5 Improvement Project between State Route 73 and El Toro Road. Board of Directors' approval is requested to amend the cooperative agreement for additional funding for construction capital and construction support services.

**Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-8-1960 between the Orange County Transportation Authority and the California Department of Transportation, in the amount of \$11,450,000, 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 \$154,013,000.
- B. Authorize the use of up to \$11,450,000 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 2022.

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 construction funding for capital costs is required at this time due to various factors including differing site conditions, delays caused by third-party utility relocations, man-made buried objects, re-sequenced and additional shoring installation due to third-party utility facilities, and construction restaging due to the presence of contaminated soil on a previous gas station property acquired for the Project, all within the limits of Segment 1 of the Project. These factors have impacted the contractor's construction completion date. Construction progress and the extent of these impacts are being monitored and managed with the intent of minimizing delays to the completion date. The following describes the specific construction issues which have been encountered and which require additional funding:

- Differing site conditions were encountered along retaining walls (RW) 734 and 748, such as high-water tables due to an unusually wet rainy season and new pavement joins to existing local streets. San Diego Gas and Electric (SDG&E) was required to temporarily relocate their underground

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transmission power line onto overhead power poles to construct RW 748, needed for the freeway improvements. However, SDG&E took longer than the allotted work window to complete their work. This resulted in a delay to the contractor's controlling operations for the Project, which has delayed the project construction completion date by 60 working days.

- Delays in the relocation of the SDG&E facilities required the contractor to re-sequence and revise the method of shoring for RW 748. These revisions have increased the cost to construct RW 748.
- During reconstruction of the freeway ramps, the contractor encountered buried man-made objects (e.g., old ramp pavement), not shown on the plans, that had to be removed and disposed of at Avery Parkway and in various locations throughout the Project.
- Delays at the I-5/Avery Parkway interchange due to contaminated soil at a property that was previously a gasoline station required additional soil sampling, testing, and coordination with the Orange County Environmental Health Department. This has resulted in additional costs due to additional work and construction operation inefficiencies for the state's contractor.

The total construction capital funding previously approved by the Board for Segment 1 is \$121,282,000, 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 (TCIF) funds, \$6,433,000 in federal Highway Infrastructure Program funds, and \$4,506,000 in M2 funds. The total increase in the construction capital cost is proposed to be funded by \$7,000,000 in additional M2 funding. The total construction capital funding required for Segment 1 is revised from \$121,282,000 to \$128,282,000, with an increase in M2 funds from \$4,506,000 to \$11,506,000. 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 protection and relocation of third-party utilities has increased construction management costs and extended the duration of the construction contract. In addition, traffic maintenance, electrical facility maintenance, and lane closure coordination with neighboring Segment 2 has also increased support costs. At this time, Segment 1 construction is scheduled to be completed in late 2024. Additional construction scope of work also requires increased collection, processing, and maintaining of project communications and records, managing of contractor progress payments, and processing of change orders and claims.

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The total construction support funding approved by the Board for Segment 1 is \$21,281,000, comprised of \$3,984,000 in Surface Transportation Block Grant (STBG) program funds, \$8,564,000 in STIP, \$2,902,000 in LPP funds, and \$5,831,000 in M2 funds. The additional construction support cost is proposed to be funded by an additional \$4,450,000 in local M2 funds. Of this amount, \$2,800,000 will fund the consultant support services, and the remaining amount of \$1,650,000 will fund the construction support services provided by Caltrans. The proposed total construction support funding will be \$25,731,000, comprised of \$3,984,000 in STBG funds, \$8,564,000 in STIP, \$2,902,000 in LPP funds, and \$10,281,000 in M2 funds.

This amendment will increase the total cooperative agreement value from \$142,563,000 to \$154,013,000 (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 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 2023-24 Budget, Capital Programs Division, accounts nos. 0017-9084-FC102-06W and 0017-9085-FC102-06W and is funded with local M2 funds.

**Summary**

Board approval is requested to authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-8-1960 between OCTA and Caltrans, in the amount of \$11,450,000, 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 \$154,013,000, comprised of a construction capital share of \$128,282,000 and a construction support share of \$25,731,000. Additionally, staff is requesting authorization for the use of up to \$11,450,000 in M2 funds for the Project.

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***Attachments***

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

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