

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: July 19-20, 2006

Reference No.: 2.5e.(3)
Action Item

From: CINDY McKIM
Chief Financial Officer

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Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-06-03**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FA-06-03, allocating an additional \$680,000 for the project listed below.

ISSUE:

Additional funds are needed for a previously voted project to complete construction.

RESOLUTION:

Resolved, that \$680,000 be allocated from the Budget Act of 2006, Non-Budget Act Item 2660-801-3008, to provide additional funds for the project listed below.

<u>Dist-Co-Rte</u>	<u>Original Vote/G11 Amount</u>	<u>Original Award Amount</u>	<u>Current Budget Amount</u>	<u>Current Allocation Revision</u>	<u>Revised Budget Amount</u>	<u>Total Increase Vote/Award</u>
7-Ven-1	\$27,988,000	\$30,440,000	\$32,736,000	\$680,000	\$33,416,000	2.2% A

FUNDING STATUS:

The project was programmed in the 1998 State Transportation Improvement Program (STIP) and was voted for \$27,988,000 at the June 2000 Commission meeting. The project was awarded in January 2001 for \$30,440,000, including \$2,452,000 under Resolution G-12. During construction, additional G-12 funds of \$546,000 were used to pay for additional traffic handling and excavation work. An additional \$1,750,000 in supplemental funds was voted in June 2004 for drainage improvements. The legally required drainage improvements were necessary to prevent flooding of farmlands, residential properties, and a school on the south side of the interchange. This supplemental funds request of \$680,000 is needed to complete the remainder of that drainage work.

REASON FOR INCREASE:

The drainage improvements were necessary to prevent flooding and to fulfill the commitment in the environmental document and to Ventura County, Oxnard Drainage District #2, and the city of Oxnard. Ventura County Transportation Commission (VCTC) has been working with the Department to address this issue. VCTC is also in support of the supplemental allocation and the use of regional STIP funds to complete the legally required drainage improvements for the project.

The Commission approved \$1,750,000 in supplemental funds to complete the drainage work in June 2004. Since the construction work on the interchange project had been completed and the contractor had de-mobilized, the drainage improvements were not done as a contract change order due to the high re-mobilization and overhead charges. In order to reduce the cost, the drainage improvements would be advertised and performed under a separate contract.

The drainage improvement contract was advertised in 2005. The low bidder requested relief from bid due to their error in converting between metric and English units. The same contract was re-advertised and bids were opened on June 1, 2006. The low bidder was the same bidder from the first bid opening. Since they were relieved of their bid after the first bid opening, they were prohibited from bidding on the contract the second time around. The Department recommends the contract be awarded to the second low bidder as the lowest responsible bidder.

In comparing the bid items with the Engineer's Estimate, most of the cost increases are associated with water pollution control, clear and grubbing, and reinforced concrete pipe. 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 funds are needed in order to award this project.

FUNDING OPTIONS

OPTION A: Approve this request for Supplemental Funds as presented above for \$680,000 to allow the completion of the project.

OPTION B: Deny this request and direct the Department to deliver the project within the allocated funds. The Department has considered this option, however, without the completion of the drainage system, the Department will face significant legal exposure and potential liabilities should there be damages due to flooding.

RECOMMENDED OPTION

The Department recommends that this request of \$680,000, as presented in Option A above, be approved to allow the completion of the project.