

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 30-31, 2025

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 2653/EA 37470 – INYO COUNTY – UNITED STATES HIGHWAY 395
RESOLUTION FA-24-50

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$5,232,000 in Construction Capital and \$2,212,000 in Construction Support for the State Highway Operation and Protection Program (SHOPP) Roadway Rehabilitation project on United States Highway (US) 395, in Inyo 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 along US 395, in and near the City of Bishop, on Main Street from south of Jay Street to Barlow Lane and on State Route 168 (Line Street) from west of Pioneer Lane to US 395 (Main Street), in Inyo County. The project will rehabilitate the roadway and drainage, install transportation management system elements, upgrade pedestrian facilities, and construct a multi-use path as complete streets elements.

FUNDING AND PROGRAMMING STATUS:

In May 2020, the project was programmed for \$15,087,000 in Construction Capital and \$1,239,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2022-23. In October 2020, the project was amended to increase the Construction Capital to \$15,510,000

and Construction Support to \$1,351,000 to build a multi-use path adjacent to US 395 between Wye Road and See Vee Lane. In June 2023, the project received a 12-month allocation time extension for the Construction phase. In December 2023, the project was amended to decrease Construction Capital to \$15,307,000 and Construction support to \$1,229,000 due to the split of the environmental mitigation and monitoring work into a child project. In June 2024, the project was allocated for \$19,300,000 in Construction Capital and \$1,434,000 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 \$5,232,000 in Construction Capital and \$2,212,000 in Construction Support to award the construction contract. A concurrent award time extension for the Construction phase and project development expenditure time extension amendment for the Plans, Specifications, and Estimate phase are on this month's Commission agenda.

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 28.9 percent above the Engineer's Estimate (EE). The three remaining bids range from 29.9 to 50.4 percent above the EE.

The project realized capital and support cost increases due to the remote location of the project, increase in the number of working days, expenses related to overtime, shift differential, and suspension days.

Capital Cost Increase:

The cost increases on this project are largely attributed to time-related overhead, mobilization, traffic handling, and roadway items. The contractor indicated that the project area is remote and requires employees from out of the area. Although the rural area was taken into consideration in the EE, the bids still came in higher than anticipated. The contractor also indicated that the contributing factor for the increase in mobilization is due to the work window for the culvert and creek diversion work during the non-irrigation season. In addition, the bidder stated that the traffic control is difficult and will require a minimum of three staff during all operations to manage traffic control for the entire length of the project. The roadway excavation has many aspects and the class 2 aggregate base in this area is more expensive compared to other areas. The placement of the class 2 aggregate base is more labor intensive and the material cannot be placed in one layer. The major unit price differences, between the EE and lowest responsible bid, are related to the following bid items:

- Time-Related Overhead - 280 percent higher (\$1,474,000)
- Mobilization - 55 percent higher (\$797,000)
- Traffic Control System - 155 percent higher (\$794,000)
- Roadway Excavation - 275 percent higher (\$758,000)
- Class 2 Aggregate Base - 160 percent higher (\$467,000)

- Structure Concrete Box Culvert – 460 percent higher (\$460,000)
- Remove Concrete (Curb, Gutter, and Sidewalk) – 170 percent higher (\$418,000)

In aggregate, these items amount to an increase of \$5,168,000 over the EE. The total request includes minor adjustments to other unit bid prices, supplemental work, Department furnished materials, and contingency.

Support Cost Increase:

Following the original allocation, errors were discovered in the workplan. The support cost increase is due to the addition of 90 working days (from 120 to 210) to inspect the work on this project. During the review of the workplan, lack of night shift differentials and overtime needs for certain stage construction work were discovered. The additional working days, night shift differentials and overtime during construction are now included and amount to an increase of \$2,212,000 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 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 complete streets elements. To address all of the critical deficiencies, the project will be delayed and reprogrammed in a future SHOPP cycle, at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$5,232,000 be allocated from the Budget Act of 2023, Budget Act Item 2660-302-0890 and Non-Budget Act Item 2660-802-3290 for Construction Capital, and \$2,212,000 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	Project Title	PPNO	State	State
RTPA/CTC	County	Dist-Co-Rte	Location	Funding Year	Federal	Federal
Postmile	Project Description	Project Support Expenditures	Program Codes	Item #	Current Amount	Additional
			Project ID	Fund Type	by Fund Type	Amount by
			Adv Phase	EA		Revised
						Amount by
						Fund Type

2.5e.(11) Supplemental Funds for Previously Voted Project Resolution FA-24-50

1	In and near Bishop, on Main Street from 0.1 mile south of Jay Street to Barlow Lane; also on Route 168 (Line Street) from 0.1 mile west of Pioneer Lane to Route 395 (Main Street) (PM 17.6/18.3).	09-2653 SHOPP CON ENG				
\$7,444,000		505-3290 RMRA	\$164,000	\$254,000	\$418,000	
Department of Transportation		001-0890 FTF	\$1,270,000	\$1,958,000	\$3,228,000	
<u>ICLTC</u>	<u>Outcome/Outputs:</u>	20.10.201.122				
Inyo	Rehabilitate roadway and drainage, install Transportation Management System (TMS) elements, upgrade facilities to Americans with Disabilities Act (ADA) standards, and construct multi-use path as complete streets elements.	SHOPP/2017-18 CONST				
09-Iny-395		802-3290 RMRA	\$2,214,000	\$600,000	\$2,814,000	
114.9/117.8		20.20.201.122				
	Total revised amount \$28,178,000.					
	Supplemental funds are needed to award.	SHOPP/2022-23 CONST				
	CEQA - ND, 8/16/2021; Re-validation 4/24/2024	302-0890 FTF	\$17,086,000		\$17,086,000	
	NEPA - CE, 8/16/2021; Re-validation 4/24/2024	20.20.201.122				
	Future consideration of funding approved under Resolution E-21-93; October 2021.	SHOPP/2023-24 CONST				
		302-0890 FTF		\$4,632,000	\$4,632,000	
		20.20.201.122				
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