

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8b.(3), Action Item

Prepared By: Dee Lam, Chief  
Division of Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR A  
LOCALLY-ADMINISTERED SENATE BILL 1 TRADE CORRIDOR  
ENHANCEMENT PROGRAM PROJECT, PER TCEP GUIDELINES  
WAIVER 25-176**

### **ISSUE:**

Should the California Transportation Commission (Commission) extend the period of contract award for the locally-administered Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP) San Dieguito Double Track Phase 1 project (PPNO LP003), in San Diego County, for the time period as identified in the attachment?

### **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the Commission extend the period of contract award for the locally-administered SB 1 TCEP San Dieguito Double Track Phase 1 project (PPNO LP003), in San Diego County, for the time period as identified in the attachment.

### **BACKGROUND:**

In June 2025, the Commission allocated \$30,528,000 for the Construction phase of the locally-administered SB 1 TCEP San Dieguito Double Track Phase 1 project (PPNO LP003). In accordance with TCEP Guidelines (Guidelines), the deadline to award contracts for projects allocated in June 2025 is December 31, 2025. The attachment describes the details of the project and the explanation for the delay.

Current Guidelines stipulate that the agency implementing a project request a time extension if the project will not be awarded within six months of allocation. The Commission may approve a waiver to the Timely Use of Funds deadline, one-time only, for up to 12 months.

Attachment

**Time Extension/Waiver – Contract Award  
Trade Corridor Enhancement Program**

Project Number: 1  
Applicant: San Diego Association of Governments  
County: San Diego  
District: 11  
PPNO: LP003  
Allocation Amount: \$30,528,000  
Phase: Construction  
Allocation Date: 06/27/2025  
Allocation Resolution Number: TCEP-A-2425-27  
Number of Months Requested: 12 Months  
Extended Deadline: 12/31/2026  
Department Recommendation: Support

**San Dieguito Double Track Phase 1**

The San Diego Association of Governments (SANDAG) requests a 12-month time extension for the period of contract award for the Construction (CON) phase of the San Dieguito Double Track Phase 1 (Phase 1) project. SANDAG has experienced delays in awarding the third-party contract due to funding constraints.

The project is located in San Diego County along the San Dieguito River between the cities of Solana Beach and Del Mar. The Phase 1 project will add 0.8 miles of second main track from Control Point Valley (MP 242.2) to the San Dieguito Lagoon trestle bridge (MP 243.0). This Phase 1 project is part of a larger initiative to enhance service for both freight and passenger train services along the Los Angeles-San Diego-San Luis Obispo Rail Corridor.

Due to on-going negotiations regarding the combination of Phase 1 and San Dieguito Phase 2 (Phase 2) projects between the agency, federal government, and the Department, the availability of additional funding for construction has been delayed. Funding sources for Phase 2 include State Transportation Improvement Program (STIP), Transit and Intercity Rail Capital Program and Infrastructure for Rebuilding America (INFRA) - Nationally Significant Multimodal Freight and Highway Projects program administered by the Federal Railroad Administration (FRA). SANDAG has proposed to combine both Phase 1 and Phase 2 scopes into a single contract implemented by the same contractor. This approach is intended to provide a more cost effective and efficient delivery method.

Federal changes in grant distribution have also contributed to the delays in Phase 2, preventing the advancement of the INFRA grant allocation. New processes and adjustments in the FRA's financial system have extended the review timeline, resulting in delays in fund disbursement for Phase 2. At the state level, the Department is unable to advance the funds programmed under STIP.

SANDAG has been working closely with the FRA staff on the approval of the INFRA grant for Phase 2 and expects the grant to be executed by the Fall 2025. Concurrently, SANDAG has been working with Commission staff to use the Assembly Bill 3090 (AB 3090) option as a funding mechanism to ensure the project can go out for bid by June 2026. AB 3090 allows local agencies to use their own funds to advance projects before STIP funds are available, preventing delays in transportation improvements. This legislation enables SANDAG to advance Phase 2 STIP funds with local resources, keeping the project on schedule while awaiting reimbursement in later fiscal years.

While SANDAG awaits approval for the programming and allocation for Phase 2, additional time is needed to award the Phase 1 contract in conjunction with Phase 2. The integration of both Phase 1 and Phase 2 through one single contract will diminish the impacts to both the project schedule and the surrounding environment by having the same contractor deliver both scopes of work.

Therefore, SANDAG is requesting a 12-month time extension for the period of contract award for the CON phase from December 31, 2025 to December 31, 2026.