

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(5), Action Item

Prepared By: Gloria Roberts
District 07 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION COMPLETION PHASE
PPNO 5007/EA 32290 – LOS ANGELES COUNTY – STATE ROUTE 27
RESOLUTION FA-25-55**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$1,200,000 in Construction Support for the State Highway Operation and Protection Program (SHOPP) Pavement Preservation project on State Route (SR) 27, in Los Angeles 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:

This project is located along SR 27, in and near the City of Los Angeles, from the Pacific Coast Highway (SR 1) to Devonshire Street, in Los Angeles County. The project is grinding and overlaying the asphalt pavement, and upgrading existing guardrail and curb ramps.

FUNDING AND PROGRAMMING STATUS:

In March 2018, the project was programmed for \$30,550,000 in Construction Capital and \$5,540,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2021-22. In May 2020, the project was amended to increase Construction Capital to \$35,550,000 due to the extension of project limits to cover the gap between postmile 4.7 and 10.1. In June 2022, the project received a 12-month allocation time extension for the Construction phase. In June 2023, the project was allocated for \$46,733,000 in Construction Capital and \$5,967,000 in

Construction Support with an additional eight months to complete construction. In November 2023, the project was awarded for \$47,411,000 in Construction Capital after utilizing partial G-12 funds in the amount of \$678,000. In January 2025, construction began with 600 working days. In January 2026, the project received partial G-12 funds in the amount of \$2,101,000 for Construction Capital. In May 2026, the project received partial G-12 funds in the amount of \$250,000 for Construction Support. The remaining funds are currently at \$10,409,000 in Construction Capital and \$250,000 in Construction Support. The project is approximately 75 percent complete with approximately 80 working days remaining. The planned Construction Contract Acceptance is scheduled for April 2028.

REASON FOR COST INCREASE:

The project realized support cost increases due to delays caused by wildfire and storm damage in early 2025. The events have resulted in the need for additional resources to support ongoing coordination efforts with the Director's Order (DO) projects and utility impacts, inspect unanticipated contract change orders (CCOs) and remaining construction work; and perform closeout activities. The project will require an additional 220 working days to complete construction.

Construction on this project experienced significant early delays that reduced productivity and extended the construction schedule by an additional year. The delays were caused by wildfire and storm events that impacted the area, triggering two DO projects within the project limits. These ongoing DO projects require continuous coordination. These DO projects must be completed to allow restoration of the roadway and re-establish clear right of way access before the rehab contract work can resume. Multiple meetings between the respective construction field offices are necessary to effectively coordinate and advance these efforts. In addition, there are ongoing coordination efforts with Southern California Edison and Verizon to address utility impacts along the canyon segment of the project. These conditions continue to require unanticipated weekly coordination with multiple agencies to ensure timely construction completion.

In addition, the project experienced unanticipated CCOs that utilized the vast majority of the remaining construction support resources. The project includes upgrading the existing guardrail at various locations followed by placement of vegetation control around it. One of the CCOs consisted of revising the minor concrete vegetation control item in the canyon segment to include a colored finish to match the existing topography. During paving operations, it was discovered that existing utility manhole covers did not conform to finished grade and required adjustment to address potential hazards from the covers sitting either too low or too high relative to the roadway surface. In addition, during the reconstruction of curb ramps, the original design did not account for a segment of the adjacent curbs that required restoration to conform to existing conditions. Furthermore, there is a new CCO which involves revisions to the guardrail plans at multiple locations in the canyon portion of the project due to discrepancies and constructability issues identified after damage occurred to the roadway prism from the wildfire and storm events. This work will require field reviews and measurements of existing

guardrail conditions at approximately 70 locations, followed by updates to the design plans. Weekly meetings will be necessary to support and advance this effort.

The CCO work resulted in delays to completing the remaining construction work that primarily includes the original pavement work in the canyon segment of the project. Additional support resources are required to inspect the remaining work and complete project close out activities that include addressing final punch list items, processing the final payment, and preparing the as-built plans.

Therefore, the project will need an additional \$1,200,000 in support costs to address ongoing coordination efforts with the remediation projects and utility impacts, inspect the unanticipated CCOs and remaining construction work, and complete project closeout activities. The Department does not anticipate needing additional capital funds to complete construction.

CONSEQUENCES:

If this request for supplemental funds is not approved, the Department will not be able to complete the remaining work needed to address critical deficiencies of the existing roadway and roadside elements along this segment of SR 27. If the construction contract is further delayed, it will likely result in contractor claims. Completing the work at a later time would require programming a new project in a future SHOPP cycle at a potentially higher cost.

FINANCIAL RESOLUTION:

Resolved, that \$1,200,000 be allocated for Construction Support, to provide funds to complete the Construction phase for this SHOPP project.

Attachment

2.5 Highway Financial Matters

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

2.5e.(5) Supplemental Funds for Previously Voted Project Resolution FA-25-55

1	In and near the City of Los Angeles, from Pacific Coast Highway (Route 1) to Devonshire Street.	07-5007			
\$1,200,000		SHOPP			
		CON ENG			
Department of Transportation	<u>Outcome/Outputs:</u> Grind and overlay asphalt pavement, and upgrade curb ramps to meet Americans with Disabilities Act (ADA) standards. This project will extend the pavement service life and improve ride quality.	505-3290 RMRA	\$713,200	\$137,700	\$850,900
LACMTA		001-0890 FTF	\$5,503,800	\$1,062,300	\$6,566,100
Los Angeles		20.10.201.121			
07-LA-27		0716000059			
0/18.6	Total revised amount \$7,417,000.	3			
		32290			
	Supplemental funds are needed to complete construction.				
	CEQA - CE, 05/19/2021; Re-validation 01/24/2023				
	NEPA - CE, 05/19/2021; Re-validation 01/24/2023				
	As part of the initial allocation, the Department requested to extend the completion of CONST and CON ENG an additional 8 months beyond the 36-month deadline.				