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

CTC Meeting: August 27-28, 2008

Reference No.: 2.5e.
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-08-03**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FA-08-03, allocating an additional $3,825,000 for the State Transportation Improvement Program (STIP) project identified below.

ISSUE:

Additional funds are needed for one previously approved project in order to complete construction.

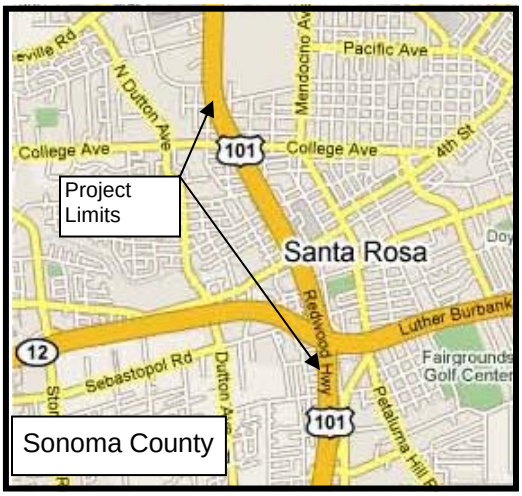
RESOLUTION:

Resolved, that $3,825,000 be allocated from the Budget Act of 2007, Non-Budget Act Item 2660-801-3008 to provide additional funds for the project identified below, contingent upon passage of the FY 2008-09 Budget Act.

Project	Dist-Co-Rte	Original allocated Amount	Original Award Amount	Current Allocation	Allocation Adjustment	Revised Allocation	% Increase Above Current Allocation
1	04-Son-101	$55,627,000	$74,812,000	$74,827,000	$3,825,000	$78,652,000	5.1%

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA Dist-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-08-03**
1 $19,200,000 Department of Transportation MTC Sonoma 04N-Son-101 19.5/21.6	In Santa Rosa, from Route 12 to Steele Lane. Widen from 4 to 6 lanes for high occupancy vehicle lanes. Supplemental funds are needed to complete construction.	245411 04-0789A 2004-05 301-0042 301-0890 20.20.075.600 RIP	$4,316,000 $33,313,000	- -	$4,316,000 $33,313,000
	CONTINGENT UPON PASSAGE OF THE FY 2008-09 BUDGET ACT.	245411 04-0789A 2004-05 301-0042 301-0890 20.20.025.700 IIP	$1,418,000 $10,942,000	- -	$1,418,000 $10,942,000
		245411 04-0789A 2004-05 301-0042 301-0890 20.20.025.731 IIP TE	$153,000 $1,185,000	- -	$153,000 $1,185,000
		245411 04-0789A 2005-06 301-0042 301-0890 20.20.075.600 RIP	$1,608,000 $12,408,000	- -	$1,608,000 $12,408,000
		245411 04-0789A 2005-06 301-0042 301-0890 20.20.025.700 IIP	$595,000 $4,589,000	- -	$595,000 $4,589,000
		245411 04-0789A 2005-06 302-0042 20.20.201.120 SHOPP	$4,300,000	-	$4,300,000
		245411 04-0789A 2008-09 801-3008 20.20.075.600 RIP	-	$2,869,000	$1,931000
		245411 04-0789A 2008-09 801-3008 20.20.025.700 IIP	-	$956,000	$644,000
			$74,827,000	$3,825,000	$78,652,000

RECOMMENDATION:
The Department recommends that this request for $3,825,000 be approved to allow this project to complete construction.



PROJECT DESCRIPTION:
In Sonoma County, in Santa Rosa, from Route 12 to the Steele Lane Interchange. This State Transportation Improvement Program (STIP) project will widen Route 101 from four to six lanes for High Occupancy Vehicle (HOV) lanes. In addition, the project will increase capacity of the College Avenue and Steele Lane interchanges. This is a design sequencing project.

FUNDING STATUS:
This STIP project was voted in July 2005 for $51,327,000. Project funding included $4,548,000 in Traffic Congestion Relief Program (TCRP) funds and $225,000 in Congestion Mitigation and Air Quality (CMAQ) funds. A concurrent SHOPP project for $4,300,000 was voted in July 2005, which was combined with this STIP project for construction. The project was awarded in February 2006 for $74,812,000, using $19,200,000 in supplemental funds. An additional $3,825,000 in supplemental funds is needed to complete construction. This request for supplemental funds results in an overall increase of 5.1 percent over the current allocation. Construction is scheduled to be completed by the end of April 2009.

REASONS FOR COST INCREASE:
Construction started in March 2006 and is approximately 80 percent complete and has expended approximately 80 percent of the allotment. The reason for the cost increase is due to the following:

- Asphalt Concrete Item Overrun ($1,000,000): The project was designed to change the longitudinal profile and cross slope. It is estimated that the final Asphalt Concrete (AC) quantity will overrun the original bid quantity by approximately 15 percent. The overrun is due to the variable thickness of the paving and the survey tolerance on the existing pavement. The poor condition of the Portland Cement Concrete (PCC) pavement made it difficult to estimate the required leveling course prior to placing the AC overlay.

- AC Price Index Adjustment ($1,900,000): The Special Provisions in the contract included standard language to compensate the contractor for increases in the price of asphaltic oil products used in construction. The California Paving Asphalt Price Index (API) is volatile and has increased at a rate of about 12 percent per month for the first half of the 2008 construction season. At the time of bid opening the API was 274.3 with a supplemental work amount of $120,000 based on a standard formula. Since that time, the AC price index has risen to a level more than double the original value resulting in expenditures far exceeding those anticipated at bid opening. The current API is 630.4, and the anticipated adjustment to be paid to the contractor is estimated to be $1,900,000. This is based on the contractor's paving schedule through November 2008 to complete the paving.

- COZEEP Overrun ($650,000): The Construction Zone Enhanced Enforcement Program (COZEEP) allotment for this project was $70,000. This is a three-year widening project with multiple stages, numerous detours, and nighttime lane closures. The Engineers Estimate for COZEEP did not take into account multiple units for full freeway closures and two California Highway Patrol officers per unit for nighttime activities.

- Replenish Contingency Balance ($275,000): In order to ensure there are sufficient funds to complete the remaining phases of construction and address the notice of potential claims, the contingency balance must be replenished. Notice of potential claims for repairs to bridge deck cracks, utility conflicts, and sign structure modifications.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for $3,825,000 to allow this project to complete construction.

OPTION B: Deny this request, direct the Department to revise the project to remain within the allocated amount and remove elements from the scope of work. 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.

RECOMMENDED OPTION:

The Department recommends that this request of $3,825,000 as presented in Option A above, be approved to allow this project to complete construction.