

## Memorandum

To: MICHAEL B. JOHNSON  
State Asset Manager

Date: June 1, 2015

From: BRUCE DE TERRA  
Acting Chief  
Division of Transportation Programming



Subject: **IMPLEMENTATION OF LONG LEAD PROJECTS IN 2016 SHOPP**

The purpose of this memorandum is to provide instructions, guidance, and timeframes for implementation of Long Lead projects in the 2016 State Highway Operations and Protection Program (SHOPP) development process as approved by the Department of Transportation's (Caltrans) SHOPP Executive Committee.

The Division of Transportation Programming, in concert with the State Asset Manager has established the following steps to assure effective and judicial use of the long lead tool.

- Projects must have a completed Project Initiation Document (PID), included in the SHOPP Tool, and must be in the PID workplan
- The project must fit within the constrained funding within the SHOPP programming cycle.
- Districts will use request form to document commitment to scope, cost, and schedule.
- Prior to submittal, district must confer with the appropriate HQ Program Advisor to seek concurrence on the proposed capital improvement.
- District will present the proposed improvement for concurrence at the SHOPP Division Chief meeting and for approval at the SHOPP Executive Committee. Executive committee meetings are scheduled for July 15, 2015, October 28, 2015, and January 27, 2016.
- Submittal of the Proposed Long Lead project is due to HQ Transportation Programming a minimum of two weeks prior to the SHOPP Division Chief meetings.
- Caltrans approval authority is the chair of the SHOPP Executive Committee. At the SHOPP Executive Committee, projects will be presented by District proponent with comments and recommendation from the Division Chief.
- Upon approval by the SHOPP Executive Committee, the Division of Transportation Programming will include the request form into the 2016 SHOPP.
- Project Delivery will subsequently include the project in quarterly delivery video conferences to review delivery progress.
- Changes to the approved Long Lead project must go through the Project Change Request process.

Attachments: (1) SHOPP Decision Document (2) Long Lead Request Form

**SHOPP DECISION DOCUMENT 2015-2**  
Adoption of Long Lead Procedures

**Background:** The California Transportation Commission (CTC) resolution G-13 established in June of 2000 provides the Department with a authority to program State Highway Operation and Protection Program (SHOPP) projects without construction capital when the Department is working on projects that require periods longer than the four year SHOPP time frame to develop. The CTC further authorized the Department to program projects for development only, when appropriate, thus building a queue of priority projects without financial commitment.

**Problem Statement:** The existing policies pertaining to the Resolution G-13 (Long Lead) qualification criteria and project expectations need to be clearly defined to use this authority effectively.

**Recommendation:** Adopt the attached procedures related to the qualification and expectations of projects programmed under provision of resolution G-13.

**Fiscal Impact:** Minimal. The total SHOPP expenditures will remain unchanged, however the allocation of SHOPP resources between project development and capital construction will be separated in time for projects utilizing G-13 authority. The total cost of projects shall still be reflected in the fiscally constrained Ten Year SHOPP Plan.

**Organizational Impact:** None

**Policy Impact:** This Decision Document will establish SHOPP G-13 (Long Lead) Procedures that will govern future use of the G-13 authority in the SHOPP.

**Risks:** See the attached procedures.

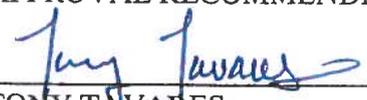
**Proposed Implementation Schedule:** The new procedures will be phased in for all new G-13 programming.

**Contact Person:** Michael B. Johnson

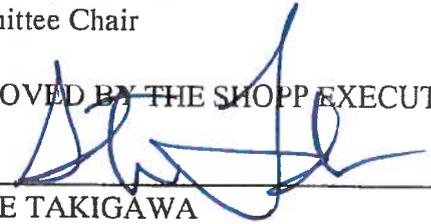
SUBMITTED BY THE SHOPP MANAGERS COMMITTEE:

  
MICHAEL B. JOHNSON  
Committee Chair

APPROVAL RECOMMENDED BY THE SHOPP DIVISION CHIEF COMMITTEE:

  
TONY TAVARES  
Committee Chair

APPROVED BY THE SHOPP EXECUTIVE COMMITTEE:

  
STEVE TAKIGAWA  
Committee Chair

## SHOPP Long Lead Procedures

### Background

The California Transportation Commission (CTC) resolution G-13 was established in June of 2000 to provide the Department with a means to develop State Highway Operation and Protection Program (SHOPP) projects that require periods longer than the four year SHOPP time frame to develop. The CTC further authorized the Department to program projects for development only, when appropriate, thus building a queue of priority projects without financial commitment.

The following procedures are established to guide the department in the selection and management of projects programmed with support only under the provisions of Resolution G-13 (Long Lead Projects).

### Project Eligibility

Caltrans is responsible for delivery of projects to improve the operation of and to protect the reliability of the State Highway System. Some projects identified in the SHOPP are of significant complexity such that the development period for the project exceeds the four years of the SHOPP programming document. In these cases, utilizing the authority granted under CTC resolution G-13 (Long Lead Programming) may be appropriate.

Analysis of the delivery time frames for historical projects in the SHOPP has identified a number of scenarios that commonly require development periods greater than four years. The following situations are examples where Long Lead Programming may be justified:

#### Environmental Risks

- Projects requiring an EIR/EIS or ND/FONSI environmental documents - Projects requiring more complex environmental documents have historically taken more than four years to develop the project. In extreme cases these documents may take eight or more years to develop.
- Projects with coastal zone permit requirements - Projects that require a Coastal Zone Permit **AND** that have significant modification to existing infrastructure (bridge replacements, roadway widening or realignments) or have significant aesthetic or visual alterations have historically taken more than four years to acquire approval.
- Projects that require other permits that are expected to take significantly long periods of time to obtain; thus causing the project delivery time period to exceed four years. Some common examples are Fish and Game 1600 and 401/ 404 Clean Water Act permits in sensitive areas.
- Projects on designated historic infrastructure - Projects that are proposing to alter or replace designated historic infrastructure will typically take additional time to gain necessary permits.

- Projects subject to significant public controversy that can reasonably be expected to delay the selection of a preferred design alternative.

#### **Right of Way Risks**

- Projects involving complex railroad coordination - Construction access and land purchase from railroad owners can be time consuming.
- Projects involving condemnation of property - The condemnation process can cause project delays in acquiring right of way if opposed.
- Projects involving property purchases from multiple parties - Acquiring land from numerous land owners or difficult land owners can delay right of way completion.

#### **Funding Risks**

- Projects involving multiple funding sources - Projects utilizing a mix of funding sources have increased risk that a portion of the funding will not materialize in the programmed SHOPP year.
  - Split funded projects must have a written financial commitment to the project prior to programming.
  - Projects with local funding components should have a signed cooperative agreement or local agency resolution prior to programming.
  - In both cases the funding commitment should have provisions to handle cost increases and potential schedule changes.

#### **Other Risks**

- Projects involving any other risk(s) that could potentially extend the project delivery process beyond four years.

#### **Headquarters Program Concurrence**

In addition to meeting one or more of the criteria listed above, the Headquarters Program Manager must also concur that the project need is justified and appropriate for long lead programming.

### **Coordination with SHOPP Ten Year Plan**

Utilization of the G-13 Authority for projects does not relieve the requirement that the project components (PA&ED, Right of Way, Design and Construction) must be fully defined within the established fiscally constrained Ten Year SHOPP Plan targets. Within the fiscally constrained Ten Year Plan, the development costs and construction capital will be reported in the appropriate years within the plan. Proposed Long Lead projects must be able to complete the entire project cycle within the ten year period of the plan unless an extension is granted. Changes in cost estimates encountered during development shall be reflected in the Ten Year Plan and noticed using the Project Change Request process as soon as they are known.

The total value of Long Lead projects proposed under these procedures will be constrained by the Fiscally Constrained Ten Year Plan annual targets established for each district along with the general qualification criteria included within these procedures.

### Initiating A Long Lead Project

An appropriate scoping document shall be used to initiate a Long Lead project. The Project Development Procedures Manual provides examples of a Project Summary Report - Project Development Support (PSR-PDS) tailored to initiate a Long Lead project. Alternatively, a modified Project Initiation Report (PIR) could be utilized to initiate a Long Lead project. Regardless of the initiation document selected, a detailed schedule of early milestones as defined herein and risk management plan shall be included in the PID. Additionally, the proposed Ready To List (RTL) fiscal year shall be defined for the project.

### Utilization of Federal Funding for Long Lead Projects

Caltrans strives to maximize our use of available federal funding. Accordingly, Long Lead projects should be developed and constructed using federal funding if eligible. Programming a project with federal funds introduces constraints on the required programming and timeline that must be considered.

Federal funding of projects requires listing in the FTIP. For long lead projects, the support will be in the current or proposed FTIP and the construction will be outside the FTIP cycle. Long lead programming requests must include the estimated construction cost and the estimated construction year in order to meet the constrained program requirement of the federal government. As the project is developed through PA&ED, the construction cost and schedule can be changed prior to authorizing the construction portion of the project.

#### **Federal Funding Risk**

For projects that utilize federal funding, the (RTL) date must be achieved within a ten year period, unless an extension is granted, or the federal funds expended to date must be repaid. The repayment of expended federal funds is required to come from state funding sources. If repayment of federal funding becomes necessary for any reason, the Executive SHOPP Committee will approve the source of the funds needed for repayment.

The Federal Highway Administration (FHWA) should be engaged jointly by the District and HQ Program for any project that is expected to take more than 10 years to reach RTL from inception. A waiver of the 10 year requirement to reach RTL should be requested from inception. If the requested waiver is not approved by the FHWA, the decision to proceed with the project using state only funding sources shall be approved by the Executive SHOPP Committee.

### Right of Way Resources

For Long Lead projects to progress efficiently, some level of right of way funding must be programmed prior to PA&ED. The Right of Way resources programmed shall be limited to preliminary right of way and engineering tasks defined in the Right of Way Manual:

- Ordering title reports

- Preparing base and appraisal maps
- Conducting project-wide comparable sales searches
- Securing permits to enter and/or construct
- Updating of Right of Way data sheet
- Coordinating the identification of existing utilities and reviewing relocation plans
- Preparing the Report of Investigation, Notice to Owner and Utility Agreement for preliminary engineering

Progressing beyond the preliminary engineering tasks may jeopardize federal funding for the overall project

### Managing the Progress of a Long Lead Project

Long Lead projects require special attention to ensure that adequate project delivery progress is made in the early stages of the project. The following deliverables and milestones shall be used to track the progress of all Long Lead projects. Progress will be reported and discussed at the quarterly Project Delivery meetings.

Deliverables	Task Number	Start Date	Finish Date
Environmental Study Request	160.30		
Base Maps and Plan Sheets for PA&ED Development	160.45		
Draft Environmental Document	165.25		
DED Circulation*	175.05		
Project Preferred Alternative	175.20		
Final Environmental Document	180.10		

Milestones	Milestone No.	Date
Begin Environmental	M020	
Notice of Preparation (EIR, ND & FONSI only)	M030	
Notice of Intent (EIR, ND & FONSI only)	M035	
Circulate DPR and DED Internally in District*	M060	
Circulate DPR and DED Externally*	M120	
Approve FED*	M160	
PA&ED	M200	

\* - Schedules to be defined if deliverable or milestones is required for the project.

Projects identified for Long Lead programming must clearly identify the delivery challenge(s) that are requiring the additional time beyond the typical four years to complete. Once the delivery risk(s) are defined, the project shall not be programmed for construction capital until the identified risk(s) have been mitigated and the project is deliverable within the SHOPP program cycle.

Projects programmed utilizing G-13 Authority that fail to progress in accordance with the detailed early deliverables and milestones will require Project Change Request(PCR's) to adjust the schedule and/or resources. Every Long Lead PCR will be approved by the Executive PCR Committee. Long Lead projects that fail to progress as determined by the Executive PCR Committee shall be removed from future Long Lead listing unless an acceptable mitigation plan is approved by the HQ Program Manager and Executive PCR

Committee. Project removed from Long Lead listing may be subject to repayment of federal funds expended.

## Long Lead Roles and Responsibilities

### District Directors

- Review and approve all requests for long lead programming.
- Understand Federal funding repayment provisions contained within this procedure.
- Monitor the progress of long lead projects using the defined early milestones and deliverables as well as global milestones to ensure adequate progress.

### District Environmental and Right of Way Deputy Directors

- Review long lead programming requests and provide concurrence with the reported project delivery risk(s) identified in the project initiation document.

### District Ten Year SHOPP Managers

- Ensure that long lead projects are properly reflected in the districts and departments fiscally constrained 10 year plan.

### District Single Focal Points & Project Managers

- Identify appropriate project delivery risks as outlined within and propose long lead programming when appropriate.
- Ensure that programmed long lead projects are adequately resourced and prioritized to ensure that the projects progress.
- Monitor the progress of long lead projects during quarterly project status meetings using the detailed early milestones as well as more global project milestones.
- Update costs within the Ten Year Plan using the Project Change Request process as soon as cost changes (either up or down) are discovered.

### Headquarters Program Managers

- Review proposed long lead requests for consistency with the fiscally constrained SHOPP plan and provide concurrence with the identified project delivery risks and their respective mitigation strategies.

### Headquarters Programming

- Review the amendment request for consistency with the Fiscally Constrained 10 Year Plan, PID and these Long Lead procedures.
- Program the project support in the appropriate SHOPP document.

### Headquarters Project Management

- Monitor the progress of long lead projects during quarterly project status meetings using the detailed early milestones as well as more global project milestones.
- Notify the Program Managers and Programming of projects that are failing to meet defined delivery milestones on a quarterly basis.



# SHOPP Long Lead Request Form

SHOPPCPR: Ver 3 11/14  
 Submittal Date

Division of Transportation Programming  
 State Highway Operation and Protection Program (SHOPP)

Project Manager   
 Phone

Dist	County	Route	Prefix	PM	Prefix	PM	EA	PPNO	Project ID
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Performance Measure			Project in 10yr SHOPP Plan		Project in PID Work Plan		PID Approval Date *	K-Phase Expenditures (\$1,000)	HQ Program Advisor Concur with Programming
Program Code	Num	Unit Type	Y/N	Y/N					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Includes Multiple Locations (Complete Page 3 of this Form)

Must be mm/dd/yyyy

Must be mm/dd/yyyy

**Task and Milestones MUST be entered on Page 2 under Attachment**

MPO:

Project Location/Description (Include the nearest city, town or landmark)

Significant delivery risk. Type of risk:  Anticipated Date of Resolution:

Need for project and proposed improvements (Elaborate using PID language)

Capital (\$1,000) (Escalated to FY of Programming)		Support (\$1,000)		Legislative District Numbers (Separate multiple Districts with a comma)	
	FY	Cost	FY	Cost	
R/W	<input type="text"/>	<input type="text"/>	PA & ED	<input type="text"/>	State Assembly <input type="text"/>
Construction	<input type="text"/>	<input type="text"/>	PS & E	<input type="text"/>	State Senate <input type="text"/>
			R/W	<input type="text"/>	Congressional <input type="text"/>
			Construction	<input type="text"/>	
Total Capital		\$0	Total Support		
				\$0	

Approved  Denied \* Risk Management Plan must be attached.

CAPITAL CONSTRUCTION COST ESCALATION RATE

District SFP (Print)	<input type="text"/>	District SFP (Sign)	<input type="text"/>	Phone	<input type="text"/>
District Director (Print)	<input type="text"/>	District Director (Sign)	<input type="text"/>	Phone	<input type="text"/>
SHOPP Exec. (Print)	<input type="text"/>	SHOPP Exec. (Sign)	<input type="text"/>	Phone	<input type="text"/>

\* Email a Scanned copy of the signed SHOPP Long Lead Request form, Risk Mgmt Plan and approved PID to: [SHOPP\\_Amendment\\_Requests@dot.ca.gov](mailto:SHOPP_Amendment_Requests@dot.ca.gov)

# SHOPP Long Lead Request Form Attachment

EA: \_\_\_\_\_ PPNO: \_\_\_\_\_  
 EFIS: \_\_\_\_\_

## Task and Milestones to be Tracked for SHOPP Contingency Projects

Task Name	Task Number	Start Date	Finish Date
Environmental Study Request	160.30	<input type="text"/>	<input type="text"/>
Base Maps and Plan Sheets for PA&ED Development	160.45	<input type="text"/>	<input type="text"/>
Draft Environmental Document	165.25	<input type="text"/>	<input type="text"/>
DED Circulation	175.05	<input type="text"/>	<input type="text"/>
Project Preferred Alternative	175.20	<input type="text"/>	<input type="text"/>
Final Environmental Document	180.10	<input type="text"/>	<input type="text"/>

Task Name	Milestone No.	Date
Begin Environmental	M020	<input type="text"/>
Notice of Preparation (EIR, ND / FONSI)	M030	<input type="text"/>
Notice of Intent (EIR, ND / FONSI)	M035	<input type="text"/>
Circulate DPR and DED Internally in District	M060	<input type="text"/>
Circulate DPR and DED Externally	M120	<input type="text"/>
Approved FED	M160	<input type="text"/>
PA&ED	M200	<input type="text"/>
PS&E	M380	<input type="text"/>
R/W Cert	M410	<input type="text"/>
RTL	M460	<input type="text"/>
CCA	M600	<input type="text"/>
End Project	M800	<input type="text"/>



**SHOPP LONG LEAD REQUEST ROUTING AND APPROVAL RECOMMENDATION**

Dist-EA:

Date:

Co-Rte-PM:

Program Code: 20.10.201.\_\_\_\_

Project Description:

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**(1) PROGRAM (check one):**  Safety  Mandates  Emergency  Bridge  
 Roadway  Mobility  Roadside  Facility

HQ Program Advisor (print name):

Initial: \_\_\_\_\_

Approval Recommended

Comments:

Date: \_\_\_\_\_

Not Recommended

HQ Division Chief: (print name):

Initial: \_\_\_\_\_

Approval Recommended

Date: \_\_\_\_\_

Not Recommended

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**(2) PROJECT DELIVERY**

Division Chief Project Mgmt (print name):

Initial: \_\_\_\_\_

Approval Recommended

Comments:

Date: \_\_\_\_\_

Not Recommended

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**(3) PROGRAMMING**

Division Chief Trans Prog: (print name):

Initial: \_\_\_\_\_

Approval Recommended

Comments:

Date: \_\_\_\_\_

Not Recommended

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**(4) EXECUTIVE SHOPP**

Asset Manager: **Michael Johnson**

Initial: \_\_\_\_\_

Approval Recommended

Comments:

Date: \_\_\_\_\_

Not Recommended

Executive SHOPP: **Steve Takigawa** Signature: \_\_\_\_\_

Approved

Date: \_\_\_\_\_

Returned to District

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Attachment: SHOPP Long Lead Request Form & Project Initiation Document (PID)