

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 19-20, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8v.(3), Action Item

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Division of Financial Programming

Subject: **REQUEST TO AMEND THE PERIOD OF PROJECT DEVELOPMENT  
EXPENDITURE FOR STATE HIGHWAY OPERATION AND PROTECTION  
PROGRAM PROJECTS, AS AN EXCEPTION TO THE SHOPP GUIDELINES  
WAIVER 26-29, AMENDING WAIVERS 25-98 and 25-218**

### **ISSUE:**

Should the California Transportation Commission (Commission) amend the period of project development expenditure for two 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 amend the period of project development expenditure for two SHOPP projects, for the time periods as identified in the attachment.

### **BACKGROUND:**

In June 2022, the Commission allocated \$5,191,000 in Project Development Support for the SHOPP projects identified in the attachment. In accordance with SHOPP Guidelines (Guidelines), the deadline to complete the Plans, Specifications, and Estimate phase for projects allocated in June 2022 is June 30, 2025. The projects received prior time extensions in June 2025 and December 2025. However, the Department is requesting an exception to the Guidelines for additional time to complete project development expenditures. The attachment shows the details of the projects and the delays that have resulted in this amended time extension request.

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 pre-construction phases. The Commission may approve waivers to the timely use of funds deadline, one-time only, for up to 20 months.

Attachment

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

Project Number: 1  
Applicant: Department of Transportation  
County: Madera  
District: 6  
PPNO: 7005  
EA: 0Y180  
Route: 145  
Allocation Amount: \$2,887,000  
Remaining Balance: \$127,500  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 06/30/2022  
1st Waiver: Waiver 25-98  
Approved: June 2025  
2nd Waiver: Waiver 25-218  
Approved: December 2025  
Number of Months Requested: ~~6 Months~~ ~~9 Months~~ **12 Months**  
Extended Deadline: ~~12/31/2025~~ ~~03/31/2026~~ **06/30/2026**  
Department Recommendation: Support

**SHOPP Pavement Preservation project**

The Department requests an additional 3 months, from 9 months to 12 months, for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the SHOPP Pavement Preservation project. The Department has experienced unexpected delays in completing the PS&E phase.

This project is on State Route (SR) 145, in the city of Madera, from south of Avenue 13 to north of Tozer Street. The project proposes to rehabilitate pavement, install Transportation Management System elements, construct rumble strips, replace signs, rehabilitate drainage systems, install street lighting, construct curb extensions/bulb-outs, install or improve transit shelters, plant trees, and restripe roadway to install bike lanes as complete streets elements.

Initially, the project's scope was in close proximity to the Union Pacific Railroad. Initial coordination was focused on obtaining a Construction and Maintenance (C&M) agreement. However, after numerous meetings and modifications to the project plans, it was determined that a Maintenance Consent Letter (MCL) would be more appropriate. The Department completed the Construction staking notes to provide more clarity for the package MCL, and it was approved on April 1, 2025. Initially pursuing a C&M Agreement and then an MCL was not anticipated and resulted in a delay to the project.

In addition, coordination with Pacific Gas and Electric Company (PG&E) took longer than expected. The project scope included adjusting three utility vaults involving extensive coordination to determine responsibility. After reviewing the plans and coordinating with PG&E, the adjustments were avoided by modifying the plans. The project's PS&E phase required additional time to complete tasks including bid opening, contract award, contract approval, and

addressing unforeseen issues that arose during the advertisement and award process. This resulted in the initial 6-month delay.

During the final stages of design, construction survey notes required revisions to eliminate ambiguity, reduce bidder inquiries, and facilitate competitive bidding. The revisions resulted in Ready-to-List being delayed by approximately three months. The project received its construction phase allocation in August 2025, and advertisement was delayed. The project was expected to award the contract by March 2026.

Since then, the bid opening for this project has been postponed to address time extension needed for bidder inquiries and issue of addendums. Addendums were issued to improve clarity to the bid package which included modifications to the special provisions, drainage, pavement striping, water service connection and signage. Preliminary investigation of the bid analysis indicates that more time is needed to award and approve the contract. The award date is now anticipated by May 30, 2026, while the target completion date of the PS&E phase is June 30, 2026. In order to align the PS&E phase with the contract approval date, three additional months are required. There is a concurrent contract award time extension for the Construction phase on this month's Commission agenda.

Therefore, the Department is requesting an exception to the Guidelines for an additional three months to allow enough time to complete the PS&E phase, from March 31, 2026 to June 30, 2026.

Project Number: 2  
Applicant: Department of Transportation  
County: Mono  
District: 9  
PPNO: 2645  
EA: 37430  
Routes: 395  
Allocation Amount: \$2,304,000  
Remaining Balance: \$141,988  
Phase: Plans, Specifications, and Estimate  
Allocation Date: 06/30/2022  
1st Waiver: Waiver 25-98  
Approved: June 2025  
Allocation Resolution: FP-21-92  
Number of Months Requested: ~~8 Months~~ **12 Months**  
Extended Deadline: ~~02/28/2026~~ **06/30/2026**  
Department Recommendation: Support

### **SHOPP Mandates project**

The Department requests an additional 4 months, from 8 months to 12 months, for the period of project development expenditure for the Plans, Specifications, and Estimate (PS&E) phase of the SHOPP Mandates project. The Department has experienced unexpected delays in completing the PS&E phase.

The project is on SR 395, near Lee Vining from SR 120 to Picnic Grounds Road. The project proposes to upgrade facilities to Americans with Disabilities Act standards, rehabilitate drainage, replace signs and guardrail, and make improvements to accommodate bicycles.

Initially, this project's PS&E phase was allocated in June 2022 and required utility relocation work. While performing the utility potholing studies that were completed in March 2024, it was unexpectedly discovered that the local water and sewer lines were in poor condition. This finding was not anticipated during the project's initial planning stages. Given that the existing water line would likely be damaged or destroyed during construction, the Department decided, for the benefit of the project and the community, to include the replacement of both the water and sewer lines within the project scope. To facilitate this, the Department initiated a cooperative agreement with Mono County (County), acting on behalf of the Lee Vining Public Utility District, for the utility district to design and fund the capital and support costs associated with the water and sewer line replacements during construction. The cooperative agreement was currently out for signature by the County, and a draft PS&E was received. However, additional coordination was required for right-of-way acquisitions, approvals and variances of County ordinances, permits, approval of landscape designs, and the negotiation of maintenance agreements with the County. This coordination was complex and took more time and consideration than originally anticipated. This extension was anticipated to provide the necessary time to complete the required coordination and ensure the successful implementation of the water and sewer line replacements within the project by February 2026.

Since then, the project's CON phase was allocated in August 2025 and was advertised in September 2025. The Department held bid opening on December 4, 2025, and received two bids, with the lowest bid about 28 percent over the EE. The Department fully analyzed the bids and concluded that providing a winter variance to increase the work window as well as readvertising the project would result in more competitive bids. The increased work window would reduce the construction seasons from three to two. However, it required approval from the Regional Water Board. This resulted in a 1-month delay. The Regional Water Board approved the winter variance on November 21, 2025. The extended work windows and reduced construction seasons also required modifications to the project plans to construction staging and traffic handling. The Department anticipates completing the package update by March 2026, bid opening in April 2026, and award in June 2026. The construction contract acceptance is anticipated for February 2029. There is a concurrent time extension for award on this month's Commission agenda.

Therefore, the Department is requesting an exception to the Guidelines for an additional four months to allow enough time to complete the PS&E phase, from February 28, 2026 to June 30, 2026.