

TO: Regional Transportation Commission
FROM: Kim Shultz, Senior Transportation Planner
RE: Contract Amendment with Nolte Associates for the Highway 1 PA/ED

RECOMMENDATIONS:

Staff recommends that the Regional Transportation Commission approve the attached resolution (Attachment 1) authorizing amendment to the contract with Nolte Associates, Inc., for preparation of the Project Approval/Environmental Documentation (PA/ED) for the Highway 1 Widening/HOV Lane Project, to:

1. Authorize expenditure of Phase II project funding in the amount of \$3,500,000; and,
 2. Extending the contract duration to March 2008.
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BACKGROUND

In March 2003, the Regional Transportation Commission approved a Funding Plan for the Project Approval/Environmental Documentation (PA/ED) phase of the Highway 1 Widening/HOV Lane Project. Per the Funding Plan, a total of \$8 million was programmed to the project. In March 2003, the Commission awarded the PA/ED consultant agreement to Nolte Associates, Inc. in the amount of \$6.525 million. Due to funding constraints at the time, the consultant contract was split into two phases based on project schedule. With the award of the contract in March 2003, the RTC authorized expenditure of Phase I of the contract in an amount of \$3,025,000. It was anticipated at that time that authorization for Phase II of the contract, in the amount of \$3,500,000, would be needed in Winter 2004/2005. Of the \$8.0 million programmed for PA/ED activities in the Funding Plan, the balance of \$1.475 million was budgeted for project oversight and potential contract contingencies.

In March 2004, the first amendment to the Nolte agreement was executed for the purpose of adjusting Phase I task budgets and the composition of the consultant team. This contract amendment was made within the authorized Phase I contract budget and was handled administratively by staff within the authority provided in the initial contract resolution (Attachment 2).

DISCUSSION

Overview of PA/ED Budget and Expenditures

As of December 2004, project expenditures total approximately \$2.23 million, including Nolte's contract expenses of slightly over \$1.9 million, as shown in Attachment 3. Expenses for contract oversight total \$324,750, comprised of \$289,000 for RTC staff and \$35,750 for RTC's Engineering Consultant (Dale Dennis). To date, none of the contingency funds have been used and project expenditures are falling within the expected range.

There is an unexpended balance in the PA/ED program budget of approximately \$5.766 million. Of this amount, \$4.616 million is budgeted for the Nolte contract and \$1.150 million for project oversight and contract contingencies.

Proposed Contract Amendment

The timing of the two-phased consultant contract was based primarily on the project schedule. Phase I was to extend to November 2004. It is now time to proceed with Phase II. In coordination with this action, it is necessary to further amend the Schedule of Fees of the subconsultants for both Phase I and Phase II of the contract. Changes in the subconsultant fees are the result of modifications to the work program due primarily to the delay in the AMBAG Travel Model and other unexpected developments, as reported in the attached Project Overview Report (Attachment 4). **Accordingly, staff recommends approval of the attached resolution (Attachment 1), to:**

1. Replace the previously approved contract exhibit providing the Schedule of Fees for Phase I and Phase II of the contract, Exhibits 1 and 2 of the resolution, respectively. The Schedule of Fees sets the maximum expenditure for the prime consultant (Nolte Associates, Inc.) and all other subcontractors working on the project, within the specified limits of the contract budget.
2. Authorize issuing a Notice to Proceed for Phase II consultant services in an amount not to exceed \$3,500,000 and a maximum cumulative payment obligation under this contract not to exceed \$6,525,000. Per the initial authorizing resolution (Attachment 2) Commission approval is required prior to initiating Phase II work.
3. Extend the term of the agreement from December 31, 2007, to March 31, 2008. This recommendation is consistent with the current project schedule.

Staff will continue to closely monitor project expenses, provide project status reports, and present Quarterly Progress Reports by the consultant project manager, Chris Metzger.

The current Schedule of Fees for Phase I and Phase II are attached (Attachment 5).

SUMMARY

The original contract with Nolte Associates, Inc. for the PA/ED phase of the Highway 1 Widening/HOV Lane Project was split into two phases based on schedule and timing, due to project funding constraints at that time. Since that time, all necessary funding for the PA/ED process (including: consultant work, staff oversight and an allowance for project contingencies) has been programmed, as shown in Attachment 3. Approval of the proposed resolution (Attachment 1) authorizes: adjustments in the schedule of consultant fees for the Phase I contract within the authorized budget; authorizes the expenditure of Phase II consultant fees consistent with the task schedule; and, extends the term of the contract from December 31, 2007, to March 31, 2008, consistent with the current project schedule.

Attachments:

1. Resolution Authorizing Amendment No. 2 to the contract with Nolte Associates, Inc.
2. Resolution 38-03, approved March 2003, authorizing a contract with Nolte Associates, Inc.
3. Overview of Project Expenses and Program Budget for the Highway 1 Widening/HOV Lane Project, January 2005
4. Project Progress Report for the Highway 1 Widening/HOV Lane Project, February 2005
5. Current Schedule of Fees for Phase I and Phase II of the PA/ED contract