

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 14-15, 2009

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

From: Norma Ortega
Chief Financial Officer (Interim)

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **FINANCIAL ALLOCATION ADJUSTMENT FOR AWARD
RESOLUTION STIP1B-AA-0910-003, AMENDING RESOLUTION STIP1B-A-0809-008**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve an adjustment to the allocation amount for the Ophir Road (Phase 1) project (PPNO 2262A) in Butte County, from \$16,000,000 to \$7,609,000, in accordance with Assembly Bill 608.

ISSUE:

On December 11, 2008, the Commission approved Resolution STIP1B-A-0809-008 allocating \$16,000,000 for the Ophir Road (Phase 1) project programmed in the State Transportation Improvement Program (STIP) with Butte County Regional Improvement Program (RIP) and Interregional Improvement Program (IIP) shares. The Ophir Road (Phase 1) project was awarded on August 12, 2009, for \$7,609,000 (\$3,025,529 RIP, \$4,583,471 IIP), including supplemental work, state furnished materials, and contingencies.

BACKGROUND:

Section 188.8 of the Streets and Highways Code allows the Commission to adjust an allocation amount for a capital outlay project in the STIP if the construction contract award amount for the project is less than 80 percent of the engineer's final estimate. The result would be an adjustment to interregional and/or county shares. The legislation is permissive and it is understood that adjustments to allocations are at the discretion of the Commission.

The Department requests a downward adjustment of \$8,391,000, with \$3,336,000 to return to Butte County's regional share balance and \$5,055,000 to the interregional share balance for the Ophir Road (Phase 1) project (PPNO 2262A).

The following table summarizes the project award information for PPNO 2262A:

Item	IIP Amount	RIP Amount	Total
Contractor's Bid Amount	\$3,716,401	\$2,453,180	\$6,169,581
Supplemental Work	\$459,010	\$302,990	\$762,000
State Furnished Materials	\$199,175	\$131,475	\$330,650
Contingencies	\$208,885	\$137,884	\$346,769
Total Project Award Allotment	\$4,583,000	\$3,026,000	\$7,609,000
CTC Allocation	\$9,638,000	\$6,362,000	\$16,000,000
Requested Adjustment	(\$5,055,000)	(\$3,336,000)	(\$8,391,000)

(*Project Award Allotment is rounded to the nearest thousand.)

FINANCIAL RESOLUTION:

Be It Resolved, pursuant to Section 188.8 of the Streets and Highways Code, that the amount allocated on December 11, 2008, under Resolution STIP1B-A-0809-008, for the Ophir Road (Phase 1) project (PPNO 2262A) in Butte county be adjusted by \$8,391,000, from \$16,000,000 to \$7,609,000, in accordance with the attached revised vote box.

Attachment

2.5 Highway Financial Matters

Project # Allocation Amount Recipient RTPA/CTC Dist-Co-Rte Postmile	Location Project Description Project Funding	EA PPNO Program/Year PA&ED PS&E CONST ENG CONST	Budget Year Item # Fund Type	Amount by Fund Type
2.5g.(3) Final Allocation Adjustments for STIP Projects (AB 608)		Resolution STIP1B-AA-0910-003, Amending Resolution STIP1B-A-0809-008		
1 \$16,000,000 \$7,609,000	Near Oroville, on Route 70 from north of Ophir Road intersection to west of Route 162. Widen to 4 lanes and construct signals.	3A6311 03-2262A RIP / 08-09	2007-08 304-6058 TFA	\$6,362,000 \$3,026,000
Department of Transportation BCAG Butte 03N-But-70 11.6/13.6	Final Project Development Support Estimate: \$2,000,000 Programmed Amount: <u>\$2,000,000</u> Adjustment: \$ 0	\$0 \$0 \$1,250,000 \$6,362,000* \$3,026,000		
	Final Right of Way Right of Way Estimate: \$3,052,000 Programmed Amount: <u>\$2,852,000</u> Adjustment: \$ 0 (<20%)	IIP / 08-09 \$0 \$0 \$1,250,000 \$9,638,000* \$4,583,000	2007-08 304-6058 TFA	\$9,638,000 \$4,583,000
	(RIP construction savings of \$398,000 \$3,336,000* to be returned to Butte County regional shares; \$602,000 \$5,055,000* to be returned to interregional share.) (*Amounts programmed and returned to shares incorporates prior credits.)			
	(Contributions from local sources: \$5,864,000.)			
	<u>Outcome/Output:</u> Four new miles of lanes to improve travel time by 15 minutes.			