

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 9, 2019

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(3), Action Item

Prepared By: Tim Gubbins,
District 5 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR PREVIOUSLY VOTED PROJECT
(PPNO 4020/EA 0N200 – MONTEREY COUNTY – US 101)
RESOLUTION FA-19-08**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$615,000 for the State Highway Operation and Protection Program (SHOPP), Transportation Management project on US 101 in Monterey County, to award the construction contract?

RECOMMENDATION:

The Department recommends that the Commission approve this request for supplemental funds allocation for this SHOPP project.

PROJECT DESCRIPTION:

This project is located on US 101, in and near the city of Salinas, in Monterey County. The project will install vehicle detection systems, changeable message sign (CMS), cameras, and a maintenance vehicle pullout. This transportation management project will provide operational efficiencies to the traveling public along 10 miles of US 101 and require work at 11 different locations.

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to enhance California’s economy and livability”*

FUNDING AND CONTRACT STATUS:

The project was programmed in the 2018 SHOPP for \$1,500,000 in construction capital and delivery in Fiscal Year 2018-19. The project's Plans, Specifications and Estimate (PS&E) and the Engineer's Estimate (EE) were completed in April 2019, and in June 2019, the Commission approved an allocation of \$1,524,000 in construction capital. The amount needed to award the contract, based on the lowest responsible bidder is \$2,139,000. Therefore, the Department is requesting a supplemental funds increase of \$615,000 in construction capital to award this project to the lowest qualified bidder.

The contract award status is pending approval of this request for supplemental funds by the Commission. If the Commission approves this request, construction would begin in November 2019 and would take 100 working days to complete construction in one construction season.

REASON FOR COST INCREASE:

The project was advertised in July 2019, and the Department received four bids. Bids were opened on August 27, 2019. The apparent low bidder and third and fourth bidders were non-responsive. The second bidder became the apparent low bidder and was higher than the allocated funds. Even though all four bidders are higher than the Engineer's Estimate (EE), they were in the same range of costs. In addition, all four bidders were utilizing the same subcontractor to perform specialty work included in this project. No local contractors participated in the bidding process.

All four bids valued the Traffic Monitoring Station System item higher than the EE. The apparent low bidder estimated each of the 11 locations as independent projects and factored separate mobilization of the crew for each "project" or work task since locations are far apart from each other. The contractor used this mobilization concept to also estimate the hours and production rates for the work at each site. The EE was appropriate for the 11 locations but assumed that the contractor would have one main mobilization effort with a construction yard near all the locations standard to similar projects done in the past.

The Furnish Sign Truss Structure and Minor Hot Mix Asphalt items for the second bidder also exceeded the EE. For the Furnish Sign Truss Structure, the contractor explained that this work would be subcontracted work and accepted the quote from the subcontractor; who was also the third lowest bidder. The subcontractor noted concerns working in this area and indicated the supplier was from out of state and busy filling orders requiring overtime. For the Minor Hot Mix Asphalt, the apparent low bidder explained that since the quantity of this work was small, it was difficult to find paving companies willing to submit bids. Especially, since there is so much paving work underway in the State.

The Department had anticipated a high price for these contract items and the EE assigned a higher than standard value because of the project's many locations. However, contractors' bids were still higher than the EE because of the methods considered for mobilization and the limited availability of suppliers and subcontractors.

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Analysis of Alternatives:

The Department has determined that the additional requested funds are in the best interest of the State to avoid delays in implementing this important project and avoid the extra cost for the department.

The Department has exercised all feasible measures to minimize costs in carrying out work related to this project and has determined that this request is well-supported and is the only viable alternative available.

CONSEQUENCES:

If this project is not successful in obtaining supplemental funds, the Department will not be able to award this transportation management system project. The consequences of not completing this project include the worsening of traffic conditions on this section of U.S. 101 for the traveling public due to the lack of incident management. The Department considered eliminating some locations, but the benefit for the asset improvement would not be fully realized, and the Department would have to develop another project to be consistent with the Transportation Asset Management Plan. Considering the current bidding environment, re-advertising the contract will delay the delivery of this project and will not result in lower bids.

FINANCIAL RESOLUTION:

Resolved, that \$615,000 be allocated from Non-Budget Act Item 2660-802-3290 for construction, to provide funds to award the project.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	Recipient	County	Dist-Co-Rte	Postmile	Project Title	Location	Project Description	Project Support Expenditures	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.(3) Supplemental Funds For Previously Voted Project										Resolution FA-19-08												
	\$615,000	Department of Transportation	TAMC	Monterey	05-Mon-101	86.0/95.8	In and near Salinas, from 0.4 mile north of Airport Boulevard Overcrossing to 0.3 mile south of San Miguel Canyon Road.	<u>Outcome/Output</u> : Install vehicle detection systems, Changeable Message Signs (CMS), cameras, and a vehicle pullout.		05-4020	SHOPP/2017-18	802-3290	RMRA	20.20.201.315				\$1,524,000			\$1,524,000	
							Supplemental funds are needed to Award.			SHOPP/2017-18	802-3290	RMRA	20.20.201.315						\$615,000		\$615,000	
							Total revised amount \$2,139,000															