State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 4-5, 2004

PASSED BY
CTC
AUG 05 2004
CALIFORNIA
TRANSPORTATION COMMISSION

Reference No.: 2.5g.
Action Item

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Chief Financial Officer

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Budgets

Ref: **BUDGET REVISION TO TRANSFER FY 2002-03 STIP BUDGET AUTHORITY TO SHOPP TO FUND THE FY 2002-03 SACRAMENTO HEADQUARTERS SEISMIC RETROFIT PROJECT**
RESOLUTION FM-04-01

ISSUE:

The Resolution below proposes to transfer $1,045,300 of State Highway Account budget authority in the 2002 Budget Act from the State Transportation Improvement Program (STIP) to the State Highway Operations and Protection Program (SHOPP). The proposed transfer is necessary to award the construction contract in order to proceed with the construction phase of the Sacramento Headquarters (HQ) Seismic Retrofit project. The transfer of funds is subject to approval by the California Transportation Commission (Commission) and the Department of Finance (DOF) of a FY 2002-03 Budget Revision.

RECOMMENDATION:

The Department of Transportation (Department) recommends the Commission approve the Resolution below.

BACKGROUND:

The Construction Phase of the HQ Seismic Retrofit project was approved for $8,939,100, as part of a Fiscal Year 2000-01 Capital Outlay Budget Change Proposal for the Sacramento Headquarters Office Building. Annex I and II were rated a seismic Risk Level V and VI respectively by the Department of General Services, Division of the State Architect. Based on the recommendations of the report the Department pursued a "structural only" seismic retrofit. Architectural/ Mechanical/Electrical costs are limited to incidental work to enable the structural retrofit only. The proposed retrofit will add concrete shear wall abutments to several building corners and one common interior wall. Agency Retained item will permit relocation of staff during construction process. The Department has agreed to provide additional funding to permit the project to be awarded to the low bidder. Only two bids were received for this project (out of

nine prospective bidders). Inquiries to prospective bidders revealed that all prospective bidders were extremely busy with other public works projects (primarily bond funded schools). Furthermore, industry wide escalation of material and labor costs factors added risk factors to the project. Due to rapid price escalations in the industry, significant bid increases would be anticipated if this project was re-bid several months in the future. This transfer is required to cover the augmentation of $1,045,300 (10.3 percent total project) to facilitate bid award of project. There have been no previous requests for augmentation of this project.

The transfer will simply shift funding from the STIP line item to the SHOPP line item.

FINANCIAL RESOLUTION:

Resolved that:

Pursuant to Provision 2, Item 2660-301-0042, Budget Act of 2002, $1,045,300 shall be transferred from Capital Outlay appropriation item 2660-301-0042(1) to 2660-311-0042(1)(d).