

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 28-29, 2005

Reference No.: 2.8e.
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Gale Ogawa
Acting Division Chief
Mass Transportation

Ref: **REQUEST TO EXTEND THE PERIOD OF PROJECT COMPLETION DEADLINE PER
RESOLUTION G-99-25, GUIDELINES FOR ALLOCATING, MONITORING AND
AUDITING OF FUNDS FOR LOCAL ASSISTANCE PROJECTS
WAIVER-05-23**

ISSUE

On May 3, 2001, the California Transportation Commission (Commission) allocated \$10,000,000 in Proposition 116 funds under Resolution BFP-00-12 to the Sacramento Regional Transit District (Sac RT) for the South Sacramento Light Rail Extension project. Final closeout of the project has been delayed due to several unforeseen reasons, including two significant construction contractor claims, and one utility company claim, filed against Sac RT.

A time extension was previously granted extending the deadline for project completion from June 4, 2004 to February 28, 2006. Sac RT is involved in four lawsuits, two of which are expected to be resolved within 12 months. The other two are currently stayed as a result of the plaintiff's bankruptcy filing and is awaiting a decision from the Bankruptcy Court. An additional twenty (20) month extension is now requested, from February 28, 2006 to October 28, 2007.

RECOMMENDATION

The Department of Transportation recommends approval of this time extension request.

BACKGROUND

Resolution G-99-25, *Guidelines for Allocating, Monitoring and Auditing of Funds for Local Assistance Projects*, adopted by the Commission on August 18, 1999, stipulates that the Commission may extend the deadline for a project completion if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and will in no event be for more than twenty months. The Commission applied these requirements to projects funded by the Proposition 116 program.