

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS
 CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 21-22, 2015

Reference No.: 2.5e.(2)
 Action Item

From: NORMA ORTEGA
 Chief Financial Officer

Prepared by: Bruce de Terra, Chief
 Division of
 Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
 RESOLUTION FA-15-07**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) allocate an additional \$860,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one previously approved project in order to award the construction contract.

RESOLUTION:

Resolved, that \$860,000 be allocated from the Budget Act of 2014, Budget Act Item 2660-302-0042 and 2660-302-0890, to provide funds to award the following project.

<u>Dist-Co-Rte</u>	<u>Fund Source</u>	<u>Original Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Original Allocation</u>
10-SJ-99	SHOPP	\$3,500,000	\$860,000	\$4,360,000	24.6%
	Prop 1B TCIF	\$1,500,000	\$ 0	\$1,500,000	
	TOTAL	\$5,000,000	\$860,000	\$5,860,000	

PROJECT DESCRIPTION:

This project is located in San Joaquin County on Route 99 in and near Stockton, from north of the Marsh Street Pedestrian Overcrossing to south of the Hammer Lane Overcrossing. This pavement rehabilitation project will extend pavement service life and improve ride quality over 4.6 miles of roadway by repairing localized failed areas. The project will also replace asphalt pavement below overcrossings with concrete slabs in order to maintain required vertical clearances under the structures.

At contract advertisement, this project was combined for construction with Proposition 1B Trade Corridors Improvement Fund (Prop. 1B TCIF) SHOPP Project 107, the Route 99 Ramp Metering Systems Project. The combined scope of the contract will therefore improve traffic mobility and safety by installing ramp metering systems, closed circuit television (CCTV), maintenance vehicle pull-outs, and California Highway Patrol (CHP) enforcement areas at six on-ramps. The cost increase for award of the construction contract does not include items and scope related to the TCIF SHOPP portion of work.



FUNDING STATUS:

The pavement rehabilitation portion of the project was programmed in the 2014 SHOPP for \$5,000,000 for construction in Fiscal Year (FY) 2014-15 and was voted for \$3,500,000 in March 2014. The Prop. 1B TCIF portion of the project was programmed in the 2014 SHOPP for \$1,500,000 for construction in FY 2014-15 and voted for \$1,500,000 in March 2014. Bids for the combined project were opened on July 22, 2015. Nine bid packages were issued, and four bids

were received. The lowest bidder was deemed non-responsive for bid compliance. The amount needed to award the contract, based on the next lowest bid amount, is \$5,856,600. Those bid items exceeding the Engineer’s Estimate are not part of the Prop. 1B TCIF project scope of work. This request for an additional \$860,000 is an increase of 24.6 percent above the allocated amount for the pavement rehabilitation project. This combined contract will be awarded upon approval of this supplemental funds request.

REASON FOR INCREASE:

The Department performed a bid analysis to evaluate the differences between the Engineer’s Estimate and the lowest responsible bidder’s items. The contract has 76 bid items. Three of these bid items have significant cost differences. These items are Replace Base, Mobilization, and Jointed Plain Concrete Pavement.

BID ITEM	ENGINEER’S ESTIMATE	LOW BID	INCREASE
Replace Base	\$200,100	\$507,150	\$307,050
Mobilization	\$199,000	\$496,000	\$297,000
Jointed Plain Concrete Pavement	\$1,128,000	\$1,381,800	\$253,800
Miscellaneous Adjustments/Contingencies			\$2,150
TOTAL INCREASE			\$860,000

After detailed review of all bids, there are no apparent flaws in the contract or the second lowest bid that would require rejecting the bids. The Department’s estimate utilized historical data of bid items with similar scope and quantity. However, the Engineer’s Estimate underestimated the unit cost for the Replace Base item. Insufficient consideration was given to the nature of the construction work, as spot work locations and the short duration of night-time traffic handling requirements resulted in a higher bid amount for this work than anticipated. Similar reasons resulted in a higher unit cost bid for the Jointed Plain Concrete Pavement item. Although the unit cost for this item in the Engineer’s Estimate was thought to be conservative, the bid amount was higher on this large quantity item and therefore resulted in a large overall increase. Furthermore, the mobilization item was underestimated by the Department as a lump sum amount of 5 percent of the overall estimate items. The bid used a much higher percentage in consideration that equipment would need to be moved in and out every day to meet traffic handling requirements at spot locations.

An additional \$860,000 in supplemental funds is needed in order to award this project to the low bidder.

LESSONS LEARNED:

A more detailed review of the cost estimate could have resulted in choosing higher unit costs for the Engineer's Estimate. Higher level reviews are required for larger projects over \$5 million. Due to the documented risk of an accelerated schedule that could impact the project, the project estimate would have benefited from such a review.

DETERMINATION:

The Department has determined that reducing the scope of work on this project, and executing another project to complete the deleted work later, would result in greater costs and more disruption to the traveling public and therefore recommends that this request for \$860,000 be approved to award the project to the low bidder.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	Recipient	County	Dist-Co-Rte	Postmile	Project Title	Location	Project Description	Project Support Expenditures	PPNO	Program	Funding Year	Item #	Fund Type	Program Codes	Project ID	Adv Phase	EA	State	Federal	Current Amount	by Fund Type	State	Federal	Additional	Amount by	State	Federal	Revised	Amount by	
																				Resolution FA-15-07											
2.5e.(2)										Supplemental Funds for Previously Voted Projects																					
1	\$860,000	Department of Transportation	SJCOG	San Joaquin	10-SJ-99	18.5/22.9	In and near Stockton, from north of Marsh Street Pedestrian Overcrossing to south of the Hammer Lane Overcrossing. <u>Outcome/Output</u> : Rehabilitate 4.6 miles of pavement by repairing localized failed areas and replacing asphalt pavement below overcrossings with concrete slabs. Project will extend pavement service life and improve ride quality.			10-3060	SHOPP/2013-14																				
																					\$70,000								\$70,000		
																					\$3,430,000								\$3,430,000		
								Supplemental funds are needed to Award.																							
								Total revised amount \$4,360,000																							
								(EA 0Y900, PPNO 3060 combined with EA 1C420, PPNO 3100 for construction under EA 0Y90U, Project ID 1015000055.)																							