

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: February 1-2, 2006

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

From: CINDY McKIM
Chief Financial Officer

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Division Chief
Transportation Programming

Ref: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-05-09**

RECOMMENDATION:

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

FINANCIAL RESOLUTION:

Resolved that \$2,500,000 be allocated from the Budget Act of 2005, Budget Act Item 2660-302-0890, to provide additional funds to allow the following project to be awarded.

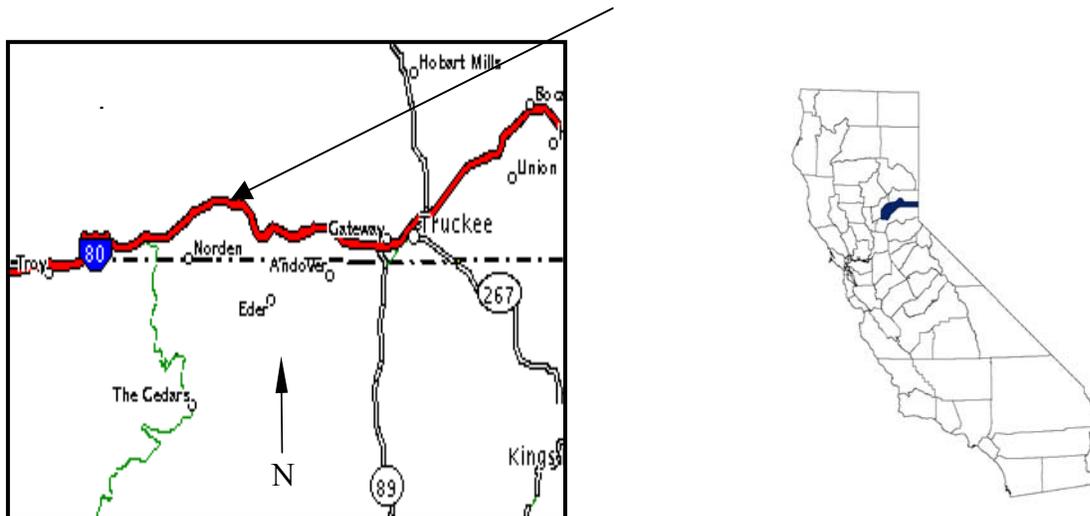
SUMMARY AND CONCLUSIONS:

This resolution allocates \$2,500,000 of additional Federal funds for the previously approved project listed below:

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Vote 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	03-Nev-80	\$5,770,000	N/A	\$5,770,000	\$2,500,000	\$8,270,000	43% 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.(2) Supplemental Funds for Previously Voted Projects			Resolution FA-05-09		
1 \$2,500,000 Nevada 03N-Nev-80 R5.6	Donner Summit Safety Roadside Rest Area. Rehabilitate Roadside rest area. Supplemental funds are needed to award the project.	4A2404 03-5058 2005-06 302-0042 302-0890 20.20.201.250 SHOPP	\$5,770,000	\$2,500,000	\$8,270,000
			\$5,770,000	\$2,500,000	\$8,270,000

Project Location



PROJECT DESCRIPTION

Donner Summit Safety Roadside Rest Area. Proposed project improvements include: demolish and rebuild the rest area building, and rehabilitate existing walkways, curbs, rock walls, picnic tables and trash receptacles. Additionally, the facility will be upgraded to comply with the American Disabilities Act (ADA).

FUNDING STATUS

The project was voted at the August 2005 Commission meeting for \$5,770,000. Bids for this project were opened on November 9, 2005, and there were three bidders at 44%, 46% and 47% over the Engineer's Estimate. The lowest bidder was given "no good faith" status by the Department's Division of Civil Rights, and its appeal on this issue has been rejected. The amount needed to award, based on the second lowest responsible bidder, is \$2,500,000. This request for supplemental funds

results in an overall increase of 43% over the vote amount for this project. The project will be awarded pending approval of these supplemental funds.

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	15	11/09/05	02/17/06	3	\$5,770,000	\$8,270,000	43%

Item	Present Allotment	Estimated Final Expenditures
Contract Items	\$5,290,844	\$7,698,921
Supplemental Work	\$82,690	\$82,690
Contingency Fund	\$323,466	\$392,731
State Furnished Materials and Expenses	\$73,000	\$73,000
Totals:	\$5,770,000	\$8,247,342

Estimated Deficit: \$2,477,725

REASONS FOR COST INCREASE

The District performed a bid analysis to identify major discrepancies between the Engineer's Estimate and the bids. The Department feels that there were adequate number of bids (three) and all the bids were within a close range (\$150,000 difference). The Department contacted the two lowest bidders to discuss their bids. The bidders did not see any significant issues with the plans or specifications that caused high bids. The project location was identified as the only significant issue. All three contractors bid the building work for more than \$2,000,000 over the Engineer's Estimate. It was determined that 100% of the cost increase is attributed to the lump sum item for building work.

Item	Engineer's Unit Price	Contractor Bid Price	Unit	Quantity	Engineer Total	Contractor Total	Cost Difference
Building work	\$4,233,806	\$6,770,513	LS	LS	\$4,233,806	\$6,770,513	\$2,530,707

DISCUSSION

The project architect and other staff met on December 22, 2005 to identify what could be done to reduce project costs. The only items that can be removed, without going through the redesign, are rock facing on exterior walls and tiles in the bathrooms. This could save between \$100,000 and \$150,000. The only other option to significantly reduce the cost is redesigning the building (change architectural design and reduce footprint). By reducing building size and changing architectural design, costs could be reduce by approximately \$1,000,000 to \$1,200,000. This will require additional time and support cost and may not net any savings. Based on project team input, review of project scope, bid analysis and feedback from one of the bidders, it is apparent that the project includes very basic features essential to meet operational and functionality needs and is consistent with the purpose and need of the project. There are no opportunities to reduce the project cost to bring the project within the current budget without changing the project footprint.

FUNDING OPTIONS

OPTION A: Approve this request for Supplemental Funds as presented above for \$2,500,000 to allow this project to be awarded to the apparent low bidder.

OPTION B: Deny this request and direct the Department to down scope the project to remain within the allocated amount and re-advertise project. The project includes only the minimum scope of work to accomplish the purpose and need of this project. The Department has considered this option and determined that reducing the scope of work of this project and executing another project to complete the deleted work later would result in greater cost.

OPTION C: Deny this request, reject all bids and make necessary revisions to the contract and re-advertise. This option will not likely result in a lower bid.

RECOMMENDED OPTION

The Department recommends that this request for \$2,500,000, as presented in Option A above, be approved to allow this project to be awarded.