

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 4-5, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(7), Action Item

Prepared By: Gloria Roberts  
District 07 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION CLOSEOUT PHASE  
PPNO 5024/EA 32490 – LOS ANGELES COUNTY – INTERSTATE 5  
RESOLUTION FA-25-32**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$1,700,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Drainage System Restoration project on Interstate 5 (I-5), 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 I-5 in the City of Los Angeles, at the Humboldt Street Underpass, Glendale Boulevard Overcrossing, and Sheldon Street Overcrossing, in Los Angeles County. The project will upgrade the pump plants at three locations.

### **FUNDING AND PROGRAMMING STATUS:**

In March 2018, the project was programmed for \$5,946,000 in Construction Capital and \$1,110,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2020-21. In June 2020, the project was amended to decrease Construction Support to \$1,004,000 due to the reduced scope. In June 2021, the project received a 4-month allocation time extension for the Construction phase. In August 2021, the project was allocated for \$6,211,000 in Construction Capital and \$1,188,000 in Construction Support. In March 2022, the project

received a 4-month award time extension for the Construction phase. In April 2022, the project was awarded for \$5,493,000 in Construction Capital. In December 2022, construction began with 135 working days. The project has not received any G-12 funds for the Construction phase. In August 2024, the project received supplemental funds in the amount of \$3,078,000 in Construction Capital and \$974,000 in Construction Support to complete construction. The remaining funds are currently at \$300,000 in Construction Capital and \$189,000 in Construction Support. The project is 100 percent complete and Construction Contract Acceptance was in April 2025. However, additional funding is required to settle claims with the contractor to closeout this project.

**REASON FOR COST INCREASE:**

In September 2025, the contractor submitted a claim to resolve all outstanding amounts owed in the amount of \$2,221,000. A forced-account analysis was performed to substantiate the claimed amount, and it was found that the contractor was entitled to \$2,000,000 which was beyond what was anticipated at the time of the supplemental funds request. The Department and contractor reached an agreement for the final amount for the change in character as a result of additional contract change orders (CCOs) that were required to address unforeseen site conditions and delays during the later stage of construction. The contractor and Department agreed on \$2,000,000 as the final resolution amount for all outstanding amounts owed. The contractor's request for the change in character is due to the following issues that were encountered during construction.

At the Glendale Boulevard pump plant, additional coordination with the Los Angeles Department of Water and Power's (LADWP) was needed for the electrical service requirements that resulted in unanticipated additional scope. The requirements mandate clearances around the perimeter of the power service cabinet. In addition, the requirements indicate that the foundation of the power service cabinet cannot sit on a slope for the full extent of the clearance area. Due to the existing steep grades surrounding the pump plant, extensive earthwork was required to create space for the new foundation of the power service cabinet. In addition, concrete retaining walls were needed to stabilize the embankments and support the traffic loading from the off-ramp. Furthermore, to stabilize the surrounding disturbed soils, unanticipated landscape cover and elements were added. As a result, this required additional traffic control for the project. The cost incurred to accommodate the requirements amounts to approximately \$284,000 beyond what was anticipated.

At the Sheldon Street pump plant, additional coordination with the LADWP was also needed beyond what was anticipated for the electrical service requirements related to reenergizing the pump plant. These requirements consisted of modifying the placement of the concrete foundation, replacing the perimeter fencing, and associated grounding of the metal boundary to enhance safety. The cost incurred to accommodate these requirements amounts to approximately \$395,000.

As a result of the delays with the LADWP coordination, time-related overhead for an additional 40 working days were required beyond what was anticipated in the original supplemental fund request. The cost for the delays amounts to approximately \$96,000.

Extensive debris had to be cleared from all three of the pump plant's wet pits before operating bypass systems, which are required during electro-mechanical construction activities within the pump plant. The debris accumulation was due to the project delays associated with the LADWP coordination. The delay extended the work into the rainy season, requiring repeated storm monitoring, dewatering, debris removal, and pressure washing before any pump plant work could proceed. Each rain event added significant labor and time, driving up costs. The cost associated with this additional work, which was beyond what was anticipated, amounts to approximately \$550,000.

At each pump plant, additional security measures were required due to ongoing vandalism and theft. The security measures serve as critical safety elements due to the presence of a high voltage power service and pressurized hydraulic systems which exceeded what was anticipated for the project. The cost of the measures amounts to approximately \$375,000.

The total needed to address the claim resolution for the cost of the CCOs that were above what was anticipated, and closeout the project amounts to approximately \$1,700,000 in capital costs after the remaining funds are used.

**CONSEQUENCES:**

If this request for supplemental funds is not approved, the Department will not be able to pay the contractor for the work completed and closeout construction. If the closeout is further delayed, it will likely result in additional claims filed by the contractor, with the risk that the Department would have to pay out potentially higher costs for arbitration and interest on the claims.

**FINANCIAL RESOLUTION:**

Resolved, that \$1,700,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-302-3290 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
Allocation Amount	Location	Program	Federal	Federal
Recipient	Project Description	Funding Year	Additional	Revised
RTPA/CTC	Project Support Expenditures	Item #	Amount by	Amount by
County		Fund Type	Fund Type	Fund Type
Dist-Co-Rte		Program Codes	Current Amount	Amount by
Postmile		Project ID	by Fund Type	Amount by
		Adv Phase		Fund Type
		EA		Fund Type

2.5e.(7)	Supplemental Funds for Previously Voted Project			Resolution FA-25-32
1	In the city of Los Angeles, at Humboldt Street, Glendale Boulevard, and Sheldon Street.	07-5024		
\$1,700,000		SHOPP/2020-21		
	<u>Outcome/Outputs:</u> Upgrade pump plants.	CONST		
Department of Transportation	Total revised amount \$10,271,000.	302-3290 RMRA	\$5,493,000	\$5,493,000
LACMTA		20.20.201.151		
Los Angeles	Supplemental funds are needed to close-out contract.	SHOPP/2023-24		
07-LA-5		CONST		
20.1/ 36.0	CEQA - ND, 04/29/2019; Re-validation 04/19/2021	302-3290 RMRA	\$3,078,000	\$3,078,000
	NEPA - CE, 04/29/2019; Re-validation 04/19/2021	20.20.201.151		
	Future consideration of funding approved under Resolution E-19-93; October 2019.	SHOPP/2024-25		
		CONST		
		302-3290 RMRA		\$1,700,000
		20.20.201.151		\$1,700,000
		0716000079		
		4		
		32490		