

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2019

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(1), Action Item

Prepared By: Dan McElhinney,
District 10 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR PREVIOUSLY VOTED PROJECT (PPNO 3110/EA 0X690 – SAN JOAQUIN COUNTY – STATE ROUTE 4, INTERSTATE 5, AND STATE ROUTE 99) RESOLUTION FA-19-01**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$1,686,000 for the State Highway Operation and Protection Program (SHOPP), Roadside Safety Improvement project on State Route (SR) 4, Interstate 5, and SR 99, in San Joaquin County, to award the construction contract?

RECOMMENDATION:

The Department recommends that the Commission approve the requested supplement fund allocation for this SHOPP project.

PROJECT DESCRIPTION:

This project is located is located on SR 4 in and near the city of Stockton, in San Joaquin County. The project will construct gore paving, slope paving, maintenance vehicle pullout (MVP) and provide an access gate into the existing sound wall. The significant benefit of the project is highway worker safety.

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FUNDING AND CONTRACT STATUS:

The project was programmed in the 2016 SHOPP for \$3,520,000 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 January 2019, and in March 2019, the Commission approved fund allocation of \$3,598,000 in Construction Capital and \$689,000 in Construction Support. The amount needed to award the contract, based on the lowest responsible bidder is \$5,284,000 for Construction Capital. The Department is requesting a supplemental funds increase of \$1,686,000 in Construction Capital to award this project to the lowest qualified bidder

At this time, 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 October 2019 and would take 200 working days to complete construction in one construction seasons.

REASON(S) FOR COST INCREASE:

The project was advertised in April 2019, and the Department received only two bids. Bids were opened on May 8, 2019, and the lowest qualifying bidder was higher than the allocated funds approved.

The two bids valued several contract items higher than the EE, and the contractors attributed the higher prices to the work locations spread within the project limits, and the reduced productivity factor that results in a higher unit cost.

The higher cost items that were impacted by the location spread are: Structural Concrete Pile Cap, Cast-In-Drill-Hole Concrete, Sound Wall (masonry block), Remove Sound Wall, Concrete Barrier (types 25sv), Gore Area Paving; Clearing and Grubbing, Roadway Excavation, Rock Blanket, and Class II Aggregate Base. The approximate cost of these items was \$1,150,000 over the EE.

Site Management and Traffic control were also significantly higher than EE. The Department did anticipate a high price for this contract item and the EE assigned a significantly higher value than the Department's own Office of Construction Estimate Review recommended values. However, the contractors' bids were still higher than the EE. The approximate cost of this item was \$515,000 over the EE.

While the Department's EE did include aspects related to the issues identified by the low bid contractor, the fact that the project only received two bidders was not factored into the EE.

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 extra cost to reprogram and re-advertise.

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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 project. The consequences of not completing this project include leaving the roadway facilities “as is” and not addressing the safety issues that affects the Department’s maintenance workers. Considering the current bidding environment, re-advertising the contract will not only delay the delivery of this project but also once a change in the weather begins at this location, the wet weather could change the character of the roadway and eventually cost the Department more money to deliver this project.

FINANCIAL RESOLUTION:

Resolved, that \$1,686,000 be allocated from the Budget Act of 2019, Budget Act Items 2660-302-0042 and 2660-302-0890 for construction to provide funds to award the project.

Attachment

2.5 Highway Financial Matters

Project #	Project Title	PPNO Program Funding Year	State	State	State
Allocation Amount	Location	Item #	Federal	Federal	Federal
Recipient	Project Description	Fund Type	Additional	Revised	Revised
<u>RTPA/CTC</u>	Project Support Expenditures	Program Codes	Amount by	Amount by	Amount by
County		Project ID	Fund Type	Fund Type	Fund Type
Dist-Co-Rte		Adv Phase	Current Amount	Additional	Revised
Postmile		EA	by Fund Type	Amount by	Amount by
				Fund Type	Fund Type
2.5e.(1)	Supplemental Funds For Previously Voted Project			Resolution FA-19-01	
\$1,686,000	In Stockton, from Garfield Avenue to Route 99 at various locations. <u>Outcome/Output</u> : Highway worker safety improvements.	10-3110 SHOPP/2018-19 302-0042	\$413,000		\$413,000
Department of Transportation <u>SJCOG</u>	Supplemental funds are needed to Award.	SHA 302-0890	\$3,185,000		\$3,185,000
San Joaquin 10-SJ-4 R15.7/R19.2	Total revised amount \$5,284,000	FTF 20.20.201.235			
		SHOPP/2019-20 302-0042		\$193,000	\$193,000
		SHA 302-0890	\$1,493,000		\$1,493,000
		FTF 20.20.201.235 1013000241 4 0X690			