

Memorandum

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To: CHAIR AND COMMISSIONERS

Meeting Date: June 16-17, 2004



Reference No.: 2.5e.
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: Ross Chittenden
Division Chief
Transportation Programming

Ref: ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS
RESOLUTION FA-03-08

RECOMMENDATION:

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

FINANCIAL RESOLUTION:

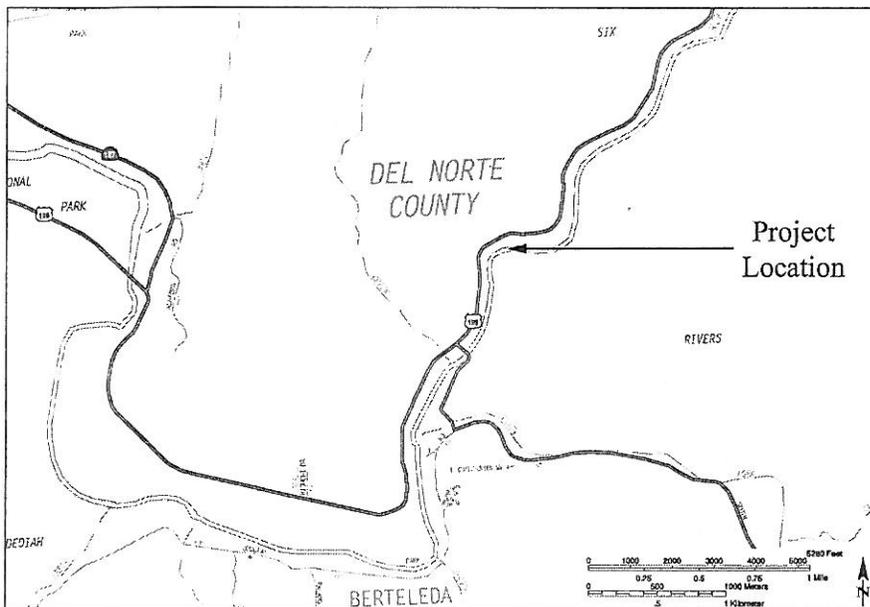
Resolved that \$1,750,000 be allocated from the Budget Act of 2002, from Budget Act Items 2660-301-0042 and 2660-301-0890, and \$4,536,000 from the Budget Act of 2003, from Budget Act Items 2660-302-0042 and 2660-302-0890, to provide additional funds for the projects listed below.

SUMMARY AND CONCLUSIONS:

This resolution allocates \$6,286,000 of additional State and Federal funds for four (4) previously approved projects listed:

Project	Dist-Co-Rte	Original Vote/G11 Amount	Award Amount	Current Budget Amount	Current Allocation Revision	Revised Budget Amount	Total Increase Vote/Award
1	1-DN-199	\$790,000	\$790,000	\$790,000	\$241,000	\$1,031,000	31% V
2	2-Tri-299	\$1,344,000	\$1,344,000	\$1,344,000	\$445,000	\$1,789,000	33% V
3	7-Ven-1	\$27,988,000	\$30,440,000	\$30,986,000	\$1,750,000	\$32,736,000	17% V
4	8-SBd-15	\$12,600,000	\$12,600,000	\$12,600,000	\$3,850,000	\$16,450,000	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
2.5e Supplemental Funds for Previously Voted Projects					Resolution: FA-03-08
1 \$241,000 Department of Transportation Del Norte 01N-DN-199 7.6	Near Hiouchi at Myrtle Creek Sidehill Viaduct #2. Realign curve. Supplemental funds are needed to award the construction contract.	410001 1032 2003/04 302-0042 302-0890 20.20.201.010 SHOPP	\$91,000 \$699,000	\$213,000 \$28,000	\$304,000 \$727,000
			\$790,000	\$241,000	\$1,031,000



PROJECT DESCRIPTION

This safety project is located in Del Norte County near Hiouchi at 0.3 km north of Myrtle Creek Sidehill Viaduct #2. The project proposes to reduce the number of collisions by improving the roadway geometrics of a compound curve on Route 199 at PM 7.6. Roadway geometrics will be improved by an alignment shift toward the Smith River to replace the compound curve with a constant radius curve. The alignment shift will require construction of a sidehill viaduct. The project also proposes to remove and replace the existing structural section to provide the necessary super-elevation adjustment.

FUNDING STATUS

The project was programmed in the 2002 SHOPP for \$790,000 for construction in FY 2003-04. In February 2004, funds were allocated for the programmed amount. Bid results were opened in April 2004. An additional \$241,000 is needed to award this contract to the second ranked bidder (now low bidder). This request for supplemental funds results in an overall increase of 31% over the voted amount for this project.

REASON FOR INCREASE

The contract bids were opened on April 28, 2004. Three bids were received for this project. The apparent low bid was rejected by the Department due to non-compliance with the requirements of the Disadvantage Business Enterprise guidelines. However, the second bid, which became the qualified low bid, is 33% above the Engineer's Estimate. The Department considered rejecting all bids and re-advertise the project, but there is no reason to expect lower bids would result since only 2.5% separates the second and third ranked bidders. Furthermore, the advertisement would result in delaying this safety project into the next construction season.

In comparing the bid items of the now low bidder with the Engineer's Estimate, most of the cost increases are associated with structural concrete (bridge footing), furnish pre-cast pre-stressed concrete girder, structure excavation (bridge and rock), temporary railing (type K), class 2 aggregate base, and traffic control. Additionally, according to the now low bidder, the bid was also higher than the Engineer's Estimate due to the general increases in labor and material costs such as reinforcing steel, concrete, and asphalt. Although allowances were included in the Engineer's Estimate for consideration of some of these factors, the contractor's bid contained costs significantly higher than anticipated. An additional \$241,000 in supplemental funds is needed in order to award this project.

FUNDING OPTIONS

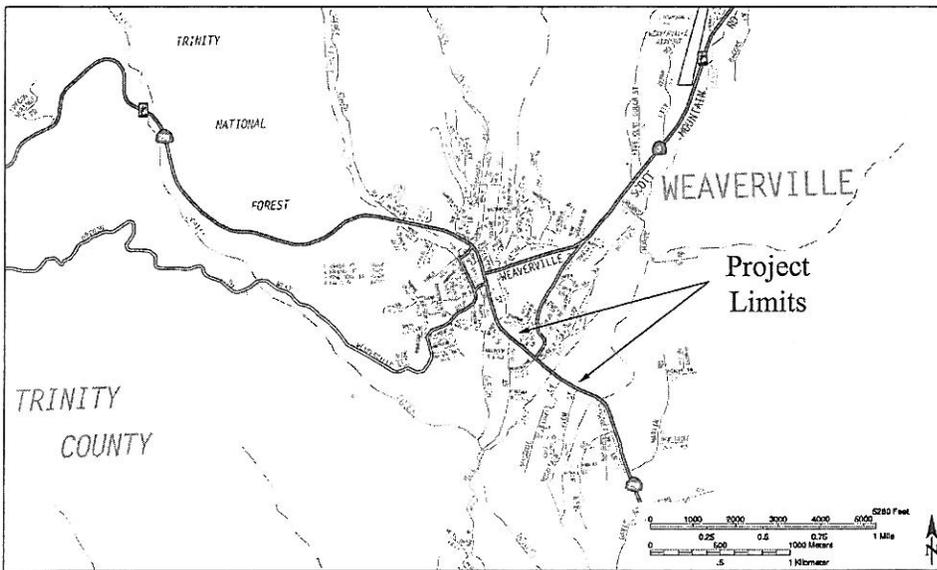
OPTION A: Approve this request as presented above for \$241,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to deliver the project within the current allocation. The Department considered this option and determined there is no feasible alternative for reducing the scope of work on this project, and executing another project to complete the deleted work later. Such an alternative would compromise the needed safety improvement and if possible would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION

The Department recommends that this request for \$241,000, 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
2.5e Supplemental Funds for Previously Voted Projects			Resolution: FA-03-08		
2 \$445,000 Department of Transportation Trinity 02N-Tri-299 51.9/52.4	In Weaverville, from Mill Street to Mountain View Street. Widen shoulders. Supplemental funds are needed to award the construction contract.	354801 3033 2003/04 302-0042 302-0890 20.20.201.010 SHOPP	\$135,000 \$1,209,000 \$1,344,000	\$44,000 \$401,000 \$445,000	\$179,000 \$1,610,000 \$1,789,000



PROJECT DESCRIPTION

This safety project is located in Trinity County within the town of Weaverville. There have been a total of eighteen accidents, with one fatality, over the last five years within this project limits. Six of the accidents involved pedestrians and bicycles. The total number of accidents within the area is about 40% higher than the statewide average. This project is expected to lower the accident rate by widening the shoulders of the roadway within the project limits, which includes bikeways, at various locations on State Route 299. The project will also widen the East Weaver Creek Bridge as well as reconstructing the curb, gutter, sidewalk, and drainage work on Route 299.

FUNDING STATUS

The project was programmed in the 2002 SHOPP for \$1,294,000 for construction in FY 2003-04. In March 2004, funds were allocated for \$1,344,000. Bid results were opened in May 2004. An additional \$445,000 is needed to award this contract to the low bidder. This request for supplemental funds results in an overall increase of 33% over the voted amount for this project.

REASON FOR INCREASE

The contract bids were opened on May 5, 2004. Three bids were received for this project with the lowest bid being 35 percent higher than the Engineer's Estimate. There is no reason to expect that lower bids would result from re-advertisement of the project since the next two bids were three and six percent above the lowest bid, respectively.

In comparing the low bid with the Engineer's estimate, most of the cost increases are associated with structural items. These included structural concrete, structural piles, pre-cast concrete girders, reinforcing steel, culverts, minor concrete, concrete barrier, class II aggregate base, asphalt concrete, and excavation. Additionally, according to the low bidder, the bid was also higher than the Engineer's Estimate due to the general increases in labor costs and materials costs such as reinforcing steel, concrete, rock products, asphalt, plastic pipes, and fuel.

Although allowances were included in the Engineer's Estimate for consideration of some of these factors, the contractor's bid contained costs significantly higher than anticipated. An additional \$445,000 in supplemental funds is needed in order to award this project.

FUNDING OPTIONS

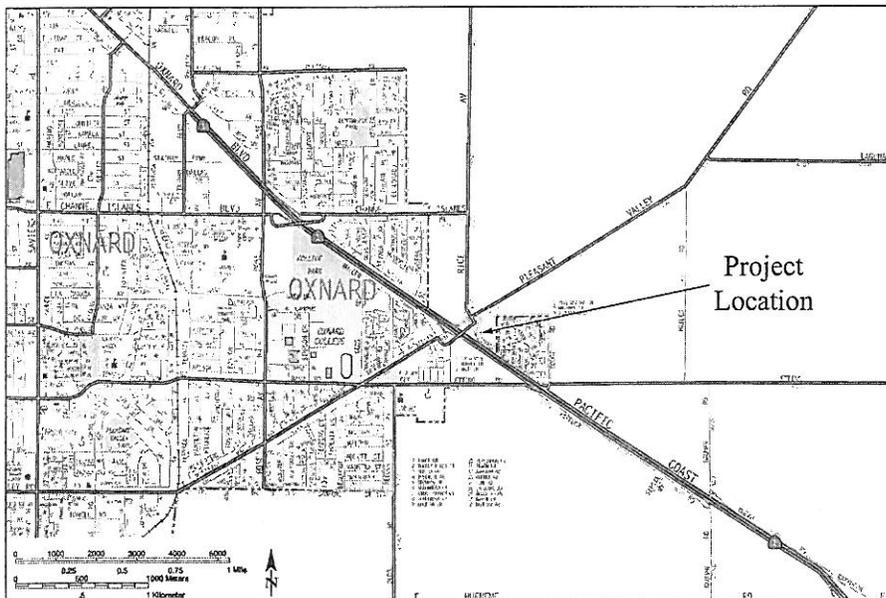
OPTION A: Approve this request as presented above for \$445,000 to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to deliver the project within the current allocation. The Department considered this option and determined that reducing the scope of work of this project, and executing another project to complete the deleted work later would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION

The Department recommends that this request for \$445,000, 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
2.5e Supplemental Funds for Previously Voted Projects					Resolution: FA-03-08
3 \$1,750,000 Department of Transportation Ventura 07S-Ven-1 15.0	In Oxnard, at Pleasant Valley Road. Modify Interchange. Supplemental funds are needed to complete construction. (Contribution from other sources totaled \$1,302,000)	117041 1157M 2000/01 301-0042 301-0890 20.20.075.412 RIP	\$3,490,000 \$26,950,000		\$3,490,000 \$26,950,000
		2001/02 301-0042 301-0890 20.20.075.412 RIP	\$62,800 \$483,200		\$62,800 \$483,200
		2002/03 301-0042 301-0890 20.20.075.400 RIP		\$201,000 \$1,549,000	\$201,000 \$1,549,000
			\$30,986,000	\$1,750,000	\$32,736,000



PROJECT DESCRIPTION

This project is located in Ventura County in Oxnard from 0.7 km south of Etting Road to Channel Island. This project will construct an interchange on the state highway with drainage improvements.

FUNDING STATUS

The project was programmed in the 1998 STIP (State Transportation Improvement Program) for \$27,988,000 for construction in FY 2001-02. In June 2000, funds were voted for the programmed amount. The project was awarded to Security Paving Company for \$30,440,000 after Resolution #G-12 allocation adjustment. During the construction of the project, additional G-12 funds for \$546,000 were approved to pay for additional traffic handling and excavation work. This request for \$1,750,000 in supplemental funds to complete the drainage work on Etting drain will result in an overall cost increase of 17% over the vote amount of the project.

REASON FOR COST INCREASE

New drainage improvements are required to prevent the flooding of farmlands, residential properties, and school on the south side of the interchange. The scope of the drainage improvements was identified in the environmental document, but was not included in the contract plans because of delays in obtaining an agreement with the local drainage district regarding the Etting Road drain. The required permit from Ventura County was not obtained until January 2004.

The drainage improvements are necessary to prevent flooding, and to fulfill the commitment in the environmental document and Ventura County, Oxnard Drainage District #2, and City of Oxnard. Ventura County Transportation Commission (VCTC) has worked with the Department to address this issue. VCTC is also in support of the supplemental allocation and the use of regional STIP funds to complete the legally required drainage improvements for the project.

The Department is requesting \$1,750,000 in supplemental funds to complete the drainage works. Since the construction work on the project has been completed, the drainage improvements will not be done as a contract change order due to the high re-mobilization and overhead charges. In order to reduce the cost, the drainage improvements will be advertised and performed under a separate contract. The Plans, Specifications, and Estimates (PS&E) package for this work has been prepared and is readied for advertisement. Pending the Commission's approval of this request, the drainage improvements will be completed this fall prior to the winter rains.

FUNDING OPTIONS

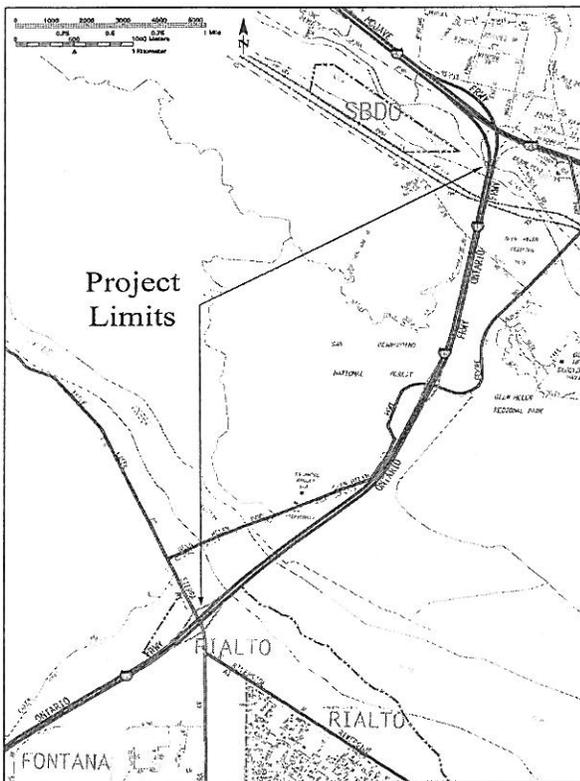
OPTION A: Approve this request as presented above for the \$1,750,000 to complete the drainage improvements on this project.

OPTION B: Deny this request and direct the Department to deliver the project within the allocated funds. The Department has considered this option. Since the construction contract has been completed, there are no options available to reduce costs in order to fund the required drainage work. Without the approval of the supplemental funds, the Department will be unable to complete the drainage work and will face significant legal exposure and potential liabilities should there be damages due to flooding.

RECOMMENDED OPTION

The Department recommends that this request for \$1,750,000, as presented in Option A above, be approved to allow the completion of the overall project.

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
2.5e Supplemental Funds for Previously Voted Projects					Resolution: FA-03-08
4 \$3,850,000 Department of Transportation San Bernardino 08S-SBd-15 12.8/16.1	In San Bernardino County. Near Devore, from Sierra Avenue to Cajon Creek Bridge - Rehabilitate roadway Supplemental funds are needed to award the construction contract.	0A4221 0069J 2002-03 302-0042 302-0890 20.20.201.120 SHOPP	\$1,063,000 \$11,537,000		\$1,063,000 \$11,537,000
		2003-04 302-0042 302-0890 20.20.201.120 SHOPP		\$325,000 \$3,525,000	\$325,000 \$3,525,000
			\$12,600,000	\$3,850,000	\$16,450,000



PROJECT DESCRIPTION

This project is located in San Bernardino County in and near Rialto and Fontana. The project will replace the outer lane and perform random slab replacement of the adjacent lane in both directions on-Route 15 between Sierra Avenue and Cajon Creek Bridge, and will also rehabilitate the roadway shoulder, grind pavement, and upgrade dikes and guardrails.

FUNDING STATUS

The project was programmed in the 2002 SHOPP for \$12,600,000 for construction in FY 2002-03. In June 2003, funds were allocated for the programmed amount. The project was advertised and bids opened on November 13, 2003. Since the lowest bid was 82 percent over the Engineer's Estimate, the bids were rejected and the scope of work was reduced to remain within the allocated funding. The project was re-advertised and bid results were opened on May 27, 2004. An additional \$3,850,000 is needed to award this contract to the low bidder. This request for supplemental funds results in an overall increase of 31% over the voted amount for this project.

BACKGROUND

This project is the highest priority in the District's roadway rehabilitate program. The Route 15 pavement within the proposed project limits is highly distressed and requires immediate rehabilitation. The outer lanes for the entire project limits are in very poor condition due to severe cracking and differential settlement, which have resulted in repeated interim patching, slab replacement, and emergency closure of the lanes.

The project was originally programmed in the 2002 SHOPP as part of EA 08-0A420 and funds to be allocated in the FY 2005-06. Due to the deteriorating condition of the pavement, the parent project was split into EA 08-0A422 (Phase 1) and EA 08-0A423 (Phase 2) so that critical portion of this project could be delivered earlier in FY 2002-03. This project was funded by advancing \$12,600,000 of the parent project's total programmed funds from FY 2005-06 to FY 2002-03.

REASON FOR INCREASE

The contract bids were opened on May 27, 2004. Three bids were received for this project with the lowest bid being twenty nine percent higher than the Engineer's Estimate. The next two bids were less than one percent and sixteen percent above the lowest bid, respectively.

The Department reviewed the low bidder contract bids and conducted interviews with the contractor regarding some high cost items. According to the low bidder, risks due to the small number of working days to complete the project, and the limited construction windows, increased the bid price. The construction of the project is to be completed prior to the winter season. Other factors contributing to the high bids are the increase in the material costs such as rapid strength concrete and aggregates. Although allowances were included in the Engineer's Estimate for consideration of some of these factors, the contractor's bid contained costs significantly higher than anticipated. An additional \$3,850,000 in supplemental funds is needed in order to award this project.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for additional funds to allow this project to be awarded.

OPTION B: Deny this request and direct the Department to deliver the project within the current allocation. The Department considered this option and determined that reducing the scope of work of this project, and executing another project to complete the deleted work later would result in greater costs and more disruption to the traveling public.

RECOMMENDED OPTION

The Department recommends that this request for \$3,850,000, as presented in Option A above, be approved to allow this project to be awarded.