

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 21-22, 2015

Reference No.: 2.5e.(4)  
Action Item

From: NORMA ORTEGA  
Chief Financial Officer

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Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT  
RESOLUTION FA-15-09**

## **RECOMMENDATION**

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate an additional \$1,800,000 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 re-advertise the construction contract.

## **RESOLUTION**

Resolved, that \$1,800,000 be allocated from the Budget Act of 2014, Budget Act Item 2660-302-0042, to provide funds to re-advertise the following project.

	<u>Original</u>	<u>Allocation</u>	<u>Revised</u>	<u>% Increase</u>
<u>Dist-Co-Rte</u>	<u>Allocation</u>	<u>Adjustment</u>	<u>Allocation</u>	<u>Above Original</u>
02-Sis-5	\$5,200,000	\$1,800,000	\$7,000,000	34.6%

## **PROJECT DESCRIPTION**

This project is located on Route 5 near Dunsmuir in Siskiyou County. The primary objective of this project is to improve the Dunsmuir Grade Commercial Vehicle Enforcement Facility by constructing a new office building, a new electrical and mechanical building and installing a new water tank. These improvements are necessary in order to continue safe, secure, and efficient operation of the facility.

## **PROJECT LOCATION**



## **FUNDING STATUS**

The project was programmed in the 2014 SHOPP for \$4,700,000 for delivery in Fiscal Year (FY) 2014-15 and was voted for \$5,200,000 in May 2015. Bids for this project were opened on July 22, 2015. Three bids were received; the lowest bid was \$6,429,246 while the next two bids were \$6,501,902 and \$7,514,663. All three bidders were disqualified as they did not properly follow the guidelines and procedures of the bidding process. Therefore the Department will be re-packaging and re-advertising this project upon approval of this request. This request for \$1,800,000 in supplemental funds results in an overall increase of 34.6 percent over the original vote amount.

**REASON FOR INCREASE**

The Department interviewed all disqualified bidders and adjusted the bid package based on their feedback and reviewing the bids received. There were 35 contract items. There is a major cost difference between the Engineer’s Estimate and what the low bid contractor had for some of these bid items as shown in the table below.

<b>BID ITEM</b>	<b>ENGINEER’S ESTIMATE (May 2015)</b>	<b>LOW BID</b>	<b>ENGINEER’S ESTIMATE (Sept 2015)</b>	<b>INCREASE (between Estimates)</b>
Building Work	\$4,651,000	\$5,932,918	\$5,949,000	\$1,298,000
Miscellaneous Items	\$66,071	\$159,407	\$167,208	\$101,137
Additional Contingency				\$320,919
<b>TOTAL INCREASE</b>				<b>\$1,720,056</b>

Based on the feedback from the bidders, the cost difference for the first bid item shown above, Building Work, was mainly due to the rubber inspection bay roll-up doors, the number of working days, and the project being at a remote location. Other items, shown as Miscellaneous Items, include Traffic Control, Remove Concrete, Hot Mix Asphalt and Rock Slope Protection.

The contractor and suppliers are required to work in a confined island area that restricts the contractor’s access while the facility remains in operation during construction. The contractor is also restricted from closing down the facility for any substantial duration. Additionally, the impact to the cost of these bid items is attributed to the fact that the contractors had a difficult time finding sub-contractors to bid on the project.

**DETERMINATION**

The Department has determined that additional funds in the amount of \$1,800,000 are needed in order to re-advertise this project and recommends approval of this request.

Attachment

