

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: December 15, 2005

Reference No.: 2.5e,**(1)** - REVISED
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
Division Chief
Transportation Programming

Ref: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-05-06**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve the following Resolution.

FINANCIAL RESOLUTION:

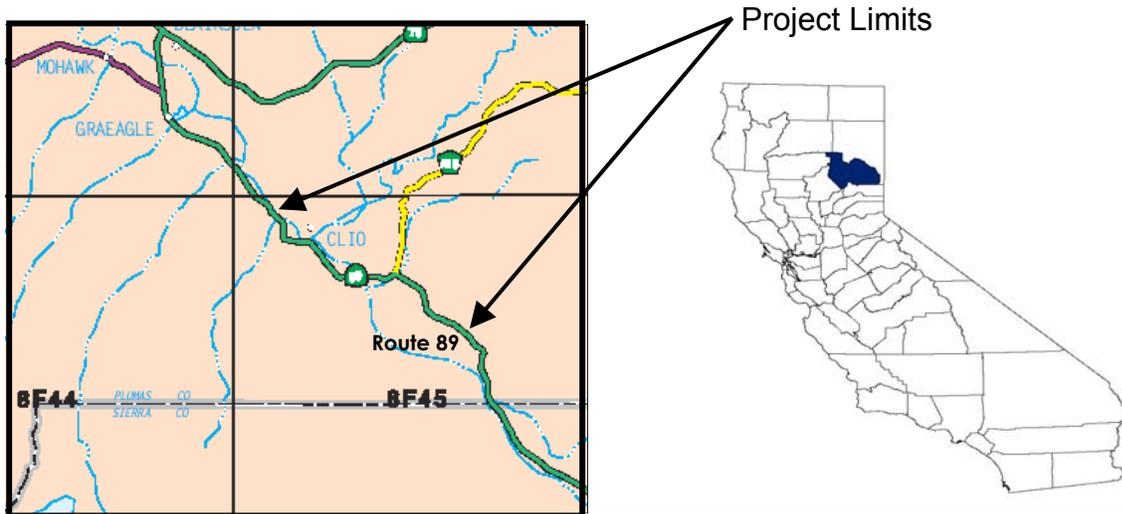
Resolved that \$3,060,000 be allocated from the Budget Act of 2005, Budget Act Items 2660-302-0042 **and 2660-302-0890**, to provide additional funds to allow the following three projects to be re-advertised or to complete construction.

SUMMARY AND CONCLUSIONS:

This resolution allocates \$3,060,000 of additional State **and federal** funds for the previously approved projects listed below:

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Vote/G11 Amount</u>	<u>Award Amount</u>	<u>Current Budget Amount</u>	<u>Current Allocation Revision</u>	<u>Revised Budget Amount</u>	<u>Total Increase Vote/Award</u>
1	02-Plu-89	\$3,650,000	\$3,722,000	\$4,215,000	\$1,250,000	\$5,465,000	34% V
2	07-LA-23	\$2,283,000	N/A	\$2,283,000	\$510,000	\$2,793,000	22%V
3	08-SBd-330	\$2,200,000	\$2,200,000	\$2,200,000	\$1,300,000	\$3,500,000	59%V

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e. Supplemental Funds for Previously Voted Projects			Resolution FA-05-06		
1 \$1,250,000 Plumas 02N-Plu-89 0.7/2.7	Near Graeagle from 0.68 miles north of Sierra County to 0.68 miles south of Sulphur Creek Bridge. Supplemental funds are needed to complete construction.	366001 02-3034 2003-04 302-0042 302-0890 20.20.201.010	\$421,000 \$3,794,000	- -	\$421,000 \$3,794,000
		2005-06 302-0042 302-0890 20.20.201.010 SHOPP	- -	\$125,000 \$1,125,000	\$125,000 \$1,125,000
			\$4,215,000	\$1,250,000	\$5,465,000



PROJECT DESCRIPTION

Route 89, near Graeagle. 0.68 miles north of Sierra County line to 0.68 miles south of Sulphur Creek Bridge. Realign curve. This is a safety project, as defined by the Safety Program criteria.

FUNDING STATUS

The project was voted \$3,650,000 on June 03, 2004. The project allotment was increased by \$72,000 through G12 authority to \$3,722,000 to award the project. The project allotment was increased again by \$493,000 on October 21, 2005 through G12 authority to \$4,215,000, to address cost increases associated with replacing the unsuitable soil discovered during construction. The \$493,000 in G12 funding allowed the contract to continue while the Department requested additional supplemental funds.

REASONS FOR COST INCREASEDelay costs (\$345K)

The project was awarded in September 2004 with an approved Army Corps permit, which required a mitigation site be fully operational prior to the beginning of major construction components. Prior to the start of construction, it was expected that the conditions of the Army Corp (404) permit could be achieved by the start of the 2005 construction season. However, due to delays in acquiring the site and securing a third party contractor to monitor the site, a majority of the construction could not start until August 2005. As a result, \$345,000 in additional cost associated with the delays were incurred.

Unanticipated field conditions (\$905K)

The final grade line has uncovered substantial unsuitable material, which was not anticipated from earlier geotechnical studies. Some of this material is at the bottom of a 20-foot cut, within a few feet of final grade. A number of options have been attempted to manage the material. The only successful remedy has been to excavate 2 to 4-feet below the final grade and replace with crushed rock. In addition, a thicker structural section of aggregate base is needed. It was understood that at the time of the request for \$412,000 in G12 authority (October 2005) that additional supplemental funds would be needed, but the extent could not be determined until further geotechnical and earthwork studies could be completed. The extent of the additional cost increase has now been determined and \$905,000 in additional funds is being requested to address the unsuitable soil.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for \$1,250,000 to allow this project to be completed.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount.

RECOMMENDED OPTION

The department recommends that \$1,250,000 in supplemental funds be added to the project's allocation in order to complete the safety project as originally intended.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e. Supplemental Funds for Previously Voted Projects					Resolution FA-05-06
2 \$510,000 Los Angeles 07S-LA-23 0.0/8.9	In Los Angeles County at various locations on Route 23. Rehabilitate pavement. Supplemental funds are needed to re-advertise the construction contract.	184901 07-2180 2004-05 302-0042 302-0890 20.20.201.121	\$295,500 \$2,279,000	- -	\$295,500 \$2,279,000
		2005-06 302-0042 302-0890 20.20.201.121 SHOPP	- -	\$59,000 \$451,000	\$59,000 \$451,000
			\$2,574,500	\$510,000	\$3,084,500



Project Limits



PROJECT DESCRIPTION

This project is in Los Angeles County on Route 23. The scope of work includes grinding existing pavement and resurfacing with rubberized asphalt concrete pavement, installing metal beam guard rail at various locations on Route 23.

FUNDING STATUS

The project was voted on March 16, 2005 for \$2,283,000. The bids were open on April 21, 2005. There were three bidders at 12%, 18%, and 32% over the Engineer’s Estimate. Unfortunately, the Department had to reject all bids due to a significant problem that was discovered regarding the lane closure restrictions in the traffic control specifications. The specifications have been corrected and the project is now being prepared for re-advertisement.

REASONS FOR COST INCREASE

The project was advertised and bids were rejected in April 2005 due to a significant problem that was discovered regarding the lane closure restrictions in the traffic control specifications. The specifications limited lane closures on Route 23 to one day a week. Although the bids were rejected the Department reviewed the bids and it was noted that the apparent lowest bidder was 12% higher than the Engineer's Estimate. This was attributed to the higher unit cost of asphalt concrete items. Once the specifications had been revised and prepared for re-advertisement, it was deemed necessary to adjust the item cost to reflect the current market pricing. The cost estimate for Rubberized Asphalt Concrete was revised from \$70 per ton to the current price of \$100. This increased the estimate by \$392,000, which accounts for 77% of the cost increase. The estimate for Compensation Adjustment for Paving Asphalt Price Index Fluctuation also increased by \$16,000. As a result of the increased item costs, mobilization and contingencies increased by \$75,000 and \$23,900, respectively.

Item	Engineer's Estimate 2003	Current Market Price	Unit	Quantity	Engineer Estimate Total	Current Market Price Total	Cost Difference
Asphalt Concrete	\$70	\$100	tonn	13,066	\$914,600	\$1,306,600	\$392,000

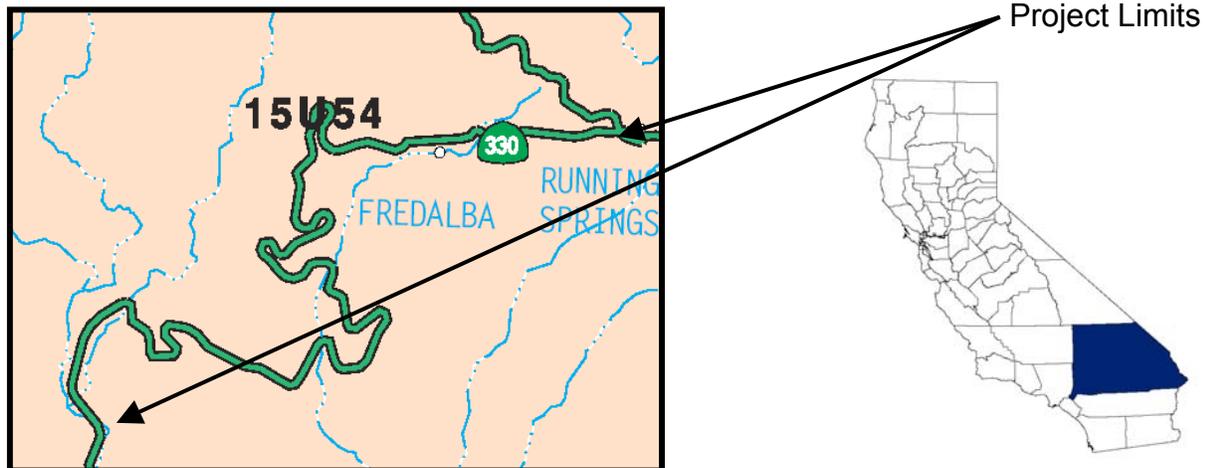
FUNDING OPTIONS

- OPTION A: Approve this request, as presented above, for \$510,000 to allow this project to be re-advertised. The funding provides a realistic call-out number for the construction industry based on current estimated costs.
- OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount.
- OPTION C: Deny this request and direct the Department to re-advertise the project under the current scope and allocated funds. If the bid opening results require supplemental funds to award, consider the supplemental funds request at a future Commission meeting.

RECOMMENDED OPTION

The Department recommends that this request for \$510,000, as presented in Option A above, be approved to allow the project to be re-advertised and provide the realistic call-out number for the construction industry.

Project # Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	EA PPNO Budget Year Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e. Supplemental Funds for Previously Voted Projects			Resolution FA-05-06		
3					
\$1,300,000	Highland Avenue to Junction Route 18.	0G5914			
San Bernardino	Repair AC pavement.	08-0186E			
08S-SBd-330		2004-05			
30.2/44.2	Supplemental funds are needed to complete construction.	302-0042	\$2,200,000	-	\$2,200,000
		302-0890	-	-	-
		20.20.201.120			
		2004-05			
		302-0042	-	\$1,300,000	\$1,300,000
		302-0890	-	-	-
		20.20.201.120			
		SHOPP	\$2,200,000	\$1,300,000	\$3,500,000



PROJECT DESCRIPTION

Route 330, from Highland Avenue to Junction at Route 18. This emergency pavement rehabilitation project replaces existing asphalt concrete.

FUNDING STATUS

The project was voted on March 16, 2005 for \$2,200,000, through the Commission’s G-11 delegation to the Department.

REASONS FOR COST INCREASE

Currently this emergency project is under construction, with 95% complete. Subsequent to contract award, the contractor’s asphalt mix design failed to meet specifications (stability test). In September 2005, a replacement contractor was hired, and the price of asphalt concrete increased from \$55/ metric ton to \$80/ metric ton, increasing the total cost by \$650,000. The cost of hauling material to and from the job site also increased, resulting in an increase of \$100,000. During construction, a 36-inch culvert collapsed under the pavement. An investigation revealed the culvert was corroded beyond repair, and the culvert and drop-inlet had to be replaced (\$135,000). The shoulder of the

road was also washed out and needed to be replaced (\$180,000). Other miscellaneous costs and contingency amount to \$235,000.

RECOMMENDATION

The Department recommends that this request for \$1,300,000, be approved to allow the contract to be completed. As the contract is 95% complete, there are no other viable alternatives besides completing the job. The District will be directed to absorb the increase through a reduction in their minor program for this fiscal year.