State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5d.(3), Action Item

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District 08 - Director

Subject: **ALLOCATION FOR PROJECT WITH COSTS THAT EXCEED THE PROGRAMMED AMOUNT BY MORE THAN 20 PERCENT PPNO 3001S/EA 0R380 – SAN BERNARDINO COUNTY – INTERSTATE 40 RESOLUTION FP-26-03**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) allocation request for $75,181,000 for Construction of the State Highway Operation and Protection Program (SHOPP) Bridge Rehabilitation and Replacement project on Interstate 40 (I-40), in San Bernardino County, to advertise the project?

RECOMMENDATION:

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

PROJECT DESCRIPTION:

This project is located on I-40 near the City of Needles, from Park Moabi Road to Topock Road, at the Colorado River Bridge (No. 54-0415), in San Bernardino County. The project proposes to replace the bridge. The project was initially utilizing the Construction Manager/General Contractor (CMGC) delivery method and now has been off-ramped and will be delivered utilizing the typical Design-Bid-Build delivery method.

FUNDING AND PROGRAMMING STATUS:

In March 2018, this project was programmed in the SHOPP for $28,800,000 in Construction Capital and $8,332,000 in Construction Support for allocation in Fiscal Year 2023-24. In December 2019, the project was amended to move out the allocation of the Construction phase to 2024-25 due to the cooperative agreement taking two years to complete as a result of extensive negotiations between California and Arizona. In June 2021, the project was amended again to move out the allocation of the Construction phase to 2025-26 due to geotechnical studies that could not be performed during the Project Approval and Environmental Document phase as they require permit approval by the California Department of Fish and Wildlife. In addition, Senate Bill 147 needed to be passed in order to allow any disturbance of fully protected species found at the site. In March 2024, the project was further amended to increase Construction Capital to $49,616,000 and Construction Support to $10,268,000 due to the change in scope from bridge rehabilitation to replacement and the delivery method to CMGC. In October 2024, the project was amended a fourth time to update the post condition performance measure. In June 2026, the project received a 2-month allocation time extension for the Construction phase.

In June 2026, the Engineer's Estimate (EE) reflected the need of $64,681,000 in Construction Capital (30.4 percent over the programmed amount) and $10,500,000 in Construction Support (2.3 percent over the programmed amount). The Department is also requesting to extend the period of construction by an additional 66 months (for a total of 102 months). The Arizona Department of Transportation shares equal funding responsibility and will be contributing the other half of the construction costs per the cooperative agreement. The Department plans to advertise the project in September 2026 and begin construction in January 2027. Construction is planned for 9 seasons with a duration of 2,100 working days.

REASON FOR COST INCREASE:

The Construction Capital estimate is greater than the programmed amount due to changes to the foundation of the bridge, an increase to the unit price for concrete to reflect current market conditions, changes to the bridge removal requirements, and adjustments to time-related overhead and contingency. The Construction Support estimate is greater than the programmed amount due to minor refinements to the workplan.

Capital Cost Increase:

This project originally started as a routine maintenance project involving painting the existing steel girders. However, structural assessments evolved the project into a deck replacement and ultimately a complete bridge replacement to ensure long-term sustainability. This expanded the project's environmental mitigation requirements, particularly regarding local groundwater contamination and impacts to the river.

During the design phase, the review of the Cast-in-Drilled-Hole Concrete piles emphasized the high risk and uncertainty surrounding the substructure conditions. The design of the piles was revised by increasing the casing thickness from 3/4 to 1 inch. In addition, the Department's Geotechnical Services group recommended performing pile load testing during construction.

There were also significant changes to the bridge removal requirements. All falsework must now remain completely out of the water instead of the standard three feet from mud-line due to requirements from the United States Bureau of Reclamation.

The unit price for concrete was updated to reflect current fuel costs, falsework and trestle removal requirements, the remote location of the site, and the proximity to a Pacific Gas and Electric (PG&E) hexavalent chromium remediation site. In addition, the remote location of the site may require the installation of batch plants on site or nearby due to the lack of commercial concrete batch plants. Furthermore, the unit price for concrete was further impacted by market volatility which is driven by current global conflicts as a result of higher fuel costs, increasing the costs for both cement production and transportation.

The EE was updated to reflect the revised quantities and current market trend for the unit prices. The time-related overhead (TRO) cost was revised to reference the most recent known unit costs from similar projects with comparable scopes and locations. In addition, identified risks from PG&E's hexavalent chromium remediation site and extensive underground and underwater work have resulted in an increase to the contingency. Furthermore, minor increases were realized to various bid items.

Therefore, the changes to the foundation of the bridge and bridge removal requirements, and increase to the unit price for concrete and TRO, amount to an increase of $15,065,000 in capital costs.

Support Cost Increase:

The support cost increase is due to minor refinements to the workplan including additional Geotechnical consultant resources needed for soil verification during the foundation operation which is above what was originally anticipated. The refinements to the workplan amount to an increase of $232,000 in support costs.

CONSEQUENCES:

If this allocation request is not approved, the Department will not be able to advertise the contract to address the critical deficiencies of the existing bridge. To address all of the deficiencies, the project will have to be reprogrammed in a future SHOPP cycle, which will result in delays and could result in higher costs due to escalation.

FINANCIAL RESOLUTION:

Resolved, that $64,681,000 be allocated from the Budget Act of 2025, Budget Act Items 2660-302-3290 and 2660-302-0890 for Construction Capital, and $10,500,000 for Construction Support, to provide funds to advertise this SHOPP project.

Attachment

2.5 Highway Financial Matters

Project No. Allocation Amount County Dist-Co-Rte Postmile	Location Project Description	PPNO Program/Year Phase Prgm'd Amount Project ID Adv Phase EA	Budget Year Item # Fund Type Program Code	Amount by Fund Type

2.5d.(3) Allocation of Project with Construction Cost that Exceeds 20 Percent of the Programmed Amount — **Resolution FP-26-03**

1 $75,181,000 San Bernardino 08-SBd-40 R153.9/R154.64	Near Needles, from Park Moabi Road to Topock Road at the Colorado River Bridge No. 54-0415. Bridge replacement. Caltrans will be the lead agency and will share half of all costs with Arizona Department of Transportation (ADOT) as indicated in Cooperative Agreement No. 08-1818. (Additional Contribution: $64,681,286 CONST and $10,500,000 CON ENG in local funds from ADOT.)	08-3001S SHOPP/25-26 CON ENG $10,268,000 CONST $49,616,000 0812000067 3,4 0R380	505-3290 RMRA 001-0890 FTF 20.10.201.110 2025-26 302-3290 RMRA 302-0890 FTF 20.20.201.110	$886,000 $9,614,000 $10,500,000 $5,453,000 $59,228,000 $64,681,000

Preliminary Engineering	Budget	Expended
PA&ED	$6,230,000	$6,130,007
PS&E	$11,800,500	$11,662,484
R/W Sup	$431,000	$169,442

Performance Measure:
Planned: 1.0, Actual: 1.0 Bridge(s)

CEQA - EIR, 02/20/2024; Re-validation 06/19/2026
NEPA - EIS, 02/20/2024; Re-validation 06/19/2026

Future consideration of funding approved under Resolution E-24-27; March 2024.

Right of Way Certification: 05/20/2026

Two-month allocation time extension for CON ENG and CONST approved under Waiver 26-102; June 2026.

As part of this allocation request, the Department is requesting to extend the completion of CON ENG and CONST an additional 66 months beyond the 36 month deadline.

SB1 Baseline Agreement approval under Resolution SHOPP-P-2425-01B; August 2024.

Performance Measure: Bridge(s)

	Unit	Good	Fair	Poor	Quantity
Existing Condition	Square feet	0.0	87,984.0	0.0	87,984.0
Post Condition	Square feet	109,788.0	0.0	0.0	109,788.0