

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 19-20, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8d.(1), Action Item

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Division of Financial Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT DEVELOPMENT
EXPENDITURE FOR STATE HIGHWAY OPERATION AND PROTECTION
PROGRAM PROJECTS, ON THE STATE HIGHWAY SYSTEM, PER SHOPP
GUIDELINES
WAIVER 26-26**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project development expenditure for three State Highway Operation and Protection Program (SHOPP) projects, for the time periods as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission extend the period of project development expenditure for three SHOPP projects, for the time periods as identified in the attachment.

BACKGROUND:

In March 2023 and October 2023, the Commission allocated \$14,748,000 in project development support for three SHOPP project phases listed in the attachment. In accordance with SHOPP Guidelines (Guidelines), the deadline to complete the Project Approval and Environmental Document (PA&ED) and Plans, Specifications, and Estimate (PS&E) phases for projects allocated in March 2023 and October 2023, is March 31, 2026 and October 31, 2026, respectively.

Current Guidelines stipulate that the implementing agency request an expenditure time extension if the project phase will not be completed within 36 months of allocation for the PA&ED and PS&E phases. The Commission may approve waivers to the timely use of funds deadline, one-time only, for up to 20 months.

Attachment

**Time Extension/Waiver – Project Development Expenditure for
State Highway Operation and Protection Program**

Project Number: 1
Applicant: Department of Transportation
County: Humboldt
District: 1
PPNO: 2600
EA: 0M760
Route: 101
Allocation Amount: \$9,950,000
Remaining Balance: \$3,411,000
Phase: Project Approval and Environmental Document
Allocation Date: 03/23/2023
Allocation Resolution: FP-22-57
Number of Months Requested: 12 Months
Extended Deadline: 03/31/2027
Department Recommendation: Support

SHOPP Bridge Preservation project

The Department requests a 12-month time extension for the period of project development expenditure for the Project Approval and Environmental Document (PA&ED) phase of the SHOPP Bridge Preservation project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located in Eureka, at the Eureka Slough Bridge No. 04-0022. The project proposes to replace bridges and is a long lead project.

The project is preparing an Environmental Impact Report under the California Environmental Quality Act and an Environmental Assessment under the National Environmental Policy Act. This requires an extensive level of preparation beyond the 36-month timeline to complete PA&ED. The project was allocated in March 2023, with an anticipated completion date of March 2026. At the outset of the PA&ED phase, the project had a single replacement solution and the Engineer's Estimate (EE) significantly exceeded the programmed funding amount. The project site is highly challenging, crossing a slough with sensitive habitat surroundings and private property at both ends of the structures. As a result, an alternative solution needed to be fully studied to determine feasibility. The Project Development Team (PDT) has already begun analyzing this alternative and in order to fully develop this measure to its full capacity, 12 additional months are needed.

The original replacement alternative included a detour bridge, which would result in a high cost for a temporary structure. Therefore, in August 2024, the Department added a second alternative, which did not require a detour bridge and instead relied on the realignment of a proposed structure. In addition, the project required coordination with the Humboldt Bay National Wildlife Refuge regarding designated wildlife refuge property matters. The PA&ED target completion date would not be able to meet the original timeline and is now projected in

November 2026. However, given that the project is in a highly sensitive area, additional time to fully develop the secondary alternative is requested. Risk considerations include draft environmental documents, a structures advance planning study, and cost reduction impacts.

Therefore, the Department is requesting a 12-month project development expenditure time extension to allow enough time to complete the PA&ED phase from March 31, 2026 to March 31, 2027.

Project Number: 2
Applicant: Department of Transportation
County: Marin
District: 4
PPNO: 0332C
EA: 2Q500
Route: 37
Allocation Amount: \$3,630,000
Remaining Balance: \$49,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 03/23/2023
Allocation Resolution: FP-22-57
Number of Months Requested: 4 Months
Extended Deadline: 07/31/2026
Department Recommendation: Support

SHOPP Bridge Preservation project

The Department requests a 4-month time extension for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the SHOPP Bridge Preservation project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located near Novato, at Petaluma River Bridge No. 27-0013. The project proposes to rehabilitate bridge deck, upgrade railings, replace a fender system, and mitigate bridge scour.

This PS&E delay is due to the need of an allocation amendment to the Federal Transportation Improvement Program (FTIP) to reflect G-13 contingency funding. In addition, time was needed to repackage and re-advertise the project after receiving bid results that were higher than EE.

This project's Construction (CON) phase was fully programmed at the June 2025 Commission meeting by removing the G-13 contingency. Subsequently, the FTIP amendment request was submitted to the Metropolitan Transportation Commission in July 2025 to reflect the fully programmed amount for the CON phase. The FTIP amendment was approved on August 14, 2025, since federal funding required an amendment to the FTIP prior to advertisement of the contract. Therefore, project advertisement was delayed by two months from July to September 2025.

Bidding opened in December 2025, with four bids received. The lowest bid was 21.2 percent higher than the EE. The second and the third lowest bids were 23.4 and 41.5 percent higher than EE. During advertisement, several bidder inquiries related to work window restrictions prompted the PDT to meet with the United States Fish and Wildlife Service (USFWS) to request expanded work windows for the project. The PDT is in the process of working with USFWS to amend the Biological Opinion permit to allow for two additional summer months of construction. The PDT is working to repackage and re-advertise the project with expanded work windows, which is expected to reduce bid amounts.

This PS&E phase extension request realigns scheduling with a previously approved 6-month time extension to award, from the January 2026 Commission meeting.

Therefore, the Department is requesting a 4-month project development expenditure time extension to allow enough time to complete the PS&E phase through award from March 31, 2026 to July 31, 2026.

Project Number: 3
Applicant: Department of Transportation
County: Madera
District: 6
PPNO: 8004
EA: 1A740
Routes: 41, 58, 99, and 178
Allocation Amount: \$1,168,000
Remaining Balance: \$144,000
Phase: Plans, Specifications, and Estimate
Allocation Date: 10/19/2023
Allocation Resolution: FP-23-39
Number of Months Requested: 18 Months
Extended Deadline: 04/30/2028
Department Recommendation: Support

SHOPP Roadway Preservation project

The Department requests an 18-month time extension for the period of project development expenditure for the PS&E phase of the SHOPP Roadway Preservation project. The Department experienced unexpected delays in completing this project's preconstruction phase.

This project is located in the counties of Kern, Fresno, and Madera, on State Routes 41, 58, 99, and 178 at various locations. The project proposes to rehabilitate four pump plants.

A SHOPP project priority reassessment has delayed the CON phase of this project to Fiscal Year 2027-28. The project reached Ready-to-List (RTL) on October 1, 2025, but was ultimately rescinded to align with the Department's allocation plan. The new target date for the PS&E phase contract approval is in April 2028. Additional time is required to complete necessary tasks to update the documents needed to certify and RTL the project with the new timeline. The Department anticipates reaching RTL in July 2027, advertising and awarding in February 2028, and approving the contract by April 2028.

Therefore, the Department is requesting an 18-month project development expenditure time extension to allow enough time to complete the PS&E phase through award from October 31, 2026 to April 30, 2028.