

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 19-20, 2011

Reference No.: 2.5c.(5)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Transportation Programming

Subject: **FINANCIAL ALLOCATION ADJUSTMENT FOR AWARD
RESOLUTION FA-10-14, AMENDING RESOLUTIONS FP-09-11 AND FP-09-13**

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve an adjustment to the Regional Improvement Program (RIP) allocation amount for the Bradley Overhead project (PPNO 5645) near the city of Merced, in Merced County, from \$15,640,000 to \$9,280,000, in accordance with Assembly Bill 608.

ISSUE:

On October 15, 2009, the Commission approved Resolution FP-09-13 and Resolution FP-09-11, allocating \$15,640,000 RIP funds and \$18,205,000 State Highway Operation and Protection Program (SHOPP) funds, respectively, for the Bradley Overhead project. The Bradley Overhead project was awarded on October 11, 2010, for \$22,880,000 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 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 requests an adjustment of \$6,360,000 to Merced County's regional share balance for the Bradley Overhead project (PPNO 5645). The low bid was only 9.23 percent below the engineer's estimate. However, because the entire programmed amount was allocated, the low bid was 32.4 percent below the allocation amount.

The following table summarizes the project award information:

Item	RIP	SHOPP	Total
Contractor's Bid Amount	\$8,059,531	\$11,811,382	\$19,870,913
Supplemental Work	\$180,684	\$264,796	\$445,480
State Furnished Materials	\$629,361	\$922,339	\$1,551,700
Contingencies	\$410,424	\$601,483	\$1,011,907
Total Project Award Allotment*	\$9,280,000	\$13,600,000	\$22,880,000
CTC Allocation	\$15,640,000	\$18,205,000	\$33,845,000
Adjustment	(\$6,360,000)	\$(4,605,000)	(\$10,965,000)

(*Total Project Award Allotment is rounded to the nearest thousands for projects of this size.)

FINANCIAL RESOLUTION:

Resolved, pursuant to Section 188.8 of the Streets and Highways Code, that the amount allocated on October 15, 2009, under Resolutions FP-09-11 and FP-09-13, for the Bradley Overhead project (PPNO 5645) near the city of Merced be adjusted by \$6,360,000, from \$15,640,000 to \$9,280,000, in accordance with the attached revised vote box.

Attachment

2.5 Highway Financial Matters

Project # Allocation Amount Recipient <u>RTPA/CTC</u> County Dist-Co-Rte Postmile	Location Project Description Project Support Expenditures	EA PPNO Program/Year Phase Amount	Budget Year Item # Fund Type	Amount Allocated by Fund Type
2.5c.(5) State Administered STIP Projects on the State Highway System (AB 608)			Resolution FP-10-14	
			Amending Resolution FP-09-11 and FP-09-13	
1 \$15,640,000 \$9,280,000	Near the city of Merced, on Route 140 at Bradley Overhead. Widen structure to 4 lanes with median for left turn channelization.	3A66U 10-5645 RIP/08-09	2009-10 801-3008 TIF	\$15,640,000 \$9,280,000
Department of Transportation <u>MCAG</u> Merced 10N-Mer-140 36.5/37.6	Final Project Development Support Estimate: \$ 2,126,000 Programmed Amount: <u>\$ 2,421,000</u> Adjustment: \$ 0 (< 20%)	CONST ENG \$2,254,000 CONST \$15,640,000 \$9,280,000		
	Final Right of Way Right of Way Estimate: \$ 4,933,000 Programmed Amount: <u>\$ 4,388,000</u> Adjustment: \$ 0 (< 20%)			
	(\$1,052,000 \$7,412,000 to be returned to Merced County regional shares.)			
	<u>Outcome/Outputs:</u> Widen the facility from a 2-lane facility along with a 2-way left turn lane at the median and a sidewalk on the bridge.			