

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 15-16, 2026

From: STEVEN KECK, Chief Financial Officer

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

Prepared By: Michael Navarro
District 06 – Director

Subject: **SUPPLEMENTAL FUNDS FOR CONSTRUCTION COMPLETION PHASE
PPNO 8039/EA 0W90U – TULARE COUNTY – STATE ROUTE 216
RESOLUTION FA-26-11**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request for an additional \$3,574,000 in Construction Capital and \$1,189,000 in Construction Support for the State Highway Operation and Protection Program (SHOPP) Roadway Rehabilitation project on State Route (SR) 216, in Tulare 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 on SR 216, in and near the City of Visalia, from SR 198 to east of North McAuliff Street, in Tulare County. The project is rehabilitating the roadway by replacing distressed asphalt, providing non-motorized transportation facilities, and upgrading pedestrian facilities. This project is a combination of the roadway rehabilitation project (PPNO 6696/EA 0W900) and a local measure project (PPNO 8040/EA 0U870) for construction.

FUNDING AND PROGRAMMING STATUS:

In March 2019, the roadway rehabilitation project was programmed for \$16,900,000 in Construction Capital and \$2,800,000 in Construction Support in the SHOPP for allocation in Fiscal Year 2022-23. In December 2021, the project was amended to update the postmile limits, description, and performance measure by utilizing data from the latest pavement

condition report. In June 2022, the project was amended again to increase Construction Capital to \$20,900,000 due to addition of scope for retaining walls and concrete barrier and an increase in the quantities for sidewalk, curb ramps, roadway excavation, and traffic management systems, and Construction Support to \$3,300,000 due to added working days based on the expanded scope. In June 2023, the project received an allocation time extension for nine months for the Construction phase. In March 2024, the project was allocated for \$21,921,000 in Construction Capital and \$3,890,000 in Construction Support with an additional 12 months to complete construction. In August 2024, the project was awarded for \$26,732,400 in Construction Capital, which includes \$2,424,000 from the local agency and \$2,387,400 from partial G-12 funds. In March 2025, construction began with 220 working days. In March 2026, the project received supplemental funds in the amount of \$1,336,000 in Construction Capital and \$1,073,000 in Construction Support, and G-12 funds were no longer available for the Construction phase. The project is 70 percent complete with 90 working days remaining. The remaining funds are currently \$10,382,000 in Construction Capital and \$1,391,000 in Construction Support. The planned Construction Contract Acceptance is scheduled for December 2028.

REASON FOR COST INCREASE:

The project realized capital cost increases due to issues that arose after the initial supplemental funds request. There was the discovery of additional unanticipated underground utilities which required relocations and an increase in encounters with the unsheltered population which required the installation of safety measures. The project also realized support cost increases due to further delays with the contractor's controlling work operations.

Capital Cost Increase:

In March 2026, the project received supplemental funds to address an underground electrical distribution line which required relocation and pending contract change orders (CCOs) for differing site conditions. A Southern California Edison (SCE) underground electrical distribution line, which was not previously shown on mapping that was shared with the Department, was discovered buried without protective conduit that required relocation efforts with the assistance of the contractor. In addition, CCOs were also required to address differing site conditions that include additional tree and fence removal, earthwork, and extending irrigation lines.

Since then, the project has encountered additional unanticipated underground utilities that include another SCE electrical line and several American Telephone and Telegraph Company fiber optic lines and a vault which were not shown on the plat maps that were provided to the Department by the utility companies. The relocation efforts by the utility owners resulted in the contractor experiencing a 113-day delay to their work operation. The delay has resulted in approximately \$712,000 in time-related overhead and \$1,297,000 in project site management work due to work inefficiencies. In addition, there are current utility conflicts that involve water, natural gas, and telecommunication lines that will cause a 60-day delay to the contractor. This delay will result in approximately \$378,000 in time-related overhead and \$760,000 in project site management work due to work inefficiencies.

Furthermore, the construction of a new retaining wall and shared-use paths has led to an increase to the unsheltered population in the area. This required ongoing coordination with law enforcement to ensure public safety. To address these concerns, the Department's project development team recommended several safety measures to deter future encampments. The measures included the installation of wrought iron fencing under the SR 198 bridge and along the retaining wall to protect these structures, enhanced lighting to improve visibility and deter unsafe activities, and placement of a rock blanket around the abutment of the bridge to prevent structural compromise. This work amounts to approximately \$517,000 in additional capital costs.

Overall, the additional capital costs required to address the delays from the additional utility conflicts and installation of safety measures, amount to an increase of \$3,574,000.

Support Cost Increase:

The support cost increase is due to an additional 60 working days which were required as a result of a delay from the relocation efforts of the unanticipated underground utility conflicts. This delay resulted in work of inspection staff on single tasks in lieu of multiple tasks simultaneously. In addition, the contractor had to maintain traffic control measures and elements which required daily inspection for safety throughout the length of the delay. In addition, significant re-staking efforts were required by surveying staff due to damage that was caused to the existing staking by the weather, unsheltered population, and multiple subcontractors working on utility relocations. Furthermore, additional inspections will be required for the remaining work.

The additional support resources that were required during the delay, re-staking efforts, and inspection of the remaining work, amount to an increase of \$1,189,000 in support 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 existing roadway and roadside elements. If the construction contract is further delayed, it will likely result in claims by the contractor. To complete all of the work, another project will have to be programmed in a future SHOPP cycle at a possible higher project cost.

FINANCIAL RESOLUTION:

Resolved, that \$3,574,000 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, and \$1,189,000 for Construction Support, to provide funds to complete 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>	Project Title	Item #			
County	Location	Fund Type		State	State
Dist-Co-Rte	Project Description	Program Codes	State	Federal	Federal
Postmile	Project Support Expenditures	Project ID	Federal	Additional	Revised
		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-26-11**

1	In and near Visalia, from Route 198 to 0.2 mile east of North McAuliff Street.	06-8039 SHOPP CON ENG			
\$4,763,000					
Department of Transportation	<u>Outcome/Outputs:</u> Rehabilitate roadway by replacing distressed asphalt, provide non-motorized transportation facilities and bring Americans with Disabilities Act (ADA) facilities to current standards.	505-3290 RMRA 001-0890 FTF 20.10.201.120	\$123,000 \$4,840,000	\$137,000 \$1,052,000	\$260,000 \$5,892,000
<u>TCAG</u> Tulare					
06-Tul-216	Total revised amount \$35,370,400.	SHOPP/2017-18 CONST 802-3290 RMRA 20.20.201.120	\$990,000	\$410,000	\$1,400,000
R0.0/2.6	Supplemental funds are needed to complete construction.				
	CEQA - MND, 06/23/2021; Re-validation 12/21/2023 NEPA - FONSI, 06/23/2021; Re-validation 12/21/2023	SHOPP/2022-23 CONST 302-0890 FTF 20.20.201.120	\$23,471,400		\$23,471,400
	Future consideration of funding approved under Resolution E-21-78; August 2021.				
	EA 0W900/PPNO 06-6696 combined for construction under EA 0W90U/Project ID 0623000128 with Local Measure Project EA 0U870/PPNO 06-8040 funding: CON ENG \$525,000 CONST \$2,424,000	SHOPP/2025-26 CONST 302-0890 FTF 20.20.201.120 0623000128 3,4 0W90U	\$1,183,000	\$3,164,000	\$4,347,000
	As part of the initial allocation, the Department requested to extend the completion of CONST and CON ENG an additional 12 months beyond the 36-month deadline.				