

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 22-23, 2011

Reference No.: 2.8b.(5)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Division Chief
Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR LOCALLY-ADMINISTERED STIP PROJECTS, PER RESOLUTION G-06-08, WAIVER-10-42**

RECOMMENDATION:

The California Department of Transportation recommends the California Transportation Commission (Commission) approve the request by the San Mateo City/County Association of Government (C/CAG) to extend the period of contract award for the San Mateo County Smart Corridor project, Segment 2 (PPNO 04-2140F) for 20 months, to March 31, 2013.

ISSUE:

On January 20, 2011, the Commission approved Resolution STIP1B-A-1011-006, allocating \$5,270,000 for the San Mateo County Smart Corridor project, Segment 2. The City anticipates being unable to award the contract prior to the award deadline of July 20, 2011, due to unforeseen problems with potential State budget impacts to local matching funds. The C/CAG requests a 20-month time extension to March 31, 2013.

BACKGROUND:

The C/CAG and the Department are partners in the delivery of the overall San Mateo County Smart Corridor, which consists of four segments. The C/CAG is the implementing agency for Segment 2, and the Department is the implementing agency for Segment 3 (PPNO 04-2140Q). Both segments construct traffic signals, closed circuit televisions, trailblazer signs and vehicle detection systems on local streets that connect State Routes 101 and 82. Both segments are interdependent in terms of final testing, integration, and operation. The demarcation between Segments 2 and 3 is for the purpose of design and contract administration only. The operational control testing of installed equipment in both segments must be performed in tandem to be effective. Also, both segments must be implemented and tested concurrently to take advantage of the manufacturers' warranties. Therefore both segments must be completed around the same time.

The C/CAG received a construction allocation for Segment 2 at the Commission's January 2011 meeting. The Department requested a construction allocation of \$11,200,000 for Segment 3 at the Commission's March 2011 meeting; however, the Commission deferred the allocation due to lack of available bond funds. It is unclear when bond funds will become available. Therefore, C/CAG is requesting for a 20-month time extension to the period of contract award for Segment 2. The

C/CAG is ready to immediately start contract advertisement and the necessary steps for contract award for Segment 2 as soon as Segment 3 is funded. The availability of bond fund for Segment 3 is unpredictable and the C/CAG must have maximum flexibility with Segment 2 contract award deadline in order to minimize the impact to Segment 2 of further delays with the Segment 3 allocation.

In June 2006, the Commission adopted Resolution G-06-08, which requires the agency implementing a project to request a time extension if the project will not be awarded within six months of the allocation. STIP Guidelines stipulate that the Commission may approve a waiver to the contract award deadline one time only for up to 20 months in accordance with Section 14529.8 of the Government Code.