

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(11), Action Item

Prepared By: Scott Eades
District 05 – Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT**
PPNO 2797/EA 1J890 – MONTEREY COUNTY – UNITED STATES HIGHWAY 101
RESOLUTION FP-25-11

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$25,132,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Drainage System Restoration project on United States Highway (US) 101, in Monterey County, to award the project?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project is located along US 101 in and near the cities of King City, Greenfield, Soledad, Gonzales, and Salinas; from the Paris Valley Road Overcrossing to Dunbarton Road, in Monterey County. The project will rehabilitate drainage systems, replace overhead signs and structures, and upgrade transportation management system (TMS) elements.

FUNDING AND PROGRAMMING STATUS:

In May 2020, this project was programmed as a Long Lead in the SHOPP for \$8,410,000 in Construction Capital and \$3,697,000 in Construction Support for allocation in Fiscal Year 2024-25. In June 2024, the project was amended to update the performance measures and increase Construction Capital to \$13,260,000 due to updated estimates for

drainage, roadway, TMS elements, and postconstruction biological monitoring. 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 \$20,851,000 in Construction Capital (57.2 percent over the programmed amount) and \$4,281,000 in Construction Support (15.8 percent over the programmed amount). The Department plans to award the project in January 2026 and begin construction in February 2026. Construction is planned for two construction seasons with a duration of 355 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to refinements of the quantities and higher unit prices based on current market conditions for various roadway items. 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 drainage systems, replace overhead signs and structures, and upgrade TMS elements along an approximately 72-mile segment of US 101. The asphalt concrete pavement quantities increased due to refinements throughout the project limits. In addition, the cost of drainage items also increased. At the time the programmed amount was amended, time-related overhead and mobilization bid items were underestimated. As a result of the revisions made to the EE, these two bid items have increased significantly.

The refinements that were made to the design, updated quantities, and unit prices reflecting the current market conditions for all items, have resulted in an increase of \$7,591,000 in capital costs.

Support Cost Increase:

The support cost increase is due to the addition of 205 working days (from 150 to 355) as a result of changes to the culvert construction methods, and monitoring work. The original estimate for working days anticipated culvert work to be combined in small groupings throughout the project limits. Once the final culvert designs were available, and after several constructability reviews, the size and number of culvert groupings changed. The result was an increase to the number of days required to perform the work. The additional work for the increase to working days amounts to an increase of \$584,000 in support costs.

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 drainage systems and other roadside elements along this segment of US 101. To address all 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 \$20,851,000 be allocated from the Budget Act of 2024, Budget Act Items 2660-302-3290 and 2660-302-0890 for Construction Capital, and \$4,281,000 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
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2.5d.(11) Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount Resolution FP-25-11

1	In and near King City, Greenfield, Soledad, Gonzales, and Salinas, from Paris Valley Road Overcrossing to Dunbarton Road. <u>Outcome/Outputs:</u> Rehabilitate drainage systems, replace overhead signs and structures, and update Transportation Management System (TMS) elements.	05-2797 SHOPP/24-25 CON ENG \$3,697,000 CONST	505-3290 RMRA 001-0890 FTF 20.10.201.151 2024-25	\$491,000 <u>\$3,790,000</u> \$4,281,000
\$25,132,000		\$13,176,000 0518000084	302-3290 RMRA	\$2,392,000
Monterey 05-Mon-101 R28.2/100.3	Preliminary <u>Engineering</u> PA&ED PS&E R/W Sup	<u>Budget</u> \$2,830,100 <u>Expended</u> \$2,482,107 \$3,443,293 \$985,000 \$293,474	3,4 1J890 302-0890 FTF 20.20.201.151	<u>\$18,459,000</u> \$20,851,000

Performance Measure:

Planned: 36.0, Actual: 36.0 Culvert(s) (ea)

CEQA - MND, 11/21/2022; Re-validation 06/20/2025
NEPA - CE, 12/05/2022; Re-validation 06/20/2025

Future consideration of funding approved under Resolution E-23-02; January 2023.

Concurrent addendum for the previously approved future consideration of funding under Resolution E-25-55A; August 2025.

Concurrent Amendment under SHOPP Amendment 24H-014; August 2025.

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

Performance Measure: Culvert(s) (ea)					
	<u>Unit</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Quantity</u>
Existing Condition	Linear feet	0.0	108.0	2,664.6	2,772.6
Post Condition	Linear feet	3,243.6	0.0	0.0	3,243.6