

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 17-18, 2024

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8v.(2), Action Item

Prepared By: James R. Anderson, Chief
Division of Financial Programming

Subject: **REQUEST TO AMEND THE PERIOD OF PROJECT ALLOCATION FOR
STATE HIGHWAY OPERATION AND PROTECTION PROGRAM PROJECTS, AS
AN EXCEPTION TO THE SHOPP GUIDELINES
WAIVER 24-165, AMENDING WAIVERS 23-72 AND 24-125**

ISSUE:

Should the California Transportation Commission (Commission) amend the period of project allocation for three State Highway Operation and Protection Program (SHOPP) projects, as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission amend the period of project allocation for three SHOPP projects, as identified in the attachment.

BACKGROUND:

The Department will not be able to request an allocation of funds by the previously approved deadline as detailed in the attachment. Current SHOPP Guidelines stipulate that the Commission may approve waivers to the Timely Use of Funds deadline, one-time only, for up to 20 months. This request is to provide an exception to the current SHOPP Guidelines.

Attachment

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

**Amendment Time Extension/Waiver - Project Allocation
State Highway Operation and Protection Program**

Project Number: 1
County: Los Angeles
District: 07
PPNO: 5410
EA: 35070
Allocation Amount: \$37,081,000
Phase: Construction and Construction Support
1st Waiver: Waiver 24-125
Approved: August 16, 2024
Number of Months Requested: ~~4 months~~ **11 months**
Extended Deadline: ~~10/31/2024~~ **5/31/2025**
Department Recommendation: Support

EA 07-35070 (Project ID: 0719000039): LA-405, PM 19.3/ 26.0

The Department requests an amendment for an additional 7 months, from 4 months to 11 months, for the allocation of the Construction (CON) phase of the SHOPP Transportation Management System improvement project in Los Angeles County.

The Commission approved a 4-month time extension for project allocation at the August 2024 Commission meeting that will expire on October 31, 2024. The initial request was needed to coordinate with the contractor to reach an Agreed Price on this Construction Manager/General Contractor (CMGC) project. The project team needs additional seven months to allow time for the contractor to meet the Disadvantaged Business Enterprise (DBE) goal. The Agreed Price will be impacted by the amount that the contractor must pay the selected DBE subcontractors, so cost negotiations may be delayed by the subcontractor selection process. If an Agreed Price cannot be reached with the contractor, the project will be advertised for competitive bidding.

Therefore, the Department is requesting an exception to the SHOPP Guidelines, for an additional seven months to allocate CON from October 31, 2024 to May 31, 2025.

Project Number: 2
County: Alpine
District: 10
PPNO: 3433
EA: 1H560
Allocation Amount: \$29,096,000
Phase: Construction and Construction Support
1st Waiver: Waiver 24-125
Approved: August 16, 2024
Number of Months Requested: ~~4 months~~ **11 months**
Extended Deadline: ~~10/31/2024~~ **5/31/2025**
Department Recommendation: Support

EA 10-1H560 (Project ID: 1017000184): Alp-88, PM 1.9

The Department requests an amendment for an additional seven months, from four months to eleven months, for the allocation of the CON phase of the SHOPP Facilities improvement project near Kirkwood.

The Commission approved a 4-month time extension for project allocation at the August 2024 Commission meeting that will expire on October 31, 2024. The initial request was needed for the State Fire Marshall (SFM) approval of the revised plans. However, the approval process with the SFM is taking longer than anticipated. At the end of July 2024, the Department received comments and met directly with the SFM. While SFM is experiencing staffing shortages and expected increase in workload over the next two to three months as the state is currently in fire season, they are working to expedite their approval process with the help of consultants. The approval is expected at the end of January 2025, in time for the May 2025 Commission meeting.

Therefore, the Department is requesting an exception to the SHOPP Guidelines, for an additional seven months to allocate CON from October 31, 2024 to May 31, 2025.

Project Number: 3
County: San Diego
District: 11
PPNO: 1477
EA: 43164
Allocation Amount: \$98,800,000
Phase: Construction and Construction Support
1st Waiver: Waiver 23-72
Approved: June 29, 2023
Number of Months Requested: ~~16 months~~ **19 months**
Extended Deadline: ~~10/31/2024~~ **1/31/2025**
Department Recommendation: Support

EA 11-43164 (Project ID: 1122000232): SD-78, PM 0.004/N17.7

The Department requests an amendment for an additional 3 months, from 16 months to 19 months, for the allocation of the CON phase of the SHOPP Pavement Preservation improvement project in San Diego County.

Additional time is necessary to negotiate the capital construction cost during the Opinion of Probable Construction Cost estimate between the contractor, Independent Cost Estimator, and the Design team to reach an Agreed-to-Price (ATP). Under the CMGC process, the Department must have an ATP at 100 percent Plans, Specifications, and Estimate, else the contract will be further delayed going through repackaging and advertisement to follow the design-bid-build (DBB) process. This time extension is to account for an additional three months if awarded by an ATP, else would otherwise account for an additional six months if awarded by DBB process.

Therefore, the Department is requesting an exception to the SHOPP Guidelines, for an additional three months to allocate CON from October 31, 2024 to January 31, 2025.