

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 14-15, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(2), Action Item

Prepared By: Sergio Aceves
District 03 - Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION COMPLETION PHASE
PPNO 6254/EA 0H08U – SACRAMENTO COUNTY –
UNITED STATES HIGHWAY 50
RESOLUTION FA-25-47**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$4,500,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Roadway Rehabilitation and Multimodal Corridor Enhancement project on United States Highway (US) 50, in Sacramento County, to complete the construction contract?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

The Roadway Rehabilitation and Multimodal Corridor Enhancement project is located on US 50, in and near the City of Sacramento (City), from Interstate 5 to east of Watt Avenue, in Sacramento County. This project will rehabilitate the roadway, construct 14 lane miles of high-occupancy vehicle (HOV) (bus/carpool) lanes, widen 12 bridge structures, construct sound walls from Stockton Boulevard to 65th Street, incorporate intelligent transportation system (ITS) elements into the HOV system, and replace and/or upgrade ancillary facilities including drainage systems, overhead signs, lighting, approach slabs, guardrail, and safety barriers. This is a Design-Build (DB) project.

FUNDING AND PROGRAMMING STATUS:

This project is a combination of two projects (SHOPP PPNO 6177/EA 0H080 and Senate Bill 1 (SB 1) Solutions for Congested Corridors Program (SCCP) PPNO 3301/EA 3F360), that were programmed separately. In August 2017, the SHOPP Roadway Rehabilitation project (Rehab) (PPNO 6177/EA 0H080) was programmed for \$216,000,000 in Construction Capital and \$31,800,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2019-20. In October 2018, the project was amended to increase the programmed amount for Construction Capital to \$286,900,000 and \$25,800,000 in Construction Support due to the change in the delivery process to DB. In March 2019, the project was allocated for \$286,900,000 in Construction Capital and \$25,800,000 in Construction Support with an additional 52 months to extend the completion of construction.

In May 2018, the Multimodal Corridor Enhancement project (HOV) (PPNO 3301/EA 3F360) was programmed for \$80,000,000 in Construction Capital and \$10,000,000 in Construction Support in the SB 1 SCCP for allocation in 2019-20. In March 2019, the project was allocated for \$80,000,000 in Construction Capital and \$10,000,000 in Construction Support with an additional 52 months to extend the completion of construction.

In October 2018, the two projects were combined under PPNO 6254/EA 0H08U to be delivered as a single project under the DB project delivery method. In March 2019, the combined project had a total allocation of \$368,900,000 in Construction Capital (which includes \$2,000,000 from Local funds for HOV) and \$36,800,000 in Construction Support (which includes \$1,000,000 from Local funds for HOV). In October 2019, the combined project received a 7-month award time extension for the Construction phase. In April 2020, the bids were opened and awarded to the best value bidder. The contract was awarded, after utilizing G-12 funds, in the amount of \$397,790,000 in Construction Capital (\$315,790,000 for Rehab and \$82,000,000 for HOV).

In July 2020, construction began with 925 working days. In December 2023, the project received supplemental funds in the amount of \$12,394,000 for Construction Capital. Concurrently, an additional 122 working days were added to the contract. In October 2024, the project received additional supplemental funds in the amount of \$18,200,000 for Construction Capital and \$3,500,000 for Construction Support. In November 2024, an additional 120 working days were added to the contract. In March 2025, the project received additional supplemental funds in the amount of \$5,135,000 for Construction Capital. In December 2025, the project received additional supplemental funds in the amount of \$9,800,000 for Construction Capital and \$5,000,000 in Construction Support. As part of the additional supplemental funds requested in December 2023, October 2024, March 2025, and December 2025, Sacramento Transportation Authority (STA)/Sacramento Area Council of Governments (SACOG) contributed \$32,969,000 in Construction Capital and \$8,500,000 in Construction Support for the HOV project. The remaining funds are currently at \$12,101,000 in Construction Capital and \$8,457,000 in Construction Support. The project is 98 percent complete with 165 working days remaining. The Construction Contract Acceptance (CCA) is anticipated to be February 2027.

REASON FOR COST INCREASE:

The project realized a capital cost increase of \$9,000,000 (\$4,500,000 for Rehab and \$4,500,000 for HOV) due to an increase to the enhanced work zone enforcement, redesign and construction of sidewalks and driveways resulting from revisions to the local roads plans, slurry seal of local roads due to damaged pavement, adequate striping removal for traffic handling during construction, ITS and electrical construction changes, joint seal replacement and changes to the joint seal material, utility conflicts for the installation of electrical and transportation management system (TMS) elements, and additional partnering and dispute resolution board (DRB) progress meetings.

• **Increased need to enhanced work zone enforcement:**

There has been an increase in collisions caused by speeding and driving under the influence within the project limits following changes to staging configurations. To address these safety concerns, Construction Zone Enhanced Enforcement Program (COZEEP) deployment has increased from an average of 8 to 12 units per night, including round-the clock coverage during extended 55-hour and other long-term closures. In March 2025, a supplemental funds request added \$800,000 for COZEEP with the Department's estimation of the remaining contingency balance being sufficient to complete construction by December 2025. The project is now estimating a completion date of February 2027, which has necessitated further use of COZEEP with the increased deployment. In the time following March 2025, the project also experienced more unanticipated extended closures, further requiring additional use of COZEEP. In addition, as of November 2025, the interagency agreement between the Department and California Highway Patrol (CHP) has been amended with an increased hourly rate of approximately 3.2 percent for both Officers and Sergeants to reflect increases in pay for the CHP per their Memorandum of Understanding. In that 5-month span, there have been a total of 13 extended closures, which increased the required COZEEP amount in conjunction with increased number of deployed officers from 8 to 12 units per night. As a result, the project has currently expended its COZEEP allocation plus an additional \$3,000,000 that has been paid through the contract's existing budget. Additional funds in the amount of \$4,300,000 are needed to rectify the current expenditures to date and for projected expenditures through CCA.

• **Redesign and construction of sidewalks, driveways, and drainage elements resulting from revisions to the Local Roads Package:**

As a condition of Final Acceptance for the contract, all necessary documentation and approvals from each impacted local agency is required for any improvements that will cede maintenance and operational control back to the respective local agency. As a result, the Department has been working closely with the City on our Local Roads Package. The City has identified the need for redesign of the sidewalks, driveways, and drainage elements that are yet to be constructed, as some of the scope of work on the approved plans were not consistent with the City's expectations. Driveway locations for the local roads were previously designed to be under the freeway median where the structure has now been

widened. The City had concerns regarding driveway widths due to the newly placed columns for the median structure widening. As a result, the DB contractor and Department redesigned the driveways to allow for wider driveway widths per the City's current design standards, and sidewalks were subsequently redesigned to tie into the newly designed driveways. Additionally, at the Elmhurst Viaduct, down drains were placed to capture the stormwater runoff from the structure, which led to the City's concerns of the stormwater flowing into the City's sewer system. The Department has worked with the City and DB contractor to redesign a system to catch the stormwater and avoid the City's sewer system. The Department's estimated cost for the redesign and construction of these changes is \$650,000.

- **Slurry seal of local roads due to damaged pavement:**

The City has identified locations of pavement that they have deemed to be damaged as a result of the project. The Department acknowledges that the contractor's equipment has traversed local roads, and closures as a result of the project may have inadvertently induced additional traffic on local roads from users that did not follow the official detours. To maintain partnering efforts with the City while working through the Local Roads Package, the Department has agreed to slurry seal various streets, including 6th, 8th, 9th, 15th, 16th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 26th, 34th, and T Street due to equipment that has traversed local roads, causing damage. The Department's estimated cost for the slurry seal work is \$500,000.

- **Enhanced striping for traffic handling during construction:**

In December 2023, a supplemental funds request was approved in the amount of \$1,046,000 to address a Directive Letter, which directed the contractor to waterblast striping for removal as opposed to grinding, add contrast temporary striping and place additional signage. This was a result of the Department receiving several complaints about poor visibility during dawn and dusk of pavement striping that were installed per plan. To date, there have been more changes to the maintenance of traffic configurations than originally anticipated, leading to further striping removal and placement of temporary striping than estimated at the time of the December 2023 supplemental funds request. The Department's estimated cost for the additional striping changes is \$1,500,000.

- **ITS and electrical construction changes due to design standard changes after the DB procurement:**

In December 2023, a supplemental funds request was approved in the amount of \$1,750,000 to address contract change order (CCO) for the modification of ITS elements to current standards. Since the time the CCO was issued, the subcontractor now claims there is an additional \$4,800,000 in added costs for the additional components in the cabinets related to the ITS changes. The Department does not agree with the subcontractor's claims and has performed an assessment of the additional work and estimates the cost for ITS and electrical changes to be \$1,000,000.

- **Joint seal replacement and changes to joint seal material:**

While performing the removal of the existing asphalt concrete overlay on the eastbound US 50 to southbound State Route 99 connector, it was discovered that the overlay is on average 2.5 inches thick as opposed to the 0.75 inches called out on the as-builts. The thicker section of overlay resulted in an issue with the existing joint seals and necessitated replacement. Per the project contract specifications, it is the Department's responsibility to maintain existing bridges. The Department's estimated cost for the changes is \$45,000.

In addition, it was determined in the field that there were locations where joint seals could not be replaced with the specified seal per plan, as the joint widths were too wide relative to what was shown on as-builts. The joints will need to be replaced with wider seals as opposed to the seals per plan. The Department's estimated cost for the changes is \$300,000.

- **Utility conflicts for installation of electrical and TMS elements:**

Due to utility conflicts for installation of planned fiber optics, conduit, closed-circuit television, and TMS elements, there are pending CCOs which will need to be addressed to meet the scope of the project. The contract states that the contractor shall be entitled to receive a CCO for additional costs and delays associated with utility work. Additional funds in the amount of \$655,000 are needed to address these CCOs.

- **Additional partnering and DRB progress meetings:**

Due to the additional time as a result of the late execution of the Construction and Maintenance agreement, additional partnering and DRB progress meetings are needed. Also, there are a number of unresolved disputes that may need DRB referrals and hearings. The Department's estimated cost for the additional meetings is \$50,000.

Overall, the project requires an additional \$9,000,000 in capital costs (\$4,500,000 for the Rehab and \$4,500,000 for the HOV) to complete construction. Therefore, \$4,500,000 in supplemental funds are being requested from the SHOPP and \$4,500,000 is being funded by STA/SACOG for ongoing construction activities. The project will undergo a financial audit due to the contractor's claims of the delay. This may result in a future request for supplemental funds.

CONSEQUENCES:

If this request for supplemental funds is not approved, the Department will not be able to complete construction to rehabilitate the existing pavement and meet the need of the project. If the construction contract is further delayed, it will likely result in claims by the contractor and additional disruption to traffic. Reducing the project's scope of work to complete construction later would require programming another project in a future SB 1 SCCP and/or SHOPP cycle, possibly, at a higher cost.

FINANCIAL RESOLUTION:

Resolved, that \$4,500,000 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 to provide funds to complete the Construction phase for this SHOPP project.

Attachment

2.5 Highway Financial Matters

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

2.5e.(2) Supplemental Funds for Previously Voted Project Resolution FA-25-47

1	In the city of Sacramento, from Route 5 to Watt Avenue.	03-6254				
\$4,500,000	Rehabilitate pavement with continuously reinforced concrete pavement, increase vertical clearances at overcrossings, widen onramps to add ramp metered lanes, upgrade curb ramps, and replace concrete barrier, structure approach slabs, lighting, signs, Intelligent Transportation System elements, and guardrail. Also, construct 14 lane miles of HOV (or bus/carpool) lanes, widen 12 bridge structures, construct sound walls from Stockton Boulevard to 65th Street, incorporate Intelligent Transportation System elements into the HOV system, replace and/or upgrade ancillary facilities including drainage systems and overhead signs.	SHOPP/2017-18 CONST				
Department of Transportation		802-3290 RMRA 20.20.201.120	\$271,013,000	\$516,000	\$271,529,000	
SACOG		SHOPP/2019-20 CONST				
Sacramento		302-0890 FTF 20.20.201.120	\$50,000,000		\$50,000,000	
03-Sac-50		SHOPP/2022-23 CONST				
L0.2/R6.1		302-0890 FTF 20.20.201.120	\$10,972,000		\$10,972,000	
	<u>Outcome/Outputs:</u> This project will improve safety, ride quality, and traffic operations.					
	Total revised amount \$365,819,000.	SHOPP/2023-24 CONST				
	Supplemental funds are needed to complete construction.	302-0890 FTF 20.20.201.120	\$20,658,000		\$20,658,000	
	EA 0H080/PPNO 03-6177 combined with EA 3F360/PPNO 03-3301 for construction under EA 0H08U/PPNO 03-6254 to utilize the Design-Build delivery method.	SHOPP/2024-25 CONST				
		302-0890 FTF 20.20.201.120	\$8,676,000	\$3,984,000	\$12,660,000	
	EA 0H080/PPNO 03-6177: CEQA - CE, 8/13/2018 NEPA - CE, 8/13/2018	0319000029 4 0H08U				
	EA 3F360/PPNO 03-3301: CEQA - MND, 5/31/2017 NEPA - FONSI, 5/31/2017					
	Future consideration of funding approved under Resolution E-17-49; August 2017.					
	As part of the initial allocation for EA 0H080/PPNO 03-6177, the Department requested to extend the completion of CONST and CON ENG an additional 52 months beyond the 36-month deadline.					
	As part of the initial allocation for EA 3F360/PPNO 03-3301, the Department requested to extend the completion of CONST and CON ENG an additional 88 months.					