

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 26-27, 2025

From: STEVEN KECK, Chief Financial Officer

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

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District 03 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR AWARD OF A PREVIOUSLY VOTED PROJECT**
PPNO 5142/EA 0J560 – PLACER AND NEVADA COUNTIES – INTERSTATE 80 RESOLUTION FA-24-101

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$3,104,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program project on Interstate 80 (I-80), in Placer and Nevada counties, 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 I-80 near Emigrant Gap, from east of the Drum Forebay Overcrossing to east of the Troy Road Undercrossing, in Placer and Nevada counties. The project will rehabilitate drainage systems, upgrade transportation management system (TMS) elements, and construct maintenance vehicle pullouts. The TMS elements consist of traffic monitoring stations, variable message sign systems, an automatic vehicle classification system, camera systems, and a roadside weather information system.

FUNDING AND PROGRAMMING STATUS:

In March 2022, the project was programmed for \$11,600,000 in Construction Capital and \$1,380,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2024-25. In May 2023, the project was amended to increase Construction Capital to \$13,899,000 and Construction Support to \$1,580,000 due to the change in the culvert rehabilitation strategy to use climate resilient materials which will be funded by the Infrastructure Investment and Jobs Act. In January 2025, the project was allocated for \$13,889,000 in Construction Capital and \$1,580,000 in Construction Support. Bids were opened in April 2025, 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 \$3,104,000 in Construction Capital to award the construction contract.

REASON FOR COST INCREASE:

In March 2025, the Department advertised the contract and held bid opening in April 2025. The contract received five bids, of which the lowest bid was 19.0 percent above the Engineer's Estimate (EE). However, the bidder was found to be non-responsive. The second lowest bid is 19.6 percent above the EE. The remaining three bids range from 34.4 to 51.8 percent over the EE.

The cost increases on this project are largely attributed to the variable message sign system, time-related overhead, reinforced concrete pipe, and temporary barrier system. The EE relied on the latest available cost data and the unit prices were adjusted to match market prices. However, the bids still came in higher than anticipated. The contractor stated that the subcontractor and supplier pricing were major factors in their bid. The major unit price differences, between the EE and lowest responsive bid, are related to the following bid items:

- Variable Message Sign System - 150 percent higher (\$1,525,000)
- Time-Related Overhead - 90 percent higher (\$440,000)
- 24-Inch Reinforced Concrete Pipe - 55 percent higher (\$437,000)
- Temporary Barrier System - 130 percent higher (\$419,000)

In aggregate, these items amount to an increase of \$2,821,000 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 PROTECT Program 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 of the existing drainage systems, upgrading TMS elements, and constructing maintenance vehicle pullouts. To address all of the deficiencies, the project will be delayed and reprogrammed in a future SHOPP cycle, at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$3,104,000 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, 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	County	Location	Program	Federal	Federal
Dist-Co-Rte	Postmile	Project Description	Project Support Expenditures	Funding Year	Current Amount	Additional
				Item #	by Fund Type	Amount by
				Fund Type		Fund Type
				Program Codes		Revised
				Project ID		Amount by
				Adv Phase		Fund Type
				EA		Fund Type

2.5e.(1) Supplemental Funds for Previously Voted Project Resolution FA-24-101

1	\$3,104,000	In Placer and Nevada Counties, near Emigrant Gap, from 0.3 mile east of Drum Forebay Overcrossing to 0.2 mile east of Troy Road Undercrossing.		03-5142		
				SHOPP/2017-18		
				CONST		
Department of Transportation		<u>Outcome/Outputs:</u>		802-3290 RMRA	\$1,389,000	\$310,000
<u>PCTPA</u>		Rehabilitate drainage systems, upgrade Transportation Management System (TMS) elements, and construct		20.20.201.407		\$1,699,000
Placer		Maintenance Vehicle Pullouts (MVPs).		SHOPP/2023-24		
03-Pla-80				CONST		
49.3/68.7		Total revised amount \$16,993,000.		302-0890 FTF	\$12,500,000	\$2,794,000
				20.20.201.407		\$15,294,000
		Supplemental funds are needed to award.		0319000297		
				4		
				0J560		
		CEQA - CE, 06/21/2023; Re-validation 12/03/2024				
		NEPA - CE, 06/21/2023; Re-validation 12/03/2024				