

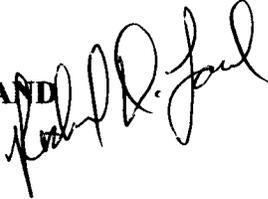
Memorandum

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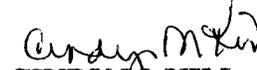
To: DISTRICT DIRECTORS
DEPUTY DISTRICT DIRECTORS
for PROGRAM PROJECT MANAGEMENT

Date: October 10, 2006

From: RICHARD D. LAND
Chief Engineer



CINDY McKIM
Chief Financial Officer



Subject: Risk Vote and Risk Advertisement Request Process

The Risk Vote and Risk Advertisement request process has been updated to assist the districts and local agencies in identifying, planning, and obtaining approval for risk vote and risk advertisement of the California Department of Transportation (Caltrans) and local agency projects.

Projects that do not have all constraints cleared (ready-to-list) may be risk voted or risk advertised only if it can be demonstrated that it will accelerate the project advertisement, or prevent the project from being delayed. The district or local agency needs to show that the project acceleration benefit of a risk vote or advertisement outweighs the associated risk. Risk vote will only be considered when it is demonstrated that the proposed project advertisement can be accelerated with this action, or that the proposed project advertisement date will be delayed if the vote must wait until the subsequent California Transportation Commission (CTC) meeting. This also applies to projects voted or advertised under a Right-of-Way (R/W) Certification 3 or 3W. To clear the constraint, a R/W Certification 3 must be upgraded to a 1, 2, or 3W and a R/W Certification 3W must be updated.

All requests for risk vote or risk advertisement including projects with R/W Certification 3 or 3W will need to be accompanied by an Engineer's Estimate certified by the District/Regional Director and submitted using the attached Request for Risk Advertising and Risk Vote form and included with the project request for funds.

For contracts with funds allocated by the CTC, advertisement can only occur after allocation. For federally funded projects, advertisement can only occur after completion of the applicable conditions in the Code of Federal Regulations, Title 23, Chapter 1, Part 635, Section 309, "Authorization," and after federal authorization of funds.

Districts and local agencies are responsible for obtaining all necessary clearances and approvals prior to bid opening. All project constraints must be cleared three weeks prior to bid opening, or the bid opening of the project may be postponed or cancelled. Furthermore, CTC requires that

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projects not awarded in four months be reported to the CTC and projects not awarded in six months require a time extension. This requirement is for both Caltrans and local agency projects. Attached are copies of the updated Request for Risk Advertising and Risk Vote form, checklist, guidance, and Risk Vote and Risk Advertisement Directive. The Request for Risk Advertising and Risk Vote form has been updated and includes a checklist and guidance to help expedite approval as soon as a risk vote or advertisement is needed for a project. The checklist, guidance, and updated form identifies what information is needed, timelines, and district and headquarters roles and responsibilities.

If you have any questions or require further information, please contact Mary Payyappilly, Chief, Office of Project Management Workload at (916) 654-2476, or Greg Wong, CTC Liaison, at (916) 654-2503, or the Project Management Division Coordinator.

Attachments

c: Will Kempton
John McMillan
Ross Chittenden
Norma Ortega
Steve Takigawa
Jeff Lewis, FHWA
Project Delivery Division Chiefs

RISK ADVERTISING AND RISK VOTE GUIDANCE

October 10, 2006

Definitions:

Risk Vote: Risk Vote is a California Transportation Commission (CTC) action requested by the District Director or Local Agency to risk vote project funds (allocation) prior to the project being ready-to-list (RTL) or amended in the approved Federal State Transportation Improvement Program (FSTIP) 17 working days prior to the CTC meeting.

Risk Advertisement: Project advertised for construction prior to having all of the necessary constraints cleared to RTL the project for construction.

The Request Risk Advertising and Risk Vote form can be found on the Division of Project Management's intranet website at:
<http://pd.dot.ca.gov/pm/ProjectOffice/ProjectOffice.asp> under the Process Guidance & Directives section.

Roles:

Chief Financial Officer will have to sign off on the request form for a project seeking a risk vote. The Chief Engineer will have to sign off on the request form for a project seeking risk advertisement.

If the request is for both risk vote and risk advertisement, both the Chief Engineer and the Chief Financial Officer will have to sign off on the form.

The Office of Workload and Program Delivery in the Division of Project Management will obtain all necessary concurrence and the signatures of all Division Chiefs who are responsible for the constraints as well as obtaining the signature of the Chief Engineer.

The Division of Transportation Programming, Office of CTC Liaison (OCTCL) will obtain necessary concurrence and signature from the Chief Financial Officer.

Requirements:

To facilitate timely approvals, Districts and Local Agencies need to identify risk vote and risk advertisement as early as possible. It is recommended that the project be identified as a risk vote and/or risk advertisement at the time the request for funds is submitted.

Once the project is determined to need a risk vote and/or risk advertisement, the Request for Risk Advertising and Risk Vote form with all Division Chief's concurrences and signatures needs to be received by the Division of Transportation Programming at the

time final agenda items are due to the OCTCL. This allows time for the OCTCL to obtain the signature of the Chief Financial Officer before the agenda is submitted to CTC Staff. If the form is not received by COB on the day final agenda items are due to the OCTCL, the project will not remain on the CTC Agenda. Please see the CTC Preparation Schedule for final agenda due dates at:

<http://www.dot.ca.gov/hq/transprog/ctcliason.htm>. Click on CTC Preparation Schedule and see ***Risk Vote Forms with District Directors and Division Chief Signatures due to Chief, OCTCL. For the Calendar-Year 2006 CTC Preparation Schedule, use the dates for*** Final Agenda Items due to the OCTCL, the second to last column.

For projects seeking risk vote that requires an amendment to the FSTIP, the request for risk vote form with all of the Division Chief's concurrences and signature by the Chief Financial Officer must be received before Final Agenda Items are due to OCTCL.

For projects seeking risk advertisement, the request for risk advertising form with all Division Chief's concurrences and signature of the Chief Engineer must be received in DES Office Engineer six weeks prior to the proposed advertisement date, or the project will not be listed for advertisement. This ensures that bid documents can be finalized, reproduced and the project can be listed in the State Contracts Register.

REQUEST FOR RISK ADVERTISING AND RISK VOTE

Date: _____

Check appropriate box(es):

Risk Advertisement Request:

Risk Vote Request:

Refer to the attached Risk Vote/Advertisement Checklist for processing procedure.

If you have any questions or require further information, please contact the Project Management Division Coordinator or District Program/Project Management Office.

Risk vote and risk advertisement include projects advertised using a Right-of-Way Certification 3 or 3W.

Attach approved Request for Risk Advertising and Risk Vote Form with the submittal of the Request for Funds.

PROJECT IDENTIFICATION

Dist.-Co.-Rte-PM: _____ EA: _____ PPNo: _____

Location Description: _____

Work Description: _____

Program: _____

Current Estimate: _____ Programmed Amount: _____

Proposed Submittal of Request for Funds ("cutoff date"):

Proposed CTC Vote Date:

Proposed Advertisement Date:

Proposed Bid Opening Date:

SPECIFIC CONSTRAINTS NOT CLEARED:

(District commits to clearing constraint three weeks prior to bid opening)

Constraint

Target Clearance Date

Why must the Department assume this risk? (describe business case, e.g. benefit of accelerated delivery, public safety issues, coordination of this work with other contracts, etc.)

RISK MANAGEMENT PLAN:

Provide a Risk Management Plan following the guidance in the Project Risk Management Handbook :http://www.dot.ca.gov/hq/projmgmt/guidance_prmhb.htm

(Some examples of adverse consequences are misallocation of State Highway Account funds, loss of federal funds, loss of Departmental staff time, cost of materials, increased project costs due to loss of bidder time and resources, exposure of subcontractor bids, project delays if project needs to be re-advertised.)

REQUESTED BY:

DISTRICT DIRECTOR _____ Date

DIVISION CHIEF CONCURRENCE(S) TO GO FORWARD WITH RISK
(May be an attached e-mail from the Division Chief or his/her documented designee)

Constraint	Division Chief Name	Division Chief Signature	Date
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APPROVALS

Risk Advertisement

Risk Vote

RICK LAND _____ Date

CINDY MCKIM _____ Date

RISK ADVERTISING AND RISK VOTE STATUS INFORMATION

(To be completed by District Project Management and submitted to District Office Engineer and District CTC Liaison after all constraints have been cleared)

<u>Constraint</u>	<u>Signature</u>	<u>Date Cleared</u>
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All Constraints Clear (Forward to District Office Engineer and CTC Liaison)

Risk Vote and Risk Advertisement Checklist
Sept. 20, 2006

	Risk Vote	PM Name: _____			
	Risk Advertisement				
<small>(Check as Appropriate)</small>					
District EA:			Date		
Ref. #	Activity	Who	Typical Duration (Days)	Start	Finish
1	Track progress of request using this checklist. Contact PM Coordinators with any questions on this process.	Project Manager (PM)	Ongoing		
2	Develop Risk Management Plan (RMP) for all projects	Project Development Team (PDT)	N/A		
3	Reassess the risks based on the constraints (Can the project be awarded within 4-6 months?; Is there a Resolution to award within the 6 months?)	PDT	1		
4	Identify remaining outstanding constraints and appropriate advertising and bid opening schedule by contacting DES OE (Hooshang Mehrshahi, Ted Miyashiro, Vivian Tam.)	PM	1 Concurrent with Ref #10		
5	Identify required Division Chief concurrences based on outstanding constraints. Design (Mark Leja) Environmental (Jay Norvell) Right of Way (Bimla Rheinart) Budgets (Norma Ortega) Programming (Ross Chittenden) DES (Bob Buckley) Maintenance (Steve Takigawa) FHWA (Jeff Lewis-Field Operations Engineer)	PM	1 Concurrent with Ref #10		
6	Complete the Project Fund Request, Risk Vote/Risk Advertisement Request and obtain signature of District Director	PM	2 to 3		
7	Scan the Request with attached RMP and e-mail to the identified Division Chiefs. Follow up with a telephone call. In the e-mail, the subject has to say REQUEST CONCURRENCE: "Risk Vote/Risk Advertisement". Use standard language in the body of the e-mail e.g. "Immediately review, comment, and concur."	PM	2 to 3		
8	Obtain all concurrences from the Division Chiefs. E-mail concurrence is acceptable.	PM	3		

Risk Vote and Risk Advertisement Checklist
Sept. 20, 2006

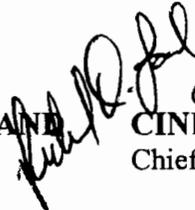
District EA:		Date			
Ref. #	Activity	Who	Typical Duration (Days)	Start	Finish
9	Scan and e-mail the package (Fund Request, Risk Vote/Adv. Request, RMP, concurrences from all Division Chiefs, Risk Vote/Risk Advertisement checklist) to the Single Contact Person (SCP) (Reza Afhami) in HQ.	PM	1		
10	Obtain signature of Chief Financial Officer (Cindy McKim) for Risk Votes through Chief, Div. Of Programming (Ross Chittenden) or the CTC liaison (Greg Wong).	SCP in HQ, Div. Of PM Project Office	2		
11	Obtain signature of Chief Engineer (Richard Land) for Risk Advertisements.	SCP in HQ, Div. Of PM Project Office	2		
12	SCP will scan and send the signed and approved Risk Vote/Adv. Request to Programming (Ross Chittenden, Greg Wong), DES OE (Lotus Notes: "DES-OE Submittals"), District PM, and copy to identified Division Chiefs in HQ.	SCP in HQ, Div. Of PM Project Office	1		
13	FOLLOW up on outstanding constraints. Send completed constraints to "DES-OE Submittals."	PM	0		
14	Risk/Vote/Ad summary report semi-annually for the Management	SCP in HQ, Div. Of PM Project Office	Semi-annual		
15	Risk Vote/Risk Adv. Form will be posted on the Intranet	SCP in HQ, Div. Of PM Project Office	Ongoing		
16	Perform independent assurance on Risk Vote/Adv. Process	PM Coordinator	Ongoing		

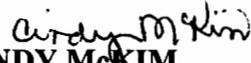
Memorandum

*Flex your power!
Be energy efficient!*

To: DISTRICT DIRECTORS
DISTRICT DIVISION CHIEFS
PROGRAM PROJECT MANAGEMENT

Date: July 25, 2005

From:  RICHARD D. LANE
Chief Engineer

 CINDY McKIM
Chief Financial Officer

Subject: Risk Vote and Risk Advertisement Directive

The Risk Advertisement Directive is being updated to strengthen accountability and include Risk Votes. Projects may be risk voted (CTC fund allocation without all constraints being cleared) or risk advertised (advertised without all constraints being cleared) only upon written request and approval as outlined below. The district needs to show that the project acceleration benefits of a risk vote or advertisement outweigh the associated risks. Specifically, the Department needs to ensure that limited allocation authority is only used on projects immediately ready for construction. Districts are responsible for obtaining all necessary concurrences and approvals.

Risk Advertisement and Risk Vote Process

District Director to request and obtain approval from the Chief Financial Officer for Risk Votes or the Chief Engineer for Risk Advertisements using the attached form and steps:

- District fills out "Request for Risk Advertising and Risk Vote" form.
- District attaches to the request a risk management plan as outlined in the Department's Project Risk Management Handbook.
- District Director signs request.
- District obtains concurrence from Headquarters' Division Chief responsible for each constraint policy that has not been cleared. Concurrence may be documented on the attached form, by e-mail or other written communication.
- District obtains approvals from the Chief Financial Officer for Risk Votes or the Chief Engineer for Risk Advertisements.
- Districts sends completed request with concurrences and approvals both to the Chief, Division of Transportation Programming (MS #82) (Fax 8-464-2738) and to the Chief, Division of Engineering Services-Office Engineer (MS#43) (Fax 8-498-6151).

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July 25, 2005

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Constraints must be cleared 3 weeks prior to bid opening or bid opening may be postponed or cancelled.

This directive applies to projects voted or advertised under a Right of Way Certification 3 or 3W. To clear the constraint, a R/W Certification 3 must be upgraded to a 1, 2 or 3W and a R/W Certification 3W must be updated.

For contracts with funds allocated by the CTC, advertisement can only occur after allocation. For federally funded projects, advertisement can only occur after completion of the applicable conditions in the Code of Federal Regulations, Title 23, Chapter 1, Part 635, Section 309, "Authorization," and after federal authorization of funds.

If you have any questions or require further information, please contact Ross A. Chittenden, Chief, Division of Programming at (916) 654-4013, or John C. McMillan, Deputy Division Chief, Division of Engineering Services-Office Engineer at (916) 227-6300.

Attachments

c: Will Kempton
John C. McMillan
Ross Chittenden

Memorandum

*Flex your power!
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To: DISTRICT DIRECTORS

Date: July 27, 2005

From: ROSS A. CHITTENDEN
Chief
Division of Transportation Programming

Subject: Projects Ready for California Transportation Commission (CTC) Allocation

Director Kempton has committed that projects receiving a CTC allocation be awarded within 4 to 6 months to ensure that transportation funds included in the State budget be immediately put to work to improve mobility. Concurrently, the CTC adopted a resolution at their July 14, 2005 meeting requiring that projects not awarded in four months be reported to the CTC and that projects not awarded in six months require a time extension. This requirement is for both Caltrans and local agency projects.

Projects must be ready to immediately proceed to advertisement and contract award upon receipt of a CTC allocation. Traditionally, projects that are Ready-to-List have been considered for a CTC allocation even when existing constraints prevent the project from being ready to advertise. Within the next few days, you will receive a new directive that combines risk vote / risk advertisement approval into a single process. To receive a vote prior to all constraints being cleared, you will be asked to provide the same information required under the existing risk advertisement process. The process requires defining outstanding constraints and targeted clearance dates, explaining why the Department should assume risk of seeking a risk vote, and obtaining concurrence from affected Headquarters Division Chiefs responsible for the constraint that has not been cleared. Additionally, a risk management plan needs to be included to ensure the project is targeted for award within four months and risks can be mitigated to ensure the project is actually awarded in six months.

This process applies for projects being considered for an August vote. My staff will seek this information informally until the final directive is signed and issued. If you have any comments or questions, please contact me at (916) 654-4013.

c: Deputy District Directors, Program/Project Management
RLand
CMcKim
BBuckley
KSutlif