

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(11), Action Item

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District 12 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR AWARD OF A PREVIOUSLY
VOTED PROJECT
PPNO 3795/EA 0S530 – ORANGE COUNTY – STATE ROUTE 57
RESOLUTION FA-25-06**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$973,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Safety Improvements project on State Route (SR) 57, in Orange 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 57, in the City of Anaheim, at the southbound SR 57 to the westbound SR 91 connector, in Orange County. The project will extend the existing connector lane drop, replace existing safety systems, construct a ground anchor wall, and upgrade drainage systems and lighting.

FUNDING AND PROGRAMMING STATUS:

In August 2022, the project was programmed in the SHOPP for \$3,239,000 in Construction Capital and \$1,470,000 in Construction Support for allocation in Fiscal Year 2024-25. In December 2023, the project was amended to update the performance measure. In June 2024,

the project was amended again to increase the Construction Capital to \$4,126,000 and Construction Support to \$1,870,000 due to additional items of work that were needed to support the lane drop extension. In March 2025, the project was allocated for \$4,897,000 in Construction Capital and \$2,210,000 in Construction Support. In June 2025, bids were opened 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 \$973,000 to award the construction contract.

REASON FOR COST INCREASE:

In April 2025, the Department advertised the contract and held bid opening in June 2025. The contract received seven bids, of which the lowest bid is 21.2 percent above the Engineer's Estimate (EE) of the bid items. The remaining six bids range from 23.5 to 69.8 percent over the EE.

The cost increases on this project are largely attributed to the concrete pavement, time-related overhead, and hot mix asphalt items. The EE anticipated 50 night shifts for completing the roadway structural section work. However, the contractor has estimated approximately 80 night shifts to complete the work due to an anticipated lower production rate as a result of the limited work windows. This increase in the number of shifts directly impacts labor, equipment, and traffic control costs, resulting in higher prices for the roadway structural section work. Additionally, the EE anticipated that the hot mix asphalt paving could be placed using fewer number of lifts to reduce time and cost. However, the contractor cited inefficiencies associated with the paving and determined that placing hot mix asphalt in multiple lifts would improve constructability which resulted in a higher cost. The cost of the time-related overhead in the EE was based on the limited use of construction management personnel. However, the contractor is anticipating more complex work than what was anticipated and will require additional staff to manage operations resulting in an increased cost. The major unit price differences, between the EE and lowest responsive bid, are related to the following bid items:

- Jointed Plain Concrete Pavement (Rapid Setting Concrete) - 70 percent higher (\$428,000)
- Time-Related Overhead - 285 percent higher (\$222,000)
- Hot Mix Asphalt (Type A) - 180 percent higher (\$215,000)

In aggregate, these items amount to an increase of \$865,000 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 improvements 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 safety improvements that are required to reduce collisions along this connector. To address all of the improvements, the project will be delayed and reprogrammed in a future SHOPP cycle, at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$973,000 be allocated from the Budget Act of 2024, 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

