

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(15), 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 5802/EA 37640 – LOS ANGELES COUNTY – STATE ROUTE 138
RESOLUTION FP-25-43

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$15,020,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Drainage System Restoration 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 on SR 138 in and near Pearblossom, from west of 116th Street East to Longview Road, in Los Angeles County. The project will construct a reinforced box culvert to replace a perforated pipe system and concrete v-ditch and install rumble strips, install wrong-way driving diversion features and signs, and upgrade traffic signals.

FUNDING AND PROGRAMMING STATUS:

In March 2022, this project was programmed in the SHOPP for \$5,547,000 in Construction Capital and \$1,175,000 in Construction Support for allocation in Fiscal Year 2024-25. In May 2023, the project was amended to increase Construction Capital to \$6,104,000 and Construction Support to \$1,375,000 due to additional drainage inlet work that is needed as a

result of the clogging issues. In December 2023, the project was amended again to increase Construction Capital to \$6,554,000 and Construction Support to \$1,525,000 due to the addition of safety improvements which will be funded by the Infrastructure Investment and Jobs Act. In May 2025, the project received a 14-month allocation time extension for the Construction phase.

In June 2025, the Engineer's Estimate reflected the need of \$12,814,000 in Construction Capital (95.5 percent over the programmed amount) and \$2,206,000 in Construction Support (44.7 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 one construction season with a duration of 240 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to the revisions in the design of the reinforced concrete box culvert and adjustments to the unit prices to reflect current market conditions. The Construction Support estimate is greater than the programmed amount due to an increase in the number of working days.

Capital Cost Increase:

The project proposes to improve drainage and safety along an approximately 2-mile segment of SR 138. The originally proposed drainage system design consisted of constructing a single reinforced concrete box culvert and grading the side slope parallel to the roadway. In May 2023, the community had concerns with this design and the resulting steep side slopes adjacent to the sidewalk, homes, and businesses. The concerns also included recent localized flooding from a significant storm. To address the concerns of the steep side slopes, and to avoid the acquisition of large grading easements, while maintaining adequate flow capacity and address pedestrian safety, the design of the culvert was changed to a double box culvert to match the existing grade of the sidewalk and driveways. The drainage system is adjacent to several homes and businesses with access directly over the proposed system. As a result, the double box culvert requires additional reinforcement and modifications to accommodate vehicle access and loading. The revised culvert design also improves flow efficiency by increasing the grating surface area and preventing clogging to help minimize flooding. As a result, the quantities increased by approximately a third for structural concrete, double for reinforcing steel, and by 20 times for miscellaneous iron. In addition, the unit prices were adjusted to reflect current market conditions for concrete, steel, and iron.

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 \$6,260,000 in capital costs.

Support Cost Increase:

The support cost increase is due to the addition of 60 working days (from 180 to 240) as a result of changes to the drainage system design. This will require additional resources for

inspection of the work, equipment, and materials. Additional resources will also be required for contract administration and managing the project. The refinements to the workplan amount to an increase of \$681,000 in support costs.

CONSEQUENCES:

If this allocation request is not approved, the Department will not be able to advertise the contract to address critical deficiencies of the existing drainage system and install safety improvements along this segment of SR 138. To address all of the deficiencies and 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 \$12,814,000 be allocated from the Budget Act of 2024, Budget Act Items 2660-302-3290 and 2660-302-0890 for Construction Capital, and \$2,206,000 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	Budget Year	Item # Fund Type	Program Code	Amount by Fund Type
							Project ID	Adv Phase				
							EA					

2.5d.(15) Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount Resolution FP-25-43

1	\$15,020,000	Los Angeles	07-LA-138	R58.5/60.2	Near Longview, from west of 116th Street to Longview Road.		07-5802		505-3290	RMRA		\$253,000
					<u>Outcome/Outputs:</u> Construct Reinforced Concrete Box (RCB) culvert to replace perforated pipe system and concrete v-ditch and install wrong-way driving diversion features, signs, traffic signal upgrades, and rumble strips.		SHOPP/24-25		001-0890	FTF		<u>\$1,953,000</u>
							CON ENG		20.10.201.151			\$2,206,000
							\$1,525,000					
					Preliminary		CONST					
					<u>Engineering</u>		\$6,554,000		2024-25			
					PA&ED	<u>Budget</u>	0721000103		302-3290	RMRA		\$1,470,000
						\$610,000			3,4	302-0890	FTF	<u>\$11,344,000</u>
					PS&E	\$2,020,000			37640	20.20.201.151		\$12,814,000
					R/W Sup	\$1,210,000						
						\$1,136,257						

Performance Measure:

Planned: 42.0, Actual: 42.0 Culvert(s) (ea)

CEQA - CE, 10/17/2022; Re-validation 04/15/2025

NEPA - CE, 10/17/2022; Re-validation 04/15/2025

Fourteen month allocation time extension for CONST and CON ENG approved under Waiver 25-50; May 2025.

Performance Measure: Culvert(s) (ea)					
	<u>Unit</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Quantity</u>
Existing Condition	Linear feet	0.0	0.0	0.0	0.0
Post Condition	Linear feet	3,640.5	0.0	0.0	3,640.5