State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

M e m o r a n d u m

TAB 64

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: September 26-27, 2012

Reference No.: 2.5b.(2)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Steven Keck
Division Chief
Budgets

Subject: **FINANCIAL ALLOCATION FOR SHOPP PROJECTS**
RESOLUTION FP-12-15

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission allocate $6,000,000 for the Doyle Drive Project programmed in the 2012 State Highway Operation and Protection Program (SHOPP).

ISSUE:

The attached vote list describes one SHOPP request totaling $6,000,000. The Department is ready to proceed with this work and is requesting an allocation at this time.

BACKGROUND:

When the Doyle Drive project was initiated, the Department chose to go with the Owner Controlled Insurance Program (OCIP) at the cost of $12 million. This was significantly less than the traditional individual contract insurance which would have cost $17.2 million. In addition, the Presidio Trust and other project partners involved were also in favor of the consolidated insurance program.

When the project was split into Phase 1 and Phase 2 with Phase 2 being the Public Private Partnership (P3) contract, the Department made a decision to continue with the OCIP for the entire P3 contract. The Department chose to continue with OCIP because cancelling the OCIP would have: altered the Department's obligation to the Presidio Trust and other project partners; resulted in multiple insurance programs covering the same project site, potentially resulting in coverage issues and litigations; cost the Department $1.2 million to terminate OCIP; and finally cost the P3 contractor between $7 to $12 million to carry this additional insurance.

The OCIP premium needed for the P3 contract is $6,000,000 which is less than the $8.2 million to $13.2 million the Department would have incurred if the OCIP was cancelled.

FINANCIAL RESOLUTION:

Resolved, that $6,000,000 be allocated from the Budget Act of 2012, Budget Act Item 2660-302-0042 for State Highway Operation and Protection Program work described on the attached vote list.

The Department has complied with the National Environmental Policy Act and the California Environmental Quality Act requirements in preparing these projects.

Attachment

2.5 Highway Financial Matters

Project # Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	PPNO Program/Year Prgm'd Amount Project ID Adv Phase EA	Budget Year Item # Fund Type Program Code	Amount by Fund Type
2.5b.(2) SHOPP Projects (Doyle Drive)				**Resolution FP-12-15**
1 $6,000,000 San Francisco 04-SF-101 8.0/9.8	In San Francisco, from Marina Boulevard to south of the Golden Gate Bridge. Outcome/Output: Improve the seismic, structural and traffic safety of Doyle Drive to maintain structural integrity.	04-0619P SHOPP/12-13 $29,730,000 0400020166 4 1637U4	2012-13 302-0042 SHA 20.20.201.110	$6,000,000