

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 19-20, 2010

Reference No.: 2.5c.(6)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **FINANCIAL ALLOCATION ADJUSTMENTS FOR AWARD
RESOLUTION FA-09-16, AMENDING RESOLUTION FP-09-13**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve an adjustment to the allocation amount for the Route 1 Widening Landscaping Project (PPNO 0542H) in Santa Cruz County from \$1,500,000 to \$944,000.

ISSUE:

Section 188.8 of the Streets and Highways Code allows the Commission to adjust an allocation amount, for a capital outlay project in the State Transportation Improvement Program (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 and Santa Cruz County are requesting a downward adjustment of \$556,000 from \$1,500,000 to \$944,000, for the Route 1 Widening Landscaping Project programmed in the STIP.

BACKGROUND:

On October 15, 2009, the Commission approved Resolution FP-09-13, allocating \$1,500,000 to the Route 1 Widening Landscaping Project to install landscape planting. The project was programmed with Santa Cruz County Regional Improvement Program (RIP) shares for \$1,500,000. The project was awarded on February 11, 2010, and based on the contract award, the current amount needed is \$944,000. The disparity between the engineer's estimate and the low bid is a result of the following:

- Unit prices for plastic pipe ranged from 330 percent to 530 percent lower than the engineer's estimate.
- The bid for plant establishment was \$75,000 (42 percent) lower than the engineer's estimate.

The following table summarizes the project award information for PPNO 0542H:

Item	RIP Amount	Total Amount
Contractor's Bid Amount	\$694,519	\$694,519
Supplemental Work	\$67,000	\$67,000
State Furnished Materials	\$44,300	\$44,300
Contingencies	\$138,182	\$138,182
*Total Project Award Allowance	\$944,000	\$944,000
CTC Allocation	\$1,500,000	\$1,500,000
*Requested Adjustment	(\$556,000)	(\$556,000)

(*Rounded to the nearest thousand.)

FINANCIAL RESOLUTION:

Resolved, pursuant to Section 188.8 of the Streets and Highways Code, that the California Transportation Commission does hereby adjust the amount allocated on October 15, 2009, under Resolution FP-09-13 for the Route 1 Widening Landscaping Project (PPNO 0542H) in Santa Cruz County by \$556,000 from \$1,500,000 to \$944,000, in accordance with the attached revised vote box.

Attachment

2.5 Highway Financial Matters

Project #	EA			
Allocation Amount	PPNO			
Recipient	Program/Year			
RTPA/CTC	PA&ED			
County	PS&E	Location	Budget Year	
Dist-Co-Rte	CONST ENG	Project Description	Item #	Amount by
Postmile	CONST	Project Support Expenditures	Fund Type	Fund Type
2.5c.(6) Financial Allocation Adjustment for STIP Projects Per AB 608			Resolution FA-09-16,	
			Amending Resolution FP-09-13	
1				
\$1,500,000		In Santa Cruz, on Route 1 from 0.1 mile north of La Fonda	129114	
\$944,000		Avenue to 0.1 mile south of Ocean Street, and on Route 17	05-0542H	
		from Route 1 to Pasatiempo Drive. Landscape planting.	RIP / 08-09	2009-10
			\$0	801-3008
Department of		Final Project Development Share Adjustment: N/A	\$0	TIF
Transportation		Final Right of Way Share Adjustment: N/A	\$0	
<u>SCCRTC</u>			\$1,500,000	
Santa Cruz		<u>Construction savings of \$556,000 to be credited to Santa</u>	\$944,000	
05N-SCr-1		<u>Cruz County regional share balance.</u>		
15.4/17.1		<u>Outcome/Output:</u> Follow up landscape improvements at a		
		Route 1/17 project.		