

MEMORANDUM

Tab 85

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 26-27, 2019

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(3), Action Item – **REPLACEMENT ITEM**

Prepared By: Dan McElhinney,
District 10 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR PREVIOUSLY VOTED PROJECT (PPNO 10-3202/EA 10-1C460 – TUOLUMNE AND MARIPOSA COUNTIES – STATE ROUTE 108 AND 120) RESOLUTION FA-18-44**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$722,000 for the State Highway Operation Protection Program (SHOPP) Roadway Safety Improvement project (PPNO 3202) on State Route (SR) 108 and SR 120, in Tuolumne, Stanislaus, and Mariposa Counties, to re-advertise and award the construction contract?

RECOMMENDATION:

The Department recommends that the Commission allocate an additional \$722,000 for the previously approved SHOPP Roadway Safety Improvement project (PPNO 3202) on SR 108 and SR 120, in Tuolumne, Stanislaus, and Mariposa Counties, to re-advertise and award the construction contract.

PROJECT DESCRIPTION:

This project would install centerline, edge line, and shoulder rumble strips on SR 108 and SR 120, in Tuolumne, Stanislaus, and Mariposa Counties. The project limits for this project were identified with having a pattern of run-off-road and cross-centerline collisions. Rumble strips are relatively low cost and cost-effective countermeasures at targeted roadway segments with a history of roadway departure crashes.

This project can reduce the number and severity of cross-centerline and run-off-road collisions and improve the safety of the traveling public. The planned performance goal is to reduce 54 collisions in project locations.

“Provide a safe, sustainable, integrated and efficient transportation system to enhance California’s economy and livability”

FUNDING AND PROGRAMMING STATUS:

The project was programmed in the 2018 SHOPP. In March 2018 the project was allocated \$1,527,000 for construction capital and \$290,000 for construction support.

This project was previously advertised, and bids were opened on July 3, 2018. The Department received four bids ranging from \$1,762,083 to \$2,583,323. However, the apparent lowest bidder did not meet the Department's goal of 17.6 percent Disadvantaged Business Enterprise (DBE) contract participation, and therefore was disqualified. Furthermore, when the second and third bidders were also found to be non-responsive, the Department's remaining options were to award the contract at \$2,583,000, which was greater than the available funds including the G-12 funds, or reject all bids and re-advertise the contract.

The Department evaluated all options and factors that impacted the bid results, including the construction market environment and the large number of similar ongoing projects in the region. The Department also re-engaged with and contacted the non-responsive bidders to possibly award to a lower bidder. At about that time, feedback from the field indicated that the previously saturated market was now more favorable for new contracts.

On November 30, 2018, the Department decided to reject all bids and re-advertise the project. With re-advertisement, the Department plans to utilize the "Two Component Paint Traffic Stripe" because the material shortage has been resolved. The EE was revised in April 2019 to account for the current market prices. Based on the most current EE, the updated construction capital for this project is \$2,249,000.

REASON(S) FOR COST INCREASE:

Bids came in high due to the advertisement of multiple similar rumble strip contracts within a short period of time. In addition, there was a shortage of materials for traffic striping including "Two Component Paint Traffic Stripe" that drove up the items' unit price. An addendum was issued to change "Two Component Paint Traffic Stripe" to "Paint Traffic Stripe (2-Coat)" to mitigate this. However, all bids were still higher than anticipated.

The Department will re-advertise the contract with the "Two Component Paint Traffic Stripe" and revise the Engineer's Estimate to reflect current market conditions. This option is considered a viable option as all the project scope will be constructed.

The Department also considered to re-advertise this "as-is" to see if the project can receive more competitive bids. This option is not considered a viable option as it includes Paint Traffic Stripe (2-Coat) and has the risk of bids coming in higher again, which will require supplemental funds.

CONSEQUENCES:

The Department has determined that additional funds of \$722,000 are needed to re-advertise and award the construction contract. The additional funds being requested are in the best interest of the State to avoid delays in implementing this important SHOPP Roadway Safety Improvement project which is consistent with the Commission-adopted goals and objectives of the Transportation Asset Management Plan. The Department has exercised all feasible measures to minimize costs in carrying out work related to this project and has determined that this request is well-supported and is the only viable alternative available.

FINANCIAL RESOLUTION:

Resolved, that \$722,000 be allocated from the Budget Act of 2018, Budget Act Items 2660-302-0042 and 2660-302-0890, to provide funds to advertise and award the construction contract for the SHOPP Safety Improvement project on SR 108 and 120 in Tuolumne, Stanislaus, and Mariposa Counties.

Attachment