

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 6-7, 2006

Reference No.: 2.5d.
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
Division Chief
Transportation Programming

Subject: **FINANCIAL ALLOCATION FOR PROJECTS THAT EXCEED 20 PERCENT OF THE PROGRAMMED AMOUNT RESOLUTION FP-06-24**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve Resolution FP-06-24, allocating \$14,600,000 for the project described on the following pages.

ISSUE:

The project described on the following page is programmed in the 2006 State Highway Operations and Protection Program (SHOPP) for \$11,242,000. The current estimate for the project is \$14,600,000, exceeding the programmed amount by more than 20 percent. The Department is ready to proceed with the project and is requesting an allocation at this time.

RESOLUTION:

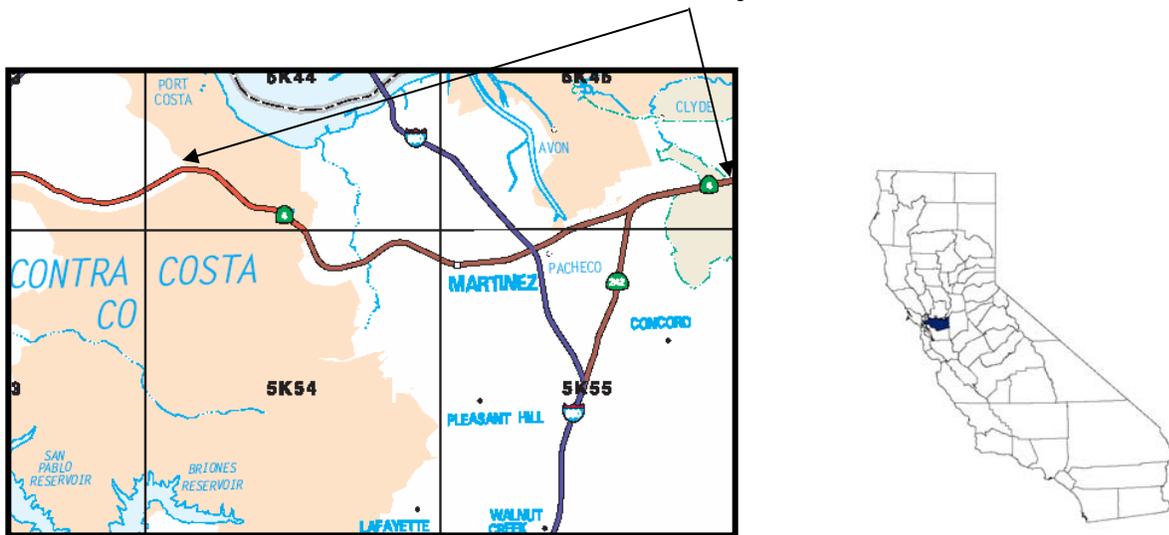
Resolved, that \$14,600,000 be allocated from the Budget Act of 2006, from Budget Act Items 2660-302-0042 and 2660-302-0890, to provide funds for the project described on the following pages.

Project # Allocation Amount Recipient	County Dist-Co-Rte Postmile	Location Project Description Project Support Expenditures	EA PPNO Program/Year Prog Amount	Budget Year Item # Program Codes	Allocation Amount State Federal Total Amount
2.5d. Allocations for Projects with Cost Increases Greater than 120 Percent			Resolution FP-06-24		
1 \$14,600,000 Department of Transportation	Contra Costa 04N-CC-4 R4.9/R16.8	Near Martinez and Concord from Cummings Skyway to Willow Pass Road. Pavement rehabilitation.	0C7201 04-0186B SHOPP/06-07 \$11,242,000	2006-07 302-0042 302-0890 20.20.201.121	\$1,675,000 \$12,925,000 \$14,600,000

RECOMMENDATION:

The Department recommends that this request for \$14,600,000 be approved to allow this project to be advertised.

Project Location



PROJECT DESCRIPTION:

This project is located on Route 4, in Contra Costa County, in the cities of Martinez and Concord, from Cummings Skyway Overcrossing to Willow Pass Road Undercrossing. This project will replace or repair damaged Portland Concrete Cement (PCC) slabs, profile grind concrete pavement, repair Asphalt Concrete (AC) pavement and overlay with Rubberized Asphalt Concrete (RAC).

FUNDING STATUS:

The project is currently programmed in the 2006 SHOPP for \$11,242,000. This request for \$14,600,000 will result in an increase of \$3,358,000 (30%) above the programmed amount.

REASONS FOR COST INCREASE:

The Department revisited the estimate that was used to program the project in the 2006 SHOPP using unit prices based upon recent bid openings. The following four items account for 92% of the cost increase: 1) AC and RAC contributed \$1,767,000; 2) Grind Existing Concrete Pavement contributed \$731,000; 3) Traffic Control System contributed \$100,000; and, 4) formulary items contributed \$504,000.

FUNDING OPTIONS:

OPTION A: Approve this request, as presented above, for \$14,600,000 to allow this project to be advertised. This amount represents the current estimate of costs to complete the project and provides a reasonable expectation to the construction industry that the project will be awarded to the lowest responsible bidder in a timely fashion.

OPTION B: Deny this request and direct the Department to adjust the project to remain within the programmed amount. 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 costs and more disruption to the traveling public.

RECOMMENDED OPTION:

The Department recommends that this request for \$14,600,000, as presented in Option A above, be approved to allow this project to be advertised.