

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 15-16, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(6), Action Item

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District 04 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR AWARD OF A PREVIOUSLY
VOTED PROJECT**
PPNO 2022G/EA 0Q820 – NAPA COUNTY – STATE ROUTE 29
RESOLUTION FA-24-06

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$11,118,000 in Construction Capital and \$1,100,000 in Construction Support for the State Highway Operation and Protection Program (SHOPP) Major Damage (Permanent Restoration) project on State Route (SR) 29, in Napa 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 SR 29 in the City of Napa, from First Street to south of Redwood Road/Trancas Street, in Napa County. The project will replace approximately 0.9-miles of the 42-inch-high density polyethylene with reinforced concrete pipe (RCP) culvert using a trenchless jack and bore method and 0.4-miles of the open-trench installation. The depth of the existing culvert varies between 11 and 22 feet, with the majority of the culvert at a depth of 20 feet. The existing pipe experienced deformation, joint failures and tree root penetration which resulted in pavement cracking, settlement, and emergency repairs since 2018.

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serves all people and respects the environment."*

FUNDING AND PROGRAMMING STATUS:

In June 2020, the project was programmed for \$13,403,000 in Construction Capital and \$1,228,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2021-22. In June 2022, the project received a 20-month allocation time extension for the Construction phase. In January 2024 the project was amended to decrease Construction Capital to \$12,591,000 due to the split of environment mitigation planting work into a child project (EA 0Q82A/PPNO 2923W). The project was then allocated for \$14,073,000 in Construction Capital and \$1,450,000 in Construction Support. Bids were opened in May 2024, 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 \$11,118,000 for Construction Capital and \$1,100,000 for Construction Support 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 March 2024, the Department advertised the contract and held bid opening in May 2024. The contract received six bids, of which the lowest bid was 51.9 percent above the Engineer's Estimate (EE), however the bidder was found to be non-responsive. The second lowest bid is 75.3 percent above the EE. The remaining four bids range from 80.4 to 115.6 percent above the EE.

Based on the Department's evaluation and interview of the bidders, the reason for increase in construction capital is mostly related to higher costs for the deep trenchless pipe installation, materials, and sub-contractor labor. The increase in support reflects additional efforts to support the contractor's intent on working multiple shifts to meet the installation production rate within the contract's 220 working days.

Capital Cost Increase:

Seventy five percent of the capital cost increase are attributed to the higher than anticipated bid prices for items related to the 42-inch RCP, trenchless installation, open trench structural backfill, structural concrete, drainage inlet, and traffic control system. The Department has only utilized the trenchless installation method for pipes at shallower depths and shorter length. Due to lack of cost or production rate data comparison for deep trenchless installation for larger 42-inch diameter pipes at more than 20 feet depth for a mile long, during the Plans, Specifications, and Estimate phase, the Department consulted a local contractor who specializes in this work and incorporated the recommended unit costs for trenchless installation. In addition, the increase in material and labor costs are related to the following bid items:

- 42-inch RCP (Trenchless Installation Method) - 85 percent higher (\$4,798,000)
- Structural Concrete Drainage Inlet - 185 percent higher (\$2,132,000)
- 42-inch RCP (Open Trench Installation Method) - 215 percent higher (\$1,463,000)
- Mobilization - 80 percent higher (\$1,054,000)

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- Structure Backfill (Slurry Cement) - 170 percent higher (\$803,000)
- Remove Culvert - 430 percent higher (\$347,000)
- Traffic Control - 900 percent higher (\$180,000)

In total, the above items amount to an increase of \$10,777,000 over the EE. The total request includes minor adjustments to other unit bid prices, supplemental work, Department furnished materials, and contingency.

Support Cost Increase:

The cost increase is due to unanticipated resources for the 42-inch RCP trenchless installation method. During the bid evaluation interviews, the bidders anticipated multiple shifts concurrently to achieve the installation production rate within available working days. As such, the two shifts require two additional field engineers onsite to inspect the trenchless installation.

The Department has determined that this request for supplemental funds is in the best interest of the State to award to the lowest responsive bidder, avoid delays in implementing major damage (permanent restoration) improvements, reduce risks of higher costs to repackage for re-advertisement, and further damage and emergency repairs. 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 award the construction contract to replace the failing culvert. Further deterioration of the culvert and cracking and sinking pavement would affect public safety and risk route closure and higher costs to repair and reprogram in a future SHOPP.

FINANCIAL RESOLUTION:

Resolved, that \$11,118,000 be allocated from the Budget Act of 2023, Budget Act Items 2660-302-0042 and 2660-302-0890 for Construction Capital, and \$1,100,000 for Construction Support to provide funds to award the construction contract of this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project # Allocation Amount Recipient <u>RTPA/CTC</u> County Dist-Co-Rte Postmile	Project Title Location Project Description Project Support Expenditures	PPNO Program Funding Year Item # Fund Type Program Codes Project ID Adv Phase EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(6)	Supplemental Funds for Previously Voted Project	Resolution FA-24-06			
1 \$12,218,000	In Napa, from First Street to 0.1 mile south of Redwood Road/Trancas Street.	04-2022G SHOPP CON ENG			
Department of Transportation <u>MTC</u> Napa 04-Nap-29 Var	<u>Outcome/Outputs:</u> Replace culvert with a reinforced concrete pipe using jack and bore and open-trench construction to restore drainage system.	505-3290 RMRA 001-0890 FTF 20.10.201.407	\$290,000 \$1,160,000	\$990,000	\$290,000 \$2,150,000
	Total revised amount \$27,741,000.	SHOPP CON ENG			
	Supplemental funds are needed to award.	001-0042 SHA 20.10.201.407		\$110,000	\$110,000
	CEQA - CE, 8/30/2021; Re-validation 11/17/2023 NEPA - CE, 8/30/2021; Re-validation 11/17/2023	SHOPP/2017-18 CONST			
		802-3290 RMRA 20.20.201.407	\$1,614,000		\$1,614,000
		SHOPP/2023-24 CONST			
		302-0042 SHA 302-0890 FTF 20.20.201.407 0418000159 4 0Q820	\$12,459,000	\$1,112,000 \$10,006,000	\$1,112,000 \$22,465,000