

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8b.(3), Action Item

Prepared By: Dee Lam, Chief
Division of Local Assistance

Subject: **REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD FOR A
LOCALLY-ADMINISTERED SENATE BILL 1 LOCAL PARTNERSHIP PROGRAM
(COMPETITIVE) PROJECT, OFF THE STATE HIGHWAY SYSTEM, PER
LPP (COMPETITIVE) GUIDELINES
WAIVER 26-173**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of contract award for the locally-administered Senate Bill 1 (SB 1) Local Partnership Program (LPP) (Competitive) I Street Bridge Replacement project (PPNO 1809), in Sacramento County, for the time period as identified in the attachment?

RECOMMENDATION:

The California Department of Transportation recommends that the Commission extend the period of contract award for the locally-administered SB 1 LPP (Competitive) I Street Bridge Replacement project (PPNO 1809), in Sacramento County, for the time period as identified in the attachment.

BACKGROUND:

In March 2026, the Commission allocated \$25,000,000 for the Construction phase of the locally-administered SB 1 LPP (Competitive) I Street Bridge Replacement project (PPNO 1809). The responsible agency is unable to award the contract within six months of allocation, per LPP (Competitive) Guidelines (Guidelines). The attachment describes the details of the project and the explanation for the delays. The respective agency requests an extension, and the planning agency concurs.

Current Guidelines adopted by the Commission stipulate that the agencies implementing a project request a time extension if the project will not be awarded within six months of allocation. The Commission may approve a waiver to the timely use of funds deadline, one-time only, for up to 12 months.

Attachment

**Time Extension/Waiver – Contract Award
Local Partnership Program (Competitive)**

Project Number: 1
Applicant: City of Sacramento
County: Sacramento
District: 03
PPNO: 1809
Allocation Amount: \$25,000,000
Phase: Construction
Allocation Date: 03/20/2026
Allocation Resolution: LPP-A-2526-27
Number of Months Requested: 12 Months
Extended Deadline: 09/30/2027
Department Recommendation: Support

I Street Bridge Replacement project

The City of Sacramento (City) requests a 12-month time extension for the period of contract award for the Construction (CON) phase of the I Street Bridge Replacement project. The City experienced unforeseen delays during the award process.

The project proposes to replace the existing 2-lane bridge over the Sacramento River and approach structures with a 2-lane bridge on a new alignment.

After advertising the project for construction and following extensive outreach to general contractors, the apparent low bid exceeded the engineer's estimate by 53 percent. After accounting for the required 10 percent contingency, as well as increased construction management, environmental mitigation, and financing costs, the bid resulted in a substantial funding gap relative to the available CON phase budget.

These unforeseen higher-than-expected bids reflect current market conditions, including cost escalation, rising labor and material prices, project complexity, and risk allocation associated with the existing design. As a result, the City chose not to award the construction contract and allowed the bid period to lapse. Additional time is needed to refine the project design, reassess scope and risk distribution, and secure supplemental funding before readvertising the project in a more competitive procurement environment. This approach helps ensure project delivery while aligning scope, cost, and available funding with prevailing market conditions.

Therefore, the City is requesting a 12-month time extension for the period of contract award for the CON phase from September 30, 2026 to September 30, 2027.