

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(12), Action Item

Prepared By: Michael Navarro
District 06 - Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT PPNO 7031/EA 0X950 – KINGS COUNTY – STATE ROUTE 41 RESOLUTION FP-25-40**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$11,317,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Safety Improvements project on State Route (SR) 41, in Kings County, to advertise the project?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project is located on SR 41 near Kettleman City, at the intersection of Bernard Drive. The project will construct a double-lane roundabout.

FUNDING AND PROGRAMMING STATUS:

In December 2019, this project was programmed in the SHOPP for \$4,800,000 in Construction Capital and \$2,600,000 in Construction Support for allocation in Fiscal Year 2023-24. In January 2022, the project was amended to update the description since the availability of the local contribution was uncertain and Construction Capital was increased to \$6,464,000. In June 2023, the project was amended to increase R/W Capital to \$4,717K due to additional utility verification and relocation work, and increase of acquisition costs as a result of loss of goodwill claim, and cost to address increased work in the appraisal reports. In June 2024, the

project requested an allocation time extension for the Construction phase. However, the request was deferred to the August Commission meeting and approved for 11 months. In May 2025, the project received an allocation time extension amendment for the Construction phase for 5 months (totaling 16 months).

In May 2025, the Engineer's Estimate reflected the need of \$8,681,000 in Construction Capital (34.3 percent over the programmed amount) and \$2,636,000 in Construction Support (1.4 percent over the programmed amount). The Department plans to advertise the project in November 2025 and begin construction in April 2026. Construction is planned for two construction seasons with a duration of 180 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to the addition of rectangular rapid flashing beacons, replacement of a local water line, and adjustments to the unit prices to match current market conditions. The Construction Support estimate is greater than the programmed amount due to the increase in working days as a result of the additional work.

Capital Cost Increase:

The project proposes to construct a roundabout to improve traffic and pedestrian safety. During the Plans, Specifications, and Estimate phase, several factors led to a capital cost increase. To improve safety and operations of the roundabout crosswalk, rectangular rapid flashing beacons were added to meet the federal requirements for pedestrian facilities in a multi-lane roundabout. As part of the project, utilities have to be relocated prior to construction. One of the utilities (water line), owned by the Kettleman Community Service District was anticipated to be relocated prior to construction. The relocation cost of this water line was not anticipated during design and early estimates. However, once the water rights were verified and found to be the Department's responsibility, the relocation was included as part of the project's construction.

The project was delayed in reaching construction due to prolonged right of way acquisition, and utility coordination and relocation efforts. As a result, ongoing inflation, market fluctuations, and supply chain issues have led to substantial increases in the unit prices of specific construction materials. The unit price for minor concrete and concrete pipe have increased significantly. The quantity for structural concrete for drainage inlets and hot mix asphalt increased to reflect the updated design, and the unit price also increased significantly.

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 \$2,217,000 in capital costs.

Support Cost Increase:

The support cost increase is due to the addition of 40 working days (from 140 to 180) as a result of the addition of the mandated flashing beacons and the replacement of a water line. The additional work and refinements to the workplan amount to an increase of \$36,000 in

support costs.

CONSEQUENCES:

If this allocation request is not approved, the Department will not be able to advertise the contract to address the safety and operational improvements, and reduce the number of collisions at the congested intersection on SR 41. To address all of 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 \$8,681,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-302-0890 and Non-Budget Item 2660-802-3290, for Construction Capital, and \$2,636,000 for Construction Support, to provide funds to advertise this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project No. Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	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.(12)	Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount			Resolution FP-25-40
1 \$11,317,000	Near Kettleman City, from 0.1 mile south to 0.2 mile north of Bernard Drive. <u>Outcome/Outputs:</u> Construct roundabout. This project will improve safety and reduce the number and severity of collisions.	06-7031 SHOPP/23-24 CON ENG \$2,600,000 CONST	001-0890 FTF 20.10.201.010	\$2,636,000
Kings 06-Kin-41 16.6 /16.9	Preliminary <u>Engineering</u> PA&ED PS&E R/W Sup	<u>Budget</u> \$1,700,000 <u>Expended</u> \$1,346,680 \$2,270,119 \$1,035,817	2017-18 802-3290 RMRA 2024-25 302-0890 FTF 20.20.201.010	\$174,000 <u>\$8,507,000</u> \$8,681,000
<u>Performance Measure:</u> Planned: 43.00, Actual: 43.00 Collision(s) reduced				
CEQA - EIR, 12/15/2021; Re-validation 01/24/2024 NEPA - CE, 12/20/2021; Re-validation 01/24/2024				
Future consideration of funding approved under Resolution E-22-14; March 2022.				
Amendment to time extension for an additional five months, for a total of sixteen months, for CONST and CON ENG approved under Waiver 25-87; May 2025.				