State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

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To: CHAIR AND COMMISSIONERS

Meeting Date: November 2-3, 2005

Reference No.: 2.5e.(2)
Action Item

PASSED BY
CTC
NOV 03 2005
CALIFORNIA
TRANSPORTATION COMMISSION

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-05-05**

RECOMMENDATION:

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

FINANCIAL RESOLUTION:

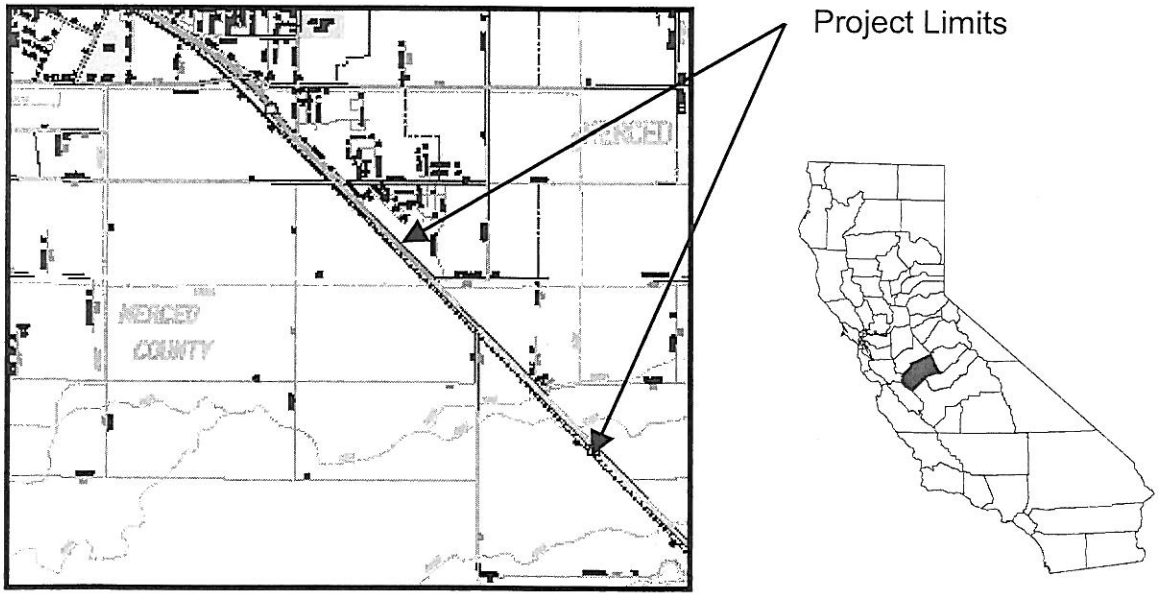
Resolved that $29,360,000 be allocated from the Budget Act of 2005, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide additional funds to allow the following three projects to be awarded.

SUMMARY AND CONCLUSIONS:

This resolution allocates $29,360,000 of additional State and Federal funds for the 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	10-Mer-99	$48,531,000	--	$48,531,000	$24,788,000	$73,319,000	51% V
2	07-LA-405	$12,351,000	--	$12,351,000	$3,859,000	$16,210,000	31%V
3	07-LA-110	$2,470,000	--	$2,470,000	$713,000	$3,183,000	29%V

Project # Allocation Amount Recipient RTPA/CTC 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.(2) Supplemental Funds for Previously Voted Projects					**Resolution FA-05-05**
1 $24,788 ,000 Department of Transportation MCAG Merced 10N-Mer-99 10.2/12.8	In Merced from Owens Creek Bridge to south of Childs Avenue. Convert 4-lane expressway to 6-lane freeway and construct interchange at Mission Avenue. Supplemental funds are needed to award this contract.	363111 10-0528D RIP/ 05-06 **301** ~~302~~-0042 **301** ~~302~~-0890 20.20.075.600 IIP/05-06 **301** ~~302~~-0042 **301** ~~302~~-0890 20.20.025.700	 $2,573,000 $20,296,000 $2,944,000 $22,718,000 $48,531,000	 $1,138,000 $8,778,000 $1,706,000 $13166,000 $24,788,000	 $3,711,000 $29,074,000 $4,650,000 $35,884,000 $73,319,000



PROJECT DESCRIPTION

This project is in Merced County on Route 99. The scope of work includes constructing a six lane freeway on new alignment from McHenry Road to Childs Avenue Overcrossing. The project also includes construction of a diamond interchange at Mission Avenue with a southbound loop on-ramp, frontage roads, sound wall, and realignment of local roads.

FUNDING STATUS

The project was programmed in the 2004 State Transportation Improvement Program (STIP) for $48,531,000 for construction in FY 2005-06 and received an allocation of $48,531,000 in July 2005. The project was advertised, and bids were opened on October 5, 2005. There were two bids and the low bid was $68,879,629, 54 % over the Engineer's Estimate. Approval of $24,788,000 in supplemental funds combined with $1,055,494 in City of Merced local funds will allow the project to be awarded. This project is programmed 60% in the Interregional Improvement Program (IIP) and 40% in the Regional Improvement Program (RIP). The supplemental funds will count against IIP and RIP shares proportional to the programmed funding. This supplemental funds request is supported by the Merced County Association of Governments (MCAG).

REASONS FOR COST INCREASE

The project's Plans, Specifications and Estimate (PS&E) was completed in December 2004, which was prior to the recent increase in material costs. The Department performed a bid analysis to evaluate the differences between the Engineer's Estimate and the contract bid items. The results of the analysis indicate that five items related to imported borrow, concrete, and steel accounted for 80% of the cost increase. The low bidder cited the reason for the higher cost was due to the increase in the price of fuel and commodities.

Bid item	**Engineer's Estimate**	**Bid Amount**	**Difference**
Import Borrow	$7,819,500	$21,654,000	$13,834,500
Concrete Pavement	$3,828,000	$7,788,000	$3,960,000
Bar Reinforcing Steel	$1,481,708	$2,217,523	$735,814
Seal Pavement Joint	$153,500	$767,500	$614,000
Cast in Steel Shell Concrete Pile	$206,400	$722,400	$516,000
		Total	$19,659,000

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for $24,788,000 to allow this project to be awarded.

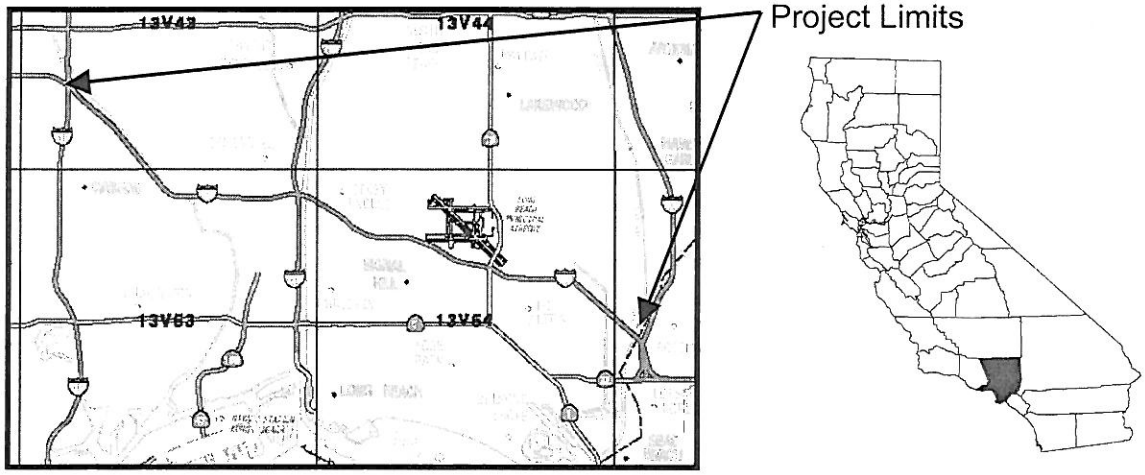
OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount.

OPTION C: Deny this request and direct the Department to reject all bids and readvertise with the current scope.

RECOMMENDED OPTION

The Department recommends that this request for $24,788,000, as presented in Option A above, be approved to allow the project to be awarded. The Department believes that the apparent low bidder is reasonable, compared to other recent bids with similar items. Approving the request for supplemental funds would provide the needed improvements in the least time and disruption to the public.

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.(2) Supplemental Funds for Previously Voted Projects					**Resolution FA-05-05**
2 $3,859,000 Los Angeles 07S-LA-405 0.0/20.3	In Los Angeles County - Orange County line to Route 110 - rehabilitate pavement	244401 07-3516 2005-06 302-0042 302-0890 20.20.201.121 SHOPP	$1,041,000 $11,310,000 $12,351,000	$325,000 $3,534,000 $3,859,000	$1,366,000 $14,844,000 $16,210,000
	Supplemental funds are needed to award the contract.				



PROJECT DESCRIPTION

This project is in Los Angeles County on Route 405. The scope of work includes replacing concrete slabs, installation of electrical loops, and grinding of pavement.

FUNDING STATUS

The project was allocated in July 2005 for $12,351,000. The bids were open on September 22, 2005. There were four bidders and the lowest bid came in at $14,502,486, 35% over the Engineer's Estimates of $10,771,026. The other three bidders came in at 47%, 53%, and 69% over the Engineer's Estimate. An additional $3,859,000 is needed to award the contract.

REASONS FOR COST INCREASE

The project Plans, Specifications and Estimate (PS&E) was completed in May 2005, which was prior to the recent increase in material costs. The cost increase on this project is due to the following bid items and is being attributed to the recent increase in the cost of building materials.

Bid item	**Engineer's Estimate**	**Bid Amount**	**Difference**
Structure concrete	$3,027,350	$4,707,450	$1,680,100
Grinding pavement	$2,920,000	$5,402,000	$2,482,000
		Total	$4,162,100

The two bid items above account for more that the requested funds due to other bid items coming in lower.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for $3,859,000 to allow this project to be awarded.

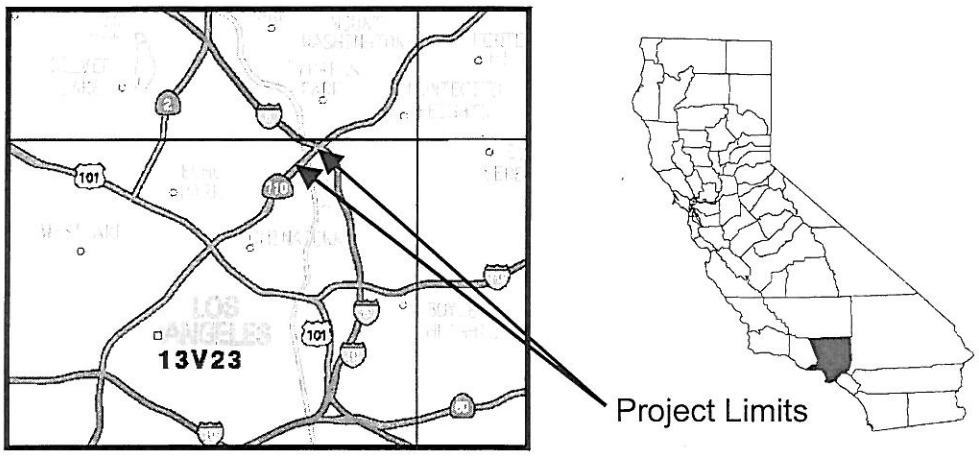
OPTION B: Deny this request and direct the Department to downscope the project to remain within the allocated amount.

OPTION C: Deny this request and direct the Department to reject all bids and readvertise with the current scope.

RECOMMENDED OPTION

The Department recommends that this request for $3,859,000, as presented in Option A above, be approved to allow the project to be awarded. The Department believes that the apparent low bidder is reasonable, compared to other recent bids with similar items. Approving the request for supplemental funds would provide the needed improvements in the least time and disruption to the public.

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.(2) Supplemental Funds for Previously Voted Projects					**Resolution FA-05-05**
3 $713,000 Los Angeles 07S-LA-110 24.5/25.5	In Los Angeles - south of Hill Street onramp to northbound Route 5 connector - Restripe connector and install guide sign.	243501 07-3397 2005-06 302-0042 302-0890 20.20.201.010	-- $2,470,000	-- $713,000	-- $3,183,000
	Supplemental funds are needed to award the contract.	SHOPP	$2,470,000	$713,000	$3,183,000



PROJECT DESCRIPTION

This project is in Los Angeles County on Route 110. The scope of work includes constructing a second part-time optional lane by installing internally illuminated pavement markers, overhead signs and message signs.

FUNDING STATUS

The project was allocated in July 2005 for $2,470,000. The bids were open on September 22, 2005. The sole bidder on the project came in at $2,480,174, which is 40% over the Estimate's Estimate of $1,773,803. An additional $713,000 is needed to award the project.

REASONS FOR COST INCREASE

The majority of the cost increase on this project is attributed to the following bid items and is being attributed to the recent increase in the cost of building materials.

Bid item	Engineer's Estimate	Bid Amount	Difference
Traffic control System	$114,000	$235,000	$121,000
Internally Illuminated Pavement Markers	$154,100	$590,000	$435,900
Flashing Beacon and Sign Illumination	$131,500	$469,280	$337,780
		Total	$894,680

The three bid items above account for more that the requested funds due to other bid items coming in lower.

FUNDING OPTIONS

OPTION A: Approve this request, as presented above, for $713,000 to allow this project to be awarded.

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 reject all bids and readvertise with the current scope.

RECOMMENDED OPTION

The Department recommends that this request for $713,000, as presented in Option A above, be approved to allow the project to be awarded. The Department believes that the apparent low bidder is reasonable, compared to other recent bids with similar items. Approving the request for supplemental funds would provide the needed improvements in the least time and disruption to the public.