State of California
**DEPARTMENT OF TRANSPORTATION**

Business, Transportation and Housing Agency

# Memorandum

**To:** CHAIR AND COMMISSIONERS

**Meeting Date:** March 15-16, 2006

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

PASSED BY
CTC
MAR 1 6 2006
CALIFORNIA
TRANSPORTATION COMMISSION

Cindy McKim

**From:** CINDY McKIM
Chief Financial Officer

**Prepared by:** Ross A. Chittenden
Division Chief
Transportation Programming

**Ref:** **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-05-13**

## RECOMMENDATION:

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

## FINANCIAL RESOLUTION:

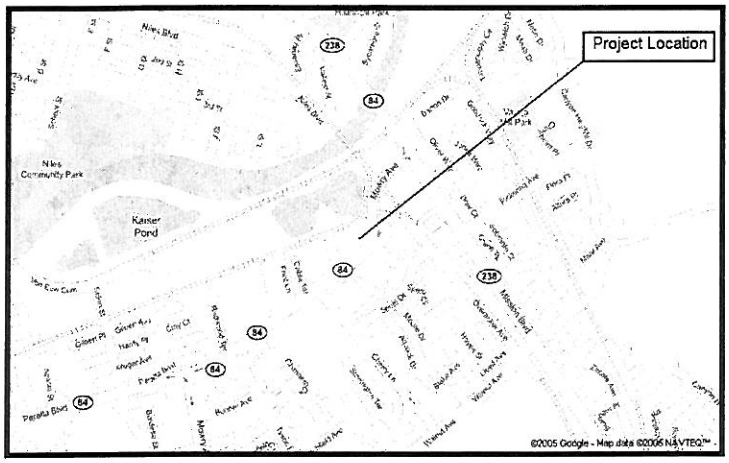
Resolved that $37,450,000 be allocated from the Budget Act of 2005, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide additional funds to allow the following eight projects to be awarded.

## SUMMARY AND CONCLUSIONS:

This resolution allocates $37,450,000 of additional State and federal funds for the previously approved projects listed below:

| Project | Dist-Co-Rte | Original Vote Amount | Award Amount | Current Budget Amount | Supplemental Allocation Request | Revised Budget Amount | Total Increase Vote/Award |
|---|---|---|---|---|---|---|---|
| 1 | 04N-Ala-L5706 | $2,746,000 | N/A | $2,866,000 | $722,000 | $3,588,000 | 31% V |
| 2 | 04N-Ala-L5746 | $7,182,000 | N/A | $7,182,000 | $2,257,000 | $9,439,000 | 31% V |
| 3 | 04N-Ala-580, 10N-SJ-205 | $948,000 | N/A | $948,000 | $332,000 | $1,280,000 | 35%V |
| 4 | 04N-SCl-101 | $1,650,000 | N/A | $1,650,000 | $592,000 | $2,242,000 | 36%V |
| 5 | 04N-Mrn-37 | $1,542,000 | N/A | $1,542,000 | $1,083,000 | $2,625,000 | 70%V |
| 6 | 08S-Riv-95 | $1,625,000 | N/A | $1,625,000 | $931,000 | $2,556,000 | 57%V |
| 7 | 10N-SJ-12/88 | $618,000 | N/A | $618,000 | $320,000 | $938,000 | 52%V |
| 8 | 12S-Ora-5 | $60,122,000 | N/A | $60,122,000 | $31,213,000 | $91,335,000 | 52%V |
| **Total** | | **$76,433,000** | **N/A** | **$76,553,000** | **$37,450,000** | **$114,003,000** | **49%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.(3) Supplemental Funds for Previously Voted Projects** | | | | | **Resolution FA-05-13** |
| 1<br>$722,000<br>Department of Transportation<br>Alameda<br>04N-Ala-L5706 | In Alameda County, construct two new buildings at the Fremont Maintenance Station.<br><br>Supplemental funds are needed to award this contract. | 207771<br>04-0086L<br>2004-05<br>302-0042<br>302-0890<br>20.20.201.352<br>SHOPP | <br><br><br>$2,866,000<br>-<br><br>$2,866,000 | <br><br><br>$722,000<br>-<br><br>$722,000 | <br><br><br>$3,588,000<br>-<br><br>$3,588,000 |



## PROJECT DESCRIPTION

This project is located in Alameda County. This project proposes to build a new mechanical shop equipment bay and Office Buildings.

## FUNDING STATUS

This project was programmed for $2,746,000 in the 2004 State Highway Operation and Protection Program (SHOPP) and was voted in September 2005 for $2,746,000. Bids for this project were opened on November 16, 2005, and there were four bids at 4%, 31%, 38%, and 47% over the Engineer's Estimate. On November 29, 2005, pursuant to Resolution G-12, the District received $120,000 to award to the lowest bidder, however, the lowest bidder requested and received relief from their bid due to an estimating error. The amount needed to award, based on the lowest qualified bidder, is $3,588,000. This request for $722,000 in supplemental funds results in an overall increase of 31% over the original allocation.

| Vote Date | No. of Plan Holders | Bid Opening Date | Bid Expiration Date | No. of Bidders | Vote Amount | Amount needed to Award | % Over Vote Amount |
|---|---|---|---|---|---|---|---|
| 09/2005 | 18 | 11/16/05 | 3/31/06 | 4 | $2,746,000 | $3,588,000 | 31% |

**REASONS FOR COST INCREASE**

The District performed a bid analysis to determine the reason for the difference between the Engineer's Estimate and the qualified low bid. The building work was the only contract item and it accounts for 100% the cost increase. The final revision to the Engineer's Estimate was done in June 2005 and bids were opened in November 2005. Additionally, the Department's prior backwards looking estimating practices produced Engineer's Estimates that did not reflect current market conditions, which caused the project estimate to be too low.

**FUNDING OPTIONS**

The Department reviewed the following options:

OPTION A: Approve this request for supplemental funds as presented above for $722,000 to allow this project to be awarded to the current low bidder.

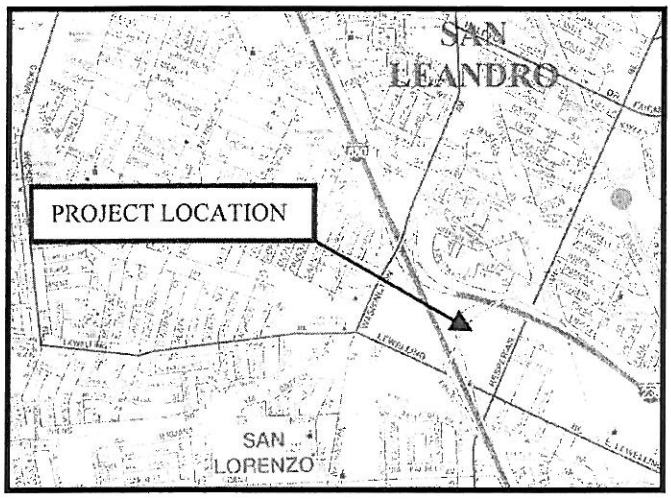
OPTION B: Deny this request, reject all bids, and direct the Department to reduce the scope of the project to remain within the allocated amount. The Department considered this alternative but determined that the purpose and need of the project could not be met with a reduced scope.

OPTION C: Deny this request, and direct the Department to rescind the project and reprogram it in a future funding cycle of the SHOPP.

**RECOMMENDED OPTION**

The Department recommends that this request for $722,000, 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.(3) Supplemental Funds for Previously Voted Projects** | | | | | **Resolution FA-05-13** |
| 2<br>$2,257,000<br>Department of Transportation<br>Alameda<br>04N-ALA-L5746 | In the City of Oakland, at South Oakland Maintenance Station (L5746) Construct a Maintenance Station<br>Supplemental funds are needed to award this contract. | 130521<br>04N-0093F<br>2004-05<br>302-0042<br>302-0890<br>20.20.201.352<br>SHOPP | $7,182,000<br>-<br>$7,182,000 | $2,257,000<br>-<br>$2,257,000 | $9,439,000<br>-<br>$9,439,000 |



## PROJECT DESCRIPTION

This project is located in Alameda County in San Leandro and San Lorenzo, in the southeast quadrant of Route 880/238 interchange. This project proposes to construct two maintenance buildings.

## FUNDING STATUS

This project was programmed for $7,182,000 in the 2004 SHOPP and was voted in September 2005 for $7,182,000. Bids for this project were opened on December 14, 2005, and there were three bidders at 24%, 33%, and 37% over the Engineer's Estimate. The first low bidder requested and received relief from their bid due to a formula/clerical error. The amount needed to award, based on the second low bidder, is $9,439,000. This request for $2,257,000 in supplemental funds results in an overall increase of 31% over the original allocation.

| Vote Date | No. of Plan Holders | Bid Opening Date | Bid Expiration Date | No. of Bidders | Vote Amount | Amount needed to Award | % Over Vote Amount |
|---|---|---|---|---|---|---|---|
| 09/2005 | 36 | 12/14/05 | 03/31/06 | 3 | $7,182,000 | $9,439,000 | 31% |

**REASONS FOR COST INCREASE**

The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and that of contract bid items. The qualified bidder was contacted to discuss the bid items. The following five areas account for 79% of the cost increase. The items related to building work contributed $1,071,000, the asphalt concrete items contributed $226,000, the items related to roadway excavation contributed $270,400, the items related to structural concrete contributed $85,000, and the items related to steel contributed $120,000. Additionally, the Department's prior backwards looking estimating practices produced Engineer's Estimates that did not reflect current market conditions, which caused the project estimate to be too low.

**FUNDING OPTIONS**

The Department reviewed the following option:

OPTION A: Approve this request for supplemental funds as presented above for $2,257,000 to allow this project to be awarded to the current low bidder.

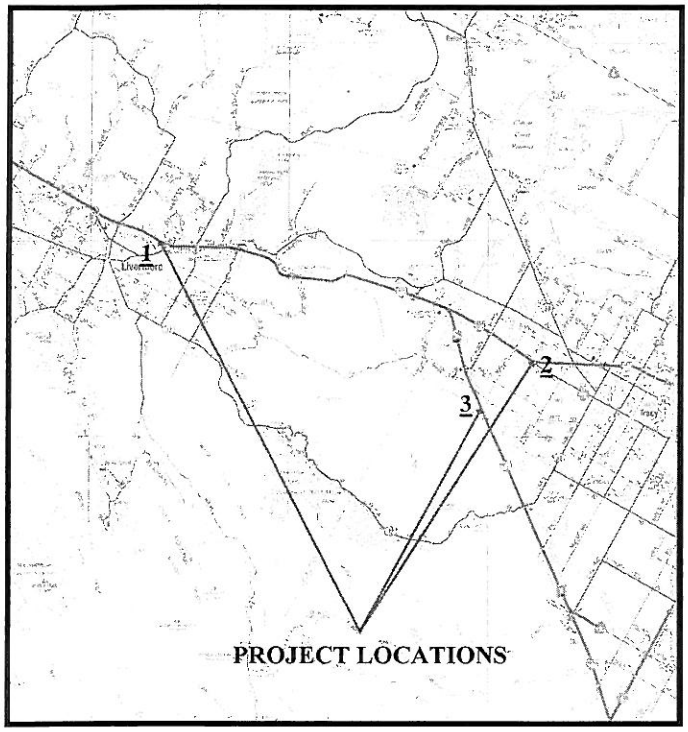
OPTION B: Deny this request, reject all bids, and direct the Department to reduce the scope of the project to remain within the allocated amount. The Department considered this alternative but determined that the purpose and need of the project could not be met with a reduced scope.

OPTION C: Deny this request, and direct the Department to rescind the project and reprogram it in a future funding cycle of the SHOPP.

**RECOMMENDED OPTION**

The Department recommends that this request for $2,257,000, as presented in Option A above, be approved to allow this project to be awarded.

| Project #<br>Allocation Amount<br>Recipient<br>County<br>Dist-Co-Rte<br>Postmile | Location<br>Project Description<br>Reason for Supplemental Funds | EA<br>PPNO<br>Budget Year<br>Prgm Codes<br>Program | State<br>Federal<br>Current<br>Budget<br>Amount | State<br>Federal<br>Additional<br>Allocation | State<br>Federal<br>Revised<br>Total Amount |
|---|---|---|---|---|---|
| **2.5e.(3) Supplemental Funds for Previously Voted Projects** | | | | | **Resolution FA-05-13** |
| 3<br>$332,000<br>Department of<br>Transportation<br>Alameda<br>04N-Ala-580<br>10N-SJ-205<br>0.1/12.5<br>L0.0/2.9 | In Tracy and Livermore from south of Greenville Road to Patterson Pass Road and on Route 205. Install changeable message signs<br><br>Supplemental funds are needed to award this contract. | 150921<br>04-A0102A<br>04-B0102A<br>2004-05<br>302-0042<br>302-0890<br>20.20.201.315<br>SHOPP | <br><br><br><br>$80,000<br>$868,000<br><br>$948,000 | <br><br><br><br>$28,000<br>$304,000<br><br>$332,000 | <br><br><br><br>$108,000<br>$1,172,000<br><br>$1,280,000 |



## PROJECT DESCRIPTION

On Routes 580 and 205, from west of Greenville Road in Livermore to east of Patterson Pass Road in Tracy. The purpose of this project is to install and implement components of the Bay Area Traffic Operations System (TOS) at three locations. It includes the installation of Changeable Message Signs (CMS) and Closed Circuit Television cameras (CCTV) to monitor traffic flow, to detect and verify incidents, and to inform the motoring public of any adverse conditions ahead.

## FUNDING STATUS

This project was programmed for $948,000 in the 2004 SHOPP and was voted in August 2005 for $948,000. Bids for this project were opened on November 15, 2005, and there were six bidders at 41%, 49%, 52%, 61%, 68%, and 108% over the Engineer's Estimate. The amount needed to award, based on the lowest responsible bid, is $1,280,000. This request for $332,000 in supplemental funds results in an overall increase of 35% over the original allocation.

| Vote Date | No. of Plan Holders | Bid Opening Date | Bid Expiration Date | No. of Bidders | Vote Amount | Amount needed to Award | % Over Vote Amount |
|---|---|---|---|---|---|---|---|
| 08/2005 | 11 | 11/15/05 | 2/17/06 | 6 | $948,000 | $1,280,000 | 35% |

## REASONS FOR COST INCREASE

The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and that of contract bids. The results of this analysis were discussed with the apparent low bidder. The following four areas account for 88% of the cost increase. The items related to structural steel contributed $128,000, the Traffic Operations Systems at two locations contributed $72,000, the items related to changeable message signs contributed $77,000, and the asphalt concrete contributed $17,000. Additionally, the Department's prior backwards looking estimating practices produced Engineer's Estimates that did not reflect current market conditions, which caused the project estimate to be too low.

## FUNDING OPTIONS

The Department reviewed the following funding options:

OPTION A: Approve this request for supplemental funds as presented above for $332,000 to allow this project to be awarded to the current low bidder.

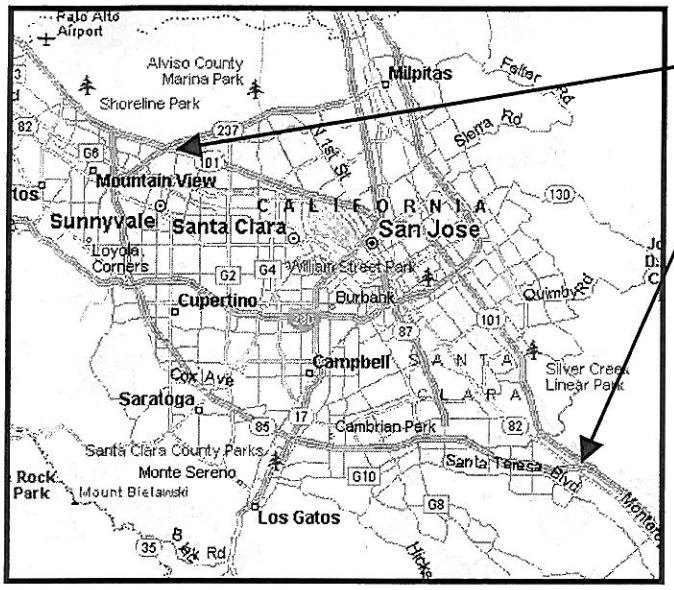
OPTION B: Deny this request, reject all bids, and direct the Department to reduce the scope of the project to remain within the allocated amount. The Department reviewed this option and determined that further delay and cost would be incurred if this option is chosen.

OPTION C: Deny this request, and direct the Department to rescind the project and reprogram it in a future funding cycle of the SHOPP.

## RECOMMENDED OPTION

The Department recommends that this request for $332,000, 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.(3) Supplemental Funds for Previously Voted Projects** | | | | | **Resolution FA-05-08** |
| 4<br>$592,000<br>Department of Transportation<br>Santa Clara<br>04-SCl-101<br>27.0/48.0 | In Santa Clara, Bernal Road to Ellis Street, upgrade and install ramp-metering equipment.<br>Supplemental funds are needed to award this contract. | 151291<br>04-0457D<br>2004-05<br>302-0042<br>302-0890<br>20.20.201.315<br>SHOPP | <br><br><br>$190,000<br>$1,460,000<br><br>$1,650,000 | <br><br><br>$68,000<br>$524,000<br><br>$592,000 | <br><br><br>$258,000<br>$1,984,000<br><br>$2,242,000 |




**Project Location**

## PROJECT DESCRIPTION

This project proposes to widen, install, and implement three on-ramps for ramp metering at the Fair Oaks Avenue, Mathilda Avenue, and Ellis Street northbound on-ramps to Route 101. All three on ramps will be widened to two lanes to accommodate mixed-flow. This project will also upgrade 34 existing ramp metered locations along the northbound and southbound directions of Route 101 from Bernal Road to Lawrence Expressway.

## FUNDING STATUS

This project was programmed for $1,650,000 in the 2004 SHOPP and was voted in August 2005 for $1,650,000. The bids were opened on October 12, 2005, and there were two bidders at 46% and 56% over Engineer's Estimate. The amount needed to award, based on the lowest responsible bid is $2,242,000. This request for $592,000 in supplemental funds results in an overall increase of 36% over the original allocation.

| Vote Date | No. of Plan Holders | Bid Opening Date | Bid Expiration Date | No. of Bidders | Vote Amount | Amount needed to Award | % Over Vote Amount |
|---|---|---|---|---|---|---|---|
| 08/2005 | 10 | 10/12/05 | 3/31/06 | 2 | $1,650,000 | $2,242,000 | 36% |

**REASONS FOR COST INCREASE**

The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and that of contract bid items. The following four areas account for 90% of the cost increase. The structural concrete contributed $70,000, the asphalt concrete contributed $170,000, the traffic control item contributed $175,000, and the items related to earthwork contributed $115,000. Additionally, the Department's prior backwards looking estimating practices produced Engineer's Estimates that did not reflect current market conditions, which caused the project estimate to be too low.

**FUNDING OPTIONS**

The Department reviewed the following options:

OPTION A: Approve this request for supplemental funds as presented above for $592,000 to allow this project to be awarded to the current low bidder.

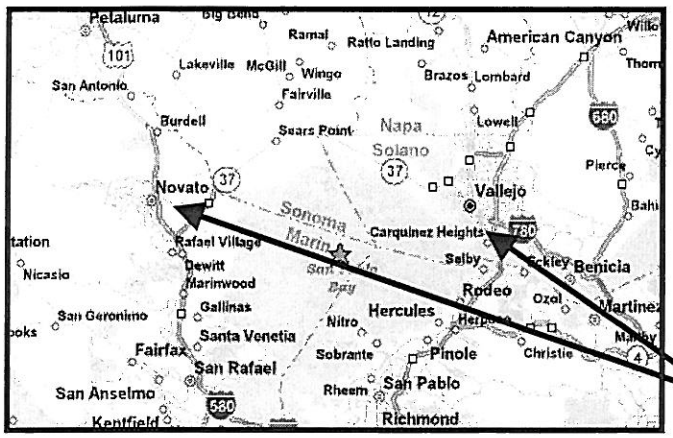
OPTION B: Deny this request, reject all bids, and direct the Department to reduce the scope of the project to remain within the allocated amount. The Department reviewed this option and determined that further delay and cost would be incurred if this option is chosen.

OPTION C: Deny this request, and direct the Department to rescind the project and reprogram it in a future funding cycle of the SHOPP.

**RECOMMENDED OPTION**

The Department recommends that this request for $592,000, 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.(3) Supplemental Funds for Previously Voted Projects** | | | | | **Resolution FA-05-13** |
| 5<br>$1,083,000<br>Department of Transportation<br>Marin<br>04-Mrn-37<br>various | Near Novato, Sears Point, and Vallejo at various locations-install traffic operations systems.<br><br>Supplemental funds are needed to award this contract. | 150671<br>04-0332B<br>2004-05<br>302-0042<br>302-0890<br>20.20.201.315<br>SHOPP | <br><br><br>$177,000<br>$1,365,000<br><br>$1,542,000 | <br><br><br>$125,000<br>$958,000<br><br>$1,083,000 | <br><br><br>$302,000<br>$2,323,000<br><br>$2,625,000 |



Project Location

## PROJECT DESCRIPTION

This project is located in the counties of Marin, Solano, and Sonoma, on Routes; 37, 101, and 80. The project calls for the installation of traffic operations systems at twelve locations, the installation of side sign, and a message sign panel.

## FUNDING STATUS

This project was programmed for $1,542,000 in the 2004 SHOPP and was voted in August 2005 for $1,542,000. Bids for this project were opened on October 26, 2005, and there were three bidders at 58%, 68%, and 79% over the Engineer's Estimate. The lowest bidder was disqualified for not achieving the DBE goals and not making a good faith effort. The second low bidder did not submit their documents to proceed. This request for $1,083,000 in supplemental funds results in an overall increase of 70% over the original allocation.

| Vote Date | No. of Plan Holders | Bid Opening Date | Bid Expiration Date | No. of Bidders | Vote Amount | Amount needed to Award | % Over Vote Amount |
|---|---|---|---|---|---|---|---|
| 08/05 | 4 | 10/26/05 | 3/31/06 | 3 | $1,542,000 | $1,083,000, | 70% |

**REASONS FOR COST INCREASE**

The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and that of contract bid items. The qualified bidder has been contacted and discussed the bid items. The following three areas account for 91% of the cost increase. The items related to structural steel contributed $49,000, the traffic operations systems at locations 1-12 contributed $635,000, and the items related to changeable message sign contributed $327,400. Also much of the work has to be done at night, as per the lane closure charts, which reflect higher costs for the traffic control items. Additionally, the Department's prior backwards looking estimating practices produced Engineer's Estimates that did not reflect current market conditions, which caused the project estimate to be too low.

**FUNDING OPTIONS**

The Department reviewed the following options:

OPTION A: Approve this request for supplemental funds as presented above for $1,083,000 to allow this project to be awarded.

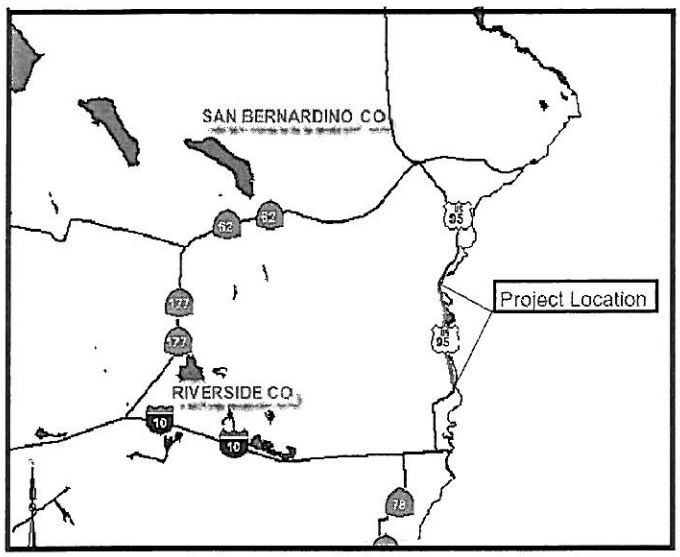
OPTION B: Deny this request, reject all bids, and direct the Department to reduce the scope of the project to remain within the allocated amount. The Department reviewed this option and determined that further delay and cost would be incurred if this option is chosen.

OPTION C: Deny this request, and direct the Department to rescind the project and reprogram it in a future funding cycle of the SHOPP.

**RECOMMENDED OPTION**

The Department recommends that this request for $1,083,000, as presented in Option A above, be approved to allow the 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.(3) Supplemental Funds for Previously Voted Projects** | | | | | **Resolution FA-05-13** |
| 6<br>$931,000<br>Department of Transportation<br>Riverside<br>08S-Riv-95<br>~~11.0/28.0~~<br>**10.7/25.0** | Near Blythe, 0.4 mile north of Palo Verde Dam Road to 3.9 miles north of Wiley Hill Log Cabin. Rubberized asphalt concrete overlay.<br><br>Supplemental funds are needed to award this contract. | 481901<br>08-0096C<br>2004-05<br>302-0042<br>302-0890<br>20.20.201.121<br>SHOPP | $1,625,000<br><br>$1,625,000 | $931,000<br><br>$931,000 | $2,556,000<br><br>$2,556,000 |



## PROJECT DESCRIPTION

The project proposes a pavement rehabilitation project on Route 95 in Riverside County from Postmile 10.7 to 25.0. The scope is to place 30 mm of rubberized AC, (Type G) on the entire width of pavement, replace AC surfacing, and re-stripe.

## FUNDING STATUS

This project was programmed for $1,500,000 in the 2004 SHOPP and was voted in May 2005 for $1,625,000. The project was advertised and bids were opened on July 28, 2005. There was one bid at $2,356,988, which is 62% over the Engineer's Estimate. The District rejected the bid due to lack of competition. The District shortened the project limits by 3.3 miles and re-advertised the project on December 19, 2005. The bids were opened on January 19, 2006, and there were three bidders at 59%, 66%, and 69% over the Engineer's Estimate. The amount needed to award, based on the lowest bid, is $2,556,000. This request for $931,000 in supplemental funds results in an overall increase of 57% over the original allocation.

| Vote Date | No. of Plan Holders | Bid Opening Date | Bid Expiration Date | No. of Bidders | Vote Amount | Amount needed to Award | % Over Vote Amount |
|---|---|---|---|---|---|---|---|
| 05/2005 | 5 | 01/19/06 | 3/31/06 | 3 | $1,625,000 | $2,556,000 | 57% |

**REASONS FOR COST INCREASE**

The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and that of contract bid items. The qualified bidder has been contacted and discussed the bid items. The following three areas account for 88% of the cost increase. The items related to asphalt concrete surfacing contributed $250,000, the rubberized asphalt concrete contributed $411,000, and the items related to traffic control system contributed $159,000. Additionally, the Department's prior backwards looking estimating practices produced Engineer's Estimates that did not reflect current market conditions, which caused the project estimate to be too low.

**FUNDING OPTIONS**

The Department reviewed the following funding options:

OPTION A: Approve this request for supplemental funds as presented above for $931,000 to allow this project to be awarded to the current low bidder.

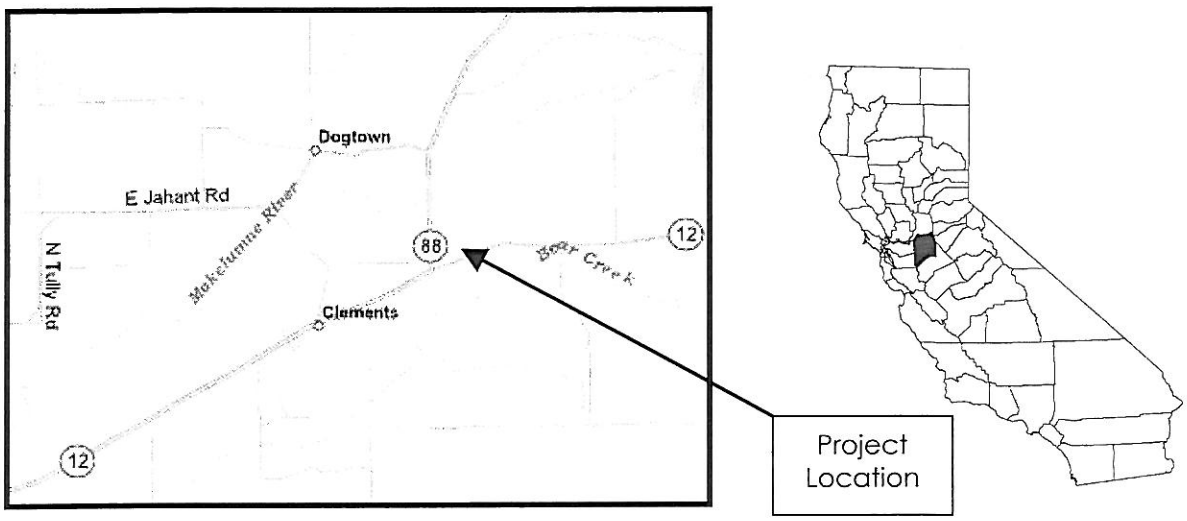
OPTION B: Deny this request, reject all bids, and direct the Department to reduce the scope of the project to remain within the allocated amount. The Department tried this approach when it rejected the lowest bid and it did not achieve greater number of bids or favorable bids. The Department determined that selecting this option will only delay the project further and increase the cost.

OPTION C: Deny this request, and direct the Department to rescind the project and reprogram it in a future funding cycle of the SHOPP.

**RECOMMENDED OPTION**

The Department recommends that this request for $931,000, as presented in Option A above, be approved to allow this project to be awarded.

| Project #<br>Allocation Amount<br>Recipient<br>County<br>Dist-Co-Rte<br>Postmile | Location<br>Project Description<br>Reason for Supplemental Funds | EA<br>PPNO<br>Budget Year<br>Prgm Codes<br>Program | State<br>Federal<br>Current<br>Budget<br>Amount | State<br>Federal<br>Additional<br>Allocation | State<br>Federal<br>Revised<br>Total Amount |
|---|---|---|---|---|---|
| **2.5e.(3) Supplemental Funds for Previously Voted Projects** | | | | | **Resolution FA-05-13** |
| 7<br>$320,000<br>Department of Transportation<br>San Joaquin<br>10N-SJ-12, 88<br>23.1,19.2 | Near Clemente on Route 12 at Route 88 intersection and on Route 88 from 0.8 km east of Clements Road to 0.9 km west of Mokelumne River Bridge. Install signals.<br><br>Supplemental funds are needed to award this contract | 0H2001<br>2004-05<br>302-0042<br>302-0890<br>20.20.201.010<br>SHOPP | $618,000<br><br>$618,000 | $320,000<br><br>$320,000 | $938,000<br><br>$938,000 |




## PROJECT DESCRIPTION

The project is in San Joaquin County near the City of Clements. It is proposed to install traffic signals at the east junction on Routes 88 and 12 near the City of Clements. In addition, it is proposed to extend the left-turn lane from the eastbound leg of the Route12/88 intersection and construct a right-turn lane on the southbound leg of Route 88.

## FUNDING STATUS

This is a safety project and $618,000 was funded through the SHOPP and was voted in April 2005 for $618,000. The project was advertised and bids were opened on May 18, 2005. There was only one bidder, and the bid was 33% over the Engineer's Estimate. The Department decided to reject the bid and re-advertise. The project was re-advertised and bid results were opened on September 14, 2005. There was one bidder again and that bid was $779,527, which was 40% over the Engineer's Estimate. The amount needed to award, based on the lowest responsible bidder is $938,000. This request for supplemental funds, will result in an overall increase of 52% over the vote amount for this project.

| Vote date | No. of Plan Holders | Bid Opening Date | Bid Expiration Date | No. of Bidders | Vote Amount | Amount needed to Award | % Over Vote Amount |
|---|---|---|---|---|---|---|---|
| 4/2005 | 15 | 11/16/05 | 3/10/06 | 1 | $618,000 | $938,000 | 52% |

**REASONS FOR COST INCREASE**

The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and that of contract bids. The results of this analysis were discussed with the apparent low bidder. The following five areas account for 70% of the cost increase The items related to asphalt concrete contributed $84,000, the item related to traffic control contributed $29,000, the items related to roadway excavation contributed $59,000, the item related to signal and lighting contributed $27,000, and the item related to mobilization contributed $20,000. Additionally, the Department's prior backwards looking estimating practices produced Engineer's Estimates that did not reflect current market conditions, which caused the project estimate to be too low.

**FUNDING OPTIONS**

OPTION A: Approve this request for supplemental funds as presented above for $320,000 to allow this project to be awarded to the current low bidder.

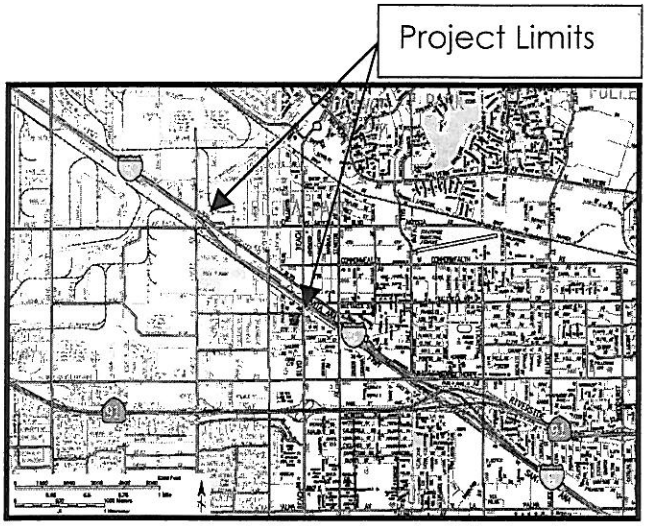
OPTION B: Deny this request, reject all bids, and direct the Department to reduce the scope to remain within the allocated amount and re-advertise the project.

OPTION C: Deny this request and direct the Department to retain current scope for the project and re-advertise. The Department selected this option after the first round of high bids was received. After re-advertising, the bids came in higher than the previous bids.

**RECOMMENDED OPTION**

The Department recommends that this request for $320,000, 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.(5) Supplemental Funds for Previously Voted Projects** | | | | | **Resolution FA-05-13** |
| 8 | | | | | |
| $31,212,000 | Interstate 5 Freeway Far North HOV | 101670 | | | |
| Department of | Project. In Buena Park on Route 91 to Los | 12-0978T | | | |
| Transportation | Angeles County Line. Widen freeway, add | GF RIP/05-06 | | | |
| OCTA | HOV lane (each direction), modify ramps | 2005-06 | | | |
| Orange | and reconstruct overcrossings. | 301-0042 | $2,758,000 | - | $2,758,000 |
| 12S-Ora-5 | | 301-0890 | $21,284,000 | - | $21,284,000 |
| 42.1/44.4 | | | | | |
| (67.8/71.5) | (Contributions from other sources: | IIP / 05-06 | | | |
| | $132,669,000) | 2005-06 | | | |
| | | 301-0042 | $3,042,000 | - | $3,042,000 |
| | | 301-0890 | $33,038,000 | - | $33,038,000 |
| | Debit to shares due to G-12 Adjustment | | | | |
| | RIP- $25,000,000 | | | | |
| | IIP-$0 | IIP / 05-06 | | | |
| | | 2005-06 | | | |
| | | 801-3008 | - | $3,826,000 | $3,826,000 |
| | | RIP / 05-06 | | | |
| | | 801-3008 | - | $27,386,000 | 27,386,000 |
| | | | $60,122,000 | $31,212,000 | $91,334,000 |



## PROJECT DESCRIPTION

The I-5 Far North HOV Project – Segment A is a portion of a larger proposed project to reconstruct and widen the existing I-5 freeway from SR-91 in Orange County to I-710 in Los Angeles County. The existing freeway will be reconstructed from a six to a ten-lane facility to accommodate a HOV lane and an additional mixed-flow lane in both the north and southbound directions. In Orange County, Segment A is located just north of SR-91 (ORA – KP 68.4) to just north of the Orange/Los Angeles County Line (LA – KP 0.5). The proposed project will also include reconstruction of existing bridges (Fullerton Creek Bridge, Stanton Avenue Overcrossing, State Route 39 (SR-39)/I-5 Separation – Beach Blvd Overcrossing, Western Avenue Overcrossing, and Artesia Boulevard Undercrossing, ramps, and local street intersections within the City of Buena Park.

## FUNDING STATUS

This project was programmed for $60,122,000 ($24,042,000 Regional Improvement Program (RIP) and $36,080,000 Interregional Improvement Program (IIP)) in the 2004 State Transportation Improvement Program (STIP). The project funding includes $101,178,000 of Orange County Measure funds, for a total construction cost of $161,300,000. The STIP funds were voted in August 2005 for $60,122,000. Prior to the advertisement of the project, the Engineer's Estimate was increased to $166,553,000. The Department and OCTA chose to advertise the project with the understanding that OCTA would set aside $25 million in un-programmed RIP shares in the event bids came in higher than the current budget. Bids for this project were opened on February 9, 2006, and there were three bidders at 24%, 34%, and 80% over the Engineer's Estimate. The amount needed to award to the low bidder is ~~$206,998,000~~ **$206,968,000**, an increase of $45,668,000 over the available funding for this project. It is proposed to fund the cost increase with $27,484,000 additional RIP, $3,728,000 additional IIP funds and $14,456,000 in Local Congestion Management and Air Quality (CMAQ) funds.

This request for $31,212,000 ($27,484,000 RIP and $3,728,000 IIP) in supplemental funds results in an overall increase of 52% over the original STIP allocation.

| Vote Date | No. of Plan Holders | Bid Opening Date | Bid Expiration Date | No. of Bidders | Vote Amount | Amount needed to Award | % Over Vote Amount |
|---|---|---|---|---|---|---|---|
| 08/05 | 36 | 2/09/06 | 3/09/06 | 3 | $60,122,000 | $31,212,000 | 52% |

## REASONS FOR COST INCREASE

The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and that of contract bid items. The qualified bidder was contacted to discuss the high bid items. The following areas account for approximately 83% of the cost overrun: earthwork related items contributed $11.8 million; concrete related items contributed $6.6 million; asphalt concrete related items contributed $6.7 million; steel piling contributed $7.2 million; and formulary cost increases account for approximately $5.8 million. The lowest bidder explained that the increased costs of these items are the result of difficult construction methods, lack of manufacturers for reinforced concrete pipe and substantial increases in material costs (i.e., steel, concrete, oil). Availability of electrical subcontractors also played a role in the high bids.

Additionally, the Department's prior backwards looking estimating practices produced Engineer's Estimates that did not reflect current market conditions, which caused the project estimate to be too low.

## FUNDING OPTIONS

The Department reviewed the following options:

OPTION A: Approve this request for supplemental funds as presented above for $31,212,000 to allow this project to be awarded.

OPTION B: Deny this request, reject all bids, and direct the Department to reduce the scope of the project to remain within the allocated amount.

OPTION C: Deny this request and direct the Department to rescind the project and reprogram it in a future funding cycle of the STIP.

**RECOMMENDED OPTION**

The Department recommends that this request for $31,212,000, as presented in Option A above, be approved to allow the project to be awarded. The Department reviewed the other two options and determined that further delay and costs would be incurred if either of the options were chosen.