

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 15, 2005

Reference No.: 2.8b.(2) - **REVISED**
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Terry Abbott
Division Chief
Local Assistance

Ref: **REQUEST TO EXTEND THE PERIOD OF PROJECT CONTRACT AWARD FOR
LOCALLY-ADMINISTERED STIP PROJECTS, PER FISCAL YEAR 2005-06
ALLOCATION PLAN CRITERIA
WAIVER-05-30**

CTC Action Update: The California Transportation Commission approved all time extension requests under this item for three (3) months only.

ISSUE:

On July 14, 2005, the California Transportation Commission (Commission) allocated construction funds totaling \$2,885,000 for five projects, as shown on the attachment. The responsible agencies have been unable to award the contracts and do not anticipate awarding the contracts by the deadlines. The attachment shows the details of the projects and the delays that have resulted in the extension requests. The responsible agencies request extensions, and the planning agencies concur.

RECOMMENDATION:

The Department of Transportation's recommendations are shown on the attachment.

BACKGROUND:

Resolution G-03-19, State Transportation Improvement Program (STIP) Guidelines, adopted by the Commission on December 11, 2003, stipulates that funds allocated for the construction phase of local grant projects are available for contract award for a period of 12 months from the date of allocation. The Guidelines further 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.

At its July 2005, the Commission adopted the FY 2005-06 STIP/SHOPP Allocation Plan and Criteria, which limited FY 2005-06 allocations to projects ready to proceed to construction within six months. The FY 2005-06 STIP/SHOPP Allocation Plan and Criteria also requires the receiving agencies to request a time extension if the project will not be awarded within the six months.

Attachment

December 15, 2005

Attachment

**Time Extension/Waiver – Project Contract Award Deadline
Local Streets and Roads Projects**

Project #	Applicant County	Extension Amount By Component (\$ in thousands)	Allocation Date Resolution Number
	PPNO Project Description	E&P (Environmental & Permits) PS&E (Plans, Specifications and Estimates) R/W (Right of Way) CON (Construction) TOTAL	Number of Months Requested Extended Deadline CT Recommendation
	Reason for Project Delay:		
1	City of Salinas Monterey	\$0 \$0 \$0 \$1,000,000 \$1,000,000	07/14/2005 FP-05-08 3 months 04/12/2006 Support
	<p>Higher than expected costs, in part due to the national trend in higher oil prices, has required consideration of alternative strategies for pavement structure design that would lower project costs. The project is being repackaged for bidding, separating secondary components such as irrigation and landscaping improvements. The City Council approved the Plans and Specifications on November 8, 2005. The City began advertising this project November 9, 2005.</p> <p>The City anticipates awarding the project in December 2005; however, because of the holiday season, the City requests that the deadline for award be moved to April 12, 2006, to allow sufficient time for the bidding and approval processes.</p>		
2	City of Porterville Tulare County	\$0 \$0 \$0 \$39,000 \$39,000	07/14/2005 FP-05-10 5 months Approved for 3 months. 06/30/2006 04/14/2006 Support
	<p>Delays in awarding this project are due to the loss of city staff assigned to this project. The reduction in staff was unforeseen and caused several projects to fall behind schedule. It has taken significant time to hire and train new personnel. However, the City expects to have all documents completed by January 2006, with the newly assigned personnel moving forward expeditiously to award the contract. The City anticipates that construction advertisement can begin prior to February 2006, and the contract can be awarded by April 15, 2006.</p>		
3	City of Los Angeles Los Angeles	\$0 \$0 \$0 \$554,000 \$554,000	07/14/2005 FP-05-10 12 months Approved for 3 months. 01/14/2007 04/14/2006 Support only a 6-month extension
	<p>The funds were not obligated within the expected timeframe to allow the City enough time to begin advertising the project and award the contract within six months. The City is requesting a 12-month extension, which would allow six months for the initial advertisement, and an additional six months in case the City has to re-advertise the project due to escalating construction costs. The project advertisement date is scheduled for January 2006. The City anticipates awarding the construction contract in May 2006.</p>		
4	City of Brea Orange	\$0 \$0 \$0 \$500,000 \$500,000	07/14/05 FP-05-10 3 months 04/14/2006 Support
	<p>The project is scheduled for advertisement on November 24, 2005. The City plans to award the contract by December 2005. However, due to the volatility of the construction market and raw materials costs, there is a possibility that the bids will be much higher than anticipated. If this occurs, the City will be forced to re-evaluate the project and potentially delay the award of contract. This request for an extension to the period of contract award is a precautionary measure.</p>		

**Time Extension/Waiver – Project Contract Award Deadline
Local Streets and Roads Projects**

Project #	Applicant County	Extension Amount By Component (\$ in thousands)	Allocation Date Resolution Number
PPNO	Project Description	E&P (Environmental & Permits) PS&E (Plans, Specifications and Estimates) R/W (Right of Way) CON (Construction) TOTAL	Number of Months Requested Extended Deadline CT Recommendation
5	City of Irvine Orange	\$0 \$0 \$0	07/14/05 FP-05-10 20 months Approved for 3 months.
	PPNO: 12-2134D Culver Drive Realignment and Widening Bike Trail and Landscape	\$297,000 \$297,000 <i>and</i> \$0 \$0 \$0	09/14/2007 04/14/2006 Support <i>and</i> 07/14/05 FP-05-10 20 months Approved for 3 months.
		\$495,000 \$495,000	09/14/2007 04/14/2006 Support
<p>The Culver Drive Realignment and Widening Landscape and Bike Trail was originally included in the Culver Drive Realignment and Widening Project, which was advertised in May 2005 prior to allocation of the landscape and bike trail funding. Since the federal process requires that the agency receive the allocation before advertising, the City is being required to re-advertise the project before the Department can provide authorization to award the landscape and bike trail portions. If this authorization is denied, a separate Plans, Specifications, and Estimate (PS&E) package for the bike trail and landscape portions may be required, which could take several months to complete. In anticipation of this, the City of Irvine is requesting an extension to the period of contract award.</p>			