

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(14), Action Item

Prepared By: Gloria Roberts
District 07 - Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT**
PPNO 5573/EA 36490 – LOS ANGELES COUNTY – STATE ROUTE 138
RESOLUTION FP-25-42

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$18,240,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Safety Improvements project on State Route (SR) 138, in Los Angeles 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 138 near the City of Lancaster, at the intersection of 60th Street West, in Los Angeles County. The project will construct a roundabout.

FUNDING AND PROGRAMMING STATUS:

In May 2020, this project was programmed in the SHOPP for \$6,153,000 in Construction Capital and \$2,145,000 in Construction Support for allocation in Fiscal Year 2023-24. In June 2024, the project requested an allocation time extension for the Construction phase. However, the request was deferred to the August 2024 Commission meeting and approved for 19 months.

In May 2025, the Engineer's Estimate reflected the need of \$14,790,000 in Construction Capital (140.4 percent over the programmed amount) and \$3,450,000 in Construction Support (60.8 percent over the programmed amount). The Department plans to advertise the project in December 2025 and begin construction in April 2026. Construction is planned for 2 construction seasons with a duration of 425 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to changes to the stage construction and traffic handling, and shifting the location of the roundabout. In addition, there were cost increases for items that were previously unaccounted for, new items that were identified, and adjustments to the unit prices to reflect current market conditions. The Construction Support estimate is greater than the programmed amount due to inspection efforts required for the additional work and an increase in number of working days.

Capital Cost Increase:

During the design phase, the Department found that it was not feasible to maintain an open lane in each direction of traffic for each stage of construction as anticipated in the previous phase. Community outreach meetings determined that detouring traffic onto local streets was also not feasible. Therefore, it was necessary to construct 3,000 feet of temporary lanes in each direction to detour traffic. In addition, to avoid right of way acquisition of a property under probate, the alignment of the roadway and location of the roundabout were shifted approximately 100 feet to the west. This change required construction of two new drainage systems, and reconstruction of the existing roadway due to the profile changes.

Further cost increases for the project were due to items previously unaccounted for, new items identified during design phase, and unit price increases for some items. The items that increased significantly were related to structural section, drainage system, and electrical work.

The refinements that were made to the design which resulted in updated quantities and adjustments to the unit prices to reflect current market conditions, amount to an increase of \$8,637,000 in capital costs.

Support Cost Increase:

The support cost increase is due to the addition of 65 working days (from 360 to 425) as a result of additional work for temporary lanes, drainage systems, and roadway reconstruction. This will require additional inspection and contract administration. In addition, efforts for labor and contract compliance tracking and monitoring were not accounted for in the original estimate. The additional work and refinements to the workplan amount to an increase of \$1,305,000 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 this intersection on SR 138. 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 \$14,790,000 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 \$3,450,000 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.(14)	Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount			Resolution FP-25-42
1 \$18,240,000	Near Lancaster, at the intersection with 60th Street West. <u>Outcome/Outputs:</u> Construct roundabout. This project will improve safety and reduce the cumber and severity of collisions.	07-5573 SHOPP/23-24 CON ENG \$2,145,000	505-3290 RMRA 001-0890 FTF 20.10.201.010	\$345,000 <u>\$3,105,000</u> \$3,450,000
Los Angeles 07-LA-138 32.7/33.4	Preliminary <u>Engineering</u> PA&ED PS&E R/W Sup	<u>Budget</u> \$1,225,000 <u>Expended</u> \$1,119,937 \$2,557,908 \$740,627	CONST \$6,153,000 0719000171 3,4 36490	2017-18 802-3290 RMRA 2024-25 302-0890 FTF 20.20.201.010 \$1,479,000 <u>\$13,311,000</u> \$14,790,000
<u>Performance Measure:</u> Planned: 0.80, Actual: 0.80 Annual fatal and serious injury collision(s)				
CEQA - CE, 10/28/2021; Re-validation 05/02/2024 NEPA - CE, 10/28/2021; Re-validation 05/02/2024				
Nineteen month allocation time extension for CONST and CON ENG approved under Waiver 24-125; August 2024.				
As part of this allocation request, the Department is requesting to extend the completion of CONST and CON ENG an additional 6 months beyond the 36 month deadline.				