

M e m o r a n d u m

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Subject: **DRAFT INTERIM STATE HIGHWAY OPERATION AND PROTECTION PROGRAM (SHOPP) GUIDELINES**

SUMMARY

With the passage of Senate Bill (SB) 486 (DeSaulnier, 2014) and SB 1 (Beall, 2017) the California Transportation Commission (Commission) has initiated the process to develop guidelines in consultation with the California Department of Transportation (Caltrans) for the State Highway Operation and Protection Program (SHOPP). The attached Draft Interim SHOPP Guidelines were prepared to begin the process for consultation with Caltrans. It is anticipated that Final Interim SHOPP Guidelines will be brought forward for the Commission to consider adopting at the June 2017 Commission meeting.

BACKGROUND

The provisions of SB 1 identified below require the Commission to establish guidelines for carrying out its SHOPP related responsibilities.

SEC. 6. Government Code, Section 14526.5:

(g) On or after July 1, 2017, to provide sufficient and transparent oversight of the department's capital outlay support resources composed of both state staff and contractors, the commission shall be required to allocate the department's capital outlay support resources by project phase, including preconstruction. Through this action, the commission will provide public transparency for the department's budget estimates, increasing assurance that the annual budget forecast is reasonable. The commission shall develop guidelines, in consultation with the department, to implement this subdivision. Guidelines adopted by the commission to implement this subdivision shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1).

(h) Beginning July 1, 2017, for a project that experiences increases in capital or support costs above the amounts in the commission's allocation pursuant to subdivision (g), the commission shall establish a threshold for requiring a supplemental project allocation. The commission's guidelines adopted pursuant to subdivision (g) shall also establish the threshold that the commission determines is necessary to ensure efficiency and may provide exceptions as necessary so that projects are not unnecessarily delayed.

(i) The department, for each project requiring a supplemental project allocation pursuant to subdivision (h), shall submit a request to the commission for its approval.

SEC. 7. Government Code, Section 14526.7:

(a) The department shall incorporate the performance targets in subdivision (n) of Section 1 of the act adding this section into the asset management plan adopted by the commission and targets adopted by the commission pursuant to Sections 14526.4 and 14526.5. The asset management plan shall also include targets adopted by the commission in consultation with the department for each asset class included in subdivision (n) of Section 1 of the act adding this section to measure the degree to which progress was made towards achieving the overall 2027 targets. Targets may be modified by the commission as needed to conform to federal regulation on performance measures and the completion of the department's asset management plan. Nothing in this section precludes the commission from adopting additional targets and performance measures pursuant to paragraph (1) of subdivision (c) of Section 14526.4.

(b) As specified by guidelines adopted by the commission, the department shall report to the commission on its progress toward meeting the targets and performance measures established for state highways pursuant to subdivision (n) of Section 1 of the act adding this section and paragraph (1) of subdivision (c) of Section 14526.4.

Attachment

- Attachment A: Draft Interim SHOPP Guidelines

CALIFORNIA TRANSPORTATION COMMISSION

DRAFT INTERIM STATE HIGHWAY OPERATION AND PROTECTION PROGRAM GUIDELINES

May 12, 2017

NOTE: These draft Interim State Highway Operation and Protection Program (SHOPP) Guidelines are currently under development pending consultation with the California Department of Transportation to address the statutory requirements set forth in state law relating to the SHOPP. This information is published herein in draft form, and is subject to further modification and refinement. Publication of this information does not represent any final determination by the Commission on any of the issues addressed in these draft guidelines.

CALIFORNIA TRANSPORTATION COMMISSION

**DRAFT INTERIM
STATE HIGHWAY OPERATION AND PROTECTION PROGRAM GUIDELINES**

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CALIFORNIA TRANSPORTATION COMMISSION

DRAFT INTERIM

STATE HIGHWAY OPERATION AND PROTECTION PROGRAM GUIDELINES

I. INTRODUCTION/OVERVIEW

1. Commission Mission

The Commission is an independent public agency dedicated to ensuring a safe, financially sustainable, world-class multimodal transportation system that reduces congestion, improves the environment, and facilitates economic development through the efficient movement of people and goods.

2. Purpose

These guidelines describe the policy, standards, criteria and procedures for the development, adoption, and management of the State Highway Operation and Protection Program (SHOPP) by the California Transportation Commission (Commission). With respect to the SHOPP, governing law requires that the Commission:

- Advise and assist the California State Transportation Agency Secretary and the Legislature in formulating and evaluating state policies and plans for state transportation programs.
- Develop SHOPP guidelines in consultation with the California Department of Transportation (Caltrans).
- Receive the Caltrans proposed SHOPP not later than January 31 of each even-numbered year.
- Review the proposed SHOPP relative to its overall adequacy Asset Management Plan (AMP) consistency, compliance with applicable law, level of annual funding for implementation, and impact of expenditures on the State Transportation Improvement Program (STIP).
- Hold hearings in the North and South prior to adopting the SHOPP.
- Adopt the SHOPP and submit to the Legislature and Governor by April 1 of each even numbered year.
- Decline to adopt the SHOPP if not sufficiently consistent with the asset management plan.
- Allocate Caltrans' capital outlay support resources by project phase to provide public transparency for Caltrans budget estimates.
- Establish a threshold for requiring supplemental project allocations to ensure efficiency but not to unnecessarily delay projects.
- Approve amendments to the SHOPP proposed by Caltrans.
- Review and approve the AMP for purposes of assessing the health and condition of the state highway system.
- Adopt targets and performance measures that reflect state transportation goals and objectives for purposes of effectively applying the state's limited resources in the SHOPP.

- Adopt the biennial five-year fund estimate of state and federal funds expected to be available for the SHOPP.
- Program and/or allocate state funds for capital projects, consistent with the SHOPP guidelines.
- Adopt guidelines for the development of regional transportation plans and the California Transportation Plan (CTP).
- Receive annual Caltrans reports relative to the expenditures made with road maintenance and rehabilitation funds including the progress made and achievement of the SB 1 specified 2027 performance goals and Commission adopted targets.
- Evaluate annually Caltrans' effectiveness in reducing deferred maintenance and improving road conditions as demonstrated by progress made in achieving the 2027 performance goals and Commission adopted targets. Include any findings in its annual report to the Legislature.
- Make recommendations for improvement and withhold future project allocations if determined that funds were not appropriately spent.

3. Guidelines Objectives

These guidelines were developed and adopted with the following basic objectives:

- a. Consistent with the AMP, Ten-Year SHOPP Plan, and Five-Year Maintenance Plan, develop and manage the SHOPP as a resource management document.
- b. Facilitate transportation decision making by those who are closest to the transportation problems.
- c. Recognize that, although Caltrans is the owner-operator of the state highway system, the regional agencies have the lead responsibility for resolving urban congestion problems, including those on state highways.
- d. Facilitate cooperative programming and funding ventures between Caltrans and local agencies including the regional transportation agencies.
- e. Recognize regional and statewide goals and objectives in the rehabilitation and operation of the state's multi-modal transportation system.
- f. Emphasize partnerships between Caltrans and regional agencies in making investment decisions addressing the most critical corridor needs, regardless of mode choice or system condition.
- g. The Commission intends to carry out these objectives through these Interim Guidelines, stressing accountability, flexibility, and simplicity.

4. Definitions and Acronyms

Definitions for certain capitalized terms used in the Interim SHOPP Guidelines are contained in the referenced section. Acronyms used in the Interim SHOPP Guidelines are included in Appendix A.

5. Statutory Authority

The Interim SHOPP Guidelines were developed and adopted consistent with (Appendix B):

- a. Governor's Executive Orders, where applicable.
- b. Government Code Sections 14526.4, 14526.6; 14526.5, 14526.7.
- c. Streets and Highways Code Sections 164.6 and 167.
- d. Public Resources Code Section 21102

- e. The Road Repair and Accountability Act of 2017 (SB 1) Chapter 5, Statutes of 2017);
- f. Commission Resolutions including, but not limited to: G-00-13, G-06-13, G-05-16, G-11-16, and G-12-16.
- g. Commission approved actions specific to the Asset Management Plan on March 26, 2015 (Tab 26) regarding four asset classes.
- h. Current best management practices including those related to the STIP and its authorities in accordance with Government Code Section 14530.1.
- i. Compliance with all Federal and State requirements.

6. Applicability of Interim SHOPP Guidelines

The Interim SHOPP Guidelines apply to projects programmed in the SHOPP. The Interim SHOPP Guidelines do not apply to transportation programming requirements specified in federal Transportation Improvement Programs (TIP) and the federal STIP required by federal statutes. Generally, all projects receiving federal transportation funds must be programmed in a federal TIP (for projects in urbanized regions) and also in a federal STIP. Metropolitan Planning Organizations are responsible for developing and adopting federal TIPs and Caltrans is responsible for preparing the federal STIP. The requirements for federal TIPs and the federal STIP are specified in federal statutes (Title 23 USC) and federal regulations (23 CFR part 450).

7. Compliance with Federal and State Requirements

Caltrans shall comply with all Federal and State requirements, including but not limited to, those regarding workforce development.

8. Delegation of Authority

As of the date of these Interim SHOPP Guidelines, the Commission has taken formal action to delegate (Appendix C) certain authorities to Caltrans:

- Resolution G-05-16: Sub-allocation and Adjustment of Minor Capital Construction Projects.
- Resolution G-06-13: Allocation of Funds for Safety Projects.
- Resolution G-11-16: Funding Emergency Condition Response Projects.
- Resolution G-12-16: Adjustment and Modification of Project Allocations and Descriptions.

9. Amendments to the Guidelines

The Commission may amend the adopted SHOPP guidelines after first giving notice of the proposed amendment and conducting at least one public hearing.

II. **SHOPP-RELATED DOCUMENTS SUBJECT TO COMMISSION ACTION**

10. Transportation Asset Management Plan

Pursuant to Government Code Section 14526.4, Caltrans in consultation with the Commission shall prepare a robust Asset Management Plan (AMP) to guide selection of projects for the SHOPP. Caltrans may prepare the AMP in phases, the first phase to be implemented with the 2016 SHOPP. The complete AMP is due no later than the 2020 SHOPP. The Commission reviews and approves the AMP and adopts targets and performance measures reflecting state transportation goals and objectives. The AMP is a strategic and systemic process of operating, maintaining, and upgrading physical assets effectively through their lifecycle by focusing on business and engineering

practices for resource allocation and utilization based on well-defined objectives. Pursuant to Section 14526.7(a), Caltrans shall incorporate the performance targets adopted by the Commission pursuant to Government Code Sections 14526.4 and 14526.5. On March 26, 2015, the Commission approved four asset classes for the first phase of the AMP that included: pavement, bridge, culverts, and Intelligent Transportation System (ITS) components.

Notwithstanding the foregoing, SB 1 requires that Caltrans meet the following preliminary performance outcomes for additional state highway investments by the end of 2027, in accordance with applicable state and federal standards:

- Not less than 98 percent of pavement on the state highway system in good or fair condition.
- Not less than 90 percent level of service achieved for maintenance of potholes, spalls, and cracks.
- Not less than 90 percent of culverts in good or fair condition.
- Not less than 90 percent of the transportation management system units in good condition.
- Fix not less than an additional 500 bridges.

11. Ten-Year SHOPP Plan

Pursuant to Streets and Highways Code Section 164.6(a), Caltrans shall prepare a ten-year state rehabilitation plan for the rehabilitation and reconstruction, or combination thereof, to be included in the SHOPP, of all state highways and bridges owned by the state. This plan is hereafter referred to as “Ten-Year SHOPP Plan.”

12. Five-Year Maintenance Plan

Pursuant to Streets and Highway Code Section 164.6(b), Caltrans shall prepare a five-year maintenance plan that addresses the maintenance needs of the state highway system. This plan is hereafter referred to as “Five-Year Maintenance Plan.”

III. **SHOPP FUNDING**

13. Biennial STIP Fund Estimate

By July 15 of each odd numbered year, Caltrans shall submit to the Commission a proposed fund estimate for the following five-year STIP period which also includes proposed program funding levels for the SHOPP. The Commission shall adopt the STIP Fund Estimate by August 15 of that same year. The assumptions on which the STIP Fund Estimate is based shall be determined by the Commission in consultation with Caltrans, regional agencies, and county transportation commissions.

14. State-Only Funding

The Commission will assume that all projects will be qualified for federal transportation funding unless Caltrans designates otherwise. Whenever Caltrans designates a project to be programmed for state-only (non-Federal) funding, it will explain the reason for this designation. Projects programmed without a state-only designation and later proposed for state-only funding allocations will be subject to Caltrans recommendation for exception to federal funding prior to the Commission’s fund allocation.

15. Joint State and Local Funding

If Caltrans and a regional agency agree, they may, if consistent with all applicable laws and regulations, recommend that a new project or a project cost increase be jointly funded from state and local funds and execute a cooperative agreement to reflect the agreed participations.

16. Advance Mitigation Program

Pursuant to Article 2.5(b) of Chapter 4 of Division 1 of the Streets and Highway Code, beginning in fiscal year 2017-18 and for a period of four years, Caltrans shall set aside no less than thirty million dollars (\$30,000,000) annually for the Advance Mitigation Program from the annual appropriations for the STIP and SHOPP for the planning and implementation of projects in the Advance Mitigation Program. The Advance Mitigation Program was created to enhance communications between the Caltrans and stakeholders to protect natural resources through project mitigation, to meet or exceed applicable environmental requirements, to accelerate project delivery, and to fully mitigate environmental impacts from transportation infrastructure projects. The annual Budget Act and subsequent legislation may establish additional provisions and requirements for the Advanced Mitigation Program.

17. GARVEE Bonding

If the fund estimate projects the availability of federal funding for the SHOPP, the Commission may, by SHOPP amendment, select SHOPP eligible projects proposed for accelerated construction through GARVEE bonding. The Commission will select projects for GARVEE bonding that rehabilitate and/or improve operation of corridors and gateways for interregional travel and goods movement, especially projects that promote economic development and projects that are too large to be programmed within the SHOPP on a pay-as-you-go basis. The Commission's expectation is that, generally, these will be projects that require bond proceeds exceeding \$25 million.

Each bond will be structured for debt service payments over a term of not more than 12 years. In designating projects for bonding and scheduling bond sales, the Commission will give consideration to the overall annual debt service limit of 15 percent of Federal revenues.

GARVEE bonds cover only the federally-funded portion of a project's cost (generally 88½ percent). GARVEE bonding in California is structured so that the state's future federal transportation apportionments cover all debt service payments. This requires that the entire non-federal portion of project cost (including costs of issuance and interest) be provided at the time of construction on a pay-as-you-go basis. The Commission's policy is that the non-federal portion of project costs will be programmed within the current SHOPP capacity. Although local funds may be applied to the non-federal share, the ability of a local agency to contribute its funding to a SHOPP project will not be a major criterion in the selection of SHOPP projects for GARVEE bonding.

IV. SHOPP DOCUMENT

18. General

The SHOPP is a biennial program adopted no later than April 1 of each even numbered year. Consistent with the Biennial STIP Fund Estimate, discussed in Section 13, each SHOPP will cover a two-year period and add two new years of programming capacity.

19. AMP (Phase I) Four Approved Asset Classes

Pursuant to the Commission's Approved Action in March 26, 2015 (Tab 26) and consistent with the AMP, each SHOPP document shall include pavement, bridge, culvert, and ITS projects and specify their corresponding performance measures for each year of the SHOPP for the first phase of the AMP transition. Subject to the review and approval of the Commission, the SHOPP shall include other assets and specify their respective performance measures once Caltrans addresses them in the future AMP phase(s).

20. SHOPP Preparation

Pursuant to Government Code Section 14526.5(a), and consistent with the AMP, Caltrans shall prepare a four-year SHOPP for the expenditure of transportation funds for major capital improvements needed to preserve and protect the state highway system. Consistent with the AMP, Ten-Year SHOPP Plan, and Five-Year Maintenance Plan, each new SHOPP shall include projects carried forward from the previous SHOPP plus new projects and reserves that are expected to be advertised prior to July 1 of the year of adoption, but for which the Commission has not yet allocated funds. The total amount programmed in each fiscal year of the SHOPP shall not exceed the amount specified in the STIP Fund Estimate.

21. Display of Project Scope, Budget, Schedule, and Performance Measure

The SHOPP document shall include the following information for each project:

- a. The project title, including a brief description of the project location and limits (community name, corridor, street name, etc.), and a phrase describing the type and scope of the project.
- b. A unique project identification number (i.e.: PPNO, EA, EFFIS) provided by Caltrans.
- c. For projects on the state highway system, the route number and post-mile (or post-kilometer) limits.
- d. Support and capital budgets for project approval and environmental document (PAED), plans, specifications, and estimates (PS&E), right-of-way (support and capital), and construction (support and capital) including the source and amounts of non-SHOPP funds, if any, committed to the project.
- e. Any appropriate funding restriction or designation, including projects requiring state-only funding, or projects requiring federal funds.
- f. Project delivery date for PAED completion, PS&E completion, Right-of-Way certification, and commencement of construction.
- g. Planned and actual performance measures for each project.
- h. Support and capital expenditures for any project that is subject to a Commission allocation.
- i. Description based on quantified and qualitative information to document transparently and in plain language how the SHOPP is consistent with the Commission approved AMP.

22. Database

Caltrans is responsible for developing, upgrading and maintaining an electronic database record of the adopted SHOPP documents and Commission actions that amend the SHOPP. Caltrans will publish the SHOPP record within 75 days of the SHOPP adoption and make copies available to

the Commission. To facilitate development, analysis and management of the SHOPP, Caltrans will provide the Commission appropriate access to the SHOPP database.

Consistent with this database, Caltrans shall develop and maintain a transparent system to display in plain language each SHOPP project's support and capital budget, schedule, scope, expected performance benefits and updates thereof to enhance communication among the districts and headquarters to ensure efficient management of the entire portfolio and to provide public transparency. Projects allocated for construction in prior SHOPP documents but which have not achieved final acceptance are incorporated by reference and are a part of the newly adopted SHOPP until final acceptance is achieved and a final report of actual expenditures against Commission allocations is provided to the Commission.

23. SHOPP Submittal

Pursuant to Government Code Section 14526.5(d), Caltrans shall submit the proposed SHOPP, to the Commission no later than January 31 of each even year. Caltrans shall provide the Commission with detailed information for all projects including, but not limited to, cost, scope, schedule, and performance metrics. The four-year SHOPP document will describe in plain language its overall adequacy and consistency with the Ten-Year SHOPP Plan, Five-Year Maintenance Plan, as well as the Commission approved AMP, funding priorities established in Streets and Highways Code Section 167, the level of annual funding needed to implement the program, and the impact of those expenditures on the STIP. Prior to submitting its proposed program, Caltrans shall make a draft of the proposed SHOPP available to transportation planning agencies for review and comment and shall include the comments in its submittal to the Commission.

24. Adoption

Pursuant to Government Code Section 14526.5(e), the Commission shall review each two-year cycle SHOPP document relative to its overall adequacy and consistency with the AMP prepared and approved pursuant to Government Code Section 14526.4 and funding priorities established in Streets and Highway Code Section 167, the level of annual funding needed to implement the program, and the impact of those expenditures on the state transportation improvement program. Not later than April 1 of each even numbered year the Commission shall adopt each two-year SHOPP document and submit it to the Legislature and to the Governor. The Commission may decline to adopt the SHOPP if the Commission determines that the program is inadequate or it is not sufficiently consistent with the Ten-Year SHOPP Plan, Five-Year Maintenance Plan, and AMP prepared and approved pursuant to Government Code Section 14526.6.

Pursuant to Government Code Section 14526.5 (f), as part of the Commission's review, the Commission shall hold at least one hearing in northern California and one hearing in southern California regarding the proposed program.

Each two-year cycle SHOPP shall be a statement of the Commission's intent for allocation and expenditure of funds for the following four years as well as a resource management document to assist in the planning and utilization of transportation resources in a cost-effective manner. Each adopted SHOPP shall remain in effect until a new SHOPP is adopted.

V. SHOPP PROJECTS

25. Eligibility

Projects eligible for SHOPP funds include major capital improvements that are necessary to preserve and protect the state highway system. Projects included in the program shall be limited to improvements relative to the maintenance, safety, operation, and rehabilitation of state highways and bridges that do not add a new traffic lane to the system. Examples operation improvement projects include:

- Auxiliary lanes for merging or weaving between adjacent interchanges.
- Intersection modifications including traffic signals.
- Slow vehicle lanes on conventional highways and four lane freeways.
- Curve and vertical alignment corrections.
- Two-way left turn lanes.
- Channelization.
- Turnouts.
- Chain control and truck brake inspection sites.
- Shoulder widening.

26. Project Budget

For each project in the SHOPP, Caltrans shall identify each phase of a project and include the specified budget. Pursuant to Government Code Section 14526.5(c)(1), Caltrans, at a minimum, shall specify, for each project in the SHOPP (where applicable), the capital and the support budget for each of the following project phases:

- a. PAED (only consists of support);
- b. PS&E (only consists of support);
- c. Right-of-way (support and capital); and
- d. Construction (support and capital).

27. Project Delivery Dates

Each phase of a project must have a specified schedule. Pursuant to Government Code Section 14526.5(c)(2), Caltrans shall specify a projected delivery date for each of the following components:

- a. PAED completion;
- b. PS&E completion;
- c. Right-of-way certification; and
- d. Start of Construction.

28. Project Scope

The specified scope of each eligible SHOPP project, must be consistent with the AMP.

VI. PROGRAMMING PROJECTS

29. Project Study Reports

A new project may not be programmed in the SHOPP without a complete project study report (PSR) to define and justify the project scope, cost, schedule, and expected benefits including performance goals/benefits. A PSR is a report that meets the standards of the Commission's PSR

guidelines. Though a PSR or equivalent (such as a project initiation document or PID) may focus on the project components proposed for programming, it must provide at least a preliminary estimate of costs for all components. The PSR, or PSR equivalent, or Project Report must be submitted, or a link may be provided to view the document electronically. Each PSR needs to account for all potential unknowns that might impact the project budget, scope, schedule, and achievement of performance goals/targets from initiation through full completion.

30. Project Selections

Consistent with the AMP, Ten-Year SHOPP Plan, and Five-Year Maintenance Plan, Caltrans shall establish a transparent selection process to select quality eligible projects for each two-year cycle SHOPP document. In particular, each project's planned performance measures for achievement of goals and targets must be identified consistent with the AMP.

31. Programming Project Components Sequentially

Caltrans may not begin project development work on SHOPP projects until the project is programmed in the SHOPP document. Pursuant to Commission Resolution G-00-13 and consistent with similar programming practices prescribed for STIP projects, project components may be programmed sequentially. The Commission encourages sequential programming of SHOPP components when needed to develop a shelf of work that can be released as appropriate. These projects, also unknown as "contingency projects," must be SHOPP eligible.

A SHOPP eligible project may be programmed for environmental work only. The Commission recognizes a particular benefit in programming projects for environmental work only, since project costs and particularly project scheduling often cannot be determined with meaningful accuracy until environmental studies have been completed. The premature programming of post-environmental components can needlessly tie up SHOPP programming resources while other transportation needs go unmet. These projects, also unknown as "long lead projects," must be SHOPP eligible.

The Commission will program a project component only if it makes a determination that the component itself is fully funded, either from SHOPP funds or from other committed funds. The Commission will regard non-SHOPP funds as committed when the local agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution and has entered into a cooperative agreement with Caltrans.

When applicable for federal formula funds, including RSTP, CMAQ, the commitment may be by Federal TIP adoption.

A project that is programmed prior to receiving federal approval for construction must receive the federal approval for construction prior to construction allocation and no later than the end of the first full federal fiscal year after adoption of the SHOPP or SHOPP amendment, or a time extension to vote the project will be needed.

32. Safety Projects

Pursuant to Commission Resolution G-06-13 Caltrans may allocate up to 120 percent of the programmed construction funds to SHOPP safety projects (Appendix C). Caltrans shall bring forward for Commission consideration any safety project with a construction allocation greater than 120 percent of the programmed amount.

33. Emergency Condition Response Projects

Pursuant to Commission Resolution G-11-16 Caltrans is authorized to allocate funds for emergency condition response projects (Appendix C) and associated right-of-way acquisition from appropriate state and federal fund sources to immediately perform emergency work on state-owned transportation facilities and property or related work in adjacent areas, with the understanding that these allocations will be reported to the Commission at its next meeting. Further Caltrans is authorized to allocate funds to follow-up restoration projects associated with and that immediately follow an emergency condition response project, with the understanding that these allocations will be identified and reported to the Commission as “follow-up restoration” projects at its next meeting.

34. Minor Projects

Pursuant to Commission Resolution G-05-16 (Appendix C), the Commission delegated authority to Caltrans for sub-allocations and/or adjustment authority to streamline and help in the management of minor projects. The minor reserve in the 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, sound walls, and enhancements, and mitigation for STIP projects.

35. Transportation Management System Improvement Projects

The Commission supports implementation and application of transportation management systems (TMS) improvements to address highway congestion and to manage transportation systems. SHOPP eligible TMS projects may be programmed in the SHOPP. Under current statutes, Caltrans is the owner operator of the SHS and is responsible for the overall management of the SHS. The regional transportation agencies are responsible for planning and programming transportation strategies, facilities and improvements which address regional transportation issues and system wide congestion. The Commission encourages the regions and Caltrans to work cooperatively together to plan, program, implement, operate, and manage transportation facilities as an integrated system with the objective of maximizing available transportation resources and overall transportation system performance.

Considering this objective and the respective responsibilities of Caltrans and the regional agencies, it is the Commission’s policy that TMS improvements for state highways may be programmed in the SHOPP by Caltrans in consultation with regional agencies if such improvements are part of a region’s adopted strategy for addressing system wide congestion. The regions are encouraged to program TMS improvements in their RTIP for STIP programming if timely programming through the SHOPP is not possible because of funding limitations in the SHOPP. TMS improvements include the following types of projects:

- Transportation Management Centers (TMCs) including necessary computer software and hardware.
- TMC interconnect projects which allow a TMC to substitute for another TMC during an emergency.
- TMC field elements such as, but not limited to, traffic sensors, message signs, cameras and ramp meters, which upgrade the existing facilities and are necessary to facilitate the operation of the TMC.

The application of TMS improvements should be coordinated with other operational improvements such as freeway ramp/local street access modifications and auxiliary lanes to maximize the TMS benefits. Prior to programming a new highway facility for construction, reconstruction or rehabilitation in the STIP or in the SHOPP, regions and Caltrans should fully consider integrated corridor system management plans, transportation corridor system management plans and needs and include any necessary TMC field elements to support operation of existing or planned TMCs.

36. Multi-Modal Corridor Projects

SHOPP eligible Multi-Modal Corridor projects may be programmed in the SHOPP when consistent with the AMP, Ten-Year SHOPP Plan, and Five-Year Maintenance Plan. A corridor is defined as a largely linear geographic band defined by existing and forecasted travel patterns involving both people and goods. The corridor serves a particular travel market or markets affected by similar transportation needs and mobility issues. It includes various modes that provide similar or complementary transportation functions, including cross-mode connections.

37. Completion of Environmental Process

The Commission may program funding for project right-of-way or construction only if it makes a determination that Caltrans will complete the environmental process and can proceed with right-of-way acquisition or construction within the four-year period of the SHOPP. Pursuant to Public Resources Code Section 21102, the Commission may not allocate funds for design, right-of-way, or construction prior to documentation of environmental clearance under the California Environmental Quality Act. As a matter of policy, the Commission will not allocate funds for design, right-of-way, or construction of a federally funded project prior to documentation of environmental clearance under the National Environmental Policy Act. Exceptions to this policy may be made in instances where federal law allows for the acquisition of right-of-way prior to completion of National Environmental Policy Act review.

When project design, right-of-way or construction are programmed before Caltrans completes the environmental process, updated cost estimates shall be submitted in the SHOPP cycle following completion of the environmental process. Cost estimates for project components that are programmed and that have not been allocated shall be updated, as needed, based on the most current cost information during every SHOPP cycle. Only cost estimates approved by the Caltrans Director or by a person authorized by Caltrans' Director to approve cost estimates for programming will be used.

38. Programming Combined SHOPP and Non-SHOPP Projects

Where a project or project component is to be programmed and funded from both SHOPP and non-SHOPP sources, the project description shall indicate whether the programming commitment is for a particular dollar amount, a particular percentage of total project cost, or a particular element or item of work. All SHOPP projects must be expended proportionally, except as otherwise approved by the Commission. The Commission must approve non-proportional spending for the initial expenditure of SHOPP funds before other non-SHOPP resources. For projects funded from both SHOPP and non-SHOPP sources and where the Commission has approved non-proportional spending allowing for the expenditure of SHOPP funds before other funds (sometimes referred to as sequential spending), the project is not eligible for an increase (supplemental) allocation under

the authority delegated to Caltrans by Commission Resolution G-12-16 until all other non-SHOPP funds committed to the project have been expended.

39. Programming Escalations

Caltrans is responsible to apply escalations when recommending projects to the Commission for programming. The amount programmed for each project component shall be escalated to the year proposed for programming. The standard escalation rate for the SHOPP shall be the rate specified in the last Commission adopted Fund Estimate for the SHOPP. Caltrans may elect to use alternative escalation factors for right-of-way or other project support phases as it deems appropriate.

All project costs recommended by Caltrans for programming are to be recommended on the basis of their fully escalated (inflated) costs. All SHOPP project programming shall therefore be at costs escalated to the year in which project delivery is proposed. Cost estimates for project components that are programmed and that have not been allocated shall be updated, as needed, based on the most current cost information during every SHOPP cycle.

40. Allocation for Support and Construction

- a. *General.* Beginning July 1, 2017, for a project that experiences increases in capital or support costs above the amounts in the Commission's allocation for SHOPP projects, the Commission shall establish a threshold for requiring a supplemental project allocation. The Commission's adopted Interim SHOPP Guidelines shall establish the threshold that the Commission determines is necessary to ensure efficiency and may provide exceptions as necessary so that projects are not unnecessarily delayed. Consistent with the Interim SHOPP Guidelines, Caltrans shall, for each project requiring a supplemental project allocation, submit a request to the Commission for its approval.
- b. *Construction.* The costs programmed and allocated for Caltrans construction projects are to be based on the engineer's final estimate presented to the Commission for an allocation vote. No other adjustment will be made after the allocation vote for the award amount or for changes in expenditures except where the Commission votes a supplemental allocation during or following construction and such action is taken at a Commission meeting. No adjustment will be made for supplemental allocations made by Caltrans under the authority delegated by Commission Resolution G-12-16.
- c. *Support.* The costs programmed and allocated for Caltrans support for the following project components/phases, including but not limited to, PAED, PS&E, right-of-way, and construction, is the amount identified and presented to the Commission for allocation vote. No other adjustment will be made for cost differences that are less than 120% of the Commission's original allocation. No adjustment will be made for supplemental allocations made by Caltrans under the authority delegated by Commission Resolution G-12-16. For costs equal to or greater than 120% of the Commission's original allocation, the Commission shall require a supplemental allocation.
- d. No adjustment will be made by Caltrans beyond the authority delegated by Commission Resolution G-12-16. To encourage accurate estimates, the Commission will consider SHOPP amendments for project development only upon completion of

the project development phase and when the change in the total project development costs exceed the G-12-16 authority.

VII. CALTRANS' MANAGEMENT OF THE SHOPP

41. Scope, Cost, Schedule

Caltrans is responsible to manage the entire SHOPP portfolio of projects to meet the state's transportation needs and ensure that each project is delivered within scope, budget, and on schedule consistent with the AMP, Ten-Year SHOPP Plan, and Five-Year Maintenance Plan.

42. Criteria for Measuring Performance and Cost-Effectiveness

Consistent with the AMP, Ten-Year SHOPP Plan, and Five-Year Maintenance Plan, Caltrans is responsible for developing performance measures, objectives, and priorities that include consideration of the overall performance of the transportation system consistent with federal and state planning requirements. Pursuant to Government Code Section 14526.4(c), in connection with the AMP, the Commission reviews and approves the AMP and adopts targets and performance measures reflecting the state transportation goals and objectives. The Commission expects that Caltrans will develop procedures to measure and ensure cost effectiveness in achieving the targets outlined by SB 1 in addition to the Commission adopted targets.

43. Allocation of Funds

Pursuant to Government Code Section 14526.5(g), on or after July 1, 2017, to provide sufficient and transparent oversight of Caltrans's capital outlay support resources composed of both state staff and contractors, the Commission is required to allocate Caltrans's capital outlay support resources by project phase, including preconstruction. Through this action, the Commission will provide public transparency for Caltrans's budget estimates, increasing assurance that the annual budget forecast is reasonable. The following applies to the Commission's allocations effective July 1, 2017:

- a. The Commission allocates the programmed support and construction funds for all projects listed in the SHOPP.
- b. During each two-year cycle, the Commission will consider allocation of funds for a programmed project or programmed component when it receives an allocation request and recommendation from Caltrans. The Commission will only consider an allocation of construction and/or construction support funds to projects that are ready to advertise.
- c. For ready to advertise projects, the Commission expects Caltrans to certify that a project's PS&E is complete, environmental and right-of-way clearances are secured, and all necessary permits and agreements (including railroad construction and maintenance) are executed.
- d. Projects not ready for advertisement will not be placed on the Commission's agenda for allocation approval.
- e. Unless otherwise approved by the Commission in accordance with Sections 44 and 45 (Timely Use of Funds), all construction allocations are valid for six months from the date of allocation unless the Commission approves an extension (Sections 44 and 45, Timely Use of Funds).
- f. Unless otherwise approved by the Commission in accordance with Sections 44 and 45 (Timely Use of Funds), all allocations for support are valid for six months from the

- date of allocation unless the Commission approves an extension (Sections 44 and 45, Timely Use of Funds).
- g. All allocations will be made in units of \$1,000, and all allocation requests shall therefore be in units of \$1,000. The request will include a determination of the availability of funding and a recommendation on the source of funding. The recommendation on the source of funding shall include the amounts by fund account, i.e., State Highway Account, Public Transportation Account, or Federal Trust Fund, as well as the fund type within the account including type of federal funds. Caltrans' recommendation to the Commission for state only funding of a project will be made in accordance with Caltrans's current policy for exceptions to federal funding. The final determination of fund type available for a project will be made in the Commission's allocation of funds to the project. The Commission will approve the allocation only if the funds are available and are necessary to implement the project as programmed in the SHOPP.
 - h. In compliance with Public Resources Code Section 21102, the Commission may not allocate funds, other than funds appropriated in the Budget Act or projects involving only feasibility or planning studies for possible future actions construction prior to documentation of environmental clearance under the California Environmental Quality Act. As a matter of policy, the Commission will not allocate funds for design, right-of-way, or construction of a federally funded project prior to documentation of environmental clearance under the National Environmental Policy Act. Exceptions to this policy may be made in instances where federal law allows for the acquisition of right-of-way prior to completion of National Environmental Policy Act review.
 - i. Each project's programmed phase must be allocated on time as scheduled. Scheduled fiscal year allocations must be completed no later than June of each year.
 - j. All funds allocated are subject to the timely use of funds provision as described in Sections 44 and 45 (Timely Use of Funds) of these guidelines.
 - k. Projects using design-build or design-sequencing procurement shall be identified at the time of allocation. The allocation may be a combined amount to include design, right-of-way, and construction support and construction.
 - l. Projects using the Construction Management/General Contractor (CM/GC) delivery method should be identified at the time of programming. During the design phase, the CM/GC contract costs are considered design phase expenditures. Upon award of the construction contract, expenditures will be reported as construction phase expenditures. The project will be programmed and allocated in the same manner as projects utilizing design-bid-build delivery, although flexibility in schedule, scope and cost may be requested and approved consistent with allocation and programming capacity, and timely use of funds rules.
 - m. If a project or project component is ready for implementation earlier than the fiscal year that it is programmed in the SHOPP, Caltrans may request an allocation in advance of the programmed year. The Commission may make an allocation in advance of the programmed year if it finds that the allocation will not delay availability of funding for other projects.

44. Timely Use of Funds for Support

The following requirements apply to timely use of funds allocated by the Commission for SHOPP project support costs:

- a. Funds that are programmed for Caltrans' support costs are available for allocation only until the end of the fiscal year identified in the SHOPP. Whenever programmed funds are not allocated within this deadline, the project is considered a failed project and will be deleted from the SHOPP, unless Caltrans requests a time extension that is approved by the Commission before the end of the fiscal year.
- b. Funds allocated for construction must be encumbered within 6 months of the date of allocation unless the Commission approves an extension as provided in Section 46.
- c. After the Commission's allocation for support, Caltrans has up to 36 months to complete the scope of work specific to that project component/phase. At the time of fund allocation, the Commission may extend the deadline for completion of work and the liquidation of funds if necessary to accommodate the proposed expenditure plan for the project.
- d. Whenever allocated funds are not encumbered within 6 months of the date of allocation all unencumbered, or unexpended funds from the allocation will be rescinded for that project.
- e. Caltrans will provide monthly reports to the Commission on projects which have not been expended within six months of the date of the Commission's allocation.
- f. The Commission will not amend the SHOPP to delete or change the program year of the funding for any project component programmed in the current fiscal year or earlier except to reprogram funds from a construction project to later mitigation work required for that project, including landscaping or mitigation. The Commission will consider the amendment only if it is proposed concurrently with an allocation of funds programmed for the project in the current fiscal year. These two types of amendments are adjustments that may be incorporated into the Commission's allocation action.

45. Timely Use of Funds for Construction

The following requirements apply to timely use of funds allocated by the Commission for SHOPP projects:

- a. Funds programmed for Caltrans' construction costs are available for allocation only until the end of the fiscal year identified in the SHOPP. Whenever programmed funds are not allocated within this deadline, the project is considered a failed project and will be deleted from the SHOPP, unless Caltrans requests a time extension.
- b. Funds allocated for construction must be encumbered by the award of a construction contract within 6 months of the date of allocation unless the Commission approves an extension as described below. Projects will be deleted from the SHOPP if funds are not encumbered within approved deadlines.
- c. After the award of the construction contract, Caltrans has up to 36 months to complete (accept) the construction contract. At the time of fund allocation, the Commission may extend the deadline for completion of work and the liquidation of funds if necessary to accommodate the proposed expenditure plan for the project.
- d. Whenever allocated funds are not encumbered by the award of a construction contract or expended within the deadlines specified in Section 45, all unencumbered, or unexpended funds from the allocation will be rescinded for that project.
- e. Caltrans will provide monthly reports to the Commission on projects which have not

been awarded within six months of the date of the Commission's allocation.

- f. The provisions for the timely use of funds above related to construction apply to Caltrans's project capital costs, except Caltrans's right-of-way capital costs, which the Commission allocates annually on a lump sum basis rather than by project. The annual right of way capital allocation will be the same amount programmed for the current fiscal year.
- g. The Commission will not amend the SHOPP to delete or change the program year of the funding for any project component programmed in the current fiscal year or earlier except to reprogram funds from a construction project to later mitigation work required for that project, including landscaping or mitigation. The Commission will consider the amendment only if it is proposed concurrently with an allocation of funds programmed for the project in the current fiscal year. These two types of amendments are adjustments that may be incorporated into the Commission's allocation action.

46. Timely Use of Funds – Extension

- a. Where a programmed project or project component will not be ready for allocation as programmed in the current fiscal year, Caltrans shall request an extension of the allocation deadline. In the event where a programmed project or project component is not ready for allocation as programmed in the current fiscal year, Caltrans is prohibited from submitting a SHOPP amendment.
- b. The Commission may extend the deadlines for allocation of funds, for award of a construction contract, for expenditures of funds, or for contract completion no more than one time and only if it finds that an unforeseen and extraordinary circumstance beyond the control of Caltrans has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and will in no event be for more than 20 months.

47. Management of Contingency and Long-Lead Projects

Commission Resolution G-00-13 was approved in June 2000 to provide Caltrans with a means to develop SHOPP projects that require periods longer than the four-year SHOPP time frame to develop. Caltrans has established procedures for SHOPP Long Lead projects (Appendix C). Subject to the approval of the Commission, Long Lead projects shall be programmed in the SHOPP and will be subject to the same delivery, management, and reporting requirements as all other SHOPP projects in the Commission adopted program.

48. Management of Reservation Projects

Reservations held in the SHOPP are managed on a fiscal year basis, where projects approved by the Commission for amendment in the SHOPP reduce the reservation amount. An increase or decrease to a reservation amount between programming cycles requires Commission action.

49. Management of Minor Projects

Minor projects are managed on a fiscal year basis within a financially constrained annual minor program reservation. Caltrans is responsible for managing within the Commission approved annual minor reservation and assuring that all minor projects are awarded within the approved reservation by the conclusion of each fiscal year.

VIII. CHANGE MANAGEMENT

50. Introduction

During the project development process, changes to a programmed project might be necessary to update project components and to realign a project to meet its objectives and goals. Caltrans is responsible to adjust and manage project programming changes efficiently. Depending on the circumstance, Caltrans has a number of options available that include: managing each SHOPP project within its delegated authority or allocation, updating the programmed cost during each two-year cycle SHOPP document, project amendments off cycle upon completion of PAED and PS&E, and Supplemental Funds Request.

51. Managing Within the Commission's Delegated Authority

Pursuant to the Commission Resolution G-12-16, attached in Appendix C, the Caltrans Director is delegated authority to increase the Commission approved project component values within pre-established thresholds.

52. Changes to Two-Year Cycle SHOPP Document

Every two years any project component listed in the SHOPP can be updated and right sized consistent with the AMP and its most current estimate as long as that component has not received a Commission allocation of funds. Once allocated, the component must be managed by Caltrans within the Resolution G-12-16 parameters. Any project component that has expended its allocation plus its G-12-16 authority must receive a supplemental allocation of funds from the Commission. Caltrans is responsible to implement a change management process to manage and document the SHOPP cycle changes internally. These SHOPP cycle changes must be identified, documented, and finalized by January of each even year. A Commission action is required to accept the programming recommendations and adopt the SHOPP document.

IX. SHOPP DELIVERY

53. Goals

It is the Commission's goal that programmed SHOPP projects be delivered as programmed in the SHOPP document. Project delivery means allocation of funds for the programmed project or project component. With the exception to SHOPP amendments approved pursuant to Section 54 (Changes via Commission Amendment), the Commission expects that Caltrans will endeavor to deliver on all projects programmed in the SHOPP.

54. Changes via Commission Amendment

Any programmed unallocated project component may be updated off cycle via a Caltrans amendment request. With the exception of updates necessary at the end of PAED or PS&E, only updates for unforeseen and extraordinary circumstances beyond the reasonable control of Caltrans will be considered. A Commission action to amend the project is needed. The Commission encourages Caltrans and Commission staff, to streamline the amendment process and enhance accountability.

55. Project Delivery

It is a Commission policy that all transportation funds programmed be allocated, awarded, and expended in a timely manner to ensure projects are delivered as promised, public benefits are timely recognized, the accumulation of excessive fund balances as well as lapsing federal funds

are avoided and performance from each dollar invested to improve California’s transportation system is tracked and reported.

56. Delivery Deadline Extensions

The Commission may extend a delivery deadline, as described in Section 56, upon the request of Caltrans. No deadline may be extended more than once. However, there are separate deadlines for allocation, for award of a contract, for expenditures for project development or right-of-way, and for project completion, and each project component has its own deadlines. The Commission may consider the extension of each of these deadlines separately.

The Commission may grant a deadline extension only if it finds that an unforeseen and extraordinary circumstance beyond the control of Caltrans has occurred that justifies the extension. The extension will not exceed the period of delay directly attributable to the extraordinary circumstance and will in no event be for more than 20 months.

All requests for project delivery deadline extensions shall be submitted at least 60 days prior to the specific deadline for which the particular extension is requested (e.g., 60 days prior to June 30 to request the extension of allocation deadlines). The extension request should describe the specific circumstance that justifies the extension and identifies the delay directly attributable to that circumstance. Caltrans will forward extension requests to the Commission for action.

X. SHOPP DEVELOPMENT SCHEDULE AND PROCEDURES

57. SHOPP Development Schedule

The following schedule lists the major milestones for the development and adoption of the SHOPP:

Caltrans submits the proposed Ten-Year SHOPP Plan and AMP	By January 31 of odd numbered years.
Commission reviews and comment on the Ten-Year SHOPP plan and AMP	By May 1 of odd numbered years
Caltrans presents Draft Fund Estimate to the Commission	By July 15 of odd numbered years
Commission adopts Fund Estimate	By August 15 of odd numbered years
Caltrans to share initial draft of proposed SHOPP	By December of odd numbered year
Caltrans submits proposed SHOPP	By January 31 of even numbered years
Hearing in Northern California	February of even numbered years
Hearing in Southern California	March of even numbered years
Commission Adopts SHOPP and Submits to Legislature and Governor	By April 1 of even numbered years

XI. REPORTING AND ACCOUNTABILITY

58. Report on Targets and Performance Measures

Pursuant to Government Code Section 14526.7(b), Caltrans shall report to the Commission on its progress toward meeting the targets and performance measures consistent with the AMP and 2027 targets set forth in SB 1. Caltrans will provide the Commission with quarterly status reports on its project delivery in October, January, April, and July of each FY. The report shall include:

- a. A list of completed projects by phase showing planned and actual performance measures including progress made towards achieving the Commission approved targets and 2027 targets set forth in SB 1.
- b. A summary, by phase and fund type, of the funds programmed, allocated, and expended at the time the construction contract was accepted.
- c. For projects with a total project cost of less than \$50 million and a total SHOPP programmed amount (in right-of-way and/or construction) of less than \$15 million, the information may be aggregated.
- d. For projects with a total cost of \$50 million or greater or a total SHOPP programmed amount (in right-of-way and/or construction) of \$15 million or greater, each report shall also include a discussion of the project benefits that were anticipated prior to construction compared to an estimate of the actual benefits achieved.
- e. The Commission staff, in consultation with Caltrans, shall develop a format and content requirement for the reports.

59. Report on Completed SHOPP Project

Pursuant to Government Code Section 14526.6 Caltrans shall report to the Commission quarterly, for projects which complete construction in the previous quarter, for all major state highway operation and protection program projects. Caltrans shall report to the Commission on the approved capital and support budgets compared to expenditures at contract construction acceptance for all projects in the SHOPP. Caltrans shall develop, in consultation with the Commission, a plain language performance report to increase transparency and accountability of the state highway operation and protection program.

60. Efficiencies and Accountability Reporting

Pursuant to Streets and Highways Code section 2032.5, Caltrans shall implement efficiency measures with the goal to generate at least one hundred million dollars (\$100,000,000) per year in savings to invest in maintenance and rehabilitation of the state highway system. These savings shall be reported to the Commission.

- a. For each fiscal year in which Caltrans receives an allocation of SHOPP funds, Caltrans shall submit documentation to the Commission that includes a description and the location of each completed project, the amount of funds expended on the project, the completion date, the project's estimated useful life, and the project's expected performance benefits.
- b. Caltrans shall report quarterly and more often as requested by the Commission on the progress it has made in achieving the 2027 targets/goals set forth in SB 1 and the Commission's adopted targets.
- c. Annually, the Commission shall evaluate the effectiveness of Caltrans in reducing deferred maintenance and improving road conditions on the state highway system, as demonstrated by the progress made in achieving 2027 targets/goals set forth in SB 1 and the Commission's adopted targets
- d. The Commission may make recommendations for improvement and may withhold future project allocations if it determines program funds are not being appropriately spent.
- e. The Commission shall annually include any findings in its annual report to the Legislature pursuant to Government Code Section 14535.

XII. APPENDICES

Appendix A: List of Acronyms

Appendix B: Statutory References

Appendix C: Commission Resolutions and Delegations

APPENDIX A
LIST OF ACRONYMS

CEQA	California Environmental Quality Act (State)
CMAQ	Congestion Mitigation and Air Quality Program (Federal)
Commission	California Transportation Commission
CTP	California Transportation Plan
FSTIP	Federal State Transportation Improvement Program (Federal)
FTIP	Federal Transportation Improvement Program (Federal)
FY	Fiscal Year
ITIP	Interregional Transportation Improvement Program (State)
ITS	Intelligent Transportation Systems
NEPA	National Environmental Policy Act (Federal)
PA&ED	Project Approval and Environmental Document
PID	Project Initiation Document
PPNO	Planning Program Number
PSR	Project Study Report
PS&E	Plans, Specifications, and Estimate
SHOPP	State Highway Operation and Protection Program
SHS	State Highway System
STIP	State Transportation Improvement Program
TIP	Transportation Improvement Program

APPENDIX B

STATUTORY REFERENCES

The Interim SHOPP Guidelines were developed and adopted consistent with:

- a. Governor's Executive Orders, where applicable.
- b. Government Code Sections 14526.4, 14526.6; 14526.5, 14526.7.
- c. Streets and Highways Code Sections 164.6 and 167.
- d. Public Resources Code Section 21102
- e. The Road Repair and Accountability Act of 2017 (SB 1) Chapter 5, Statutes of 2017);
- f. Commission Resolutions including, but not limited to: G-00-13, G-06-13, G-05-05, G-16-11, and G-16-12.
- g. Commission approved actions specific to the Asset Management Plan on March 26, 2015 (Tab 26) regarding four asset classes.
- h. Current best management practices including those related to the STIP and its authorities in accordance with Government Code Section 14530.1.
- i. Compliance with all Federal and State requirements.

APPENDIX C
COMMISSION RESOLUTIONS AND DELEGATIONS

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JUN 15 2000
CALIFORNIA
TRANSPORTATION COMMISSION

CALIFORNIA TRANSPORTATION COMMISSION
Reporting and Programming of SHOPP Project Development Costs

Resolution G-00-13

- 1.0 WHEREAS the State Highway Operation and Protection Program (SHOPP) is a four-year program of major capital improvement projects that are necessary to preserve and protect the safety and integrity of the State highway system, and
- 1.1 WHEREAS legislation in 1989 (Transportation Blueprint for the Twenty-first Century) created the SHOPP, separated it from the State Transportation Improvement Program (STIP), and provided that funding would be set aside for it in each biennial fund estimate, without regard to county shares, and
- 1.2 WHEREAS legislation in 1997 (SB 45, Kopp) required that the STIP include costs for project support components as well as costs for right-of-way and construction capital outlay, and
- 1.3 WHEREAS the current STIP includes many projects programmed for environmental or design work without programming for right-of-way or construction, and
- 1.4 WHEREAS Caltrans has included project support costs in the SHOPP only for projects programmed for right-of-way or construction, and
- 1.5 WHEREAS Caltrans receives appropriations for SHOPP support resources, consistent with the adopted Fund Estimate, through the annual approval of the State Budget by the Governor and the Legislature, and
- 1.6 WHEREAS the Commission is charged by law with approving the biennial SHOPP after reviewing the program relative to its overall adequacy, the level of annual funding needed to implement the program, and the impact of those expenditures on the STIP, and
- 1.7 WHEREAS the Commission allocates funds for the construction of individual SHOPP and STIP projects, and
- 1.8 WHEREAS the Commission has delegated to Caltrans broad authority to manage the SHOPP, including the authority to amend projects into the SHOPP between biennial SHOPP approvals, subject to the program remaining within the amount assigned to the SHOPP in the fund estimate, and

- 1.9 WHEREAS Caltrans has frequently amended projects into the SHOPP at or immediately prior to the time of project allocation, so that projects have been developed and delivered without prior notice to the Commission , and
- 1.10 WHEREAS resources used to develop SHOPP projects may have a bearing on resources available to develop STIP projects, and
- 1.11 WHEREAS, at the Commission's request, Caltrans presented at the June 2000 meeting a list of SHOPP projects with project development either underway or completed, which were not included in the approved 2000 SHOPP for right-of-way or construction,
- 2.0 NOW THEREFORE BE IT RESOLVED THAT it is the Commission's intent that Caltrans not undertake project development work on SHOPP projects until they are included in the SHOPP, with amendments made under delegated authority, and with such amendments to be reported to the Commission at its next regular meeting, and
- 2.1 BE IT FURTHER RESOLVED THAT the Commission asks Caltrans to provide to the Commission, not later than the Commission's August 2000 meeting, an updated 2000 SHOPP that includes all Caltrans preconstruction project support work on SHOPP-eligible projects, and
- 2.2 BE IT FURTHER RESOLVED THAT the Commission encourages the programming of SHOPP projects for project development only, where appropriate, and especially for projects that require major environmental work or otherwise require longer periods to develop, and
- 2.3 BE IT FURTHER RESOLVED THAT the Commission also encourages the programming of SHOPP projects for project development only to develop a shelf of work that can be released as appropriate.

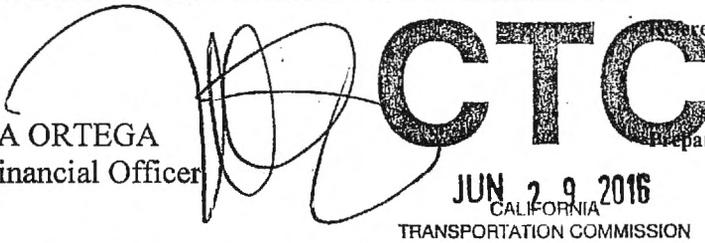
Memorandum

TAB 68

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 29-30, 2016

From: NORMA ORTEGA
Chief Financial Officer



Reference No.: 4.6
Action Item

Prepared by: Bruce De Terra, Chief
Division of Transportation
Programming

Subject: AMENDMENT TO RESOLUTION G-05-05 DELEGATION OF AUTHORITY TO SUB-ALLOCATE AND ADJUST MINOR CAPITAL CONSTRUCTION PROJECTS

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve Resolution G-05-16 which would increase the limit for individual Minor A projects from \$1,000,000 to \$1,250,000. This new limit would become effective July 1, 2016.

ISSUE:

The current cost limit for Minor A projects is \$1,000,000 which was established in July 2005. Since 2005 the California Construction Index has increased 3.2 percent on average annually. The proposal is consistent with the changes that have occurred in this index.

BACKGROUND:

On July 14, 2005, the Commission adopted Resolution G-05-05 approving the increase of the limit for individual Minor A projects from \$750,000 to \$1,000,000 and delegating to the Department to sub-allocation and adjustment authority for capital construction projects. The resolution requires the Department to present its Minor Program to the Commission annually for review and approval. In addition, the resolution states that the following be included for projects to be allocated in the upcoming fiscal year;

- Project description, location, expenditure authorization (EA) number and performance measures.
- Program sum for day labor (material acquisitions only), right of way capital, construction capital and construction support.
- A lump sum amount for the construction capital and support costs and right-of-way capital of Minor B projects.

This resolution does not address projects funded from SHOPP reservations (i.e. Safety and Emergency) that will continue to be presented to the Commission for individual project allocations.

Attachments

**CALIFORNIA TRANSPORTATION COMMISSION
(PROPOSED)**

**Delegation of Authority to the
Department of Transportation for
Sub-allocation and Adjustment of
Minor Capital Construction Projects**

**Resolution G-05-16
Amending Resolution G-05-05**

- 1.1 WHEREAS, the California Transportation Commission (Commission), pursuant to Streets and Highways Code Section 167, is authorized to define minor capital outlay projects; and
 - 1.2 WHEREAS, the Commission, pursuant to Government Code Section 14533, shall allocate funds for transportation projects; and
 - 1.3 WHEREAS, the Commission, pursuant to Government Code Section 7 and 14512, may request that the Department of Transportation (Department) perform such work as the Commission deems necessary to carry out its duties and responsibilities; and
 - 1.4 WHEREAS, delegation to the Department of minor capital construction project sub-allocations and/or adjustment authority would streamline and help in the management of the Minor Construction Program; and
 - 1.5 WHEREAS, it is desirable to reduce Commission workload by minimizing the number of routine financial resolutions being processed.
- 2.1 NOW THEREFORE, BE IT RESOLVED, that the following policies shall be in effect for minor capital construction project allocations, sub-allocations and adjustments:
- A. In each biennial State Transportation Improvement Program (STIP) Fund Estimate the Commission will reserve funds for minor construction projects.
 - B. The Commission defines minor construction projects as having an upper limit of ~~\$1 million~~ **\$1,250,000** for construction.
 - C. Annually, the Department will present for Commission review and acceptance a Minor Construction Program. The Department's Minor Construction Program can be smaller than the STIP Fund Estimate minor construction reservation but in no event can it be larger.

- D. The Minor Construction Program will be supported by a Minor A project list that, at a minimum, will include the following information for each project:
1. Project description.
 2. District, county, route and post mile.
 3. Expenditure authorization (EA) number.
 4. **Performance measures.**
 5. **Estimated day labor expenditure.**
 6. Estimated right-of-way expenditure.
 7. **Estimated support expenditure.**
 8. Estimated construction expenditure.
- E. The Minor Construction Program will identify a lump sum estimate for right-of-way, construction and support expenditures for Minor B projects.
- F. The Minor Construction Program will contain the following total information:
1. A total program sum for right-of-way expenditure that will be reflected and enumerated as a separate line item in the Department's annual right-of-way allocation.
 2. A total program sum for construction expenditure.
 3. A total program sum for support expenditure.
 4. **A total program sum for day labor.**
- G. The Commission, in a lump sum, will annually allocate to the Department the total estimate needed for the Minor Construction Program construction expenditure.
- H. The Director of Transportation (Director) is authorized to sub-allocate the lump sum Minor Construction Program funds to individual Minor A projects that are enumerated on the Commission reviewed and accepted Minor A project list, and to Minor B projects.
- I. The Director is further authorized to increase individual project construction allocations to allow the advertisement, award and completion of contracts within the following limits:
1. For Minor A projects enumerated on the Commission reviewed and accepted Minor A project list, the Director may adjust the funds sub-allocated for construction provided that the adjustment does not exceed the estimated construction expenditure by more than \$200,000.
 2. For Minor B projects, the Director may adjust the funds sub-allocated for construction provided that the adjustment does not exceed 110 % of the Minor B project limit as defined under L. 2.

- J. Any adjustments that exceed the authorized limits described in item G above must be allocated by the Commission and does 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.
- K. Any Minor A project identified by the Department after Commission review and acceptance of the Department's Minor A project list must be allocated by the Commission.
- L. The Minor Construction Program is reserved only for small State Highway Operation and Protection Program (SHOPP) type projects. The Commission will not accept any projects on the Minor A list that are capacity-increasing in nature, including bicycle and pedestrian facilities, soundwalls, and enhancements and mitigations for STIP projects nor to enhance and/or cover cost increases on STIP projects. The following additional procedures shall apply to Minor Construction Program projects:
 - 1. When funds required to complete a Minor A project are greater than authorized under item H 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 within the STIP Fund Estimate minor construction 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 Minor B project 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 Minor B project limit and the Minor A project 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 sub-allocate funds for Minor B projects to individual Districts.
 - 4. Minor A financial contributions to STIP projects can only be allocated by the Commission and only after independent utility for the Minor A work and lack of responsibility by the STIP project sponsor for the Minor A work is established and approved by the Director under the

requirements of the Department's June 5, 2002, Minor A Project Policy memorandum.

5. Projects funded jointly with Minor A funds and other non-STIP or non-SHOPP funds shall be administered as Minor A projects, irrespective of the total cost of the project.

M. The Director shall report all Minor A project sub-allocations made under this delegation to the Commission at the next scheduled Commission meeting following the project sub-allocation. At a minimum the report will contain the following information:

1. Project description.
2. District, county, route and post mile.
3. Expenditure authorization (EA) number.
4. **Performance measures.**
5. Estimated construction expenditure as enumerated on the Commission reviewed and accepted Minor A project list.
6. Actual construction sub-allocation as authorized by the Director.
7. The Director will keep and report monthly a running balance against the Commission's annual minor construction program allocation and against the STIP Fund Estimate minor construction reservation.

CALIFORNIA TRANSPORTATION COMMISSION

Delegation of Authority to the Department of Transportation for Sub-allocation and Adjustment of Minor Capital Construction Projects

Resolution G-05-16 Amending Resolution G-05-05

- 1.1 WHEREAS, the California Transportation Commission (Commission), pursuant to Streets and Highways Code Section 167, is authorized to define minor capital outlay projects; and
 - 1.2 WHEREAS, the Commission, pursuant to Government Code Section 14533, shall allocate funds for transportation projects; and
 - 1.3 WHEREAS, the Commission, pursuant to Government Code Section 7 and 14512, may request that the Department of Transportation (Department) perform such work as the Commission deems necessary to carry out its duties and responsibilities; and
 - 1.4 WHEREAS, delegation to the Department of minor capital construction project sub-allocations and/or adjustment authority would streamline and help in the management of the Minor Construction Program; and
 - 1.5 WHEREAS, it is desirable to reduce Commission workload by minimizing the number of routine financial resolutions being processed.
- 2.1.1 NOW THEREFORE, BE IT RESOLVED, that the following policies shall be in effect for minor capital construction project allocations, sub-allocations and adjustments:
- A. In each biennial State Transportation Improvement Program (STIP) Fund Estimate the Commission will reserve funds for minor construction projects.
 - B. The Commission defines minor construction projects as having an upper limit of \$1,250,000 for construction.
 - C. Annually, the Department will present for Commission review and acceptance a Minor Construction Program. The Department's Minor Construction Program can be smaller than the STIP Fund Estimate minor construction reservation but in no event can it be larger.

- D. The Minor Construction Program will be supported by a Minor A project list that, at a minimum, will include the following information for each project:
1. Project description.
 2. District, county, route and post mile.
 3. Expenditure authorization (EA) number.
 4. Performance measures.
 5. Estimated day labor expenditure.
 6. Estimated right-of-way expenditure.
 7. Estimated support expenditure.
 8. Estimated construction expenditure.
- E. The Minor Construction Program will identify a lump sum estimate for right-of-way, construction and support expenditures for Minor B projects.
- F. The Minor Construction Program will contain the following total information:
1. A total program sum for right-of-way expenditure that will be reflected and enumerated as a separate line item in the Department's annual right-of-way allocation.
 2. A total program sum for construction expenditure.
 3. A total program sum for support expenditure.
 4. A total program sum for day labor.
- G. The Commission, in a lump sum, will annually allocate to the Department the total estimate needed for the Minor Construction Program construction expenditure.
- H. The Director of Transportation (Director) is authorized to sub-allocate the lump sum Minor Construction Program funds to individual Minor A projects that are enumerated on the Commission reviewed and accepted Minor A project list, and to Minor B projects.
- I. The Director is further authorized to increase individual project construction allocations to allow the advertisement, award and completion of contracts within the following limits:
1. For Minor A projects enumerated on the Commission reviewed and accepted Minor A project list, the Director may adjust the funds sub-allocated for construction provided that the adjustment does not exceed the estimated construction expenditure by more than \$200,000.
 2. For Minor B projects, the Director may adjust the funds sub-allocated for construction provided that the adjustment does not exceed 110 % of the Minor B project limit as defined under L. 2.

- J. Any adjustments that exceed the authorized limits described in item G above must be allocated by the Commission and does 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.
- K. Any Minor A project identified by the Department after Commission review and acceptance of the Department's Minor A project list must be allocated by the Commission.
- L. The Minor Construction Program is reserved only for small State Highway Operation and Protection Program (SHOPP) type projects. The Commission will not accept any projects on the Minor A list that are capacity-increasing in nature, including bicycle and pedestrian facilities, soundwalls, and enhancements and mitigations for STIP projects nor to enhance and/or cover cost increases on STIP projects. The following additional procedures shall apply to Minor Construction Program projects:
 - 1. When funds required to complete a Minor A project are greater than authorized under item H 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 within the STIP Fund Estimate minor construction 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 Minor B project 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 Minor B project limit and the Minor A project 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 sub-allocate funds for Minor B projects to individual Districts.
 - 4. Minor A financial contributions to STIP projects can only be allocated by the Commission and only after independent utility for the Minor A work and lack of responsibility by the STIP project sponsor for the Minor A work is established and approved by the Director under the

requirements of the Department's June 5, 2002, Minor A Project Policy memorandum.

5. Projects funded jointly with Minor A funds and other non-STIP or non-SHOPP funds shall be administered as Minor A projects, irrespective of the total cost of the project.

M. The Director shall report all Minor A project sub-allocations made under this delegation to the Commission at the next scheduled Commission meeting following the project sub-allocation. At a minimum the report will contain the following information:

1. Project description.
2. District, county, route and post mile.
3. Expenditure authorization (EA) number.
4. Performance measures.
5. Estimated construction expenditure as enumerated on the Commission reviewed and accepted Minor A project list.
6. Actual construction sub-allocation as authorized by the Director.
7. The Director will keep and report monthly a running balance against the Commission's annual minor construction program allocation and against the STIP Fund Estimate minor construction reservation.



CALIFORNIA TRANSPORTATION COMMISSION

Cancellation of Delegated Allocation Resolutions

Resolution G-06-13

**Replacing Resolution G-01-03, G-01-04, G-01-06, G-01-07 and
Amending Resolution G-03-10**

- 1.1 WHEREAS, transportation capital outlay and local assistance funds are appropriated by the Legislature subject to allocation by the Commission; and
- 1.2. WHEREAS, the Commission in 2001 delegated some of its transportation capital outlay and local assistance funds allocation authority to Caltrans; and
- 1.3. WHEREAS, the Commission since January 2003 has annually suspended all delegated allocation authority except for state highway emergency, safety and seismic retrofit projects.
- 2.1. NOW THEREFORE BE IT RESOLVED, that the Commission cancels all individual project allocation delegations given to Caltrans as enumerated by G resolution number below; and
- 2.2. BE IT FURTHER RESOLVED, that Resolution G-03-10 is amended to delete the pavement rehabilitation delegation; and
- 2.3. BE IT FURTHER RESOLVED, that emergency, safety, minor program and seismic retrofit allocation delegations remain in force.

G Resolutions cancelled:

Resolution G-01-03. Project Development Components of Local Grant Projects
Programmed in the STIP

Resolution G-01-04. Local Street and Road Pavement Rehabilitation Projects
Programmed in the STIP

Resolution G-01-05. RSTP/CMAQ and TEA Match Reserves Programmed in the STIP

Resolution G-01-06. Planning, Programming and Monitoring Activities Programmed in
the STIP

Resolution G-01-07. Rideshare Projects Programmed in the STIP

G-Resolutions amended:

Resolution G-03-10. State Highway Pavement Rehabilitation and Safety Projects (only
pavement rehabilitation portion cancelled)



CALIFORNIA TRANSPORTATION COMMISSION

**Delegation of Project Allocation Authority to
the Department of Transportation for
State Highway Operations and Protection Program (SHOPP)
Pavement Rehabilitation and Safety Projects**

**Resolution G-03-10
Replacing Resolution G-01-10**

- 1.1 WHEREAS, the California Transportation Commission (Commission), pursuant to Streets and Highways Code Section 14533 and General Provision Number 7 of the Government Code, is authorized to allocate funds for transportation projects and to delegate such authority to the Department of Transportation (Department); and
- 1.2 WHEREAS, the Commission recognizes the importance of being able to accelerate the implementation of projects programmed in the State Highway Operation and Protection Program (SHOPP) to rehabilitate pavement on the State highways; and
- 1.3 WHEREAS, the Commission has already recognized that program requirements have been met though the SHOPP programming process; and
- 1.4 WHEREAS, the Commission must allocate funds for each of these projects; and
- 1.5 WHEREAS, delegation of allocation authority to the Department would streamline and accelerate the construction of State highway pavement rehabilitation projects; and
- 1.6 WHEREAS, on March 30, 2000, the Commission approved a one-year trial period, until March 31, 2001, authorizing the Department to allocate funds for State highway pavement rehabilitation projects; and
- 1.7 WHEREAS, delegating allocation authority to the Department for highway pavement rehabilitation projects has been beneficial to the traveling public by speeding up the process in awarding projects; and
- 1.8 WHEREAS, recognizing the success of the delegated allocation authority for highway pavement rehabilitation projects, the Department has requested delegation authority to allocate funds for safety projects.
- 1.9 WHEREAS, on March 31, 2001, the Commission approved a two-year trial period, until March 31, 2003, authorizing the Department to allocate funds for SHOPP projects on State highways for pavement rehabilitation project and safety projects; and

- 2.1 NOW THEREFORE BE IT RESOLVED, that the Commission hereby delegates to the Director of Transportation the authority to allocate construction funds to SHOPP projects on State highways for pavement rehabilitation and safety projects; and
- 2.2 BE IT FURTHER RESOLVED, that in keeping with current practice the Department may allocate up to 120 percent of the programmed construction amount; and
- 2.3 BE IT FURTHER RESOLVED, that in keeping with current practice the Department shall bring forward for Commission consideration any pavement rehabilitation project and safety project with a construction allocation greater than 120 percent of the programmed amount; and
- 2.4 BE IT FURTHER RESOLVED, that the Department shall bring forward for Commission allocation all pavement rehabilitation projects and safety projects amended into the SHOPP by Department action; and
- 2.5 BE IT FURTHER RESOLVED, that the Department shall provide the Commission with a monthly report on allocations made under this delegation.

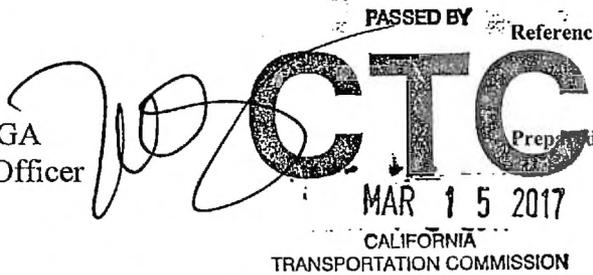
Memorandum

TAB 49

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 15-16, 2017

From: NORMA ORTEGA
Chief Financial Officer



Reference No.: 2.9b.
Action Item

Prepared by: Bruce De Terra, Chief
Division of
Transportation Programming

Subject: TECHNICAL CORRECTION TO PREVIOUSLY APPROVED RESOLUTION
RESOLUTION G-16-11

RECOMMENDATION:

Staff recommends that the California Transportation Commission (Commission) approve the following technical correction to correct the resolution number of the G-11 delegation approved on August 17, 2016.

ISSUE:

At the August 2016 meeting, the Commission approved Resolution G-16-11, which revised the G-11 delegation of the Director of the Department, for funding emergency condition response projects.

However, at the time the resolution was approved, the resolution number was inadvertently transposed and should have read G-11-16 instead of G-16-11.

The change, listed above, is reflected in strike through and bold on the attached G-11 delegation from the August meeting. Besides the change to the resolution number, there are no changes to the actual text of the resolution.

Attachments

Resolution G-16-11 - changes show in strikeout and underline

Resolution G-11-16 - clean version

CALIFORNIA TRANSPORTATION COMMISSION

Authorization for Funding Emergency Condition Response Projects

Resolution G-~~16-11~~-~~11~~-16 Amending Resolution G-00-11

1.1 **WHEREAS**, the occurrence of floods, slides, earthquakes, material failures, slip-outs, unusual accidents and other similar events can suddenly endanger or damage State-owned transportation facilities and property in such a manner that the condition:

1. Places either people or property in jeopardy; or
2. Causes or threatens to cause closure of a transportation access which is necessary for:
 - Other emergency assistance efforts, or
 - The effective functioning of an area's services, commerce, manufacture and agriculture, or
 - People in the area to reach their homes and employment; or
3. Creates either an excessive increase in transportation congestion and delay, or an excessive increase in the necessary distances traveled.

1.2 **WHEREAS**, in such emergencies, the California Department of Transportation's ability to respond promptly with effective action can be impaired if it lacks authority to immediately fund those emergency condition response projects needed to alleviate such conditions which cannot be categorized as either maintenance or Minor B Capital projects; and,

1.3 **WHEREAS**, passage of Senate Bill 486 (Chapter 917, Statutes of 2014) increased California Transportation Commission (Commission) responsibility for the State Highway Operation and Protection Program (SHOPP); and,

- 2.1 **NOW, THEREFORE, BE IT RESOLVED**, that the California Director of Transportation (Director) is authorized to allocate monies for emergency condition response Major Construction and Minor A Capital projects, Right of Way Acquisition and commensurate Capital Outlay Support from the appropriate source of State and Federal funds when any of the conditions described above require the immediate performance of work on State-owned transportation facilities and property or related work in adjacent areas, with the understanding that these actions will be reported to the Commission at its next meeting; and,
- 2.2 **BE IT FURTHER RESOLVED**, that the Director is authorized to allocate monies to fund follow-up restoration projects associated with and that immediately follow an emergency condition response project, with the understanding that these actions will be identified and reported to the Commission as “follow-up restoration” projects at its next meeting; and,
- 2.3 **BE IT FURTHER RESOLVED**, that follow-up restoration projects that follow by a year or more the emergency condition event that caused the project, qualify for G-11 allocation by the Director, but the report to the Commission must state the unforeseen conditions causing the delay; and,
- 2.4 **BE IT FURTHER RESOLVED**, that the Director may adjust the funds allocated for emergency condition response projects and follow-up restoration projects provided that the adjustment allotments are within the limits enumerated in the table below, and the base for calculating the allotment adjustments is the original G-11 funding amount to mitigate the conditions resulting from the emergency event or the original G-11 funding amount for a follow-up restoration project; and,

ORIGINAL G-11 ALLOCATION	CLOSE OUT AND COMPLETE ALLOCATION ADJUSTMENT LIMIT
Up to \$1,000,000	20% of original G-11 allocation amount
\$1,000,000 to \$10,000,000	\$100,000 plus 10% of original G-11 allocation amount
\$10,000,000 to \$50,000,000	\$600,000 plus 5% of original G-11 allocation amount
\$50,000,000 to \$100,000,000	\$1,850,000 plus 2.5% of original G-11 allocation amount
Over \$100,000,000	\$3,100,000 plus 1.25% of original G-11 allocation amount

- 2.5 **BE IT FURTHER RESOLVED**, that the Director is required to submit a monthly report to the Commission's Executive Director on all allotment adjustments made by the Director to G-11 funded projects. The report shall list all projects which received Director approved increases or decreases during the prior month, including allocations revised downward to match lower contract allotment amounts. At a minimum the Director will include the following information: project identifiers (PPNO & EA), description of work, original Director G-11 allocation amount including full history of any subsequent supplemental G-11 funds, and the Director's revised allocation; and,
- 2.6 **BE IT FURTHER RESOLVED**, that the Commission-adopted SHOPP program establishes an annual reservation amount for emergency condition response project allocations. The Director must request the Commission to amend the adopted SHOPP program to increase the annual reservation amount in the event additional emergency condition response funding is required in excess of the reservation. The amendment should be requested at the next regularly scheduled Commission meeting following the identification by the Director that additional emergency condition response funding is required; and,
- 2.7 **BE IT FURTHER RESOLVED**, that the Director is required to submit an annual close-out report at the conclusion of each fiscal year containing the total amount allocated for emergency condition response projects and total abatement amount collected. The report shall list all projects which received allocations. At a minimum the close-out report will include for each emergency condition response project:
- Location and brief scope of work,
 - Date of incident or emergency,
 - Cause of emergency condition,
 - Amount allocated for capital construction, right of way acquisition and commensurate capital outlay support,
 - Actual dates for allocation, contract award and begin construction, and
 - Actual or projected dates for construction completion and project close-out.



CALIFORNIA TRANSPORTATION COMMISSION

Authorization for Funding Emergency Condition Response Projects

Resolution G-11-16 Amending Resolution G-00-11

- 1.1 **WHEREAS**, the occurrence of floods, slides, earthquakes, material failures, slip-outs, unusual accidents and other similar events can suddenly endanger or damage State-owned transportation facilities and property in such a manner that the condition:
1. Places either people or property in jeopardy; or
 2. Causes or threatens to cause closure of a transportation access which is necessary for:
 - Other emergency assistance efforts, or
 - The effective functioning of an area's services, commerce, manufacture and agriculture, or
 - People in the area to reach their homes and employment; or
 3. Creates either an excessive increase in transportation congestion and delay, or an excessive increase in the necessary distances traveled.
- 1.2 **WHEREAS**, in such emergencies, the California Department of Transportation's ability to respond promptly with effective action can be impaired if it lacks authority to immediately fund those emergency condition response projects needed to alleviate such conditions which cannot be categorized as either maintenance or Minor B Capital projects; and,
- 1.3 **WHEREAS**, passage of Senate Bill 486 (Chapter 917, Statutes of 2014) increased California Transportation Commission (Commission) responsibility for the State Highway Operation and Protection Program (SHOPP); and,

- 2.1 **NOW, THEREFORE, BE IT RESOLVED**, that the California Director of Transportation (Director) is authorized to allocate monies for emergency condition response Major Construction and Minor A Capital projects, Right of Way Acquisition and commensurate Capital Outlay Support from the appropriate source of State and Federal funds when any of the conditions described above require the immediate performance of work on State-owned transportation facilities and property or related work in adjacent areas, with the understanding that these actions will be reported to the Commission at its next meeting; and,
- 2.2 **BE IT FURTHER RESOLVED**, that the Director is authorized to allocate monies to fund follow-up restoration projects associated with and that immediately follow an emergency condition response project, with the understanding that these actions will be identified and reported to the Commission as “follow-up restoration” projects at its next meeting; and,
- 2.3 **BE IT FURTHER RESOLVED**, that follow-up restoration projects that follow by a year or more the emergency condition event that caused the project, qualify for G-11 allocation by the Director, but the report to the Commission must state the unforeseen conditions causing the delay; and,
- 2.4 **BE IT FURTHER RESOLVED**, that the Director may adjust the funds allocated for emergency condition response projects and follow-up restoration projects provided that the adjustment allotments are within the limits enumerated in the table below, and the base for calculating the allotment adjustments is the original G-11 funding amount to mitigate the conditions resulting from the emergency event or the original G-11 funding amount for a follow-up restoration project; and,

ORIGINAL G-11 ALLOCATION	CLOSE OUT AND COMPLETE ALLOCATION ADJUSTMENT LIMIT
Up to \$1,000,000	20% of original G-11 allocation amount
\$1,000,000 to \$10,000,000	\$100,000 plus 10% of original G-11 allocation amount
\$10,000,000 to \$50,000,000	\$600,000 plus 5% of original G-11 allocation amount
\$50,000,000 to \$100,000,000	\$1,850,000 plus 2.5% of original G-11 allocation amount
Over \$100,000,000	\$3,100,000 plus 1.25% of original G-11 allocation amount

- 2.5 **BE IT FURTHER RESOLVED**, that the Director is required to submit a monthly report to the Commission's Executive Director on all allotment adjustments made by the Director to G-11 funded projects. The report shall list all projects which received Director approved increases or decreases during the prior month, including allocations revised downward to match lower contract allotment amounts. At a minimum the Director will include the following information: project identifiers (PPNO & EA), description of work, original Director G-11 allocation amount including full history of any subsequent supplemental G-11 funds, and the Director's revised allocation; and,
- 2.6 **BE IT FURTHER RESOLVED**, that the Commission-adopted SHOPP program establishes an annual reservation amount for emergency condition response project allocations. The Director must request the Commission to amend the adopted SHOPP program to increase the annual reservation amount in the event additional emergency condition response funding is required in excess of the reservation. The amendment should be requested at the next regularly scheduled Commission meeting following the identification by the Director that additional emergency condition response funding is required; and,
- 2.7 **BE IT FURTHER RESOLVED**, that the Director is required to submit an annual close-out report at the conclusion of each fiscal year containing the total amount allocated for emergency condition response projects and total abatement amount collected. The report shall list all projects which received allocations. At a minimum the close-out report will include for each emergency condition response project:
- Location and brief scope of work,
 - Date of incident or emergency,
 - Cause of emergency condition,
 - Amount allocated for capital construction, right of way acquisition and commensurate capital outlay support,
 - Actual dates for allocation, contract award and begin construction, and
 - Actual or projected dates for construction completion and project close-out.

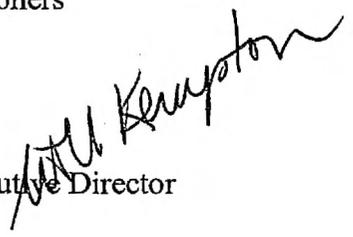
Memorandum

TAB 23

To: Chair and Commissioners

Date: January 20, 2016

From: Will Kempton, Executive Director



Reference Number 4.19
Action

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

Issue: Passage of Senate Bill 486 (Chapter 917, Statutes of 2014) increased California Transportation Commission (Commission) responsibility with respect to State Highway Operation and Protection Program (SHOPP) oversight. The Commission's G-12 resolution that delegates to the Director of Transportation (Director) authority to adjust project allocations and modify project descriptions needs updating to include Director authority to adjust project support component values.

Recommendation: Staff recommends that the Commission approve the attached revised Resolution G-12 delegation of Commission authority to the Director.

Background: On July 28, 1978, the Commission delegated to the Director 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 486, the Commission's responsibility with respect to the SHOPP has changed. In order to reduce the volume of financial transactions submitted to the Commission and to increase the efficiency of the Department of Transportation (Department) in processing changes, the Commission's G-12 delegation needs updating to include Director authority to adjust STIP and SHOPP project support component values. The new project support authority is identical to the well-defined boundaries established for capital outlay allocations. The proposed revisions are shown in ~~strikeout~~ and **bold** on the attached resolution for comparison purposes.

Attachments

- Resolution G 16-12 changes shown in ~~strikeout~~ and **bold**
- Resolution G-16-12 clean version

CALIFORNIA TRANSPORTATION COMMISSION

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

**Resolution #G-0916-12
Amending Resolution #G-0209-12**

- 1.1 WHEREAS, the California Transportation Commission (**Commission**) adopted Resolution #G-12, delegation of authority to adjust project allocations and modify project descriptions to the Director of Transportation (**Director**) 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, #G-98-12, and #G-02-12, and #G-09-12; 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 ~~3~~ WHEREAS, the delegation greatly reduces the volume of financial transactions submitted to the Commission and increased the efficiency of the Department of Transportation (**Department**) in processing changes; and
- 1.4 WHEREAS, passage of Senate Bill 486 (Chapter 917, Statutes of 2014) increased Commission responsibility for the State Highway Operation and Protection Program (SHOPP).
- 2.1 NOW THEREFORE, BE IT RESOLVED, that the following policies shall be in effect for capital outlay allocations and project support component values by the ~~California Transportation Commission~~ (Commission) for State Transportation Improvement Program (STIP) and State Highway Operation and Protection Program (SHOPP), and SHOPP Minor projects:
- A. The ~~Director of Transportation~~ (Director) is authorized to increase individual project construction allocations of STIP and/or SHOPP funds projects 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 \$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 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 projects enumerated on the Commission reviewed and accepted Minor A project list, the Director may adjust the funds sub-allocated for construction provided that the adjustment does not exceed the estimated construction expenditure by more than \$200,000.
 5. For SHOPP Minor B projects, the Director may adjust the funds sub-allocated for construction provided that the adjustment does not exceed 110 percent of the Minor B project limit as defined in Resolution G-05-05 under L.2 (an amount equal to the lower limit of projects subject to the State Contract Act as revised by the Department of Finance).
 6. Any adjustment that exceeds the authorized limits described above must be allocated by the Commission. In addition, all subsequent increases to the allocation must be presented to the Commission for approval.
 7. Any allocation adjustment for programmed STIP, SHOPP, and Minor SHOPP projects is assumed to be proportionate to any non-state funding on the project, unless the project was programmed for non-proportional funding (per STIP Guidelines, ~~Section 49~~).
 8. The Director ~~is expected to provide for the~~ will review of all allocation adjustment requests for appropriateness and need prior to approval.
- B. The Director is authorized to modify Commission adopted 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 characteristics, **performance measure** 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 authorized under item A above shall be based on the contract allotment of each portion.
 3. When two or more SHOPP Minor A projects are combined, the combined project will be considered a single Minor A 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 projects involved.
 4. When a SHOPP Minor A project is combined with a SHOPP 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.
 5. When an independently designed and allocated SHOPP programmed project is combined with a STIP programmed project for construction purposes, the cost increase limits authorized under item A above shall be individually determined and accounted for the SHOPP portion and the STIP portion of the combined project.
 6. When an independently designed and allocated SHOPP Minor A project is combined with a STIP programmed project for construction purposes, the cost increase limits authorized under Item A above shall be individually determined and accounted, for the SHOPP Minor A portion and the STIP portion of the combined project.
- D. ~~The SHOPP Minor funds is~~ **are for SHOPP eligible projects purposes** only. The Commission will not allocate ~~funds from the~~ **funds** for capacity-increasing projects, including bicycle and pedestrian facilities, soundwalls, and enhancements and mitigation for STIP projects, nor to enhance and/or cover cost increases on STIP projects. The following additional procedures shall apply to SHOPP Minor projects:
1. When funds required to complete a SHOPP Minor A 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~~ **the SHOPP Minor A funds**.

- 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 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 limit and the SHOPP Minor A 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 projects to individual Districts.
 4. SHOPP Minor A financial contributions to STIP projects will be allocated by the Commission only after independent utility for the SHOPP Minor A work and lack of responsibility by the STIP project sponsor for the SHOPP Minor A work is established and approved by the Director under the requirements of the Department's June 5, 2002, Minor A Project Policy memorandum.
 5. Projects funded jointly with SHOPP Minor A funds and other non-STIP or non-SHOPP funds shall be administered as SHOPP Minor A projects, irrespective of the total cost of the project.
- 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 (both PPNO. and ~~EA~~ **EFIS** numbers), project type (STIP, SHOPP or SHOPP Minor), description of work, initial Commission allocation data and amount, current allocation amount, and the Director revised allocation amount.
 2. A cumulative total of Director approved increases and decreases to funds allocated by the Commission during the fiscal year. It is intended that **over time** the Director approved decreases will be offset by the Director approved increases.
- F. The delegation of authority to adjust project allocations or modify project descriptions under this resolution does not apply to projects funded, wholly or in part, with CMAA, Route 99 and/or TCIF bond funds, ~~or~~ to any Proposition 1B bond projects that have an approved baseline agreement, **or to projects funded with aeronautics account funds**. Any changes to these projects must be approved by the Commission.

- G. The delegation of authority to adjust project allocations under this resolution does not apply to project allocations that the Commission previously adjusted in accordance with Streets and Highways Code section 188(d)(3), as first authorized by AB 608 (**Chapter 815, Statutes of 2001**). The Commission must approve any further adjustments.
- H. **The Director is authorized to increase Commission approved STIP and SHOPP project support component values; environmental studies and permits (E & P), preparation of plans specifications and estimates (PS&E), right of way support, and construction support to facilitate project delivery and construction completion within the following limits:**
1. **For projects with total support component value of less than \$1,000,000, the Director may adjust individual support components, provided the adjustment is undertaken prior to expenditure and does not increase the total Commission approved support value by more than \$200,000.**
 2. **For projects with total support component value of \$1,000,000 or more, the Director may adjust individual components, provided the adjustment is undertaken prior to expenditure and does not increase the total Commission approved support value by more than \$200,000 plus 10 percent of the Commission approved value.**
 3. **The basis for calculating the adjustment authority limits is the cost in the most recent Commission adopted programming document as amended by Commission action.**
 4. **Any adjustments that exceed the authorized limits described above must be approved by the Commission. In addition, all subsequent increases to the cost shall be presented to the Commission for approval.**
 5. **The Director will review all allocation adjustment requests for appropriateness and need prior to approval.**
 6. **The Director shall report all project support component increases on a quarterly basis with the Department's Quarterly Delivery Report.**

2.2 THEREFORE BE IT FURTHER RESOLVED, that this resolution superseded and replaces Resolution #G-0209-12 and serves as a complete restatement of Resolution #G-12.

January 20, 2016

PASSED BY

CTC

JAN 20 2016

**CALIFORNIA
TRANSPORTATION COMMISSION**

CALIFORNIA TRANSPORTATION COMMISSION

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

**Resolution #G-16-12
Amending Resolution #G-09-12**

- 1.1 WHEREAS, the California Transportation Commission (Commission) adopted Resolution #G-12, delegation of authority to adjust project allocations and modify project descriptions to the Director of Transportation (Director) 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, #G-98-12, #G-02-12, and #G-09-12; and
 - 1.3 WHEREAS, the delegation greatly reduces the volume of financial transactions submitted to the Commission and increased the efficiency of the Department of Transportation (Department) in processing changes; and
 - 1.4 WHEREAS, passage of Senate Bill 486 (Chapter 917, Statutes of 2014) increased Commission responsibility for the State Highway Operation and Protection Program (SHOPP).
- 2.1 NOW THEREFORE, BE IT RESOLVED, that the following policies shall be in effect for capital outlay allocations and project support component values by the Commission for State Transportation Improvement Program (STIP) and State Highway Operation and Protection Program (SHOPP), and SHOPP Minor projects:
- A. The Director is authorized to increase individual project construction allocations of STIP and/or SHOPP projects 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 \$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 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 projects enumerated on the Commission reviewed and accepted Minor A project list, the Director may adjust the funds sub-allocated for construction provided that the adjustment does not exceed the estimated construction expenditure by more than \$200,000.
 5. For SHOPP Minor B projects, the Director may adjust the funds sub-allocated for construction provided that the adjustment does not exceed 110 percent of the Minor B project limit as defined in Resolution G-05-05 under L.2 (an amount equal to the lower limit of projects subject to the State Contract Act as revised by the Department of Finance).
 6. Any adjustment that exceeds the authorized limits described above must be allocated by the Commission. In addition, all subsequent increases to the allocation must be presented to the Commission for approval.
 7. Any allocation adjustment for programmed STIP, SHOPP, and Minor SHOPP projects is assumed to be proportionate to any non-state funding on the project, unless the project was programmed for non-proportional funding per STIP Guidelines.
 8. The Director will review all allocation adjustment requests for appropriateness and need prior to approval.
- B. The Director is authorized to modify Commission adopted 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 characteristics, performance measure 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 authorized under item A above shall be based on the contract allotment of each portion.
 3. When two or more SHOPP Minor A projects are combined, the combined project will be considered a single Minor A 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 projects involved.
 4. When a SHOPP Minor A project is combined with a SHOPP 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.
 5. When an independently designed and allocated SHOPP programmed project is combined with a STIP programmed project for construction purposes, the cost increase limits authorized under item A above shall be individually determined and accounted for the SHOPP portion and the STIP portion of the combined project.
 6. When an independently designed and allocated SHOPP Minor A project is combined with a STIP programmed project for construction purposes, the cost increase limits authorized under Item A above shall be individually determined and accounted, for the SHOPP Minor A portion and the STIP portion of the combined project.
- D. ~~The~~ SHOPP Minor funds are for SHOPP eligible purposes only. The Commission will not allocate SHOPP Minor funds for capacity-increasing projects, including bicycle and pedestrian facilities, soundwalls, and enhancements and mitigation for STIP projects, nor to enhance and/or cover cost increases on STIP projects. The following additional procedures shall apply to SHOPP Minor projects:
1. When funds required to complete a SHOPP Minor A 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 SHOPP Minor A funds.
 - 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 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 limit and the SHOPP Minor A 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 projects to individual Districts.
 4. SHOPP Minor A financial contributions to STIP projects will be allocated by the Commission only after independent utility for the SHOPP Minor A work and lack of responsibility by the STIP project sponsor for the SHOPP Minor A work is established and approved by the Director under the requirements of the Department's June 5, 2002, Minor A Project Policy memorandum.
 5. Projects funded jointly with SHOPP Minor A funds and other non-STIP or non-SHOPP funds shall be administered as SHOPP Minor A projects, irrespective of the total cost of the project.
- E. The Director shall report all 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 (both PPNO. and EA EFIS numbers), project type (STIP, SHOPP or SHOPP Minor), description of work, initial Commission allocation data and amount, current allocation amount, and the Director revised allocation amount.
 2. A cumulative total of Director approved increases and decreases to funds allocated by the Commission during the fiscal year. It is intended that over time the Director approved decreases will be offset by the Director approved increases.
- F. The delegation of authority to adjust project allocations or modify project descriptions under this resolution does not apply to projects funded, wholly or in part, with CMIA, Route 99 and/or TCIF bond funds, or to any Proposition 1B bond projects that have an approved baseline agreement, or to projects funded with aeronautics account funds. Any changes to these projects must be approved by the Commission.
- G. The delegation of authority to adjust project allocations under this resolution does not apply to project allocations that the Commission previously adjusted in accordance with Streets and Highways Code section 188(d)(3), as first authorized by AB 608

(Chapter 815, Statutes of 2001). The Commission must approve any further adjustments.

- H. The Director is authorized to increase Commission approved STIP and SHOPP project support component values; environmental studies and permits (E & P), preparation of plans specifications and estimates (PS&E), right of way support, and construction support to facilitate project delivery and construction completion within the following limits:
1. For projects with total support component value of less than \$1,000,000, the Director may adjust individual support components, provided the adjustment is undertaken prior to expenditure and does not increase the total Commission approved support value by more than \$200,000.
 2. For projects with total support component value of \$1,000,000 or more, the Director may adjust individual components, provided the adjustment is undertaken prior to expenditure and does not increase the total Commission approved support value by more than \$200,000 plus 10 percent of the Commission approved value.
 3. The basis for calculating the adjustment authority limits is the cost in the most recent Commission adopted programming document as amended by Commission action.
 4. Any adjustments that exceed the authorized limits described above must be approved by the Commission. In addition, all subsequent increases to the cost shall be presented to the Commission for approval.
 5. The Director will review all allocation adjustment requests for appropriateness and need prior to approval.
 6. The Director shall report all project support component increases on a quarterly basis with the Department's Quarterly Delivery Report.

2.2 THEREFORE BE IT FURTHER RESOLVED, that this resolution superseded and replaces Resolution #G-09-12 and serves as a complete restatement of Resolution #G-12.

