



City of Placerville
3101 Center Street
Placerville, California 95667
(530) 621-CITY, Fax: (530) 642-5538

September 20, 2012

Jack Sweeney, El Dorado County Board of Supervisors
Theresa Daly, El Dorado County Chief Administrative Officer
330 Fair Lane, Building A
Placerville, CA 95667

2012 SEP 25 AM 9:00

CLERK
BOARD OF SUPERVISORS
EL DORADO COUNTY

Re: WPI Phase 1A Funding Assistance

Dear Jack and Terri:

For the past several years, the City of Placerville has been working to secure funding to reconstruct and improve the Western Placerville Interchanges (WPI). The total cost of the project is estimated at over \$40,000,000 and includes a new interchange at Ray Lawyer Drive, as well as reconstruction of the bridge and on/off ramps at Placerville Drive. Because of the huge cost for the entire project, it has been divided into several phases. Due to the potential relocation of the Courthouse and efforts on behalf of the County and the City to keep the Courthouse located in Placerville, improvements to the Ray Lawyer Interchange portion of the project became a high priority.

Phase 1A of the Western Placerville Interchanges Project became the first priority based on need, project readiness, and funding availability. Phase 1A includes a westbound on-ramp to Highway 50 from Ray Lawyer Drive. Phase 1B includes improvements to Fair Lane, primarily a curve correction and other pedestrian improvements. Both of these projects are designed not only to assist the Courthouse Project, but to improve traffic in and out of the County offices on Fair Lane. Originally, the City made application to the El Dorado County Transportation Commission (EDCTC) for Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding for the project. The City was awarded \$5.825 million for Phases 1A and 1B of the project, the estimated total at that time. As the funding request proceeded through the process with the Federal Highway Administration, its eligibility was questioned. Eventually, the project was determined ineligible for CMAQ funding. Through great efforts on the part of the City, the County and EDCTC to meet deadlines to apply for Corridor Mobility Improvement Account (CMIA) funding, we were able to obtain \$6,000,000 of CMIA funding for Phase 1A of the Western Placerville Interchanges Project.

Phase 1A of the project was advertised for construction on June 29, 2012, and bids were opened on September 12, 2012, and are summarized below.

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<u>Bidder</u>	<u>Base Bid</u>
Teichert Construction	\$ 4,696,068.95
Doug Veerkamp General Engineering	5,571,155.70
Granite Construction	5,589,585.52
DeSilva Gates Construction	5,912,176.52

Subsequent to the bid opening, Teichert Construction notified the City in writing of mistakes made preparing their bid and requested relief from the bid. Attached is a summary of the total project costs for comparison purposes. As you can see, the project costs, based on the next lowest bid by Veerkamp, will exceed the CMIA funds by \$964,241. Staff has explored all possible options to bridge this funding gap. Unfortunately, no viable solutions have been identified that will not jeopardize the \$6 million in grant money in its entirety.

The City is now in the tenuous position of deciding whether or not to proceed with the project. While we believe the project has merit, and will significantly improve traffic operations in the vicinity, we simply do not have the nearly \$1 million that will be necessary to bridge the funding gap. Without such funds the City will have little choice but to abandon the project and forego the \$6 million in CMIA funds.

Together, the County, the City, and the EDCTC have a track record of project delivery. A failure to deliver on this project will undoubtedly jeopardize our reputation and future funding opportunities. Furthermore, time is of the essence, as the City must make a final decision by mid-October. For this reason, we are respectfully requesting County assistance to ensure that the project can move forward. The estimated amount needed is \$1,200,000, including a 12% contingency. Any amount of contingency not spent would be returned to the County. In addition, the City is committed to working with the contractor to control costs and make every effort to reduce the total cost. If that is possible, the total County contribution could be significantly reduced. With this contribution our cash flow issue will also be resolved.

We appreciate the assistance of the County and will continue to work cooperatively to make this and other projects work to benefit our communities. Please contact me with any questions.

Sincerely,



M. Cleve Morris
City Manager

MCM:lrn
Enclosure
cc: Placerville City Council