

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(7), Action Item

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District 07 – Director

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR AWARD OF A PREVIOUSLY
VOTED PROJECT**
PPNO 5484/EA 35320 – LOS ANGELES COUNTY – INTERSTATE 405
RESOLUTION FA-25-04

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$11,114,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Pavement Preservation project on Interstate 405 (I-405), in Los Angeles County, to re-advertise the construction contract?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project is located on I-405 in and near the cities of Long Beach, Signal Hill, Los Angeles, and Carson, from the Orange County line to south of I-110, in Los Angeles County. The project will rehabilitate the pavement, bridge, transportation management system (TMS) elements, and drainage systems, upgrade signs, lighting, and pedestrian facilities; improve safety, replace copper cabling with fiber optics, landscaping, and irrigation systems; install rock blanket and minor concrete paving; and construct maintenance vehicle pullouts.

FUNDING AND PROGRAMMING STATUS:

In May 2020, the project was programmed in the SHOPP for \$68,133,000 in Construction Capital and \$11,103,000 in Construction Support for allocation in Fiscal Year 2023-24. In May 2021, the project was amended to decrease Construction Support to \$9,872,000 due to a refined support cost estimate, design efficiency, and a revised construction staging plan. In December 2022, the project was amended again to increase Construction Capital to \$88,156,000 and Construction Support to \$10,832,000 due to additional assets that were identified during the Project Approval and Environmental Document phase. In June 2024, the project requested an allocation time extension for the Construction phase. However, the request was deferred to and approved for four months at the August 2024 meeting. In October 2024, the project was further amended to fully program the unfunded Construction phase. The project was also allocated for \$104,086,000 in Construction Capital and \$12,500,000 in Construction Support. In March 2025, bids were opened and analyzed for validation. The Department received three bids but had to reject all of them in the best interest of the State. Therefore, the Department decided to repackage and re-advertise the project. In May 2025, the project received a 9-month award time extension for the Construction phase. In June 2025, the project received an 8-month project development expenditure time extension and supplemental funds for the Plans, Specifications, and Estimate (PS&E) phase.

The amount needed to re-advertise the contract, based on the new Engineer's Estimate (EE) completed in June 2025, is \$115,200,000 for Construction Capital. Therefore, the Department is requesting supplemental funds in the amount of \$11,114,000 to re-advertise the construction contract. The Department plans to re-advertise the project in September 2025. Construction is planned for 1,045 working days spanning four construction seasons, beginning in February 2026.

REASON FOR COST INCREASE:

The project realized cost increases due to revisions that were made to the PS&E package due to the rejection of the bid results.

The project proposes to rehabilitate the pavement, bridge, TMS elements, and drainage systems; upgrade signs, lighting, and pedestrian facilities; improve safety, and replace copper cabling with fiber optics, landscaping, and irrigation systems; install rock blanket and minor concrete paving; and construct maintenance vehicle pullouts along an approximately 13-mile segment of I-405.

In January 2025, when the contract was advertised, the Department received 210 bidder inquiries from 13 potential contractors. Based on these inquiries, the Department issued two addenda to address the discrepancies and inconsistencies that were encountered during the bidders' review process. The addenda revised approximately 200 plan sheets, including layouts, typical cross sections, traffic signing and striping, specifications, and bid quantities. In March 2025, bids were opened, and three bids were received. The bids were analyzed for validation, and they were found to be non-responsive, front-loaded, or too high to award to the

lowest responsive bidder. Therefore, the Department decided to reject all the bids and re-advertise the contract after it was repackaged. The repackaging of the PS&E required incorporating approximately 200 addenda sheets, updating the PS&E to meet the mid-cycle standard plans released in April 2025, revising the PS&E to use the latest compliant temporary barrier, and upgrading the electrical pull boxes to prevent vandalism and theft. The Department also made plan changes to address several bidder inquiries regarding the construction of the overhead signs behind existing soundwalls.

Since the last certification of the EE was in August 2024, the EE was updated and recertified due to a significant increase in prices for material and supplies. The new EE, that was updated in June 2025, reflects the current trend of market prices and corrects the discrepancies. The major unit price differences, between the original and new EE, are related to the following bid items:

- Traffic Control
- Roadway structural section Items
- Clearing Items
- Furnish Sign Structure
- Minor Concrete Items
- Electrical Items
- Traffic Stripe Tape
- Temporary Barrier System

The total request of \$11,114,000 includes minor adjustments to other unit bid prices, supplemental work, Department furnished materials, and contingency.

CONSEQUENCES:

If this request for supplemental funds is not approved, the Department will not be able to re-advertise and award the contract that addresses critical deficiencies of the existing roadway and roadside elements along this segment of I-405. To address all the deficiencies, the project will be delayed and will have to be reprogrammed in a future SHOPP cycle at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$11,114,000 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, to provide funds to re-advertise the construction contract of this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	Recipient	Project Title	PPNO	State	State
RTPA/CTC	County	Dist-Co-Rte	Location	Funding Year	Federal	Federal
County	Postmile		Project Description	Item #	Current Amount	Additional
			Project Support Expenditures	Fund Type	by Fund Type	Amount by
				Program Codes		Fund Type
				Project ID		Revised
				Adv Phase		Amount by
				EA		Fund Type

2.5e.(7) Supplemental Funds for Previously Voted Project Resolution FA-25-04

1	\$11,114,000	Department of Transportation LACMTA Los Angeles 07-LA-405 0.0/12.8	In and near the cities of Long Beach, Signal Hill, Los Angeles, and Carson, from the Orange County line to south of Route 110.	07-5484 SHOPP/2017-18 CONST			
			<u>Outcome/Outputs:</u> Rehabilitate pavement, upgrade signs, rehabilitate bridge, upgrade lighting, improve safety, rehabilitate Transportation Management System (TMS) elements and replace copper cabling with fiber, rehabilitate culverts, replace landscape and irrigation system, rock blanket paving, minor concrete paving, grind concrete pavement, construct maintenance vehicle pullouts, and upgrade facilities to Americans with Disabilities Act (ADA) standards. This project is necessary to extend pavement service life and improve ride quality.	802-3290 RMRA 20.20.201.121	\$8,774,000	\$937,000	\$9,711,000
				SHOPP/2024-25 CONST			
				302-0890 FTF 20.20.201.121 0718000253 4 35320	\$95,312,000	\$10,177,000	\$105,489,000
			Total revised amount \$115,200,000.				
			Supplemental funds are needed to re-advertise.				
			CEQA - CE, 01/20/2022; Re-validation 06/24/2024				
			NEPA - CE, 01/20/2022; Re-validation 06/24/2024				