

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 22-23, 2023

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(11), Action Item

Prepared By: Ryan Dermody
District 09 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR AWARD OF A PREVIOUSLY
VOTED PROJECT**
PPNO 2624/EA 36640 – MONO COUNTY – UNITED STATES HIGHWAY 395
RESOLUTION FA-22-59

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$2,508,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Collision Severity Reduction project on United States Highway 395 (US 395), in Mono County, to award the construction contract?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project is located on US 395 near Lee Vining, from the State Route 167 junction to north of Conway Ranch Road, in Mono County. The project will widen shoulders, install shoulder rumble strip, perform curve correction work, and improve chain control areas.

FUNDING AND PROGRAMMING STATUS:

In March 2018, the project was programmed for \$5,490,000 in Construction Capital in the SHOPP for allocation in Fiscal Year 2021-22. In June 2022, the project received a two-month time extension to allocate the construction phase. In August 2022, the project was allocated for \$5,792,000 in Construction Capital. Bids were opened in November 2022, and the amount

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required to award to the lowest responsible bidder exceeds the approved allocation amount and available G-12 funds. Therefore, the Department is requesting supplemental funds in the amount of \$2,508,000 to award the construction contract. A concurrent six-month time extension for award is also on this month's Commission agenda.

REASON FOR COST INCREASE:

In October 2022, the Department advertised the contract and held bid opening in November 2022. The contract received four bids, of which the lowest bid is 21.4 percent above the Engineer's Estimate (EE), however the bidder was found to be non-responsive. The second lowest bid is 45.3 percent over the EE, and the two remaining bids are 62.6 and 119.6 percent over the EE.

As evident by the latest market trends, current prices have risen significantly due to fluctuations in the economy, supply chain shortages, and oil costs. As a result, there are increases, above the EE, for pipe culvert structural concrete, traffic control, electrical, and hot mix asphalt items. In addition, due to the remoteness of the project's location, the sub-contractor's prices came in even higher than anticipated. The remoteness also affected the costs associated with traffic control and electrical items as contractors have seen a decrease in the number of participating subcontractors. The contractors have also cited higher trucking costs to deliver the imported material and temporary barrier system to the job site. The temporary creek diversion systems item also has a cost increase due to the difference in the contractor's means and methods and the unknown risk that was accounted for, to prepare the site, prior to installing the diversion system. The major unit price differences between the EE and lowest responsible bid are related to the following bid items:

- Imported Borrow - 200 percent higher (\$894,000)
- Temporary Creek Diversion Systems - 525 percent higher (\$315,000)
- Temporary Barrier System - 115 percent higher (\$269,000)
- Lighting System - 130 percent higher (\$244,000)
- 24-inch Alternative Pipe Culvert - 270 percent higher (\$131,000)
- Hot Mix Asphalt - 15 percent higher (\$131,000)
- Structural Concrete, Headwall - 90 percent higher (\$129,000)
- Traffic Control System - 75 percent higher (\$110,000)
- Flashing Beacon System - 610 percent higher (\$89,000)

In aggregate, these items amount to an increase of \$2,312,000 over the EE. The remaining increase is due to minor unit price cost increases of other bid items.

The Department has determined that this request for supplemental funds is in the best interest of the State to be able to award this project to the lowest responsive bidder, as well as avoiding delays in implementing this important collision severity reduction project, at a possible higher cost to the Department, if the project has to be repackaged and/or re-advertised. The Department has exercised all feasible measures to minimize costs in carrying out work related

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to this project and has determined that this request is well-supported and is the only viable alternative.

CONSEQUENCES:

If this allocation request for supplemental funds is not approved, the Department will not be able to address critical deficiencies with the shoulder widening. In order to be able to address all of the deficiencies, the project will be delayed due to having to be re-advertise or reprogramed in a future SHOPP cycle, at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$2,508,000 be allocated from the Budget Act of 2021, Budget Act Items 2660-302-0042 and 2660-302-0890 for Construction Capital, to provide funds to award the construction contract of this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project #		PPNO				
Allocation Amount		Program				
Recipient		Funding Year				
<u>RTPA/CTC</u>	Project Title	Item #				
County	Location	Fund Type		State	State	State
Dist-Co-Rte	Project Description	Program Codes		Federal	Federal	Federal
Postmile	Project Support Expenditures	Project ID		Current Amount	Additional	Revised
		Adv Phase		by Fund Type	Amount by	Amount by
		EA			Fund Type	Fund Type

2.5e.(11)**Supplemental Funds for Previously Voted Project****Resolution FA-22-59**

1	Near Lee Vining, from Route 167 Junction to 0.4 mile north of Conway Ranch Road. Widen shoulders, install shoulder rumble strip, correct compound curve, and improve chain control area.	09-2624				
\$2,508,000	<u>Outcome/Output:</u> This project will reduce the number and severity of collisions.	SHOPP/2021-22				
		302-0042	\$579,000	\$251,000	\$830,000	
Department of Transportation		SHA				
<u>MCLTC</u>		302-0890	\$5,213,000	\$2,257,000	\$7,470,000	
Mono		FTF				
09-Mno-395	Supplemental funds are needed to Award.	20.20.201.015				
58.2/60.4	Total revised amount \$8,300,000	0916000006				
		4				
		36640				