State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

TAB 139

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 19-20, 2011

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

PASSED BY CTC JAN 20 2011 CALIFORNIA TRANSPORTATION COMMISSION

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT RESOLUTION FA-10-07**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional $1,900,000 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:

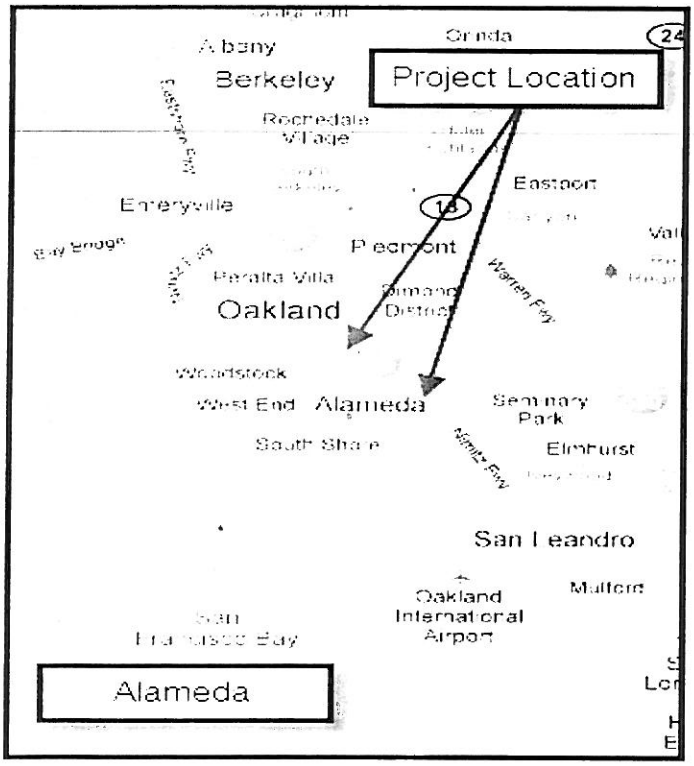
Resolved, that $1,900,000 be allocated from the Budget Act of 2009, Budget Act Items 2660-302-0890 and 2660-302-0042 to provide additional funds for the project identified below.

Project	Dist-Co-Rte	Original Allocated Amount	Current Allocation	Allocation Adjustment	Revised Allocation	% Increase Above Current Allocation
2	04-Ala-880	$5,000,000	$5,000,000	$1,900,000	$6,900,000	38%

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.(2) Supplemental Funds for Previously Voted Projects					**Resolution FA-10-07**
2 $1,900,000 Alameda 04N-Ala-880 28.2/29.9	In Oakland, from 0.5 mile north of High Street to 0.5 mile south of Fifth Avenue. Rehabilitate 12.0 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: $6,900,000	04-0042E SHOPP/09-10 2008-09 302-0042 SHA 302-0890 FTF 04-0042E SHOPP/09-10 2009-10 302-0042 SHA 302-0890 FTF	$421,000 $4,579,000	 $160,000 $1,740,000	$421,000 $4,579,000 $160,000 $1,740,000

RECOMMENDATION:

The Department recommends that this request for $1,900,000 be approved to allow this project to be awarded.



PROJECT DESCRIPTION:
This project is located in Alameda County on Route 880 in Oakland from 0.5 mile north of High Street to 0.5 mile south of Fifth Avenue. Route 880 is the fifth most congested freeway corridor in the San Francisco Bay Area. It is a major route for both commuters and goods movement to and from the Port of Oakland and the Oakland International Airport. This project will rehabilitate the pavement on the mainline and ramps. The scope of work includes replacing deteriorated concrete slabs and grinding slabs roadway sections, crack and seat pavement, place Portland Cement Concrete (PCC) pavement, overlay with asphalt concrete, and replacing metal beam guard rail with concrete barrier.

FUNDING STATUS:
The project was programmed in the 2008 State Highway Operations Protection Program (SHOPP) for $5,000,000 for construction in FY 2009-10. In April 2010, funds were allocated for the programmed amount. Bids were opened on October 5, 2010. Four bids were received for this project. The amount needed to award, based on the lowest responsible bid is $6,829,000. This request is for $1,900,000, 38 percent over the vote amount, to award this contract.

REASONS FOR COST INCREASE: The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and the contract bid items. The contract has 19 bid items. Four of these bid items have significant cost differences.

Bid Item	Engineer's Estimate	Bid Amount	Difference
Traffic Control System	$30,000	$325,000	$295,000
Replace Concrete Pavement	$2,769,000	$3,608,000	$840,000
Repair Spalled Joints	$200,000	$400,000	$200,000
Grind Concrete Pavement	$248,000	$695,000	$447,000
Miscellaneous Adjustments/Contingencies			$118,000
		Total	**$1,900,000**

The potential and actual bidders for this contract were contacted to discuss the reasons for the bid amounts of the items listed above. The main reasons cited were:

- Difficulty replacing concrete slabs on this highly congested portion of Route 880. Most of the work must be performed at night and weekends due to the restrictive lane closure requirements.
- Special events in the area (Oracle Arena and Oakland-Alameda County Coliseum) may restrict lane closures.
- There are insufficient shoulders to effectively stage the construction operations.
- New specifications for sealing the new concrete slabs resulted in higher bid prices for the bid items, Replace Concrete Pavement and Repair Spalled Joints.

The combination of these factors makes the replacement of the concrete slabs more difficult to construct and therefore resulted in the higher bid prices for these contract items.

An additional $1,900,000 in supplemental funds is needed in order to award this project.

FUNDING OPTIONS:

OPTION A: Approve this request, as presented above, for $1,900,000 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 for $1,900,000, as presented in Option A, above, be approved to award the project to the low bidder.