

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: February 24-25, 2010

Reference No.: 2.8a.(1)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Jane Perez (Interim)
Division Chief
Mass Transportation

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT ALLOCATION FOR
LOCALLY-ADMINISTERED STIP TRANSIT PROJECTS, PER STIP GUIDELINES
WAIVER-10-04**

RECOMMENDATION:

The Department of Transportation recommends the California Transportation Commission (Commission) extend the period of project allocation for 15 months, to September 30, 2011, for the 50 Light Rail Vehicle Acquisition project (PPNO 4025) in Los Angeles County.

ISSUE:

The Commission has programmed \$849,000 in the State Transportation Improvement Program in Fiscal Year 2009-10 to the Los Angeles County Metropolitan Authority (MTA) for the Light Rail Vehicle Acquisition project. MTA will not be ready to request an allocation by the June 30, 2010 deadline due to contract complications with the vehicle manufacturer. Last minute changes were made to the agreement by the manufacturer that were unacceptable to MTA's Board of Directors. As a result, negotiations fell apart and MTA will now seek new bids and anticipates it will take up to 15 more months before they can request an allocation, award a contract, and incur costs.

BACKGROUND:

Current State Transportation Improvement Program (STIP) Guidelines stipulate that funds programmed for all components are available for allocation only until the end of the fiscal year identified in the STIP. The Commission may, however, approve waivers to the timely use of funds deadline one time only for up to 20 months in accordance with Government Code Section 14529.8.