State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

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To: DISTRICT DIRECTORS

Date: May 14, 2009

Attention: Deputy District Directors
Program/Project Management

From: RACHEL FALSETTI
Chief
Division of Transportation Programming

Subject: Fiscal Year 2009/10 State Highway Operation and Protection Program
District Minor Program Capital Construction Project Guidelines

Please find attached the Fiscal Year (FY) 2009/10 State Highway Operation and Protection Program (SHOPP) District Minor Program, and the Reservation Program Capital Construction Guidelines.

Attachment A is the FY 2009/10 District SHOPP Minor Program allocations. This allocation represents the total capital outlay and capital outlay support budget available for the delivery of the districts SHOPP Program. It is important to recognize minor program expenditures will be constrained to the total allocation per district in the 2009/10 fiscal year.

Attachment B is the FY 2009/10 District SHOPP Minor Program, and the Reservation Program Capital Construction Guidelines. The objective of these guidelines is to assist the districts in understanding and effectively implementing the District Minor Program. The guidelines indicate the differences between SHOPP District Minor Program and Reservation Program.

Attachment C is the District SHOPP Minor Program Capital Construction Calendar of Events. It provides critical dates that are essential in the successful development of the District Minor Program, and the delivery of Minor A projects. It also specifies the roles and responsibilities of the Division of Transportation Programming and District Minor Program Managers.

Please refer any questions to Rick Guevel at (916) 654-4327, or Noli Pabalan at (916) 654-7042.

Attachments

c: District Minor Coordinators
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SHOPP Program Managers
SHOPP Seniors
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ATTACHMENT A

DISTRICTS MINOR PROGRAM TARGET ($110 MILLION)
BASED ON 50/25/25 SPLIT (LANE MILES =50%, SMALL BUSINESS = 25%, and PROJECT DELIVERY & PERFORMANCE = 25%)
FISCAL YEAR 2009 - 2010

DISTRICT SHOPP MINOR ALLOCATION IN THOUSANDS

District	District SHOPP Minor Capital Outlay (CO) Allocation	District SHOPP Minor Capital Outlay Support (COS) Allocation	TOTAL District SHOPP Minor Allocation
1	$3,534	$2,183	$5,718
2	$5,624	$3,474	$9,098
3	$5,833	$3,603	$9,436
4	$7,587	$4,686	$12,274
5	$4,705	$2,906	$7,610
6	$7,219	$4,459	$11,678
7	$8,667	$5,353	$14,020
8	$8,242	$5,091	$13,333
9	$2,881	$1,779	$4,660
10	$4,967	$3,068	$8,035
11	$5,154	$3,183	$8,337
12	$3,587	$2,215	$5,802
Total:	$68,000	$42,000	$110,000

ATTACHMENT B

Fiscal Year 2009/10 State Highway Operation and Protection Program District Minor Program and Reservation Capital Construction Project Quick Reference Guidelines

OVERVIEW:

At the July 2005 meeting, the California Transportation Commission (Commission) approved several changes to the District Minor Program to expedite the District Minor Program allocation process. The Commission delegated sub-allocation authority to the California Department of Transportation (Department) for minor projects listed on the approved Minor Program project list submitted to the Commission. The Commission, as indicated in the California Transportation Commission (CTC) Resolution G-05-05, also increased the Minor A project construction limit from $750,000 to $1 million each, and the construction expenditure adjustment limit from $150,000 to $200,000 for Minor A projects. Minor A projects have a construction limit consistent with the lower limit of the state contract act, currently at $147,000.

Under the new guidelines, the Commission, in a lump-sum, shall annually allocate to the Department the Minor Program amount included in the most recent fund estimate. The annual Minor Program shall have a list of Minor A projects, lump-sum for Minor B projects, and lump-sum for Right-of-Way (R/W) for minor construction projects.

The Director of the Department is authorized to sub-allocate the lump-sum Minor Program funds to individual Minor A projects that are on the Commission approved Minor Program project list, and Minor B lump-sum.

Beginning July 1, 2005, all projects with a construction limit of $1 million, or less, that are funded from State Highway Operation and Protection Program (SHOPP) reservations, will be referred to as "SHOPP projects," not "Minor A" projects. These projects will be amended into the SHOPP and require a Planning and Programming Number (PPNO). Projects with a construction limit of $1 million, or less, that are funded from the Minor Program, and are on the Commission approved Minor Program project list, will be referred to as "Minor A projects."

PROCESS:

In February, the Departments' Division of Transportation Programming (SHOPP Program Manager) shall provide the Minor Program target allocations to each district. District target allocations are based on lane miles (50 percent), small business

participation (25 percent), and project delivery/performance (25 percent). The lane miles criterion is based on the current district lane miles which includes bridge lane miles. However, small business participation and project delivery/performance criteria are based on the most current 3-year historical average.

By February 15th, of each fiscal year, the Division of Transportation Programming shall provide the Minor Program target allocation to the districts. By April 1st, of each fiscal year, districts shall provide their funding split between Minor A, Minor B, and R/W Capital (which includes environmental permit review fees), and a list of proposed Minor A projects to the Department SHOPP Program Manager. As specified in the CTC Resolution G-05-05, the Minor Construction Program is reserved only for small State Highway Operation and Protection Program (SHOPP) type projects. All minor projects must qualify as SHOPP projects, and shall not include projects that are capacity increasing in nature, bicycle and pedestrian facilities, sound-walls, and enhancements and mitigations for State Transportation Improvement Program (STIP) projects nor to enhance and/or cover cost increases on STIP Projects.

In June, and annually, thereafter, pursuant to Resolution G-05-05, the Department will present to the Commission its Minor Program for review and acceptance. The Minor Program shall be supported by a project list that at a minimum shall include the following information for each project:

- The Department's district, county, route and post mile.
- Project description.
- Expenditure Authorization number.
- Program Code.
- Estimated R/W expenditure (includes all permit fees).
- Estimated construction expenditure.
- Estimated support expenditure.

From July through February, when a project is ready for an allocation (ready to list), the district submits funds request to both the Departments' Division of Budgets and the Division of Transportation Programming.

- The Department allocates funds through delegation authority to projects on the approved Minor Program project list.
- Projects must be ready to list as reflected in the Office Engineer database and, must have an approved funds request.
- Financial Contribution Only (FCO) projects must have an executed Cooperative Agreement prior to allocation of funds either through delegation authority or CTC vote. The district has to encumber the funds by June 30th of the funding fiscal year.

- Requested amount must not exceed $200,000 of the estimated construction cost in the CTC approved Minor A project list.

- Minor projects will be funded with State only funds. No Federal funds participation on Minor projects except for the following:

  - ✓ Railroad Grade Separation and Railroad Grade Crossing Protection projects with estimated construction/capital costs of $100,000.
  - ✓ Parking Facilities and Transit-Related Facility (including Bus Stops) projects with estimated construction/capital costs of $30,000.
  - ✓ If any portion of the Local share/match of a Cooperative Agreement or Financial Contribution Only project is federalized, then the entire project including the State share shall be federalized.
  - ✓ Emergency Relief (ER) projects greater than $5,000 deemed eligible by an approved Damage Assessment Form are eligible for Federal ER funds.

- The Minor Program lump-sum allocation includes construction expenditures for Minor A, Minor B and R/W.
- Request for State only funding will only be considered on an exception basis for projects otherwise eligible for Federal funding. Request for State only funding will be submitted to the Chief, Division of Budgets. Instructions for requesting exception to the above Federal funding policy is available in the Headquarters (HQ) Division of Budgets' website (http://onramp/hq/budgets/fedblibrary.htm).

From July through February, districts may substitute a new project for an approved project on the Minor Program project list with approval from the Department SHOPP Program Manager or the Department Statewide Minor Program Coordinator. Districts may substitute a new FCO from July through early May of the fiscal year. These projects require an executed cooperative agreement prior to being submitted for a CTC vote/allocation:

- Substitute project not on the initial Minor Program project list requires a Commission Allocation/Vote.
- Total Minor Program costs must remain within the District Minor Program target allocation.

Following are the guidelines pertaining to the District Minor Program and SHOPP Reservation projects in response to the most commonly asked questions from the District Minor Program Coordinators and SHOPP Program Managers.

GUIDELINES:

District Minor Program

- District selects projects based on district priority and not on a statewide priority.
- Districts have flexibility to redirect funds between Minor A, Minor B and R/W targets to better meet their needs (cost increase, change in priority, etc). The districts must notify the Departments' Division of Transportation Programming (SHOPP Program Manager and Minor Program Coordinator) of any requested changes. An e-mail from the District Minor Program Coordinators will be sufficient to process the request.
- Projects on the Minor Program project list will receive allocations and subsequent cost adjustments through award by delegation unless construction cost exceeds $200,000 of the estimated construction cost shown in the CTC approved Minor Program project list.
- Any additional funding through award delegated by the Department, or approved by the Commission, will be charged against the District Minor Program target allocation.
- Any additional funds for minor projects such as Construction Expenditure Adjustment or Supplemental funds (G-12) after the project is awarded will not be allocated and/or deducted from the District Minor Program target allocation.
- Any additional funds for Minor A and B projects after the project is awarded will receive funding/allocation from a SHOPP appropriation (any open year) that is still available for encumbrance and liquidation. The budget capital file record and the Category of Expenditure (COE) expenditure authority coding will continue to reflect the project and supplemental funds as Minor A or B category (COE 131000 or COE 141000).
- Only R/W expenditures for Minor A and B projects that are funded by the Minor Program should be charged against (COE 152000). Major or SHOPP Reservation projects with R/W expenditures should not be charged against COE 152000.
- Specialty facilities such as Maintenance, Equipment, Material Labs, and certain Traffic Management Center projects will be charged against budget item 2660-303-0042 instead of budget item 2660-302-0042. Funding will come from the Minor Program.
- Savings from projects on the Minor Program project list can be used to fund cost increases to projects on the District Minor Program project list. In addition, the district can use the savings to add Minor A projects.
- If district wishes to add a project that is not on the Minor Program project list, the district is required to identify a project of equal value to be deleted or savings from the Minor Program project list to offset the cost increase to remain within the annual District Minor Program target allocation.

- If the district wishes to delete a project from their Minor Program project list, an e-mail notification from the District Minor Program Coordinator to the Statewide Minor Program Coordinator is sufficient to request a project deletion. However, the district single focal point must be included in the e-mail notification.
- Substituted project not on the Minor Program project list must be submitted to the Commission for an allocation.
- Minor A projects on the CTC approved Minor A project list requiring a CTC vote because they have exceeded the CTC approved construction cost by more than $200,000 will be submitted to the Commission under the category of >120 percent and, must be approved by the executive committee prior to submission to the CTC. These projects will not receive a new funding capacity adjustment base (G-12). Any subsequent requests for additional funding must be presented to the Commission for approval per CTC Resolution G-05-05 dated July 15, 2005.
- Projects requesting cost increases in excess of $200,000 in construction Expenditure Adjustment (G-12) after receiving an allocation either through delegation authority or CTC vote will be submitted to the Commission as a supplemental vote. For more information on a CTC supplemental vote, please contact the Supplemental Funds and Greater than 120 percent Coordinator at CALNET 8-464-3777.
- Effective FY 2006/07, program codes 201.115 (Bridge Preventative Maintenance) and 201.122 (Roadway Preventative Maintenance) for both Minor A and Minor B projects are funded by Maintenance Program. The Minor and SHOPP Programs no longer fund these types of projects.
- Districts are highly encouraged to deliver their Minor A projects no later than February of each fiscal year to ensure all projects are awarded by June 30th.
- Minor projects must be awarded and funds certified by June 30th of each fiscal year.
- The Minor Program is a one-year program. Either use the funds or lose it.
- The Minor A and Minor B construction limits do not include local contributions.
- Minor B safety projects (201.010) less than the Minor B limit of $147,000 will be funded from the District Minor Program target allocation.
- Minor B major damage restoration projects (201.130) less than the Minor B limit of $147,000 will be funded from the District Minor Program target allocation.
- Effective FY 2009/10, the following criteria will apply to Major Damage Restoration (201.130) and Permanent Restoration (201.131) projects:

  - ✓ Any 201.130 or 201.131 project within the Minor A limit that is Ready-To-List (RTL) within 18 months of the event, shall be deemed a SHOPP project and will be funded with SHOPP Reservation funds.
  - ✓ Any 201.130 or 201.131 project within the Minor A limit that is RTL more than 18 months after the event, shall be deemed a Minor A project and will be funded with Minor Program funds.

- ✓ The Program Advisor may recommend exceptions to the 18 month rule if the district presents a good justification that the 18 month delivery is not reasonable given engineering challenges or other unavoidable factors.

- Effective FY 2009/10, project delivery/performance will be included as one of the criteria, in addition to lane miles and small business participation, in determining District Minor Program target allocation.
- Minor A projects will be monitored to stay within the target allocation and will contain the following information:

  - ✓ Project - county, route, post mile, program code, description.
  - ✓ Original amount.
  - ✓ Vote amount.
  - ✓ Award amount.

- If the total award amount, at the end of the fiscal year, exceeds the district target, the Department will work with other districts to identify any savings to stay within the statewide Minor Program budget. If savings are not found, awards will not be able to be made, allocations will be rescinded and projects will be delayed to subsequent fiscal years to stay within budget. However, if savings are found, the Departments' Division of Programming will redistribute the savings to other districts. The redistribution of savings will be made in March in order to provide sufficient time to award the Minor A and Minor B projects by June 30th of each fiscal year.
- Minor A projects receiving an allocation through delegation will be reported at the next Commission meeting as informational items.
- Districts are required to submit funds request to the HQ Budgets SHOPP e-mail address (SHOPP - Funds Request/HQ/Caltrans/CAGov@DOT).
- Request for funds in excess of the 110 percent ($161,700) for Minor B requires a CTC vote (please contact the Supplemental Funds and Greater than 120% Coordinator at CALNET 8-464-3777).
- The Department has no authority to exceed the total approved Minor Program dollar limit (Minor A projects, Minor B lump sum and R/W lump sum).
- All Minor B projects will be funded from the District Minor Program target.
- Minor A and B projects do not require a Planning and Programming Number (PPNO).

SHOPP Reservation Projects

- The following guidelines were developed to address questions concerning projects greater than $147,000 but less than or equal to $1,000,000 that will be funded by the SHOPP reservations.

- Projects that are funded by the SHOPP Reservation are considered SHOPP projects and NOT Minor A projects. Please note that only those projects that are funded by the Minor Program are Minor projects.
- Beginning July 1, 2005, all SHOPP Reservation funded projects will be amended into the SHOPP. These projects require a PPNO and a Project Initiation Document (PID) as outlined in the Project Development Procedures Manual (PDPM) prior to being amended into the SHOPP. Currently, SHOPP Reservations are available in the following programs for projects in which the construction cost is $147,000 but less than or equal to $1,000,000:

  - ✓ Safety (201.010).
  - ✓ Emergency Damage Restoration (201.130).
  - ✓ Permanent Restoration (201.131).
  - ✓ Relinquishments (201.160).
  - ✓ Maintenance Worker Access (201.230).
  - ✓ Surface Mining and Reclamation Act (201.240).
  - ✓ Weigh Station (201.321).
  - ✓ Rail Road Grade Crossing (201.325).
  - ✓ Hazardous Waste Mitigation (201.330).
  - ✓ Transportation Lab (201.354).
  - ✓ ADA – Curb Ramp (201.361).

- SHOPP Reservation projects $1,000,000 and under, have a G-12 capacity of $200,000. G-11 Reservation projects have no G-12 capacity (a combined Directors Order/Funds Request form must be submitted for funding increases on G-11 projects).
- Projects require approval from the Department SHOPP Program Manager and the appropriate Departments Program Manager prior to being amended into the SHOPP.
- Districts are required to submit an amendment request to the Department SHOPP Program Manager. Emergency projects are to use the combined Director's Order/Funds Request form.
- Districts are required to submit funds request to both the Department Division of Budgets and the Department Program Manager to receive an allocation.
- Projects must be ready to list as reflected in the Department Office Engineer databases prior to submission to the Commission for allocation. Emergency Damage Restoration (201.130) projects are exempt from this requirement.
- All SHOPP Reservation projects, except Emergency Damage Restoration (201.130) projects, will be treated as regular SHOPP projects.
- Emergency Damage Restoration (201.130) projects with an approved Director's Order and funding allocated by Resolution G-11 may be amended into the SHOPP after contract award.

- Emergency Damage Restoration (201.130) and Permanent Restoration (201.131) projects may substitute a Damage Assessment Form in lieu of a PID pursuant to Appendix O of the PDPM.

ATTACHMENT C

DISTRICT MINOR PROGRAM
CALENDAR OF EVENTS

DESCRIPTION / ACTIVITY	DUE DATE
1. The California Department of Transportation (Department) Division of Transportation Programming (SHOPP Program Manager), provides minor program target to the districts.	February 15
2. Districts provide their funding splits for Minor A, Minor B, Right-of-Way and a list of proposed District Minor A projects to the Department SHOPP Program Manager.	April 1
3. The Department presents, and the California Transportation Commission approves minor program.	June 10/11
4. When a project is ready for an allocation, the districts submit funds requests to both the Department's Division of Budgets and the Division of Transportation Programming.	July - February
5. Districts may substitute a new project for a project on their district minor project list with approval from the SHOPP Program Manager or Minor Program Coordinator.	July - February
6. Districts are advised to deliver their Minor A projects as early as possible in the fiscal year. **Please see notes below for more information.**	February
7. District's Minor A projects must be awarded on or before the end of fiscal year.	June 30

Notes:

To ensure that Minor "A" projects can be processed and awarded by the end of the Fiscal Year, the PS&E Packages must be submitted to DES-OE according to the following Schedules:

50 percent by November 1st.
70 percent by December 1st.
90 percent by January 2nd.
100 percent by February 1st.

Minor "A" projects not delivered to DES-OE by February 1st and funds are not allocated by March 1st, are at risk of not being awarded by June 30th. Projects delivered after February 1st must be submitted under AADD. Projects submitted under AADD should be received by DES-OE no later than March 1st.