

# Memorandum

**To:** Chair and Commissioners

**Date:** June 1, 2006

**From:** John F. Barna Jr.,  
Executive Director

**Reference Number 4.12  
Action**

**Ref:** STIP/SHOPP Allocation Criteria

**Issue:** The Commission imposed a six months contract award deadline condition on all fiscal year 2005-06 construction allocations. Should the six months contract award deadline condition be made permanent?

**Recommendation:** Staff recommends that the Commission make the six months contract award deadline a permanent project allocation condition.

**Background:** The Commission in response to the cash flow challenges of the State Highway Account (SHA) temporarily shortened the customary twelve months contract award deadline by half. The shortened award deadline became a great catalyst for improved project delivery and expedited the actual construction of transportation projects.

## **CALIFORNIA TRANSPORTATION COMMISSION**

### **STIP/SHOPP Allocation Criteria Contract Award Deadlines**

#### **Resolution G-06-\_\_**

- 1.1 WHEREAS, transportation capital outlay and local assistance funds are appropriated by the Legislature subject to allocation by the Commission; and
- 1.2 WHEREAS, the Commission in fiscal year 2005-06 temporarily shortened the customary twelve months contract award deadline by half in response to the cash flow challenges of the State Highway Account; and
- 1.3 WHEREAS, the Commission found the shortened award deadline to be a great catalyst for improving project delivery and expediting the construction of transportation projects.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the Commission will allocate funds for construction or for purchase of equipment subject to the condition that they be encumbered by award of a contract within six months of the allocation of funds; and
- 2.2 BE IT FURTHER RESOLVED, that the Commission will apply this deadline in addition to the timely use of funds deadlines in Section 65 of the STIP guidelines; and
- 2.3 BE IT FURTHER RESOLVED, that the Commission may extend this six months deadline at the request of the agency implementing the project if it finds that an unforeseen and extraordinary circumstance beyond the control of the agency has occurred that justifies the extension; and
- 2.4 BE IT FURTHER RESOLVED that for projects receiving allocations Caltrans will provide monthly reports to the Commission on projects that have not been awarded within four months of the date of the Commission's allocation.