

Memorandum of Understanding
Between State of California Department of Transportation
and
Lassen County Regional Transportation Planning Agency
Regarding Project Delivery of Regional Improvement Program Projects on State Highways
May 8, 2000

This Memorandum of Understanding (MOU) is entered into between Lassen County Regional Transportation Planning Agency and the California Department of Transportation, District 2, hereinafter referred to as Caltrans. By Chapter 622 of Statutes, Regular Session 1997, (enacted by Senate Bill 45, hereinafter referred to as the Transportation Funding Act or TFA), the Legislature has enacted a new arrangement for the programming of federal and state funds available for surface transportation purposes in this state. As a result, Lassen County Regional Transportation Planning Agency and Caltrans have an expanded partnership with mutual responsibilities for the delivery of state highway projects programmed with Regional Improvement Program (RIP) funds in the State Transportation Improvement Program (STIP). The purpose of this MOU is to provide an initial understanding of each of the parties responsibilities for the delivery of RIP state highway projects in light of this expanded partnership.

This document establishes no obligation, nor contractual duty, on either party, nor does it contain any exchange of promises. Should RIP state highway projects programmed in the STIP have funding in addition to the STIP funding, a cooperative agreement will be required to legally document the financial and delivery responsibilities of the various parties involved.

This MOU is supplementary to and does not replace or supersede in any manner the MOU for transportation planning in existence between Caltrans and the Regional Transportation Planning Agency.

Section 1. Project Delivery Partnership

1.1 Partnership

Lassen County Regional Transportation Planning Agency and Caltrans are partners in the timely implementation of RIP state highway projects as they are incorporated into the STIP. As partners, it is the intent that both agencies should have participated cooperatively in the development of Project Study Reports (PSR's), identifying the original quality standards, scope, cost, and schedule of all RIP state highway projects prior to programming in the STIP. Subsequent to programming, the partnership continues with mutual responsibilities for project delivery decisions and in addressing changes that may occur as the delivery of RIP state highway projects proceeds.

Section 2. Lassen County Regional Transportation Planning Agency Responsibilities

2.1 Lassen County Regional Transportation Planning Agency Responsibilities

Lassen County Regional Transportation Planning Agency will be responsible for programming and monitoring STIP project support and capital costs consistent with TFA provisions and California Transportation Commission guidelines based on project scope, cost, and schedule information agreed to between Lassen County Regional Transportation Planning Agency and Caltrans.

2.2 Program Manager

Lassen County Regional Transportation Planning Agency will identify a manager for its RIP program, hereafter referred to as the RIP Program Manager. The duties and responsibilities will be established by Lassen County Regional Transportation Planning Agency. The RIP Program Manager should fulfill the following roles:

- Is the primary point of contact and works closely with Caltrans Project Managers to facilitate RIP project delivery.
- Participates in the development of the project management plan for each project.
- Participates on the Caltrans RIP project team.
- Receives and reviews periodic reports on project delivery status and be in a position to share program status information with Lassen County Regional Transportation Planning Agency.
- Monitors the expenditures of RIP support and capital funds for comparison against programmed funding.
- Is involved in key project decisions that are consistent with or cause change to the project quality, scope, support and capital costs, and schedule.
- Works cooperatively with the Caltrans District/Region Division Chief of Program/Project Management regarding program management issues.
- Provides feedback to the Caltrans District/Region Division Chief of Program/Project Management on the performance of Caltrans Project Managers and project teams to assist in continuous improvement efforts.
- Provides timely response on decisions where authority has been delegated to the RIP Program Manager and, on those not delegated, procures timely decisions from the appropriate Lassen County Regional Transportation Planning Agency authority.

Section 3. Caltrans' Responsibilities

3.1 Caltrans Responsibilities

Except as otherwise provided in a specific project cooperative agreement, Caltrans, with input from Lassen County Regional Transportation Planning Agency is the organization responsible for procuring internal and external resources to perform preliminary engineering, environmental studies, design, right of way acquisition, and construction

administration activities for RIP projects on the state highway system. Should RIP state highway projects programmed in the STIP have funding in addition to the STIP funding, a cooperative agreement will be required to legally document the project delivery responsibilities of the various parties involved.

Except as otherwise provided in a specific project cooperative agreement or as required by State and Federal law, Caltrans will serve as the lead agency for preparation of preliminary engineering and environmental studies for state highway projects in the RIP. Caltrans will pursue federal (NEPA) environmental approval unless Lassen County Regional Transportation Planning Agency has secured Caltrans and California Transportation Commission (CTC) approval in programming a project entirely with "state-only" (non-federal) funding, whereby a CEQA-only environmental approval could be pursued. "State-only" funding approval for state highway projects is expected to be the exception rather than the rule. Caltrans will prepare, or cause to be prepared, engineering reports and related documents required for a project decision and environmental approval of the preferred project alternative.

Caltrans will accept responsibility for reimbursement of any monies for any problems that may arise with audits for the project.

3.2 Caltrans Project Manager

Caltrans will assign a Project Manager for each RIP project on the state highway system. The Project Manager is responsible for managing the delivery of a project through its entire life to meet or improve upon overall quality, scope, schedule and cost commitments. The Project Manager will:

- Be the project advocate.
- Identify the needs and expectations of the project customer and other stakeholders.
- Lead the efforts to develop a project management plan.
- Coordinate efforts of the project team in executing the project management plan.
- Monitor project performance and progress.
- Control and manage change to a project.
- Lead efforts to resolve problems, issues, or conflicts that compromise project quality, scope, cost or schedule.
- Be the single point of contact for the project on matters involving overall quality, scope, cost or schedule.
- Communicate sensitive issues to Caltrans management and the RIP Program Manager.
- Evaluate customer satisfaction and provide continuous improvement feedback to the project team.
- Provide timely response on issues and decisions where authority has been delegated to the Project Manager and, on those not delegated, procure timely decisions from the appropriate Caltrans authority.

The Caltrans Project Manager for each RIP state highway project will provide information to the Lassen County Regional Transportation Planning RIP Program Manager which identifies project delivery progress with reference to the approved project schedule and compares project support and capital expenditures to programmed costs on a biannual basis, unless the individual project management plan specifies a different reporting requirement. This provision applies to formal reporting of project delivery progress only. It is not intended to limit any other interaction between the Caltrans Project Manager and the Lassen County Regional Transportation Planning Agency RIP Program Manager necessary to accomplish the subject project.

Section 4. Standard Procedures

4.1 Project Delivery Standards

RIP projects on the state highway system will be developed, designed and constructed in accordance with State and Federal (if applicable) standards, policies, guidelines and practices.

RIP funds programmed for state highway projects will include identification of the project capital costs, plus the project support costs as required by CTC guidelines. These include environmental, right of way, engineering, and construction management efforts needed to develop and construct the highway project and also may include, but are not limited to, associated activities such as required replacement planting projects that may be constructed concurrently, hazardous waste remediation, monitoring ongoing environmental mitigation measures, ongoing plant establishment and/or habitat management, right of way condemnation and monumentation activities, and construction claim and arbitration activities. Caltrans project support costs that are programmed will include:

- direct project labor, composed of salaries and fringe benefits.
- a functional overhead cost assessment in addition to the direct labor costs.
- direct operating expenses for items such as travel, equipment, and other project direct general operating costs.

While multi-year estimates of project support and capital resources are programmed in the STIP, the parties recognize that the actual allocation of these resources on an annual basis are subject to the annual statewide budget process. The RIP capital funding has specific dates for project completion that should be adhered to, otherwise funding may not be available.

All RIP projects on state highways will have project quality standards, scope, capital and support costs, and delivery schedule documented in an engineering report, such as a Project Study Report or Project Report, which will be included in a project management plan approved by Lassen County Regional Transportation Planning Agency and the Caltrans District Division Chief for Project Coordination. A project management plan may include, but is not limited to:

- o the project purpose, goals, and objectives.
- o a list of project stakeholders.
- o project assumptions, risk, quality standards, scope, cost, and schedule.
- o a communication plan.
- o project-specific team member roles and responsibilities.
- o documentation of project scope, cost, and schedule changes.
- o a project specific conflict resolution plan.
- project study report or project report.

The initial project design will be in conformance with the approved scoping document, a Project Study Report (PSR). The design may be modified as necessary to conform to any subsequent Lassen County Regional Transportation Planning Agency and Caltrans decisions regarding project feasibility, concept, estimates, phasing, geometric requirements, limits, environmental considerations, right of way impacts, schedules, and funding.

Capital funding may be required in advance of environmental approval for acquisition of hardship properties, and possibly prior to the actual programming of any RIP capital funding in the STIP for right of way. Upon approval by Caltrans that a hardship case exists, the Caltrans Project Manager and the Lassen County Regional Transportation Planning Agency RIP Program Manager will develop a request to submit for approval by the Lassen County Transportation Commission, including a strategy to reconcile with RIP funds programmed in the STIP, if approved, provided there are adequate funds that are not programmed or there are adequate funds from identified savings from programmed projects and provided Lassen County regional Transportation Planning Agency has given a priority rating to the project for inclusion in the RIP.

Section 5. Changes to Project Scope, Cost (Capital and Support), or Schedule

5.1 Adjusting Programming Estimates.

STIP programming commitments may be made for RIP state highway projects based on preliminary information and before environmental decisions are made on the preferred project alternative. Changes can be expected on projects as environmental and preliminary engineering studies reveal circumstances or conditions that may impact the programmed project scope, cost, or schedule. In addition to the project change process identified in Section 5.2, changes to the STIP program information related to scope, cost, and schedule may require approval of the California Transportation Commission pursuant to its STIP guidelines. Changes that impact a project's STIP programming information may also require the approval of the respective Regional Transportation Planning Agency (RTPA). After environmental approval, some project scope changes may require Federal Highway Administration (FHWA) approval. It is the intent of the Lassen County Regional Transportation Planning Agency to conform to the total project cost. Individual project programming information, environmental, right of way, design and construction can change in accordance with Section 5.2.1.

5.2 Project Change Approval Process

Regardless of whether a project change is the result of new information regarding the original project scope or the result of a changed project scope, both parties intend that changes to the programmed project scope, cost (capital and support), and schedule will be approved by Lassen County Regional Transportation Planning Agency and Caltrans consistent with the following approval procedures. Subsequent RIP submittals for STIP programming, or in STIP amendments, will reflect all approved changes, if necessary.

5.2.1 Cost Changes

A change in cost of 0-20% below or above the programmed amount, and less than \$300,000 in value, will be subject to approval by both the Lassen County Regional Transportation Planning Agency RIP Program Manager and Caltrans Project Manager.

Cumulative decreases or increases of project capital costs more than 20% of the programmed amount and or more than \$300,000 in value, will be subject to the approval of the Caltrans Director, or delegatee, and subsequently the Lassen County Regional Transportation Planning Agency.

Cumulative decreases or increases of project support costs more than 20% of the programmed amount, will be subject to the approval of the Caltrans Director, or delegatee, and subsequently the Lassen County Regional Transportation Planning Agency.

On occasion, it may be necessary to consider pursuing a State funded CTC supplemental allocation to award a construction project, to address changes for ongoing construction projects, or to address construction claim and arbitration issues. Upon approval of the Caltrans Director, or delegatee, to pursue a CTC supplemental allocation, the Caltrans Project Manager will coordinate with the RIP Program Manager to secure Lassen County Transportation Commission approval prior to the CTC considering a supplemental allocation action.

5.2.2 Schedule Changes

Project schedule changes where a project's Ready-to-List (RTL) milestone remains in the program fiscal year, and does not move into the fourth quarter of the fiscal year (April through June) are subject to approval by the Caltrans District Director. The Caltrans Project Manager will keep the RIP Program Manager informed of such changes.

Project schedule changes where a project's Ready-to-List (RTL) milestone does move into the fourth quarter of the program fiscal year are subject to the approval of the Caltrans Director, or delegatee. The Caltrans Project Manager will keep the RIP Program Manager informed of such changes.

Project schedule changes where a project's Ready-to-List (RTL) milestone moves into a later fiscal year than the program fiscal year, are subject to the approval of the Caltrans Director, or delegatee, and subsequently by the Lassen County Regional Transportation Planning Agency.

5.2.3 Scope Changes

Project scope changes that are minor in nature are subject to the approval of the Caltrans Project Manager. Examples of minor scope changes are:

- o small changes to project limits.
- o providing required shoulders or safety features.

Project scope changes that are major in nature require the approval of Lassen County Transportation Commission and the Caltrans Project Manager and may also require a STIP amendment. FHWA approval may also be required on major scope changes.
Examples of major scope changes are:

- o adding lanes.
- o large changes to project limits.
- o adding work that is not required to solve the transportation problem.
- o not providing features defined in the programming document.
- o eliminating work that will need to be reprogrammed in the next cycle.

Project scope changes may impact the delivery schedule of projects, in addition to the support and capital costs. The impacts to schedule and costs need to be evaluated by the Project Manager and the RIP Program Manager when scope changes are being considered for approval.

Section 6. Conflict Resolution

6.1 Process for Addressing Project Changes.

If the STIP programmed scope, cost, or schedule are determined to be inconsistent with the most current estimate for project scope, cost, or schedule, the Caltrans Project Manager and the Lassen County Regional Transportation Planning Agency RIP Program Manager will address the project change, using the project change approval processes contained in Section 5.2 and in compliance with applicable CTC policies and guidelines.

6.2 Process for Addressing Conflicts

The delivery of RIP state highway projects will be accomplished through a cooperative approach, recognizing the responsibilities and interests of all agencies. On occasion, conflicts may occur as the Lassen County Regional Transportation Planning Agency and Caltrans fulfill their roles and responsibilities. If conflict occurs, the parties express their intent to follow the conflict resolution process stated in Exhibit A. As to any specific project, the parties may adopt a more specific conflict resolution process, which the parties intend to implement by its inclusion in the project management plan.

Section 7. Amendment/Termination

7.1 Amendment.

This MOU may be amended by the written consent of both parties.

7.2 Termination.

This MOU may be terminated by either party upon written notification to the other.



LASSEN COUNTY REGIONAL
TRANSPORTATION PLANNING
AGENCY
5-8-2000

Date

 FOR Thom Niese

CALIFORNIA DEPARTMENT OF
TRANSPORTATION
5-16-00

Date

EXHIBIT A

CONFLICT RESOLUTION PLAN

As a rule, decision making and conflict resolution should be attempted at the lowest possible level. A range of alternative solutions should be considered before elevating a problem to the next level. This must be performed in a timely manner. The following "Conflict Resolution Plan" matrix will be followed to identify the process by which unresolved issues may be elevated to a higher decision authority.

RIP Program Issue		
Level	Regional Agency	Caltrans
Level One	RIP Program Manager	Program Manager
Level Two	RTPA Executive Director	Div. Chief, Planning & Programming, District 2
Level Three	RTPA Executive Director	District Director, District 2
Level Four	RTPA Board (LTC)	Caltrans Program Manager for Transportation Programming

RIP Project Issue		
Level	Regional Agency	Caltrans
Level One	RIP Program Manager	Project Manager
Level Two	RIP Program Manager	Div. Chief, Project Coordination, District 2 North Region
Level Three	RTPA Executive Director	District Director, District 2
Level Four	RTPA Board (LTC)	Caltrans Program Manager for Project Management

Level 4 of the process begins only if the RTPA's Executive Director and the District Director reach impasse in solving the problem. Should this occur, the RTPA's Executive Director will take immediate action to bring the problem to the Local Transportation Commission at the earliest practical date or by convening a subcommittee of the Local Transportation Commission delegated decision making authority by the full Commission. The RTPA's Executive Director will present the problem to the Local Transportation Commission or subcommittee and ask for any comments from the District Director. The decision of the Local Transportation Commission

regarding the resolution of the problem is final, with the exception of situations wherein the District is obligated by stature, regulations, engineering standards, funding constraints, or other compelling reasons. Should impasse occur, the RTPA's Executive Director may request review by the Caltrans Program Manager for Transportation Programming or the Program Manager for Project Management. This request should only be made as a final recourse if the RTPA Executive Director and the District Director are unable to reach agreement.