

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 27-28, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(2), Action Item

Prepared By: David Moore
District 02 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR AWARD OF A PREVIOUSLY
VOTED PROJECT**
PPNO 3744/EA 0J010 – TEHAMA COUNTY – STATE ROUTE 99
RESOLUTION FA-23-128

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$2,002,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Safety Improvements project on State Route (SR) 99, in Tehama 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 on SR 99, near Los Molinos, at the South Avenue intersection, in Tehama County. The project will construct a roundabout.

FUNDING AND PROGRAMMING STATUS:

In March 2020, the project was programmed for \$7,350,000 in Construction Capital and \$2,250,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2023-24. In January 2024, the project was allocated for \$9,722,000 in Construction Capital and \$2,250,000 in Construction Support. Bids were opened in April 2024, and the amount required to award to the lowest bidder exceeded the amount available from project allocated and G-12 funds.

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

Therefore, the Department is requesting supplemental funds in the amount of \$2,002,000 to award the construction contract.

REASON FOR COST INCREASE:

In March 2024, the Department advertised the contract and held bid opening in April 2024. The contract received three bids, of which the lowest bid is 21.4 percent above the Engineer's Estimate (EE). The remaining two bids are 23.4 and 33.6 percent over the EE.

The cost increases on this project are largely attributed to higher than anticipated escalation for bid items as well as slow production rates due to multiple stages on the job, multiple mobilizations of major construction operations, significant traffic handling, environmental restrictions, and high subcontractor bids. Although the EE was adjusted based on recent bid results from other similar multi-stage roundabout projects, the bids were still higher than anticipated for specific bid items. The major unit price differences, between the EE and lowest responsible bid, are related to the following bid items:

- Jointed Plain Concrete Pavement - 140 percent higher (\$459,000)
- Roadway Excavation - 140 percent higher (\$358,000)
- Class 2 Aggregate Base - 60 percent higher (\$254,000)
- Mobilization - 25 percent higher (\$187,000)
- 24 inch Reinforced Concrete Pipe - 105 percent higher (\$164,000)
- Temporary Signal Systems - 115 percent higher (\$160,000)
- Hot Mix Asphalt (Type A) - 5 percent higher (\$106,000)
- Traffic Control System - 35 percent higher (\$100,000)

In aggregate, these items amount to an increase of \$1,788,000 over the EE. The total request includes minor adjustments to other unit bid prices, supplemental work, Department furnished 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 safety improvement 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 intersection by constructing the roundabout, which will improve traffic. 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.

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FINANCIAL RESOLUTION:

Resolved, that \$2,002,000 be allocated from the Budget Act of 2023, 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 #	Project Title	PPNO			
Allocation Amount	Location	Program			
Recipient	Project Description	Funding Year			
RTPA/CTC	Project Support Expenditures	Item #			
County		Fund Type			
Dist-Co-Rte		Program Codes	State	State	State
Postmile		Project ID	Federal	Federal	Federal
		Adv Phase	Current Amount	Additional	Revised
		EA	by Fund Type	Amount by	Amount by
				Fund Type	Fund Type

2.5e.(2)	Supplemental Funds for Previously Voted Project	Resolution FA-23-128
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1	Near Los Molinos, from 0.3 mile south to 0.3 mile north of South Avenue. Construct roundabout to improve safety.	02-3744		
\$2,002,000		SHOPP/2022-23		
		CONST		
Department of	<u>Outcome/Outputs:</u>	302-0890 FTF	\$9,722,000	\$9,722,000
Transportation	This project will reduce the number and severity of collisions.	20.20.201.010		
<u>TehamaCTC</u>				
Tehama	Total revised amount \$11,724,000.	SHOPP/2023-24		
02-Teh-99		CONST		
4.2/4.8	Supplemental funds are needed to award.	302-0042 SHA	\$200,000	\$200,000
		302-0890 FTF	\$1,802,000	\$1,802,000
	CEQA - MND, 4/27/2022; Re-validation 11/27/2023	20.20.201.010		
	NEPA - FONSI, 4/27/2022; Re-validation 11/27/2023	0219000044		
		4		
	Future consideration of funding approved under Resolution E-22-39; June 2022.	0J010		
	Concurrent addendum for the previously approved Future Consideration of Funding under Resolution E-24-57A; June 2024.			