

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 17-18, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8d.(1), Action Item

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Division of Financial Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT  
EXPENDITURE FOR STATE HIGHWAY OPERATION AND PROTECTION  
PROGRAM PROJECTS, ON THE STATE HIGHWAY SYSTEM, PER SHOPP  
GUIDELINES  
WAIVER 24-148**

### **ISSUE:**

Should the California Transportation Commission (Commission) extend the period of project development expenditure for eight State Highway Operation and Protection Program (SHOPP) projects, for the time periods as identified in the attachment?

### **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the Commission extend the period of project development expenditure for eight SHOPP projects, for the time periods as identified in the attachment.

### **BACKGROUND:**

In March 2021 , October 2021 and December 2021, the Commission allocated \$13,690,000 in project development support for eight SHOPP projects phases listed in the attachment. As part of the allocation in March 2021, the project was approved for an additional 7 months beyond the 36 months deadline. In accordance with SHOPP Guidelines (Guidelines), the deadline to complete the Plans, Specifications, and Estimate (PS&E) and Right of Way (RW) phases for projects allocated in October 2021 and December 2021 is October 31, 2024 and December 31, 2024, respectively.

Current Guidelines stipulate that the implementing agency request an expenditure time extension if the project phase will not be completed within 36 months of allocation for the PS&E phase and within 72 months for the RW (Support and Capital) phase. The Commission may approve waivers to the timely use of funds deadline, one-time only, for up to 20 months.

Attachment

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

**Time Extension/Waiver – Project Development Expenditure for  
State Highway Operation and Protection Program**

Project Number: 1  
Applicant: Department of Transportation  
County: Yuba  
District: 03  
PPNO: 9820  
EA: 0H160  
Route: 70  
Allocation Amount: \$3,940,000  
Remaining Balance: \$965,000  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 03/24/2021  
Allocation Resolution: FP-20-61  
Number of Months Requested: 19 Months  
Extended Deadline: 05/31/2026  
Department Recommendation: Support

**SHOPP Roadway Rehabilitation (3R) project**

The Department requests a 19-month time extension for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the SHOPP Roadway Rehabilitation (3R) project. In March 2021, as part of the allocation, the project was granted an additional 7 months beyond the 36 months deadline to complete the PS&E phase, with a new deadline of October 31, 2024. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located on State Route (SR) 70 in and near Marysville, from south of 14th Street to north of Cemetery Road. The project proposes roadway rehabilitation and operational improvements including turn pockets and auxiliary lanes. This is a Construction Manager/General Contractor (CMGC) project. There is a concurrent Supplemental Fund Request for PS&E completion on this month's Commission agenda.

The construction of this contract has been delayed since 2021 due to a lawsuit filed by the City of Marysville against the Department, over the final environmental document (FED). In May 2024, the Court ruled in favor of the City and advised the Department to revise the FED and the Project Report (PR). The Project Development Team (PDT) was required to redo both deliverables and provide the updated Draft Environmental Document for public review and comments. The PDT will need to respond to the public comments prior to FED and PR, which is anticipated to be completed in April 2025. As a result, the schedule of all other pre-construction activities were impacted and delayed. In addition, the project is required to have approvals by external agencies including Union Pacific Railroad (UPRR), the Central Valley Flood Protection Board (CVFPB) and US Army Corp of Engineers. The Department is using the CMGC delivery method and consultant engineers as subject matter experts, to mitigate the schedule risks by submitting plans and permit application in a clear manner for reviews. There are also complex

Right of Way (RW) acquisitions and easements required with UPRR and CVFPB. The combined effect of these challenges delayed the PS&E phase.

Therefore, the Department is requesting a 19-month project development expenditure time extension to allow enough time to reach Ready to List (RTL) and award the project from October 31, 2024 to May 31, 2026.

Project Number: 2  
Applicant: Department of Transportation  
County: Monterey  
District: 05  
PPNO: 2850  
EA: 1K020  
Route: 1  
Allocation Amount: \$1,046,000  
Remaining Balance: \$361,271  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 10/13/2021  
Allocation Resolution: FP-21-26  
Number of Months Requested: 9 Months  
Extended Deadline: 07/31/2025  
Department Recommendation: Support

**SHOPP Major Damage (Permanent Restoration) project**

The Department requests a 9-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Major Damage (Permanent Restoration) project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located on SR 1 near Gorda, from north of White Creek Bridge to south of Los Burros Road. The project proposes to realign the highway, replace temporary safety features with permanent safety devices, and install erosion control measures.

Completion of the PS&E phase has been delayed due to acquisition of the required RW. The property owner was not cooperative, and the parcel was acquired through condemnation. The Resolution of Necessity (RON) was adopted at the October 2023 Commission meeting followed by a hearing and finally order of possession was received on July 27, 2024. The RW certification is expected to be completed by September 01, 2024. The Coastal Commission was not willing to issue the Coastal Development Permit (CDP) until the RW was acquired. As part of the CDP, a 3-year plant establishment period to remove invasive plants was included. The CDP application was submitted on August 16, 2024 and expected to be approved by February 01, 2025. In addition, last minute design changes occurred due to presence of the underground (U/G) utilities, identified prior to the 95 percent constructability review. Due to misleading information from the utility owner, additional efforts and resources will be required to protect the U/G utility line in place.

Therefore, the Department is requesting a 9-month project development expenditure time extension to allow enough time to reach RTL and award the project from October 31, 2024 to July 31, 2025.

Project Number: 3  
Applicant: Department of Transportation  
County: Fresno  
District: 06  
PPNO: 6973  
EA: 0X430  
Route: 99  
Allocation Amount: \$1,800,000  
Remaining Balance: \$280,715  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 12/08/2021  
Allocation Resolution: FP-21-40  
Number of Months Requested: 8 Months  
Extended Deadline: 08/31/2025  
Department Recommendation: Support

**SHOPP Maintenance Facilities project**

The Department requests an 8-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Maintenance Facilities project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is in the city of Fresno, at the West Avenue Maintenance Station. The project proposes to demolish three existing buildings and construct one new building. There is a concurrent time extension request for the Right of Way Support completion under this same item on this month's Commission agenda.

The project's PS&E and RW phases were allocated in December 2021. A project amendment was approved to change the Construction (CON) and RW phases from Fiscal Year 2023-24 to 2024-25 in May 2023. This change was required since a separate project (06-0Y760), delivered in 2023-24, was to provide the new dedicated electric power for this project, and needed to be in place before construction began. To align the two projects and avoid conflicts, a new schedule was created. The new schedule allows the electrical project to be completed prior to this project's start of construction. This time extension will allow the project to complete PS&E and RW support expenditures on the newly approved schedule, per timely use of funds (TUF). The Department anticipates awarding the project in August 2025 and the PS&E phase will need to continue through award.

Therefore, the Department is requesting an 8-month project development expenditure time extension to allow enough time to reach RTL and award the project from December 31, 2024 to August 31, 2025.

Project Number: 4  
Applicant: Department of Transportation  
County: Fresno  
District: 06  
PPNO: 6973  
EA: 0X430  
Route: 99  
Allocation Amount: \$40,000  
Remaining Balance: \$35,317  
Phase: Right of Way Support  
Allocation Date: 12/08/2021  
Allocation Resolution: FP-21-40  
Number of Months Requested: 8 Months  
Extended Deadline: 08/31/2025  
Department Recommendation: Support

### **SHOPP Maintenance Facilities project**

The Department requests an 8-month time extension for the period of project development expenditure for the RW Support phase of the SHOPP Maintenance Facilities project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is in the city of Fresno, at the West Avenue Maintenance Station. The project proposes to demolish three existing buildings and construct one new building. There is a concurrent time extension request for the PS&E completion under this same item on this month's Commission agenda.

The project's PS&E and RW phases were allocated in December 2021. A project amendment was approved to change CON and RW phases from 2023-24 to 2024-25 in May 2023. This change was required since a separate project (06-0Y760) delivered in 2023-24, was to provide the new dedicated electric power for this project, and needed to be in place before construction began. To align the two projects and to avoid conflicts, a new schedule was created. The new schedule allows the electrical project to be completed prior to this project's start of construction. This time extension will allow the project to complete RW support expenditures on the newly approved schedule, per the TUF. The Department anticipates awarding the project in August 2025 and the RW support phase will need to continue through the award.

Therefore, the Department is requesting an 8-month project development expenditure time extension to allow enough time to process and finalize the RW phase from December 31, 2024 to August 31, 2025.

Project Number: 5  
Applicant: Department of Transportation  
County: Inyo  
District: 09  
PPNO: 2653  
EA: 37470  
Route: 395  
Allocation Amount: \$1,304,000  
Remaining Balance: \$212,585  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 10/13/2021  
Allocation Resolution: FP-21-26  
Number of Months Requested: 4 Months  
Extended Deadline: 02/28/2025  
Department Recommendation: Support

**SHOPP Roadway Rehabilitation (2R) project**

The Department requests a 4-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Roadway Rehabilitation (2R) project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located on SR 395, in and near Bishop, on Main Street from south of Jay Street to Barlow Lane; also, on SR 168 (Line Street) from west of Pioneer Lane to SR 395 (Main Street). The project proposes to rehabilitate roadway and drainage, install Transportation Management System (TMS) elements, upgrade facilities to Americans with Disabilities Act standards, and construct a multi-use path as complete streets elements.

The project's PS&E phase was allocated in October 2021, and the current expenditure deadline is October 2024. The project's CON and Construction Support (CON Sup) phases were allocated in June 2024. The project is currently being advertised and bid opening is scheduled for October 2024. The Department anticipates awarding the project in November and approving the contract in December 2024. The PS&E phase will need to continue through award. To allow for any unforeseen issues that may arise during bid opening the Department is requesting additional time to complete PS&E activities.

Therefore, the Department is requesting a 4-month project development expenditure time extension to allow enough time to reach RTL and award the project from October 31, 2024 to February 28, 2025.

Project Number: 6  
Applicant: Department of Transportation  
County: Merced  
District: 10  
PPNO: 3447  
EA: 0T69U  
Route: 165  
Allocation Amount: \$920,000  
Remaining Balance: \$176,408  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 10/13/2021  
Allocation Resolution: FP-21-26  
Number of Months Requested: 15 Months  
Extended Deadline: 01/31/2026  
Department Recommendation: Support

**SHOPP Operational Improvements project**

The Department requests a 15-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Operational Improvements project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located on SR 165, 5, 33, and 140 at various locations; also, in Stanislaus County on SR 5 at the Route 140 Junction. The project proposes to widen shoulders to accommodate truck turning movements, rehabilitate pavement and drainage systems, install TMS elements, and replace signs.

This project has one parcel that requires a Utility and Consented Common Use Utility Agreement (CCUA) with the Central California Irrigation District for culvert extensions. In April 2024, it was identified that the State of California must own the property in fee in order to grant/issue a CCUA. As a result, an active Title and Escrow Contract needs to be established for Merced County before the appraisal map, appraisal, and acquisition can take place. In August 2024, a 14-month allocation time extension was requested for the CON and CON Sup phases, delaying the allocations to August 2025. As a result of this time extension the expenditure period of the PS&E phase will need to be extended. This will allow PS&E activities through award of the project.

Therefore, the Department is requesting a 15-month project development expenditure time extension to allow enough time to reach RTL and award the project from October 31, 2024 to January 31, 2026.



Project Number: 7  
Applicant: Department of Transportation  
County: Orange  
District: 12  
PPNO: 4506F  
EA: 0R311  
Route: 91  
Allocation Amount: \$3,560,000  
Remaining Balance: \$15,115  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 10/13/2021  
Allocation Resolution: FP-21-26  
Number of Months Requested: 4 Months  
Extended Deadline: 02/28/2025  
Department Recommendation: Support

**SHOPP Pavement Preservation (CAPM) project**

The Department requests a 4-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Pavement Preservation (CAPM) project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located on SR 91, in La Palma, Buena Park, Anaheim, and Fullerton, from the Los Angeles County line to Acacia Street, also in Los Angeles County in the city of Los Angeles from east of Carmenita Road to the Orange County line. The project proposes to rehabilitate pavement, rehabilitate culverts, upgrade lighting, upgrade TMS elements and make highway worker safety improvements. This project will extend the pavement service life and improve ride quality.

The project scope initially included slab replacement on the outside lanes due to deterioration of pavement condition from commercial traffic. During project development, the number of deteriorated slabs increased. Due to the increase in slab replacements the PDT explored several options to keep the project within budget and still meet the intended scope. This resulted in a 4-month delay in reaching RTL since the project design required modifications. The project has since reached RTL and the CON and CON Sup phases were allocated in August 2024. As a result, the PS&E expenditure period will need to be extended to allow more time to complete activities through award.

Therefore, the Department is requesting a 4-month project development expenditure time extension to allow enough time to award the project from October 31, 2024 to February 28, 2025.

Project Number: 8  
Applicant: Department of Transportation  
County: Orange  
District: 12  
PPNO: 4506J  
EA: 0R315  
Route: 91  
Allocation Amount: \$1,080,000  
Remaining Balance: \$51,989  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 10/13/2021  
Allocation Resolution: FP-21-26  
Number of Months Requested: 4 Months  
Extended Deadline: 02/28/2025  
Department Recommendation: Support

### **SHOPP Transportation Management Systems project**

The Department requests a 4-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Transportation Management Systems project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located on SR 91, in Anaheim, from west of Route 90 to the Riverside County line. The project proposes to upgrade TMS elements, rehabilitate culverts, upgrade lighting, and make highway worker safety improvements. This project will improve data transmission and provide efficient operation of field elements.

This project had highway worker safety improvements and electrical work conflicts with two other projects within the same limits. The first project (EA 08-0F545) on SR 91 Eastbound was to provide operational improvements to the corridor. The second project (EA 12-0K970) was to construct a dynamically managed Express connector on SR 241 / SR 91. To avoid any potential for the scope overlap and to optimize construction efficiency, late changes to the PS&E package of this project were implemented, to account for work on both projects. This delay triggered the need for additional time extension to reach RTL. In June 2024, the project received a 2-month allocation extension for the CON and CON Sup phases. In August 2024 the construction phases were allocated. As a result, the PS&E expenditure period will need to be extended to allow more time to complete activities through award.

Therefore, the Department is requesting a 4-month project development expenditure time extension to allow enough time to reach RTL and award the project from October 31, 2024 to February 28, 2025.