State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

Meeting Date: July 13-14, 2005

Reference No.: 2.5e.
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
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Transportation Programming

Ref: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-05-01**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve the following Resolution.

FINANCIAL RESOLUTION:

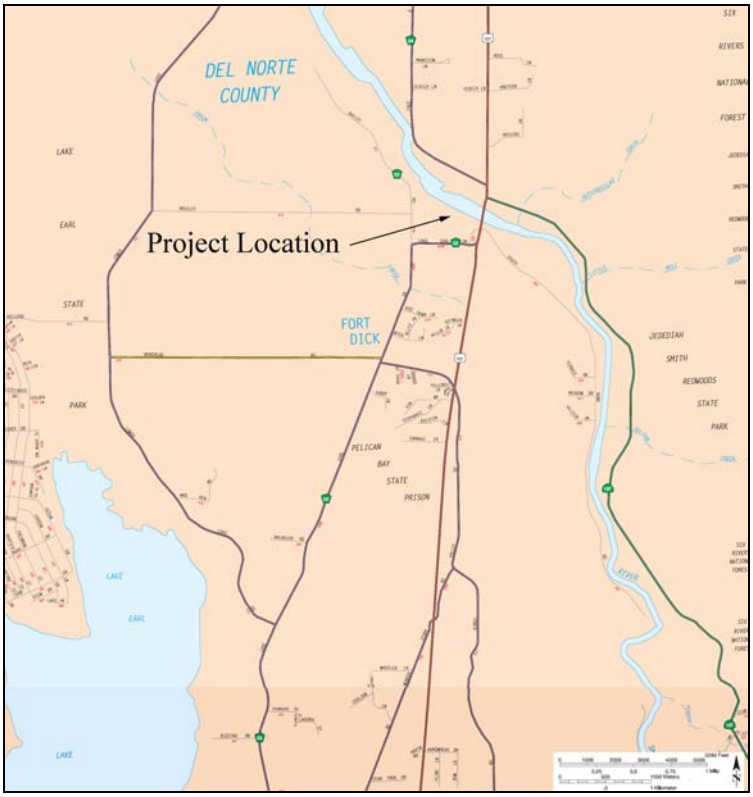
Resolved that $9,496,000 be allocated from the Budget Act of 2004, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide additional funds for the projects listed below.

SUMMARY AND CONCLUSIONS:

This resolution allocates $9,496,000 of additional State funds for the previously approved projects listed below:

Project	Dist-Co-Rte	Original Vote/G11 Amount	Award Amount	Current Budget Amount	Current Allocation Revision	Revised Budget Amount	Total Increase **V**ote/**A**ward
1	1-DN-101	$3,600,000	-	$3,600,000	$1,350,000	$4,950,000	38% **V**
2	2-Las-395	$8,300,000	-	$8,300,000	$1,400,000	$9,700,000	17% **V**
3	2-Sha-89	$18,200,000	-	$18,200,000	$4,110,000	$22,310,000	23% **V**
4	3-Yol-50	$9,364,000	-	$9,364,000	$2,636,000	$12,000,000	28% **V**

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e. Supplemental Funds for Previously Voted Projects					**Resolution: FA-05-01**
1 $1,350,000 Department of Transportation Del Norte 01N-DN-101 35.8/45.3	North of Crescent City near Route 197 at the Gilbert Creek Bridge #1-24 and Smith River Overflow #1-46. Widen bridge and upgrade rail. In Yreka Route 5 from Julien Creek to Walters Road. Install fence. Supplemental funds are needed to award construction contract.	293131 0001J 2003-04 302-0042 302-0890 20.20.201.112 SHOPP 2004-05 302-0042 302-0890 20.20.201.112 SHOPP	$413,000 $3,187,000 - -	- - $155,000 $1,195,000	$413,000 $3,187,000 $155,000 $1,195,000
			$3,600,000	$1,350,000	$4,950,000



PROJECT DESCRIPTION

This project is located in Del Norte County north of Crescent City at Smith River Overflow Bridge and at Gilbert Creek Bridge. The project widens both the roadway and bridges to provide a twelve-foot lane and eight-foot paved shoulder in each direction. The work includes upgrading the bridge rails to the current safety standards.

FUNDING STATUS

The project was programmed in the 2002 State Highway Operation and Protection Program (SHOPP) for $3,979,000 for construction in FY 2003-04. The project was allocated $3,600,000 in April 2004 after refinement of final contract quantities and items' costs. The project was originally advertised and opened bids on June 9, 2004. Two bids were received with the low bid being 60 percent above the Engineer's Estimate. The bids were subsequently rejected and project was revised to remain within the allocated amount. The project was re-advertised and bid results were opened in May 2005. An additional $1,350,000 is needed to award this contract to the lone bidder. This request for supplemental funds results in an overall increase of 38% over the vote amount for this project.

REASON FOR INCREASE

Following the re-advertisement, the Department had increased its effort in getting more participation from the local contracting community to bid on this project. The bids were opened on May 3, 2005. Although fourteen packages were issued to prospective bidders, only one bid was received.

Six of the fourteen prospective bidders responded to the Department's inquiries as to why they did not bid on the project. According to these contractors, there were concerns regarding the remote locations of the project and are 9.5 miles apart between locations. The local area has only one concrete supplier. The low number of working days and the limited construction windows will require two full construction crews. Furthermore, work in the streambed is only allowed between June 1 and October 15 of each year, per environmental permit restriction. Therefore, this project is not as desirable to bid on as other available projects. Based on the comments received, the Department has concluded that rejecting the current bid and re-advertising the project would not guarantee lower bid prices.

The current bid is 22% above the Engineer's Estimate. The lone bidder was also the low bidder in the June 2004 bid opening. The Department has reviewed the contract items and found that the items bid prices are consistent with the previous bids prices. In comparing the bid items with the Engineer's Estimate, most of the cost increases are associated with structural items. According to the contractor, the lack of supply and the high demand for steel and concrete have resulted in the high bid. Higher item costs were received from, among others, structure concrete, bar reinforcing steel, and structure excavation.

Since the construction capital was allocated in April 2004, the cost increase of the bid items due to the rise in fuel and material costs, which occurred a few months later, were not accounted for in the final estimate. Additional supplemental funds will be needed in order to award this project. The contractor has been contacted and is comfortable with extending his bid, pending approval from the Commission for the supplemental funds.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for $1,350,000 to allow this project to be awarded.

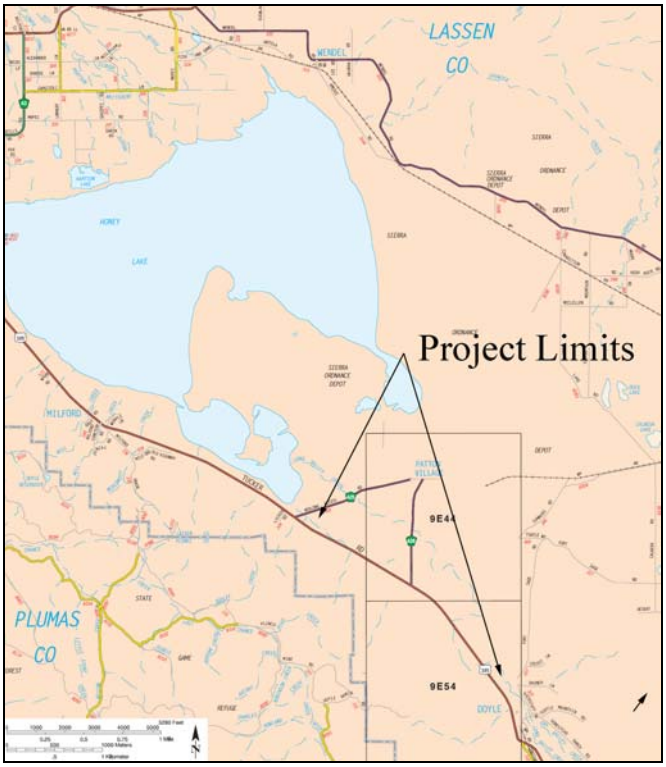
FUNDING OPTIONS (Con't)

OPTION B: Deny this request and direct the Department to deliver the project within the current allocation. The Department has considered this option. The project was already downscoped to stay within its allocation after the June 2004 bid rejections. Further reducing the scope of work will result in not meeting the purpose and need of the programmed project. Additionally, since the project was already granted a six-month award of contract time extension by the Commission, there is not enough time to repackage, re-advertise, and award the contract by September 2005. Denial of the request will result in the de-allocation of the construction capital funds and the project will be reprogrammed in the next available SHOPP cycle.

RECOMMENDED OPTION

The Department recommends that this request for $1,350,000, as presented in Option A above, be approved to allow this project to be awarded.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e. Supplemental Funds for Previously Voted Projects					**Resolution: FA-05-01**
2 $1,400,000 Department of Transportation Lassen 2N-Las-395 24.8/32.4	Near Doyle north of Willow Ranch Creek Bridge to south of North Herlong Access Road. Soft median, widen shoulders and add rumble strips. Supplemental funds are needed to award construction contract.	373901 3071 2004-05 302-0042 302-0890 20.20.201.010 SHOPP	$830,000 $7,470,000 $8,300,000	$140,000 $1,260,000 $1,400,000	$970,000 $8,730,000 $9,700,000



PROJECT DESCRIPTION

This safety project is located in Lassen County near the town of Doyle. The scope of work for this project includes widening the paved shoulders to standard, adding rumble strips to the paved shoulders, and creating a "soft buffer" where passing lanes exist and then constructing rumble strips in the "soft buffer" zone. This buffer will serve as a median between the opposite directions of travel where a passing lane exists. A clear recovery zone will also be established with the construction of this project.

BACKGROUND

Route 395 is a principal arterial and part of the National Highway System and Interregional Road System in addition to being a Terminal Access route for Surface Transportation Assistance Act (STAA) trucks. Route 395 is also a major truck route for hauling various materials north and south between Canada, Washington, Oregon, California and Mexico. This section of Route 395 connects Northern California and Oregon with the Reno and Lake Tahoe areas. Currently this section of roadway is a two lane conventional highway with two passing lane locations and five locations with a one-way left turn lane. There are a high number of crossover and run-off-the-road movements along this stretch of highway.

FUNDING STATUS

The project was programmed in the 2004 State Highway Operation and Protection Program (SHOPP) for $7,030,000 for construction in FY 2004-05. The project was allocated $8,300,000 in March 2005, with costs increase due to an adjustment for higher contract item prices. The project was advertised and bid results were opened in May 2005. An additional $1,400,000 is needed to award this contract to the lone bidder. This request for supplemental funds results in an overall increase of 17% over the vote amount for this project.

REASON FOR INCREASE

The contract bids were opened on May 25, 2005. Sixteen bid packages were issued to prospective bidders, only one bid was received for this project. The bid is 17% above the Engineer's Estimate. The Department has contacted five of the potential bidders to inquire why they did not submit a bid. Four stated they were busy with other work while the fifth also commented that the bid prices provided by lone bidder were fair and reasonable. The bidder has been contacted and has agreed to extend his bid, pending approval from the Commission for the supplemental funds.

In comparing the bid items with the Engineer's Estimate, most of the cost increases are associated with aggregate base, temporary railing, traffic control, asphalt concrete, and roadway excavation items. According to the contractor, difficulty in working with narrow lanes and limited work windows in this portion of Route 395 have resulted in higher traffic control and material handling costs. Although allowances were included in the Engineer's Estimate for consideration of some of these factors, the contractor's bid contained costs significantly higher than anticipated. Additional supplemental funds are needed in order to award this project.

Due to a number of safety projects within this corridor that are scheduled for construction for the next season, it is critical that this eight-mile safety project begin construction as soon as possible so that impacts to the traveling public within the corridor can be minimized. The other two large safety projects that are scheduled for construction next season are the Hallelujah Junction Safety project and the Milford Shoulder Widening. The Hallelujah junction project is three-mile long while Milford is a twenty-seven-mile safety project.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for $1,400,000 to allow this safety project to be awarded.

FUNDING OPTIONS (Con't)

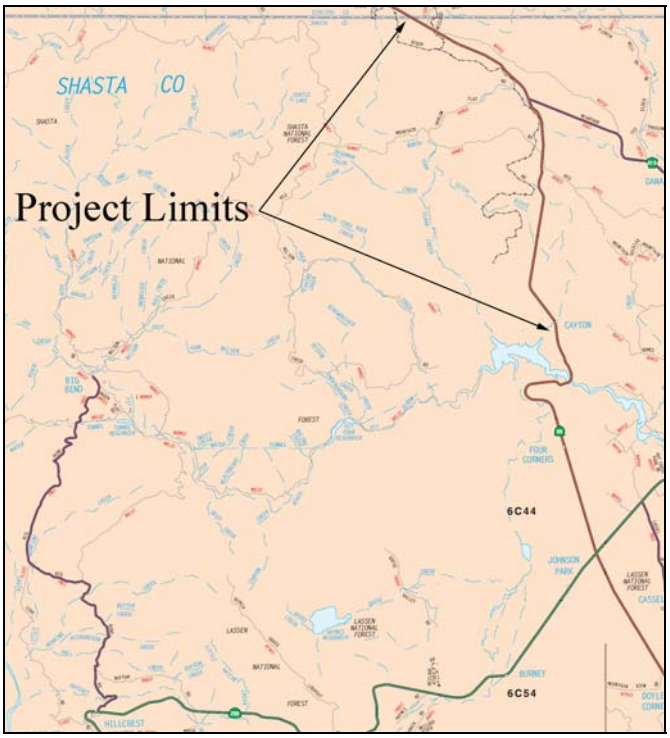
OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount. The project includes only the minimum scope of work to accomplish the purpose and need of this safety project. The Department has considered this option and determined that reducing the scope of work on this project, and executing another project to complete the deleted work later, would result in greater costs and more disruption to the traveling public.

OPTION C: Deny this request and direct the Department to rescind the project and reprogram this project in a future funding cycle of the SHOPP. The Department had considered this option, however, the Department could not fully assess the impact of the delay to the construction of this safety project.

RECOMMENDED OPTION

The Department recommends that this request for $1,400,000, as presented in Option A above, be approved to allow this project to be awarded.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e. Supplemental Funds for Previously Voted Projects					**Resolution: FA-05-01**
3 $4,110,000 Department of Transportation Shasta 2N-Sha-89 29.4/43.3	Near Burney north of Lake Britton Underpass to the Siskiyou County line. Rehabilitate roadway. Supplemental funds are needed to award construction contract.	310401 0157 2003-04 302-0042 302-0890 20.20.201.120 SHOPP 2004-05 302-0042 302-0890 20.20.201.120 SHOPP	 $2,088,000 $16,112,000 - - $18,200,000	 - - $472,000 $3,638,000 $4,110,000	 $2,088,000 $16,112,000 $472,000 $3,638,000 $22,310,000



PROJECT DESCRIPTION

The Cayton Creek rehabilitation project is located on Route 89 northeast of Burney. Route 89 is the designated detour for closures on Interstate 5 between Mt. Shasta and Redding. The highway consists of two 12-feet lanes and no shoulders. This project will rehabilitate roadway by: replacing the distressed pavement; providing horizontal, vertical and super-elevation improvements; installing and upgrading guardrail; constructing left turn lanes; and replacing many corroded drainage culverts. The project will also provide paved shoulders and enhance the clear recovery areas.

FUNDING STATUS

The project was programmed in the 2002 State Highway Operation and Protection Program (SHOPP) for $20,341,000 for construction in FY 2003-04, and was allocated $18,200,000 in June 2004. The project was then advertised and bid results were opened in May 2005. An additional $4,110,000 is needed to award this contract to the low bidder. This request for supplemental funds results in an overall increase of 23% over the vote amount for this project.

REASON FOR INCREASE

The Department is concurrently requesting an award of contract time extension at the July 2005 Commission Meeting. Though the project was voted a year ago, advertisement of the project was on hold in order for the Department to address the issues and concerns, raised by the Army Corps of Engineers (ACOE), regarding the wetlands mitigation strategy. The contract was finally advertised and bids were opened on May 24, 2005. Nineteen bid packages were issued to prospective bidders, and three bids were received for this project. The low bid is 24% above the Engineer's Estimate. The second and third-ranked bids are 40% and 44% above the low bid, respectively. The Department has reviewed all three bids and feels that competition was adequate. The apparent low bidder has been contacted and has agreed to extend his bid, pending approval from the Commission for the supplemental funds.

In comparing the bid items with the Engineer's Estimate, most of the cost increases are associated with traffic control, asphalt concrete, and roadway excavation items. According to the low bidder, the limited work windows, due to environmental restrictions, and tighter traffic control specifications on closures are creating more "piece work." Paving operations would have to be staggered and efficiency would be lost. The uncertainty of future fuel and material costs, for a project that is scheduled for three seasons, also resulted in higher prices for the roadway excavation and pavement materials items.

Although some allowances were included in the Engineer's Estimate for consideration of some of these factors, the contractor's bid contained costs significantly higher than anticipated. Additional supplemental funds are needed in order to award this project.

FUNDING OPTIONS

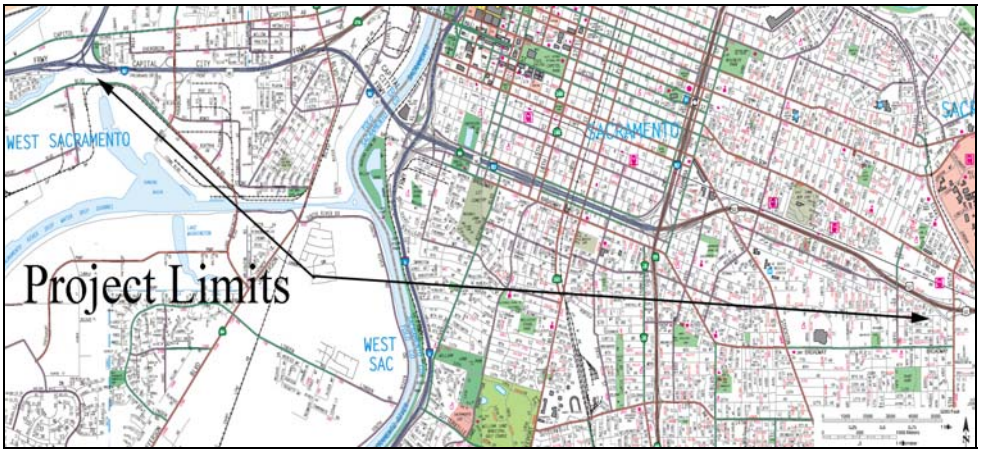
OPTION A: Approve this request as presented above for $4,110,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount. The Department considered this option and determined that reducing the scope of work on this project, and executing another project to complete the deleted work later, would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION

The Department recommends that this request for $4,110,000, as presented in Option A above, be approved to allow this project to be awarded.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e. Supplemental Funds for Previously Voted Projects					**Resolution: FA-05-01**
4 $2,636,000 Department of Transportation Yolo 3N-Yol-50 0.0/3.1	In West Sacramento on Route 80 to Sacramento County Line and from Yolo County Line to 65th Street. Rehabilitate pavement. Supplemental funds are needed to award construction contract.	0A8401 6195 2004-05 302-0042 302-0890 20.20.201.010 SHOPP	$1,074,000 $8,290,000 $9,364,000	$302,000 $2,334,000 $2,636,000	$1,376,000 $10,624,000 $12,000,000



PROJECT DESCRIPTION

The project is located in Yolo and Sacramento counties, from 0.6 km west of Route 80/50 Separation to 0.4 km east of 65th Undercrossing. The scope of the project consists of replacing broken concrete slabs, replacing broken bridge approach slabs, diamond grinding all of the concrete lanes in both directions, sealing random cracks, repairing mainline shoulders, and rehabilitate ramps by grinding and paving with asphalt concrete.

FUNDING STATUS

The project was programmed in the 2004 State Highway Operation and Protection Program (SHOPP) for $9,364,000 for construction in FY 2004-05, and was allocated in April 2005 for the programmed amount. The project was advertised and bid results were opened in June 2005. An additional $2,636,000 is needed to award this contract to the low bidder. This request for supplemental funds results in an overall increase of 28% over the vote amount of this project.

REASON FOR INCREASE

The contract bids were opened on June 7, 2005. Eleven bid packages were issued to prospective bidders, and two bids were received for this project. The low bid is 31% above the Engineer's Estimate while the other received bid is 38% above the Engineer's Estimate. The Department has reviewed the bids and feels that competition was adequate. The apparent low bidder has been contacted and has agreed to extend his bid, pending approval from the Commission for the supplemental funds.

In comparing the bid items with the Engineer's Estimate, most of the cost increases are associated with asphalt concrete, replacement concrete pavement, and grinding existing concrete pavement. According to the contractor, limited work windows in this portion of Route 50 and higher material handling costs have resulted in the higher item bid prices. Although allowances were included in the Engineer's Estimate for consideration of some of these factors, the contractor's bid contained costs significantly higher than anticipated. Additional supplemental funds are needed in order to award this project.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for $2,636,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount. The Department considered this option and determined that reducing the scope of work on this project, and executing another project to complete the deleted work later, would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION

The Department recommends that this request for $2,636,000, as presented in Option A above, be approved to allow this project to be awarded.