

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 21-22, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(15), Action Item

Prepared By: Gloria Roberts
District 07 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR AWARD OF A PREVIOUSLY
VOTED PROJECT**
PPNO 5500/EA 35480 – LOS ANGELES COUNTY – STATE ROUTE 90
RESOLUTION FA-23-91

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$2,773,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Maintenance Facilities project on State Route (SR) 90, in Los Angeles 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 off of SR 90 in Culver City, at the Culver City Maintenance Station, at 5650 Selmaraine Drive, in Los Angeles County. The project will demolish two deteriorating buildings, construct two new buildings, two storage structures, and a vehicle rinse slab, and upgrade curb ramps that lead up to the buildings.

*"Provide a safe and reliable transportation network that
serves all people and respects the environment."*

FUNDING AND PROGRAMMING STATUS:

In May 2020, the project was programmed for \$4,475,000 in Construction Capital in the SHOPP for allocation in Fiscal Year 2022-23. In May 2022, the project was amended to increase Construction Capital to \$7,762,000 and Construction Support to \$3,500,000 due to upgrades to the facility. In June 2023, the project received a 2-month allocation time extension for the Construction phase. In August 2023, the project was allocated for \$7,260,000 in Construction Capital. Bids were opened in November 2023, and the amount required to award to the lowest bidder exceeded the amount available from project allocated and G-12 funds. Therefore, the Department is requesting supplemental funds in the amount of \$2,773,000 to award the construction contract. A concurrent award time extension for the Construction phase is on this month's Commission agenda.

REASON FOR COST INCREASE:

In October 2023, the Department advertised the contract and held bid opening in November 2023. The contract received one bid, which is 39.6 percent above the Engineer's Estimate (EE).

The cost increases on this project are largely attributed to building work, concrete base, aggregate base, excavations, and time-related overhead. The Department received one bid out of the 12 plan holders. The Department contacted the non-bidding plan holders and they cited not having the labor capacity, difficulties coordinating with sub-contractors, and due to their busy schedules, they could not attend the mandatory pre-bid meeting. The sole bidder cited cost increase for building work due to the challenges of constructing four structures under the bridge between the columns, which impacted the mechanical, electrical, structural and plumbing costs. In addition, the tight space constraints along with the small quantity increased the cost of lean concrete base due to more efforts requiring its placement. The bidder also cited higher cost for the roadway excavation due to the proximity of the proposed work to the existing bridge columns and soffit. The Department evaluated re-advertising the project, however, the Department recommends awarding the project since re-advertising will most likely result in similar or higher bids based on the most recent bids for similar work. The major unit price differences, between the EE and lowest responsible bid, are related to the following bid items:

- Building Work - 30 percent higher (\$1,439,000)
- Lean Concrete Base - 160 percent higher (\$316,000)
- Time-Related Overhead - 135 percent higher (\$293,000)
- Aggregate Base - 110 percent higher (\$218,000)
- Roadway Excavation - 65 percent higher (\$144,000)
- Structure Excavation - 150 percent higher (\$124,000)

In aggregate, these items amount to an increase of \$2,534,000 over the EE. The total request includes minor adjustments to other unit bid prices, materials, and contingency.

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, avoid delays in implementing this important maintenance facility upgrade project and add any extra costs 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 to this project and has determined that this request is well-supported and is the only viable alternative.

CONSEQUENCES:

If this request for supplemental funds is not approved, the Department will not be able to address critical deficiencies associated with the maintenance facility. In order to be able to address all of the critical deficiencies, the project will be delayed due to having to be reprogrammed in a future SHOPP cycle, at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$2,773,000 be allocated from the Budget Act of 2022, Budget Act Item 2660-303-0042 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
Dist-Co-Rte	Project Description	Program Codes	State	Federal	Federal
Postmile	Project Support Expenditures	Project ID	Federal	Additional	Revised
		Adv Phase	Current Amount	Amount by	Amount by
		EA	by Fund Type	Fund Type	Fund Type

2.5e.(15)**Supplemental Funds for Previously Voted Project****Resolution FA-23-91**

1	In Culver City, at the Culver City Maintenance Station at 5650 Selmaraine Drive.	07-5500			
\$2,773,000		SHOPP/2022-23			
		CONST			
Department of	<u>Outcome/Outputs:</u>	303-0042 SHA	\$7,260,000	\$2,773,000	\$10,033,000
Transportation	Demolish two deteriorating buildings, construct two new	20.20.201.352			
<u>LACMTA</u>	buildings, two storage structures, upgrade facilities to	0718000356			
Los Angeles	Americans with Disabilities Act (ADA) standards, and construct	4			
07-LA-90	a vehicle rinse slab.	35480			
2.5	Total revised amount \$10,033,000.				
	Supplemental funds are needed to award.				
	CEQA - CE, 1/14/2021; Re-validation 1/5/2023				
	NEPA - N/A				