

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 29-30, 2026

From: STEVEN KECK, Chief Financial Officer

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

Prepared By: Gloria Roberts
District 07 - Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT**
PPNO 5491/EA 35420 – LOS ANGELES COUNTY – STATE ROUTE 1
RESOLUTION FP-25-71

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for \$55,613,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Pavement Preservation project on State Route (SR) 1, in Los Angeles 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 in and near the City of Malibu (City), from north of Serra Road to the Ventura County line, in Los Angeles County. The project will rehabilitate the pavement, and upgrade pedestrian facilities and guardrail.

FUNDING AND PROGRAMMING STATUS:

In March 2022, this project was programmed in the SHOPP for \$19,879,000 in Construction Capital and \$3,422,000 in Construction Support for allocation in Fiscal Year 2023-24. In December 2022, the project was amended to increase Construction Capital to \$23,987,000 due to the increased amount and cost of pavement work, use of more costly striping tape for the lane lines, and need for additional channelizers, and increased Construction Support to \$4,400,000 due to the need for additional working days. In June 2024, the project requested

an allocation time extension for the Construction phase. However, the request was deferred to the August 2024 Commission meeting and approved for 19 months.

In December 2025, the Engineer's Estimate reflected the need of \$49,313,000 in Construction Capital (105.6 percent over the programmed amount) and \$6,300,000 in Construction Support (43.2 percent over the programmed amount). The Department plans to advertise the project in March 2026 and begin construction in September 2026. Construction is planned for 4 construction seasons with a duration of 450 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to the addition of safety enhancement measures during the design phase and adjustments to the unit bid prices to reflect current market conditions. The Construction Support estimate is greater than the programmed amount due to the additional inspection and coordination required for incorporation of the safety enhancement measures.

Capital Cost Increase:

Originally, the project proposed to resurface the distressed asphalt concrete pavement, replace damaged concrete pavement panels/slabs; upgrade guardrail and 16 curb ramps; replace asphalt concrete dikes, existing loop detectors, delineators, recessed pavement markers, and an existing pullout to create a new California Highway Patrol enforcement area; upgrade pavement striping and markings to enhance wet night visibility; and install curve warning signs and ladder marking for crosswalks along an approximately 16-mile segment of SR 1.

However, the project scope was modified during the design phase due to a collision that occurred in October 2023 which resulted in pedestrian fatalities, heightened safety concerns from the community, the declaration of the limits of this project being a top safety priority corridor, and the completion of a road safety audit. The Department conducted outreach and coordination meetings with the City and other stakeholders. The Department was committed to incorporate where feasible, additional safety and complete streets elements that were recommended by the draft road safety audit and the City's 2015 Safety Item list to this project to accelerate the implementation of the safety improvements. In August 2024, a 19-month construction allocation time extension was approved to allow the Department to evaluate the safety enhancement measures and to incorporate the feasible items into this project.

The additional safety and complete streets elements that have been incorporated into the scope of work for this project include six new segments of sidewalk with curb ramps and three retaining walls, realignment of two on-ramps into T-intersections, 22 new light poles, additional traffic lane separators, median reconstruction at a few locations to lengthen left-turn lanes, approximately 10 miles of Class II bike lanes, audible pedestrian signals, countdown pedestrian signal heads, bicycle detection, and additional upgrade of roadway signs.

In addition to the added scope, adjustments were made to the unit bid prices for various items to reflect current market conditions. The estimate was also adjusted to capture items that were

missed in the previous estimate, resulting in an increase to the total capital cost for the project. The cost increase due to unit price adjustments is approximately \$12,379,000, from missed items is approximately \$1,519,000, and for the additional scope is approximately \$11,428,000.

The incorporation of additional safety enhancement measures and adjustments to the unit bid prices to reflect current market conditions, amount to an increase of \$25,326,000 in capital costs.

Support Cost Increase:

The support cost increase is due to the additional items of work that were added to the project to fulfill the safety improvements and complete streets elements needed as recommended by the draft road safety audit. This will require additional inspection and coordination that was not originally anticipated. Additional inspectors are required as the contractor and subcontractors are expected to work on multiple items and at various locations on a daily basis to complete the project within 450 working days. The refinements to the workplan amount to an increase of \$1,900,000 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 pavement, pedestrian facilities, and roadside elements, and address the multi-modal needs as requested by the community along this segment of SR 1. To address all the deficiencies and safety improvements, 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 \$49,313,000 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 \$6,300,000 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-25-71

1	\$55,613,000	Los Angeles	07-LA-1	46.9/62.867	In and near Malibu, from 0.1 mile north of Serra Road to the Ventura County line. <u>Outcome/Outputs:</u> Rehabilitate pavement, upgrade facilities to Americans with Disabilities Act (ADA) standards, and upgrade guardrail and add Class II bikeways. This project will extend the pavement service life and improve ride quality.		07-5491	SHOPP/23-24		505-3290 RMRA		\$723,000
							CON ENG			001-0890 FTF		<u>\$5,577,000</u>
							\$4,400,000			20.10.201.121		\$6,300,000
							CONST					
							\$23,987,000			2017-18		
							0718000323			802-3290 RMRA		\$5,656,000
							3,4			2024-25		
							35420			302-0890 FTF		<u>\$43,657,000</u>
										20.20.201.121		\$49,313,000

Preliminary Engineering	Budget	Expended
PA&ED	\$1,225,000	\$1,223,249
PS&E	\$7,900,000	\$7,540,634
R/W Sup	\$2,695,000	\$1,866,504

Performance Measure:

Planned: 63.4, Actual: 63.4 Lane mile(s)

CEQA - CE, 02/04/2022; Re-validation 12/05/2025

NEPA - CE, 02/04/2022; Re-validation 12/05/2025

Concurrent Amendment under SHOPP Amendment 24H-017; January 2026.

Nineteen month allocation time extension for CONST and CON ENG approved under Waiver 24-125; August 2024.

As part of this allocation request, the Department is requesting to extend the completion of CONST and CON ENG an additional 12 months beyond the 36 month deadline.

Performance Measure: Lane mile(s)					
	Unit	Good	Fair	Poor	Quantity
Existing Condition	Lane mile(s)	0.0	63.4	0.0	63.4
Post Condition	Lane mile(s)	63.4	0.0	0.0	63.4