

# *Project Delivery Directive*

To: *Project Delivery Employees*

Number: PD-11

References: Director's Policy DP-07  
Director's Policy DP-16  
Director's Policy DP-25  
Deputy Directive DD-93  
Project Delivery  
Directive PD-09

Effective Date: 01/16/2013

Supersedes: Malcolm Dougherty  
memo dated February  
25, 2010, "Managing  
Project Capital Outlay  
Support"  
  
Karla Sutliff memo  
dated July 21, 2010,  
"Capital Outlay Support  
Budget Monitoring"  
  
Joseph Caputo memo  
dated September 24,  
2012, "Delegation of  
Capital Outlay Support  
Budget Monitoring and  
Reporting"

Review by: 01/16/2016

*TITLE:* Management of Capital Project Support Budgets

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## *DIRECTIVE*

The California Department of Transportation (Caltrans) creates, monitors, manages, reconciles and closes out capital project support budgets throughout the life of capital outlay projects.

Project support budgets will be updated when changes occur. At a minimum, project budgets will be assessed:

- At the completion of major project milestones (Delivery Plan Milestones)
- During annual Capital Outlay Support (COS) workload development (January 9 workload pull)
- In preparation for the biennial adoption of State Transportation Improvement Program (STIP) and State Highway Operation and Protection Program (SHOPP) by the California Transportation Commission.

Project expenditures will be monitored and managed within the approved baseline budget for each project component, and within approved programming guidelines and delivery performance goals.

Where expenditures are projected to deviate from the baseline budget, actions will be taken by the appropriate managers to control remaining planned expenditures, or modify the component budget, within approved programming and change management guidelines and available resources.

Budget performance metrics will be assessed by project component and reported periodically by each Deputy District Director for Project Management (the district's single focal point or SFP) to the Division of Project Management to assess statewide delivery and achievement of program performance goals.

### *BACKGROUND*

The 1996 Budget Act required Caltrans to develop subsequent COS budgets using a project development workload model that estimates resources at the project level.

The basis for the project support budget is the project workplan. All capital projects have a workplan that describes the amount and schedule for support resource needs.

Many capital projects have multiple funding sources, often with contributions from external partners. Caltrans must be able to provide an accurate and timely accounting of support costs to all funding contributors and to our control agencies.

Periodic assessment of support budget performance metrics will indicate if Caltrans is earning product value on schedule and meeting delivery commitments within authorized resource allocations.

### *RESPONSIBILITIES*

#### Chief, Division of Project Management:

- Provide statewide direction to ensure compliance with this directive.
- Develop and implement procedures, guidance and tools to assist with workplan development, support budget development and management, and change management.

#### All Project Delivery Division Chiefs:

- Provide statewide direction to ensure compliance with this directive.

#### District Directors:

- Ensure implementation of this directive.

- Ensure appropriate support for activities outlined in this directive.
- Ensure that this directive is shared with the district functional support units that are responsible for delivering products and services related to the capital projects.

Deputy District Directors, Project Management (SFP's):

- Communicate to their project managers and involved functional managers the intent and requirements of this directive.
- Ensure project support budgets are monitored and managed within approved baselines or approved modified baselines.
- Develop expenditure management plans or prepare project support budget change requests (PCRs) in a timely manner for project support budgets projected to deviate from the approved baseline.
- Report project support budget performance metrics periodically to the Division of Project Management.

Deputy District Directors, Project Delivery Functions and Engineering

Service Deputy Division Chiefs:

- Ensure policy and standards are met.
- Ensure all functional managers providing products or services on capital projects, including non-project delivery functions, are aware of this directive.

Project Managers:

- Ensure all major projects have resource loaded workplans in accordance with the Division of Project Management's Project Delivery Workplan Standards Guide and project management directives governing the business rules.
- Allocate resources in project workplans to the functional units adequate to carry out their assigned tasks.
- Ensure project workplans are updated to reflect current delivery status and that assigned resources represent the level of effort required to deliver the project within baseline scope, schedule and cost parameters.
- Ensure the resource estimates in work plans are reviewed, discussed, and updated as needed on an ongoing basis by the Project Development Team.
- Ensure that projects remain within the approved budgets.
- Identify, monitor and manage risks to project support budgets.

Project Delivery Task Managers and Functional Managers:

- Provide all project team members with information and requirements as outlined in the Division of Project Management's Capital Project Workplan Handbook and related project management directives; as well as directives relating to Project Management, Task Management and Risk Management.

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1-22-13

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Date Signed