

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 4-5, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8v.(5), Action Item

Prepared By: James R. Anderson, Chief
Division of Financial Programming

Subject: **REQUEST TO AMEND THE PERIOD OF PROJECT COMPLETION FOR
A STATE HIGHWAY OPERATION AND PROTECTION PROGRAM PROJECT, AS
AN EXCEPTION TO THE SHOPP GUIDELINES
WAIVER 25-217, AMENDING WAIVER 25-39**

ISSUE:

Should the California Transportation Commission (Commission) amend the period of project completion for the State Highway Operation and Protection Program (SHOPP) Major Damage Restoration project (PPNO 2909B), in Alameda County, for the time period as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission amend the period of project completion for the SHOPP Major Damage Restoration project (PPNO 2909B), in Alameda County, for the time period as identified in the attachment.

BACKGROUND:

In August 2021, the Commission allocated \$8,550,000 in Construction Capital (CON) and CON Support for the SHOPP Major Damage Restoration project (PPNO 2909B). This project was awarded in January 2022. In accordance with the SHOPP Guidelines (Guidelines), the deadline to complete the Construction Contract Acceptance for projects awarded in January 2022 is January 31, 2025. In March 2025, the project received an 11-month Post-Fact project completion time extension that extended the deadline to December 31, 2025. Because the Department will not meet this deadline, the Department is now requesting an exception to the Guidelines for a time extension amendment to complete the CON phase. The attachment shows the details of the project and the delays that have resulted in this time extension request.

Current Guidelines stipulate that the Department request a time extension if the project will not be completed within 36 months after award. The Commission may approve waivers to the timely use of funds deadline, one-time only, for up to 20 months.

Attachment

**Amendment Time Extension/Waiver – Project Completion for
State Highway Operation and Protection Program**

Project Number: 1
County: Alameda
District: 4
PPNO: 2909B
EA: 2W740
Route: 260
Allocation Amount: \$8,550,000
Phase: CON/CON Support
Allocation Date: 08/18/2021
Award Date: 01/06/2022
1st Waiver: Waiver 25-39
Approved: March 2025
Number of Months Requested: ~~11 Months~~ **20 Months**
Extended Deadline: ~~12/31/2025~~ **09/30/2026**
Department Recommendation: Support

SHOPP Major Damage Restoration project

The Department requests an additional 9 months, from 11 months to 20 months, for the period of project completion for the Construction (CON) phase of the SHOPP Major Damage Restoration project. The Department has experienced unexpected delays in completing construction.

The project is located on State Route 260, in the cities of Alameda and Oakland, at the Posey Tube No. 33-0106R and Webster Tube No. 33-0106L. The project will install fuel cell power supply systems to maintain safety systems in the event of a fire emergency.

Initially, this project was awarded in January 2022 with the original Construction Contract Acceptance (CCA) date of January 31, 2025. However, delays occurred with the fuel cell power system. The fuel cell power system was a relatively new green technology where the system was not yet standardized and needed to be customized and fabricated prior to each application. Additional time was needed for coordinating a gas tie-in issue with Pacific Gas and Electric (PG&E) and the National Fire Protection Association (NFPA). The work involved both sides of the tubes (tunnel) and each end fell within specific territories. PG&E started to implement preemptive power interruptions per their internal schedule. However, these interruptions created occasional conflicts with field-work schedule. During this time, the NFPA fire safety standard compliance review also resulted in the need for a PG&E meter, since one side of the installation was in the PG&E territory. During construction of the gas tie-in, a portion of the work was discovered to affect private property. As a result, the Department coordinated with all parties involved, and the gas tie-in took longer than anticipated. The field work involving the gas tie-in was paused. The Department was working with the parties and anticipated reaching resolution and CCA by December 2025.

Since then, in spring 2025, discussions between the Department and Alameda Municipal Power (AMP) revealed that AMP did not agree to provide power to the fuel cells installed at the Posey and Webster Tubes. In response, the Department engaged another power contractor, to assess and redesign the existing power transfer scheme to ensure the AMP would not be responsible for powering the fuel cells under any configuration of the Primary and Secondary power scheme at the Posey and Webster substations.

Given the age of the substations and the absence of reliable as-built documentation, several months of investigative work were required to collect the necessary information for the power contractor to develop a feasible alternative design. This investigative and design phase concluded in September 2025.

Additional time is needed to coordinate with AMP to negotiate and finalize interconnection agreements and proceed with the activation of the fuel cells. This time extension includes a buffer to accommodate any unforeseen delays that may arise during these coordination efforts and ensure the project can be completed without compromising reliability or compliance.

Therefore, the Department is requesting an exception to the Guidelines for an additional nine months to finalize CCA from December 31, 2025 to September 30, 2026.