State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

# Memorandum

**TAB 82**

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

**CTC Meeting:** January 25, 2012

PASSED BY CTC JAN 2 5 2012 CALIFORNIA TRANSPORTATION COMMISSION

**Reference No.:** 2.5e.(1)
Action Item

**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-11-12**

## RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional $261,000 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:

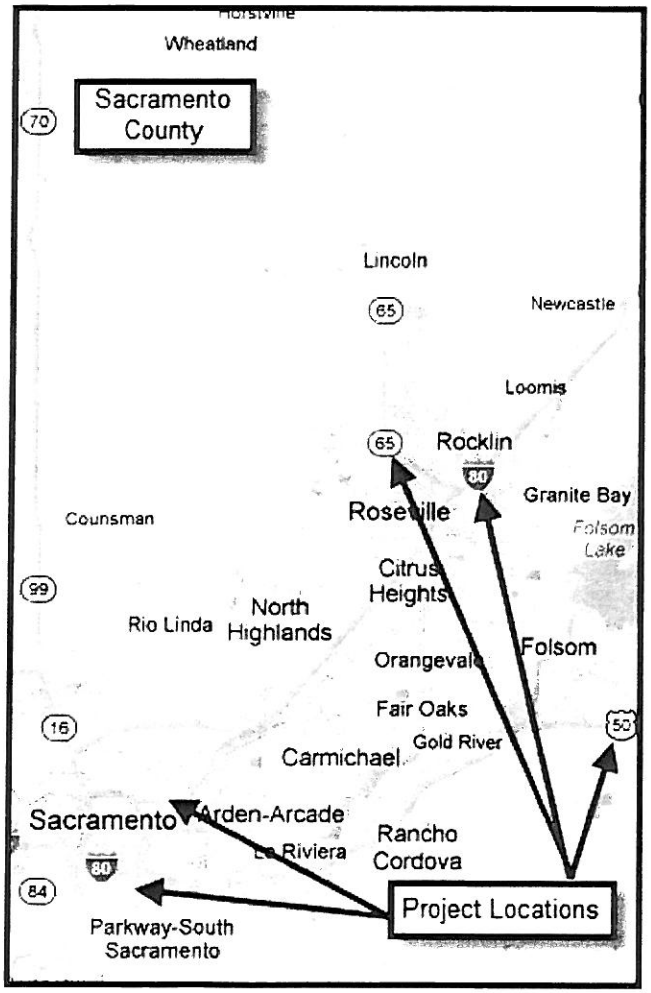
Resolved, that $261,000 be allocated from the Budget Act of 2011, Budget Act Item 2660-302-0890 to provide additional funds to allow the following project to be awarded.

| Project | Dist-Co-Rte | Original Allocated Amount | Current Allocation | Allocation Adjustment | Revised Allocation | % Increase Above Current Allocation |
|---|---|---|---|---|---|---|
| 1 | 03-Sac-Var | $599,000 | $ 599,000 | $261,000 | $860,000 | 43.6% |

| 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.(1) Supplemental Funds for Previously Voted Projects** | | | | | **Resolution FA-11-12** |
| 1<br>$261,000<br><br>Department of Transportation Sacramento<br><br>03N-Sac-Var<br>Var | In Sacramento, Placer, Yuba, and Yolo Counties, at various locations.<br>Outcome/Output: Upgrade metal beam guardrail end treatments to comply with the National Cooperative Highway Research Program Report 350 standards.<br><br>($2,000,000 OTS Funds)<br><br>Total Revised Amount: $860,000 | 03-6907<br>SHOPP<br>2011-12<br>302-0042<br>SHA<br>302-0890<br>FTF<br>20.20.201.015<br>0300000467<br>4<br>3E0304 | $12,000<br><br>$587,000 | <br><br>$261,000 | $12,000<br><br>$848,000 |

## RECOMMENDED OPTION:

The Department recommends that this request of $261,000, be approved to allow this project to be awarded.



**PROJECT DESCRIPTION:**

This project is located in Sacramento, Placer, Yuba, and Yolo Counties at various locations. This project is part of the Clean Up Roadside Environment (CURE) program, which is a proactive program to enhance highway safety by upgrading the existing highway safety features with the roadway clear recovery zone. This project will replace end treatments and bridge approach of metal beam guardrail to meet the current safety recommendations set by the National Cooperative Highway Research Program 350.

**FUNDING STATUS:**

The project was programmed in the 2010 State Highway Operations Protection Program (SHOPP) for $858,000 for construction in Fiscal Year (FY) 2012-13. This project includes an additional $2,000,000 of Office of Traffic Safety (OTS) federal grant contribution. In August 2011, $599,000 of SHOPP funds was allocated for this project. Total maximum funds available are $2,799,000 ($599,000 + $200,000 of available G-12 adjustment authority + $2,000,000 of OTS). Bids were opened on October 26, 2011. There were four bidders, one of which was determined to be non-responsive. The lowest responsible bid was $2,377,777, which is 12 percent over the Engineer's Estimate. The other two bids are 17 percent and 28 percent above the Engineer's Estimate. The total amount needed to award, based on the lowest responsible bid is $2,860,000. This request is for $261,000 to award this project.

**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 project includes work at 93 locations across four counties. Although the Department's estimate attempted to accurately estimate the cost of this work, it undervalued the impact and expense resulting from the numerous locations, each with relatively small quantities of work. The contract has 51 bid items. Four of these bid items have significant cost differences. These items are Traffic Control System, Temporary Railing (Type K), Minor Concrete (Minor Structures), and Transition Railing (Type WB).

| Bid Item | Engineer's Estimate | Bid Amount | Difference |
|---|---|---|---|
| Traffic Control System | $ 91,000 | $160,000 | $ 69,000 |
| Temporary Railing (Type K) | $ 75,300 | $140,560 | $ 65,260 |
| Minor Concrete (Minor Structure) | $ 73,200 | $142,740 | $ 69,540 |
| Transition Railing (Type WB) | $176,900 | $213,500 | $ 36,600 |
| Miscellaneous Adjustments/Contingencies | | | $ 20,600 |
| | | **Total** | **$ 261,000** |

An additional $261,000 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 $261,000 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 $261,000, as presented in Option A above, be approved to award the project to the low bidder.