

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 11-12, 2006

Reference No.: 2.5c.(7)
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
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Transportation Programming

Subject: **FINANCIAL ALLOCATION ADJUSTMENT FOR AWARD
RESOLUTION FA-06-09**

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the resolution below, adjusting the amount allocated for the Sutter Route 99 Corridor (Segment 1) Widening project (PPNO 8361A) from \$12,000,000 to \$9,105,000.

ISSUE:

On April 27, 2006, the Commission approved Resolution FP-05-78, allocating \$12,000,000 [\$2,187,000 funded from Regional Improvement Program (RIP) and \$9,813,000 funded from Interregional Improvement Program (IIP)] for the Route 99 Corridor (Segment 1) Widening project. The project was awarded on June 28, 2006, and the total amount of the project at award was \$9,105,026 (\$1,656,260 RIP; \$7,448,766 IIP). Consistent with Section 188.8 of the Streets and Highways Code, the Department and Sutter County are requesting a financial adjustment to the construction allocation.

BACKGROUND:

Section 188.8 of the Streets and Highways Code allows the Commission to adjust the allocation amount for a capital outlay project in the State Transportation Improvement Program (STIP) if the construction contract award amount for the project is less than 80% of the engineer's final estimate, resulting in an adjustment to Interregional and county shares. This legislation is permissive and it is understood that the adjustments to the allocations are at the discretion of the Commission. The Department is requesting such an adjustment for the Route 99 Corridor (Segment 1) Widening project (PPNO 8361A). The contract award amount for the project is less than 80% of the engineer's final estimate.

The project award amount was \$8,278,407 and with supplemental work, State furnished materials, and contingencies, the total project cost is \$9,105,026. The following table summarizes the fund sources:

	RIP	IIP	Total Allocated
Allocation	\$2,187,000	\$9,813,000	\$12,000,000
Award Amount	\$1,506,670	\$6,771,737	\$8,278,407
Supplemental Work	\$48,048	\$215,952	\$264,000
State Furnished Materials	\$24,661	\$110,839	\$135,500
Contingencies	\$76,882	\$350,238	\$427,120
Total at Award	\$1,656,260	\$7,448,766	\$9,105,026
Adjustment at Award	(\$531,000)	(\$2,364,000)	(\$2,895,000)

FINANCIAL RESOLUTION:

Resolved, pursuant to Section 188.8 of the Streets and Highways Code, that the amount allocated on April 27, 2006 under Resolution FP-05-78 for the construction of the Sutter Route 99 Corridor Project (PPNO 8361A, EA 1A431) be adjusted from \$12,000,000 to \$9,105,000, in accordance with the attached vote box.

Attachment

