State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

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To: DISTRICT DIRECTORS

Date: October 17, 2006

Attention: Deputy District Directors
Program/Project Management

From: ROSS A. CHITTENDEN
Chief
Division of Transportation Programming

Subject: Fiscal Year (FY) 2006/07 Revised District Minor Program Guideline

Attached is the revised FY 2006/07 District Minor Program Guideline for both Minor Program and State Highway Operation Protection Program (SHOPP) reservation. The purpose of this guideline is to assist the districts in understanding and implementing the District Minor Program. The guidelines enumerate the differences between District Minor Program and SHOPP reservation projects. The guidelines address the most frequently asked questions from the District's Minor Program Coordinators and District's SHOPP Program Managers.

Please refer any questions to Rick Guevel at (916) 654-6722, CALNET 8-464-6722, or Noli B. Pabalan at (916) 654-7042, CALNET 8-464-7042.

Attachment

c: District Minor Coordinators
Karla Sutliff
David Youmans
SHOPP Program Managers
SHOPP Seniors
Rick Guevel
Noli Pabalan

ATTACHMENT A

District Minor Program and State Highway Operation Protection Program Reservation Project Quick Reference Guidelines for Fiscal Year 2006/07

OVERVIEW:

At the July 2005 meeting, the California Transportation Commission (Commission) approved several changes to the District Minor Program to expedite the District Minor Program allocation process. The Commission delegated sub-allocation authority to the California Department of Transportation (Department) for minor projects listed on the approved Minor Program Project List submitted to the Commission. The Commission, as indicated in the CTC Resolution G-05-05, also increased the Minor A project construction limit from $750,000 to $1 million each, and the construction expenditure adjustment limit of $200,000 for Minor A projects. Minor A projects have a construction limit consistent with the lower limit of the State Contract Act, currently $131,000.

Under the new guidelines, the Commission, in a lump sum, shall annually allocate to the Department the Minor Program amount included in the most recent Fund Estimate. The annual Minor Program shall have a list of Minor A projects, lump sum for Minor B projects, and lump sum for Right-of-Way for Minor construction projects.

The Director of the Department is authorized to sub-allocate the lump sum Minor Program funds to individual Minor A projects that are on the Commission approved Minor Program Project List, and Minor B lump sum.

Beginning July 1, 2005, all projects with a construction limit of $1 million, or less, that are funded from State Highway Operation Protection Program (SHOPP) reservations, will be referred to as "SHOPP projects," not "Minor A projects." These projects will be amended into the SHOPP and require a Planning and Programming Number (PPNO). Projects with a construction limit of $1 million, or less, that are funded from the Minor Program, and are on the Commission approved Minor Program Project List, will be referred to as "Minor A projects."

PROCESS:

In February, Headquarters Division of Transportation Programming shall provide the Minor Program Target to the district's. This target is based on lane miles (75 percent) and small business participation (25 percent).

By April 1st, of each fiscal year, district's shall provide their funding split between Minor A, Minor B, and Right-of-Way Capital (which includes Environmental Permit Review fees), including a list of proposed Minor A projects to Headquarters Division of Transportation Programming (SHOPP Program Manager). All Minor projects must qualify as SHOPP projects, and shall not include projects that are capacity increasing, bicycle and pedestrian facilities, sound-walls, and enhancements and mitigations for State Transportation Improvement Program projects.

In June, and annually, thereafter, pursuant to Resolution G-05-05, the Department will present to the Commission its Minor Program for review and acceptance. The Minor Program shall be supported by a project list that at a minimum shall include the following information for each project:

- Project description.
- The Department's district, county, route and post mile.
- Expenditure Authorization number.
- Program Codes.
- Estimated right-of-way expenditure (includes all permit fees).
- Estimated construction expenditure.
- Estimated support expenditure.

From July through February, when a project is ready for an allocation (Ready to List), the district submits funds request to both Headquarters Division of Budgets and the Division of Transportation Programming.

- Department allocates funds through delegation authority to projects on the approved Minor Program Project List.
- Projects must be Ready to List as reflected in the Office Engineer database and must have an approved funds request.
- Financial Contribution Only (FCO) projects must have an executed Cooperative Agreement prior to allocation of funds.

From July through February, district's may substitute a new project for an approved project on the Minor Program Project List with approval from the Headquarters SHOPP Program Manager or Headquarters Statewide Minor Program Coordinator.

- Substitute project not on the initial Minor Program Project List requires a Commission Allocation/Vote.
- Total costs must remain within the district's funding target. Added projects must be funded from savings or deletion of projects on the approved Minor Program Project List.

Following are the guidelines pertaining to the District Minor Program and SHOPP reservation projects in response to the most commonly asked questions from the District Minor Program Coordinators and SHOPP Program Managers.

GUIDELINES:

District Minor Program

- District's determine project selection based on district priority and not on a statewide priority.
- District's have flexibility to redirect funds between Minor A, Minor B and Right-of-Way targets to better meet their needs (cost increase, change in priority, etc). The district must notify Headquarters Division of Transportation Programming (Rick Guevel and Manolo B. Pabalan) of any requested changes. An e-mail from the District's Minor Program Coordinator will be sufficient to process the request.
- Projects on the Minor Program Project List will receive allocations and subsequent cost adjustments through award by delegation unless construction cost exceeds $200,000 of the estimated construction cost shown in the Minor Program Project List.
- Any additional funding through award delegated by the Department, or approved by the Commission, will be charged against the District's Minor Program target allocation.
- Any additional funds for Minor projects such as Construction Expenditure Adjustment or Supplemental funds (G-12) after the project is awarded will not be allocated and/or deducted from the District's Minor Program target allocation.
- Minor A and B projects requesting supplemental funds after the project is awarded will receive funding/allocation from a SHOPP appropriation (any open year) that is still available for encumbrance and liquidation. The Budget Capital File record and the Category of Expenditure (COE) EA coding will continue to reflect the project and supplemental funds as Minor A or B category (COE 131000 or COE 141000).
- Savings from projects on the Minor Program Project List can be used to fund cost increases to projects on the District's Minor Program Project List. In addition, the district can use the savings to add Minor A projects.
- If district wishes to add a project that is not on the Minor Program Project List, the district is required to identify a project of equal value to be deleted or savings from the Minor Program Project List to offset the cost increase to remain within the annual District's Minor Program target allocation.
- If the district wishes to delete a project from their Minor Program Project list, an e-mail notification from the District's Minor Program Coordinator to the Statewide Minor Program Coordinator (Manolo (Noli) Pabalan) is sufficient to request a

project deletion. However, the District's Single Focal Point must be included in the e-mail notification.

- Substituted project not on the Minor Program Project List must be submitted to the Commission for an allocation.
- Projects requiring cost increases in excess of $200,000 of the estimated construction cost as reflected on the Minor Program Project List, will be submitted to the Commission as a supplemental vote. For more information on supplemental vote, please contact Ken Solak at CALNET 8-464-3777.
- District's are highly encouraged to deliver their Minor A Projects no later than February of each fiscal year.
- Minor projects must be awarded and funds certified by June 30th of each fiscal year.
- The Minor Program is a one-year program. Either use the funds or lose it.
- The Minor A and Minor B construction limits do not include local contributions.
- Minor B Safety projects (201.010) less than the Minor B Limit of $131,000 will be funded from the District's Minor Program target allocation.
- Minor B Emergency Relief (ER) projects (201.130) less than the Minor B Limit of $131,000 will be funded from the District's Minor Program target allocation.
- Minor A projects will be monitored to stay within the target allocation and will contain the following information:

  ✓ Project - county, route, PM, program code, description
  ✓ Original amount
  ✓ Vote amount
  ✓ Award amount

- If the total award amount at the end of the fiscal year exceeds the district target, Headquarters will work with other district's to identify any savings to stay within the statewide Minor Program budget. If savings are not found, awards will not be able to be made, allocations will be rescinded and projects will be delayed to subsequent fiscal years to stay within budget. However, if savings are found, Headquarters Division of Programming will redistribute the savings to other districts. The redistribution of savings will be made in March in order to provide sufficient time to award the Minor A and Minor B projects by June 30th of each fiscal year.
- Minor A projects receiving an allocation through delegation will be reported at the next Commission meeting as informational items.
- District's are required to submit Funds Request to Headquarters Division of Budgets and Headquarters Division of Transportation Programming. The Funds Request must contain the signatures of the Project Manager, District Minor Program Coordinator and Single Focal Point. This policy also applies for supplemental funds request that is within the G-12 Capacity ($200,000 for Minor A) and (any additional funds in excess of $131,000 but less than $144,100 for Minor B). Request for funds in excess of the above G-12 Capacity ($200,000) for Minor A and 110 percent ($144,100) for Minor B requires a CTC supplemental vote (please contact Ken Solak at CALNET 464-3777).
- The Department has no authority to exceed the total approved minor program dollar limit (Minor A projects, Minor B Lump Sum and Right-of-Way Lump Sum).
- All Minor B projects will be funded from the district's Minor Program target.

SHOPP Reservation Projects

- Beginning July 1, 2005, all SHOPP Reservation funded projects will be amended into the SHOPP. These projects require a PPNO and a Project Initiation Document (PID) as outlined in the Project Development Procedures Manual (PDPM) prior to being amended into the SHOPP. Currently, SHOPP Reservations are available in the following programs.

  - ✓ Safety (201.010)
  - ✓ Emergency Damage Restoration (201.130)
  - ✓ Permanent Restoration (201.131)
  - ✓ Relinquishments (201.160)
  - ✓ Maintenance Worker Access (201.230)
  - ✓ Surface Mining and Reclamation Act (201.240)
  - ✓ Weigh Station (201.321)
  - ✓ Rail Road Grade Crossing (201.325)
  - ✓ Hazardous Waste Mitigation (201.330)

- ✓ Transportation Lab (201.354)
- ✓ ADA – Curb Ramp (201.361)

- SHOPP Reservation projects $1,000,000 and under have a G-12 Capacity of $200,000.
- Projects require approval from Headquarters SHOPP Program Manager and the appropriate Headquarters Program Manager prior to being amended into the SHOPP.
- District's are required to submit an amendment request to Headquarters SHOPP Program Manager.
- District's are required to submit Funds Request to both Headquarters Division of Budgets and Headquarters Program Manager to receive an allocation.
- Projects must be Ready to List as reflected in Headquarters Office Engineer databases prior to submission to the Commission for allocation.
- All SHOPP Reservation projects will be treated as regular SHOPP projects.