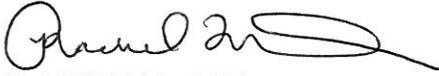


## Memorandum

*Flex your power!  
Be energy efficient!*

To: DISTRICT DIRECTORS  
DISTRICT SINGLE FOCAL POINTS

Date: July 26, 2011



From: RACHEL FALSETTI  
Chief  
Division of Programming

Subject: **Updating Programmed Support**

A concern highlighted during the recent Bureau of State Audits review of the Project Delivery Program is that the Department has not adequately emphasized the monitoring of support cost expenditures and the updating of support component budgets. Consequently, the Department has issued Project Management Directive PMD 018 in conjunction with this memorandum. It is imperative that progress and support expenditures are monitored against the programmed budget and appropriate actions be taken to update the budget to reflect estimate at complete (EAC) projections.

Anytime EAC projections for support components deviate from the programmed support budget, a programming change is required. At a minimum, support component EACs shall be reviewed and updated as appropriate at the project stages listed below.

- 1) At time of adopting the Programming Cycle for the State Transportation Improvement Program (STIP) and State Highway Operation and Protection Program (SHOPP) – every two years both capital and support cost estimates must be updated for the project. Updates shall be submitted in accordance with the biennial STIP/SHOPP schedules using the Project Change Request (PCR) process. Changes reflected in approved PCRs will be incorporated in the updated programming documents.
- 2) At completion of major project milestones and when making any other programming changes to scope, cost or schedule – support budgets for project components must be reviewed and updated using the PCR process. For budget changes that require California Transportation Commission (CTC) approval, a CTC programming action will be requested following approval of a PCR. Once approved, updates will be reflected in the California Transportation Improvement Program System (CTIPS). While updates to local funding sources in CTIPS do not require CTC approval, such changes must also be communicated to HQ Programming as they occur.

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- 3) At time of allocation (CTC vote) – work plans must be updated prior to submittal of an allocation request. Upon submittal of the allocation request, capital and support EAC estimates must be certified as accurate for final reporting to the (CTC). It is critical that the programmed support for construction is updated and is appropriate at the time of vote.

Proper support cost management ensures that cost expenditures do not exceed authorized funding. When it becomes evident that increasing funding for a support component is the only solution to staying within budget, it is important that approval of a PCR is timely enough so that expenditures do not exceed the budget. Since construction support cannot be updated in programming after the allocation of funds (CTC vote), it is important to monitor and manage expenditures.

These policies are in line with assuring that the Department is a good steward of its resources and making sure projects are delivered not only on time and within scope but within budget, including support. If you have any concerns or questions, please feel free to call me at (916) 654-4013 or any of my program staff you work with.