

State of California
Business, Transportation and Housing Agency
Department of Transportation

HIGHWAY FINANCIAL MATTERS
Allocations for Supplemental Funds
Resolution: FA-00-01
CTC Meeting: July 19-20, 2000

Prepared By:
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Agenda Item: 2.5e

Original Signed by _____

W. J. EVANS, Deputy Director
Finance
July 1, 2000

**ALLOCATION FOR ADDITIONAL FUNDS
FOR PREVIOUSLY APPROVED PROJECT**

RESOLUTION FA-00-01

RECOMMENDATION

The Department recommends the California Transportation Commission approve the following Resolution.

FINANCIAL RESOLUTION

Resolved, that \$1,119,000 be allocated from Budget Act Items 2660-301-0042 and 2660-301-0890 Budget Act of 1998 to provide additional funds for the project on the attached sheet.

SUMMARY AND CONCLUSIONS

This resolution allocates \$1,119,000 of additional State and federal funds for one (1) previously approved project listed below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Vote/G11 Amount</u>	<u>Award Amount</u>	<u>Current Budget Amount</u>	<u>Current Allocation Revision</u>	<u>Revised Budget Amount</u>	<u>Total Increase Vote/Award</u>
1	12-Ora-5	\$3,986,000	\$3,766,000	\$3,766,000	\$1,119,000	\$4,885,000	30% A

Project #	EA				
Allocation Amount	PPNO	Budget Year	State	State	State
Recipient	Item #	Program	Federal	Federal	Federal
County	Program	Codes	Current	Additional	Revised
Dist-Co-Rte	Reason for Supplemental Funds	Program	Budget	Allocation	Total Amount
Postmile			Amount		
1					
\$1,119,000	082801		\$3,766,000	\$1,119,000	\$4,885,000
Department of Transportation	(1960)		-	-	-
Orange	1998-99				
12S-Ora-5	301-0042				
0.0/20.8	301-0890				
	20.20.201.315		\$3,766,000	\$1,119,000	\$4,885,000
	SHOPP				
		Supplemental funds are needed to Award			



PROJECT LOCATION & DESCRIPTION

The project is in Orange County in San Clemente, Dana Point and San Juan Capistrano from the San Diego County line to Avery Parkway Undercrossing. Work involves installation of Fiber Optics Communication System, closed circuit cameras, and connection of the existing communication field elements to the Traffic Management Center (TMC).

FUNDING STATUS

The project was programmed in the 1998 SHOPP for \$3,986,000 in the 1999/00 FY. The project received an allocation for \$3,986,000 in May 1999 and was awarded in July 1999 for \$3,766,000. The contract was terminated in December 1999, before any work was performed, when the Department discovered that the

contract bond filed by the Contractor was invalid. The Department re-advertised the project in April 2000. The lowest bidder (\$4,836,000) did not qualify due to lack of acceptable insurance. The second lowest bid is for \$4,885,000, which is approximately 24% over the Engineer's estimate. This request for \$1,119,000 to award the contract is approximately 30% above the previously awarded amount.

BACKGROUND

This project installs a Fiber Optics Communication system and 16 Closed Circuit Television Cameras (CCTV) along Interstate 5 from the Orange/San Diego County line to Avery Parkway. This project will provide the Department's Traffic Management Center, located in the city of Irvine, with real time traffic information on Interstate 5 within these limits.

REASON FOR INCREASE

Analysis of the bids indicate that the increase in cost is predominantly due to higher prices for fiber optic cable, PVC conduits, and labor. There is an acute shortage of skilled workers in the electronics and communication fields. Though competition for this type of work has been somewhat limited for the past year, six bids were received with the lowest bid approximately 23% over the Engineer's estimate. The low bidder did not meet the bidding requirements and was disqualified. The current bidders all submitted bids when the project was initially advertised a year ago, however, all of their bids are higher this time. The Department understands the market has shifted and recommends approval of \$1,119,000 in supplemental funds to award the contract.

FUNDING OPTIONS

Option A: Approve this request as presented above for \$1,119,000 to allow this project to be awarded.

Option B: Deny this request and direct the Department to re-advertise the project.

It is anticipated that the labor shortage in the telecommunications field and the rising material and equipment costs may result in further increase in cost, if the project is not expedited. Delaying the project would further impact the Traffic Management Center's ability to access and attain real time traffic information for this particular portion of the freeway system. The project cannot be downsized, since eliminating any portion of the project will result in not enabling the Department to effectively inter-connect with the system in place with the local agencies.

RECOMMENDED OPTION

The Department recommends OPTION A, as presented above for \$1,119,000, to allow this project to be awarded.