

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 14-15, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(9), Action Item

Prepared By: Catalino Pining III  
District 08 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION COMPLETION PHASE  
PPNO 3005R/EA 0R420 – SAN BERNARDINO COUNTY – INTERSTATE 15  
RESOLUTION FA-25-11**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$15,600,000 in Construction Capital and \$2,800,000 in Construction Support for the State Highway Operation and Protection Program (SHOPP) Maintenance Facilities project on Interstate 15 (I-15), in San Bernardino County, to complete 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-15 in the City of Fontana, near the I-15/State Route 210 interchange, at 13970 Victoria Street, in San Bernardino County. The project will construct a new maintenance facility (Facility).

### **FUNDING AND PROGRAMMING STATUS:**

In March 2018, the project was programmed for \$19,800,000 in Construction Capital and \$3,600,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2021-22. In June 2019, the project was amended to move up the allocation to 2019-20 to utilize the Design-Build delivery method, and increase Construction Capital to \$20,350,000 and Construction Support to \$4,200,000 due to the unit price increases for several structure and roadway items and a revised workplan.

In March 2020, the project was allocated for \$23,409,000 in Construction Capital and \$4,800,000 in Construction Support, with an additional 12 months to award the contract and a total of 40 months to complete construction. In March 2021, the project was awarded to the Design-Build contractor for \$23,409,000 in Construction Capital with design work starting in May 2021. In October 2022, construction began with 410 working days. In May 2025, the project received a 3-month project completion time extension for the Construction phase. The project has not received any G-12 funds for the Construction phase. Construction is five percent complete with no working days remaining and the project is currently on hold. The remaining funds are currently at \$13,900,000 in Construction Capital and \$2,027,000 in Construction Support. The project will need an additional 660 working days to complete construction and Construction Contract Acceptance is now anticipated to occur in June 2028. A concurrent project completion time extension amendment for the Construction phase is on this month's Commission agenda.

**REASON FOR COST INCREASE:**

The project realized capital and support cost increases due to disputes with the Design-Build contractor which led to termination of the contract.

**Capital Cost Increase:**

The project has experienced significant increases in capital costs due to a dispute with the original Design-Build contractor. After the design plans were developed and site grading began, the contractor submitted a price escalation claim, citing substantial increases in material and labor costs driven by change in market conditions. The Department pursued resolution through the Dispute Resolution Board process; however, these efforts were unsuccessful, and the contract was ultimately terminated.

As the Department worked to resolve the dispute and re-evaluate the delivery strategy, a considerable amount of time passed. To move the project forward in a way that best serves the state, the Department now plans to award the contract through a Director's Order using a limited bid process. Updated engineering estimates reflect the need for an additional \$15,600,000 in Construction Capital. The original estimate, prepared in March 2020, preceded the significant escalation in construction and material costs that have occurred over the past four years.

Despite these setbacks, the Department is well-positioned to restart construction efficiently. The plans have already been fully approved, and the Department has secured approval from the State Fire Marshal. In addition, \$1,300,000 in construction materials were procured when work began in October 2022 and are currently available for use. Approval of this funding request would allow the Department to capitalize on existing resources, resume construction without delay, and avoid the added cost and time associated with restarting the planning and permitting process. There is also an immediate need to complete this project, which will deliver a critical new maintenance facility and a regional disaster coordination center. The center will significantly enhance the Department's ability to respond quickly and effectively during

emergencies and natural disasters, helping to protect infrastructure, preserve property, and save lives.

With \$13,900,000 in Construction Capital remaining and \$1,300,000 in materials on hand, an additional \$15,600,000 in capital funding is required to complete this essential project.

**Support Cost Increase:**

Additional support funding is required to complete the remaining work on the project. A significant portion of the originally allocated support budget has already been expended on efforts related to the terminated Design-Build contract. This includes preparing detailed documentation, coordinating legal reviews, and engaging in multiple rounds of dispute resolution with the contractor through the Dispute Resolution Board process, all of which ultimately led to contract termination.

The Department is now transitioning to a new delivery method and is procuring a replacement contractor through a Director’s Order under a limited bid process. This shift requires additional planning, oversight, and administrative support not originally anticipated.

Furthermore, as a result of the disruption and delays caused by the terminated contract, the project will require an additional 660 working days to complete construction. This extended timeline significantly increases the scope and duration of support activities, including field engineering, inspection, project management, environmental compliance, materials testing, and coordination with agencies and stakeholders.

An additional \$2,800,000 in support resources is needed to provide adequate staffing and oversight, ensure construction quality and safety, and complete the project in full compliance with state and federal requirements.

**CONSEQUENCES:**

If this request for supplemental funds is not approved, the Department will not be able to complete the construction of this vital infrastructure for the major stakeholders in San Bernardino and Riverside counties. If the construction contract is further delayed, the Department will continue to accrue rental costs for maintenance staff to operate from this location. To complete construction at a later time, another project will have to be programmed in a future SHOPP cycle at a higher cost when funding becomes available.

**FINANCIAL RESOLUTION:**

Resolved, that \$15,600,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-303-0042, for Construction Capital and \$2,800,000 for Construction Support, to provide funds to complete the Construction phase for this SHOPP project.

Attachment

2.5 Highway Financial Matters

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

2.5e.(9) Supplemental Funds for Previously Voted Project Resolution FA-25-11

1	In Fontana, near the southeast quadrant of Route 15/210 Interchange at 13970 Victoria Street.	08-3005R SHOPP CON ENG			
\$18,400,000					
Department of Transportation SBCTA San Bernardino 08-SBd-15 7.4	<u>Outcome/Outputs:</u> Construct new maintenance facility (L5758) adjacent to the Southern Regional Laboratory. This project will help keep local highways and freeways in operational condition and reduce maintenance response time. This was a Design-Build project.	001-0042 SHA 20.10.201.352	\$4,800,000	\$2,800,000	\$7,600,000
	Total revised amount \$46,609,000.	SHOPP/2018-19 CONST 303-0042 SHA 20.20.201.352	\$23,409,000		\$23,409,000
	Supplemental funds are needed to complete construction.	SHOPP/2024-25 CONST 303-0042 SHA 20.20.201.352 0812000076 3,4 0R420		\$15,600,000	\$15,600,000
	CEQA - ND, 09/06/2019 NEPA - CE, 09/06/2019				
	Future consideration of funding approved under Resolution E-19-97; December 2019.				