

## Memorandum TAB 79

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 17-18, 2018

Reference No.: 2.5e.(8) - **REVISED**  
Action Item

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Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR PREVIOUSLY VOTED PROJECT**  
**(PPNO 02-3506/EA 4F510 – SHASTA COUNTY – INTERSTATE 5)**  
**RESOLUTION FP-18-18**

### **ISSUE**

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$1,544,000 for the State Highway Operation Protection Program (SHOPP) Safety Enhancements project (PPNO 3506) on Interstate 5 (I-5), in Shasta County, to award the construction contract?

### **RECOMMENDATION**

The Department recommends that the Commission allocate \$1,544,00 for the previously approved SHOPP ~~Bridge Rehabilitation~~ **Safety Enhancement** project (PPNO 3506) on I-5, in Shasta County, to award the construction contract.

Component	Programmed Amount	Commission Allocation	Supplemental Request	Revised Allocation	% Request Over Commission Allocation
Capital	\$5,600,000	\$4,971,000	\$1,544,000	\$6,515,000	31.1%
Support	\$1,300,000	\$1,200,000	\$ 0	\$1,200,000	0%
<b>Total</b>			<b>\$1,544,000</b>		

**PROJECT LOCATION, DESCRIPTION, AND CONTRACT STATUS:**

This project is located on I-5 in Shasta County in and near the city of Redding. The project limits extend from the Tehama County line to the Siskiyou County line. The project will improve the clear recovery zone at the edge-of-travel way by regrading roadway embankments at various locations along a 67-mile stretch of I-5. The performance measure is to reduce the number of collisions by 402 collisions over a 20-year period.

The contract award status is pending approval of this request for supplemental funds by the Commission. If the Commission approves this request, construction, would begin in November 2018, and would take 85 working days to be completed in one construction season.



**FUNDING STATUS:**

The project was programmed in the 2016 SHOPP for \$5,600,000 for Construction Capital and \$1,300,000 for Construction Support. The Engineer's Estimate (EE) was completed on ~~January 31, 2018~~ **March 15, 2018** using available historical and current market trend data at that time and resulted in a lower estimated construction cost. In May 2018, the Commission approved the project funds based on the lower EE and allocated \$4,971,000 for Construction Capital and \$1,200,000 for Construction Support. The project was advertised on May 14, 2018 and bids were opened on July 12, 2018. Two bids were submitted, and the lowest of the two bids was significantly higher than the allocated funds. The amount needed to award the contract, based on the lowest responsible bidder, is \$6,515,000 for Construction Capital.

**REASON(S) FOR COST INCREASE:**

When the EE for this project was updated in January 2018, several locations originally planned for improvement were removed from the contract because it was determined that they were did meet conformance of the Clear Recovery Zone standards. As a result, the updated EE was lower than the programmed construction capital allocation. The EE was developed for the project scope that included various locations along 67 miles of I-5.

The low bidder, however, during the debriefing on the award process, explained that their bid was higher than the EE for the following reasons:

1. Traffic Control System: The bid was higher due to having multiple crews working under multiple closures each day.
2. Rock Slope Protection: The higher bid was due to having to place rock slope protection at many locations along the project site, which drove up the cost.
3. Structural concrete headwall: The low-bid contractor states that the small quantities for each cast in place concrete headwall will require short loads of concrete, which increased the cost.

In addition, the contractor included a built-in mark-up to account for the cost of moving work crews and equipment along the 67-mile project length.

While all the items noted above were factored into the EE when it was updated in January 2018, it can be concluded that the estimate was still undervalued as the project limits and multiple locations were the primary reason for the higher bids. In addition, the competitive bidding environment experienced starting June 2018 significantly exposed the value of the EE as only two bidders were received on the project.

The Department has reviewed the bid results for possible mathematical or material unbalancing in accordance with 23 CFR 635.102, and 23 CFR 635.114. The bids appear to be mathematically balanced and there is no evidence of material unbalancing of the low bid.

### **CONSEQUENCES:**

If this request for an additional \$1,544,000 in Construction Capital is not approved, the Department will not be able to award this Safety Improvement construction contract. Considering the current bidding environment, re-advertising the contract will delay the delivery of this safety project and is not expected to result in lower bids. The Department has determined that the additional funds requested are in the best interest of the State to avoid delays in implementing important safety measures.

### **RESOLUTION:**

Resolved, that \$1,544,000 be allocated from the Budget Act of 2018, Budget Act Item 2660-302-0890, to provide funds to award the construction contract for the SHOPP project to improve the roadside clear recovery zone on I-5 in Shasta County.

Attachment.