

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 11-12, 2011

Reference No.: 2.1c.(1c)/2.5g.(1d)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT AND CORRIDOR MOBILITY IMPROVEMENT ACCOUNT PROJECT BASELINE AMENDMENT**
RESOLUTION FA-10-15, AMENDING RESOLUTION FP-10-13
RESOLUTION CMIA-AA-1011-014, AMENDING RESOLUTION CMIA-A-1011-005
RESOLUTION CMIA-PA-1011-029

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$1,905,000 in State Highway Operations and Protection Program (SHOPP) funds and \$4,567,000 in Corridor Mobility Improvement Account (CMIA) funds, and update the project funding plan, for the North Stockton HOV Widening project (SHOPP PPNO 0274, CMIA PPNO 7268) in San Joaquin County.

ISSUE:

Additional funds are needed for one previously voted SHOPP and CMIA project in order to award the construction contract.

PROJECT DESCRIPTION:

The project is in San Joaquin County on Interstate 5 from Charter Way to Hammer Lane. The project will construct High Occupancy Vehicle (HOV) lanes, auxiliary lanes, traffic operations systems and soundwalls, and rehabilitate/reconstruct pavement.

FUNDING STATUS:

A CMIA Baseline Agreement was approved in August 2010 under Resolution CMIA-P-1011-01B. Construction is programmed with \$28,650,000 of SHOPP funds, \$33,350,000 of CMIA funds, and \$30,230,000 of San Joaquin Council of Governments (SJCOG) Measure K funds, for a total of \$92,230,000.

The Commission allocated \$28,523,000 of SHOPP funds and \$28,783,000 of CMIA funds for this project in January 2011. In addition, SJCOG contributed \$26,583,000 of Measure K funds for a

total of \$83,889,000; \$8,341,000 remains unallocated - \$127,000 in SHOPP funds, \$4,567,000 in CMIA funds, and \$3,647,000 in local Measure K funds.

Bids were opened in April 2011, with a low bid of \$94,008,000, including State-furnished material, supplemental work, and contingencies. An additional \$10,119,000 is needed to award the construction contract, of which \$8,341,000 is already programmed to the project but unallocated. The additional funding, above the programmed amount, needed to award the contract is \$1,778,000.

The funding status is summarized in the table below:

FUNDING SUMMARY (x \$1,000)

Fund	Programmed in Baseline Agreement	Committed at Time of Allocation	Reserve at Time of Allocation	Needed for Contract Award	Proposed Supplemental Allocation¹	Net Programming Change
SHOPP	28,650	28,523	127	30,428	1,905	1,778
Measure K	30,230	26,583	3,647	30,230	3,647	0
CMIA	33,350	28,783	4,567	33,350	4,567	0
Total	92,230	83,889	8,341	94,008	10,119	1,778

¹ Proposed Measure K increase does not require Commission action.

REASONS FOR COST INCREASE:

The construction capital increase appears to be a product of the current construction industry bid climate. Bid items such as continuously reinforced concrete pavement (CRCP), mobilization, structural concrete needed for retaining walls and other structures, and hot mix asphalt were the primary items that caused the discrepancy between the Engineer's estimate and the low bid. The increases can be attributed to the sudden increase in fuel costs, complex staging which requires equipment to be moved in and out of the project site multiple times, as well as the Department's and the construction industry's limited experience with CRCP, which is a relatively new pavement strategy in California. The major differences between the Engineer's estimate and the low bid are summarized in the table below.

Bid Item	Engineer's Estimate	Low Bid	Difference
CRCP	\$14,610,960	\$17,884,480	\$3,273,520
Hot Mix Asphalt	\$5,319,600	\$5,722,600	\$403,000
Structural Concrete	\$11,221,620	\$13,134,850	\$1,913,230
Mobilization	\$2,683,000	\$8,000,000	\$5,317,000

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$6,472,000 to award the construction contract. SJCOG agrees to commit the remaining \$3,647,000 of Measure K funds, which will provide the remainder of the \$10,119,000 needed to award the contract.

OPTION B: Deny this request, reject the bids, delete project scope, and re-advertise.

RECOMMENDED OPTION:

The Department recommends that this request of \$6,472,000, as presented in Option A above, be approved to allow the construction contract to be awarded.

RESOLUTION:

Resolved, that \$1,905,000 be allocated from the Budget Act of 2009, Budget Act Item 2660-302-0890, and that \$4,567,000 be allocated from the Budget Act of 2009, Budget Act Item 2660-304-6055, to provide additional funds for the project identified below, and that the Project Baseline Agreement be amended as shown in the tables below.

Dist-Co-Rte	Current Budget (All Funds)	Budget Adjustment	Revised Budget	% Increase Above Current Budget
10-SJ-5	\$83,889,000	\$10,119,000 ¹	\$94,008,000	12.1%

¹ (\$1,905,000 SHOPP, \$4,567,000 CMIA, and \$3,647,000 San Joaquin Council of Governments Measure K)

Project # Allocation Amount Recipient <u>RTPA/CTC</u> County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program Funding Year Item # Fund Type	Current Amount by Fund Type	Additional Amount by Fund Type	Revised Amount by Fund Type
2.5g.(1d)	Financial Allocation Amendment for a CMIA/SHOPP Project – Supplemental Funds		Resolution CMIA-AA-1011-0014, Amending Resolution CMIA-A-1011-005 Resolution FA-10-15 Amending Resolution FP-10-13		
1 \$6,472,000 Department of Transportation <u>SJCOG</u> San Joaquin 10N-SJ-5 25.0/32.9	In Stockton, from Charter Way to Hammer Lane. Construct HOV lanes, auxiliary lanes, traffic operations systems and sound walls, and rehabilitate/reconstruct pavement. Final Project Development: N/A Final Right-of-Way Estimate: N/A (Contributions from local sources: \$30,230,000.) Total Revised Amount: \$94,008,000.	10-0274 SHOPP 2009-10 302-0042 SHA 302-0890 FTF 10-7268 CMIA 2009-10 304-6055 CMIA	\$2,404,000 \$26,119,000 \$28,783,000	\$161,000 \$1,744,000 \$4,567,000	\$2,565,000 \$27,863,000 \$33,350,000

REVISE:

North Stockton HOV Widening Project (CMIA PPNO 7268, SHOPP PPNO 0274)

County	District	PPNO	EA	Element	Const. Year	PMBack	PMAhead	Route/Corridor						
San Joaquin	10	7268	0G470	CO	2010-11	25.0	32.9	5						
Implementing Agency: (by component)	PA&ED	City of Stockton				PS&E	City of Stockton							
	R/W	City of Stockton				CON	Caltrans							
RTPA/CTC:	San Joaquin Council of Governments													
Project Title:	North Stockton HOV Widening													
Location	In Stockton, from Charter Way to Hammer Lane.													
Description:	Construct HOV lanes, auxiliary lanes, traffic operations systems, and soundwalls, and rehabilitate/reconstruct pavement.													
(DOLLARS IN THOUSANDS)														
FUND	TOTAL	Project Totals by Fiscal Year						Project Totals by Component						
		Prior	10/11	11/12	12/13	13/14	14/15+	R/W	CON	PA&ED	PS&E	R/W Supp	CON Supp	
CMIA														
Existing	42,470		42,470						33,350					9,120
Change	0													
Proposed	42,470		42,470						33,350					9,120
Local Funds (Measure K)														
Existing	44,220	13,990	30,230						30,230	4,000	9,890	100		
Change	0													
Proposed	44,220	13,990	30,230						30,230	4,000	9,890	100		
SHOPP														
Existing	32,810		32,810						28,650		1,290			2,870
Change	1,778		1,778						1,778					
Proposed	34,588		34,588						30,428		1,290			2,870
Total														
Existing	119,500	13,990	105,510						92,230	4,000	11,180	100		11,990
Change	1,778	0	1,778						1,778	0	0	0		0
Proposed	121,278	13,990	107,288						94,008	4,000	11,180	100		11,990