

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 24-25, 2008

Reference No.: 3.5
Information Item

From: CINDY McKIM
Chief Financial Officer

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Subject: **FINAL CLOSE-OUT REPORT ON FY 2007-08 SHOPP MINOR PROJECTS**

SUMMARY:

In Fiscal Year (FY) 2007-08, the California Department of Transportation (Department) awarded contracts totaling \$62,238,200 for Minor A State Highway Operation and Protection Program (SHOPP) projects, including \$47,511,000 sub-allocated by the Department and \$14,727,200 allocated by the California Transportation Commission (Commission) for substitute projects. In addition, \$35,639,321 for Minor B projects was awarded and \$1,042,562 was encumbered for right of way. The total amount awarded for the Minor Program was \$98,920,083.

The Minor Program target allocation for the 2007-08 fiscal year was \$106 million: \$81,733,000 for Minor A projects; \$20,600,000 for Minor B projects; and \$3,667,000 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 awarded 93 percent of the Minor Program target allocation.

BACKGROUND:

On July 14, 2005, the Commission approved Resolution G-05-05, delegating to the Department authority to sub-allocate funds for Minor A projects included on an annual project list accepted by the Commission each year. For FY 2007-08, the project list and allocation of \$106,000,000 was approved by the Commission on June 7, 2007. The delegation authority allows the Department to proceed with advertisement of minor projects without waiting for the next Commission meeting to receive an allocation. The Department submitted allocation requests to the Commission for projects that were not included on the approved Minor A list.