

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8v.(4), Action Item

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

Subject: **REQUEST TO AMEND THE PERIOD OF PROJECT DEVELOPMENT
EXPENDITURE FOR STATE HIGHWAY OPERATION AND PROTECTION
PROGRAM PROJECTS, AS AN EXCEPTION TO THE SHOPP GUIDELINES
WAIVER 25-162, AMENDING WAIVERS 24-88, 24-148, 24-177, AND 25-24**

ISSUE:

Should the California Transportation Commission (Commission) amend the period of project development expenditure for four 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 amend the period of project development expenditure for four SHOPP projects, for the time periods as identified in the attachment.

BACKGROUND:

In June 2021, December 2021, and May 2022, the Commission allocated \$20,905,000 in Project Development Support for four SHOPP projects identified in the attachment. In accordance with SHOPP Guidelines (Guidelines), the deadline to complete the Plans, Specifications, and Estimate (PS&E) phases for projects allocated in June 2021, December 2021, and May 2022 is June 30, 2024, December 31, 2024 and May 31, 2025, respectively. However, the Department is requesting an exception to the Guidelines for additional time to complete project development expenditures. The attachment shows the details of the projects and the delays that have resulted in these amended time extension requests.

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 pre-construction phases. The Commission may approve waivers to the timely use of funds deadline, one-time only, for up to 20 months.

Attachment

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

Project Number: 1
Applicant: Department of Transportation
County: San Mateo
District: 4
PPNO: 2024D
EA: 1Q582
Route: 101
Allocation Amount: \$16,105,000
Remaining Balance: \$2,480,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 05/19/2022
1st Waiver: Waiver 25-24
Approved: March 2025
Number of Months Requested: ~~3 Months~~ **9 Months**
Extended Deadline: ~~08/31/2025~~ **02/28/2026**
Department Recommendation: Support

SHOPP Road Preservation project

The Department requests an additional six months, from three months to nine months, for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the SHOPP Road Preservation project. The Department has experienced unexpected delays in awarding this project.

This project is located on United States Highway (US) 101 in various cities, from the Santa Clara County Line to north of South Airport Boulevard. The project proposes to rehabilitate pavement, upgrade signs, guardrail, and Transportation Management System elements, drainage systems, and upgrade facilities to Americans with Disabilities Act standards.

Initially, the project had a PS&E phase deadline of May 31, 2025. The project reached Ready-to-List (RTL) in December 2024 and received its Construction (CON) allocation in January 2025. The project was prepared for advertisement in April 2025 and award was scheduled for July 2025. The project bid opening date was expected in July 2025, account for any risk of bid protests, and award the project.

Since then, the project was advertised in April 2025 and received several bid inquiries. As a result, the advertisement period was extended to issue addenda based on bid inquires to clarify the issues. The project was scheduled to open bids in July 2025 and award in the same month. However, due to the extension of the advertisement period, the award date has been revised to November 2025. This is a multi-asset paving project that extends 22 miles along US 101. After CON allocation and prior to being advertised in April 2025, the project required additional coordination and plan revisions to avoid impact to the existing San Mateo 101 Express Lanes. Given the size and complexity of the project, the Department anticipates bid protest that may delay award of the project by approximately two months. This time extension will allow the

Department to address any additional bid inquiries, issue addenda, resolve any bidding issues, and award the contract by November 2025. Additional time is needed to complete activities through award. There is a concurrent time extension to award for the CON phase on this month's Commission agenda.

Therefore, the Department is requesting an exception to the Guidelines for an additional six months to allow enough time to complete the PS&E phase, from August 31, 2025 to February 28, 2026.

Project Number: 2
Applicant: Department of Transportation
County: Fresno
District: 6
PPNO: 6973
EA: 0X430
Route: 99
Allocation Amount: \$1,800,000
Remaining Balance: \$278,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 12/09/2021
1st Waiver: Waiver 24-148
Approved: October 2024
Number of Months Requested: ~~8 Months~~ **12 Months**
Extended Deadline: ~~08/31/2025~~ **12/31/2025**
Department Recommendation: Support

SHOPP Maintenance Facilities project

The Department requests an additional 4 months, from 8 months to 12 months, for the period of project development expenditure for the PS&E phase of the SHOPP Maintenance Facilities project. The Department has experienced unexpected delays in completing the PS&E 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.

Initially, the project's PS&E and Right of Way (RW) Support phases were allocated in December 2021. A programming amendment was approved to change the CON Capital, CON Support, and RW Capital phases from Fiscal Year 2023-24 to 2024-25 in May 2023. This change was required since a separate project (EA 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 allowed the electrical project to be completed prior to this project's start of construction. In October 2024, this time extension allowed the project to complete PS&E and RW support expenditures on the newly approved schedule, per timely use of funds. The Department anticipated awarding the project in August 2025, with the PS&E phase continuing through award.

Since then, award has been delayed due to issues in obtaining permits from the State Fire Marshall (SFM). The Department submitted the requests to the SFM and after addressing their concerns, the permits were issued on March 26, 2025. To reach RTL, the design team required additional time to finalize the contract package. This project reached RTL in May 2025 and anticipates to award by December 2025. The additional four months would align phase expenditure completion with project award target date of December 2025. There is a concurrent supplemental funds request on this month's Commission agenda.

Therefore, the Department is requesting an exception to the Guidelines for an additional four months to allow sufficient time to complete the PS&E phase, from August 31, 2025 to December 31, 2025.

Project Number: 3
Applicant: Department of Transportation
County: Kern
District: 6
PPNO: 6982
EA: 0X770
Route: 43
Allocation Amount: \$1,400,000
Remaining Balance: \$98,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 12/09/2021
1st Waiver: Waiver 24-177
Approved: December 2024
Number of Months Requested: ~~8 Months~~ **20 Months**
Extended Deadline: ~~08/31/2025~~ **08/31/2026**
Department Recommendation: Support

SHOPP Safety Improvements project

The Department requests an additional 12 months, from 8 months to 20 months, for the period of project development expenditure for the PS&E phase of the SHOPP Safety Improvements project. The Department has experienced unexpected delays in completing the PS&E phase.

This project is in Wasco on State Route (SR) 43, from SR 46 to south of Gromer Avenue. The project proposes Wasco SR 43/SR 46 Intersection Improvements by constructing a roundabout.

Initially, completion of the PS&E phase had been delayed due to the time needed to complete the eminent domain process (EDP). The last remaining Resolution of Necessity (RON) for this project was requested concurrently with the project development expenditure time extension at the December 2024 Commission meeting. The Department made prior efforts to negotiate with the property owner, including time taken for conducting an independent appraisal. A notice of intent to adopt the RON before the June 2024 Commission meeting was sent to the property owner. However, the property owner's attorney requested an appearance before the Commission to challenge the RON adoption. As part of the EDP, a condemnation panel review meeting was scheduled in September 2024, based on the property owner's availability. However, the property owner formally withdrew their objection to the RON consideration in October 2024.

In August 2024, the project received a 9-month allocation time extension for CON and CON Support, until March 2025. Following the approval of the RON at the December 2024 Commission meeting, the Department anticipated advertising the project, followed by bid opening, award, and contract approval, as the PS&E phase would continue through award.

Since then, the project's CON phase was allocated and was combined for construction with an adjacent High Speed Rail (HSR) project on the State Highway System. The advertisement of the project has been delayed due to delays in finalizing the HSR construction allocation. Subsequently, the bid opening and award date have been impacted. Due to the size and

Project Number: 4
Applicant: Department of Transportation
County: Orange
District: 12
PPNO: 4506G
EA: 0R312
Route: 91
Allocation Amount: \$1,600,000
Remaining Balance: \$26,400
Phase: Plans, Specifications, and Estimate
Allocation Date: 06/23/2021
1st Waiver: Waiver 24-88
Approved: June 2024
Number of Months Requested: ~~14 Months~~ **18 Months**
Extended Deadline: ~~08/31/2025~~ **12/31/2025**
Department Recommendation: Support

SHOPP Roadway Preservation project

The Department requests an additional 4 months, from 14 months to 18 months, for the period of project development expenditure for the PS&E phase of the SHOPP Roadway Preservation project. The Department has experienced unexpected delays in completing the PS&E phase.

The project is located on SR 91, in the cities of Anaheim and Placentia, from Acacia Street to La Palma Avenue. The project will rehabilitate pavement, rehabilitate culverts, upgrade lighting, upgrade transportation management system elements, and make highway worker safety improvements.

Initially, this project shares project limits with an Orange County Transportation Authority (OCTA) roadway major improvement project (EA 12-0K983). The Department and OCTA coordinated delivery of the two projects under one contract to facilitate construction and minimize disruption and rework. The design was at 100 percent for the Department's project; however, the two projects were combined at RTL. Project (EA 12-0K983) includes RW acquisition that has taken longer than anticipated and delayed the RW Certification. This project (EA 12-0R312) reached RTL and was advertised in May 2025, with an anticipated award date of August 31, 2025.

Since then, EA 12-0R312 was combined with the Local project 12-0K983 for construction and efficiency purposes under EA 12-0K93U. The project's complexity and bidder inquiries required addenda to address their concerns. Since the project was combined with a local project, adjustments may be needed to the cooperative agreement should additional funds be needed to award. As a result, the award date was adjusted to December 30, 2025.

Therefore, the Department is requesting an exception to the Guidelines for an additional

four months to allow enough time to process and finalize the PS&E phase through award, from August 31, 2025 to December 31, 2025.