

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: August 17-18, 2005

Reference No.: 2.5d.
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
Division Chief
Transportation Programming

Ref: **FINANCIAL ALLOCATION FOR PROJECTS THAT EXCEED 20 PERCENT OF THE PROGRAMMED AMOUNT RESOLUTION FP-05-22**

RECOMMENDATION:

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

FINANCIAL RESOLUTION:

Resolved that \$53,196,000 be allocated from the Budget Act of 2005, from Budget Act Items 2660-301-0042 and 2660-301-0890 to provide funds for the project listed below. These major construction projects proposed for funding are included in the State Transportation Improvement Program (STIP).

SUMMARY AND CONCLUSIONS:

This resolution allocates State and Federal funds of \$53,196,000 for two (2) new major construction projects that are programmed in the STIP. The projects have construction costs that exceed their programmed amounts by more than 20 percent, totaling \$37,064,000.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Project Support Expenditures	EA (PPNO) Program (Prog Year) Prog Amount	Budget Year Item # Program Codes	State Federal Total Amount
2.5d. Allocations for Projects with Cost Increases Greater than 20 Percent of Programmed Amount Resolution: FP- 05-22				
1				
\$4,897,000	In Mojave, from west of West Junction Route 14 to West Junction Route 14, and from east Junction Route 14 to east of East Junction Route 14.	243421		
Department of Transportation	Rehabilitate Route 58 for relinquishment.	06-0258B		
KCOG		GF IIP / 05-06	2005-06	
Kern		\$0	301-0042	\$562,000
06N-KER-58	Final Project Development: N/A	\$0	301-0890	\$4,335,000
109.1/117.1		\$350,000	20.20.025.500	
(175.5/188.4)	Final Right-of-Way: N/A	\$2,884,000		\$4,897,000
		\$4,897,000		



PROJECT DESCRIPTION

This project is located on two segments of business 58 in and near Mojave from 0.2 km east of Cache Creek to 8.0 km east of south Junction with Route 14 (KP 175.5/1179.6 and 181.7/188.4). The purpose of the project is to rehabilitate the existing pavement to a state of good repair for relinquishment to Kern County.

FUNDING STATUS

The project was programmed for \$2.8 million as Grandfathered Interregional Improvement Program in 2000 State Transportation Improvement Program (STIP). The project was delivered and was ready to list on July 15, 2003. However, the project was then shelved due to lack of available state transportation funds. The project was re-programmed in the 2004 STIP for \$2,884,000 for construction in FY 2005-06. This allocation request for \$4,897,000 will result in an increase of 69.8% above the programmed amount.

REASON FOR INCREASE

The current project estimate of \$4,897,000 represents an increase of \$2,013,000 over the programmed amount. The cost increase is primarily due to an increase in unit price of Asphalt Concrete (AC). The total quantity of the AC item on the project has not changed. Recent bid prices for AC item received from similar type and size projects that were within proximity to this project were used in determining the new AC item costs.

The project's plans, specifications, and estimate (PS&E) package was submitted to the Department's Office Engineer, and the right of way certification was updated on May 31, 2005. The project has achieved a ready-to-list date of July 11, 2005, and is currently ready for advertisement.

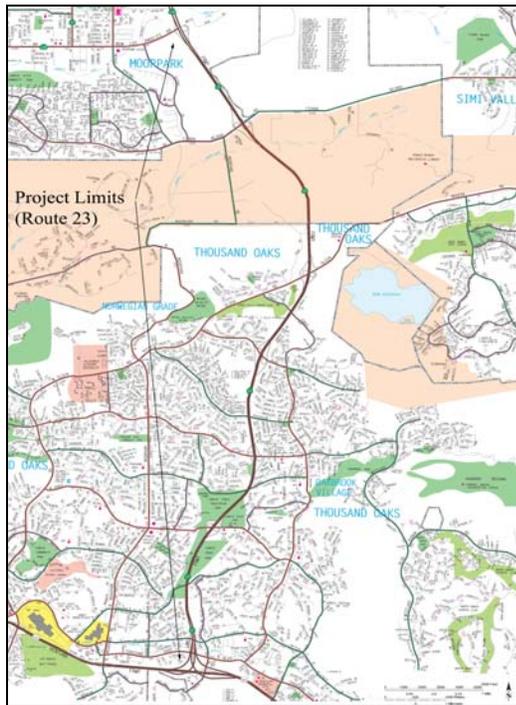
FUNDING OPTIONS

- OPTION A: Approve this request, as presented above, for \$4,897,000 to allow this project to be advertised.
- OPTION B: Deny this request and direct the Department to downscope the project to remain within the programmed amount. The Department has reviewed the project scope of work and is unable to identify any option that would reduce the project cost increase to below 20 percent of the programmed dollars. Any reduction of the scope of work will result in not meeting the minimum requirements of the relinquishment agreement.
- OPTION C: Deny this request and direct the Department to reprogram this project in a future funding cycle of the STIP. The Department had considered this option. Further delay to rehabilitate the pavement will jeopardized the relinquishment agreement with the county. It will also result in further deterioration of the pavement and; therefore, increasing the annual maintenance costs.

RECOMMENDED OPTION

The Department recommends that this request for \$4,897,000, as presented in Option A above, be approved to allow this project to be advertised.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Project Support Expenditures	EA (PPNO) Program (Prog Year) Prog Amount	Budget Year Item # Program Codes	State Federal Total Amount
2.5d. Allocations for Projects with Cost Increases Greater than 20 Percent of Programmed Amount Resolution: FP- 05-22				
2 \$48,299,000 Department of Transportation VCTC Ventura 07S-VEN-23 R3.5/R11.4 (R5.7/R18.4)	Route 23 Thousand Oaks Freeway Widening. In Thousand Oaks from Route 101 to New Los Angeles Avenue. Widen freeway to six lanes and add ITS features. (Contributions from other sources: \$10,500,000). Final Project Development Support Estimate: \$7,094,000 Programmed Amount: <u>\$3,271,000</u> Adjustment: (\$3,823,000) (debit) Final Right-of-Way Right-of-Way Estimate: \$522,000 Programmed Amount: <u>\$1,015,000</u> Adjustment: \$493,000 (credit) Construction cost increase of \$14,119,000 in RIP funds to come from Ventura County future RIP shares.	115451 07-1167D RIP / 05-06 \$0 \$0 \$3,698,000 \$34,180,000 \$48,299,000	2005-06 301-0042 301-0890 20.20.075.600	\$7,511,000 \$40,788,000 \$48,299,000



PROJECT DESCRIPTION

Route 23 is a major intra-regional travel way and provides for commuter needs and movement of goods. The project is of high priority in the Ventura County region in alleviating congestion to the people from these communities. The project proposes to widen Route 23 from Route 101 to New Los Angeles Avenue in Ventura County from four lanes to six lanes by adding a lane in the median. It also adds traffic congestion management systems including Closed Circuit Televisions (CCTV), ramp metering, traffic monitoring stations, and soundwalls.

FUNDING STATUS

The project was programmed in the 1998 State Transportation Improvement Program (STIP) for construction in FY 2003-04. The total cost of the project in 2003 was \$42,718,000. The funding included \$32,218,000 from STIP and \$10,500,000 from Demonstration TEA-21 Program funds. The project was delivered and was ready to list in September 2003. However, the project was then shelved due to lack of available state transportation funds. The project was re-programmed in the 2004 STIP for \$34,180,000 for construction in FY 2005-06. This allocation request for STIP funds of \$48,299,000 will result in an increase of 41% above the programmed amount.

REASONS FOR COST INCREASE

The cost increase on this project is the result of a refined estimate based on latest bid prices and construction cost index. The total quantity and list of contract items on the project has not changed. The final project cost estimate represents the latest bid item costs as of July 13, 2005. Recent item bid prices, received from similar type and size of projects that are within close proximity to the project, were used in determining the project's cost.

The current estimate for the STIP portion of the project is \$48,299,000, representing an increase of \$14,119,000 over the programmed amount. The cost increase is primarily due to price increases in concrete pavement, aggregate base, structural concrete, concrete barrier, bar reinforcing steel, traffic control system, and asphalt contract items over the last year. Ventura County Transportation Commission is aware of the increase in the STIP portion of the project cost and has agreed to fund it from the county future share.

The project's plans, specifications, and estimate (PS&E) package was submitted to the Department's Office Engineer in July 2005, and the right-of-way (R/W) was certified on July 19, 2005. The project is currently ready for advertisement.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for \$48,299,000 to allow this project to be advertised.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the programmed amount. The Department has reviewed the project scope of work and determined that to construct the project in the previously programmed funding, the scope will have to be reduced to approximately 70 percent of the project limits. This would not serve the purpose of reducing congestion, reducing noise pollution and providing increased capacity for the commuters in the region.

RECOMMENDED OPTION

The Department recommends that this request for \$48,299,000, as presented in Option A above, be approved to allow this project to be advertised.