

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 1-2, 2006

Reference No.: 2.8b.(1)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

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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-06-02**

## **ISSUE:**

In July and August 2005, the California Transportation Commission (Commission) allocated construction funds totaling \$8,239,000 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

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

Project #	Applicant County	Extension Amount By Component (\$ in thousands) E&P (Environmental & Permits) PS&E (Plans, Specifications and Estimates) R/W (Right of Way) CON (Construction) TOTAL	Allocation Date Resolution Number Number of Months Requested Extended Deadline CT Recommendation
	<b>Reason for Project Delay:</b>		
1	Port of San Francisco San Francisco PPNO: 4-2007V Railing and site furnishings to be fabricated and installed on the Downtown Ferry Terminal	\$0 \$0 \$0 \$400,000 <b>\$400,000</b>	07/14/2005 FP-05-10 3 months 04/14/2006 Support
<p>The Port of San Francisco originally planned to advertise this project in October 2005 and to award the contract by November 2005. This project is being financed by multiple local and federal fund sources. In September 2005, the agency learned that in order to obtain authorization for the federal funds, the agency would have to submit an updated Reevaluation of Finding of No Significant Impact to supplement the original document that had been signed by the FHWA on September 15, 1997. The Port of San Francisco prepared the necessary documentation, and obtained the FHWA's approval signature on the updated environmental document on November 14, 2005. The agency submitted to the Department a Request for Authorization of Federal Funds, which was approved on December 19, 2005. The submittal, review, and approval of the updated environmental document added approximately three months to the original project schedule, resulting in the need to request a time extension. The agency planned to advertise the project in January 2006 and award the contract by February 2006.</p> <p>This time extension is not anticipated to increase project costs or change the project's description.</p>			
2	City of Huntington Beach Orange PPNO: 12-2134C Construct landscaping and sidewalk enhancements	\$0 \$0 \$0 \$285,000 <b>\$285,000</b>	07/14/2005 FP-05-10 5 months 06/14/2006 Support
<p>Due to the addition of several aesthetic enhancements to the original concept design (i.e., a variable height wall was designed with two colors and two finishes in an alternating pattern, custom-made pilaster/wall caps, curvilinear wall segments, etc.) and the recent rapid increase in construction costs throughout the industry, the City has requested an additional \$226,803 of STIP Transportation Enhancement (TE) funds under Item 2.5c.(5), for the construction phase. The increased cost of the enhanced design and the request for additional funding has resulted in additional processing time for all parties involved.</p>			
3	City of Los Angeles Los Angeles PPNO: 07-3174 Renovation of Train Station	\$0 \$0 \$0 \$105,000 <b>\$105,000</b>	08/18/05 FP-05-18 6 months 08/18/2006 Support
<p>This project was delayed due to the need to include it in the Federal Transportation Improvement Project (FTIP) Amendment 9 to change the funding fiscal year from 2004-05 to 2005-06. In addition to this change, Amendment 9 included various other changes to the original FTIP. The project could not be advertised until Amendment 9 was approved by the FHWA. The Department received Amendment 9 on July 6, 2005; however, the responsible Metropolitan Planning Organization (MPO) had to resolve additional issues before the Department could submit it to the FHWA. The Department submitted Amendment 9 on October 24, 2005, and the FHWA approved it on November 17, 2005.</p> <p>The project was also delayed due to the City's required processing time to put together the bid package, advertise, and award the project. The City's required processing period from the date of allocation is greater than six months.</p> <p>Due to these delays, the City is requesting a six-month extension. The City now plans to advertise in January 2006 and award the contract by July 2006.</p>			

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4	City of Point Arena Mendocino County	\$0 \$0 \$0 \$578,000 <b>\$578,000</b>	08/18/05 FP-05-18 3 months 05/18/2006 Support
	PPNO: 01-4060 Coastal Access Scenic Bikeway		
	<p>The delivery of this project has been delayed because of the additional time needed to get approval from the California Coastal Commission (CCC). The project was on track to be awarded in February 2006; however, recent conversations with the CCC have led the City of Point Arena (City) to conclude that the Coastal Development Permit (CDP) may not be issued by January 2006 for a portion of the project.</p> <p>The Point Arena City Council was scheduled to approve a CDP on November 23, 2006; however, comments from the CCC indicated that the CCC might appeal the project concerning any fill in wetlands.</p> <p>The City mayor, staff and consultants worked with the CCC to resolve the issues brought up at the Council Meeting. It was determined that, with some minor alignment changes, all of the CCC's concerns could be adequately addressed without risking an appeal of the permit except for one area of approximately 500 feet. The City of Point Arena is waiting on comments from CCC for this 500 feet section.</p> <p>On Monday December 19, the City Council voted to approve a permit for the project without the 500-foot section and begin the permit process for the 500-foot section in question while awaiting comments from the CCC. If the CCC does not approve of the City's construction method for the 500-foot section then the project description will have to be changed to a Class III bikeway instead of Class II for that portion.</p> <p>Considering all of these complications, and not knowing if an extension to the award date will be approved, the City is trying to award a bid by February 18, 2006. The city will be circulating a base bid document in January 2006, as well as a add-on bid for the 500-feet section. The City is planning a pre-award conference with bidders for January 17, 2006. This is a very short timeline to circulate bids and award the project.</p> <p>The City, in accordance with its Land Use Plan and General Plan, has been working since 1980 to provide safe, non-vehicular access to the only part of the coast in Point Arena accessible to its citizens. This is a popular project that has twice been rated the top non-motorized transportation project in the County and has won State and federal funding through competitive processes. All the local environmental groups and a broad assortment of social and political entities actively support it.</p> <p>Extending the award date to May 18, 2006, will allow ample time to advertise for construction after the City has satisfied the concerns from the CCC. This will facilitate a better bid environment and a more reliable project timeline. The City plans to begin advertising this project in January 2006, and anticipates awarding the contract no later than May 2006.</p>		

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	<b>Reason for Project Delay:</b>		
5	Lassen County	\$0	08/18/05
	Lassen County	\$0	FP-05-16
		\$0	6 months
	PPNO: 02-2121	\$6,871,000	08/18/2006
		<b>\$6,871,000</b>	Support
	New roadway construction and Class I Bikeway		
	<p>Delays in obtaining a Section 404 Individual Permit from the Army Corps of Engineers (Army Corps) have prevented Lassen County from advertising and awarding the project timely. The project was on track to be awarded in February 2006; however, recent conversations with the Army Corps have led the County to conclude that the permit may not be issued by February 2006.</p> <p>The Allocation Request, submitted on June 13, 2005, showed an estimated award date of May 2006. After the allocation request was submitted, the Commission changed the award deadline from 12 months to 6 months from the date of allocation. To assess the feasibility of the 6-month deadline for this project, the County contacted the Army Corps and asked for an estimated timeline to receive the Individual Permit. Initially, the Army Corps told the County that the permit would be issued in September 2005. More recently, the Army Corps informed the County that the permit would be delayed due to the Army Corps' project load. The original permit application was submitted to the Army Corps in August 2003.</p> <p>Until the County has a firm date to receive the permit, it would be irresponsible for the County to enter into a contract for the construction of the project. The successful bidder would have resources devoted to the Skyline project without knowing when the work could start. The successful bidder might suffer financial hardship by waiting for the Army Corps to issue the permit. In addition, if the County elected to advertise and award the contract without the permit, the contract start date would need to be delayed to provide ample time for the County to receive the permit from the Army Corps. This time could be better used as advertising time to give the Contractors more time to prepare their bids.</p> <p>Lassen County is confident in the original project timeline since the Army Corps has maintained a good line of communication. Lassen County has been very aggressive in keeping this project going with local resources over the last couple of years when no STIP funds were allocated. This project is a capacity increasing project that will have a direct impact on State Route 139 and State Route 36 in the City of Susanville. The County is dedicated to constructing Skyline East in the Summer of 2006. Extending the award date to August 18, 2006 will allow ample time to advertise for construction after the County obtains the permit from the Army Corps. The City plans to begin advertising this project in July 2006 and anticipates awarding the contract in August 2006.</p>		