

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 23, 2012

Reference No.: 2.8b.(3)  
Action Item

From: NORMA ORTEGA  
Chief Financial Officer

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Division of Rail

Subject: **REQUEST TO EXTEND PERIOD OF CONTRACT AWARD FOR ONE PROPOSITION 1B  
INTERCITY RAIL IMPROVEMENT PROGRAM PROJECT, PER RESOLUTION G-06-08  
WAIVER 12-25**

## **RECOMMENDATION:**

The California Department of Transportation (Department) requests that the California Transportation Commission (Commission) extend the period of contract award for five months, to September 2012, for the Oakley to Port Chicago Double Track project (PPNO 2079) in Contra Costa County, which is programmed in the Proposition 1B Intercity Rail Improvement program.

## **ISSUE:**

At its October 2011 meeting, the Commission approved Resolution ICR1B-A-1112-01 allocating \$25,450,000 to the Department to enter into a contract with Burlington Northern Santa Fe (BNSF) Railway Company in order to construct a segment of the Oakley to Port Chicago Double Track Project (Project) on the BNSF main line track for the purpose of improving intercity passenger rail service on the San Joaquin Corridor.

Following contract negotiations between the Department and BNSF, but prior to contract execution, BNSF discovered that a portion of right of way believed to be railroad property had been deeded previously to a public utility. In order to construct the track as designed, a 24-inch gas main pipeline would need to be relocated at a significant cost to BNSF or to the Project. It is estimated that relocating the pipeline would take up to 18 months to complete and must be done before the track work could begin. BNSF is re-engineering the project to avoid relocation of the pipeline and still meet the performance requirements of the contract. The Department and BNSF anticipate executing the contract and beginning construction by September 2012. The Department, therefore, requests that the date of contract award be extended by five months, to September 2012.

## **BACKGROUND:**

In June 2006, the Commission adopted Resolution G-06-08, which requires the agency implementing a project to request a time extension if the project will not be awarded within six months of the allocation. These guidelines stipulate that the Commission may approve a waiver to the contract award deadline one time only for up to 20 months in accordance with Section 14529.8 of the Government Code.