

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 22-23, 2011

Reference No.: 2.5e.(1)
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
RESOLUTION FA-11-18**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission allocate an additional \$420,000 for one State Highway Operation and Protection Program project identified below.

ISSUE:

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

RESOLUTION:

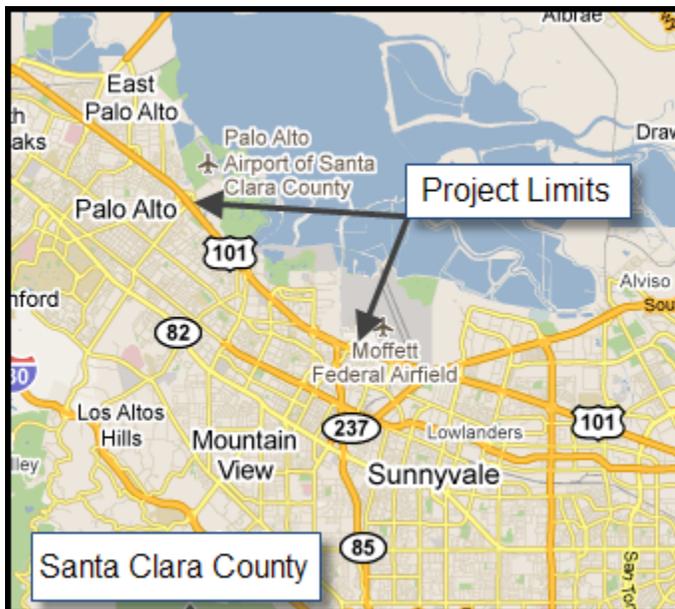
Resolved, that \$420,000 be allocated from the Budget Act of 2010, Budget Act Item 2660-302-0890 to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original allocated 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	04-SCI-101	\$953,000	N/A	\$953,000	\$420,000	\$1,373,000	44.1%

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program Funding Year Item # Fund Type Program Codes Project ID EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(1) Supplemental Funds for Previously Voted Projects			Resolution FA-10-18		
1 \$420,000 Department of Transportation Santa Clara 04N-SCL-101 47.9/52.2	Near Mountain View, on Bridges #37-0105, 37-0154S, 37-0146 and 37-0150. Replace bridge rails. Supplemental funds needed to award construction contract. Total Revised Amount: \$1,373,000	04-0485M SHOPP 2009-10 302-0042 SHA 20.20.201.112 0400000973 4 3A9804 SHOPP 2009-10 302-0042 FTF 20.20.201.112	\$953,000	\$420,000	\$953,000 \$420,000

RECOMMENDATION:

The Department recommends that this request for \$420,000 be approved to allow the Department to award the contract.



PROJECT DESCRIPTION:

This project is located on Route 101 in Santa Clara County near the city of Mountain View at three bridge locations. This project will replace the existing steel baluster railing with concrete barrier and chain link railing at these locations. This project will provide adequate protection for motorists, bicyclists, and pedestrians.

FUNDING STATUS:

This SHOPP project was programmed for \$1,620,000 and voted in January 2011 for \$953,000. Bids were opened in May 2011; three bids were received. The lowest bid amount was \$1,119,595 which is higher than the original allocation. An additional \$420,000 in supplemental funds is needed to cover the high cost of two types of concrete barrier and chain link railings and cost increase in removing the existing sidewalks and bridge railings which results in an overall increase of 44.1 percent over the current allocation. 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
01/2011	9	5/4/11	3	\$953,000	\$420,000	44.1%

REASONS FOR COST INCREASE:

The Department performed a bid analysis to determine all significant differences between the Engineer's Estimate and that of the contract bid items. The contract has 38 bid items. Six of these bid items, which have significant cost increases, involve three bid items for the actual work related to removal of the sidewalk and bridge railing, two bid items for type of concrete barrier, and one bid item for chain link railing.

BID ITEM	ENGINEER'S ESTIMATE	LOW BID	INCREASE
Bridge Removal (Sidewalk and railing), Location A	\$12,000	\$54,200	\$42,200
Bridge Removal (Sidewalk and railing), Location B	\$12,000	\$72,000	\$60,000
Bridge Removal (Sidewalk and railing), Location C	\$12,000	\$74,000	\$62,000
Concrete Barrier, Type 26	\$83,125	\$148,725	\$65,600
Concrete Barrier, Type 732	\$48,125	\$183,725	\$135,600
Chain Link Railing	\$49,140	\$103,740	\$54,600
TOTAL INCREASE			\$420,000

The bid opening for this project was May 3, 2011. The last estimate was produced in April 2010 and had the estimate been updated in early 2011, the pricing of items, such as the three bridge removal items that constitute the majority of this cost increase, would have been updated to reflect current market conditions. This estimate was developed prior to implementation of enhanced Department Independent Quality Assurance business and estimate development practices now in place. These practices would have identified the deviation and afforded the opportunity to update the estimate prior to Commission vote. Additional supplemental funds in the amount of \$420,000 are needed in order to pay for the cost increase and award this contract to the lowest responsible bidder.

FUNDING OPTIONS:

OPTION A: Approve this request for supplemental funds, as presented above, for \$420,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to revise the scope to stay within the allotted budget amount. The Department has considered this option and determined that reducing the scope of this project would result in greater cost and delay in the project construction and more disruption to the traveling public.

RECOMMENDED OPTION:

The Department recommends that this request of \$420,000, as presented in Option A above, be approved to allow the Department award the project.