

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(3), Action Item

Prepared By: Sergio Aceves
District 03 – Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT**
PPNO 5292/EA 1J170 – PLACER AND NEVADA COUNTIES – STATE ROUTE 89
RESOLUTION FP-25-03

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$18,593,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Pavement Preservation project on State Route (SR) 89, in Placer and Nevada counties, to advertise the project?

RECOMMENDATION:

The Department recommends that the Commission approve the requested allocation for this SHOPP project.

PROJECT DESCRIPTION:

This project is located along SR 89 in and near the Town of Truckee, from north of Alpine Meadows Road to the Nevada County line, and from the Placer County line to Interstate 80, in Placer and Nevada counties. The project will rehabilitate the pavement and upgrade guardrail, pedestrian facilities, and transportation management system elements consisting of traffic monitoring stations and closed-circuit television cameras.

FUNDING AND PROGRAMMING STATUS:

In March 2022, this project was programmed in the SHOPP for \$10,350,000 in Construction Capital and \$1,300,000 in Construction Support for allocation in Fiscal Year 2024-25. In June 2024, the project was amended to update the scope to remove drainage work. In

June 2025, the project received a 2-month allocation time extension for the Construction phase.

In June 2025, the Engineer's Estimate (EE) reflected the need of \$17,093,000 in Construction Capital (65.1 percent over the programmed amount) and \$1,500,000 in Construction Support (15.4 percent over the programmed amount). The Department plans to advertise the project in September 2025 and begin construction in December 2025. Construction is planned for one construction season with a duration of 115 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to updated quantities and unit prices based on current market conditions and a change to the Department's policy on calculating time-related overhead (TRO). The Construction Support estimate is greater than the programmed amount due to an increase in the number of working days as a result of the revised workplan.

Capital Cost Increase:

The project proposes to rehabilitate approximately 17 lane miles of pavement, and address complete street and roadside elements along SR 89. In May 2024, the Department determined that there were not sufficient comparative projects in the area that justified increasing the programmed amount. The Department decided to wait for the bid results of a similar project in the area which was advertised in October 2024 before revising the EE for this project. The new market trends from the bid results indicated that the unit costs have exceeded the anticipated costs during the previous phase. As a result, the revisions to the EE increased the project's cost significantly. The refinements to the quantity and unit cost of hot mix asphalt have resulted in a major increase to the bid item. In addition, revisions to the quantities and adjustments to the unit costs for recessed traffic stripe, modifying camera systems, and traffic control systems among other bid items have increased significantly.

At the time this project was programmed, TRO was required for projects over \$5,000,000 and with at least 100 working days. As this project was proposed to mainly have overlay work, it was estimated at 85 working days which was under the threshold of including TRO. In July 2022, Department's policy on calculating TRO was revised, and now it is required to be included on the majority of projects regardless of the number of working days. This change resulted in an increase to the EE.

The adjustments that were made to the estimate due to design refinements, current market conditions, and the Department's policy update, amount to an increase of \$6,743,000 in capital costs.

Support Cost Increase:

The support cost increase is due to the addition of 35 working days (from 80 to 115) as a result of the timing of work. Construction for the majority of the work was planned to occur during the daytime. However, following further analysis from the Traffic Management unit, the paving

work has been restricted to be performed during nighttime closures. In addition, the concrete barrier work now requires staged construction due to the updated standards and specifications which increased the required support resources. The revisions to the workplan amounts to an increase of \$200,000.

CONSEQUENCES:

If this allocation request is not approved, the Department will not be able to advertise the contract to address the critical deficiencies of the existing pavement and roadside elements. To address all of the deficiencies, the project will have to be reprogrammed, which will result in delays and could result in higher costs due to escalation.

FINANCIAL RESOLUTION:

Resolved, that \$17,093,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-302-0890 and Non-Budget Act Item 2660-802-3290 for Construction Capital, and \$1,500,000 for Construction Support, to provide funds to advertise this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project No. Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	PPNO Program/Year Phase Prgm'd Amount Project ID Adv Phase EA	Budget Year Item # Fund Type Program Code	Amount by Fund Type												
2.5d.(3) Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount																
1 \$18,593,000 Placer 03-Pla-89 13.1/21.667	Near Truckee, from 0.8 mile north of Alpine Meadows Road to Nevada County line; also in Nevada County in Truckee, from Placer County line to Route 80 (PM 0.0/0.5). <u>Outcome/Outputs:</u> Rehabilitate pavement, upgrade facilities to Americans with Disabilities Act (ADA) standards, and upgrade guardrail and Transportation Management System (TMS) elements. This project will extend the pavement service life and improve ride quality.	03-5292 SHOPP/24-25 CON ENG \$1,300,000 CONST \$10,350,000 0320000114 3,4 1J170	505-3290 RMRA 001-0890 FTF 20.10.201.121 2017-18 802-3290 RMRA 2024-25 302-0890 FTF 20.20.201.121	\$172,000 <u>\$1,328,000</u> \$1,500,000 \$1,961,000 <u>\$15,132,000</u> <u>\$17,093,000</u>												
	<table border="1"> <thead> <tr> <th>Preliminary Engineering</th> <th>Budget</th> <th>Expended</th> </tr> </thead> <tbody> <tr> <td>PA&ED</td> <td>\$1,322,000</td> <td>\$1,132,385</td> </tr> <tr> <td>PS&E</td> <td>\$1,380,000</td> <td>\$1,133,015</td> </tr> <tr> <td>R/W Sup</td> <td>\$60,000</td> <td>\$34,782</td> </tr> </tbody> </table>	Preliminary Engineering	Budget	Expended	PA&ED	\$1,322,000	\$1,132,385	PS&E	\$1,380,000	\$1,133,015	R/W Sup	\$60,000	\$34,782			
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Performance Measure:

Planned: 17.1, Actual: 17.1 Lane mile(s)

CEQA - CE, 05/03/2024; Re-validation 06/05/2025

NEPA - CE, 05/03/2024; Re-validation 06/05/2025

Two month allocation time extension for CONST and CON ENG approved under Waiver 25-95; June 2025.

Performance Measure: Lane mile(s)					
	Unit	Good	Fair	Poor	Quantity
Existing Condition	Lane mile(s)	0.0	17.1	0.0	17.1
Post Condition	Lane mile(s)	17.1	0.0	0.0	17.1