

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 6-7, 2006

Reference No.: 3.13
Information Item

From: CINDY McKIM
Chief Financial Officer

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Subject: **FINAL CLOSE-OUT REPORT ON FY 2005-06 SHOPP MINOR PROJECTS ALLOCATED BY THE DEPARTMENT AND THE COMMISSION**

SUMMARY:

In Fiscal Year 2005-06, the Department of Transportation (Department) awarded contracts totaling \$59,763,500 for Minor A State Highway Operation and Protection Program (SHOPP) projects, including \$51,227,200 sub-allocated by the Department and \$8,536,300 allocated by the California Transportation Commission (Commission) for substitute projects. In addition, \$26,471,755 in Minor B projects was awarded, and \$2,673,500 was encumbered for right of way. The total amount awarded for the Minor Program was \$88,908,755.

BACKGROUND:

On July 14, 2005, the Commission approved Resolution G-05-05, delegating to the Department authority to allocate funds for Minor A projects included on a concurrent list of projects approved under Resolution FM-05-03. This authority allows the Department to proceed with advertisement without waiting for the next Commission meeting to receive an allocation. The Commission must allocate projects not on the Department's approved Minor A list.

The Minor Program target allocation for the 2005-06 fiscal year was \$100 million: \$71,150,000 for Minor A projects; \$25,991,000 for Minor B projects; and \$2,856,000 for right-of-way. The SHOPP Minor program is a one-year program in which projects must be awarded in the fiscal year programmed.

The Department delivered ninety-nine percent of the Minor Program, but not all projects were awarded. Projects that exceeded the allocation or program limits were not awarded and have been reprogrammed in a future year. The remaining budget from this program was used to fund storm damage projects resulting from the January 2006 storms.