State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

To: CHAIR AND COMMISSIONERS

PASSED BY CTC JUL 20 2006 CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: July 19-20, 2006

Reference No.: 2.5e.(2) T96
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross Chittenden
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECTS RESOLUTION FA-06-02**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FA-06-02, allocating an additional $1,295,000 for the project listed below.

ISSUE:

Additional funds are needed for a previously voted project to award the construction contract.

RESOLUTION:

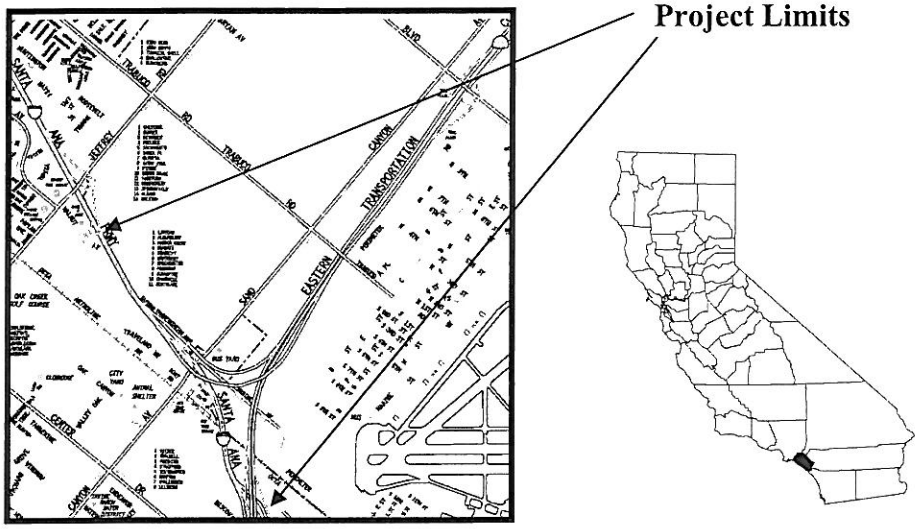
Resolved, that $1,295,000 be allocated from the Budget Act of 2004, Budget Act Item 2660-302-0042, to provide additional funds for the project listed below.

Dist-Co-Rte	Original Vote/G11 Amount	Original Award Amount	Current Budget Amount	Current Allocation Revision	Revised Budget Amount	Total Increase Vote/Award
12S-Ora-5	$8,541,000	N/A	$8,541,000	$1,295,000	$9,836,000	15%V

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	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-06-02**
1 $1,295,000 Department of Transportation Orange 12S-Ora-5 23.8/24.5	In Irvine, at Sand Canyon Avenue. Reconstruct pavement to improve surface drainage. Supplemental funds are needed to award the contract.	0F9501 12-2769A 2004-05 302-0042 302-0890 20.20.201.010 SHOPP	$8,541,000 - - $8,541,000	$1,295,000 - - $1,295,000	$9,836,000 - - $9,836,000

RECOMMENDATION:

The Department recommends that this request for $1,295,000 be approved to allow this project to be awarded.



PROJECT DESCRIPTION:

This project is located in the city of Irvine, in Orange County, on Interstate 5 from 0.5 km south of Interstate 5/133 Separation to 0.2 km south of Jeffrey Road Overcrossing. This safety project proposes to correct sags and humps within the existing traveled lanes by restoring and improving the pavement cross slope.

FUNDING STATUS:

This project was voted at the March 2006 Commission meeting for $8,541,000. Bids for this project were opened on May 18, 2006, and there were two bids at 16% and 33% over the Engineer's Estimate. The amount needed to award, based on the lowest qualified bidder, is $9,836,000. This request for $1,295,000 in supplemental funds results in an overall increase of 15% over the original allocation.

Vote Date	No. of Plan Holders	Bid Opening Date	Bid Expiration Date	No. of Bidders	Vote Amount	Amount needed to Award	% Over Vote Amount
03/2006	12	5/18/06	6/16/06	2	$8,541,000	$9,836,000	15%

REASON FOR INCREASE:
The District performed a bid analysis to determine all significant differences between the Engineer's Estimate and the lowest responsible bidder.

The bid prices have been reviewed and traffic control elements, temporary K-rail, and concrete items account for 98% of the cost increase.

The project working days schedule includes Saturdays, Sundays, and legal holidays. The Engineer's Estimate was based on this assumption. However the lowest qualified bidder indicated that their bid price was higher because they have to pay workers overtime for the required night and weekend work. There was also added cost for frequent setups and removals of traffic control related item due to the short work windows. The Engineer's Estimate did not anticipate crew premiums to perform this working day schedule and did not anticipate the number of setups and removals.

FUNDING OPTIONS

OPTION A: Approve this request for Supplemental Funds, as presented above, for $1,295,000 to allow this project to be awarded to the current low bidder.

OPTION B: Deny this request and revise the project to remain within the allocated amount and re-advertise the project. The project includes only the minimum scope of work to accomplish the purpose and need of this project. The Department has considered this option and determined that reducing the scope of work on this project, and executing another project to complete the deleted work later, would not serve the purpose and need of the original project. It will also result in greater costs and more disruption to the traveling public.

OPTION C: Deny this request and reject all bids; retain current scope of project and re-advertise. This option was considered, however, there is no guarantee of having adequate number of bidders, nor, lower price bids in the future and this option would delay a safety project.

RECOMMENDED OPTION
The Department recommends that this request of $1,295,000, as presented in Option A above, be approved to allow this project to be awarded.