

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 28-29, 2012

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

From: NORMA ORTEGA
Chief Financial Officer

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Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-11-20**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$5,008,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one previously voted project in order to complete construction work.

RESOLUTION:

Resolved, that \$5,008,000 be allocated from the Budget Act of 2011, Budget Act Items 2660-302-0042 and 2660-302-0890 to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original allocated Amount</u>	<u>Original Award Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
1	05-SLO-101	\$40,200,000	\$31,479,000	\$34,826,900	\$5,008,000	\$39,834,900	14.4%

PROJECT DESCRIPTION:

This project is located on Route 101 in San Luis Obispo County in and near the city of Atascadero, from 0.1 mile north of Cuesta Grade to 0.3 mile north of Traffic Way Undercrossing. The project will rehabilitate the roadway, including shoulder widening, bridge widening, guardrail and drainage upgrade, and placing asphalt concrete overlay along 42.8 highway lane-miles.

FUNDING STATUS:

The project construction capital is programmed in the 2010 SHOPP in Fiscal Year 2009-10 for \$40,200,000. On October 15, 2009, the Commission allocated \$40,200,000 in capital construction for the project. Bids opened on December 2, 2009, and eight bids were received. The project was awarded December 31, 2009, for \$31,479,000 and construction started January 2010. Since then, an additional \$3,347,900 was allocated to the project in accordance with Commission Resolution G-02-12. The award amount plus the G-12 allocation adjustment brings the current project allocation to \$34,826,900. This supplemental request of \$5,008,000 is necessary to complete project construction.

REASONS FOR COST INCREASE:

This project was originally programmed for delivery in February 2012. However, in December 2008, the delivery schedule was accelerated by two and one half years to September 2009, so that the project could be included in the 2009 Early Delivery Program, as part of the Governor's Economic Stimulus Package. This allowed the project to be funded by the American Recovery and Reinvestment Act Program of 2009, and help the economy by creating jobs. In order to meet this schedule, an innovative delivery method (Design Sequencing) was implemented and utilized. The project was accelerated with the understanding that there would be some level of risk both in the cost and schedule. In order to expedite the delivery of the project, as-built plans were used for the initial design for the contract plans that were put out to bid. Once the final survey was complete, which was after the contract was bid, the contract was required to be changed to correct the plans for the as-is conditions. With the surveying information, two items of note that needed to be addressed were cross slope corrections for the mainline and non-standard features for the ramps. The cross slope correction resulted in the need for additional Hot Mix Asphalt. And the non-standard ramp corrections resulted in adjustments to the other contract items in the list below. These changes to the work also resulted in additional time to complete the contract.

This supplemental request also includes additional contingency funds to ensure completion of the project.

The requested additional funds break down as follows:

1. Hot Mix Asphalt (HMA)	\$1,800,000
2. Construction Zone Enhanced Enforcement Program (COZEEP)	\$880,000
3. Gore Paving	\$631,810
4. Additional Traffic Control and K-Rail	\$400,000
5. Time Related Overhead (TRO)	\$368,960
6. Barrier Rail Standards	\$350,000
7. Southbound K-rail	\$300,000
8. Guardrail Quantity Change	\$133,000
9. Americans with Disabilities Act (ADA) improvements	\$120,000
10. Other Items	<u>\$24,230</u>
	\$5,008,000

The benefit of creating jobs and delivering much needed transportation improvements to the traveling public two and a half years early was worth the risk. It is important to note that the project cost, including this supplemental amount, is still within the original programmed amount for the project.

FUNDING OPTIONS:

OPTION A: Approve this request for \$5,008,000 and allow the project to complete construction.

OPTION B: Deny this request and direct the Department to revise the project to remain within the allocated amount. The Department has considered this option and determined that reducing the scope of work on this project, and executing another project to complete the deleted work later would result in greater cost and more disruption to the traveling public.

RECOMMENDED OPTION:

The Department recommends that this request for \$5,008,000, as presented in Option A, above, be approved to allow the completion of construction work.