

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5e.(6), Action Item

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District 08 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION CLOSEOUT PHASE
PPNO 3020J/EA 1M040 – SAN BERNARDINO COUNTY – INTERSTATE 40
RESOLUTION FA-26-06**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$150,000 in Construction Capital for the State Highway Operation and Protection Program (SHOPP) Safety Improvements project on Interstate 40 (I-40), in San Bernardino County, to close out 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 on I-40, in and near the City of Needles, from Fox Wash Overflow to L Street, in San Bernardino County. The project is rehabilitating the existing pavement by grinding and replacing it with open graded friction course asphalt concrete, and installing cable barrier and guardrail.

FUNDING AND PROGRAMMING STATUS:

In August 2022, the project was programmed for \$1,223,000 in Construction Capital and \$707,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2024-25. In December 2023, the project was amended to update the safety performance measures. In January 2024, the project was amended again to increase Construction Capital to \$4,725,000 and Construction Support to \$1,758,000 due to the addition of cable barrier and guardrail work

which was funded by the Infrastructure Investment and Jobs Act. In October 2024, the project was allocated for \$5,550,000 in Construction Capital and \$1,758,000 in Construction Support. In May 2025, the project received a 2-month award time extension for the Construction phase. The project also received supplemental funds in the amount of \$1,918,600 in Construction Capital to award the contract. In June 2025, the project was awarded for \$7,468,600 in Construction Capital, and construction began with 60 working days. The project has not received any G-12 funds for Construction Support. The project cannot receive G-12 funds for Construction Capital due to the supplemental funds that were requested to award the project. There are no funds for Construction Capital, and the remaining funds are currently at \$409,000 in Construction Support. The project is 95 percent complete, and Construction Contract Acceptance is scheduled for August 2026. However, additional funding in the amount of \$150,000 is required to process pending invoices submitted by the contractor, and complete final close out items such as the environmental commitment record and stormwater permit signoff.

REASON FOR COST INCREASE:

The cost increase was due to the need for additional traffic control to address the removal of asbestos containing material, and striping and lane closure staging that was revised during construction.

As part of the guardrail installation work, a concrete barrier transition is required to be connected to the existing bridge rail. The guardrail is then connected to the concrete barrier transition. During the bridge rail removal work, asbestos containing material was discovered. The contract documents included an item for Asbestos compliance plan and Asbestos Survey and Sampling. The special provisions required the contractor to survey, sample, analyze, and remove asbestos material in the bridges. Per specifications, asbestos removals are to be paid for as contract change order work. This also includes traffic control for the removal work.

In addition, traffic control was required for the placement and removal of temporary and permanent striping, pavement markers, and lane closure staging that was not included in the original contract plans due to post bid traffic handling revisions and staging operations for public safety and maintenance of traffic flow. The traffic handling plans required revisions during construction when field conditions were encountered at one location preventing the installation of guardrail. Furthermore, staging was required at several locations to prevent damage to the temporary concrete barrier. This required setting up lane closures above what was anticipated.

Overall, the additional capital costs required to process the pending invoices and close out the construction contract amount to an increase of \$150,000.

CONSEQUENCES:

If this request for supplemental funds is not approved, the Department will not be able to pay the contractor invoices, and close out construction, with the risk that the Department would have to pay out the potentially higher cost for arbitration and interest on the invoices submitted

by the contractor.

FINANCIAL RESOLUTION:

Resolved, that \$150,000 be allocated from the Budget Act of 2025, Budget Act Item 2660-302-0890 and Non-Budget Act Item 2660-802-3290 for Construction Capital, to provide funds to close out the Construction phase for this SHOPP project.

Attachment

2.5 Highway Financial Matters

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

2.5e.(6)**Supplemental Funds for Previously Voted Project****Resolution FA-26-06**

1	In and near Needles, from Fox Wash Overflow to L Street.	08-3020J			
\$150,000		SHOPP/2024-25			
Department of	<u>Outcome/Outputs:</u> Improve safety by grinding and replacing	CONST			
Transportation	pavement with Open Graded Asphalt Concrete (OGAC),	302-0890 FTF	\$6,771,200		\$6,771,200
<u>SBCTA</u>	installing high tension cable barrier, and guardrail. This project	20.20.201.010			
San Bernardino	will reduce the number and severity of collisions.	SHOPP/2017-18			
08-SBd-40	Total revised amount \$7,618,600.	CONST			
R140.0/R142.2		802-3290 RMRA	\$697,400	\$12,700	\$710,100
	Supplemental funds are needed to close-out contract.	20.20.201.010			
	CEQA - CE, 12/07/2023; Re-validation 09/04/2024	SHOPP/2025-26			
	NEPA - CE, 12/07/2023; Re-validation 09/04/2024	CONST			
		302-0890 FTF		\$137,300	\$137,300
		20.20.201.010			
		0821000091			
		4			
		1M040			