

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: July 25-26, 2007

Reference No.: 2.8b.(2) - **REVISED**  
Action Item

From: CINDY McKIM  
Chief Financial Officer

Prepared by: Terry Abbott  
Division Chief  
Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR LOCALLY-ADMINISTERED STIP PROJECTS, PER RESOLUTION G-06-08 WAIVER-07-22**

**CTC ACTION UPDATE: The California Transportation Commission approved Project #1 (Escalon, PPNO K655) as requested. Project #2 (Malibu, PPNO 3412) approved for 5 months only.**

## **RECOMMENDATION:**

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve Waiver-07-22, extending the period of contract award for the time periods identified for each project on the attached document.

## **ISSUE:**

The Commission allocated \$784,000 for the construction of two State Transportation Improvement Program (STIP) projects identified on the attachment. The responsible agencies have been unable to award the contracts and do not anticipate awarding the contracts by the deadlines. The attachment describes the details of the projects and the explanation of the delays. The respective agencies have requested an extension, and the respective planning agency concurs.

## **BACKGROUND:**

In June 2006, the Commission adopted Resolution G-06-08, which requires the agency implementing a project to request a time extension if the project will not be awarded within six months of the allocation. STIP Guidelines stipulate that the Commission may approve a waiver to the contract award deadline one time only for up to 20 months in accordance with Section 14529.8 of the Government Code.

Attachment

Time Extension/Waiver – Project Contract Award Deadline  
 Local Streets and Roads Projects

Project #	Applicant County PPNO Project Description Reason for Project Delay	Extension Amount  <i>Construction Only</i>	Allocation Date Resolution Number Number of Months Requested Extended Deadline CT Recommendation
1	City of Escalon San Joaquin PPNO: 10-K655 Escalon Gateway	\$221,000	02/01/2007 FP-06-62 1 month 09/30/2007 Support
<p>The City of Escalon is requesting a one-month time extension to the period of contract award for the Escalon Gateway TE project. The City's Request for Authorization to Proceed (E-76) was submitted to the Department's District 10 office on March 5, 2007. Upon review, District 10 requested clarification and revision of the Project's Finance Letter and Detail Estimate. The City made the revisions and re-submitted the Finance Letter and Detail Estimate. The City performed a Field Review on May 8, 2007, and submitted the correct and complete Field Review form to the Department's Headquarters on May 23, 2007. The project was approved by Headquarters and the E-76 was sent to FHWA on May 23, 2007. The one-month time extension is needed so that the City can have sufficient time to advertise, open bids, review bids, and award the project according to City Council protocol and procedures, without the risk of running beyond the contract award deadline and thus losing the funds.</p>			
2	City of Malibu Los Angeles PPNO: 07-3412 Cross Creek Road Improvements	\$563,000	02/01/2007 FP-06-62 <del>8 months</del> <b>approved for 5 months only</b> <del>04/30/2008</del> <b>01/31/2008</b> Support - Recommend 5 months, to 01/31/08
<p>The City of Malibu (City) is requesting an eight-month extension to the period of contract award for the Cross Creek Improvements TE project. The City is requesting an extension to the period of contract award in order to avoid economic hardship on local businesses and in anticipation of unforeseen circumstances which are beyond the control of the City.</p> <p>The project is located adjacent to the City's only major shopping area, and the businesses located in the shopping area report that over 50 percent of their sales occur between May 27<sup>th</sup> (Memorial Day Weekend) and September 3<sup>rd</sup> (Labor Day Weekend). Construction during the summer shopping season would create an unreasonable hardship on the businesses by having the only street serving the area under construction.</p> <p>The City is also concerned that a lack of bidders, bids being over budget, bidders protesting other bidders, successful low bidders not executing documents on time, and legal challenges from special interest groups, as well as other unforeseen delays, may cause the City to miss the contract award deadline of August 31, 2007.</p> <p>The Request for Authorization to Proceed (E-76) was received by the Department and forwarded to FHWA on April 24, 2007. The City began a one-month advertising period on May 31, 2007, and is expecting to open bids on June 27, 2007. On July 10, 2007, the City expects to evaluate the bids and present to the City Council on July 23, 2007.</p> <p>If the City does not award a contract in July 2007 due to the unforeseen circumstances listed above, the City will need to begin the advertising, bidding, and awarding process again. Based on the timeline above, the City would need to re-advertise from August to September 2007, open bids in September 2007, and begin bid review in October 2007. Without any delays, the City anticipates awarding the contract in December 2007 or January 2008. The City would like to avoid construction during the winter season because of the additional expense it would potentially incur and the delay and inconvenience to the public.</p>			