

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 15-16, 2026

From: STEVEN KECK, Chief Financial Officer

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

Prepared By: Scott Eades
District 05 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION COMPLETION PHASE
PPNO 3012/EA 1M400 – SANTA CRUZ COUNTY – STATE ROUTE 9
RESOLUTION FA-26-10**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$750,000 in Construction Support for the State Highway Operation and Protection Program (SHOPP) Safety Improvements project on State Route (SR) 9, in Santa Cruz 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 9, near Felton, from Kirby Street to north of Fall Creek Drive, in Santa Cruz County. The project is constructing pedestrian and bicycle facilities.

FUNDING AND PROGRAMMING STATUS:

In August 2020, the project was programmed for \$4,591,000 in Construction Capital and \$1,901,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2023-24. In March 2023, the project was amended to move out allocation of the Construction and Right of Way Capital phases to 2024-25 due to the delay in property acquisition, and increase Construction Capital to \$5,785,000 due to an increase in earthwork, pavement, and drainage costs. In December 2023, the project was amended again to update the performance measure. In June 2025, the project received a 2-month allocation time extension for the Construction

phase and subsequently received a delegated allocation for \$5,757,000 in Construction Capital and \$2,243,000 in Construction Support. In October 2025, the project was awarded for \$5,389,200 in Construction Capital. In May 2026, construction began with 155 working days. The project has not received any G-12 funds for the Construction phase. The remaining funds are currently at \$4,941,000 in Construction Capital and \$1,424,000 in Construction Support. The project is 7 percent complete with 125 working days remaining. The planned Construction Contract Acceptance is scheduled for March 2028.

REASON FOR COST INCREASE:

The project realized support cost increases due to contract change orders (CCO) that were required to address unforeseen utility conflicts, a subsurface void at a retaining wall, and changes to the traffic control and a drainage network.

Although the project development team conducted a significant amount of potholing to positively identify utility locations, during construction, unforeseen underground utility conflicts involving the Pacific Gas and Electric Company, American Telephone and Telegraph Company, and Comcast Corporation affected a majority of the project corridor, which resulted in a 20-day delay. These utility conflicts revealed inaccuracies in the plat maps provided by the respective utility companies. Resolution of the conflicts required extensive field coordination and sequencing between the three utility companies, each with independent schedules and crews, within a constrained and utility-congested corridor. In addition, the need to coordinate relocations while protecting existing, newly relocated, and protect-in-place facilities required continuous involvement. The resulting delays and coordination efforts increased field oversight, contract administration, and the overall duration required to complete the work. Due to the limited project footprint, no further utility conflicts are anticipated for the remainder of the project work.

Additional delays were encountered while constructing a retaining wall at one location. An unexpected subsurface void was encountered, which required repair and changes to the retaining wall footing. Addressing the void and developing a revised footing required extensive engineering evaluation and field coordination. These efforts also increased inspection and contract administration resulting from the additional excavation, backfill, and material handling.

Although the Department coordinated extensively with the local agencies and community during the design phase, the evaluated traffic handling plans and construction staging strategies required substantial revisions to address additional community and project stakeholders' concerns that arose during construction. This included managing traffic queues and required adjustments to the planned safe pedestrian and bicycle access to and from a school. The revision required additional temporary concrete barriers and an increase in traffic control and flagging costs. Due to the constrained project corridor and high level of pedestrian, bicycle, and vehicle activity, additional staffing was requested to safely guide the traveling public through the work zone. These changes also required adjustments to sequencing and work schedules. The ongoing engagement with stakeholder coordination and additional field oversight and contract

administration increased the duration of inspection resources to safely manage the work and maintain access for the traveling public beyond what was originally anticipated.

Due to the delays in addressing the issues mentioned above, an additional 50 working days will be required to complete the work. Therefore, the project will need an additional \$750,000 in support costs to address the remaining portion of the unanticipated CCO costs.

CONSEQUENCES:

If this request for supplemental funds is not approved, the Department will not be able to complete the remaining work to address critical deficiencies of the roadside elements along this segment of SR 9. If the construction contract is further delayed, it will likely result in claims by the contractor. To complete construction at a later time, another project will have to be programmed in a future SHOPP cycle at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$750,000 be allocated for Construction Support, to provide funds to complete the Construction phase for this SHOPP project.

Attachment

CTC Financial Vote List			October 15-16, 2026			
2.5 Highway Financial Matters			PPNO			
Project #			Program			
Allocation Amount			Funding Year			
Recipient			Item #			
RTPA/CTC	Project Title		Fund Type		State	State
County	Location		Program Codes		Federal	Federal
Dist-Co-Rte	Project Description		Project ID		Federal	Revised
Postmile	Project Support Expenditures		Adv Phase		Current Amount	Amount by
			EA		by Fund Type	Fund Type
2.5e.(5)	Supplemental Funds for Previously Voted Project				Resolution FA-26-10	
1	Near Felton, from Kirby Street to 0.1 mile north of Fall Creek Drive.		05-3012			
\$750,000			SHOPP			
			CON ENG			
Department of	<u>Outcome/Outputs:</u> Construct pedestrian and bicycle		001-0042 SHA	\$224,300	\$75,000	\$299,300
Transportation	infrastructure to improve safety. This project will reduce the		001-0890 FTF	\$2,018,700	\$675,000	\$2,693,700
SCCRTC	number and severity of collisions.		20.10.201.010			
Santa Cruz			0519000136			
05-SCr-9	Total revised amount \$2,993,000.		3			
6.3/7.2			1M400			
	Supplemental funds are needed to complete construction.					
	CEQA - CE, 02/06/2024; Re-validation 04/08/2025					
	NEPA - CE, 02/06/2024; Re-validation 04/08/2025					