State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: September 15, 2004

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

PASSED BY
CTC
SEP 15 2004
CALIFORNIA
TRANSPORTATION COMMISSION

From: CINDY MCKIM
Chief Financial Officer, Acting

Prepared by: Ross Chittenden
Division Chief
Transportation Programming

Ref: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-04-02**

RECOMMENDATION:

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

FINANCIAL RESOLUTION:

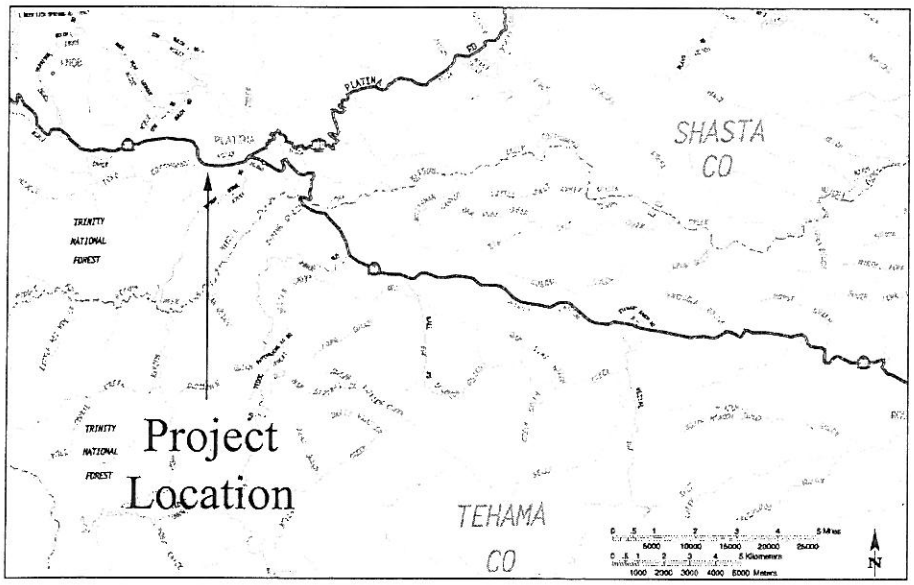
Resolved that $2,052,000 be allocated from the Budget Act of 2004, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide additional funds for the projects listed below.

SUMMARY AND CONCLUSIONS:

This resolution allocates $2,052,000 of additional State and Federal funds for the four (4) previously approved projects listed below:

Project	Dist-Co-Rte	Original Vote/G11 Amount	Award Amount	Current Budget Amount	Current Allocation Revision	Revised Budget Amount	Total Increase Vote/Award
1	2-Sha-36	$1,385,000	$1,385,000	$1,385,000	$473,000	$1,858,000	34% V
2	5-SB-1	$2,100,000	$2,110,000	$3,250,000	$190,000	$3,440,000	64% V
3	7-LA-47	$2,732,000	$2,977,000	$3,205,000	$700,000	$3,905,000	42% V
4	10-SJ-99	$2,314,000	$2,314,000	$2,314,000	$689,000	$3,003,000	30% V

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(2) Supplemental Funds for Previously Voted Projects					**Resolution: FA-04-02**
1 $473,000 Department of Transportation Shasta 02N-Sha-36 7.6/0.0	In Platina, at Middle Fork Cottonwood Creek Bridge #6-82. Replace bridge (scour). Supplemental funds are needed to award the construction contract.	310901 6215 2003-04 302-0042 302-0890 20.20.201.111 SHOPP	$159,000 $1,226,000	- -	$159,000 $1,226,000
		2004-05 302-0042 302-0890 20.20.201.111 SHOPP		$54,000 $419,000	$54,000 $419,000
			$1,385,000	$473,000	$1,858,000



PROJECT DESCRIPTION

This project is located in Shasta County, Near Platina, on State Route 36. The work involves the replacement of the Middle Fork Cottonwood Creek Bridge due to scour damages to the foundation. The bridge railing will also be upgrade to current standards and the structure widened to include 1.2 m shoulders.

FUNDING STATUS

The project was programmed in the 2002 SHOPP (State Highway Operation and Protection Program) for $1,385,000 for construction in FY 2003-04. In May 2004, funds were allocated for the programmed amount. Bid results were opened in July 2004. An additional $473,000 is needed to award this contract to the low bidder. This request for supplemental funds results in an overall increase of 34% over the voted amount for this project.

REASON FOR INCREASE

The contract bids were opened on July 27, 2004. Twenty-three bid packages were issued to prospective bidders, and six bids were received for this project. The low bid is 36% above the Engineer's Estimate. The second and third-ranked bids are 13% and 20% above the low bid, respectively. The Department has reviewed all three bids and feels that competition was adequate. The apparent low bidder has been contacted and has agreed to extend his bid, pending approval from the Commission for the supplemental fund.

In comparing the bid items of the bidder with the Engineer's Estimate, most of the cost increases are associated with structural items. According to the contractor, the recent spike in fuel prices along with the lack of supply and the high demand for steel and concrete have resulted in the high bid. Higher item costs were received from, among others, structure excavation, furnish and drive piles, structure concrete, bar reinforcing steel, and mobilization. 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

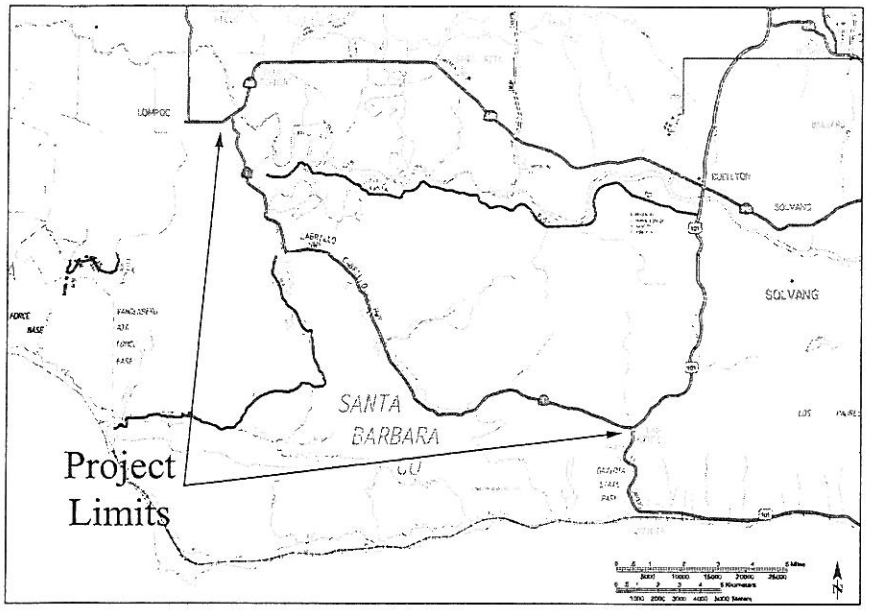
OPTION A: Approve this request as presented above for $473,000 to allow this project to be awarded. This option will allow for the timely construction of this project.

OPTION B: Deny this request and direct the Department to deliver the project within the current allocation. The Department considered this option and determined that there is no feasible alternative for reducing the scope of work on this bridge replacement project.

RECOMMENDED OPTION

The Department recommends that this request for $473,000, as presented in Option A above, be approved to allow this project to be awarded.

Project # / Allocation Amount / Recipient / County / Dist-Co-Rte / Postmile	Location / Project Description / Reason for Supplemental Funds	EA / PPNO / Budget Year / Prgm Codes / Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(2) Supplemental Funds for Previously Voted Projects					**Resolution: FA-04-02**
2 $190,000 Department of Transportation Santa Barbara 05N-SB-1 R0.6/19.3	In and near Lompoc, from .1 mile north of El Joro Creek Bridge to Route 46 via Ocean Avenue. Rehabilitate roadway. Supplemental funds are needed to close out construction contract.	376501 1995-96 325-0042 301-0890 20.20.205.222 SHOPP	$3,250,000 -	- -	$3,250,000 -
		2004-05 302-0042 302-0890 20.20.201.120 SHOPP	- -	$190,000 -	$190,000 -
			$3,250,000	$190,000	$3,440,000



PROJECT DESCRIPTION

This project is in Santa Barbara County, near the City of Lompoc, on Route 1 beginning 0.6 mile north of the Route 1/101 interchange and continuing north to Route 246. The project is a joint funded project with the Santa Barbara County Association of Governments (SBCAG). SBCAG is funding the operational improvements that include passing lanes, left turn pockets, and shoulder widening, and the Department is funding the rehabilitation of the existing roadway.

FUNDING STATUS

The state-portion of the project was programmed in the SHOPP (State Highway Operation and Protection Program) for $2,100,000 for construction in FY 1995-96. In June 1996, the construction contract was awarded to Sully-Miller Contracting Company. During the construction of the project, additional Resolution #G-12 allocation for $410,000 was approved to pay for storm damages, and slide repairs occurring within the project limits. In September 1998, the Commission also approved a supplemental funds request for $740,000 to complete the construction contract. This request for $190,000 in supplemental funds, to pay the contractor for arbitration claims settlement, results in an overall increase of 64% over the voted amount for this project.

REASON FOR COST INCREASE

This supplemental funds request is necessary to close out the project. The construction of this project was completed and the contract was accepted on February 25, 1999. However, upon receiving the Proposed Final Estimate (PFE), the contractor submitted exceptions to the PFE seeking reimbursement for an additional $9,137,413. Some of the claims included differing site conditions, home office overhead and interest, lost productivity and labor inefficiencies.

The Department followed the Claims Resolution process as described in Section 9-1.07B, "Final Payment and Claims" of the Standard Specifications. The Board of Review was not able to resolve the contractor's claims and the contractor then filed for arbitration. The arbitration hearing was scheduled for November 15, 2004. However, prior to the arbitration, all parties agreed to resolve the claim through mediation. As the result, the contractor agreed to resolve all claims, including interests, for $1,500,000. The Department is responsible for only a portion of the settlement and SBCAG is responsible for the remaining amount. After applying the remaining project funds, the Department is requesting an additional $190,000 in order to close out this construction contract.

FUNDING OPTIONS

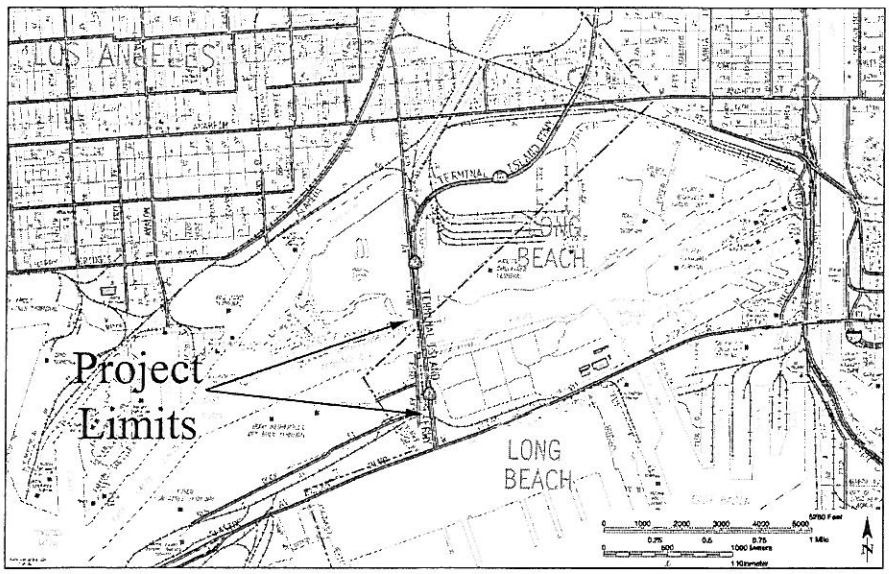
OPTION A: Approve this request as presented above for the $190,000 to allow the close-out of this project.

OPTION B: In order to avoid further payment of the accrued interest, the total settlement amount has been paid by SBCAG. The amount included the Department's portion of the settlement, with an agreement that the Department would seek supplemental funds for the payback. Denial of this request would breach the agreement made by the Department to SBCAG, and may strain the working relationship with the region.

RECOMMENDED OPTION

The Department recommends that this request for $190,000, as presented in Option A above, be approved to allow the construction contract to be closed out.

Project # / Allocation Amount / Recipient / County / Dist-Co-Rte / Postmile	Location / Project Description / Reason for Supplemental Funds	EA / PPNO / Budget Year / Prgm Codes / Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(2) Supplemental Funds for Previously Voted Projects					**Resolution: FA-04-02**
3 $700,000 Department of Transportation Los Angeles 07S-LA-47 3.6/4.3	In Long Beach at Schuyler Heim Bridge. Rehabilitate bridge. Supplemental funds are needed to complete the construction contract.	194901 2288 2002-03 302-0042 302-0890 20.20.201.110 SHOPP	$367,500 $2,837,500	- -	$367,500 $2,837,500
		2004-05 302-0042 302-0890 20.20.201.110 SHOPP	- -	$80,000 $620,000	$80,000 $620,000
			$3,205,000	$700,000	$3,905,000



PROJECT DESCRIPTION

This project is located in Los Angeles County in the City of Long Beach on Route 47 at Schuyler Heim Bridge. This project will remove and replace the central lift span steel deck of the existing drawbridge with a new steel grate deck system, and will also install a Weigh-in-Motion System to monitor the truck loads moving across the bridge.

FUNDING STATUS

The project was programmed in the 2000 SHOPP (State Highway Operation and Protection Program) for $2,300,000 for construction in FY 2003-04. In May 2003, funds were allocated for $2,732,000. The project was awarded to William P. Young Construction on February 22, 2004, for $2,977,000 after Resolution #G-12 allocation adjustment. The remaining Resolution #G-12 allocation adjustment of $228,000 was approved to fund a portion of the weld removal work. This request for $700,000 in supplemental funds results in an overall increase of 42% over the voted amount of this project.

REASON FOR INCREASE

During the design phase and until the commencement of this project's construction contract, an emergency contract was issued to perform emergency welding to the Schuyler Heim's bridge deck. This emergency welding contract was necessary in maintaining the structural integrity of the steel deck. The emergency welds would be removed later and this item's cost was included as part of the project's construction contract for the removal and replacement of the existing deck steel bridge deck.

Due to the ongoing nature of the emergency welding of the deck, it was not possible to quantify the number of weld removals at the time this project was designed. Therefore, the contract plans do not show the presence of existing welds that were found in the field. The extra work of removing the emergency welds was included in the project's allotment for supplemental work and contingencies. However, the number of welds' removal far exceeded what was anticipated. Furthermore, due to the construction staging, the work of removing these welds will also require additional traffic control. There are also additional cost increases on this project involving the spot blasting, removal of paint undercoat, and containment and disposal of hazardous materials. The total cost to perform this work far exceeds the budgeted amount and requires additional funding in order to complete the project.

FUNDING OPTIONS

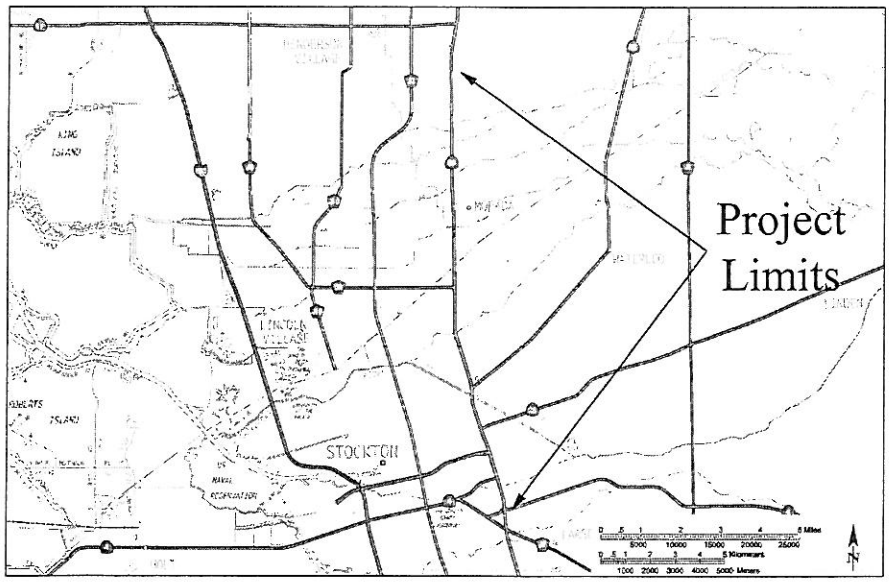
OPTION A: Approve this request as presented above for $700,000 to allow the completion of construction on this project.

OPTION B: Deny this request and direct the Department to deliver the project within the current allocation. The Department considered this option and determined that reducing the scope of work on this project, and executing another project to complete the deleted work later and would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION

The Department recommends that this request for $700,000, as presented in Option A above, be approved to allow this project to be completed.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e.(2) Supplemental Funds for Previously Voted Projects					**Resolution: FA-04-02**
4 $689,000 Department of Transportation San Joaquin 10N-SJ-99 17.0/28.5	In Stockton at 3 locations, from south of Route 4/99 separation to Harney Lane. Install 8.1 centerline miles of interim median barrier. Supplemental funds are needed to award the construction contract.	0J8401 7672 2003-04 301-0042 301-0890 20.20.201.020 SHOPP	- $2,314,000	- -	- $2,314,000
		2004-05 302-0042 302-0890 20.20.201.020 SHOPP	- -	- $689,000	- $689,000
			$2,314,000	$689,000	$3,003,000



PROJECT DESCRIPTION

This safety project is located in San Joaquin County between 0.4 km south of the Route 4/99 Separation and the Harney Lane Overcrossing. The existing median barrier on Route 99 within the project limits consists of cable or single metal beam barrier at various sections. There are two future SHOPP (State Highway Operation and Protection Program) projects and a STIP (State Transportation Improvement Program) widening project that will install the permanent median barrier. However, since these projects are scheduled for construction in future years, this project proposed to install interim median barrier on Route 99 at three locations to protect against cross-median accidents.

FUNDING STATUS

The project was programmed in the 2002 SHOPP (State Highway Operation and Protection Program) for $2,314,000 for construction in FY 2003-04. In May 2004, funds were allocated for the programmed amount. Bid results were opened in June 2004. An additional $689,000 is needed to award this contract to the low bidder. This request for supplemental funds results in an overall increase of 30% over the voted amount for this project.

REASON FOR INCREASE

The contract bids were opened on June 30, 2004. Seven bid packages were issued to prospective bidders, and four bids were received for this project. The low bid is 32% above the Engineer's Estimate. The second and third-ranked bids are 2% and 5% above the low bid, respectively. The Department has reviewed all four bids and feels that competition was adequate. The apparent low bidder has been contacted and has agreed to extend his bid, pending approval from the Commission for the supplemental fund.

In comparing the bid items of the bidder with the Engineer's Estimate, most of the cost increases are associated with the concrete barrier (Type K or K-rail) item. The contractor stated that prices for new K-rails had increased significantly due to price increases in reinforcing steel and concrete, thus resulted in higher bid prices. Limited work windows and construction access also factored into higher bid price for the barrier. The Department also contacted the second low bidder, who reiterated similar justification for his bid. 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 as presented above for $689,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to deliver the project within the allocated funds. The Department has considered this option and determined that reducing the scope of work of 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 for $689,000, as presented in Option A above, be approved to allow this safety project to be awarded.