State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

M e m o r a n d u m

TAB 70

To: CHAIR AND COMMISSIONERS

CTC Meeting: July 8-9, 2009

Reference No.: 2.5e.(2) - **REPLACEMENT**
Action Item

From: CINDY McKIM
Chief Financial Officer

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Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-09-02**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional $2,127,000 for the State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

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

RESOLUTION:

Resolved, that $2,127,000 be allocated from the Budget Act of 2007, Budget Act Item 2660-302-0890, to provide additional funds for the project identified below. This includes an assumed G-12 Authority of $1,485,700 during advertisement.

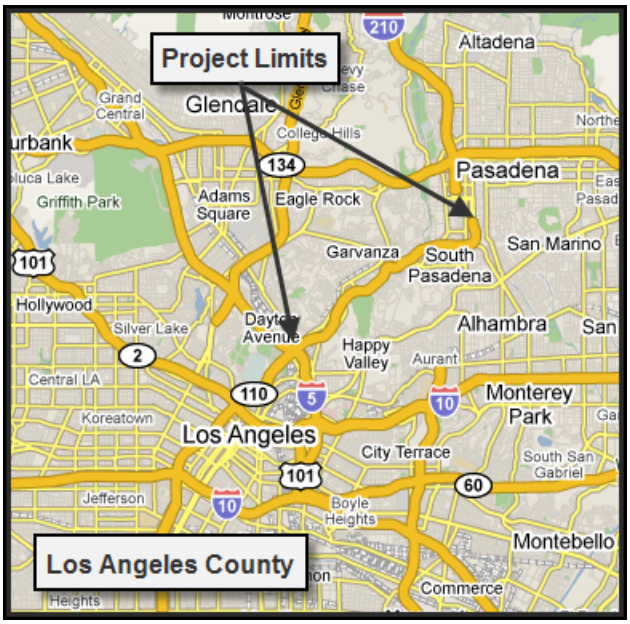
Project	Dist-Co-Rte	Original Allocated Amount	Original Award Amount	Current Allocation	Allocation Adjustment	Revised Allocation	% Increase Above Current Allocation
1	07-LA-110	$12,857,000	N/A	$12,857,000	$2,127,000	$14,984,000	16.5%

Be it Further Resolved, that consistent with current G-12 policy, any additional funds needed for this project will require an allocation by the California Transportation Commission.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Fund Type Program	Current Amount by Fund Type	Additional Amount by Fund Type	Revised Amount by Fund Type
2.5e.(2) Supplemental Funds for Previously Voted Projects					**Resolution FA-09-02**
1 $2,127,000 Department of Transportation Los Angeles 07S-LA-110 25.9/31.9	In Los Angeles, from Avenue 26 to Glenarm Street. Upgrade median barrier, install guardrail and concrete rail. Supplemental funds are needed to award contract. Total revised amount: $14,984,000. Includes assumed G-12 of $1,485,700 during advertisement. (Contributions from other sources: $2,500,000.)	2395U1 07-3290 2007-08 801-3008 SHA 301-0890 FTF STIP	$398,000 $3,074,000	- -	$398,000 $3,074,000
		2007-08 302-0890 FTF SHOPP	$2,476,000	-	$2,476,000
		2007-08 302-0042 SHA	$793,000	-	$793,000
		302-0890 FTF SHOPP	$6,116,000	$2,127,000	$8,243,000

RECOMMENDATION:

The Department recommends that this request for $2,127,000 be approved to allow the Department to award this contract.



PROJECT DESCRIPTION:
The project is located on Route 110 in Los Angeles County, from Avenue 26 to Glenarm Street. This project will construct a concrete median barrier to replace the existing metal beam guardrail.

FUNDING STATUS:
This safety project was voted in August 2008 for $12,857,000 under three separate projects--two SHOPP projects (PPNOs 3278 and 4150) and one STIP Transportation Enhancement (TE) project (PPNO 3546). These projects are being combined for construction.

Bids for the project were initially opened on October 9, 2008; three bids were received, all of which were substantially over the original allocation. Nine of the twelve potential bidders did not submit bids on this project due to both the limited work windows and limited work space. The Department rejected the bids.

Based on contractor comments, the Department modified the traffic management plan and re-advertised the project. Bids for this project were re-opened on May 29, 2009. The total funding for the project at the time of advertisement was $16,842,700, including a grant for $2,500,000 from the Office of Traffic Safety. The low bid including supplemental funds, contingency, and state furnished material was $17,480,000.

The additional amount needed to award, based on the apparent lowest responsible bidder, is $2,127,000. This request for $2,127,000 in supplemental funds results in an overall increase of 16.5 percent over the original 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 (incl G-12)
6/26/08	18	**5/29/09**	4	$12,857,000	$2,127,000	16.5%

REASONS FOR COST INCREASE:
The Department assumed a slip form method of construction for the concrete barrier and based the engineer's estimate on this construction method. However, due to the limited work space at this location and the limited lane closure times, ~~the selected contractor bid the project using cast-in-place forms for the barrier which is a more labor intensive and time consuming method of construction compared to the slip form method.~~ **the slip form method proved difficult**. **The Department re-packaged the project to expand the limited workspace to address the contractor's concerns. The change resulted in lower bids. However, the proposal submitted by the apparent low bidder for the second round of bidding was in excess of the available funding.**

FUNDING OPTIONS:
OPTION A: Approve this request for supplemental funds, as presented above, for $2,127,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to reject all bids, retain current scope of the project, and re-advertise. The Department has considered this option and determined that there is no guarantee of having adequate number of bidders or lower price bids in the future, and this option would further delay this safety project.

RECOMMENDED OPTION:
The Department recommends that this request of $2,127,000, as presented in Option A above, be approved to allow this project to be awarded.