

State of California
 Business, Transportation and Housing Agency
 Department of Transportation

HIGHWAY FINANCIAL MATTERS
 Allocations for Supplemental Funds
 Resolution: FA-00-02
 CTC Meeting: August 23-24, 2000

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Agenda Item: 2.5e



W. J. Evans
 W. J. EVANS, Deputy Director
 Finance
 August 1, 2000

**ALLOCATION FOR ADDITIONAL FUNDS
 FOR PREVIOUSLY APPROVED PROJECT**

RESOLUTION FA-00-02

RECOMMENDATION

The Department recommends the California Transportation Commission approve the following Resolution.

FINANCIAL RESOLUTION

Resolved, that \$1,686,000 be allocated from Budget Act Item 2660-301-0042, Budget Acts of 1995, 1998, 1999, and 2000 to provide additional funds for the projects on the attached sheet.

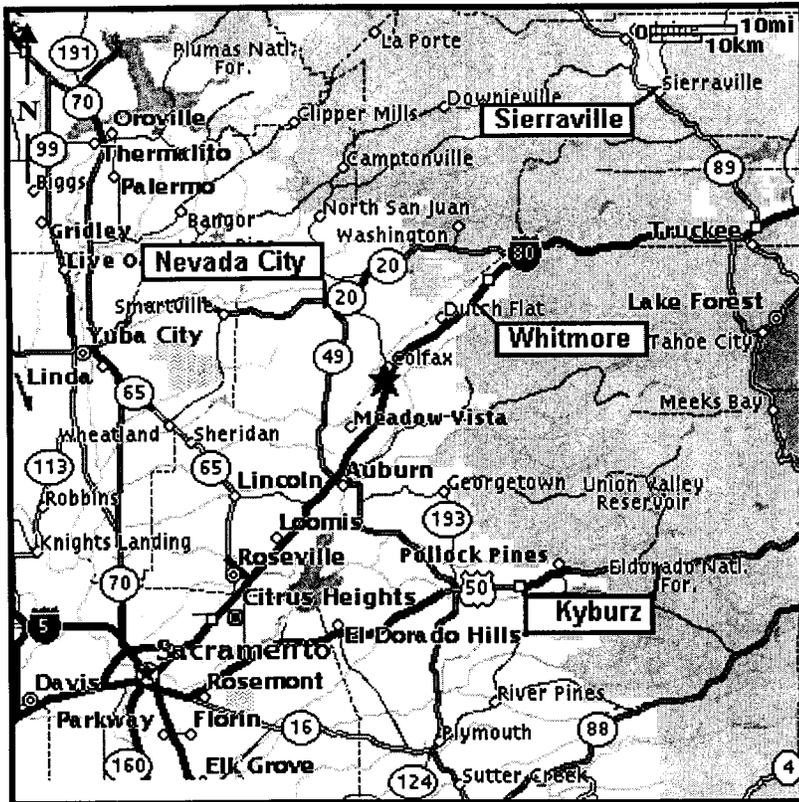
SUMMARY AND CONCLUSIONS

This resolution allocates \$1,686,000 of additional State and Federal funds for four (4) previously approved projects listed below:

Project	Dist-Co-Rte	Original Vote/G11 Amount	Award Amount	Current Budget Amount	Current Allocation Revision	Revised Budget Amount	Total Increase Vote/Award
1	03-Var-Var	\$2,220,000	\$0	\$2,220,000	\$792,000	\$3,012,000	36%V
2	07-LA,SBd-30	\$3,589,000	\$2,691,500	\$4,621,500	\$630,000	\$5,251,500	95%A
3	07-LA-L5729	\$673,000	\$0	\$673,000	\$189,000	\$862,000	28%V
4	07-Ven-101	\$723,000	\$746,000	\$873,000	\$75,000	\$948,000	31% V



Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
1 \$792,000 Department of Transportation El Dorado, Nevada, Sierra, Placer 03N-Var-Var Var	In El Dorado, Nevada, Sierra, and Placer Counties at various locations. Install washrack facilities. Supplemental funds are needed to award the project	4495U1 (1516) 1999-00 301-0042 301-0890 20.20.201.512 SHOPP	\$2,220,000 - \$2,220,000	\$792,000 - \$792,000	\$3,012,000 - \$3,012,000



PROJECT DESCRIPTION AND LOCATION

This project is located in various locations: El Dorado County on Route 50 at Kyburz Maintenance Station; in Nevada County on Route 20 and Gold Flat Road at the Nevada City Maintenance Station; in Sierra County on Route 89, 0.4 KM South of Route 49 at the Sierraville Maintenance Station; in Placer County on Route 80, 6.4 KM East of Baxter at the Whitmore Maintenance Station. The work involves upgrading washrack facilities to meet environmental regulations.

FUNDING STATUS

This project was programmed in the 1998 SHOPP for \$2,220,000 and received an allocation for \$2,220,000 in March 2000. The contract bids for the project were opened in June 2000. The apparent low bid (\$2,545,000) was rejected because the Contractor did not meet the Disabled Veterans Business Enterprise (DVBE) requirements of the contract. The Department is now requesting an increase of \$792,000 (36 percent of the original vote amount) for a total allocation of \$3,012,000 to award the contract to the second lowest bidder.

BACKGROUND

This project is mandated by an Environmental Compliance Agreement, signed in December 1993, between the Department and the United States Environmental Protection Agency (EPA). This agreement requires the Department to bring all shallow well discharges into compliance with the Safe Drinking Water Act. According to the Compliance Agreement, the Department was required to complete all of the improvements by January 2, 1997. Two completion date extensions have been granted and the latest deadline is December 31, 2000.

REASON FOR INCREASE

The Department is requesting \$792,000 to award the contract to the second lowest bidder. Twenty (20) proposals were issued for this project and only five (5) bids were received. The lowest bidder was disqualified since the Contractor did not meet the project's DVBE requirements. The higher bid prices can be attributed to minimal competition and the tight labor market.

The award date for this project has been delayed because the apparent low bidder was disqualified and the amount needed to award the contract to the second lowest bidder exceeds the authority delegated to the Department under Resolution G-12. The project was originally scheduled for completion in one season, but most of the project locations are at higher elevations, where winter weather sets in early, so the delay in awarding the contract will force a winter suspension. This type of work normally has a high degree of uncertainty that is increased by the late start which pushes the project into less desirable weather. Although the EPA Compliance Agreement completion date has only been extended to December 31, 2000, EPA has indicated that they will approve an additional extension, without penalty, if the Department demonstrates a good faith effort by awarding the contract before the end of the year.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for \$ 792,000 to allow this project to be awarded and expedited.

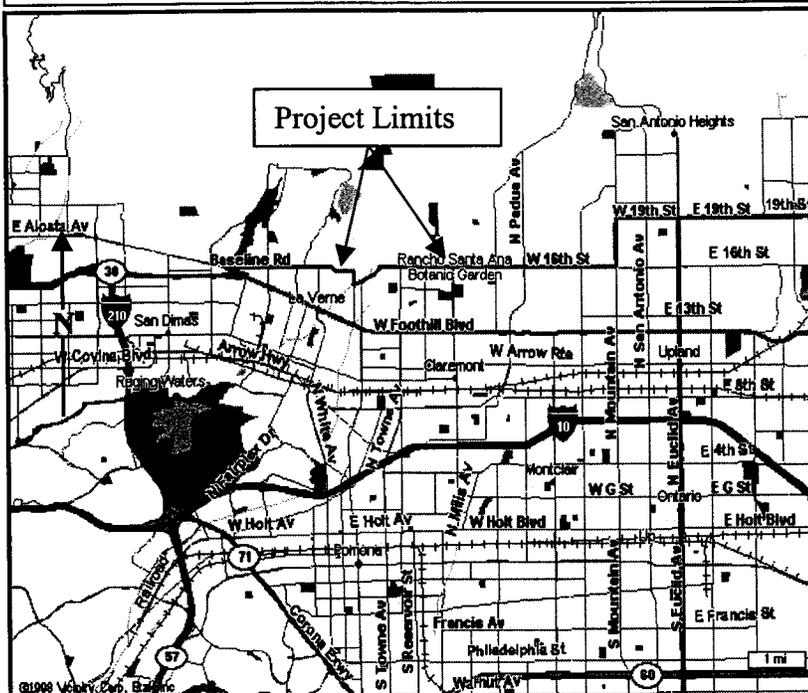
OPTION B: Deny this request and direct the department to re-advertise the contract.

Out of twenty (20) prospective bidders, only five (5) actually submitted bids for this contract. Due to this lack of competition, the Department believes that re-advertising will not produce bids lower than that have been received. Delaying the work could force the EPA to pursue administrative and/or civil actions, resulting in huge penalties to the Department.

RECOMMENDED OPTION

The Department recommends that this request for \$ 792,000, as presented in Option A above, be approved to allow this project to be awarded.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2 \$630,000 Department of Transportation Los Angeles, San Bernardino 07S-LA, SB-30 4.8/7.0	In Claremont and Upland from College Way to 0.1 mile east of Los Angeles County Line. Widen roadway. Supplemental funds are needed for on- going project.	1050E1 07-0418W 1995-96 301-0042 301-0890 20.20.101.913 GF-RIP	\$3,160,500	-	\$3,160,500
		20.20.075.413 301-0042 301-0890 RIP	\$1,461,000	\$630,000	\$2,091,000
		TOTAL	\$4,621,500	\$630,000	\$5,251,500



PROJECT DESCRIPTION

This project is in Los Angeles and San Bernardino Counties, in the cities of Claremont and Upland, from College Way to 0.1 mile east of the County Line. The work involves widening Base Line Road (currently State Route 30), constructing retaining walls, signal and lighting systems, replacing bridges and modifying drainage facilities. The project is approximately 85% complete.

FUNDING STATUS

This project is a Grandfathered Regional Improvement Program (GF-RIP) project. It was voted in July 1996 for \$3,589,000 and was awarded in November 1996 for \$2,691,500. In March 1999, the Department allocated \$469,000 under the authority delegated by Resolution G-12, for Contract Change Order work. The same month, the Commission allocated an additional \$1,461,000 to accelerate construction of a detour to Route 30 that was originally planned as part of the Route 210 construction in the vicinity of the current project. This request for \$630,000 of RIP funding, to complete construction, results in an overall increase of approximately 95% over the award amount for this contract.

BACKGROUND

This project widens Base Line Road (currently State Route 30) from two to four lanes throughout the City of Claremont, eliminating the current bottleneck. In March 1999, a supplemental allocation was made when it was determined that it was in the best interest of the state to add the detour to this contract to facilitate construction of the future Route 30 freeway work.

REASON FOR INCREASE

The following work needs to be done to complete the project.

1. Construction of additional signals and lighting that were identified subsequent to the CCO for the detour (\$250,000).
2. Final adjustments and compliance with right of way agreement in the City of Claremont(\$70,000).
3. Minor adjustments required by the relinquishment agreement with Los Angeles County (\$30,000).
4. Additional work to accommodate the San Gabriel Valley Municipal District's temporary relocation of their water line due to the detour (\$80,000).
5. Installation of new drainage system on the detour road (\$200,000).

FUNDING OPTIONS

OPTION A: Approve this request as presented above for \$630,000 to allow this project to be completed as originally scoped in the Project Report and in the subsequent best interest decision to construct the detour. The Los Angeles County Metropolitan Transportation Authority concurs with this request.

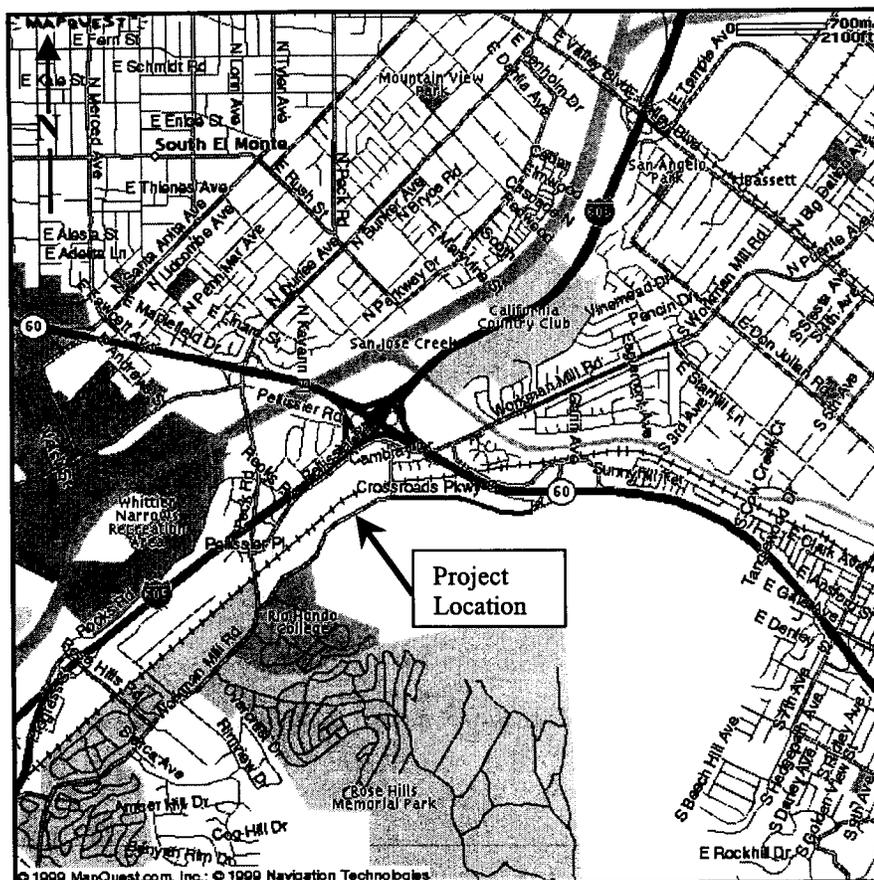
OPTION B: Deny this request and direct the Department to deliver the project within the current allocation.

The Department considered this option. This option would impact the cost and schedule of the contract (07-1264A1) to construct the new Route 30 Freeway from Indian Hill Boulevard to the San Bernardino County line in Claremont. This contract has been advertised and bids were opened on July 27, 2000. The schedule for the new Route 30 contract has been set based on the commitment to open the freeway to traffic in June 2002. The detour road being constructed in the current contract is needed to accommodate the proposed road closures in the new Route 30 construction contract. This request for supplemental funds be approved to avoid delaying the opening of the new Route 30 Freeway.

RECOMMENDED OPTION

The Department and the Los Angeles County Metropolitan Transportation Authority recommend that this request for \$ 630,000, as presented in Option A above, be approved to allow this project to be completed.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgr Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
3 \$189,000 Department of Transportation Los Angeles 07S-LA-L5729	Near Industry, at the Eastern Maintenance Station. Expand and modify Eastern Maintenance Station. Supplemental funds are needed to award the project.	4E3001 2000-01 301-0042 301-0890 20.20.201.352 Minor	\$673,000 -	\$189,000 -	\$862,000 -
			\$673,000	\$189,000	\$862,000



PROJECT DESCRIPTION AND LOCATION

This project is located in Los Angeles County, near the City of Industry, at the Eastern Region Maintenance Station, at 1940 South Workman Mill Road. This project will expand and modify the main office at the Eastern Region Maintenance Station to accommodate the increased number of office staff due to regional consolidation.

FUNDING STATUS

This project was programmed for \$673,000 in fiscal year 1999/00 and was voted in May 2000 for \$673,000. This request for \$189,000 to award the contract will result in an overall increase of 28% over the original allocation.

BACKGROUND

This project will replace the 31-year old existing facility which is not large enough to accommodate the increased staff, adequately store records and office supplies, or conduct required meeting and training. In addition, the current facility is not ADA compliant.

REASON FOR INCREASE

An amount of \$189,000 is needed in order to award the contract to the lowest bidder. Seventeen (17) proposals were issued for this project and only six (6) bids were received. The lowest bid of \$862,000 is \$189,000 over the Engineer's Estimate. The building cost was bid approximately \$106,000 above the Engineer's Estimate. The tight labor market and the recent increases in cost of this type of work contributed to the higher bid price. Other items such as Clearing & Grubbing, Highway Planting, Irrigation System, and Communication Towers resulted in an increase of approximately \$83,000 over the Engineer's Estimate.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for \$189,000 to allow this project to be awarded to the lowest bidder.

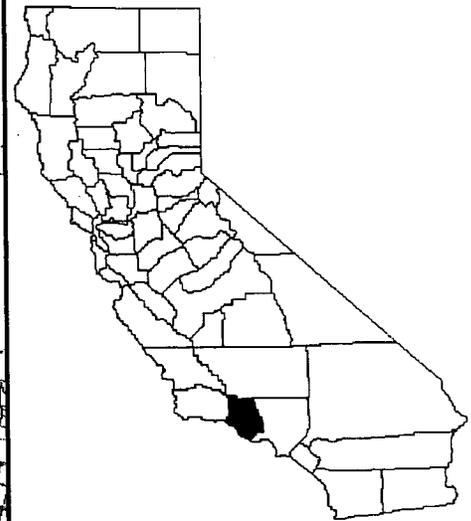
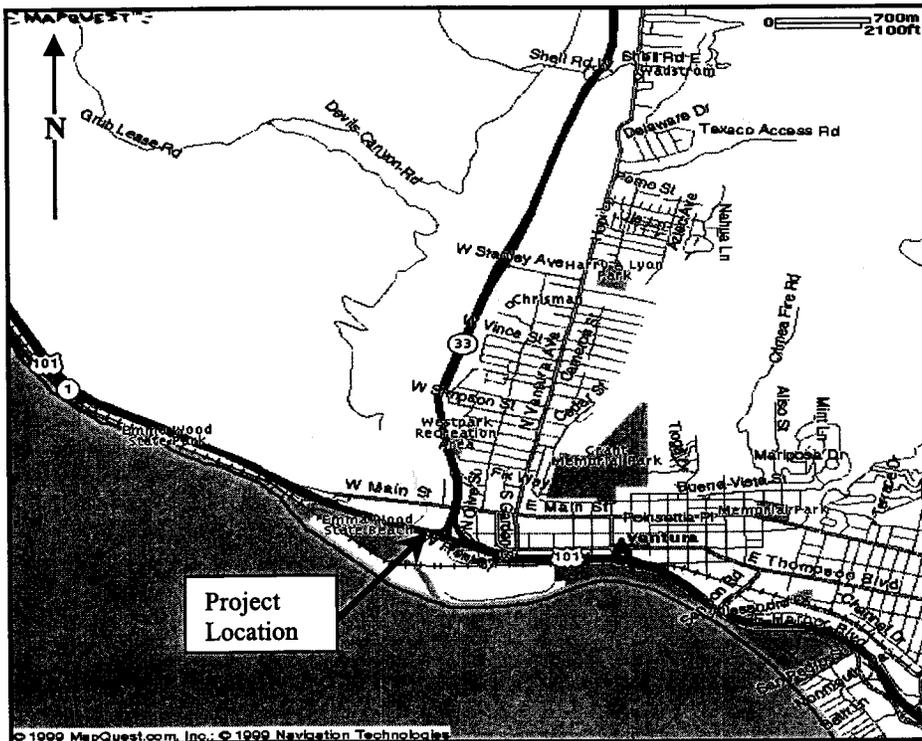
OPTION B: Deny this request, and direct the Department to reject all the bids and re-advertise the project.

Analysis of the current bids indicate that re-advertising the project will not produce bids lower than the current amount.

RECOMMENDED OPTION:

The Department recommends OPTION A, as presented above for \$189,000, to allow this project be awarded to lowest bidder.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Act Item # Program Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
4 \$75,000 Department of Transportation Ventura 07-Ven-101 33.0	Near Ventura at 4.5 kilometers west of Route 101/33 Separation. Regrade slide areas and improve existing drainage. Supplemental funds are needed for on- going project.	4C1001 1998-99 301-0042 301-0890 20.20.201.320 Minor	\$873,000 - \$873,000	\$75,000 - \$75,000	\$948,000 - \$948,000



PROJECT DESCRIPTION

This project is in the County of Ventura, near the City of Ventura, at 4.5 kilometers west of the State Route 101/Highway 33 Separation. The work involved re-grading slide areas and improving existing drainage.

The project was completed in January 2000.

FUNDING STATUS

This project was programmed in the 1998 SHOPP for \$723,000 and was voted for \$723,000 in February 1999. In May 1999, the Department allocated an additional \$23,000 under the authority delegated by Resolution G-12, to award the contract for \$746,000. In February 2000, the Department made an additional G-12 allocation for \$127,000 to fund Contract Change Order (CCO) work. This request for \$75,000 will result in an overall project cost increase of 31% over the original allocation.

BACKGROUND

This project is located in a canyon on Route 101 along the Pacific Coast, where landslides have occurred regularly during the rainy seasons. Over the years soil eroded from the unstable hillsides has clogged the drainage systems causing a threat to the traffic on Route 101. This project was initiated to stabilize the slopes of the canyon by removing unstable material, regrading cutslopes, and upgrading the existing drainage system.

REASON FOR INCREASE

The contract work was initiated under a Zoning Clearance permit from the Ventura County, but was interrupted when the California Coastal Commission determined that a Coastal Permit was also required. Because the Coastal Commission's complete permit process takes about six months, the Department applied for and obtained an Emergency Permit from the Coastal Commission which authorized only the minimum work required to stabilize the slopes before the onset of winter. After conferring with representatives of the Coastal Commission, the Department's Geologist identified the revised limits of earth removal and the contractor was allowed to return to work. Final surveys of both the slope and the disposal area revealed that an additional \$75,000 is needed to compensate the Contractor for the actual earth removal and close the contract.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for \$75,000 to allow the contract to be closed.

OPTION B: Deny this request and direct the Department to negotiate with the Contractor.

The Department confirmed that the claimed amount represents the compensation due to the Contractor for actual work done. Denial of this request will force the Contractor to pursue a claim.

RECOMMENDED OPTION

The Department recommends that this request for \$ 75,000, as presented in Option A above, be approved to allow this contract to be closed.