

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 19-20, 2010

Reference No. 2.8b.(2)  
Action Item

From: NORMA ORTEGA  
Chief Financial Officer

Prepared by: Rachel Falsetti  
Division Chief  
Transportation Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR STATE-SPONSORED ON-SYSTEM STIP TE PROJECTS, PER RESOLUTION G-06-08 WAIVER-10-24**

## **RECOMMENDATION:**

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) extend the period of contract award for the Donner Memorial State Park Museum project for 18 months, to March 31, 2011.

## **ISSUE:**

The State Department of Parks and Recreation (DPR) is requesting an 18-month extension to the period of contract award for the Donner Memorial State Park Museum project (PPNO 1409). DPR was unable to award the contract due to unforeseen funding issues as well as key staffing changes and building code change requirements.

## **BACKGROUND:**

On September 25, 2008, the Commission allocated \$2,586,000 Interregional Improvement Program Transportation Enhancement (IIP TE) funds for construction of the Donner Memorial State Park Museum project. The project also includes non-State Transportation Improvement Program (STIP) TE funding as well as State Proposition 40 bond funding, all of which fully funds the construction component. In October 2008, DPR began the pre-qualification process of contractors in anticipation of their other non-TE funding being approved and an expected project award by March 2009. This would allow for construction to begin by May 2009, thus staying within the allowable construction season for the Sierra Mountains. In December 2008 the bond funds became inaccessible due to the states inability to sell bonds and delayed the ability to advertise and award the project. Not until December 2009 did the bond funds become available. Due to this delay, the design needed to be re-reviewed for compliance with new building code requirements in preparation for submission to the Department of Finance. A review of the design showed that the project did not comply with the latest building and energy codes requiring some design modifications. During February and March 2009, negotiations took place with the design consultant to review and modify the plans. Design

modifications are now expected to be complete by August 1, 2010, and then re-approval by the State Fire Marshal will be required before the project can be advertised.

The delays caused by these unforeseen circumstances led to the inability to advertise and award the project in time for work to begin by May 2010, which would have allowed construction to start during this construction season. The current schedule is to have the bid proposal ready by January 2011, advertise for a period of four weeks to allow adequate bidding time, and then an additional four weeks are needed for DPR to review all incoming bids and select the contractor. DPR anticipates awarding the contract by March 1, 2011, and starting construction by May 2, 2011.

A time extension of 18 months is needed to allow for re-approval by the State Fire Marshal, for the Department to finalize an Interagency agreement and for DPR to re-bid and award the contract in time for construction to begin on the project to by the next allowable construction window.

The STIP guidelines stipulate that the Commission may approve waivers to the contract award deadline one time only for up to 20 months in accordance with Section 14529.8 of the Government Code.