

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 19-20, 2011

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

From: NORMA ORTEGA
Chief Financial Officer

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Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-10-06**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$2,741,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

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

RESOLUTION:

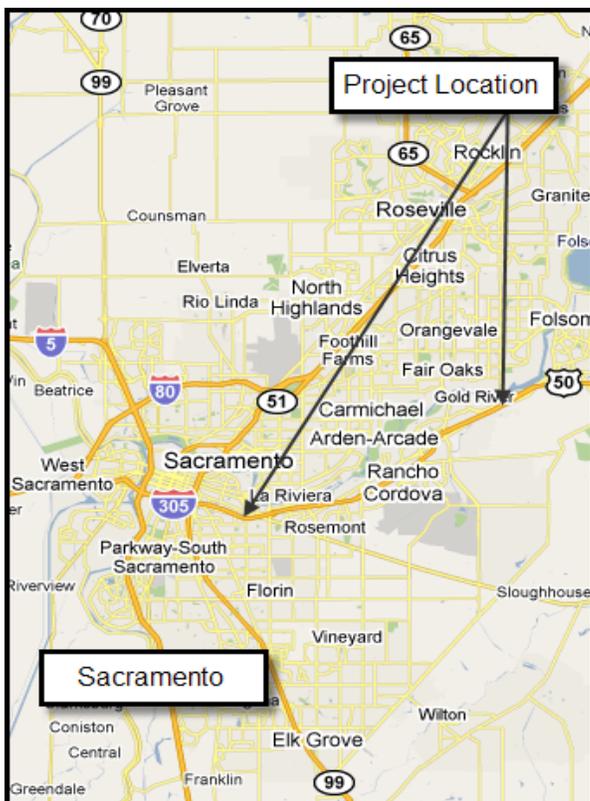
Resolved, that \$2,741,000 be allocated from the Budget Act of 2009, Budget Act Item 2660-302-0890 to provide additional funds to allow the following project to be awarded.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Allocated Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	03-Sac-50	\$11,900,000	\$11,900,000	\$2,741,000	\$14,641,000	23%

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program/Year Budget Year Item # Fund Type	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(1) Supplemental Funds for Previously Voted Projects					Resolution FA-10-06
1 \$2,741,000 Sacramento 03N-Sac-50 R2.6/14.2	In Sacramento, from 65 th Street to 0.3 mile west of Watt Avenue and from 0.3 mile east of Sunrise Boulevard to 1.6 miles west of Hazel Avenue. <u>Outcome/Output:</u> Rehabilitate 34.3 lane miles of roadway to improve the ride quality, prevent further deterioration of the road surface, minimize the costly roadway repairs, and extend the pavement service life. Supplemental funds needed to award construction contract. Total Revised Amount: \$14,641,000	03-6194 SHOPP/09-10 2008-09 302-0042 SHA 302-0890 FTF 03-6194 SHOPP/09-10 2009-10 302-0890 FTF	\$1,365,000 \$10,535,000	\$2,741,000	\$1,365,000 \$10,535,000 \$2,741,000

RECOMMENDATION:

The Department recommends that this request for \$2,741,000 be approved to allow this project to be awarded.



PROJECT DESCRIPTION:

This project is located in Sacramento County on Route 50 from 65th Street to 0.3 mile west of Watt Avenue and from 0.3 mile east of Sunrise Boulevard to 1.6 miles west of Hazel Avenue. The scope of work includes pavement rehabilitation by removing failed Portland Cement Concrete Pavement slabs and replacing with jointed plane concrete pavement, grinding and replacing existing traveled way pavement, repairing failed bridge approach slabs, upgrading existing AC Dike and replacing metal beam guard railing as needed to meet current standards.

FUNDING STATUS:

The project was programmed in the 2008 State Highway Operations and Protection Program (SHOPP) for \$10,000,000 for construction and was voted for \$11,900,000 in May, 2010. Bids for this project were opened on October 6, 2010. Five bids were received for this project. The amount needed to award the contract, based on the lowest responsible bidder, is \$14,641,000. This request for \$2,741,000 in supplemental funds results in an overall increase of 23 percent over the original vote amount. This contract will be awarded upon approval of this supplemental funds request.

REASONS FOR COST INCREASE:

The Department performed a bid analysis to evaluate the differences between the Engineer’s Estimate and the contract bid items. The contract has 70 bid items. Five of these bid items have significant cost differences. These items are Traffic Control System, Hot Mix Asphalt-Type A, Grind Existing Concrete Pavement, Grind and Groove Concrete Pavement, and Mobilization.

Bid Item	Engineer’s Estimate	Bid Amount	Difference
Traffic Control System	\$200,200	\$1,216,000	\$1,015,800
Hot Mix Asphalt-Type A	\$852,500	\$1,472,500	\$620,000
Grind Existing Concrete Pavement	\$645,000	\$1,209,000	\$564,000
Grind and Groove Concrete Pavement	\$114,675	\$414,675	\$300,000
Mobilization	\$576,000	\$1,000,000	\$424,000
Miscellaneous Adjustments/Contingencies			(\$182,800)
		Total	\$2,741,000

- The cost increase in Traffic Control System is caused by the need to coordinate with other projects under construction in the same area and for additional traffic control services.
- The cost increase in Hot Mix Asphalt is caused by unanticipated increase in oil prices between April 2010 when the estimate was developed and October 2010 when bids were opened.
- The cost increase for Grind Existing Concrete Pavement is a result of difficulties with grinding the larger and harder aggregates.
- Grind and Groove Concrete Pavement for long-term traffic noise mitigation is a demonstration item with no historical information available to determine unit pricing for the Engineer’s Estimate.

- The Engineer's Estimate for mobilization was based on an evaluation of bid results on similar projects in the area. Since mobilization is a lump sum item, bidders adjust their estimate for mobilization based on their approach to construction staging and work flow.

These five bid items above account for more than the requested funds due to other bid items coming in lower than estimated.

FUNDING OPTIONS:

OPTION A: Approve this request as presented above for \$2,741,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to reject all bids, retain current scope of the project, and re-advertise. The Department has considered this option and determined that there is no guarantee of having adequate number of bidders or lower price bids in the future, and this option would further delay this pavement rehabilitation project.

OPTION C: Deny this request and direct the Department to revise 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, and executing another project to complete the deleted work later would result in greater cost and more disruption to the traveling public.

RECOMMENDED OPTION:

The Department recommends that this request of \$2,741,000, as presented in Option A, above, be approved to award the project to the low bidder.