State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(5), Action Item

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District 04 – Director (Acting)

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT PPNO 2021K/EA 0Q020 – SAN FRANCISCO COUNTY – INTERSTATE 80 AND UNITED STATES HIGHWAY 101 RESOLUTION FP-25-33**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for $78,725,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Bridge Rehabilitation and Replacement project on Interstate 80 (I-80) and United States Highway (US) 101, in San Francisco County, to award the project?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project is located on I-80 and US 101 in the City of San Francisco, through the Central Viaduct (No. 34-0077) and Bayshore Viaduct (No. 34-0088) junction, in San Francisco County. The project will rehabilitate the bridges by overlaying deck, replacing joints and seals, and reconstructing bridge railing. This project is utilizing the Construction Manager/General Contractor (CMGC) delivery process.

The I-80 Bayshore Viaduct is a lifeline corridor in the heart of San Francisco and connects to the East Bay and greater Northern California via the San Francisco-Oakland Bay Bridge (SFOBB) with average daily traffic of 240,000 vehicles per day. The Central Viaduct is critical to San Francisco as the main thoroughfare to US 101, Van Ness Avenue, and the Golden

Gate Bridge. The Bayshore and Central Viaducts intersect near San Francisco downtown along the congested approach to the West Span of SFOBB, with multiple closely spaced connectors and on- and off-ramps.

FUNDING AND PROGRAMMING STATUS:

In May 2020, this project was programmed in the SHOPP for $34,308,000 in Construction Capital and $4,661,000 in Construction Support for allocation in Fiscal Year 2023-24. In December 2022, the project was amended to decrease Construction Support to $4,467,000 due to a revised environmental estimate based on the Department's effort on current construction projects on these viaducts. In June 2023, the project was amended again to utilize the CMGC delivery method. 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 14 months. In August 2025, the project received an allocation time extension amendment for the Construction phase for two months (totaling 16 months) to complete price negotiation.

In August 2025, the Department secured the Agreed-to-Price for the construction contract resulting in a need for $69,730,000 in Construction Capital (103.2 percent over the programmed amount) and updated the staffing plan to $8,995,000 in Construction Support (101.4 percent over the programmed amount). The Department is ready to award the construction contract in October 2025 and begin construction in December 2025. Construction is planned for two construction seasons with a duration of 405 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to cost escalation and current market conditions, a new design requirement, additional structure degradation and damage, and more extensive construction staging and coordination of a traffic management plan (TMP) with the local agencies. The Construction Support estimate is greater than the programmed amount due to the updated construction workplan that incorporates extensive outreach and coordination efforts for multiple 55-hour full freeway closures (FFC) with continuous 24-hour construction inspection (three shifts per day), as well as regular inspections for nightly lane closures.

Capital Cost Increase:

The project scope includes reconstructing 50 deficient joints, replacing over 400 joint seals (19,000 feet), reconstructing approximately 1,500 feet of bridge rail, and resurfacing 15 lane miles of freeway with polyester concrete (1,300,000 square feet). In partnerships with local agencies and transit operators, it was necessary to develop a complex staging plan and freeway closures to minimize traffic disruption, and create a comprehensive TMP on local streets to coordinate with high-profile events throughout the year in San Francisco.

Escalation and additional deficiencies since programming in 2020 contributed to approximately 25 percent of the Construction Capital increase. Cost escalation is related to the additional two

years to develop and coordinate the FFCs and nightly closures within the busy year-round events schedule in San Francisco, as well as upcoming high-profile events in the Bay Area. Field verification during design resulted in a fivefold increase to bridge rail reconstruction quantities, and additional repairs and heat straightening of girders due to bridge hits. A design standard change resulted in a thicker 1-inch polyester overlay from initial 3-quarter inch assumption at programming.

Due to the complexity of the freeway junction and limited suitable alternative routes on local streets, the staged construction is the main contributor and represents about fifty percent of the Construction Capital increase. The schedule anticipates up to eight 55-hour weekend FFCs with nightly lane closure throughout the construction duration. Each FFC is affected by higher union labor rates on weekends with overtime and lodging for workforce from outside the Bay Area. The FFC preparation work includes mobilization of secured staging yards for materials in a high real estate cost market for scarce jobsites in San Francisco. The TMP cost was difficult to estimate at programming and requires extensive engagement with local stakeholders in San Francisco to develop along with the CMGC. The TMP includes layout of portable message signs widespread throughout San Francisco and the greater region during closures and additional traffic safety attenuator trucks to protect workers due to lack of shoulders on the viaducts. TMP subcontractor quotes reflect current market conditions with higher time-related overhead due to more extensive coordination by the prime contractor for the FFCs and nightly closures.

Approximately 25 percent of the Construction Capital increase is related to traffic control items, use of the construction zone enhanced enforcement program with the California Highway Patrol for all closures, Freeway Service Patrol to clear traffic incidents, deployment of San Francisco Municipal Transportation Agency traffic control officers at key local intersections, and a public information campaign with media buys to broadcast and inform on the 55-hour FFCs for the public to avoid and use alternative routes or transit. With the dynamic nature of traffic flow in the San Francisco Bay Area, demand management and adjustment of the TMP during closures is expected to mitigate traffic congestion on local streets and the Bay Area freeway network in a timely manner.

The use of a CMGC has been essential and beneficial to provide flexibility to address constructability in limited work windows and space, reduce risks of change orders and claims, balance duration of closures and community impacts, obtain real time feedback from subcontractors' bidding, the determination of meeting disadvantaged business enterprise goals, and facilitate stakeholder coordination and collaboration to resolve conflicts and reach consensus on the construction schedule around major events.

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 $35,422,000 in capital costs.

Support Cost Increase:

The support cost increase reflects the updated estimate of efforts to administer the contract for two construction seasons with multiple FFCs, coordinate with internal and external

stakeholders, and implement the public outreach campaign to complete the viaduct rehabilitation and minimize traffic impacts to the public at a congested location in the center of San Francisco.

This project is one of four major projects in the area that are scheduled to be in construction concurrently. Additional efforts are necessary to coordinate public outreach and the contractors on the three adjacent and nearby construction for multi-asset rehabilitation on State Route 1, US 101, and I-280 in San Francisco.

FFCs account for approximately 40 percent of the support increase due to substantial preparation to reduce safety risk and ensure efficient completion, and extensive outreach campaign and demand management to inform and reduce or divert traffic during closures. The total Construction Support estimate provides for sufficient staffing and specialty services for the viaduct rehabilitation at a challenging location.

The additional work and refinements to the workplan amount to an increase of $4,528,000 in support costs.

CONSEQUENCES:

If this allocation request is not approved, the Department will not be able to award the construction contract to address the critical deficiencies of major and lifeline viaducts on US 101 and I-80. Reprogramming for future delivery or re-packaging to advertise through the regular Design-Bid-Build delivery method will risk higher costs due to escalation, further asset degradation, emergency repairs and related exposure of maintenance workers, public inconvenience, and the need to re-engage with the local stakeholders and communities to coordinate staging and closures.

FINANCIAL RESOLUTION:

Resolved, that $69,730,000 be allocated from the Budget Act of 2024, Budget Act Items 2660-302-3290 and 2660-302-0890 for Construction Capital, and $8,995,000 for Construction Support, to provide funds to award this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project No. Allocation Amount County Dist-Co-Rte Postmile	Location Project Description Project Support Expenditures	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.(5)	**Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount**			**Resolution FP-25-33**
1 $78,725,000 San Francisco 04-SF-101 4.1/R5.1	In the City and County of San Francisco, at Central Viaduct No. 34-0077; also on Route 80 at Bayshore Viaduct No. 34-0088 (PM L3.79/4.99). Outcome/Outputs: Rehabilitate bridges by overlaying bridge deck, replacing joint seals, and repairing bridge rails. This is a Construction Manager/General Contractor (CMGC) project. Preliminary Engineering: Budget / Expended PA&ED $1,941,000 / $1,742,032 PS&E $3,848,000 / $3,252,987 R/W Sup $292,000 / $48,529 Performance Measure: Planned: 2.0, Actual: 2.0 Bridge(s) CEQA - CE, 06/08/2021; Re-validation 08/06/2025 NEPA - CE, 06/08/2021; Re-validation 08/06/2025 Amendment to time extension for an additional two months, for a total of sixteen months, for CONST and CON ENG approved under Waiver 25-159; August 2025. Concurrent Amendment under SHOPP Amendment 24H-015; October 2025.	04-2021K SHOPP/23-24 CON ENG $4,467,000 CONST $34,308,000 2024-25 0418000036 3,4 0Q020	505-3290 RMRA 001-0890 FTF 20.10.201.110 2024-25 302-3290 RMRA 302-0890 FTF 20.20.201.110	$1,032,000 $7,963,000 $8,995,000 $7,998,000 $61,732,000 $69,730,000

Performance Measure: Bridge(s)

	Unit	Good	Fair	Poor	Quantity
Existing Condition	Square feet	0.0	1,206,138.0	0.0	1,206,138.0
Post Condition	Square feet	1,206,138.0	0.0	0.0	1,206,138.0