

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 27, 2015

Reference No.: 2.5e.(1)  
Action Item

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Chief Financial Officer

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Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT  
RESOLUTION FA-15-01**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$2,000,000 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 \$2,000,000 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.

	Original	Allocation	Revised	% Increase
<u>Dist-Co-Rte</u>	<u>Allocation</u>	<u>Adjustment</u>	<u>Allocation</u>	<u>Above Original</u>
03-ED-89	\$7,843,000	\$2,000,000	\$9,843,000	26.7%

**PROJECT DESCRIPTION:**

This project is located in El Dorado County on Route 89. The primary objective of this project is to collect and treat highway storm water runoff in order to comply with the National Pollution Discharge Elimination System (NPDES) Permit (Board Order No 99-06-DWQ). The NPDES permit requires that storm water runoff collection, treatment and/or infiltration facilities be designed, installed and maintained for the discharge of storm water runoff from all impervious surfaces generated by a 20-year, one-hour design storm.

The project will construct various Best Management Practices including infiltration swales, retention basins, rock lined ditches, and rock energy dissipation devices. Additionally, the project will rehabilitate the existing drainage systems, remove AC dikes and replace them with PCC Curbs, dig out failed pavement to a depth of 0.35 foot, and remove and replace 0.20 foot AC surfacing throughout the project limits.

**PROJECT LOCATION:**



**FUNDING STATUS:**

At the December 2014 Commission meeting, the project received an allocation of \$7,843,000. This request for an additional \$2,000,000 is an increase of 26.7 percent above the allocated amount.

**REASON FOR INCREASE:**

Bids for this project were opened on October 29, 2014. There were two bids; one in the amount of \$9,123,808.72 (42.7 percent above Engineer's Estimate) and the other one in the amount of \$9,672,672.00 (51.3 percent above Engineer's Estimate). The Department reviewed the bids,

interviewed the bidders, and determined that it was in the best interest of the State to reject all of the bids and to re-advertise the project. During these interviews, the prevailing comments were that the project was located on a tight and narrow road, with limited access and inefficient staging areas. This resulted in higher contractor bids because of mobilization costs. The Department then modified the plans and specifications in an effort to provide a more constructible project based on the comments from the contractors. The following items were changed:

- Pave back of Hot Mix Asphalt after cold-plane by the end of the week, instead of within 24 hours;
- During the off-peak season, a full closure in the narrow switchback areas was provided.
- Reduce Disadvantaged Business Enterprise goal from 18 percent to 13 percent.
- Provide for better coordination with two adjacent projects (north and south) to improve access and to provide staging efficiency.

After making these modifications, the project was re-advertised and bids were opened on June 30, 2015. This time the project received four bids. The improvements to the bid package resulted in lowering the bid by nearly \$1,300,000. The bid item prices trended downward from the first to the second bid opening. However, the contractors' overall bid amounts were still higher citing topographical limitations of the project and the resulting complexity of construction. Specifically, due to the lack of staging areas and steep/rocky terrain, the production based bid items including hot mix asphalt, replace asphalt surfacing, roadway excavation and traffic control were higher than the engineer's estimate.

### **LESSONS LEARNED:**

A more careful analysis should have been made of the construction staging strategy prior to advertising this project the first time. The roadway is narrow with narrow shoulders, no detour or alternate routes, and with very few areas available for equipment or material staging. A thorough examination of how the project would be constructed would have revealed that production rates would be low due to the challenges with bringing materials into the work area. This knowledge, in turn, would have been used to estimate production rates and finally, to determine the capital funds required for the project.

### **DETERMINATION**

The Department has determined that re-advertising this project for a third time will not reduce the unit costs and recommends that this request for \$2,000,000 be approved to allow this contract to be awarded.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	Recipient RTPA/CTC 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 Fund Type	State Federal Revised Amount by Fund Type
<b>2.5e.(1)</b>			<b>Supplemental Funds for Previously Voted Projects</b>			<b>Resolution FA-15-01</b>	
1	\$2,000,000	Department of Transportation EDLTC El Dorado 03-ED-89 13.8/18.0	Near South Lake Tahoe, from Cascade Road to north of Eagle falls Sidehill viaduct. Storm water quality improvements. <u>Outcome/Output</u> : Construct infiltration swales, basins, rock lined ditches, rock energy dissipation devices and rehabilitate drainage systems to comply with the National Pollution discharge Elimination System (NPDES) permit.	03-3453C SHOPP/2013-14	\$157,000		\$157,000
				20.20.201.335	\$7,686,000		\$7,686,000
			Supplemental funds are needed to Award.	SHOPP/2014-15 302-0042		\$40,000	\$40,000
			Total revised amount \$9,843,000	SHA 302-0890 FTF 20.20.201.335 0300000224 4 1A843		\$1,960,000	\$1,960,000