

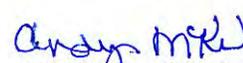
Memorandum

*Flex your power!
Be energy efficient!*

To: DISTRICT DIRECTORS

Date: July 15, 2009

From: 
RICHARD D. LAND
Chief Engineer


CINDY McKIM
Chief Financial Officer

Subject: Managing Construction Project Budgets

At the March 2009 meeting, the California Transportation Commission (Commission) updated the G-12 resolution which is the guidance for adjusting capital allocations after vote. The Commission emphasized the need for the Department of Transportation (Department) to have a transparent process for managing project where we have G-12 authority. The Commission revised the resolution to state projects funded with Proposition 1B funds and projects with AB 608 adjustments will not have G-12 authority. It is important to recognize that G-12 authority is not a component of the project budget unless there is additional authorization to use G-12. It is imperative that the Department manage projects within the authorized project budget.

The memorandum updates the Department's procedures and decision-making processes so that we can successfully implement the new guidance. This updated process is a building block for higher accountability and transparency during construction. District Directors are expected to closely monitor project allotment to stay within budget. The project allotment is the award amount. Any additional funds needed for a construction contract after award, including G-12 and supplemental fund votes, will require approval by the Project Management and Construction Coordinators.

Effective immediately, all G-12 requests will be submitted on the attached memorandum. The memorandum can be found on the Allocation Status and Procedures website under forms and instructions. Submit the completed request package with all required signatures to the G-11/G12 funds request email. Also attached is a flowchart that outlines the steps required for all supplemental fund requests, including the updated G-12 process after award.

Again, it is imperative that the Department manage each of our projects within its allotted project budget. Please have district staff contact the Project Management Coordinators and Construction Coordinators for help, and to process G-12 and supplemental funds requests.

DISTRICT DIRECTORS

July 15, 2009

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Construction Coordinators

Brian Syftestad	Districts 1, 2, 3, 4	(916) 654-5431
John Hancock	Districts 5, 6, 7, 9, 10	(916) 654-4334
Vern Jones	Districts 8,11, 12	(916) 654-2359
Jon Tapping	Toll Bridges	(916) 654-2359

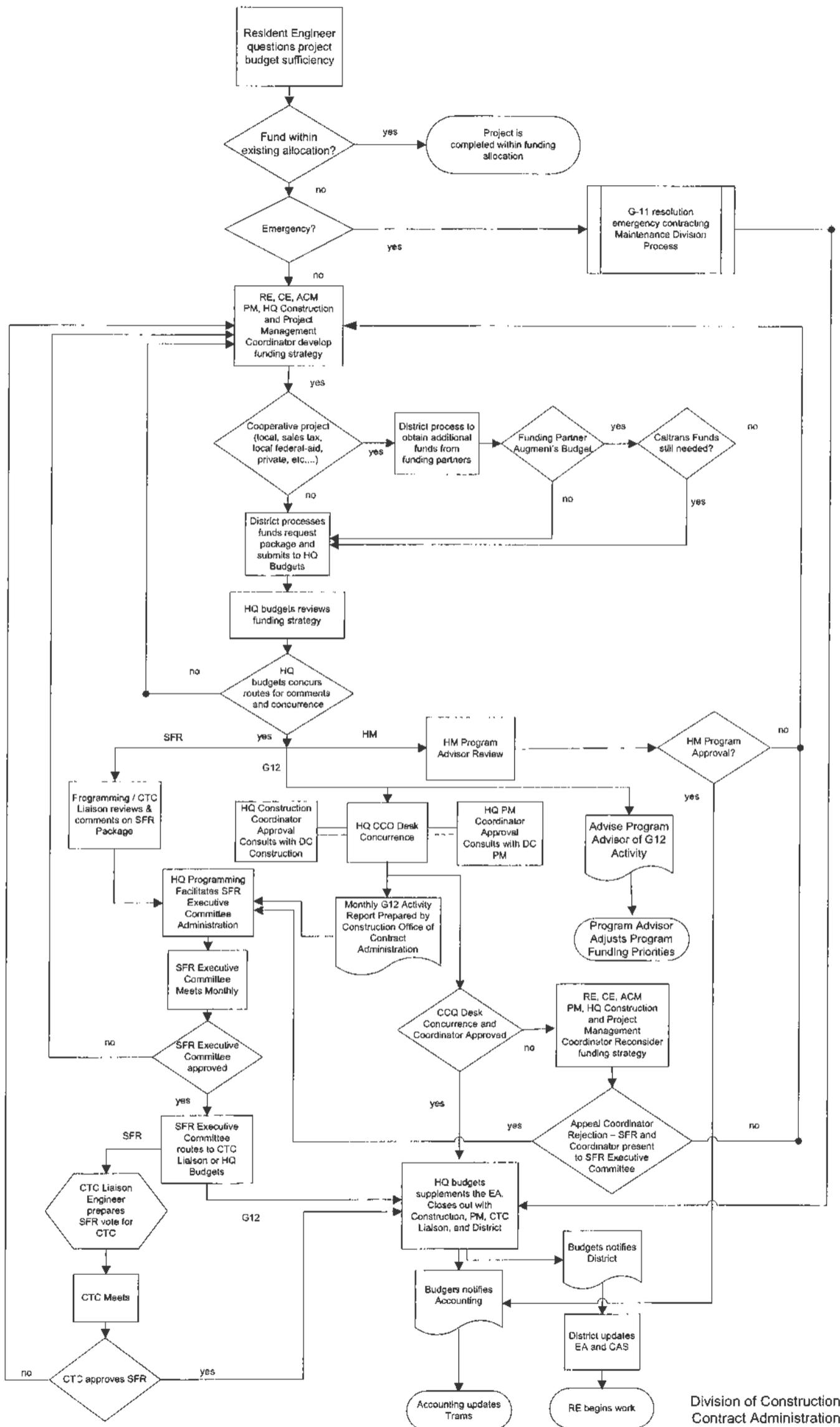
Project Management Coordinators

Hossein Rostam	Districts 1, 2, 3	(916) 653-6487
Andre Schokrpur	Districts 4, 6	(916) 275-2898
Paul Gennaro	Districts 5, 8, 9, 10	(559) 260-2386
Gregg Magaziner	Districts 7, 11, 12	(916) 654-2942

Attachments

c: Norma Ortega
Rachel Falsetti
Mark Leja
Karla Sutliff

Construction Phase Project Funding G12 Accountability



M e m o r a n d u m

To: Norma Ortega, Chief
Division of Budgets

Date: DD MMM 20XX

Attn: Typed Name
Capital Budgets & Allocation Branch

District -EA: WW-XXXXX4
CO/Route/PM: CCC/###/XX.X/YY.Y
PPNO: XX-XXX

From: Department of Transportation - District XX
Requestor Name
Deputy District Director
Program / Project Management

Funding FY: XX / YY
Prog/Comp/Task: STU.VWX

Subject: Construction Phase Request for Supplemental G-12 Funds

In accordance with the California Transportation Commission's resolution G-12, it is requested that an additional \$ XXX,XXX.XX be allocated from the YY/ZZ fiscal year WWW.XXX Program for Contract YY-XXXXX4 on a budgeted project described as follows:

PROJECT LOCATION:

Describe the district, county, city or unincorporated area, beginning of project landmark to end project landmark.

PROJECT DESCRIPTION:

Briefly summarize the scope of the project by describing major project features to be built. Report the contracting method, contractor name, and bid amount. Describe the project funding mix, interested stakeholders, and relevant cooperative agreement clauses.

CONTRACT TIME:

Contract time is summarized as follows:

Contract Time Accounting	Count	Contract Schedule Summary	Date
Number of working days	#	Contract bid opening	DD MMM 20YY
Working days expired	#	Contract award	DD MMM 20YY
Total CCO Days	#	Contract approval	DD MMM 20YY
Total Weather Days	#	First working day	DD MMM 20YY
Total Director Days	#	Anticipated CCA date	DD MMM 20YY
Total Other Days	#		

Events leading up to this request for resolution G12 supplemental allotment are:

Over Run Event Description	Date
Overrun event first occurred	
Resident engineer identifies funding shortfall	
District supplemental funding committee meets	
Request funding partner supplemental funding	

Check contractor progress is: Satisfactory Unsatisfactory

OVERRUN EXPLANATION:

Describe the type of work that caused this overrun.
 Explain who, what, when, where, why, and how this overrun occurred.
 Describe events that occurred which triggered this supplemental funds request.
 Tell why this overrun is Caltran's responsibility.

JUSTIFICATION FOR REQUEST:

Include sufficient detail to fully, clearly, and concisely explain the reasons for this request.
 Explain why this work cannot be completed within the existing fund allocation.
 Explain to what extend the funding partners and stakeholders are willing to participate in the funding request.
 Explain the consequences of not approving this request.

FINANCIAL STATUS:

As of DD MMM 20YY the financial status of this project is as follows:

Project Budget Line Item	Amount / Percent
Original project allotment	\$
G12 and contingency funds used to award	\$ ()
Project allotment available at project approval	\$
Prior requests	\$
This request	\$
Total project funds	\$
Total state funds	\$
Total work completed	%
Total budget committed	%
Total contract time elapsed	%

As of **DD MMM 20YY** project expenditures of this project is as follows:

Budget Line Item Description	Current Allotment	Current Expenditures	Estimated Final Expenditures
Contract Items	\$	\$	\$
Supplemental Work	\$	\$	\$
Contingency Fund	\$	\$	\$
Subtotal-Construction Allotment	\$	\$	\$
State Furnished Materials & Expenses	\$	\$	\$
TOTALS	\$	\$	\$
Estimated Deficit			\$

DESCRIBE FUNDING ALTERNATIVES DISCUSSED BY THE DISTRICT SUPPLEMENTAL FUNDS REQUEST COMMITTEE:

- Has the uncommitted contingency balance been exhausted?**
- Are completed items of work and contract change order payments final and under runs returned to contingency?**
- Can planned or added items of work be reduced or eliminated?**
- Can supplemental work items be reduced or eliminated?**
- Can the project length be shortened?**
- Can the project scope be reduced?**
- Are there any opportunities for value engineering cost proposals or engineer ordered changes to complete the work?**
- Is contract termination and rebidding a viable alternative?**

SUMMARY OF FUND REQUEST:

District XX is requesting a total resolution G12 budget augmentation of **\$XXX,XXX.00**.
 Delivery of these funds is requested by **DD MMM 20YY**.
 Total resolution G12 authority for this project is **\$XXX.XXX.00**.
 This request will exhaust **XX%** of the resolution G12 authority.
 Total requests to date amount to **XX%** of the resolution G12 authority.

Upon approval of this G12 augmentation request, these funds will be used as follows:

Project Budget Line Item	Amount
Contract items	\$
Contract change order	\$
State furnished material and expenses	\$
Contingency allocation	\$
Supplemental work allocation	\$
Arbitration award or judgment	\$
Total	\$

Questions concerning this request should be directed to **Typed Name**, Project Manager, (xxx) yyy-zzzz, at xyz@dot.ca.gov

REQUIRED SIGNATURES:

REQUESTED BY:

Typed Name, Resident Engineer Date

RECOMMENDED BY:

Typed Name, Area Construction Engineer Date

Typed Name, Area Construction Manager Date

RECOMMENDED FOR APPROVAL BY:

Typed Name, Deputy District Director for Construction Date

Typed Name, Deputy District Director for Program / Project Management Date

CONCURRED BY:

Typed Name, Budget Analyst Date

Typed Name, Construction Division Contract Change Order Engineer Date

APPROVED BY:

Typed Name, Construction Division Coordinator Date

Typed Name, Project Management Division Coordinator Date

Attachment(s):Fact Sheet(s)