

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 19, 2009

Reference No.: 2.5e.(1)
Action Item

From: CINDY McKIM
Chief Financial Officer

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Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-08-10**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$1,720,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one previously voted project in order to award the construction contract.

RESOLUTION:

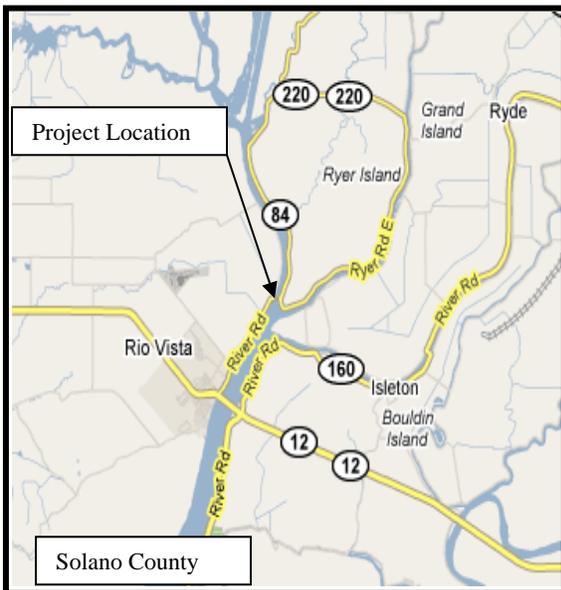
Resolved, that \$1,720,000 be allocated from the Budget Act of 2006, Budget Act Item 2660-302-0042 to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original allocated Amount</u>	<u>Original Award Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	04-Sol-84	\$2,921,000	N/A	\$2,921,000	\$1,720,000	\$4,641,000	58.9%

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Fund Type Program	Current Amount by Fund Type	Additional Amount by Fund Type	Revised Amount by Fund Type
2.5e.(1) Supplemental Funds for Previously Voted Projects					Resolution FA-08-10
1 \$1,720,000 Department of Transportation Solano 04N-Sol-84 2.5	Near Rio Vista-Cache Slough Ferry Bridge #23-0034. Construct a new ferry to replace the current Cache Slough Ferry, also known as the Real McCoy. Supplemental funds are needed to award the construction contract.	46301 04-5402 2006-07 302-0042 SHA SHOPP	\$2,921,000	\$1,720,000	\$4,641,000

RECOMMENDATION:

The Department recommends that this request for \$1,720,000 be approved to allow the Department to award the project.



PROJECT DESCRIPTION:

The project is located on Route 84 in the Sacramento Delta, in Solano County. The project is to construct a new ferry to replace the current Cache Slough Ferry built in 1946 and also known as the "Real McCoy". The ferry provides a river crossing for Route 84.

FUNDING STATUS:

The contract was developed for the Department by the Department of General Services (DGS). This SHOPP project was programmed for \$2,921,000 and voted in July 2006 for \$2,921,000. Bids for this project were opened in June 2007; there was only one bid, which was over the original allocation. Feedback from several potential contractors indicated that they did not submit bids due to the lack of progress payment provisions (lump sum procurement). The Department rejected the bid, re-packaged the contract to allow progress payments to facilitate competitive bidding, and re-advertised the contract in December 2008.

Bids for this project were re-opened on January 15, 2009. There were four bids and the lowest bid was higher than the original allocation. The additional amount needed to award, based on the apparent lowest responsible bidder, is \$1,720,000. This request for \$1,720,000 in supplemental funds results in an overall increase of 58.9 percent over the original allocation. This project will be awarded upon approval of this supplemental funds request.

Vote Date	No. of Plan Holders	Bid Opening Date	No. of Bidders	Vote Amount	Amount needed to Award	% Over Vote Amount
07/2006	6	1/15/09	4	\$2,921,000	\$1,720,000	58.9%

REASONS FOR COST INCREASE:

The cost increase is due to the unique, specific nature of this project, new 2008 United States Coast Guard requirements, and the Department's infrequent experience with the marine industry. Also, this ferry is a relatively small customized vessel.

The "Real McCoy" was constructed and has been in operation to provide 24-hour service to Ryer Island since 1946, and the last time the Department purchased a ferry was in 1964 (J. Mack to serve the opposite side of Ryer Island). The increased amount over the programmed amount reflected higher line item costs, additional contingencies consistent with industry standard to address risks associated with customized vessels, sales tax associated with a procurement contract, and bonding requirement for progress payments. In the effort to reach out and incorporate industry input, the Department conducted a pre-bid meeting and a site visit for all potential bidders during the re-advertisement process. This request for \$1,720,000 in supplemental funds will allow the Department to award the project.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$1,720,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to reduce the scope of the project to remain within the allocated amount and re-advertise the project. The Department has considered this option and determined that reducing the scope of work on this project is

not possible due to the unique nature of the project and would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION:

The Department recommends that this request of \$1,720,000, as presented in Option A above, be approved to allow this project to be awarded.