

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 15-16, 2006

Reference No.: 2.5f.(5)
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Norma Ortega
Division Chief
Budgets

Ref: **INFORMATIONAL REPORT – DELEGATED SUPPLEMENTAL FUNDS FOR EIGHT PROJECTS FOR AWARD UNDER RESOLUTION G-05-04**

Pursuant to the authority granted by Resolution G-05-04, the Executive Director of the California Transportation Commission (Commission) has approved \$6,059,000 for two previously voted projects, as described on the attached list, since the last Commission meeting.

PROJECT DETAILS:

Project #1. In Santa Cruz County, on Route 1 and Route 17. This State Transportation Improvement Program project will widen Route 1 and Route 17 to provide merge lanes for the interchange of Route 1 and Route 17 (PPNO 0542F). The request for \$5,300,000 resulted in an overall increase of 18% over the original allocation. Funding for the project was voted at the September 2005 Commission meeting in the amount of \$40,512,000, prior to the Department issuing a memo regarding updating estimates. A total of \$45,312,000 is available for the project after a \$3,300,000 contribution from the Department's Soundwall Retrofit Program. Bids for this project were opened on January 24, 2006; there were five bidders. The apparent low bid was 21% over the Engineer's Estimate. The amount needed to award, based on the lowest responsible bid, was \$48,612,000. A review of all bids indicated a significant cost increase in the items related to steel, concrete and fuel. The responsible low bidder cited that many of the bid items are being impacted by more than one material price increase. For example, the item "Earth Retaining Structure" is being impacted by fuel costs, cement and aggregate costs and by steel costs.

Project #2. In Tulare County, on Route 99. This State Highway Operation and Protection Program project consists of planting and irrigation (PPNO 6386). The request for \$759,000 in supplemental funds resulted in an overall increase of 49% over the original allocation. The major element of this project is to maintain landscaping and remove dead and dying plants on this section of Highway 99 to limit Department maintenance crews to traffic exposure and to keep the area from being designated for billboards. Funding for the project was originally voted at the August 2005 Commission meeting in the amount of \$1,533,000. Bids for this project were opened on October 19, 2005; there was one bidder. The apparent low bid was 56% over the Engineer's Estimate. The amount needed to award, based on the lowest responsible bid, was

\$2,292,000. The Civil Rights/Disadvantage Business Enterprise process held this project up for several months. The project was not awarded to the lowest bidder until mid-January 2006. A review of all bids indicated a significant cost increase in the items related to piping and fuel. The responsible low bidder cited the natural disasters in the Gulf Coast have caused a significant escalation in the market prices of many petroleum-based products.

Attachment

2.5 Highway Financial Matters

#	Dist	County	Route	Postmiles	Location/Description	EA PPNO	Previous Allocation (x1,000)	Delegated Allocation (x1,000)	Total (x1,000)
2.5f.(5) Informational Report – Delegated Supplemental Funds, per Resolution G-05-04									
1	05	SCr	1	15.8/17.6	In Santa Cruz on Route 1 from Morrissey Boulevard to River Street and Route 17 from ocean Street to Pasa Tiempo Overcrossing. Widen for merge lanes. (STIP)	129101 0542F	\$40,012	\$5,300	\$45,312
2	06	TUL	99	28.3/29.9	Route 99. In Tulare County from Bardsley Avenue to Cross Avenue. Highway Planting Restoration (SHOPP)	431601 6386	\$1,533	\$759	\$2,292
TOTAL							\$41,545	\$6,059	\$47,604

STIP SHARE ADJUSTMENTS:

05-SCr-1, PPNO 0542F Amount of cost increase against county shares: \$1,099,000 RIP