

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 15-16, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8c.(3), Action Item

Prepared By: Dee Lam, Chief  
Division of Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT COMPLETION FOR A  
LOCALLY-ADMINISTERED MULTI-FUNDED STATE TRANSPORTATION  
IMPROVEMENT PROGRAM/PROPOSITION 116 PROJECT, PER STIP  
GUIDELINES  
WAIVER 24-130**

### **ISSUE:**

Should the California Transportation Commission (Commission) extend the period of project completion for the locally-administered multi-funded State Transportation Improvement Program (STIP)/Proposition 116 (Prop 116) Stockton Regional Rail Maintenance Facility Expansion Project (PPNO 9884), in San Joaquin County, for the time period as identified in the attachment?

### **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the Commission extend the period of project completion for the locally-administered multi-funded STIP/Prop 116 Stockton Regional Rail Maintenance Facility Expansion Project (PPNO 9884), in San Joaquin County, for the time period as identified in the attachment.

### **BACKGROUND:**

The Stockton Regional Rail Maintenance Facility expansion Project is located at the site of the existing Altamont Corridor Express (ACE) Rail Maintenance Facility (RMF), at the junction of the Union Pacific Railroad (UPRR) Fresno and UPRR Sacramento subdivisions.

In June 2021, the Commission allocated \$9,575,351 in Prop 116 funds and \$15,000,000 in STIP funds, under Resolutions MFP-20-08 and BFP-20-01, respectively, for construction work that will expand the facility to enable rolling stock storage, parts storage, repair and maintenance of new San Joaquin Joint Powers Authority equipment which began delivery in

*“Provide a safe and reliable transportation network that  
serves all people and respects the environment.”*

2022. In June 2022, Resolutions MFP-20-08 and BFP-20-01 were amended to increase the Prop 116 funding in the amount of \$10,000 and decrease the STIP funding by \$10,000 for a net zero change. In October 2022, Resolutions MFP-21-07 and BFP-21-01 were amended to add a Project Identification Number for the Prop 116 component, change the program code of the Prop 116 component to align with similarly programmed projects, and increase Prop 116 by \$15,000 and decrease STIP by \$15,000 for a net zero change. Finally, in October 2023, the Commission amended Resolutions MFP-22-01 and BFP-22-01 after a joint reconciliation effort between the Department and the State Controllers Office found a need to correct the Budget Act Item Number for Prop 116, and decrease Prop 116 by \$531,000 and increase STIP by \$531,000 for a net zero change.

Stronghold Engineering, Inc. (Contractor) was awarded a contract by San Joaquin Regional Rail Commission to construct the RMF Expansion under contract number 22R1700, on December 9, 2021. As of June 27, 2024, the construction of the main ACE RMF building expansion, auxiliary infrastructure, new parts storage building, new track, installation of new maintenance equipment and site work are approximately 74 percent complete.

Current STIP Guidelines stipulate that the agency implementing a project component request a time extension if the project component will not be completed within the specified timeline. The Commission may approve a waiver to the Timely Use of Funds deadline, one-time only, for up to 20 months. The attachment describes the details of the project and the explanation of the delay.

Attachment

*“Provide a safe and reliable transportation network that serves all people and respects the environment.”*

**Time Extension/Waiver – Project Completion  
Multi-Funded STIP/Proposition 116**

Project Number: 1  
Applicant: San Joaquin Regional Rail Commission  
County: San Joaquin  
District: 10  
PPNO: 9884  
Allocation Amount: \$24,575,351 (\$15,506,000 STIP and \$9,069,351 Prop 116)  
Phase: Construction  
Allocation Date: 6/23/2021  
Allocation Resolutions: MFP-20-08 and BFP-20-01  
Award Date: 12/9/2021  
Number of Months Requested: 20 Months  
Extended Deadline: 8/31/2026  
Department Recommendation: Support

**Stockton Regional Rail Maintenance Facility Expansion**

The San Joaquin Regional Rail Commission (SJRRRC) requests a 20-month time extension to complete the Construction (CON) phase of the Stockton Regional Rail Maintenance Facility Expansion project. The project anticipates a claim dispute, which could delay the completion schedule for the project.

In October 2023, the Commission amended funds allocated in June 2021 to reflect \$9,069,351 in Proposition 116 (Prop 116) funds and \$15,506,000 in State Transportation Improvement Program (STIP) funds, for construction work that will expand the facility to enable rolling stock storage, parts storage, repair and maintenance of new San Joaquin Joint Powers Authority equipment which began delivery in 2022.

Potential Claims from SJRRRC to the Contractor involve the extended duration of the project construction and liquidated damages. The Contractor has not completed the project within the time specified in the Contract Documents and is expected to assess liquidated damages. Conversely, SJRRRC anticipates that the Contractor will claim "Owner Delay" for delays they believe were caused by SJRRRC, including Buy America Compliance, weather, and material shortages as examples.

SJRRRC continues to coordinate with its Construction Management Team and the Contractor to resolve disputes prior to a claim. The contract between the parties has detailed language regarding the dispute resolution process that will be followed. A potential claims log has been prepared to forecast the items at issue.

The CON phase is currently 74 percent complete, and completion is anticipated for October 2024. The existing completion date for the project is December 9, 2024. However,

SJRRC anticipates this project will result in claims being submitted by both SJRRC and the contractor. At this time, the outcome is uncertain as it could go to the court for settlement. Therefore, SJRRC is requesting maximum allowable time extension per the Timely Use of Funds policy.

Therefore, SJRRC is requesting a 20-month time extension for the period of project completion from December 31, 2024 to August 31, 2026.