

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 19-20, 2011

Reference No.: 2.5e.(4)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming



Subject: ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PROJECT PREVIOUSLY VOTED
RESOLUTION FA-10-09

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$627,000 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 \$627,000 be allocated from the Budget Act of 2009, Budget Act Item 2660-302-0890 to provide additional funds for the project identified below.

<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	06-Fre-99	\$3,261,000	\$3,261,000	\$627,000	\$3,888,000	11.9%

PROJECT DESCRIPTION:

This project is located on Route 99 in Fresno County near Fowler, from 0.9 mile north of Floral Avenue to Merced Street. The project is necessary to prevent further deterioration of the roadway surface, minimize frequent roadway repairs, improve ride quality, and extend pavement surface life. The repairs include concrete panel replacement, spalling repair, sealing of existing joints, placing outside shoulder rumble strips, and overlaying ramps with asphalt concrete along 23.4 lane miles.

FUNDING STATUS:

The project was programmed in the 2008 SHOPP for \$8,000,000 and was voted for \$3,261,000 on May 20, 2010. Bids for this project were opened on October 20, 2010. Six bids were received for this project. The amount needed to award, based on the lowest responsible bidder, is \$3,888,000. This request for \$627,000 in supplemental funds results in an overall increase of 19.2 percent over the original vote amount. This project will be awarded upon approval of this supplemental funds request.

REASONS FOR COST INCREASE:

This project was placed on an accelerated delivery schedule to fully utilize available federal funding. The initial programmed amount of \$8,000,000 had to be revised down, within a relatively short period of time, to reflect prevailing dynamic market conditions and bidding environment created by the economic downturn. The project construction item costs were revised accordingly to maintain a quality estimate. However, the estimates for traffic control, imported material, hot mix asphalt concrete, sealing joints of existing concrete pavement, and mobilization fell short of the lowest bid amounts resulting in the need for this supplemental fund.

Bid Item	Engineer's Estimate	Bid Amount	Difference
Traffic Control	\$98,000	\$160,000	\$62,000
Import Material (Shoulder Backing)	\$42,650	\$187,660	\$145,010
Hot Mix AC	\$838,500	\$941,700	\$103,200
Seal Joint (Exist. Concrete Pavement)	\$262,800	\$481,800	\$219,000
Mobilization	\$100,000	\$216,000	\$116,000
Miscellaneous Adjustments/Contingencies			(\$18,210)
		Total	\$627,000

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$627,000 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 \$627,000, as presented in Option A, above, be approved to allow this project to be awarded.