

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 30-31, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(7)/2.5v.(1), Action Item

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District 06 – Director (Acting)

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR AWARD OF A PREVIOUSLY
VOTED PROJECT
PPNO 8112/EA 0W79U – KERN AND TULARE COUNTIES – STATE ROUTE 99
RESOLUTION FA-24-48**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$37,174,000 in Construction Capital and \$715,000 in Construction Support for the multi-funded State Highway Operation and Protection Program (SHOPP), State Transportation Improvement Program (STIP), and Proposition 1B (Prop 1B) SR 99 Delano to Pixley 6-Lane with Pavement Rehabilitation Project on State Route (SR) 99, in Kern and Tulare counties, to award the construction contract?

RECOMMENDATION:

The Department recommends that the Commission approve the requested supplemental funds allocation for this multi-funded SHOPP, STIP, and Prop 1B SR 99 project.

PROJECT DESCRIPTION:

This project is along SR 99 in and near Earlimart, from the County Line Overcrossing to north of the Court Avenue Overcrossing (in Tulare County); and in the City of Delano, from south of the Cecil Avenue Overcrossing to the County Line Road Overcrossing (in Kern County), in Kern and Tulare counties. The project will rehabilitate the roadway and drainage systems, construct concrete barrier, replace signs, upgrade transportation management system elements, add a lane in both directions to improve the corridor, and restripe the northbound lanes from two to three lanes along a 13.5-mile segment of SR 99.

FUNDING AND PROGRAMMING STATUS:

This project is a combination of two projects: SHOPP Roadway Rehabilitation project (PPNO 6963/EA 0W790) and multi-funded STIP and Prop 1B SR 99 Delano to Pixley 6-Lane with Pavement Rehabilitation Project (PPNO 7072/EA 0W791), which were programmed separately. In May 2020, the SHOPP project (PPNO 6963/EA 0W790) was programmed for \$56,800,000 in Construction Capital and \$9,100,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2022-23. In June 2021, the project was amended to move the allocation of the Construction phase to 2023-24 to align the delivery of this project with the multi-funded STIP and Prop 1B project. In June 2024, the project was amended to decrease the Construction Capital to \$53,000,000 due to the split of landscape replacement work into a child project. The project was also allocated for \$53,000,000 in Construction Capital and \$9,100,000 in Construction Support.

In August 2021, the multi-funded STIP and Prop 1B project (PPNO 7072/EA 0W791) was programmed for \$25,000,000 in Construction Capital and \$2,000,000 in Construction Support in the STIP for allocation in 2023-24. In January 2022, the project was amended to increase the Construction Capital to \$27,900,000. In March 2024, the project was amended to increase the Construction Capital to \$38,082,000. In June 2024, the project was allocated for \$41,482,000 in Construction Capital, \$972,000 in Construction Support, and \$300,000 in Right of Way Capital.

In September 2024, after the construction allocation of the two projects, they were combined into one package for advertisement for a total of \$94,482,000 in Construction Capital and \$10,072,000 in Construction Support. Bids were opened in October 2024, and the amount required to award to the lowest bidder exceeded the amount available from project allocation and G-12 funds. Therefore, the Department is requesting supplemental funds in the amount of \$37,174,000 in Construction Capital and \$715,000 in Construction Support to award the construction contract. Local agency funds will be contributing \$4,624,000 in Construction Capital and \$77,000 in Construction Support for the cost increase. A concurrent award time extension for the Construction phase is on this month’s Commission agenda.

Construction Capital Components	Allocated Amount	Supplemental Amount	Revised Allocation Amount	Percent Over Allocated Amount
SHOPP	\$53,000,000	\$24,860,000	\$77,860,000	46.9
STIP IIP	\$7,400,000	\$4,838,000	\$12,238,000	65.4
STIP RIP	\$6,182,000	\$7,476,000	\$13,658,000	120.9
Prop 1B SR 99	\$27,900,000	-	\$27,900,000	-
Total	\$94,482,000	\$37,174,000	\$131,656,000	39.3

Construction Support Components	Allocated Amount	Supplemental Amount	Revised Allocation Amount	Percent Over Allocated Amount
SHOPP	\$9,100,000	\$715,000	\$9,815,000	7.1
STIP COVID-RIP(X)	\$972,000	-	-	-
Non-STIP-CRRSAA*	\$1,028,000	-	-	-
Total	\$11,100,000	\$715,000	\$9,815,000	6.4

* Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) of 2021

REASON FOR COST INCREASE:

In September 2024, the Department advertised the contract and held bid opening in October 2024. The contract received four bids, of which the lowest bid is 46.2 percent above the Engineer’s Estimate (EE). The three remaining bids range from 48.2 to 68.9 percent above the EE. The project realized capital and support cost increases due to the limited material suppliers, a work window that lowers the production rate of various items of work, and an increase in the number of working days.

Capital Cost Increase:

The cost increases on this project are largely attributed to structural section items, time-related overhead, roadway excavation, mobilization, drainage system items, traffic control items, structural concrete items, clearing and grubbing, barrier items, signing and striping items, and modifying lighting systems.

The costs for the hot mix asphalt and aggregate base material were higher than the EE due to limited suppliers near the project limits. The nearest manufacturing plant is approximately one hour from the job site and the cost of transporting the material was higher than anticipated. To minimize traffic impacts, the majority of the construction activities were scheduled to occur during a 9-hour night-time work window. This work window requires careful planning and construction of certain items including drainage system work, since the lanes have to be opened to traffic in the morning. To attain high pavement production rates, the bidder has indicated the use of multiple pavement equipment. The traffic control items were higher than anticipated due to the bidder indicating that traffic control would need to be implemented multiple times within project limits. The project includes several areas for roadway excavation, concrete pavement, and aggregate base that will have lower production rates due to their constraints. The time-related overhead resulted in a higher bid due to the increased cost of labor which came in higher than anticipated. Mobilization increased as a result of the unit price increases. Although the unit prices were adjusted to be in alignment with recent projects and market conditions, the bids were collectively higher than anticipated in the EE. The major unit price differences, between the EE and lowest responsible bid, are related to the following bid items:

- Time-Related Overhead - 545 percent higher (\$4,905,000)
- Mobilization - 65 percent higher (\$2,925,000)
- Drainage System items - 125 percent higher (\$2,845,000)
- Traffic Control items - 75 percent higher (\$3,727,000)
- Roadway Excavation - 115 percent higher (\$4,538,000)
- Structural Section items - 40 percent higher (\$13,865,000)
- Structural Concrete items - 85 percent higher (\$1,679,000)
- Signage items - 40 percent higher (\$2,060,000)
- Barrier items - 50 percent higher (\$3,622,000)

In aggregate, these items amount to an increase of \$40,166,000 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 support cost increase is due to the addition of 50 working days (from 400 to 450) to address bidder inquiries that were received during the advertisement period. There were two bidder inquiries regarding the construction duration with a request to reevaluate the number of working days as the current duration seemed unachievable. Design and Construction staff reevaluated and revised the duration to address the inquiries. This has led to an increase of \$715,000 in support costs.

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 roadway rehabilitation and widening 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 existing roadway and widening to improve the corridor. The Department would need to repackage the contract to reduce the project limits to only address some of the deficiencies, and readvertise the project. To address all of the deficiencies, the project would be delayed and reprogrammed in a future SHOPP and STIP cycle, at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$37,174,000 be allocated from the Budget Act of 2023, Budget Act Item 2660-302-0890, Non-Budget Act Item 2660-802-3290, and Budget Act of 2024, Budget Act Items 2660-301-0042 and 2660-301-0890, for Construction Capital, and \$715,000 for

Construction Support, to provide funds to award the construction contract of this multi-funded SHOPP, STIP, and Prop 1B SR 99 project.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	Recipient	Project Title	Location	Project Description	Project Support Expenditures	PPNO Program Funding Year	Item #	Fund Type	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type	
2.5e.(7)/2.5v.(1) Supplemental Funds for Previously Voted Multi-Funded SHOPP/STIP/Prop 1B SR 99 Project													
Resolution FA-24-48													
1	\$12,314,000	Department of Transportation	SR 99 Delano to Pixley 6-Lane with Pavement Rehabilitation Project.	Near Earlimart, from County line Road Overcrossing to 0.7 miles north of Avenue 100 (Court Street) Overcrossing. Also in Kern County from 0.1 miles south of Cecil Avenue Overcrossing to County Line Road.			06-7072 RIP/2022-23 CONST		301-0042 SHA 301-0890 FTF 20.20.075.600	\$710,000 \$5,472,000		\$710,000 \$5,472,000	
		<u>KCOG</u> Kern 06-Ker-99 56.4/57.5	<u>Outcome:</u>	Widen from 4 lanes to 6 lanes. Restripe the northbound lanes from 2 lanes to 3 lanes.			IIP/2022-23 CONST		301-0042 SHA 301-0890 FTF 20.20.025.700	\$849,000 \$6,551,000		\$849,000 \$6,551,000	
			<u>Outputs</u>	Mixed flow lane-mile(s) constructed	Unit Miles	Total 25.2							
			Total revised amount \$57,768,000.										
			CEQA - EIR, 9/11/2023	NEPA - FONSI, 9/11/2023			SR 99/2023-24 R/W		304-6072 SR99 20.20.722.000	\$3,000,000		\$3,000,000	
			Future consideration of funding approved under Resolution E-23-141; October 2023.					SR 99/2023-24 CONST		304-6072 SR99 20.20.722.000	\$27,900,000		\$27,900,000
			EA 0W791/PPNO 06-7072 combined with EA 0W790/PPNO 06-6963 for construction under EA 0W79U/PPNO 06-8112/ Project ID 0622000189.					COVID-RIP(X) CON ENG		001-0042 SHA 20.10.075.600	\$972,000		\$972,000
							RIP/2024-25 CONST		301-0042 SHA 301-0890 FTF 20.20.075.600		\$858,000 \$6,618,000	\$858,000 \$6,618,000	
							IIP/2024-25 CONST		301-0042 SHA 301-0890 FTF 20.20.025.700 0621000142 4,9,3 0W791		\$555,000 \$4,283,000	\$555,000 \$4,283,000	

2.5 Highway Financial Matters

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

2.5e.(7)/2.5v.(1)	Supplemental Funds for Previously Voted Multi-Funded SHOPP/STIP/Prop 1B SR 99 Project				Resolution FA-24-48
2	Near Earlimart, from County line Road Overcrossing to 0.7 mile north of Court Avenue Overcrossing.	06-6963			
\$25,575,000		SHOPP/2022-23			
		CONST			
Department of Transportation	<u>Outcome/Outputs:</u> Rehabilitate roadway, construct median concrete barrier, replace signs, rehabilitate drainage systems, upgrade Transportation Management System (TMS) elements, and replace signs. This project will improve safety and ride quality.	302-0890 FTF	\$46,921,000		\$46,921,000
TCAG		20.20.201.122			
Tulare		SHOPP/2023-24			
06-Tul-99		CONST			
0.0/13.5	Total revised amount \$87,675,000.	302-0890 FTF		\$22,009,000	\$22,009,000
		20.20.201.122			
	Supplemental funds are needed to award.	SHOPP			
		CON ENG			
	CEQA - EIR, 9/11/2023; Re-validation 5/13/2024	505-3290 RMRA	\$1,044,000	\$82,000	\$1,126,000
	NEPA - FONSI, 9/11/2023; Re-validation 5/13/2024	001-0890 FTF	\$8,056,000	\$633,000	\$8,689,000
		20.10.201.122			
	Future consideration of funding approved under Resolution E-23-141; October 2023.	SHOPP/2017-18			
		CONST			
	EA 0W790/PPNO 06-6963 combined with EA 0W791/PPNO 06-7072 for construction under EA 0W79U/PPNO 06-8112/ Project ID 0622000189.	802-3290 RMRA	\$6,079,000	\$2,851,000	\$8,930,000
		20.20.201.122			
		0617000307			
		4,3			
		0W790			