

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 4-5, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(6), Action Item

Prepared By: Gloria Roberts
District 07 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION CLOSEOUT PHASE**
PPNO 4709/EA 30370 – LOS ANGELES COUNTY –
UNITED STATES HIGHWAY 101
RESOLUTION FA-25-31

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$3,600,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Collision Severity Reduction project on United States Highway (US) 101, in Los Angeles County, to closeout the construction contract?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project is located on US 101, in the City of Los Angeles, from Pilgrimage Bridge to Valley Circle Boulevard/Mulholland Drive. The project will upgrade the median concrete barrier.

FUNDING AND PROGRAMMING STATUS:

In April 2016, the project was programmed for \$20,100,000 in Construction Capital and \$3,050,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2019-20. In March 2017, the project was amended to correct the performance measure. In January 2018, the project was amended again to move up allocation to 2018-19 and increase Construction Capital to \$35,300,000 and Construction Support to \$6,000,000. In June 2019, the project received a 2-month allocation time extension for the Construction phase. In August 2019, the

project was allocated for \$37,001,000 in Construction Capital and \$6,500,000 in Construction Support. In December 2019, the project was awarded for \$37,630,700 in Construction Capital after utilizing partial G-12 funds in the amount of \$629,700. In March 2020, construction began with 550 working days. In December 2022, the project received a 15-month project completion time extension for the Construction phase. In January 2023, the project received partial G-12 funds again in the amount of \$2,550,000 for Construction Capital. In October 2023, the project received partial G-12 in the amount of \$600,000 for Construction Support. In August 2025, the project received partial G-12 funds again in the amount of \$150,000 for Construction Support. The remaining funds are currently at \$1,853,000 in Construction Capital and \$100,000 in Construction Support. The project is 100 percent complete and Construction Contract Acceptance was in March 2024. However additional funding is required to resolve claims submitted by the contractor.

REASON FOR COST INCREASE:

The project realized cost increases due to numerous changes to the plans that resulted in a total of 45 contract change orders (CCOs) to address inconsistencies between the plans and field conditions. The contractor submitted a letter of exception consisting of 18 claims in the amount of \$15,652,000.

The project replaced the existing median concrete barrier with several types of concrete barriers. Due to the difference in the existing northbound and southbound roadway elevations in the field compared to the plans, the height of the barrier at two locations were modified by a CCO from 56 to 46 inches. The contractor claimed that they incurred additional costs due to the new type of barrier that was not in the original contract. The contractor filed a claim in the amount of \$1,022,000; the amount of \$810,000 was agreed upon through the settlement.

The contractor also disputed the need to use two attenuators in each direction at all times as directed by the Department when performing work at locations with shoulders that were eight feet or more. The Department re-evaluated the standards and acknowledged that the contractor interpreted the standards correctly. The compensation amounts to approximately \$1,136,000 in capital costs.

The contractor contends that there were differing site conditions regarding the existing elevation differentials along the median barrier between the northbound and southbound directions of travel towards the end of the project limits, discovery of unsuitable variation of material, and a thicker existing asphalt concrete section in the field. The contractor filed claims relating to these items in the amount of \$1,585,000; the amount of \$1,106,000 was agreed upon through the settlement.

Aerially deposited lead that was not shown in the contract plans was encountered and a CCO was issued for cost to dispose of the material which did not properly account for the time delay and impact costs. The contractor requested additional compensation in the amount of \$2,002,000. Upon further review, it was determined that additional costs in the amount of \$486,000 were eligible to be compensated. In addition, the contractor claimed an overrun in

roadway excavation and lean concrete base for \$251,000. Upon further review, it was determined that the amount of \$190,000 was eligible for compensation.

The contractor also filed claims for time-related delays for a total of \$1,309,000; upon further review, it was determined that the amount of \$471,000 was eligible for compensation. In addition, the contractor is requesting compensation for interest in the amount of \$1,168,000 for the claims. The Department found merit for the interest in the amount of \$634,193. Furthermore, as part of the settlement, it was agreed that the liquidated damages in the amount \$621,000 which was withheld, will be released back to the contractor.

The Department and the contractor have concluded their negotiations and have agreed to a final settlement in the amount of \$5,453,000 to resolve the claims. The project has remaining funds of \$1,853,000 to pay part of the settlement agreement and will need additional supplemental funds in the amount of \$3,600,000 to closeout the project.

CONSEQUENCES:

If this request for supplemental funds is not approved, the Department will not be able to settle the claims, pay the contractor, and closeout construction, with the risk that the Department would have to pay out potentially higher costs for arbitration and interest on the claims filed by the contractor.

FINANCIAL RESOLUTION:

Resolved, that \$3,600,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-302-0890, for Construction Capital, to provide funds to closeout the Construction phase for this SHOPP project.

Attachment

2.5 Highway Financial Matters

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

2.5e.(6) Supplemental Funds for Previously Voted Project Resolution FA-25-31

1	In the City of Los Angeles, from Pilgrimage Bridge to Valley Circle Boulevard/Mulholland Drive.	07-4709			
\$3,600,000		SHOPP/2019-20			
		CONST			
Department of Transportation	<u>Outcome/Outputs:</u> Upgrade concrete barrier to current standards and upgrade 12 sign panels with retroreflective sheeting to improve visibility. This project will reduce the number and severity of collisions.	302-0042 SHA	\$308,400		\$308,400
LACMTA		302-0890 FTF	\$39,872,300		\$39,872,300
Los Angeles		20.20.201.015			
07-LA-101	Total revised amount \$43,780,700.	SHOPP/2024-25			
8.0/27.3		CONST			
	Supplemental funds are needed to close-out contract.	302-0890 FTF		\$3,600,000	\$3,600,000
		20.20.201.015			
		0714000035			
	CEQA - CE, 11/27/2017; Re-validation 05/02/2019	4			
	NEPA - CE, 11/27/2017; Re-validation 05/02/2019	30370			