

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(13), 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 7064/EA 1A790 – FRESNO COUNTY – STATE ROUTE 41 RESOLUTION FP-25-41**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$18,652,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Pavement Preservation project on State Route (SR) 41, in Fresno 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 the City of Fresno, Caruthers, Camden, and Riverdale, from the Kings County line to north of East Elkhorn Avenue, in Fresno County. The project will rehabilitate the pavement, install transportation management system elements, and replace a signal. This project will be combined with PPNO 6705/EA 0S370 (which will widen the 2-lane conventional highway to a 4-lane expressway and construct a new bridge in the northbound direction) and delivered under one contract after allocation.

FUNDING AND PROGRAMMING STATUS:

In March 2022, this project was programmed in the SHOPP for \$12,400,000 in Construction Capital and \$2,400,000 in Construction Support for allocation in Fiscal Year 2024-25.

In June 2025, the project received an allocation time extension for the Construction phase for four months.

In June 2025, the Engineer's Estimate (EE) reflected the need of \$16,252,000 in Construction Capital (31.1 percent over the programmed amount) and \$2,400,000 in Construction Support (no increase over the programmed amount). The Department plans to advertise the project in November 2025 and begin construction in March 2026. Construction is planned for two construction seasons with a duration of 585 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to adjustments to the unit prices to match current market conditions and local street conforms within the state right of way.

The project proposes to rehabilitate the roadway along an approximately 6-mile segment of SR 41. The EE was updated to reflect the current market conditions and the unit price for the hot mix asphalt items that increased significantly. The project limits impact several local roads and conforms are required to match existing grades. The design details were modified to address each local road's geometry and resulted in changes to specific quantities, including hot mix asphalt. There are six local street conforms within the project limits. In addition, adjustments were also made to the unit prices for the removal of the existing concrete barrier and minor concrete for vegetation control.

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 \$3,852,000 in capital costs.

CONSEQUENCES:

If this allocation request is not approved, the Department will not be able to advertise the contract to address the critical deficiencies of the existing roadway and roadside elements along this segment of SR 41. To address all of the deficiencies, the project will have to be reprogrammed, which would result in delays and could result in higher costs due to escalation.

FINANCIAL RESOLUTION:

Resolved, that \$16,252,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-302-0890 and Non-Budget Act Item 2660-802-3290 for Construction Capital, and \$2,400,000 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.(13)	Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount			Resolution FP-25-41												
1 \$18,652,000 Fresno 06-Fre-41 R0.0 /R6.202	Near the city of Fresno, Caruthers, Camden, and Riverdale, from King County line to north of East Elkhorn Avenue. <u>Outcome/Outputs:</u> Rehabilitate pavement, install Transportation Management System (TMS) elements, and replace signal. This project will extend the pavement service life and improve ride quality.	06-7064 SHOPP/24-25 CON ENG \$2,400,000 CONST \$12,400,000 0620000077	505-3290 RMRA 001-0890 FTF 20.10.201.121 2017-18 802-3290 RMRA 2024-25 302-0890 FTF 20.20.201.121	\$275,000 <u>\$2,125,000</u> \$2,400,000 \$1,864,000 <u>\$14,388,000</u> \$16,252,000												
	<table border="1"> <thead> <tr> <th>Preliminary Engineering</th> <th>Budget</th> <th>Expended</th> </tr> </thead> <tbody> <tr> <td>PA&ED</td> <td>\$500,000</td> <td>\$364,425</td> </tr> <tr> <td>PS&E</td> <td>\$1,800,000</td> <td>\$1,719,340</td> </tr> <tr> <td>R/W Sup</td> <td>\$47,000</td> <td>\$44,613</td> </tr> </tbody> </table>	Preliminary Engineering	Budget	Expended	PA&ED	\$500,000	\$364,425	PS&E	\$1,800,000	\$1,719,340	R/W Sup	\$47,000	\$44,613	3,4 1A790		
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PA&ED	\$500,000	\$364,425														
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R/W Sup	\$47,000	\$44,613														

Performance Measure:
Planned: 12.9, Actual: 12.9 Lane mile(s)

CEQA - CE, 03/27/2023; Re-validation 06/12/2025
NEPA - CE, 03/27/2023; Re-validation 06/12/2025

Four month allocation time extension for CONST and CON ENG approved under Waiver 25-95; June 2025.

EA 1A790/PPNO 06-7064 combined with multi-funded STIP and LPP (Formulaic) project EA 0S370/PPNO 06-6705 for construction under EA 0S37U/Project ID 0624000230.

Related non-SHOPP allocation for EA 0S370/PPNO 06-6705 under Resolutions FP-25-38 and LPP-A-2526-09; October 2025.

Performance Measure: Lane mile(s)					
	Unit	Good	Fair	Poor	Quantity
Existing Condition	Lane mile(s)	4.2	8.7	0.0	12.9
Post Condition	Lane mile(s)	12.9	0.0	0.0	12.9