

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(10), Action Item

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District 06 – Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT**
PPNO 6705/EA 0S370 – KINGS AND FRESNO COUNTIES – STATE ROUTE 41
RESOLUTION FP-25-38
RESOLUTION LPP-A-2526-09

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$50,935,000 for Construction of the State-Administered multi-funded State Transportation Improvement Program (STIP) and Senate Bill 1 (SB 1) Local Partnership Program (LPP) (Formulaic) Excelsior Expressway project on State Route (SR) 41, in Kings and Fresno counties, to advertise the project?

RECOMMENDATION:

The Department recommends that the Commission approve the requested allocation for this State-Administered multi-funded STIP and SB 1 LPP (Formulaic) project.

PROJECT DESCRIPTION:

This project is located along SR 41 near the City of Lemoore, from north of the Excelsior Avenue Undercrossing to north of Elkhorn Avenue, in Kings and Fresno counties. The project will widen the existing 2-lane conventional highway to a 4-lane expressway with the addition of a bridge at Murphys Slough in the northbound direction.

This project will be combined with a State Highway Operation and Protection Program Pavement Preservation project (PPNO 7064/EA 1A790), which will rehabilitate the pavement, install transportation management system elements, and replace a signal, and be delivered under one contract after allocation.

FUNDING AND PROGRAMMING STATUS:

In March 2022, this project was programmed in the STIP for \$27,800,000 in Construction Capital (\$19,400,000 from the Interregional Improvement Program (IIP) and \$8,400,000 from the Regional Improvement Program (RIP)) and \$5,200,000 in Construction Support (\$3,600,000 from the IIP and \$1,600,000 from the RIP) for allocation in Fiscal Year 2024-25. In March 2025, the project was programmed for an additional \$4,164,000 in Construction Capital in the SB 1 LPP (Formulaic) for allocation in 2024-25. In June 2025, the project received a 4-month allocation time extension for the Construction phase.

In April 2025, the Engineer’s Estimate (EE) reflected the need from the STIP of \$41,571,000 in Construction Capital (49.5 percent over the programmed amount) (\$29,009,000 from the IIP and \$12,562,000 from the RIP) and \$5,200,000 in Construction Support (zero percent over the programmed amount) (\$3,600,000 from the IIP and \$1,600,000 from the RIP). The EE also accounts for \$4,164,000 in Construction Capital (zero percent over the programmed amount) from the SB 1 LPP (Formulaic). In addition, \$15,273,000 will be contributed to the project through local funds. The Department plans to award the project in January 2026 and begin construction in March 2026. Construction is planned for 3 construction seasons with a duration of 585 working days.

Phase Components	Programmed Amount	Allocation Amount	Increased Amount	Percent Over/Under Programmed Amount
Construction Capital				
STIP IIP	\$19,400,000	\$29,009,000	\$9,609,000	49.5
STIP RIP	\$8,400,000	\$12,562,000	\$4,162,000	49.5
SB 1 LPP (Formulaic)	\$4,164,000	\$4,164,000	-	-
Total	\$31,964,000	\$45,735,000	\$13,771,000	43.1
Construction Support				
STIP IIP	\$3,600,000	\$3,600,000	-	-
STIP RIP	\$1,600,000	\$1,600,000	-	-
Total	\$5,200,000	\$5,200,000	-	-

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to refinements to the design and construction staging that resulted in updated quantities and adjustments to the unit prices based on current market conditions.

During the Plans, Specifications, and Estimate phase, revisions were made to the design which resulted in updated quantities. There was an increase to the cost of hot mix asphalt due to the incorporation of this material as base for the jointed plain concrete pavement. In addition, the cost for roadway structural section items increased as a result of incorporation of

Traffic Safety recommendations to add right turn lanes at two intersections. The addition of the turn lanes increased quantities for roadway excavation, Class 2 aggregate base, and hot mix asphalt. Updated stormwater runoff calculations indicated that the ditch configuration required additional storage. As a result, additional roadway excavation was also required to increase the ditch storage along the southbound direction of the roadway. Furthermore, the unit price for the imported borrow required for the additional two lanes increased to reflect current market conditions.

As part of the environmental revalidation for this project, a soundwall was incorporated for mitigation. In addition, after detailed review from Department Hydraulics staff, revisions were made to the drainage systems by changing the pipe material to a reinforced concrete pipe to meet load capacity requirements and improve resiliency. Furthermore, there were increases to miscellaneous items that include fence replacement and temporary erosion control items.

During stage construction development at two intersections, it was anticipated that the intersections would have right-turn only operations during the staging of work. However, Fresno County requested that their local streets have left-turn operations which resulted in the need for temporary signals. As a result of modifications to the construction staging, temporary signals had to be incorporated at each intersection. In addition, the lighting system cost increased due to additional lighting that was required at two other intersections for the left-turn lanes, to comply with updated lighting requirements. Furthermore, additional lighting was required for the on- and off-ramps at the interchange. As part of the operational improvements along this segment of SR 41, a permanent changeable message sign was incorporated.

The time-related overhead cost increased due to the addition of 235 working days (from 350 to 585 days). The increase in days resulted from a concern that construction activities at the new bridge would have a seasonal constraint by the local irrigation district which would delay some of the work. The Department has reviewed the current Construction Support estimate based on similar projects in the region and has made the determination that the programmed amount is sufficient. In addition, the mobilization costs increased due to adjustments that were made to unit prices to reflect current market conditions.

The refinements that were made to the design based on the updated quantities and adjustments to the unit prices to reflect current market conditions, amount to an increase of \$13,771,000 in capital costs for the STIP and SB 1 LPP (Formulaic).

CONSEQUENCES:

If this allocation request is not approved, the Department will not be able to advertise the contract to address operational improvements to the existing roadway along this segment of SR 41. To address all the improvements, 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 \$45,735,000 be allocated from the Budget Act of 2024, Budget Act Items 2660-301-0042, 2660-301-0890, and Non-Budget Act Item 2660-801-3290 for Construction Capital, and \$5,200,000 for Construction Support, to provide funds to advertise this State-Administered multi-funded STIP and SB 1 LPP (Formulaic) project.

Attachment

