

# Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: April 26-27, 2006

Reference No.: 2.5d.(2)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

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Ref: **FINANCIAL ALLOCATION FOR PROJECTS THAT EXCEED 20 PERCENT OF  
THE PROGRAMMED AMOUNT  
RESOLUTION FP-05-76**

## **RECOMMENDATION:**

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

## **FINANCIAL RESOLUTION:**

Resolved that \$26,100,000 be allocated from the Budget Act of 2005, Budget Act Item 2660-302-0042, to provide funds for the project described on the following pages.

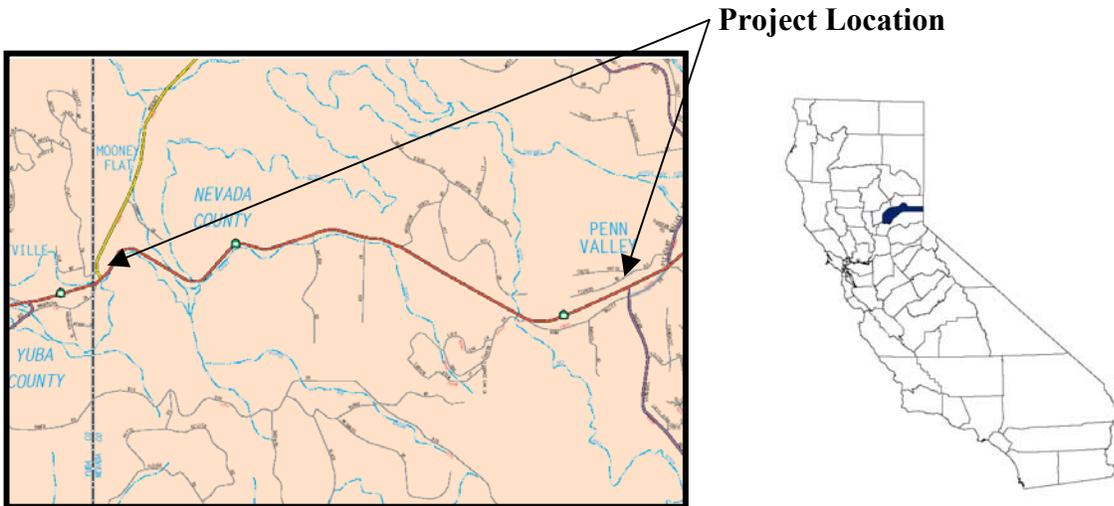
## **SUMMARY AND CONCLUSIONS:**

This resolution allocates State funds totaling \$26,100,000 for one new major construction project that is included in the 2004 State Highway Operations and Protection Program (SHOPP). The project has construction costs that exceed, by more than 20 percent, the programmed amount of \$19,420,000.

Project # Allocation Amount Recipient RTPA/CTC County Dist-Co-Rte Postmile (Kilopost)	Location Project Description Project Support Expenditures	EA PPNO Program/Year PA&ED PS&E CON ENG CONST	Budget Year Item # Program Codes	Allocation Amount State Federal Total Amount
<b>2.5d.(2) Allocations for Projects with Cost Increases Greater than 120 Percent</b>				<b>Resolution FP-05-76</b>
1 \$26,100,000 Department of Transportation	Located in Nevada County, on Route 20 from the Nevada County Line to 0.62 miles east of Oak Canyon Drive. Realign curve and add truck-climbing lanes.	1A5301 03-3982 SHOPP/05-06	2004-05 302-0042 302-0890 20.20.201.010	\$26,100,000 - \$26,100,000
Nevada 03N-Nev-20 0.0/3.9		\$19,420,000		\$26,100,000

**RECOMMENDATION:**

The Department recommends that this request for \$26,100,000 be approved to allow this project to be advertised.



**PROJECT DESCRIPTION:**

This project is located on Route 20, in Nevada County, from the Nevada County line to 0.62 miles east of Oak Canyon Drive. This project will realign and widen the roadway, add left-turn lanes, add a truck climbing lane, and provide a clear recovery zone.

**FUNDING STATUS:**

The project is currently programmed in the 2004 SHOPP for \$19,420,000. This request for \$26,100,000 will result in an increase of \$6,680,000 (34%) above the programmed amount. This project is scheduled for advertisement in May 2006.

**REASON FOR INCREASE:**

The increase in cost is due to escalations in the prices of construction materials and a change in utility activities (relocation).

The recent increase in the cost of materials on this project has caused an increase of \$2,966,000. The overall cost increases are related to steel (\$750,000), concrete (\$421,000), asphalt concrete (\$1,375,000) and drainage (\$420,000).

Additionally, a change in the utility relocation for the Nevada Irrigation District (NID) irrigation facilities contributed \$3,572,000 to the cost increase. The proposed safety improvements to Route 20 required relocation of NID facilities. The original scope of this work assumed the facility would remain an open channel. Upon final design, it was determined that steel and concrete pipes would be required in lieu of the open channel.

### **FUNDING OPTIONS**

**OPTION A:** Approve this request as represented above for \$26,100,000 to allow this project to be advertised.

**OPTION B:** Deny this request and direct the Department to downscale the project to remain within the programmed amount. This is a safety project and includes only the minimum scope of work to accomplish the purpose and need of this project. The Department has considered this option and determined that reducing the scope of work on this project is not feasible. Reducing the scope and executing another project will result in overall higher costs, more disruption to traveling public and will not effectively improve safety.

### **RECOMMENDED OPTION**

The Department recommends Option A.