

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 16-17, 2016

Reference No.: 2.8e.  
Action Item

From: NORMA ORTEGA  
Chief Financial Officer

Prepared by: Bruce Roberts, Chief  
Division of Rail and Mass  
Transportation

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT REIMBURSEMENT FOR  
PROPOSITION 116 BOND PROGRAM PROJECTS,  
WAIVER 16-14**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve a 17-month extension for the period of project reimbursement, to June 30, 2017, for the Sand Canyon Grade Separation project.

## **ISSUE:**

In May 2010, the Commission approved Resolution BFP-09-06, allocating a total of \$22,004,000 in Proposition 116 funds to the Orange County Transportation Authority (OCTA) for the Sand Canyon Grade Separation project. A third party contract was awarded on May 2, 2011. On March 20, 2014, the Commission approved Waiver 14-13 to extend the period of project completion by 14 months to allow OCTA to fully expend the allocated funds by July 31, 2015.

The project was completed by July 31, 2015, and it was anticipated that the contractor would submit the remaining invoices and obtain payment from OCTA by the end of December 2015. However, OCTA was unable to close out the project and submit final invoices within the 180 days allowed, due to a delay in obtaining invoices from the contractor. OCTA requested expedited invoices from the contractor in early January 2016; however, the contractor could not initiate invoices due to subcontractor stop notices. As a result, OCTA's invoice payment will be reduced, and the balance of the payment will not occur until the stop notices are resolved.

An extension would allow for the contractor to obtain releases for stop notices and OCTA to work with the Department to process reimbursement requests for eligible project costs. As of January 20, 2016, a balance of \$1,901,096 remains to be reimbursed. It is anticipated that it will take a significant amount of time to resolve the stop notices; therefore, OCTA respectfully requests a 17-month extension for the period of project reimbursement, to June 30, 2017.

**BACKGROUND:**

Current Proposition 116 Guidelines stipulate that a local agency has 180 days after project acceptance to make the final payment to the contractor or vendor, prepare the final report of expenditure, and submit the final invoice to the Department for reimbursement. The Commission may approve waivers to the timely use of funds deadline one time only for up to 20 months in accordance with Government Code Section 14529.8.