

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 15-16, 2009

Reference No.: 2.8c.
Action Item

From: CINDY McKIM
Chief Financial Officer

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Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT COMPLETION PER
RESOLUTION G-99-25, GUIDELINES FOR ALLOCATING, MONITORING, AND
AUDITING OF FUNDS FOR LOCAL ASSISTANCE PROJECTS
WAIVER-09-10**

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) extend the period of project completion for Phase II of the Proposition 116 Napa Commuter Bicycle Path project (PPNO 04-8038) in Napa for six months, to December 31, 2009.

The Department further recommends that should the City of Napa award a contract for capital expenditures, they do so at their own risk and that Proposition 116 bond funds may not be available in December 2009, and that the City shall report to the Commission on an alternative funding source until such time as Proposition 116 Bond funds are made available.

ISSUE:

The City of Napa (City) is requesting a six-month extension to the period of project completion for construction of Section 2 of Phase II of the Proposition 116 Napa Commuter Bicycle Path Project. Phase II of the overall project has two sections. The first section is complete, but the agency was unable to complete the second section with the remaining Proposition 116 funds. The City has since been able to secure funding to continue with Section 2, but due to recent actions by the Pooled Money Investment Board (PMIB) and the direction for local agencies not to award bond-funded projects, the City has been unable to award the second contract.

The City would like to proceed with this project by using the additional local funds secured for Section 2 in order to award the contract recognizing that the remaining Proposition 116 funds may not be available when needed. Until the State Treasurer is able to resume the sale of bonds, is it unclear if Proposition 116 bond funds will be available for a contract award in April 2009. As indicated in various correspondence, agencies who award new contracts need the ability to fund the expenditures for an undetermined, but likely significant, amount of time.

The City is aware that the use of local funding is done at their own risk in that remaining Proposition 116 funds may not be available for final expenditure at the time of project completion in December 2009.

BACKGROUND:

In May 2005, the Commission approved Resolution BFP-04-04, allocating \$871,000 in Proposition 116 funds to the City for Phase II of the overall project; the City awarded a contract for the project in June 2006. The overall project consists of an at-grade bicycle path with associated traffic control devices at intersecting streets that will connect north central Napa with downtown Napa and the Napa River Trail. Phase II has two sections. Section 1 is from Redwood Road to California Boulevard and was completed in 2007 using 60 percent of the allocated funds. Section 2 is from California Boulevard to Soscol Avenue.

Due to the unprecedented rise in construction material costs, the City could not complete Section 2 of the pedestrian/bike path with the remaining 40 percent of the allocated funds; therefore, the City needed to identify additional funding to complete the project. The City was able to secure additional funds from various sources, including the Safe Routes to School program, the Bicycle Transportation Act, and local funding. The City now has adequate funding to complete Section 2 of the Napa Commuter Bike Path.

The City is currently making minor revisions to the project specifications. The updated specifications will not change the project's scope and will be completed in March 2009. The City anticipates construction for Section 2 to begin in April or May 2009, with completion by October 2009. A six-month time extension will provide enough time for project acceptance, final payment to the contractor for Section 2, and preparation of the Project Closeout Report. The City is requesting a six-month time extension to December 30, 2009.

Resolution G-99-25, Guidelines for Allocating, Monitoring, and Auditing of Funds for Local Assistance Projects, adopted by the Commission on August 18, 1999 stipulates that the local entity has 36 months from the date of award of the third party contract to complete the contract.