MEMORANDUM

To: CHAIR AND COMMISSIONERS CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2019

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8b.(1), Action Item

Prepared By: Bruce De Terra, Chief Division of Transportation Programming

Subject: <u>REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR STATE</u> <u>ADMINISTERED PROJECTS ON THE STATE HIGHWAY SYSTEM, PER SHOPP</u> <u>GUIDELINES</u> WAIVER 19-51

ISSUE:

Should the California Transportation Commission (Commission) approve a seven-month extension, to award the Templin Highway Reinforced Concrete Pipe State Highway Operation and Protection Program (SHOPP) project on Interstate 5 (I-5), in Los Angeles County (PPNO 4847, EA 07-31360)?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission approve a seven-month extension to award the Templin Highway Reinforced Concrete Pipe SHOPP project, on I-5, in Los Angeles County.

BACKGROUND:

In January 2019, the Commission allocated \$1,817,000 for Construction Capital for this project. In accordance with the SHOPP Guidelines (Guidelines), the deadline to award contracts for projects allocated in January 2019 is July 31, 2019.

During the award process, the Department became aware that the specifications provided for the project were unclear. The existing soil is expansive in nature and cannot be reused for the culvert backfill as the expansive soil exerts pressure and cracks the concrete pipe. Thus, the specifications had to be revised to clarify the requirement to remove/haul off the excavated soil and backfill with non-expansive material from a reliable off-site source.

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Therefore, in the best interests of the State and to uphold the integrity of the competitive bidding process, the Department rejected all five bids, ranging from \$840,316 to \$1,774,090, and will re-advertise the project in August 2019. Therefore, the Department will not be able to meet the deadline for this project and is requesting a time extension for the period of contract award.

Current Guidelines stipulate that the agency implementing a project request a time extension if the project will not be awarded within six months of the allocation. The Commission may approve waivers to the timely use of funds deadline one time only for up to 20 months.