

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(20), Action Item

Prepared By: Ryan Dermody
District 09 - Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT**
PPNO 2645/EA 37430 – MONO COUNTY – UNITED STATES HIGHWAY 395
RESOLUTION FP-25-20

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$29,645,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Americans with Disabilities Act Curb Ramps project on United States Highway (US) 395, in Mono County (County), 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 on US 395, in and near Lee Vining, from State Route 120 to Picnic Grounds Road. The project will rehabilitate the pavement, upgrade pedestrian facilities, rehabilitate drainage, replace signs and guardrail, and make bicycle improvements.

FUNDING AND PROGRAMMING STATUS:

In May 2020, this project was programmed in the SHOPP for \$14,132,000 in Construction Capital and \$2,692,000 in Construction Support for allocation in Fiscal Year 2023-24. In June 2022, the project was amended to update postmiles and description as a portion of guardrail work was being constructed under another project, and to increase Construction Capital to \$18,448,000 due to revisions in asphalt, concrete, earthwork, and culvert quantities,

and increase in unit cost of asphalt and striping. In June 2024, the project requested an 18-month allocation time extension for the Construction phase. However, the request was deferred to the August 2024 Commission meeting and approved for 12 months. In June 2025, the project received an additional 2-month allocation time extension amendment (totaling 14 months) for the Construction phase. In addition, the project received an 8-month project development expenditure time extension for the Plans, Specifications, and Estimate (PS&E) phase.

In June 2025, the Engineer's Estimate (EE) reflected the need of \$23,927,000 in Construction Capital (29.7 percent over the programmed amount) and \$5,718,000 in Construction Support (112.4 percent over the programmed amount). The Department plans to advertise the project in September 2025 and begin construction in May 2026. Construction is planned for two construction seasons with a duration of 320 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to the increase in unit costs, changes to the construction means and methods, additional electrical work, and adjustments to traffic handling. 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, winter suspension, overtime work, and the need for additional inspectors.

Capital Cost Increase:

During the development of the final EE, the unit prices for all items were reviewed and adjusted to reflect current market conditions. Recently, local projects have seen an increase in construction costs for asphalt, concrete, and drainage items. This is primarily due to market conditions and the need for hauling due their remoteness. The project's remoteness and hauling needs were factored into the EE, since the closest major cities of Carson and Reno, are approximately 110 miles away. In addition, the lack of active local asphalt production plants and a sole concrete supplier, played a significant role in the cost increases. The cost of culvert materials has also increased significantly. While the project's drainage design is complex due to existing site conditions and clearances from local utilities, the Department had mostly accounted for the complexity and increased cost in the approved amendment. However, revisions to the drainage design strategy during the PS&E phase for water conveyance and infiltration led to increased costs. The EE reflects the current unit prices and is higher than anticipated.

During the development of the project, several meetings were held with the community and stakeholders. These meetings included public workshops, regional planning, and stakeholder one-on-ones. As a result of community input, a pedestrian safety crossing in the form of a rapid flashing beacon was incorporated. Additional concerns and resulting changes involved continual access to businesses, residences, parking, and nearby schools. As a result, revisions and modifications were made to the construction staging plans to minimize impacts to the public. This affected the order of work and production rates, and impacted the EE.

Additional funds are needed to address the shortfall due to increases with several items including time-related overhead, traffic control, pavement structural section, and specialty items.

In addition, meetings with local stakeholders resulted in the Department entering into a cooperative agreement with the County to include water and sewer line replacement as part of this project. As part of the agreement, the County has contributed \$2,000,000 in capital and support funds and is not part of this request. Although this is adding scope to the project, the funding contribution covers the related items and support efforts.

The refinements that were made to the design based on the updated quantities and unit prices to reflect current market conditions, amounts to an increase of \$5,479,000 in capital costs.

Support Cost Increase:

The support cost increase is due to the addition of 210 working days (from 110 to 320) as a result of the revised staging plans, incorporating a winter suspension, overtime and weekend work, additional inspectors, and incorporation of the local facility improvements.

During the project's programming, the Department assumed a construction schedule based on anticipated production rates to span one construction season. However, after community engagement, revisions to the construction staging to minimize impacts to businesses while maintaining full access, resulted in the need for additional 130 working days and the inclusion of a winter suspension. In addition, the construction staging plans also includes modification to minimize impacts to parking, residences, and nearby schools.

With the inclusion of water and sewer line replacement, the project's schedule was increased by an additional 80 working days. The County has provided support funding for this effort. To minimize the impacts to the schedule, avoid nighttime disruptions, and complete the work in two construction seasons, weekend and overtime work is anticipated. The Department anticipates utilizing consultant staff for testing and inspection.

The additional working days, refinements to the construction staging, and the addition of a winter suspension, amount to an increase of \$3,026,000 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 roadway and roadside elements. 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 \$23,927,000 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 \$5,718,000 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.(20)	Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount			Resolution FP-25-20												
1 \$29,645,000 Mono 09-Mno-395 50.6/53.1	Near Lee Vining, from 0.1 mile north of Route 120 (west) to Picnic Grounds Road. <u>Outcome/Outputs:</u> Upgrade facilities to Americans with Disabilities Act (ADA) standards, rehabilitate drainage, replace water lines, sewer lines, signs, guardrail, and improve bicycle infrastructure. Additional contribution of \$400,000 for Construction Support and \$1,600,000 for Construction Capital from Mono County.	09-2645 SHOPP/23-24 CON ENG \$2,692,000 CONST \$18,448,000 0918000015 3,4 37430	505-3290 RMRA 001-0890 FTF 20.10.201.361 2017-18 802-3290 RMRA 2024-25 302-0890 FTF 20.20.201.361	\$656,000 <u>\$5,062,000</u> \$5,718,000 \$2,745,000 <u>\$21,182,000</u> \$23,927,000												
	<table border="1"> <thead> <tr> <th>Preliminary Engineering</th> <th>Budget</th> <th>Expended</th> </tr> </thead> <tbody> <tr> <td>PA&ED</td> <td>\$2,512,000</td> <td>\$1,112,199</td> </tr> <tr> <td>PS&E</td> <td>\$2,734,400</td> <td>\$2,159,019</td> </tr> <tr> <td>R/W Sup</td> <td>\$1,658,000</td> <td>\$961,160</td> </tr> </tbody> </table>	Preliminary Engineering	Budget	Expended	PA&ED	\$2,512,000	\$1,112,199	PS&E	\$2,734,400	\$2,159,019	R/W Sup	\$1,658,000	\$961,160			
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Performance Measure:

Planned: 27.0, Actual: 27.0 Curb ramp(s)

CEQA - ND, 03/29/2022; Re-validation 05/29/2025
NEPA - CE, 03/30/2022; Re-validation 05/29/2025

Future consideration of funding approved under Resolution E-22-47; June 2022.

Amendment to time extension for an additional two months, for a total of fourteen months, for CONST and CON ENG approved under Waiver 25-136; June 2025.

Performance Measure: Curb ramp(s)					
	Unit	Good	Fair	Poor	Quantity
Existing Condition	Each	0.0	0.0	26.0	26.0
Post Condition	Each	27.0	0.0	0.0	27.0