

CALIFORNIA TRANSPORTATION COMMISSION

**STATE HIGHWAY OPERATION AND  
PROTECTION PROGRAM GUIDELINES**

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# CALIFORNIA TRANSPORTATION COMMISSION

## STATE HIGHWAY OPERATION AND PROTECTION PROGRAM GUIDELINES

### I. INTRODUCTION

#### 1. Purpose

These guidelines describe the policy, standards, criteria and procedures for the California Transportation Commission's (Commission) development, adoption, and management of the State Highway Operation and Protection Program (SHOPP).

#### 2. 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.

#### 3. Guidelines Objectives

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

- a. Develop the SHOPP as a resource management document that is consistent with the Transportation Asset Management Plan (TAMP) and the State Highway System Management Plan.
- b. Accelerate project delivery, to ensure efficient use of funds, and to address deferred maintenance on the state highway system.
- c. Establish allocation thresholds that the Commission determines are necessary to ensure efficiency and provide exceptions as needed so that projects are not unnecessarily delayed.
- d. Recognize that accountability, flexibility, and simplicity are key components to the objectives of the Guidelines.

#### 4. Statutory Authority

See Appendix B for a listing of the Statutory Authority related to the SHOPP Guidelines.

#### 5. Applicability of SHOPP Guidelines

The SHOPP Guidelines apply to projects programmed in the SHOPP. The SHOPP Guidelines do not apply to transportation programming requirements specified in Federal Transportation Improvement Programs (FTIP) and the

Federal Statewide Transportation Improvement Program (FSTIP) required by federal statutes. Generally, all projects receiving federal transportation funds must be programmed in a FTIP (for projects in urbanized regions) and in a FSTIP. Metropolitan Planning Organizations are responsible for developing and adopting FTIPs and the California Department of Transportation (Caltrans) is responsible for preparing the FSTIP. The requirements for FTIPs and the FSTIP are specified in federal statutes (Title 23 United States Code) and federal regulations (23 Code of Federal Regulations part 450).

**6. Compliance with Federal and State Requirements**

Caltrans shall comply with all federal and state requirements.

**7. 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.

**8. Delegation of Authority**

As of the date of these SHOPP Guidelines, the Commission has taken formal action to delegate certain authorities to Caltrans. The following resolutions are included in the appendices:

- Resolution G-00-13: Project Development Costs
- Resolution G-19-01: Sub-allocation and Adjustment of Right of Way Capital
- Resolution G-19-05: Sub-allocation and Adjustment of the SHOPP Minor Program.
- Resolution G-06-13: Allocation of Funds for Safety Projects.
- Resolution G-11-16: Funding Emergency Condition Response Projects.
- Resolution G-19-12: Adjustment and Modification of Project Allocations and Descriptions.

**II. SHOPP DOCUMENT OVERVIEW AND DEVELOPMENT**

**9. General**

The SHOPP is a biennial program adopted no later than April 1 of each even-numbered year. Consistent with the Biennial State Transportation Improvement Program (STIP) Fund Estimate, each SHOPP will cover the last two years of the previous SHOPP and add two new years of programming capacity.

## 10. SHOPP Preparation

Pursuant to Government Code Section 14526.5(a), and consistent with the TAMP, 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 TAMP and the State Highway System Management Plan, each new SHOPP document shall include projects carried forward from the previous SHOPP, new projects, and reservations. The total amount programmed in each fiscal year of the SHOPP shall not exceed the amount specified in the STIP Fund Estimate.

It is the Commission's expectation that the Department will perform outreach and gather input from local partners in the development of the SHOPP. This should include, but not be limited to, stakeholder input on: the State Highway System Management Plan, the SHOPP Ten-Year Project Book, and the selection of new projects to be included in the four-year SHOPP Program.

Pursuant to Streets and Highways Code Section 2030 (2), to the extent possible and cost-effective, and where feasible, Caltrans shall:

- a. Use advanced technologies and material recycling techniques that reduce the cost of maintaining and rehabilitating the streets and highways, and that exhibit reduced levels of greenhouse gas emissions through material choice and construction method.
- b. Use advanced technologies and communications systems in transportation infrastructure that recognize and accommodate advanced automotive technologies that may include, but are not necessarily limited to, charging or fueling opportunities for zero-emission vehicles, and provision of infrastructure-to-vehicle communications for transitional or full autonomous vehicle systems.
- c. In the context of both the project scope and the risk level for the asset due to global climate change, include features in projects to better adapt the asset to withstand the negative effects of climate change and make the asset more resilient to impacts such as fires, floods, and sea level rise.
- d. In the context of facility type, right of way, project scope, and quality of nearby alternative facilities, incorporate complete street elements, including, but not limited to, elements that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities.

Each new SHOPP document shall include a summary for each item listed above and how the proposed submittal of projects meets the above expectations.

**11. SHOPP Development Schedule**

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

<b>Milestone</b>	<b>Deadline</b>
Caltrans submits the proposed State Highway System Management Plan to the Commission for review and comments	By February 15 of odd-numbered years.
Commission reviews and comments on the State Highway System Management Plan	March of odd-numbered years
Caltrans submits final State Highway System Management Plan to Governor and Legislature	By June 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 and Regional Transportation Planning Agencies coordinate in the development of candidate projects	Ongoing
Caltrans to share initial draft of proposed SHOPP with Regional Transportation Planning Agencies	Beginning of December of odd-numbered years
Caltrans submits proposed SHOPP	By January 31 of even-numbered years
SHOPP Hearing in Northern California	February of even-numbered years
SHOPP 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

**12. Eligibility**

Projects eligible for SHOPP funds include major capital improvements that are necessary to preserve and protect the state highway system and are consistent with the TAMP. 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 of SHOPP-eligible operation improvement projects include, but are not limited to the following:

- a. Auxiliary lanes near ramps and interchanges to allow for safe acceleration and deceleration of entering and exiting vehicles.
- b. Intersection modifications including traffic signals.

- c. Slow vehicle lanes on conventional highways and four lane freeways, where justified on the basis of an engineering analysis.
- d. Curve and vertical alignment corrections.
- e. Two-way left turn lanes.
- f. Channelization.
- g. Turnouts.
- h. Chain control and truck brake inspection sites.
- i. Shoulder widening.
- j. Traffic Management Systems.
- k. Traffic Management Centers.
- l. Multimodal corridor projects.

**13. Display of Project Scope, Budget, Schedule, and Project Outputs**

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 provided by Caltrans.
- c. For projects on the state highway system, the route number and post-mile limits.
- d. Any appropriate funding restriction or designation, including projects requiring state-only funding, or projects requiring federal funds.
- e. Planned project outputs for each project. The project outputs should be based on quantified and qualitative information to document transparently and in plain language how the project is consistent with the Commission-approved TAMP.
- f. A notation indicating that the project has met the threshold and will be required to submit a Senate Bill (SB) 1 SHOPP Baseline Agreement.

**14. Project Budget**

For each project in the SHOPP, Caltrans shall identify each phase of a project and include the specified budget, including the source and amounts of non-SHOPP funds, if any, committed to the project phase and overall project. Pursuant to Government Code Section 14526.5(c)(1), Caltrans, at a minimum, shall specify, for each project in the SHOPP (where applicable), the



budget for each of the following project phases:

- Project Approval and Environmental Document (PA&ED phase) (only consists of support)
- Plans, Specifications, and Estimate (PS&E phase) (only consists of support)
- Right of way (support and capital)
- Construction (support and capital)

**15. Project Milestone 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:

- PA&ED phase completion
- PS&E phase completion (signified as Ready to List (RTL))
- Right of way certification
- Start of Construction

**16. Database**

Caltrans is responsible for maintaining an electronic database record of the adopted SHOPP documents and Commission actions that amend the SHOPP. The current database is known as the California Transportation Improvement Program System (CTIPS).

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 project outputs and updates thereof to enhance communication among the districts and headquarters, to ensure efficient management of the entire portfolio, and to provide public transparency.

**III. RELATED STATUTORY DOCUMENTS**

**17. Transportation Asset Management Plan**

Pursuant to Government Code Section 14526.4, Caltrans in consultation with the Commission shall prepare a robust Transportation Asset Management Plan to guide selection of projects for the SHOPP. The Commission reviews and approves the Transportation Asset Management Plan and adopts targets and performance measures reflecting state transportation goals and objectives. The Transportation Asset Management Plan is a strategic and systematic 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 Government Code 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 Transportation Asset Management Plan that included: pavement, bridge, culverts, and transportation management system elements.

Notwithstanding the foregoing, SB 1 (Beall, Chapter 5, Statutes of 2017) states the Legislature's intent 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.

On March 21, 2018, the Commission approved the Transportation Asset Management Plan, the annual performance benchmarks for the four primary asset classes (bridges, pavements, drainage systems, and transportation management system elements), and the annual performance targets for all supplementary asset classes.

#### **18. State Highway System Management Plan**

Pursuant to Streets and Highways Code Section 164.6(a)(1), Caltrans shall prepare a State Highway System Management Plan. The State Highway System Management Plan shall include a ten-year state highway system rehabilitation plan for the rehabilitation or reconstruction, or combination thereof, by the SHOPP, of all state highways and bridges owned by the state.

Pursuant to Streets and Highways Code Section 164.6(a)(2), the State Highway System Management Plan shall also include a five-year maintenance plan that addresses the maintenance needs of the state highway system. The maintenance plan shall be updated every two years. The maintenance plan shall include only maintenance activities that, if the activities are not performed, could result in increased SHOPP costs in the future. The maintenance plan shall identify any existing backlog in those maintenance activities and shall recommend a strategy, specific activities,

and an associated funding level to reduce or prevent any backlog during the plan's five-year period.

#### **IV. FUNDING**

##### **19. 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.

##### **20. State-Only Funding**

Projects must follow the Federal-Aid Project Funding Guidelines as adopted by the Commission. The Commission will assume that all projects will be qualified for federal transportation funding unless specifically exempt per the Federal-Aid Project Funding Guidelines. Whenever Caltrans deviates from the Federal-Aid Project Funding Guidelines and designates a project to be programmed for state-only (non-Federal) funding, it will explain the reason for this designation. Unless consistent with the Federal-Aid Project Funding Guidelines, projects programmed without a state-only designation and later proposed for state-only funding allocations will be subject to Commission approval at allocation.

##### **21. Joint State and Local Funding**

If Caltrans and a local or 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.

##### **22. Grant Anticipation Revenue Vehicle (GARVEE) Bonding**

If the fund estimate forecasts the availability of federal funding for the SHOPP, the Commission may, by SHOPP amendment, select SHOPP eligible projects proposed for accelerated construction through Grant Anticipation Revenue Vehicle (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 with very high costs.

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

GARVEE bonds cover only the federally-funded portion of a project's cost (generally 88.5 percent). GARVEE bonding in California is structured so that the state's future federal transportation apportionments pay all debt service. 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.

## **V. ADOPTION/PROGRAMMING**

### **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 project outputs. The SHOPP document will describe in plain language its overall adequacy and consistency with the State Highway System Management Plan as well as the Commission approved Transportation Asset Management Plan, 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 State Transportation Improvement Program. 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 SHOPP document relative to its overall adequacy and consistency with the Transportation Asset Management Plan prepared and approved pursuant to Government Code Section 14526.4 and 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.

Not later than April 1 of each even numbered year the Commission shall adopt the 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 State Highway System Management Plan and Transportation Asset Management Plan.

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 SHOPP document 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 document shall remain in effect until a new SHOPP is adopted.

Caltrans will publish the SHOPP document 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.

Projects allocated for construction in prior SHOPP documents, but which have not achieved final acceptance, are incorporated by reference in the newly adopted SHOPP document until final acceptance is achieved and a final report of actual expenditures against Commission allocations is provided to the Commission.

## **25. Project Initiation Documents**

A new project may only be programmed in the SHOPP with a complete Project Initiation Document that defines and justifies the project scope, cost, schedule, and expected outcomes and benefits including project outputs. A Project Initiation Document is a report that meets the standards of the Commission's *Guidelines for the Preparation of Project Study Reports*. The Project Initiation Document must provide a preliminary estimate of costs for all components. The Project Initiation Document must be submitted, or a link may be provided to view the document electronically. Each Project Initiation Document must account for known risks that might impact the project budget, scope, schedule, and achievement of project outputs from initiation through construction completion. Development of the Project Initiation Documents should include input from local stakeholders as appropriate.

## **26. Project Selections**

Consistent with the Transportation Asset Management Plan and the State Highway System Management Plan, Caltrans shall establish a transparent selection process to select quality eligible projects for each SHOPP document. Each eligible project's planned project outputs must be identified and be consistent with the Transportation Asset Management Plan.

Stakeholder input should be considered when selecting projects for the SHOPP document.

**27. 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, 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.

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 Regional Surface Transportation Program and Congestion Mitigation and Air Quality Improvement Program, the commitment may be by FTIP adoption.

A project that is programmed prior to receiving federal approval for construction must receive the federal approval for construction prior to construction allocation.

**28. Programming of Long-Lead and Contingency Projects**

Commission Resolution G-00-13, approved in June 2000, provides Caltrans with a means to commence project delivery efforts on SHOPP Long Lead projects that require periods longer than the four-year SHOPP time frame to develop. 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.

The Commission further authorized Caltrans to program contingency projects for pre-construction development only, when appropriate, thus creating projects that address performance goals without committing SHOPP resources to construction capital and support prematurely, before the resources are actually needed.

**29. Multi-Modal Corridor Projects**

SHOPP eligible Multi-Modal Corridor projects may be programmed in the SHOPP when consistent with the Transportation Asset Management Plan and the State Highway System Management 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.

**30. 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 will not allocate funds to projects for design, right of way or construction until the final environmental document is complete and the Commission has approved the environmentally cleared project for consideration of future funding. For projects that are categorically cleared, a Caltrans determination of categorical exemption is acceptable.

**31. 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 non-SHOPP 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-19-12 until all other non-SHOPP funds committed to the project have been expended.

**32. Programming Escalations**

Caltrans is responsible for applying escalations when recommending projects to the Commission for programming. The amount programmed for each project phase shall be escalated to the mid-point of the duration of each phase. The standard escalation rate shall be the rate specified in the

last Commission adopted Fund Estimate for the SHOPP. Caltrans may elect to use alternative escalation factors as it deems appropriate.

## VI. ALLOCATIONS

### 33. 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. Caltrans shall bring forward for Commission consideration any safety project with a construction allocation greater than or equal to 120 percent of the programmed amount.

### 34. Emergency Condition Response Projects

Pursuant to Commission Resolution G-11-16 Caltrans is authorized to allocate funds for emergency condition response projects 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 amended into the SHOPP and reported to the Commission at its next meeting.

### 35. Minor Projects

Pursuant to Commission Resolution G-19-05, 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-eligible projects only that are consistent with the Commission adopted Transportation Asset Management Plan. The Commission will not allocate funds from the SHOPP minor program for enhancements, mitigation, or cost increases for STIP projects.

### 36. Allocation of Support and Construction Funds

Pursuant to Government Code Section 14526.5(g) the Commission is required to allocate Caltrans' capital outlay support resources by project phase, including preconstruction. Through this action, the Commission will provide public transparency for Caltrans' 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 capital funds for all projects listed in the SHOPP. This establishes the original allocation budget for each phase.
- b. The Commission will consider allocation of funds for a programmed project or programmed phase when it receives an allocation request and recommendation from Caltrans. The Commission will only consider



an allocation of construction capital 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 plans, specifications, and estimate are complete, constraints are cleared for environmental and right of way, and all necessary permits and agreements (including railroad construction and maintenance) are secured. These projects are considered Ready to List (RTL) by Caltrans.
- 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 the Timely Use of Funds provisions, all construction capital allocations are valid for six months from the date of allocation unless the Commission approves a contract award time extension.
- f. Unless otherwise approved by the Commission in accordance with the Timely Use of Funds provisions, all allocations for support are valid for six months from the date of allocation unless the Commission approves a project expenditure time extension.
- g. All allocations will be made in units of \$1,000, and all allocation requests shall therefore be in units of \$1,000.
- h. The allocation 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, Road Maintenance and Rehabilitation Account, or Federal Trust Fund) as well as the fund type within the account. Caltrans' recommendation to the Commission for state-only funding of a project will be made in accordance with Caltrans' 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.
- i. 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 (CEQA). For projects that are categorically cleared, a Caltrans determination of categorical exemption is acceptable. 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 and/or determination as appropriate of environmental clearance under the National Environmental Policy Act

(NEPA). Exceptions to this policy may be made in instances where federal law allows for the acquisition of right of way prior to completion of NEPA review and the project is not subject to CEQA or compliance with CEQA is achieved.

- j. Each project's phase must be allocated on time consistent with the fiscal year programmed by the Commission. Scheduled fiscal year allocations must be completed no later than June 30th of each year.
- k. Projects using design-build or design-sequencing procurement shall be identified at the time of allocation. If the procurement strategy is changed at a later date, the project shall be amended accordingly. 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 delivery method should be identified at the time of programming. If a Construction Management/General Contractor delivery strategy is determined at a later date, the project shall be amended accordingly. During the design phase, the Construction Management contract costs are considered design phase expenditures. Upon award of the construction contract, the contractor shifts to the General Contractor role, and 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 phase 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.

### **37. Allocation of Right of Way Capital**

Pursuant to Commission Resolution G-19-01, the Commission delegated authority to Caltrans for sub-allocations and/or adjustment authority to streamline and help in the management of right of capital. Annually, Caltrans will present for Commission review and acceptance a Right of Way Capital Plan. Only programmed projects may be included in the Right of Way Capital Plan. The annual right of way capital allocation will not exceed the amount programmed for capital project costs. Unprogrammed right of way commitments such as post-certification costs and inverse condemnation are funded through the right of way capital fund reservation established in the STIP Fund Estimate.

Prior to the approval of the environmental document, Caltrans is restricted from right of way expenditures with exception of the following activities that

may occur during the PA&ED phase:

- Permits to enter
- Environmental permit fees
- Positive location of utilities
- Agreements for Railroad Coordination
- Preliminary title fees

Commitments related to the items listed above are limited to five percent of the overall amount approved in the Fiscal Year Right of Way Capital Plan.

Starting with projects that are programmed with right of way capital for Fiscal Year 2019-20 or later, projects with right of way capital programming of \$10 million or more must receive Commission approval for project level allocations prior to expenditure of funds. If a project that initially falls below this threshold increases to an amount equal to or exceeding the threshold requirement, an individual project allocation will be required. If a project is individually allocated and project development fees are expended prior to environmental clearance, those expenditures will be paid from Caltrans' sub-allocation.

Caltrans will provide the Commission with quarterly status reports on right of way capital plan expenditures. The report shall include a summary, by program, of the funds programmed, allocated, and expended. Changes to the allocation amounts for individual projects must be included in the quarterly report. Any project identified by Caltrans as needing right of way capital after the Commission acceptance of the Right of Way Capital Plan will need to be reported in the quarterly report, including information on how the additional right of way costs will be managed.

## **VII. MANAGEMENT & DELIVERY OF THE SHOPP**

### **38. Scope, Cost, Schedule**

Caltrans is responsible for managing the entire SHOPP portfolio of projects to meet the state's transportation needs and ensuring that each project is delivered within scope, budget, and schedule consistent with the Transportation Asset Management Plan and State Highway System Management Plan.

### **39. Management of Reservation Projects**

Reservations established at Commission SHOPP adoption 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.

**40. Management of Minor Projects**

Pursuant to Commission Resolution G-19-05, 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.

**41. Stewardship**

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 achieved, 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.

**42. Timely Use of Funds for PA&ED, PS&E, and Construction Support Phases**

The following requirements apply to timely use of funds allocated by the Commission for SHOPP PA&ED, PS&E, and Construction support phases:

- a. Funds that are programmed for these support costs are available for allocation only until the end of the fiscal year identified in the SHOPP. Whenever programmed funds are not allocated by this deadline, the project phase lapses and the phase will be deleted from the SHOPP, unless Caltrans requests an allocation time extension that is approved by the Commission before the end of the fiscal year. If the lapsed phase is critical to the delivery of the project, the project is considered a failed project and all unallocated phases will be de-programmed from the SHOPP.
- b. Funds allocated for the PA&ED and PS&E support phases must initiate expenditure within six months of the date of allocation unless the Commission approves a project expenditure time extension. Whenever allocated support funds have not initiated expenditure within six months of the date of allocation, these allocated funds will be rescinded.
- c. After the Commission's allocation for the PA&ED and PS&E phases, Caltrans has up to 36 months to complete the scope of work specific to that project phase. At the time of allocation, the Commission may extend the deadline for completion of work and the expenditure of funds if necessary to accommodate the proposed expenditure plan for the project.
- d. Funds allocated for construction support must initiate expenditure within one month after the award of the contract or these allocated funds will

be rescinded. Caltrans has up to 36 months to complete the scope of work specific to that project phase. At the time of fund allocation, the Commission may extend the deadline for completion of work and the expenditure of funds if necessary to accommodate the proposed expenditure plan for the project. For the purpose of this section, the construction support phase is deemed to end at construction contract acceptance.

- e. Caltrans will provide a report at each Commission meeting on projects which have not started expending allocated support funds within four months of the date of the Commission's allocation.

**43. Timely Use of Funds for Right of Way Support and Capital**

The following requirements apply to timely use of funds allocated by the Commission for SHOPP right of way support and capital costs:

- a. Funds that are programmed for Caltrans' right of way support and capital costs are available for allocation only until the end of the fiscal year identified in the SHOPP. Whenever programmed funds are not allocated by this deadline, the project phase lapses and the phase will be deleted from the SHOPP, unless Caltrans requests an allocation time extension that is approved by the Commission before the end of the fiscal year. If the lapsed phase is critical to the delivery of the project, the project is considered a failed project and all unallocated phases will be de-programmed from the SHOPP.
- b. Funds allocated for right of way support and capital must initiate expenditure within six months of the date of allocation unless the Commission approves a project expenditure time extension. Whenever allocated right of way support or capital funds have not initiated expenditure within six months of the date of allocation these allocated funds will be rescinded.
- c. Right of way activities occur during the design and construction phases. To allow sufficient time for completion of work during these two phases, after the Commission's allocation for right of way support or capital, Caltrans has up to 72 months to complete the scope of work specific to that project phase. This policy applies to right of way support or capital allocations that have occurred beginning with June 2017.
- d. At the time of allocation, the Commission may extend the deadline for completion of work and the expenditure of funds if necessary to accommodate the proposed expenditure plan for the project.
- e. Caltrans will provide a report at each Commission meeting on projects which have not started expending allocated support or capital funds within four months of the date of the Commission's allocation.

#### **44. Timely Use of Funds for Construction Capital**

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

- a. Funds programmed for Caltrans' construction capital costs are available for allocation only until the end of the fiscal year identified in the SHOPP. Whenever programmed funds are not allocated by this deadline, the project is considered a failed project and will be deleted from the SHOPP, unless the Commission approves an allocation time extension before the end of the fiscal year.
- b. Funds allocated for construction capital must be encumbered by the award of a construction contract within six months of the date of allocation unless the Commission approves a contract award time extension. The project 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 expenditure 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 (b) above, all unencumbered or unexpended funds from the allocation will be rescinded for that project.
- e. Caltrans will provide a report at each Commission meeting on projects which have not been awarded within four months of the date of the Commission's allocation.

#### **45. Timely Use of Funds – Extension**

- a. Where a programmed project or project phase 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 phase is not ready for allocation as programmed in the current fiscal year, Caltrans is prohibited from submitting a SHOPP amendment.
- b. The Commission may allow a one-time extension of up to 20-months for unforeseen and extraordinary circumstance beyond the control of Caltrans and only for the period of delay directly attributed to the extraordinary circumstance. Acceptable time extensions are identified as:
  - Allocation Time Extension
  - Project Expenditure Time Extension

- Contract Award Time Extension
  - Completion Time Extension
- c. For right of way support and capital, the Commission may allow a one-time expenditure time extension for an unforeseen and extraordinary circumstance beyond the control of Caltrans and only for the period of delay directly attributed to the extraordinary circumstance.
  - d. Except for the allocation of funds, the request to extend the deadline for any of the above must be received by Commission staff prior to the expiration date. For allocation of funds, the time extension must be approved by the Commission by June 30th of the year the funds are programmed, otherwise the funds will lapse.
  - e. The extension request should describe the specific circumstance that justifies the extension and identifies the delay directly attributable to that circumstance.

## VIII. CHANGE MANAGEMENT

### 46. Introduction

During the project development process, changes to a programmed project might be necessary to update project phases and to realign a project to meet its objectives and goals. Caltrans is responsible for adjusting and managing 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 through project amendments, and supplemental allocations.

- a. Supplemental Allocations. Once allocated, projects that experience increases in capital or support costs above the amounts in the Commission's allocation and above Commission established thresholds shall require a supplemental project allocation. Caltrans shall, for each project requiring a supplemental project allocation, submit a detailed 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. For allocation requests equal to or greater than 120 percent of the programmed amount, Caltrans shall submit a detailed request to the Commission for its approval.
- c. Support. The costs programmed and allocated for Caltrans support is the amount identified and presented to the Commission for allocation. For allocation requests equal to or greater than 120 percent of the programmed amount, Caltrans shall submit a detailed request to the

Commission for its approval.

- d. No adjustments to support or construction capital will be made by Caltrans beyond the authority delegated by Commission Resolution G-19-12.
- e. Changes to project outputs must be approved by the Commission.
- f. The Commission will not amend the SHOPP to change the program year of the funding or the funding amount for any project phase programmed in the current fiscal year 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 types of amendments are adjustments that may be incorporated into the Commission's allocation action.

**47. Managing Within the Commission's Delegated Authority**

Pursuant to the Commission Resolution G-19-12, the Caltrans Director is delegated authority to increase the Commission-approved project phase values within pre-established thresholds.

**48. Changes via Commission Amendment**

Any programmed, unallocated project phase may be updated before the year of delivery of that phase via a Caltrans amendment request. Except for updates necessary at the end of the PA&ED or PS&E phases, only updates for unforeseen and extraordinary circumstances beyond the reasonable control of Caltrans will be considered. A Commission action is needed to amend the project. The Commission encourages Caltrans to implement and recommend procedures that streamline the amendment process and enhance accountability.

**49. Changes to Projects in the SHOPP Document**

Every two years, with the adoption of the new SHOPP document, project components listed in the SHOPP must be updated, consistent with the TAMP, with its most current estimate so long as that component has not received an allocation of funds. Once allocated, the component must be managed by Caltrans consistent with Commission Resolution G-19-12 parameters. Any project component that has expended its allocation plus its G-19-12 authority must receive a supplemental allocation of funds from the Commission. Caltrans is responsible for implementing a change management process to manage and document the SHOPP cycle changes internally. These SHOPP changes must be identified, documented, and finalized by January of each even year.



## **IX. REPORTING & ACCOUNTABILITY**

### **50. SB 1 SHOPP Baseline Agreements**

The Road Repair and Accountability Act of 2017 (Senate Bill 1, Chapter 5, Statutes of 2017) states that “it is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported.” Pursuant to the Commission-adopted SB 1 Accountability and Transparency Guidelines, SHOPP projects that meet certain requirements will be subject to the following: front-end, in-progress, and follow-up accountability requirements. For additional details related to accountability requirements, refer to the Commission’s SB 1 Accountability and Transparency Guidelines.

- a. SB 1 SHOPP Baseline Agreements are required for projects with a total project cost of \$40 million or greater adopted in the 2018 SHOPP and subsequent program amendments and adoptions. This requirement is retroactive to July 1, 2018.
- b. If a project that initially falls below the threshold listed above later increases to an amount equal to or exceeds the threshold requirements, an SB 1 SHOPP Baseline Agreement will be required.
- c. Each Baseline Agreement shall be signed by the District Director, the Department’s Director, and the Commission’s Executive Director.
- d. The Department shall request the Commission to approve all SB 1 SHOPP Baseline Agreements at a regular Commission meeting, within two meetings after a project has achieved the PA&ED milestone.
- e. SB 1 SHOPP Baseline Agreements will not be required for SHOPP Emergency Response projects that are necessary to respond promptly to damages to the state highway system caused by floods, slides, earthquakes, fires, and other significant events.

### **51. 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 Transportation Asset Management Plan and 2027 targets set forth in SB 1. Caltrans will provide the Commission with quarterly status reports on its project delivery by November 15, February 15, May 15, and August 15 of each fiscal year. The report shall include:

- a. A list of completed projects by phase showing planned and actual project outputs 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.

**52. Report on Completed SHOPP Projects**

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 SHOPP projects. Caltrans shall report to the Commission on the approved capital and support budgets compared to expenditures at construction contract 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 SHOPP.

**53. Efficiencies**

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

**54. Accountability Reporting**

Pursuant to Streets and Highways Code section 2032.5(a), the following accountability and evaluation reporting procedures will be followed:

- 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, and the estimated useful life of the project's primary output.
- b. Caltrans shall report quarterly and more often as requested by the Commission on the progress it has made in achieving the performance measures, outcomes, benefits, goals and overall 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.

## X. APPENDICES

### 55. Appendix A: Index of Acronyms

CEQA .....	California Environmental Quality Act (State)
CTIPS .....	California Transportation Improvement Program System
FSTIP .....	Federal Statewide Transportation Improvement Program
FTIP .....	Federal Transportation Improvement Program
GARVEE...	Grant Anticipation Revenue Vehicle
NEPA .....	National Environmental Policy Act (Federal)
PA&ED .....	Project Approval and Environmental Document
PS&E .....	Plans, Specifications, and Estimate
RTL .....	Ready to List
SB .....	Senate Bill
SHOPP .....	State Highway Operation and Protection Program
STIP .....	State Transportation Improvement Program
TAMP .....	Transportation Asset Management Plan

**56. Appendix B: Statutory References**

The 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, (Beall, Chapter 5, Statutes of 2017);
- f. Commission Resolutions including, but not limited to: G-00-13, G-19-01, G-19-05, G-06-13, G-11-16, and G-19-12.
- 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.

**57. Appendix C: Commission Resolution G-00-13**

**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.

**58. Appendix D: Commission Resolution G-19-01**

**CALIFORNIA TRANSPORTATION COMMISSION**

**Delegation of Authority to the Department of Transportation for Sub-allocation and Adjustment of Right-of-Way Projects Programmed in the STIP and SHOPP**

**RESOLUTION G-19-01  
Amending Resolution G-01-09**

- 1.1 WHEREAS, the California Transportation Commission (Commission), pursuant to Government Code Sections 7 and 14512, may request that the California Department of Transportation (Department) perform such work as the Commission deems necessary to carry out its duties and responsibilities; and
- 1.2 WHEREAS, the Commission, pursuant to Government Code Section 14533, is authorized to allocate funds for transportation projects programmed in the State Transportation Improvement Program (STIP), and the State Highway Operation and Protection Program (SHOPP); and
- 1.3 WHEREAS, frequent adjustment of allotments are necessary to allow for orderly acquisition, relocation and clearance of right-of-way thereby accomplishing the Right-of-Way Capital Plan in the most effective and efficient manner as well as meeting construction schedules; and
- 1.4 WHEREAS, funds can only be allocated for acquisitions when such acquisitions comply with environmental laws; 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 annually (in June) the Department will present its Right-of-Way Capital Plan for the upcoming fiscal year to the Commission for review and acceptance. The plan will be supported by a project list that at a minimum will include the following information:
  1. Project description and identification of source programming document.
  2. Caltrans district, county, route, and post mile.
  3. Caltrans Expenditure Authorization number and Planning Programming Number.
  4. Planned right-of-way expenditure for the project included in the Right-of-Way Capital Plan for the upcoming fiscal year.

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5. Total programmed right-of-way capital for the project.
  6. Total right-of-way capital expenditures to date.
  7. Fiscal year of programming for right-of-way capital.
- 2.2 BE IT FURTHER RESOLVED, that the Commission will make a yearly allocation for the total Right-of-Way Capital Plan (without project level allocations), and must approve any revisions to the total allocation required during the year; and
- 2.3 BE IT FURTHER RESOLVED, that the Director of the Department (Director) is hereby authorized to sub-allocate and adjust funds to individual projects for the acquisition of right-of-way, relocation of utilities, and other necessary related right-of-way activities; and
- 2.4 BE IT FURTHER RESOLVED, that notwithstanding the above limitations, the Director is authorized to allot funds for acquisition of hardship and protection parcels when, in his/her opinion, circumstances warrant such acquisitions; and
- 2.5 BE IT FURTHER RESOLVED, that prior to the approval of the environmental document, Caltrans is restricted from right-of-way expenditures with exception of the following activities that may occur during the Project Approval and Environmental Document phase:
1. Permits to Enter
  2. Environmental permit fees
  3. Positive location of utilities
  4. Agreements for Railroad Coordination
  5. Preliminary title fees
- 2.6 BE IT FURTHER RESOLVED, that commitments for projects during the Project Approval and Environmental Document phase related to the items listed above are limited to five percent of the overall amount approved in the fiscal year Right-of-Way Capital Plan.
- 2.7 BE IT FURTHER RESOLVED, that the Department will report quarterly on right-of-way expenditures in the context of the Right-of-Way Capital Plan, including expenditures and significant advancement or delay of right-of-way acquisition for large parcels (\$2 million or more in right-of-way capital) included in the Right-of-Way Capital Plan. The report shall include a summary, by

program, of the funds programmed, allocated or sub-allocated, and expended;  
and

- 2.8 BE IT FURTHER RESOLVED, that changes to the sub-allocation amounts for individual projects must be included in the quarterly report; and
- 2.9 BE IT FURTHER RESOLVED, that any project identified by the Department as needing right-of-way capital after the Commission acceptance of the Right-of-Way Capital Plan will be reported in the quarterly report; and
- 2.10 BE IT FURTHER RESOLVED, that for any project with significant right-of-way acquisition delay the Department will include a statement of impact to the delivery of the construction phase of the project; and
- 2.11 BE IT FURTHER RESOLVED, that annually after the conclusion of the budget year, based on the Department's official book closing statement, the Department will report the actual Right-of-Way Capital Program level encumbrance status compared to the allocated amounts; and
- 2.12 BE IT FURTHER RESOLVED, that projects programmed with right-of-way capital for Fiscal Year 2019-20 or later with right-of-way capital of \$10 million or more must receive Commission approval for project level allocations prior to expenditure of funds, with the exception of expenditures related to activities identified in section 2.5 above. If a project that initially falls below this threshold increases to an amount equal to or exceeding the threshold requirement, an individual project allocation will be required.
- 2.13 THEREFORE BE IT FURTHER RESOLVED, that this resolution supersedes and replaces Resolution #G-01-09.

**59. Appendix E: Commission Resolution G-19-05**

**CALIFORNIA TRANSPORTATION COMMISSION**

**Delegation of Authority to the Department of Transportation for Sub-allocation  
and Adjustment of the SHOPP Minor Program**

**RESOLUTION G-19-05  
Amending Resolution G-05-16**

- 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 California 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 State Highway Operation and Protection Program (SHOPP) Minor 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 \$1,250,000 for construction capital.
  - C. Annually, the Department will present for Commission review and acceptance a SHOPP Minor Program. The Department's SHOPP Minor Program can be smaller than the STIP Fund Estimate minor construction reservation but in no event can it be larger.

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- D. The SHOPP Minor 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 number.
  4. Project outputs.
  5. Estimated day labor expenditure.
  6. Estimated right-of-way expenditure.
  7. Estimated support expenditure.
  8. Estimated construction capital expenditure.
- E. The SHOPP Minor Program will identify a total estimate for right-of-way, construction and support expenditures for Minor B projects.
- F. The SHOPP Minor Program will contain the following total information:
1. A total program sum for right-of-way capital 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 capital expenditure.
  3. A total program sum for support expenditure.
  4. A total program sum for day labor.
- G. The Commission will annually allocate to the Department the total estimate needed for the SHOPP Minor Program.
- H. The Director of the California Department of Transportation (Director) is authorized to sub-allocate the SHOPP Minor 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. Pursuant to the Commission Resolution G-19-12, the Director is delegated authority to increase individual project construction

allocations to allow the advertisement, award and completion of contracts within pre-established thresholds.

- J. Any adjustments that exceed Commission established thresholds must be allocated by the Commission and do not establish a new funding capacity adjustment base for the project. All subsequent increases to the allocation must be presented to the Commission for approval.
- 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 SHOPP Minor Program is reserved only for small SHOPP projects that are consistent with the Commission adopted Transportation Asset Management Plan. The Commission will not allocate funds from the SHOPP Minor Program for enhancements, mitigation, or cost increases for STIP projects. The following additional procedures shall apply to SHOPP Minor Program projects:
  - 1. When funds required to complete a Minor A project are greater than authorized, 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. The State Contract Act 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 State Contract Act 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.
  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 number.
  4. Project outputs.
  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 SHOPP Minor Program allocation and against the STIP Fund Estimate minor construction reservation.

**60. Appendix F: Commission Resolution G-06-13**

**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)



**61. Appendix G: Commission Resolution G-11-16**

**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.

**62. Appendix H: Commission Resolution G-19-12**

**CALIFORNIA TRANSPORTATION COMMISSION**

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

**RESOLUTION G-19-12  
Replacing Resolution G-16-12**

- 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 the California Department 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, #G-09-12, and #G-16-12; 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 (DeSaulnier, 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 allocations and project support allocations by the Commission for State Transportation Improvement Program (STIP), SHOPP, and SHOPP Minor projects:
  - A. The Director is authorized to increase individual project construction capital 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 capital 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 capital 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 capital 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 capital provided that the adjustment does not exceed the estimated construction capital expenditure by more than \$200,000.
  5. For SHOPP Minor B projects, the Director may adjust the funds sub-allocated for construction capital provided that the adjustment does not exceed 110 percent of the Minor B project limit defined as 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, project output 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 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. The project listing shall include the following information for each project: project identifiers (Planning Programming Number, Expenditure Authorization number, and Enterprise Resource Planning Financial Infra-Structure number), 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.
  3. The Director shall provide a summary of the capital outlay allocation changes on a quarterly basis with the Department's Quarterly Delivery Report.
- E. 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 188.8(d)(3), as first authorized by AB 608 (Chapter 815, Statutes of 2001). The Commission must approve any further adjustments.

- F. The Director is authorized to increase Commission approved STIP and SHOPP project support component values; environmental studies and permits, preparation of plans, specifications, and estimates, 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 over expenditure of funds 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 over expenditure of funds 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 a summary of project support component increases on a quarterly basis with the Department's Quarterly Delivery Report. Additionally, all project support component changes (both increases and decreases) shall be reported to the Commission Executive Director on a monthly basis using reporting consistent with sections D.1 and D.2 above.
- G. The Director is authorized to increase Commission approved STIP and/or SHOPP right of way capital allocations for projects programmed with right of way capital for Fiscal Year 2019-20 or



later with right of way capital of \$10 million or more that received an individual allocation within the following limits:

1. The Director may adjust individual allocations, provided the adjustment is undertaken prior to over expenditure of funds and does not increase the total Commission approved right of way capital value by more than \$200,000 plus 10 percent of the Commission approved value.
2. The basis for calculating the adjustment authority limits is the cost in the most recent Commission adopted programming document as amended by Commission action.
3. 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.
4. The Director will review all allocation adjustment requests for appropriateness and need prior to approval.
5. The Director shall report a summary of project right of way capital increases on a quarterly basis with the Department's Quarterly Delivery Report. Additionally, all changes (both increases and decreases) shall be reported to the Commission Executive Director on a monthly basis using reporting consistent with sections D.1 and D.2 above.

2.2 THEREFORE BE IT FURTHER RESOLVED, that this resolution superseded and replaces Resolution #G-16-12 and serves as a complete restatement of Resolution #G-12.