

Memorandum

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Be energy efficient!*

To: DEPUTY DISTRICT DIRECTORS, Construction
DEPUTY DIVISION CHIEF, Structure Construction
CONSTRUCTION MANAGERS
SENIOR CONSTRUCTION ENGINEERS
RESIDENT ENGINEERS

Date: June 4, 2013

File: Division of Construction
CPD 13-3

From: MARK LEJA 
Chief
Division of Construction

Subject: Construction Support Planning, Managing, and Charging Practices

In accordance with Project Delivery Directive 11, "Management of Capital Project Support Budgets," and Deputy Directive 93-R1, "Task Management," the purpose of this directive is to remind structure construction and district construction staff that they are held accountable for creating and adhering to reasonable project support budgets. This directive also reminds structure construction and district construction staff that they are responsible for charging appropriately to projects and overhead in accordance with Deputy Directive 41-R2, "Caltrans Charging Practices."

The "Division of Construction Business Plan, Fiscal Year 2012-2013" identifies managing support costs of construction projects as one of the division's focus areas. Accordingly, budgeted and expended support costs and performance measures are being tracked. The division's goals include achieving an overall construction support cost to capital cost ratio of less than 17 percent, and completing more than 65 percent of projects with support costs less than 120 percent of the approved budget.

Accurate resource planning and good resource management are key elements to having an effective project delivery program and remaining competitive in today's budget conscious funding environment. Those responsible for determining project resource needs must use effectual tools to sensibly set project resource budgets. All employees at every level must be conscious of resource budgets, charge their time using the appropriate Work Breakdown Structure (WBS) codes within the resourced number of hours, and correct erroneous charges.

To help achieve the objectives identified in Project Delivery Directive 11 and Deputy Directive 41-R2, Caltrans is rolling out the Project Resource and Schedule Management (PRSM) system. To accurately plan resources and manage support costs, construction staff will use the PRSM system and other planning and management tools as they become available throughout the state and will adhere to the principles of task management. For more information about PRSM, refer to Project Management's intranet website.

It is imperative that task managers ensure project scopes, schedules, and WBS element budgets are developed and managed such that these items are reasonable and can be effectively monitored and controlled. If significant changes occur that will affect the projected resources, appropriate construction staff must request project support budget change requests in a timely manner.

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Construction employees must timely and accurately submit time sheets and other project expenditure information. Deputy directors, managers, and supervisors must ensure that realistic resource estimates are made, ensure that employees are trained in proper charging practices, monitor employees to ensure compliance with proper charging practices, ensure timely review and approval of all hours charged, and verify that employees charge to a valid source budget using appropriate WBS codes.

For information regarding this directive, contact Andy Alvarado, Division of Construction, at andy_alvarado@dot.cat.gov or (916) 653-8633.