

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: July 8-9, 2009

Reference No.: 2.5g.(3a)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

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Transportation Programming

Subject: **FINANCIAL ALLOCATION ADJUSTMENTS FOR AWARD  
RESOLUTION STIP1B-AA-0910-001, AMENDING RESOLUTION STIP1B-A-0809-008**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve an adjustment to the allocation amount for the South Avenue Reconstruction project (PPNO 3054) in Tehama County from \$7,500,000 to \$4,689,000.

## **ISSUE:**

Section 188.8 of the Streets and Highways Code allows the Commission to adjust an allocation amount for a capital outlay project in the State Transportation Improvement Program (STIP) if the construction contract award amount for the project is less than 80 percent of the engineer's final estimate. The result would be an adjustment to interregional and/or county shares. The legislation is permissive and it is understood that adjustments to allocations are at the discretion of the Commission.

The Department and Tehama County are requesting a downward adjustment of \$2,811,000 from \$7,500,000 to \$4,689,000, for the South Avenue Reconstruction project programmed in the STIP.

## **BACKGROUND:**

On December 11, 2008, the Commission approved Resolution STIP1B-A-0809-008, allocating \$7,500,000 to the South Avenue Reconstruction project to modify the interchange to improve traffic operations. The project was programmed with Tehama County Regional Improvement Program (RIP) shares for \$7,500,000. The project was awarded on May 6, 2009, and based on the award amount, the current amount needed is \$4,689,000.

The following table summarizes the project award information for PPNO 3054:

Item	RIP Amount	Total Amount
Contractor's Bid Amount	\$3,836,116	\$3,836,116
Supplemental Work	\$453,000	\$453,000
State Furnished Materials	\$182,100	\$182,100
Contingencies	\$217,784	\$217,784
*Total Project Award Allowance	\$4,689,000	\$4,689,000
CTC Allocation	\$7,500,000	\$7,500,000
*Requested Adjustment	(\$2,811,000)	(\$2,811,000)

(\*Total Project Award Allowance is rounded to the nearest thousand.)

**FINANCIAL RESOLUTION:**

Resolved, pursuant to Section 188.8 of the Streets and Highways Code, that the California Transportation Commission does hereby adjust the amount allocated on December 11, 2008, under Resolution STIP1B-A-0809-008 for the South Avenue Reconstruction project (PPNO 3054) in Tehama County by \$2,811,000, from \$7,500,000 to \$4,689,000, in accordance with the attached revised vote box.

Attachment

2.5 Highway Financial Matters

Project # Allocation Amount Recipient <u>RTPA/CTC</u> Dist-Co-Rte Postmile	Location Project Description Project Funding	EA PPNO Program/Year PA&ED PS&E CONST ENG CONST	Budget Year Item # Fund Type	Amount by Fund Type
<b>2.5g.(3a) Final Allocation Adjustments for STIP Projects (AB 608)</b>		<b>Resolution STIP1B-AA-0910-01, Amending Resolution STIP1B-A-0809-008</b>		
1 <del>\$7,500,000</del> <b>\$4,689,000</b> Department of Transportation <u>Tehama LTC</u> Tehama 02N-Teh-5 R3.5/R10.0	Near Corning, north of South Avenue overcrossing. Reconstruct interchange to improve capacity and operations.  Final Project Development Support Estimate: \$2,190,000 Programmed Amount: <u>\$2,223,000</u> Adjustment: \$ 0 (<20%)  Final Right of Way Right of Way Estimate: \$1,905,000 Programmed Amount: <u>\$2,440,000</u> Adjustment: \$ 535,000 Credit  <b>Construction savings of \$2,811,000 to be credited to Tehama County regional share balance.</b>  <u>Outcome/Output:</u> Modify 1 interchange to improve traffic operations.	370701 02-3054 RIP / 08-09 \$0 \$0 \$1,163,000 <del>\$7,500,000</del> <b>\$4,689,000</b>	2007-08 304-6058 TFA	<del>\$7,500,000</del> <b>\$4,689,000</b>