

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 11-12, 2006

Reference No.: 2.5e.(3)
Action Item

From: CINDY McKIM
Chief Financial Officer

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Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS**
RESOLUTION FA-06-08

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FA-06-08, allocating an additional \$3,380,000 for the project listed below.

ISSUE:

Additional funds are needed for a previously approved project in order to award the construction contract.

RESOLUTION:

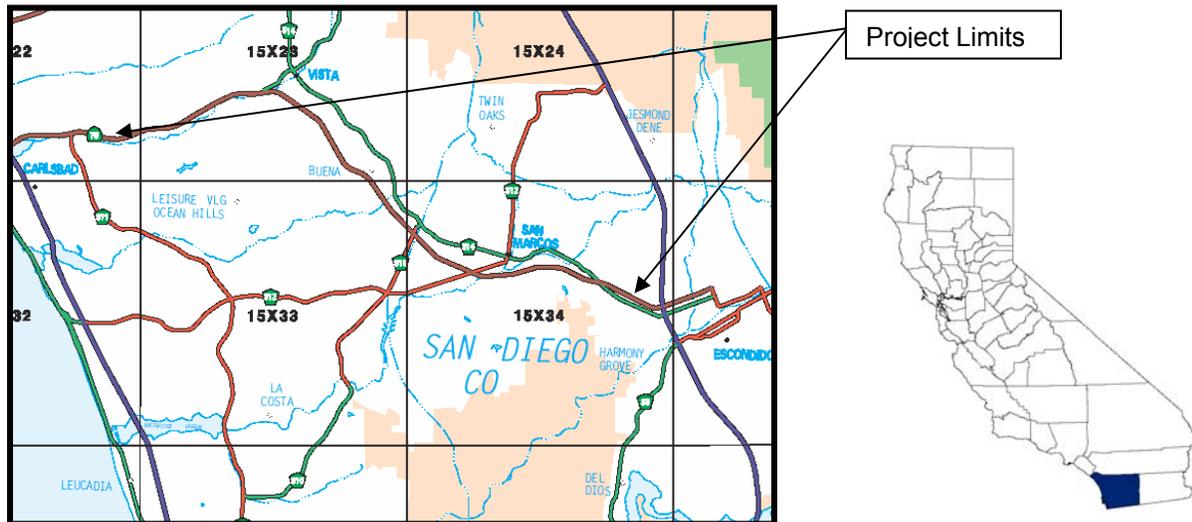
Resolved, that \$3,380,000 be allocated from the Budget Act of 2006, Budget Act Item 2660-302-0042, to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Vote/G11 Amount</u>	<u>Original Award Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	11-SD-78	\$8,850,000	N/A	\$8,850,000	\$3,380,000	\$12,230,000	38.2% 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.(3) Supplemental Funds for Previously Voted Projects					Resolution FA-06-08
1 \$3,380,000 Department of Transportation San Diego 11S-SD-78 Var	In Oceanside, Vista, San Marcos, and Escondido at various locations. Pavement rehabilitation. Supplemental funds are needed to award the contract.	072801 11-0791 2006-07 302-0042 302-0890 20.20.201.120 SHOPP 072801 11-0791 2006-07 302-0042 302-0890 20.20.201.120 SHOPP	\$8,850,000 -	- -	\$8,850,000 -\$3,380,000 \$5,470,000
				\$3,380,000	\$3,380,000
			\$8,850,000	\$3,380,000	\$12,230,000

RECOMMENDATION:

The Department recommends that this request for \$3,380,000 be approved to allow this project to be awarded.



PROJECT DESCRIPTION:

The project is located on Route 78 in San Diego County in the cities of Oceanside, Vista, San Marcos and Escondido, from 0.1 miles west of College Boulevard Undercrossing to 0.6 miles east of Emerald Drive Overcrossing and from 0.1 miles west of San Marcos Boulevard Undercrossing to 0.5 miles west of Route 15/78 Separation. The project is to rehabilitate the existing freeway by overlaying with Rubberized Asphalt Concrete (RAC).

FUNDING STATUS:

The project was programmed in the 2004 State Highway Operation and Protection Program (SHOPP) and was voted for \$8,850,000 at the June 2006 Commission meeting. Bids for this project were opened on August 10, 2006. There were three bids at 38%, 39% and 47% over the Engineer's

Estimate. The amount needed to award, based on the lowest responsible bidder, is \$12,230,000. This request for \$3,380,000 in supplemental funds results in an overall increase of 38% over the original vote amount. This project will be awarded upon approval of this supplemental funds request.

Vote Date	No. of Plan Holders	Bid Opening Date	No. of Bidders	Vote Amount	Amount needed to Award	% Over Vote Amount
06/2006	9	8/10/06	3	\$8,850,000	\$12,230,000	38%

REASONS FOR COST INCREASE:

The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and that of contract bid items. The qualified bidder was contacted to discuss the bid items and it was determined that the reason for the increase can be attributed to the difference in assumptions that the Department and the contractor used for construction windows. This project is partially located in an environmentally sensitive area in which the paving activities are restricted during the months of March through August. During the remaining months of September through February, the placement of Asphalt Concrete (AC) and RAC can be restricted due to the cold weather. This is further impacted by lane closure restrictions, which only allow night-time work when the temperatures are at their lowest. Even though there was a tight construction window, the Department estimated the project with the assumption that the contractor would be able to perform the required AC and RAC activities starting in September and ending in November, prior to the cold weather setting in. The contractor's bid assumed that the work would not be completed prior to the cold weather setting in and would have to remobilize after the winter months, when the price of AC and RAC could be much higher. The additional mobilization and the risk in purchasing material later in the contract have caused the contractor's price to increase.

FUNDING OPTIONS

OPTION A: Approve this request for supplemental funds, as presented above, for \$3,380,000 to allow this project to be awarded.

OPTION B: Deny this request, direct the Department to revise the project to remain within the allocated amount and re-advertise the project. 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.

OPTION C: Deny this request, direct the Department to reject all bids; retain current scope of project and re-advertise. The Department has considered this option and determined that due to winter night time temperatures and work windows based on traffic demand, there is no guarantee of having adequate number of bidders, nor, lower price bids in the future and this option would delay the project.

RECOMMENDED OPTION

The Department recommends that this request of \$3,380,000, as presented in Option A above, be approved to allow this project to be awarded.