

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8c.(4), Action Item

Prepared By: Jaime Espinoza, Chief (Acting)
Division of Financial Programming

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT COMPLETION FOR
STATE-ADMINISTERED STATE TRANSPORTATION IMPROVEMENT PROGRAM
PROJECTS, ON THE STATE HIGHWAY SYSTEM, PER STIP GUIDELINES
WAIVER 26-172**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project completion for two State-Administered State Transportation Improvement Program (STIP) projects, for the time periods as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission extend the period of project completion for two STIP projects, for the time periods as identified in the attachment.

BACKGROUND:

In December 2022 and May 2023, the Commission allocated \$183,288,000 for the Construction (CON) phase of the attached two STIP projects. These projects were awarded in March 2023 and June 2023. In accordance with the STIP Guidelines (Guidelines), the deadlines to complete Construction Contract Acceptance for projects awarded in March 2023 and June 2023, are September 2026 and August 2026, respectively. Because the Department will not meet these deadlines, the Department is requesting time extensions to complete the CON phase. The attachment shows the details of the projects and the delays that have resulted in these time extension requests.

Current Guidelines stipulate that the agency implementing a project requests a time extension if the project is not completed within 36 months after award. The Commission may approve a waiver to the timely use of funds deadline, one-time only, for up to 20 months.

Attachment

**Time Extension/Waiver – Project Completion for
State Transportation Improvement Program**

Project Number: 1
Applicant: Department of Transportation
County: San Luis Obispo
District: 05
PPNO: 0226K
EA: 3307C
Route: 46
Allocation Amount: \$171,420,000
Phase: Construction and Construction Support
Allocation Date: 12/08/2022
Allocation Resolution: FP-22-29
Award Date: 03/03/2023
Number of Months Requested: 3 Months
Extended Deadline: 12/31/2026
Department Recommendation: Support

Route 46/41 Wye project

The Department requests a 3-month time extension to complete the Construction (CON) phase for the Route 46/41 Wye project. The Department has experienced unexpected delays in completing construction.

The project is located on State Route (SR) 41 and SR 46 near Cholame, west of Davis Road to west of Antelope Road, in San Luis Obispo County. The project is converting the 2-lane conventional highway to a 4-lane expressway. This project has utilized the Construction Management/General Contractor (CMGC) delivery process.

In December 2022, the project received its CON allocation. As part of the request, the Commission approved an additional 6 months beyond the 36-month timely use of funds deadline, in anticipation of extra time needed to complete the project. In March 2023, the contract was awarded to the CMGC followed by start of construction in April 2023. The current deadline to complete construction is September 2026. However, project delays have moved the Construction Contract Acceptance (CCA) to December 2026.

During construction, the project encountered an unforeseen geotechnical condition following a non-compliant roadway embankment test identified through Cone Penetration Testing. The investigation determined that full reconstruction of the embankment was necessary to ensure structural integrity of the facility. This additional work was not foreseeable earlier during the CON and required immediate implementation to prevent future roadway failures. Upon discovery of the failed embankment, the Department immediately coordinated with their Geotechnical Branch, construction staff, and the CMGC to develop and implement a corrective action plan. Reconstruction activities have been prioritized and are currently being performed under an accelerated schedule, including extended work hours and 7-day work weeks, to minimize impacts to project completion.

In addition, there are three outstanding contract change orders (CCO) associated with the unforeseen geotechnical work. These CCOs are currently under review and resolution is anticipated in time to CCA by December 2026. Consequently, these remaining CCOs and performing associated contract modifications are necessary before achieving the CCA. A concurrent supplemental funds request for the CON phase is on this month's Commission agenda.

Therefore, the Department is requesting a 3-month time extension to allow sufficient time to complete construction activities from September 30, 2026 to December 31, 2026.

Project Number: 2
Applicant: Department of Transportation
County: Santa Barbara
District: 05
PPNO: 7101W
EA: 0N743
Route: 101
Allocation Amount: \$11,868,000
Phase: Construction and Construction Support
Allocation Date: 05/18/2023
Allocation Resolution: FP-22-75
Award Date: 06/08/2023
Number of Months Requested: 7 Months
Extended Deadline: 03/31/2027
Department Recommendation: Support

Santa Barbara U.S. 101 Multi-modal Corridor Project – Segment 4D North

The Department requests a 7-month time extension to complete the CON phase for the Santa Barbara U.S. 101 Multi-modal Corridor Project – Segment 4D North. The Department has experienced unexpected delays in completing construction. During the CON phase allocation, the project was combined with State Highway Operation and Protection Program (SHOPP) project EA 05-1C843/PPNO 2426W for construction under EA 05-0N74U/PPNO 7101T at the May 2023 Commission meeting. As part of the request, the Commission approved an additional 2 months beyond the 36-month timely use of funds deadline.

The project is located in Santa Barbara County on United States Highway (US) 101, south of the San Ysidro Avenue Overcrossing to north of the Olive Mill Overcrossing. The project is part of a corridor of projects to construct High Occupancy Vehicle (HOV) lanes and utilized the CMGC delivery process.

This project is one segment of the US 101 HOV Corridor Improvement Program in Santa Barbara County and is intentionally planned to be delivered using the CMGC project delivery method. The project was combined with other projects in close proximity to accelerate corridor-wide construction and maximize efficiency through a coordinated construction strategy. In April 2023, the project achieved Ready-to-List followed by start of construction in June 2023. Following contract award of this project, two additional adjacent HOV SHOPP projects (EA 05-0N74V and EA 05-0N705) were advanced into construction. These projects share continuous work zones, overlapping construction limits, common traffic handling requirements, and interdependent sequencing. The Department elected to construct these projects concurrently under a coordinated CMGC strategy with the aim to shorten the overall completion of the US 101 corridor improvements.

The unforeseen complexities due to concurrent construction of three adjacent projects impacted the duration of this project but ultimately offered efficiencies to the overall public advantage in terms of reduced traffic impacts, no consecutive ramp closures, shortened durations and cost savings. After contract award, the construction schedule for the adjacent SHOPP projects

evolved significantly from the assumptions used during development of the original contract duration. These schedule changes resulted in overlapping construction activities that were not anticipated during the project development and RTL phase. To maintain regional mobility and minimize impacts to the traveling public, the Department coordinated traffic staging, temporary lane closures, ramp closures, and traffic switches among all three concurrent projects. This required re-evaluation of the work sequencing, modifying planned construction operations, and waiting for critical activities on adjacent projects to be completed before dependent work on this project could proceed. These post-award schedule changes impacted productivity and added to the duration of construction activities.

In addition, maintaining two-way traffic through constrained work zones beneath existing overcrossings proved more restrictive than originally anticipated. As field conditions became better defined during construction, specialized traffic handling and additional staging for temporary conditions were required to safely accommodate traffic while maintaining access through the corridor. These unforeseen operational constraints reduced production rates and required additional time to complete construction.

Seasonal in-water work windows further constrained the revised construction sequence. Because work activities among the three projects became interdependent after the schedules changed, missed environmental work windows could not be recovered within the same construction season, resulting in additional schedule impacts. The Department and CMGC have worked on keeping the project schedule as close to original timeline as possible. However, additional time is needed to complete construction. A concurrent request for the CON completion is on this month's Commission agenda.

Therefore, the Department is requesting a 7-month time extension to allow sufficient time to complete construction activities from August 31, 2026 to March 31, 2027.