

Memorandum

To: Chair and Commissioners

Date: April 25, 2002

From: *Diane C. Eidam*
Diane C. Eidam, Executive Director

File No:
Reference Number 4.9
Action

Ref: Restatement of G-12 Delegation of Authority to Adjust Project Allocations and Modify Project Descriptions

Issue: At its April 2002 meeting the Commission requested that staff clarify Department perceived ambiguities in the G-12 delegation with regards to the allowable uses of the Minor Reserve in the State Highway Operation and Protection Program (SHOPP).

Recommendation: Staff recommends that the Commission approve the attached restated and clarified Resolution G-12 delegation of Commission authority to the Department.

Background: On July 28, 1978, the Commission delegated to the Department the authority to adjust project allocations and modify project descriptions within well-defined boundaries. Over the years the G-12 delegation has been revised numerous times to reflect new transportation laws and Commission procedures.

With the passage of SB-45 and the change in State Transportation Improvement Program (STIP) programming procedures, all minimum size restrictions on STIP projects were eliminated. The Commission adopted STIP guidelines that restrict the SHOPP Minor Reserve to SHOPP projects only. Section 18 of the adopted STIP guidelines states the following:

Minor Projects. There is no minimum size for STIP projects. The minor reserve in the Caltrans State Highway Operation and Protection Program (SHOPP) is for SHOPP projects only. The Commission will not allocate funds from the SHOPP minor program for capacity-increasing projects, including bicycle and pedestrian facilities, soundwalls, and enhancements and mitigation for STIP projects.”

Staff has clarified the Resolution G-12 delegation by eliminating all references to “SHOPP types of improvements” and “STIP types of improvements” and included the actual STIP guidelines language with respect to the minor reserve. In addition, staff took this opportunity to totally reformat the Resolution G-12 delegation to provide for ease of use and eliminated old terminology that is no longer in use. The proposed revised and the current Resolution G-12 delegations are attached for comparison purposes.

Attachments

G-12 May 2002 Reference Number 4.9

CALIFORNIA TRANSPORTATION COMMISSION

**Delegation of Authority to Adjust Project Allocations
And Modify Project Descriptions**

**Resolution #G-02-12
Amending Resolution #G-12
And
Replacing Resolution #G-98-12**

- 1.1 WHEREAS, the California Transportation Commission adopted Resolution #G-12, delegation of authority to adjust project allocations and modify project descriptions to the Director of Transportation on July 28, 1978; and
 - 1.2 WHEREAS, over the years Resolution #G-12 was revised by Resolutions #G-83-6, #G-85-10, #G-88-18, #G-89-23, #G-90-24, #G-95-08, and #G-98-12; and
 - 1.3 WHEREAS, a complete restatement of the Resolution #G-12 delegation authority to the Director of Transportation is now needed; and
 - 1.4 WHEREAS, the delegation greatly reduces the volume of financial transactions submitted to the Commission and increased the efficiency of the Department of Transportation in processing changes.
- 2.1 NOW THEREFORE, BE IT RESOLVED, that the following policies shall be in effect for capital outlay allocations by the California Transportation Commission (Commission) for State Transportation Improvement Program (STIP), State Highway Operation and Protection Program (SHOPP), and SHOPP Minor Reserve projects:
- A. The Director of Transportation (Director) is authorized to increase individual project construction allocations to allow the advertisement, award and completion of contracts within the following limits:
 1. For programmed STIP and SHOPP projects receiving a Commission allocation of less than a \$1,000,000, the Director may adjust the funds allocated for construction provided the adjustment does not increase the Commission's allocation by more than \$200,000.

2. For programmed STIP and SHOPP projects receiving a Commission allocation of \$1,000,000 or more, the Director may adjust the funds allocated for construction provided the adjustment does not increase the Commission's allocation by more than \$200,000 plus 10 percent of the initial Commission allocation.
 3. When a programmed STIP or SHOPP project is awarded for less than the Commission construction allocation amount, the above authorized construction allocation increase is to be based upon the contract allotment including such items as contingencies, supplemental work and state furnished materials, if any, rather than on the initial Commission allocation amount.
 4. For the 32 identified 1998 STIP projects (see Attachment) that triggered Longer Life Pavement (LLP) criteria after being programmed in the STIP, the Director may adjust the construction funds allocated by the Commission to cover the incremental LLP costs. The incremental LLP cost adjustment may be up to 4.0 percent of the Commission's construction allocation amount. The incremental LLP cost adjustment is a permissible additional amount to the adjustments authorized above.
 5. For SHOPP Minor A Reserve projects (unprogrammed projects with construction contract allotments estimated within the range of \$120,000 through \$750,000 at the time of allocation by the Commission), the Director may adjust the funds allocated for construction provided that the adjustment does not increase the Commission's allocation by more than \$150,000.
 6. For SHOPP Minor B Reserve projects (unprogrammed projects with a construction contract allotment estimate of less than \$120,000 at the time of allocation by the Director of Transportation), the Director may adjust the funds allocated for construction provided that the adjustment does not exceed 110 percent of the Minor B Reserve limit.
 7. Any adjustments that exceed the authorized limits described above must be allocated by the Commission and do not establish a new funding capacity adjustment base for the project. All subsequent increases to the allocation must be presented to the Commission for approval.
- B. The Director is authorized to modify Commission approved project descriptions to meet unforeseen conditions and to correct project description errors in order to proceed with the advertisement of projects provided that:
1. Such revisions do not change the Commission's intent with regard to an individual project's program component, principal purpose, primary characteristic and general location.

2. Any cost increase resulting from the proposed change in project description is within the limits authorized to the Director under item A above.
 3. Any needed project scope change, which exceeds the authorized limits described above, must be approved by the Commission.
- C. The Director is authorized to split or combine allocated projects in close geographical proximity for ease and economy of contract administration provided that:
1. The amount of a combined project does not exceed the sum of the individual approved projects, and the amount of split projects does not exceed the allocation for the original project.
 2. When two or more STIP and/or SHOPP programmed projects are combined, the cost increase limits authorized under item A above are based on the total cost of the combined project as though it was a single project. When a STIP and/or SHOPP programmed project is split, the cost increase limits authorized under item A shall be based on the contract allotment of each portion.
 3. When two or more SHOPP Minor A Reserve projects are combined, the combined project will be considered a single Minor A Reserve capital outlay project for accounting purposes. The cost increase limits authorized under item A above shall be individually determined for each of the Minor A Reserve projects involved.
 4. When a SHOPP Minor A Reserve project is combined with a SHOPP programmed project, the combined project will be considered a single SHOPP programmed capital outlay project for cost increase limits authorized under item A above and accounting purposes.
- D. The SHOPP Minor Reserve is for SHOPP projects only. The Commission will not allocate funds from the SHOPP Minor Reserve for capacity-increasing projects, including bicycle and pedestrian facilities, soundwalls, and enhancements and mitigation for STIP projects nor to augment STIP projects or cover cost increases on STIP projects. The following additional procedures shall apply to SHOPP Minor Reserve projects:
1. When funds required to complete a SHOPP Minor A Reserve project are greater than authorized under item A above, the following procedures shall be followed:
 - a. When there has been no change in the scope of the project, any additional State funds will come from the SHOPP Minor A Reservation.
 - b. When there is a change in the scope of the project, the project must compete for funding with other projects in the normal SHOPP programming process.

2. The SHOPP Minor B Reserve limit is established to be consistent with the lower limit of the State Contract Act (SCA). The SCA is reviewed each even numbered year by the Department of Finance and adjusted to be consistent with change in the annual California Construction Index. The Commission authorizes the Director to change the SHOPP Minor B Reserve limit and the SHOPP Minor A Reserve lower limit to an amount equal to the lower limit of projects subject to the SCA as revised by the Department of Finance, and the Director shall inform the Commission of any such change within 45 days.
 3. The Director is authorized to allocate funds for SHOPP Minor B Reserve projects to individual Districts.
 4. Projects funded jointly by the state and other entities where the state cost or contribution does not exceed the SHOPP Minor A Reserve limit shall be administered as SHOPP Minor A Reserve projects, irrespective of the total cost of the project. If the state share exceeds the SHOPP Minor A Reserve limit, the project must be programmed in the SHOPP.
- E. The Director shall report all project capital outlay allocation changes made under this delegation (both increases and decreases) to the Commission Executive Director on a monthly basis. At a minimum the report will contain the following information:
1. A listing of projects which received increases or decreases during the prior month, including allocations revised downward to match lower contract allotment amounts. Include the following project information: project identifiers (PPNO and EA numbers), description of work, initial Commission allocation amount, and the Director revised allocation.
 2. A cumulative total of Director approved increases and decreases to funds allocated by the Commission during the fiscal year. It is intended that the Director approved decreases will offset the Director approved increases.

2.2 THEREFORE BE IT FURTHER RESOLVED, that this resolution supersedes and replaces Resolution #G-98-12 and serves as a complete restatement of Resolution #G-12.

Programmed 1998 STIP Projects That Trigger Longer Life Pavement Criteria

Programmed FY	Project PPNO	DST	Co-Rte-PM	Total FY Programmed Const \$ (\$ X 1,000)	Minimum LLP Cost Increment (\$ X 1,000)	Maximum LLP Cost Increment (\$ X 1,000)
1999-00 FY	0017B	4	SCI-880-9.9 / 10.5			
	0172F	4	CC-4-0.7 / 2.7			
	0443O	4	SCI-87-7.1 / 7.8			
	0315P	7	LA-10-42.4 / 48.3			
	O422	7	LA-30-5.4 / 8.3			
	4007	12	Ora-73-5.4 / 7.8			
				\$360,000	\$10,800	\$14,400
2000-01 FY	0295F	4	CC-680-15.6 / 24.3			
	0443P	4	SCI-87-7.6 / 8.9			
	0692C	4	SM-101-3.6 / 11.9			
	0170H	8	SBd-15-20.8 / 28.7			
	4671	12	Ora-91-16.5 / 22.5			
			\$92,000	\$2,760	\$3,680	
2001-02 FY	0016F	4	Ala-880-0.1 / 13.2			
	0443Q	4	SCI-87-6.1 / 9.1			
	2008	7	LA-5-0.1 / 3.4			
	0121D	8	Riv-215-40.1 / 43.3			
	0121G	8	Riv-215-37.7 / 38.9			
	0194B	8	SBd-30-15.2 / 16.9			
	0195D	8	SBD-30-16.9 / 18.6			
	5242	12	Ora-605-0.0 / 1.6			
	0978T	12	Ora-5-42.1 / 44.4			
			\$331,000	\$9,930	\$13,240	
2002-03 FY	0157D	4	Ala-680-0.0 / 21.9			
	0443R	4	SCI-87-7.6 / 8.9			
	0556A	4	SCI-880-4.6 / 8.4			
	0837A	7	LA-405-25.9 / 29.5			
	0837C	7	LA-405-25.9 / 29.6			
	0121B	8	Riv-215-38.7 / 39.0			
	0121E	8	Riv-215-38.7 / 340.1			
	0174H	8	SBd-15-42.0 / 70.6			
	0174I	8	SBd-15-42.0 / 70.6			
			\$327,000	\$9,810	\$13,080	
2003-04 FY	0096A	4	Ala-238-22.9 / 26.9			
	2177	4	CC-4			
	2008A	7	LA-5-3.4 / 6.8			
			\$136,000	\$4,080	\$5,440	
STIP Total				\$1,246,000	\$37,380	\$49,840



CALIFORNIA TRANSPORTATION COMMISSION

**Delegation of Authority to Adjust Project Allocations
And Modify Project Descriptions**

**Replacement Resolution #G-98-12
Amending Resolution #G-12
and
Replacing Resolution #G-95-08**

- 1.1 WHEREAS, the California Transportation Commission adopted Resolution #G-12, delegation of authority to adjust project allocations and modify project descriptions to the Director of Transportation on July 28, 1978; and
- 1.2 WHEREAS, this procedure authorized the Department to increase individual project allocations, within limits, to allow the advertisement, award and completion of contracts; and
- 1.3 WHEREAS, the delegation to the Department of approval for limited funding increases greatly reduced the volume of financial transactions submitted to the Commission and increased the efficiency of the Department in processing changes; and
- 1.4 WHEREAS, it is considered practical and advisable to extend this policy for transportation projects under the Commission's authority; and
- 1.5 WHEREAS, at times it is necessary to modify project descriptions in order to proceed with the advertisement of projects; and
- 1.6 WHEREAS, it is frequently advantageous to combine two or more approved projects in close geographical proximity for ease and economy of contract administration; and
- 1.7 WHEREAS, a fair and equitable process is needed to fund the incremental costs triggered by Longer Life Pavement standards for programmed 1998 State Transportation Improvement Program projects; and
- 1.8 WHEREAS, over the years Resolution #G-12 was revised by Resolutions #G-83-6, #G-85-10, #G-88-18, #G-89-23, #G-90-24, and #G-95-08; and

1.9 WHEREAS, some revisions are needed along with a complete restatement of Resolution #G-12 delegations to the Department.

2.1 NOW THEREFORE, BE IT RESOLVED, that the following policies shall be in effect beginning with the 1998-99 fiscal year for capital outlay allocations by the California Transportation Commission:

A. MAJOR CONSTRUCTION PROJECTS

1. Major construction projects shall be considered as any project programmed in the State Transportation Improvement Program (STIP) or a project with a construction cost of more than \$750,000 at the time of programming into the State Highway Operation and Protection Program (SHOPP).
2. For major projects receiving a Commission allocation, the Director of Transportation may adjust the funds allocated by the Commission for construction provided that the adjustment does not increase the Commission's allocation by more than the following:
 - a. \$200,000 for each project which has a Commission's allocation of less than \$1,000,000.
 - b. \$200,000 plus 10 percent of the Commission's allocation for each project of \$1,000,000 or more.
 - c. When a project is awarded for less that was estimated at the time of the Commission's allocation, the G-12 delegation is to be based upon the contract allotment including such items as contingencies, supplemental work and state furnished materials, if any, rather than on the Commission's allocation amount.
 - d. The Director of Transportation may adjust the funds allocated by the Commission for the 32 identified and programmed 1998 STIP projects that trigger Longer Life Pavement (LLP) criteria for the incremental LLP cost. The incremental LLP cost adjustment may be up to four (4.0) percent of the Commission's allocation amount. The incremental LLP cost adjustment is a permissible additional amount to the adjustments allowed under item 2.a and 2.b above.
3. For major projects receiving a Commission allocation, or allocation revised to a contract allotment, of less than the upper limit for a Minor A project, the project is to be treated as a Minor project under the delegations in this Resolution.
4. Any adjustment, which exceeds the delegated limits described above, must be allocated by the Commission and does not establish a new G-12 funding capacity for the project. All subsequent increases to the allocation must be presented to the Commission for approval.

5. When an unused balance of funds allocated for major construction project is in excess of the funds needed to complete the project, the Director of Transportation will assign the unused allocation balance to the appropriate reserve to make it available for re-allocation.

B. MINOR A CAPITAL PROJECTS

1. Minor A Capital projects are limited to SHOPP types of improvements. STIP types of improvements are not authorized for Minor Program funding.
2. Minor A Capital projects shall be those projects with construction contract allotment estimates, State share, within the range of \$111,001 through \$750,000 for SHOPP type work at the time of allocation by the Commission.
3. The Director of Transportation may adjust the funds allocated by the Commission to individual Minor A Capital projects provided that the adjustment does not increase the Commission's allocation for each project by more than \$150,000.
4. When the funds required to complete a Minor A project are greater than allowed by the above policies, the following procedures shall be followed:
 - a. When there has been no change in the scope of the project, any additional State portion of funding will come from the Minor Program reservation.
 - b. When there is a change in the scope of the project, the project must compete for funding with other projects in the normal programming process.
5. When an unused balance of funds allocated for a Minor A construction project is in excess of the funds needed to complete the project, the Director of Transportation will assign the unused allocation balance to the appropriate reserve to make it available for re-allocation.

C. MINOR B CAPITAL PROJECTS

1. Minor B Capital projects are limited to SHOPP types of improvements. STIP types of improvements are not authorized for Minor Program funding.
2. The Minor B limit is established to be consistent with the lower limit of the State Contract Act which is reviewed each even numbered year by the Department of Finance and adjusted to be consistent with change in the annual California Construction Index. The Commission authorizes the Director of Transportation to change the Minor B limit and the Minor A lower limit to an amount equal to the lower limit of projects subject to the State Contract Act as revised by the Director of Finance, and the Director of Transportation shall inform the Commission of any change within 45 days.

3. Funds for Minor B Capital projects shall be allocated by the Director of Transportation to individual Districts. The Director may subsequently authorize adjustments in the funds allocated to an individual project provided that the total allocation for the project does not exceed 110 percent of the Minor B limit.

D. MINOR PROJECT CONTRIBUTIONS TO COOPERATIVE PROJECTS

Projects funded jointly by the state and other entities where the state cost or contribution does not exceed the Minor A limit shall be administered as minor projects, irrespective of the total cost of the project. If the state share exceeds the Minor A limit, the project must be programmed and funded as a major project. The Department is authorized to participate in such projects where the total estimated cost of the project is less than the Minor A limit, or where the total estimated cost is greater than the Minor A limit, and the state contribution does not exceed 50 percent of the total cost. In all other cases, prior to requesting a project's allocation, the Department shall obtain concurrence from the Executive Director of the Commission.

E. REPORT OF DELEGATED TRANSACTIONS

An informal report shall be submitted monthly to the Executive Director of the Commission. It will contain the following information:

1. Beginning with the 1995-96 fiscal year, a cumulative total of Department approved increases and decreases to funds allocated by the Commission during the fiscal year. Also, Commission approved supplemental allocations to projects will be listed separately.

It is intended that the Department-approved decreases will offset the Department-approved increases plus Commission approved supplemental allocations to projects.

2. A listing of projects which received Department-approved increases or decreases during the prior month, including allocations revised downward to match lower contract allotment amounts. Include the following information: project identifiers, description of work, Commission's allocated amount, and the Department's revised allocation.

F. PROJECT DESCRIPTIONS

The Director of Transportation may make revisions to the Commission's approved project descriptions to meet unforeseen conditions and to correct project description errors provided that:

1. Such revisions do not change the Commission's intent with regard to an individual project's program component, principal purpose, primary characteristic and general location.

2. Any cost estimate increase resulting from the proposed change in project description is within the amount delegated to the Director for approval in this resolution.
3. Any needed project scope change which exceeds the delegated limits described above must be approved by the Commission.

G. COMBINING PROJECTS

After funds have been allocated for individual projects, the Director of Transportation may approve a split or combination of projects for ease and economy of contract administration provided that:

1. The amount of a combined project does not exceed the sum of the individual approved projects, and the amount of split projects does not exceed the allocation for the original project, within the amount delegated to the Director for approval in this resolution.
2. When two or more major projects are combined, the G-12 funding capacity is based on the total cost of the combined project as though it was a single project. When a major project is split, G-12 funding capacities shall be based on the contract allotment of each portion.
3. When two or more minor projects are combined, the combined project will be considered a single Minor A Capital Outlay project for accounting purposes. The G-12 funding capacity shall be individually determined for each of the minor projects involved.
4. When a Minor Project is combined with a Major Project, the combined project will be considered a single Major Capital Outlay project for G-12 and accounting purposes; and

2.2 THEREFORE BE IT FURTHER RESOLVED, that this resolution supersedes and replaces Resolution #G-95-08 and serves as a complete restatement of Resolution #G-12.

Programmed 1998 STIP Projects That Trigger Longer Life Pavement Criteria

Programmed FY	Project PPNO	DST	Co-Rte-PM	Total FY Programmed Const \$ (\$ X 1,000)	Minimum LLP Cost Increment (\$ X 1,000)	Maximum LLP Cost Increment (\$ X 1,000)
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