

## **MEMORANDUM**

**To:** CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** December 4-5, 2025

**From:** STEVEN KECK, Chief Financial Officer

**Reference Number:** 2.5e.(3), Action Item

**Prepared By:** Sergio Aceves  
District 03 - Director

**Subject:** **SUPPLEMENTAL FUNDS FOR CONSTRUCTION COMPLETION PHASE  
PPNO 6254/EA 0H08U – SACRAMENTO COUNTY –  
UNITED STATES HIGHWAY 50  
RESOLUTION FA-25-28**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$9,800,000 in Construction Capital and \$5,000,000 in Construction Support for the State Highway Operation and Protection Program (SHOPP) Roadway Rehabilitation and Multimodal Corridor Enhancement project on United States Highway (US) 50, in Sacramento County, to complete the construction contract?

### **RECOMMENDATION:**

The Department recommends that the Commission approve the requested supplemental funds allocation for this SHOPP project.

### **PROJECT DESCRIPTION:**

The Roadway Rehabilitation and Multimodal Corridor Enhancement project is located on US 50, in and near the City of Sacramento (City), from Interstate 5 to east of Watt Avenue, in Sacramento County. This project will rehabilitate the roadway, construct 14 lane miles of high-occupancy vehicle (HOV) (bus/carpool) lanes, widen 12 bridge structures, construct sound walls from Stockton Boulevard to 65th Street, incorporate intelligent transportation system elements into the HOV system, and replace and/or upgrade ancillary facilities including drainage systems, overhead signs, lighting, approach slabs, guardrail, and safety barriers. This is a Design-Build (DB) project.

**FUNDING AND PROGRAMMING STATUS:**

This project is a combination of two projects (PPNO 6177/EA 0H080 and PPNO 3301/EA 3F360), that were programmed separately. In August 2017, the SHOPP Roadway Rehabilitation project (Rehab) (PPNO 6177/EA 0H080) was programmed for \$216,000,000 in Construction Capital in the SHOPP for allocation in Fiscal Year 2018-19. In October 2018, the project was amended to increase the programmed amount for Construction Capital to \$286,900,000 due to the change in the delivery process to DB. In March 2019, the project was allocated for \$286,900,000 in Construction Capital and \$25,800,000 in Construction Support.

In May 2018, the Multimodal Corridor Enhancement project (HOV) (PPNO 3301/EA 3F360) was programmed for \$80,000,000 in Construction Capital in the Senate Bill 1 Solutions for Congested Corridors Program for allocation in 2018-19. In March 2019, the project was allocated for \$80,000,000 in Construction Capital and \$10,000,000 in Construction Support.

In October 2018, the two projects were combined under PPNO 6254/EA 0H08U to be delivered as a single project under the DB project delivery method. In March 2019, the combined project was allocated for a total of \$368,900,000 in Construction Capital (which includes \$2,000,000 from Local Funds for HOV) with an additional 52 months to extend the completion of construction. In October 2019, the combined project received a 7-month award time extension for the Construction phase. In April 2020, the bids were opened and awarded to the best value bidder. The contract was awarded, after utilizing G-12 funds, in the amount of \$397,790,000 in Construction Capital (\$315,790,000 for Rehab and \$82,000,000 for HOV).

In July 2020, construction began with 925 working days. In December 2023, the project received supplemental funds in the amount of \$12,394,000 for Construction Capital. Concurrently, an additional 122 working days were added to the contract. In October 2024, the project received additional supplemental funds in the amount of \$18,200,000 for Construction Capital and \$3,500,000 for Construction Support. In November 2024, an additional 120 working days were added to the contract. In March 2025, the project received additional supplemental funds in the amount of \$5,135,000 for Construction Capital. As part of the additional supplemental funds requested in December 2023, October 2024, and March 2025, Sacramento Transportation Authority (STA)/Sacramento Area Council of Governments (SACOG) contributed \$23,169,000 in Construction Capital and \$3,500,000 in Construction Support for the HOV project. The remaining funds are currently at \$11,757,000 in Construction Capital and \$1,281,000 in Construction Support. The project is 95 percent complete with 135 working days remaining. The Construction Contract Acceptance (CCA) is anticipated to be October 2026.

**REASON FOR COST INCREASE:**

This supplemental funds request addresses cost increases due to unanticipated delay in acquiring Construction and Maintenance (C&M) agreements from the Union Pacific Railroad (UPRR).

**Capital Cost Increase:**

The project required C&M agreements for the Camelia City Viaduct, and Brighton Overhead (OH), as work on these bridges was going to be in UPRR's right of way. The Department received approval from UPRR on preliminary plans in 2018 and 2019 for Camelia City Viaduct and Brighton OH, respectively. It was expected that the delivery of the C&M agreement would then go to the UPRR Real Estate Division, and an executed C&M agreement would be received by June 2020. As such, the Department placed language in the DB contract that the C&M agreements would be executed by December 2020.

After the DB contract was awarded in April 2020, the DB consultant revised the Camelia City Viaduct plans to avoid a utility. There was no indication from UPRR that the change would delay execution of the C&M agreement. That was not the case as the C&M agreement for Camellia City Viaduct was executed nearly a year later in December 2021. The Brighton OH C&M agreement was delayed due to the unexpected inclusion of a City's project, Ramona Avenue, which is under the Brighton OH. It was discovered in July 2020 that a portion of that project conflicted with the Department's plans for the Brighton OH. The addition of the City's Ramona Avenue C&M agreement delayed the execution of the Brighton OH C&M agreement. The C&M agreement for the Brighton OH was executed in June 2022, and the C&M agreement for Ramona Avenue was executed in January 2023. The delay in the execution of the C&M agreements is a result of longer than anticipated review periods by the UPRR Real Estate and Legal divisions.

In October 2024, the Commission approved \$18,200,000 for Construction Capital to resolve some of the delay costs that the Department could substantiate and justify, explaining that the Department and DB contractor still disagree on the methodology of time impact analysis that is utilized to determine project delays related to the C&M agreements. Since that time, the Department's legal team was engaged, and they hired a consultant to perform an independent analysis on the time impacts and delay costs, which is still ongoing. Based on the current analysis of the contractor's cost proposal, the Department believes an additional \$19,600,000 for Construction Capital (\$9,800,000 from SHOPP and \$9,800,000 from STA/SACOG) is currently justified for the C&M delays. It is prudent to pay this amount as interest is accruing at 10 percent per year for any unpaid amounts determined to be owed to the DB contractor.

**Support Cost Increase:**

The increase to the support cost is driven by the delay mentioned above and the addition of 278 nonworking days to date which were not previously accounted for. This has extended the project's completion date significantly resulting in need of additional support resources in the amount of \$10,000,000. As the C&M agreement relates to both HOV and Rehab, the cost is shared equally (\$5,000,000 from SHOPP and \$5,000,000 from STA/SACOG).

**CONSEQUENCES:**

If this allocation request for supplemental funds is not approved, the Department will be responsible for the liability delay cost requested here with a 10 percent interest penalty.

Additionally, the project will be delayed beyond the anticipated CCA date of October 2026 resulting in additional disruption to traffic.

**FINANCIAL RESOLUTION:**

Resolved, that \$9,800,000 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 \$5,000,000 for Construction Support to provide funds to complete the Construction phase for this SHOPP project.

Attachment

**2.5 Highway Financial Matters**

Project #	Project Title	PPNO Program	State	State	State
Allocation Amount	Location	Funding Year	Federal	Federal	Federal
Recipient	Project Description	Item #	Additional	Revised	Revised
RTPA/CTC	Project Support Expenditures	Fund Type	Amount by	Amount by	Amount by
County		Program Codes	Fund Type	Fund Type	Fund Type
Dist-Co-Rte		Project ID	Current Amount	Additional	Revised
Postmile		Adv Phase	by Fund Type	Amount by	Amount by
		EA		Fund Type	Fund Type

**2.5e.(3) Supplemental Funds for Previously Voted Project Resolution FA-25-28**

1	In the city of Sacramento, from Route 5 to Watt Avenue.	03-6254			
\$14,800,000	Rehabilitate pavement with continuously reinforced concrete pavement, increase vertical clearances at overcrossings, widen onramps to add ramp metered lanes, upgrade curb ramps, and replace concrete barrier, structure approach slabs, lighting, signs, Intelligent Transportation System elements, and guardrail. Also, construct 14 lane miles of HOV (or bus/carpool) lanes, widen 12 bridge structures, construct sound walls from Stockton Boulevard to 65th Street, incorporate Intelligent Transportation System elements into the HOV system, replace and/or upgrade ancillary facilities including drainage systems and overhead signs.	SHOPP CON ENG			
Department of Transportation		505-3290 RMRA	\$21,705,200	\$573,000	\$22,278,200
SACOG		001-0890 FTF	\$7,594,800	\$4,427,000	\$12,021,800
Sacramento		20.10.201.120			
03-Sac-50		SHOPP/2017-18			
L0.2/R6.1		CONST			
		802-3290 RMRA	\$269,889,000	\$1,124,000	\$271,013,000
		20.20.201.120			
	<u>Outcome/Outputs:</u> This project will improve safety, ride quality, and traffic operations.	SHOPP/2019-20			
		CONST			
	Total revised amount \$395,619,000.	302-0890 FTF	\$50,000,000		\$50,000,000
		20.20.201.120			
	Supplemental funds are needed to complete construction.	SHOPP/2022-23			
		CONST			
		302-0890 FTF	\$10,972,000		\$10,972,000
		20.20.201.120			
	EA 0H080/PPNO 03-6177 combined with	SHOPP/2023-24			
	EA 3F360/PPNO 03-3301 for construction under	CONST			
	EA 0H08U/PPNO 03-6254 to utilize the	302-0890 FTF	\$20,658,000		\$20,658,000
	Design-Build delivery method.	20.20.201.120			
	EA 0H080/PPNO 03-6177:	SHOPP/2024-25			
	CEQA - CE, 8/13/2018	CONST			
	NEPA - CE, 8/13/2018	302-0890 FTF		\$8,676,000	\$8,676,000
	EA 3F360/PPNO 03-3301:	20.20.201.120			
	CEQA - MND, 5/31/2017	0319000029			
	NEPA - FONSI, 5/31/2017	3,4			
	Future consideration of funding approved under	0H08U			
	Resolution E-17-49; August 2017.				