

Memorandum

TAB 81

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 25, 2012

From: NORMA ORTEGA
Chief Financial Officer

PASSED BY

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



Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PROJECT PREVIOUSLY VOTED
RESOLUTION FA-11-13

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$12,967,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one previously approved project in order to award the construction contract.

RESOLUTION:

Resolved, that \$12,967,000 be allocated from the Budget Act of 2011, Budget Act Item 2660-302-0042 and 2660-302-0890 to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Allocated Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	10-Sta-99	\$72,611,000	\$72,611,000	\$12,967,000	\$85,578,000	17.9%

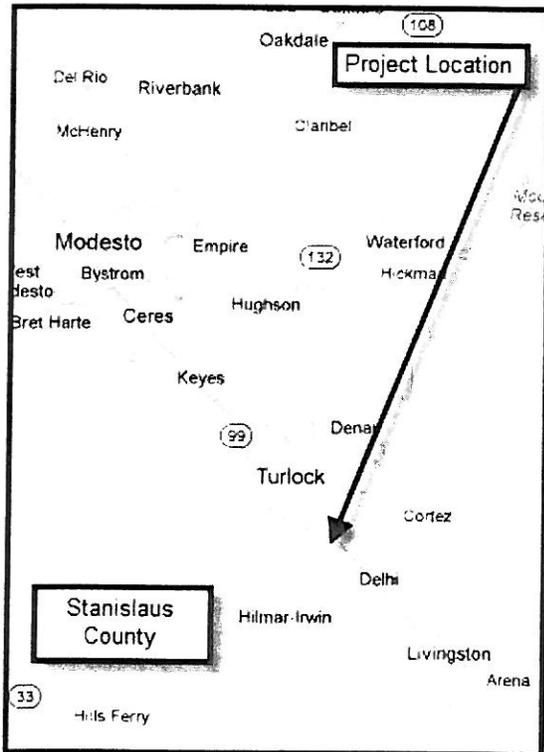
CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

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Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program Funding Year Item # Fund Type Program Codes Project ID Adv Phase EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(2) Supplemental Funds for Previously Voted Projects		Resolution FA-11-13			
1 \$12,967,000 Department of Transportation Stanislaus 10N-Sta-99 R0.0/R24.8	In and near Modesto, from the San Joaquin County Line to the Merced County Line. <u>Outcome/Output:</u> Rehabilitate 148 lane miles of roadway to improve the ride quality and prevent further deterioration of the road surface. Total Revised Amount: \$85,578,000	10-0283 SHOPP 2011-12 302-0042 SHA 302-0890 FTF 20.20.201.120 1000020344 4 0M8004	\$1,452,000 \$71,159,000	\$259,000 \$12,708,000	\$1,711,000 \$83,867,000

RECOMMENDATION:

The Department recommends that this request for \$12,967,000 be approved to allow this project to be awarded.



PROJECT DESCRIPTION:

This project is located on Route 99 in Stanislaus County in and near the cities of Turlock, Ceres and Modesto, from the Merced County line to the San Joaquin County line. The project is necessary to prevent further deterioration of the roadway surface, minimize frequent roadway repairs, improve ride quality, and extend pavement surface life. The project rehabilitates 148 lane miles of concrete pavement including:

- Removal and replacement of Portland Cement Concrete (PCC) pavement and base.
- Cold planing of shoulders and overlaying with asphalt concrete.
- Replacement of damaged slabs.
- Crack and seat of PCC pavement and overlay with asphalt concrete.

FUNDING STATUS:

The project is programmed in the 2010 SHOPP for \$91,400,000 and was voted for \$72,611,000 on August 10, 2011. Bids for this project were opened on December 6, 2011. There were six bids, and the lowest bid was 16.7 percent over the Engineer's Estimate. The amount needed to award, based on the lowest responsible bidder, is \$12,967,000. This request for \$12,967,000 in supplemental funds results in an overall increase of 17.9 percent over the original vote amount. The project will be awarded upon approval of this supplemental funds request.

REASONS FOR COST INCREASE:

The A+B contract method is utilized to minimize construction time and the corresponding road user delay costs for traffic passing through the construction zone. This method can be used on projects with a capital cost above \$5 million. Considering other projects that will be in construction concurrently on both State Route 99 in Interstate 5, minimizing user delays is essential to this project. The low bid included less than one-third the working days of the Department's estimate. The increased speed of construction translates to higher contract item costs because of increased crew and equipment needs.

The cost estimates for the items required for the roadway structural section (Jointed Plain Concrete Pavement, Hot Mix Asphalt, Lean Concrete Base, Geosynthetic Interlayer, and Class 2 Aggregate Base) were based on projects in the area using similar items. Since none of these projects had quantities as large as this project, the estimators attempted to adjust the price of quantities for this project to take advantage of the economics of scale.

The Engineer's Estimate for the Mobilization item was based on 5 percent of the contract items. The project has limited work windows and it is presumed that the lowest bidder anticipated risks associated with this type of project and its requirements and instead opted for the full 10 percent mobilization.

SPECIFIC BID ITEMS INCREASES

Description	Engineer's Estimate	Low Bid Amount	Increase
Jointed Plain Concrete Pavement (Rapid Strength Concrete)	\$17,980,000	\$23,823,500	\$ 5,843,500
Mobilization	\$ 3,255,000	\$ 7,300,000	\$ 4,045,000
Hot Mix Asphalt	\$13,179,000	\$15,089,000	\$ 1,910,000
Lean Concrete Base (Rapid Setting)	\$ 6,000,000	\$ 6,300,000	\$ 300,000
Geosynthetic Pavement Interlayer	\$ 575,700	\$ 848,000	\$ 272,700
Class 2 Aggregate Base	\$ 697,500	\$ 900,000	\$ 202,500
Remove AC Dike	\$ 39,420	\$ 175,200	\$ 35,780
Other item increases			\$ 257,520
Total Increase:			\$12,967,000

FUNDING OPTIONS:

- OPTION A:** Approve this request for supplemental funds, as presented above, for \$12,967,000 to allow this project to be awarded.
- OPTION B:** Deny this request and direct the Department to reject all bids, retain current scope of the project, and re-advertise. The Department has considered this option and determined that there is no guarantee of having adequate number of bidders or lower price bids in the future, and this option would further delay this pavement rehabilitation project.
- OPTION C:** Deny this request and direct the Department to revise the project to remain within the allocated amount and re-advertise the 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 result in greater cost and more disruption to the traveling public.

RECOMMENDED OPTION:

The Department recommends that this request for \$12,967,000, as presented in Option A, above, be approved to allow this project to be awarded.