

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 4-5, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(1), Action Item

Prepared By: David Ambuehl
District 04 - Director (Acting)

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT PPNO 0756K/EA 0G642 – MARIN COUNTY – STATE ROUTE 1 RESOLUTION FP-25-60**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$28,480,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Bridge Formula Program project on State Route (SR) 1, in Marin 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 1 near Point Reyes Station, at the Lagunitas Creek Bridge (No. 27-0023) and Lagunitas Creek Overflow Bridge (No. 27-0024), in Marin County. The project will replace the bridges.

FUNDING AND PROGRAMMING STATUS:

In June 2015, this project was programmed in the SHOPP for \$11,552,000 in Construction Capital and \$1,756,000 in Construction Support for allocation in Fiscal Year 2016-17. In January 2016, the project was amended to move out the allocation to 2018-19. In December 2016, the project was amended again to move out the allocation to 2019-20. In January 2018, the project was further amended to increase Construction Support to \$2,500,000 and move out the allocation to 2020-21. In June 2020, the project was amended

for the fourth time to increase Construction Capital to \$14,350,000, Construction Support to \$2,625,000, and move out the allocation to 2021-22. In June 2021, the project was amended for a fifth time to increase Construction Capital to \$15,580,000 and move out the allocation to 2022-23. The project also requested a 30-month allocation time extension for the Construction phase, however, the project only received 20 months. In September 2023, the project's funds lapsed.

In October 2023, this project was reprogrammed in the SHOPP for \$17,986,000 in Construction Capital and \$4,000,000 in Construction Support for allocation in 2024-25. In March 2024, the project was amended to change the program code. In June 2025, the project received a 12-month allocation time extension for the Construction phase. Concurrently at the December Commission meeting, the project will be amended to decrease Construction Capital to \$14,186,000 to split out a child environmental mitigation project (PPNO 2928D/EA 0G643).

In October 2025, the Engineer's Estimate reflected the need of \$23,730,000 in Construction Capital (67.3 percent over the programmed amount) and \$4,750,000 in Construction Support (18.8 percent over the programmed amount). The Department plans to advertise the project in January 2026 and begin construction in May 2026. Construction is planned for 2 construction seasons with a duration of 360 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to the request for an additional emergency unit, an incentive clause, adjustments to the unit bid prices to reflect current market conditions, and the split of a child mitigation project. The Construction Support estimate is greater than the programmed amount to address rigorous testing requirements and the increased permit inspections required by water quality regulations.

Capital Cost Increase:

As part of the bridge replacement strategy, plans were developed for a 21-day full closure of the bridge. To maintain adequate emergency response coverage during the planned 21-day full closure of the bridge, the Marin County Fire Department requested the deployment of an additional emergency unit on the opposite side of the bridge, ensuring swift response times during the closure. This proactive measure eliminates the need to rely on a 20-minute detour during emergencies.

In addition, the project has strict environmental permit windows and heightened public scrutiny. To keep the project on schedule, the construction contract includes incentive clauses designed to encourage timely completion within the 21-day closure period. Penalties will apply for any delays beyond the closure period.

The project also realized cost increases due to scheduling adjustments which resulted in adjustments to the unit bid prices reflecting current market conditions for key structural bid items that include bridge removal, permanent steel casing, reinforcing steel, structural concrete, permeation grouting, and piling materials.

The project included mitigation work that was split out into a child project (PPNO 2928D/EA 0G643). It was anticipated to fund the child project under the Right of Way (RW) Capital phase. However, in late 2024, the County of Marin requested that the Department take full responsibility for both the design and construction of the County-owned mitigation area. This request was made due to staffing limitations within the County. This has resulted in utilizing Construction Capital funds in lieu of RW Capital funds, which will result in savings on the project.

The additional emergency unit, incentive clause, adjustments to the unit bid prices to reflect current market conditions, and funding the child mitigation project, amount to an increase of \$9,544,000 in capital costs.

Support Cost Increase:

Additional support resources are required to address rigorous testing requirements imposed by the Department's Materials Engineering and Testing Services office, and the increased permit inspections required by the California Department of Fish and Wildlife due to water quality regulations, which were not originally anticipated. The refinements to the workplan for the additional testing and inspection, amount to an increase of \$750,000 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 bridges. To address all the deficiencies, 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 \$23,730,000 be allocated from the Budget Act of 2024, Budget Act Items 2660-302-3290 and 2660-302-0890 for Construction Capital, and \$4,750,000 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.(1) Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount Resolution FP-25-60

| | | | | | | | | | | | | |
|---|--------------|-------|----------|-----------|--|---------------|-----------------|------------|---------------|--|--|---------------------|
| 1 | \$28,480,000 | Marin | 04-Mrn-1 | 28.4/28.6 | Near Point Reyes Station, at Lagunitas Creek Bridge No. 27-0023 and Lagunitas Creek Overflow Bridge No. 27-0024. <u>Outcome/Outputs:</u> Replace Bridge No. 27-0023 and upgrade bridge rail at Bridge No. 27-0024. | | 04-0756K | | 505-3290 RMRA | | | \$545,000 |
| | | | | | | | SHOPP/24-25 | | 001-0890 FTF | | | <u>\$4,205,000</u> |
| | | | | | | | CON ENG | | 20.10.201.116 | | | \$4,750,000 |
| | | | | | | | \$4,000,000 | | | | | |
| | | | | | | | CONST | | | | | |
| | | | | | Preliminary | | \$14,186,000 | | 2024-25 | | | |
| | | | | | <u>Engineering</u> | <u>Budget</u> | <u>Expended</u> | | | | | |
| | | | | | PA&ED | \$4,517,000 | \$3,942,208 | 0413000350 | 302-3290 RMRA | | | \$2,722,000 |
| | | | | | PS&E | \$4,140,400 | \$4,082,930 | 3,4 | 302-0890 FTF | | | <u>\$21,008,000</u> |
| | | | | | R/W Sup | \$1,764,700 | \$1,392,757 | 0G642 | 20.20.201.116 | | | \$23,730,000 |

Performance Measure:

Planned: 2.0, Actual: 2.0 Bridge(s)

CEQA - EIR, 06/29/2018; Re-validation 10/14/2025
 NEPA - FONSI, 06/29/2018; Re-validation 10/14/2025

Future consideration of funding approved under
 Resolution E-23-132A; October 2023.

Concurrent addendum for the previously approved future consideration of
 funding under Resolution E-25-75A; December 2025.

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

Concurrent Amendment under SHOPP Amendment
 24H-016; December 2025.

| Performance Measure: Bridge(s) | | | | | |
|--------------------------------|-------------|-------------|-------------|-------------|-----------------|
| | <u>Unit</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> | <u>Quantity</u> |
| Existing Condition | Square feet | 0.0 | 1,098.0 | 4,413.0 | 5,511.0 |
| Post Condition | Square feet | 5,660.0 | 1,098.0 | 0.0 | 6,758.0 |