State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

# Memorandum

**TAB 99**

**To:** CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** March 5, 2013

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

PASSED BY CTC MAR 5 2013 CALIFORNIA TRANSPORTATION COMMISSION

**From:** NORMA ORTEGA
Chief Financial Officer

**Prepared by:** Rachel Falsetti
Division Chief
Transportation Programming

**Subject:** **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT RESOLUTION FA-12-17**

## RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional $409,000 for the State Highway Operation and Protection Program (SHOPP) project identified below.

## ISSUE:

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

## RESOLUTION:

Resolved, that $409,000 be allocated from the Budget Act of 2012, Budget Act Item 2660-302-0890 to provide additional funds to allow the following project to be awarded.

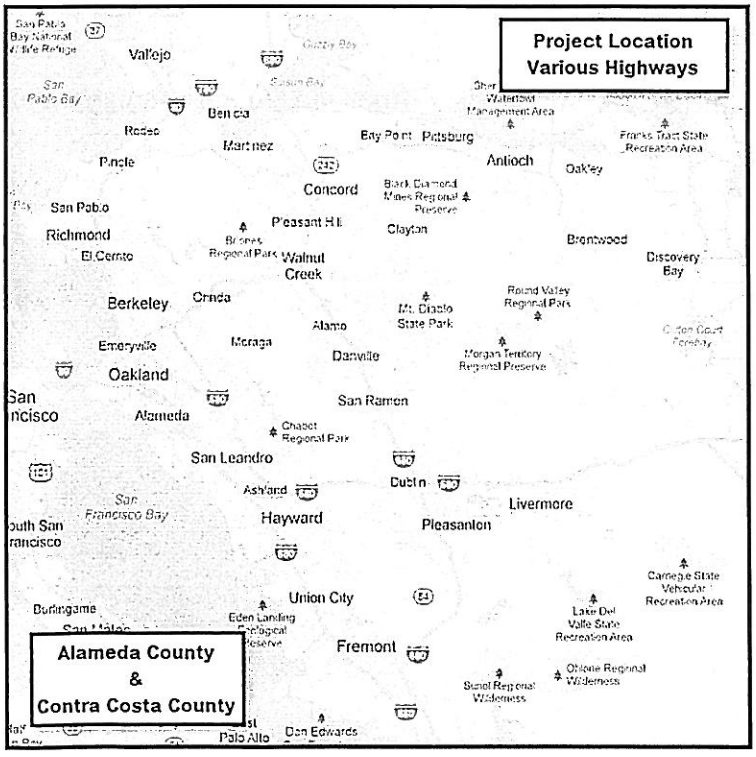
| Project | Dist-Co-Rte | Fund Source | Original Allocation Amount | Current Allocation | Allocation Adjustment | Revised Allocation | % Increase Above Current Allocation |
|---|---|---|---|---|---|---|---|
| 1 | 04-Ala-Var | SHOPP | $795,000 | $795,000 | $ 409,000 | $1,204,000 | |
| | | OTS | $4,500,000 | $4,500,000 | $ 0 | $4,500,000 | |
| | | **Total** | **$5,295,000** | **$5,295,000** | **$ 409,000** | **$5,704,000** | **7.7%** |

| Project # Allocation Amount Recipient RTPA/CTC Dist-Co-Rte Postmile | Project Title Location Project Description | PPNO Program Budget 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-12-17** |
| 1<br>$409,000<br><br>Department of Transportation<br>Alameda<br>04-Ala-4<br>Var. | In Alameda and Contra Costa Counties, at various locations on Route 4, 24 and 242.<br><br>Outcome/Output: Replace metal beam guard railing approach end treatments to reduce the severity of vehicle collisions with the barriers.<br><br>(Additional contributions: $4,500,000 – Office of Traffic Safety (OTS) federal grant.)<br><br>Supplemental Funds needed to award contract.<br><br>Total Revised Amount: $1,204,000 | 04-0075C<br>SHOPP<br>2012-13<br>302-0042<br>SHA<br>302-0890<br>FTF<br>20.20.201.015<br>0400000164<br>4<br>0A7904 | $16,000<br><br>$779,000 | <br><br>$409,000 | $16,000<br><br>$1,188,000 |

## PROJECT DESCRIPTION:

This project is located in Alameda and Contra Costa Counties on Routes 4, 80, 84, 92, 238, 242, 260, 580, 680, 880, and 980, at various locations. This project will upgrade more than 200 metal beam guard railing (MBGR) terminal systems at more than 160 locations. The project will bring existing MBGR installations into conformance with current standards, reduce the severity of vehicle collisions with roadside barriers, and improve public safety.

## PROJECT LOCATION:



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**FUNDING STATUS:**

The low bidder is 9 percent over the Engineer's Estimate, and if the project were entirely funded from the SHOPP as originally planned and programmed in the 2012 SHOPP, it would proceed to award without further Commission action. However, in order to leverage limited SHOPP funding, a fixed OTS grant of $4,500,000 was obtained, with the balance of the funding, $795,000, allocated by the Commission from the SHOPP. Since the Department's ability to adjust the funding according to Commission Resolution G-12, Delegation of Authority to Adjust Project Allocation, is based solely on the original Commission SHOPP allocation, and not the entire project budget, a supplemental funds vote from the SHOPP is needed to award.

An additional $409,000 in supplemental funds is needed in order to award this project to the low bidder.

**REASONS FOR COST INCREASE:**

The Department performed a bid analysis to evaluate the differences between the Engineer's Estimate and the contract bid items. The contract has 61 bid items. Five of these bid items have cost differences. These items are Hot Mix Asphalt (Type A), Transition Railing (Type WB), Alternative Flared Terminal System, Clearing and Grubbing, and Place Hot Mix Asphalt Dike (Type C).

| Bid Item | Engineer's Estimate | Bid Amount | Difference |
|---|---|---|---|
| Hot Mix Asphalt (Type A) | $202,500 | $417,000 | $214,500 |
| Transition Railing (Type WB) | $368,550 | $455,000 | $ 86,450 |
| Alternative Flared Terminal System | $156,420 | $197,500 | $ 41,080 |
| Clearing and Grubbing | $ 18,000 | $ 50,000 | $ 32,000 |
| Place Hot Mix Asphalt Dike (Type C) | $ 35,280 | $ 66,528 | $ 31,248 |
| Miscellaneous Adjustments/Contingencies | | | $ 3,722 |
| | | **Total** | **$ 409,000** |

The Engineer's Estimate for all the items is consistent with the current market. After detailed review of all bids, there does not appear to be any apparent flaws in the contract or the low bid that would require rejecting the bids. This project includes work at 160 locations which is likely a contributing factor for the low bidder being 9 percent over the Engineer's Estimate.

An additional $409,000 in supplemental funds is needed in order to award this project to the low bidder.

**FUNDING OPTIONS:**

**OPTION A:** Approve this request as presented above for $409,000 to allow this project to be awarded.

**OPTION B:** Deny this request and direct the Department to down scope the project to remain within the allocated amount. The Department 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 costs and the delay benefits of safety enhancement to the traveling public.

**RECOMMENDED OPTION:**

The Department recommends that this request of $409,000, as presented in Option A above, be approved to award the project to the low bidder.