

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8v.(2), Action Item

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Division of Financial Programming

Subject: **REQUEST TO AMEND THE PERIOD OF PROJECT COMPLETION FOR STATE HIGHWAY OPERATION AND PROTECTION PROGRAM PROJECTS, AS AN EXCEPTION TO THE SHOPP GUIDELINES WAIVER 26-100, AMENDING WAIVERS 26-25, 24-147, AND 25-217**

### **ISSUE:**

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

### **BACKGROUND:**

In June 2020, August 2021, and August 2022, the Commission allocated \$25,150,000 in Construction (CON) Capital and CON Support for three SHOPP projects identified in the attachment. The projects have received previous time extensions for the period of project completion. However, the Department is requesting an exception to the SHOPP Guidelines (Guidelines) for additional time. The attachment shows the details of the projects and the delays that have resulted in the amended time extension requests.

Current Guidelines stipulate that the Department request a time extension if the project will not be completed within 36 months after award. 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 Completion for  
State Highway Operation and Protection Program**

Project Number: 1  
County: Alameda  
District: 04  
PPNO: 1492F  
EA: 0K120  
Route: 13  
Allocation Amount: \$10,130,000  
Phase: CON/CON Support  
Allocation Date: 08/18/2022  
Award Date: 02/17/2023  
1st Waiver: Waiver 26-25  
Approved: March 2026  
Number of Months Requested: ~~4 Months~~ **8 Months**  
Extended Deadline: ~~06/30/2026~~ **10/31/2026**  
Department Recommendation: Support

**SHOPP Collision Reduction project**

The Department requests an additional four months, from four months to eight months, for the period of project completion for the Construction (CON) phase of the SHOPP Collision Reduction project. The Department has experienced unexpected delays in completing construction.

The project is located in Alameda County, on State Routes (SR) 13, 24, 580, 680, and 880 at various locations, and also in Contra Costa County, on SRs 4, 24, 80, 160, and 680 at various locations. The project will install rectangular rapid flashing beacons to enhance pedestrian safety at interchange ramp connections, including ramp termini and uncontrolled pedestrian crossings.

Initially, construction activities were completed as of January 2026. However, construction completion acceptance was contingent upon Pacific Gas and Electric's (PG&E) completion of the energizing process. The energization was needed to check functionality and perform final inspection. PG&E crews were delayed in completing this work due to internal scheduling conflicts. The Department was in continuous contact with PG&E and anticipated completion by the end of June 2026.

Since then, the Department has continued to coordinate with PG&E to prioritize this project. The latest coordination efforts include a timetable of completing the energization process by the end of August 2026. However, to allow for any unforeseen scheduling delays or complications, an additional two months are being requested. PG&E and the Department are making every effort to coordinate schedules and balance several high priority projects in the area.

Therefore, the Department is requesting an exception to the Guidelines for an additional four months to finalize Construction Contract Acceptance (CCA) from June 30, 2026 to October 31, 2026.

Project Number: 2  
County: Alameda  
District: 04  
PPNO: 1462A  
EA: 4K980  
Route: N/A  
Allocation Amount: \$6,470,000  
Phase: CON/CON Support  
Allocation Date: 06/24/2020  
Award Date: 11/30/2021  
1st Waiver: Waiver 24-147  
Approved: October 2024  
Number of Months Requested: ~~20 Months~~ **56 Months**  
Extended Deadline: ~~07/31/2026~~ **07/31/2029**  
Department Recommendation: Support

### **SHOPP Office Buildings project**

The Department requests an additional 36 months, from 20 months to 56 months, for the period of project completion for the CON phase of the SHOPP Office Buildings project. The Department has experienced unexpected delays in completing construction.

This project is located in Oakland, at the District 4 headquarters office building. The project proposes to rehabilitate the existing 13 building elevators with new systems to extend service life, increase efficiency, and correct performance failures.

Initially, the project involved replacing the outdated elevator system in the District 4 Oakland Office, executed through a Director's Order. As a Design-Build contract, the prime contractor was to finalize the design before commencing construction and procuring the necessary elevator system materials. Consequently, the project was awarded on November 30, 2021, with a construction duration of 36 months, set to expire on November 30, 2024. During the COVID-19 Pandemic (Pandemic), extended lead times and delays in fabrication of elevator components delayed the construction schedule, in addition to work restrictions in confined spaces due to the Pandemic. As a result, the prime contractor took over the maintenance and emergency service responsibilities for the existing elevator system. The resources were allocated to rescue users trapped in the existing elevator system and to ensure continued operation for building occupants. Moreover, the regulatory review process, including evaluation by the Office of State Fire Marshal (OSFM) and coordination with the California Department of Industrial Relations Division of Occupational Safety and Health significantly prolonged the construction schedule. Due to the combined impact of these unforeseen circumstances, additional time was requested.

Since then, frequent elevator breakdowns and user entrapments have continued to create safety concerns. From the Approve Contract milestone in December 2021 to May 2023, the contractor spent 17 months developing the design plans. After plans were signed, the contractor submitted a Fire Alarm permit request to the OSFM in July 2023. This allowed construction to move forward, except for the work involving Fire and Life Safety (FLS) systems. Construction continued while the Fire Alarm permit was under review.

During ongoing coordination with the OSFM, work was stopped until the Building Construction Permit received final approval. Early in the process, it was not clearly communicated that work could not move forward while waiting for permit approvals, and only later was it made known that a Building Construction Permit was also required. From June 2023 to August 2024, the contractor installed 5 elevators and began rehabilitation work on a sixth, resulting in approximately 42 percent completion of the overall elevator system rehabilitation.

In August 2024, after ongoing review and coordination efforts between the contractor and OSFM, OSFM instructed the Department to pause all construction activities until all required permits were issued. OSFM requested full building plans in addition to the FLS plans, resulting in additional design review and coordination efforts. OSFM issued the Building Construction Permit in January 2026, the Fire Alarm Permit in February 2026, and approved the Americans with Disabilities Act Accessibility plan in April 2026.

The contractor will re-mobilize May 29, 2026 and construction will resume at that time. Work on the FLS systems is expected to take approximately six months to complete, using one crew from May through November 2026. After construction is finished, the OSFM will inspect and approve the elevators before they can be commissioned by the Department of Industrial Relations. Once these approvals occur, construction efforts will shift to the remaining eight elevators. The partially completed elevator is expected to return to service within three months after the first five elevators are commissioned. Rehabilitation and commissioning of the remaining eight elevators are expected to conclude in May 2029. Once the elevators are in operation, the SFM will provide final inspection and sign-off.

The Department is taking several steps to expedite the schedule. This includes coordinating closely with the permitting agencies, maintaining continuity with the current contractor to avoid additional delays, and increasing internal support to help streamline reviews. Discussions with the Construction team are in progress, to identify where the schedule can be expedited. The team is also discussing the potential for the contractor to add a second work crew, though their staffing capacity is limited. These efforts are intended to shorten the remaining schedule as much as possible.

The regulatory review and permitting process significantly extended the construction schedule. The initial 20-month time extension shifted the CCA milestone from November 2024 to July 2026. Unfortunately, from August 2024 to May 2026, time was spent waiting for permit approvals. Therefore, this request requires an additional 36 months to revise the CCA date to July 31, 2029. Proceeding with this extension and retaining the current contractor is in the Department's best interest and will support the most efficient completion of the project.

Therefore, the Department is requesting an exception to the Guidelines for an additional 36 months to finalize CCA from July 31, 2026 to July 31, 2029.

Project Number: 3  
County: Alameda  
District: 04  
PPNO: 2909B  
EA: 2W740  
Route: 260  
Allocation Amount: \$8,550,000  
Phase: CON/CON Support  
Allocation Date: 08/18/2021  
Award Date: 01/06/2022  
1st Waiver: Waiver 25-39  
Approved: March 2025  
2nd Waiver: Waiver 25-217  
Approved: December 2025  
Number of Months Requested: ~~11 Months~~ ~~16 Months~~ **20 Months**  
Extended Deadline: ~~12/31/2025~~ ~~05/31/2026~~ **09/30/2026**  
Department Recommendation: Support

### **SHOPP Major Damage Restoration project**

The Department requests an additional 4 months, from 16 months to 20 months, for the period of project completion for the CON phase of the SHOPP Major Damage Restoration project. The Department has experienced unexpected delays in completing construction.

The project is located on SR 260, in the cities of Alameda and Oakland, at the Posey Tube No. 33-0106R and Webster Tube No. 33-0106L. The project will install fuel cell power supply systems to maintain safety systems in the event of a fire emergency.

Initially, this project was awarded in January 2022 with the original CCA date of January 31, 2025. However, delays occurred with the fuel cell power system. The fuel cell power system was a relatively new green technology where the system was not yet standardized and needed to be customized and fabricated prior to each application. Additional time was needed for coordinating a gas tie-in issue with PG&E and the National Fire Protection Association (NFPA). The work involved both sides of the tubes (tunnel) and each end fell within specific territories. PG&E started to implement preemptive power interruptions per their internal schedule. However, these interruptions created occasional conflicts with field-work schedule. During this time, the NFPA fire safety standard compliance review also resulted in the need for a PG&E meter, since one side of the installation was in the PG&E territory. During construction of the gas tie-in, a portion of the work was discovered to affect private property. As a result, the Department coordinated with all parties involved, and the gas tie-in took longer than anticipated. The field work involving the gas tie-in was paused. The Department was working with the parties and anticipated reaching resolution and CCA by December 2025.

In spring 2025, discussions between the Department and Alameda Municipal Power (AMP) resulted in AMP not agreeing to provide power to the fuel cells installed at the Posey and Webster Tubes. In response, the Department engaged another power contractor, to assess and redesign the existing power transfer scheme to ensure the AMP would not be responsible for

powering the fuel cells under any configuration of the Primary and Secondary power scheme at the Posey and Webster substations. Given the age of the substations and the absence of reliable as-built documentation, several months of investigative work were required to collect the necessary information for the power contractor to develop a feasible alternative design. This investigation and design phase concluded in September 2025.

Since then, in October 2025, the project team re-engaged with AMP to reach a resolution to avoid redesigning and avoid related change orders. The resolution includes AMP's final decision on whether AMP can run in parallel and be connected to the fuel cells. However, in January 2026, AMP confirmed that it would not allow any configuration in which it is connected to the fuel cell system.

This determination required design revisions of the Webster Tube and initiated procurement of specialized equipment, which consists of a control system interface cabinet. These cabinets have a long lead time and procuring them will extend beyond the current deadline.

Installation of electrical infrastructure at the Posey Tube is being coordinated with AMP and the OSFM for operation. Work at the Webster Tube remains dependent on the delivery of these long-lead components. Additional time is required to complete system integration with the Supervisory Control and Data Acquisition (SCADA) network for monitoring and operation. The monitoring and operational components are critical because maintaining visibility and control of local medium voltage substation equipment through the SCADA system is a required operational standard. The previous electrical infrastructure provided this capability, and the upgraded system must continue to support it to ensure safety, reliability, and continuous operation of the facility.

Therefore, the Department is requesting an exception to the Guidelines for an additional four months to finalize CCA from May 31, 2026 to September 30, 2026.