

**Meeting Date:** 1/12/2016

**Report Type:** Consent

**Report ID:** 2016-00026

**Title: Supplemental Agreement: Ramona Avenue Extension Project (T15018400)**

**Location:** Districts 3 and 6

**Recommendation:** Pass a Motion authorizing the City Manager or his designee to execute Supplemental Agreement No. 1 to City Agreement No. 2013-0055 with the Sacramento Municipal Utilities District (SMUD) in an amount not to exceed \$359,154.

**Contact:** Nader Kamal, Special Projects Engineer, (916) 808-7035; Nicholas Theocharides, Engineering Services Manager, (916) 808-8280, Department of Public Works

**Presenter:** None

**Department:** Public Works Department

**Division:** Engineering Services Admin

**Dept ID:** 15001111

**Attachments:**

1-Description/Analysis

2-Background

3-Exhibit A (Location Map)

4-Exhibit B (SMUD Agreement)

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### **City Attorney Review**

Approved as to Form

Gerald Hicks

1/5/2016 2:15:26 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Jerry Way - 12/17/2015 11:24:51 AM

## **Description/Analysis**

**Issue:** The City of Sacramento's Ramona Avenue Extension Project (T15018400) will construct a two lane roadway with shoulders, curb, gutter and sidewalk that will extend from the current terminus of Ramona Avenue to Folsom Boulevard.

Approval of Supplemental Agreement No. 1 with SMUD is necessary for the relocation of a SMUD pole prior to construction.

**Economic Impacts:** None.

**Policy Considerations:** This action is consistent with General Plan policies regarding transportation, neighborhood revitalization and enhancement and public safety.

**Environmental Considerations:** Executing a Supplemental Agreement or Professional Services contract is not considered a project as defined by Section 15378(a) of the California Environmental Quality Act guidelines. The recommended action involves no physical construction and has no potential to cause significant impact to the environment.

The Project's mitigation and design are consistent with the Project's final approved Environmental Assessment/Final Environmental Impact Report (EA/EIR). The Project's final Environmental Impact Report was approved by the City Council on June 12, 2012. The National Environmental Policy Act (NEPA) finding of no significant impacts (FONSI) was approved by Caltrans on July 19, 2012.

**Sustainability Considerations:** None.

**Rationale for Recommendation:** Approval of Supplemental Agreement No.1 with SMUD will enable the City to move forward with construction.

**Financial Considerations:** The total estimated cost for the environmental analysis and design for area wide improvements and construction of the Ramona Avenue Extension Project (T15018400) is approximately \$12 million.

The Ramona Avenue Extension Project (T15018400) has a total budget of \$7,478,277. To date, expenditures, which include the broader environmental and design exercise for an area wide plan, total \$3,713,168 million. As of December 10, 2015, the unobligated balance is \$3,765,109 which is sufficient to cover Supplemental Agreement No. 1 with SMUD in an amount not to exceed \$359,154 and finish design.

There are no General Funds planned or allocated for this project.

A total of \$3.1 million in federal funds and \$1.5 million in local match is programmed for project construction and will be appropriated and transferred at contract award.

**Local Business Enterprise (LBE):** This project is federally funded and the City's LBE policy is held in abeyance. Future public contracting activities carried out with this funding will comply with federal Disadvantaged Business Enterprise (DBE) requirements. The relocation work which is the subject of this report will be performed by SMUD and is not subject to DBE provisions.

## Attachment 1

### Background

This project creates a two lane at-grade crossing of a Union Pacific Railroad (UPRR) industrial/spur line that carries up to two trains a day five days a week. The crossing has been designed to UPRR standards and enhanced by comments received from UPRR and the California Public Utilities Commission. Over the last two years, the City has had ongoing discussions with UPRR regarding its approval of the new crossing; current UPRR policy requires that the City close one existing at-grade crossing in order to get the new at-grade crossing at Ramona Avenue approved.

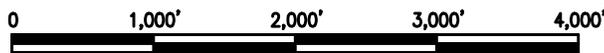
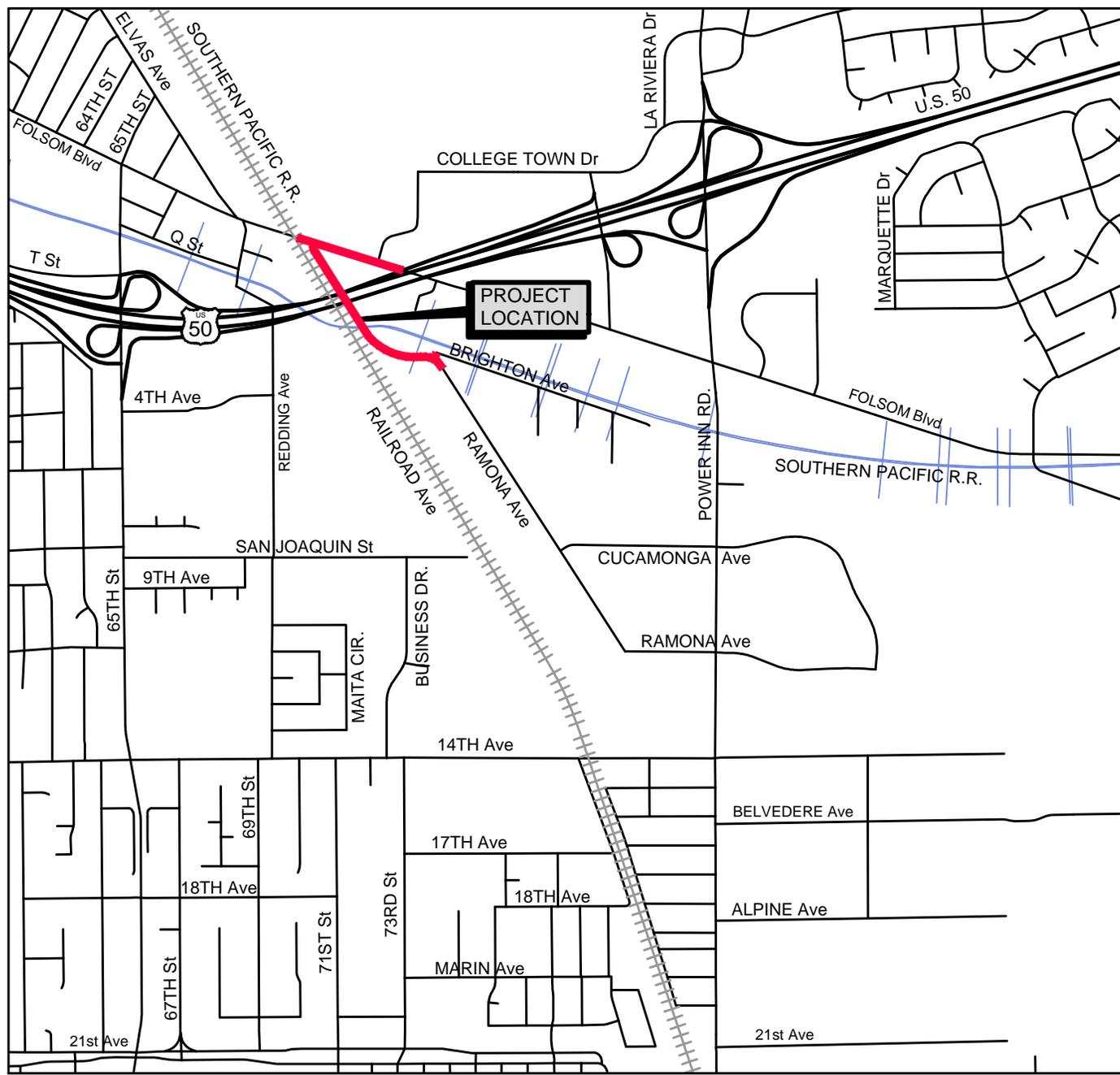
In 2008, City Council authorized work to begin on the environmental documentation for the Ramona Avenue Extension Project (T15018400). The project was identified as a catalyst project within the circulation element of the 65th Street Station Area Study, approved by City Council in 2010. The City has long recognized that the redevelopment potential of the area has been hindered by the confluence of US Highway 50, Regional Transit light rail tracks, and the Placerville Lead Railroad heavy rail. With the proposed project, a pedestrian and bicycle friendly roadway connection will traverse these obstacles and provide a much needed catalyst for redevelopment within the area known as the Sacramento Center for Innovation.

On June 12, 2012, City Council approved the Final Environmental Impact Report under CEQA and the associated mitigation monitoring plan for the Ramona Avenue Extension. Caltrans has approved the NEPA finding of no significant impacts. Prior to construction of the roadway extension, a 115 kilovolt (KV) Sacramento Municipal Utility District (SMUD) transmission pole must be relocated.

On February 2, 2013, City Council approved Agreement No 2013-005 with SMUD for the relocation of the 115 KV transmission pole in the amount of \$631,751. This pole was identified as pole 955, located approximately 1,100 feet northwest of the Ramona Avenue and Brighton Avenue intersection and south of US Highway 50 within SMUD's easement.

The City agreed to compensate SMUD for 100% of the costs incurred by SMUD to perform the relocation work, including, without limitation, costs incurred for labor, materials, construction, administrative and other overhead, engineering, and sales taxes, less any applicable credits. The work has been completed and the actual cost was \$359,153.24 more than the estimated amount. The City has completed the file audit to verify the actual cost and agrees it's fair to compensate SMUD with this additional cost.

Location Map For:  
**RAMONA AVENUE EXTENSION**  
(PN: T15018400)



**AMENDMENT TO FACILITIES MODIFICATION AGREEMENT  
BETWEEN THE CITY OF SACRAMENTO  
AND THE SACRAMENTO MUNICIPAL UTILITY DISTRICT**

**Ramona Avenue Extension**

This Amendment to Facilities Modification Agreement, City Agreement 2013-0273, ("Amendment") is made and entered into by and between the City of Sacramento ("City") and the Sacramento Municipal Utility District ("SMUD").

**RECITALS**

**WHEREAS**, SMUD and the City are parties to the Ramona Avenue Extension Agreement ("Agreement");

**WHEREAS**, in early 2015 SMUD completed the Relocation Work, as defined in the Agreement, with some modifications;

**WHEREAS**, the City has paid SMUD the total amount of the preliminary cost estimate of \$631,752 to perform the Relocation Work;

**WHEREAS**, SMUD incurred a total of \$990,905.24 to perform the Relocation Work, leaving a remaining balance of \$359,153.24 to be paid by the City;

**WHEREAS**, SMUD promptly notified the City of the increase in costs above the preliminary cost estimate, which increase the Agreement requires to be approved of in a written amendment to the Agreement;

**WHEREAS**, because of the timing of the construction work, the project could not have been stopped without a severe negative impact on SMUD's electric reliability as stated in section H of the agreement;

**WHEREAS**, SMUD has provided to the City project invoices and labor charges for its review of the project expenses, and provided explanations to the City's questions regarding the project costs as requested;

**WHEREAS**, SMUD and the City wish to amend the Agreement to memorialize changes to the scope of work and the costs of the Relocation Work.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SMUD and the City agree to and the Agreement as follows:

Section 1. AMENDMENT

Articles 3.A and 3.D of the Agreement are hereby replaced in their entirety as follows:

- A. Scope; Costs. The Relocation Work includes the replacement of one (1) 115 kilovolt (kV) transmission pole identified as pole 955 located approximately 1100 feet northwest of the Ramona Ave and Brighton Ave intersection and south of highway US 50 along SMUD's easement. The City will compensate SMUD for 100% of the costs

incurred by SMUD to perform the Relocation Work, including without limitation costs incurred for labor, materials, construction, administrative and other overhead, engineering, and sales taxes, less any applicable credits. The City is not financially responsible for engineering or construction costs involving any betterment (as defined in 23 C.F.R. Part 645) to SMUD's facilities. SMUD has performed the relocation work at an actual project cost of **nine hundred ninety thousand nine hundred five dollars and twenty four cents (\$990,905.24)**. The original project estimate, which the City has paid to SMUD, was in the amount of **\$631,752**, leaving **\$359,153.24** that the City owes to SMUD. The parties acknowledge the actual cost of the Relocation Work varied from the preliminary cost estimate based on factors including the following:

- (1) The movement of pole 955 to the east caused SMUD's fiber optic facilities to hang lower over the Union Pacific Rail Road tracks than allowed under California Code. As a result, the fiber optic facilities had to be relocated to traverse over U.S. Highway 50. This scope addition was unforeseen at the time the preliminary cost estimate was created, and the cost attributed to this work is **\$252,484**.
- (2) While it was known that working on wire spans that traverse over U.S. Highway 50 would require substantial coordination with third parties, the actual costs to do so were unknown at the time the project was preliminarily estimated. Coordination with California Department of Transportation (Caltrans), California Highway Patrol, Union Pacific Rail Road and Sacramento Regional Transit District required SMUD to move its planned construction into nights and weekends. This complexity required additional line worker labor and additional rental equipment which was not originally estimated. The additional cost attributed to this work is **\$106,669**.

D. Milestone Payments. SMUD shall submit an invoice to the City for each of SMUD's four (4) milestone payments for the project with an aggregate total equivalent to the amount described above in Paragraph A. The City agrees to milestone payments in amount for the total actual project costs described in Paragraph A. The milestone payment schedule is as follows:

- a. \$30,000 upon the execution of this agreement for the Design Work;
- b. \$229,022 due prior to the procurement of materials for the Relocation Work; and
- c. \$372,730 due prior to the start of construction activities for construction costs, including outside services, for the Relocation Work.
- d. \$359,153.24 balance due at the completion of the Relocation Work for actual costs incurred.

## Section 2. EFFECT.

Except as modified by this Amendment, the Agreement (including but not limited to Article 3.B and 3.C) shall continue in full force and effect and the Parties do hereby ratify and confirm all of the terms and provisions of the Agreement, subject to the modifications contained herein. In the case of any inconsistency between the provisions of the Agreement and this Amendment, the provisions of this Amendment shall govern and control.

**WHEREAS**, the parties have executed this Amendment as of the dates set forth below:

Sacramento Municipal Utility District



Mike Wirsch, Senior Director of Grid Assets

CITY OF SACRAMENTO  
a California Charter CITY

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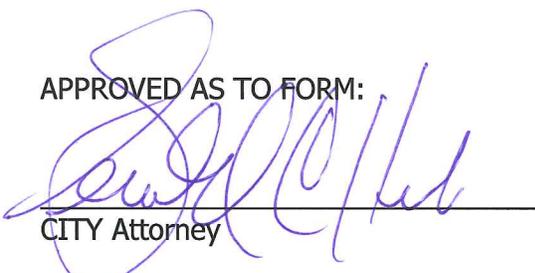
JERRY WAY, Director of Public Works  
FOR  
JOHN SHIREY, City Manager

ATTEST:

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CITY Clerk

APPROVED AS TO FORM:



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CITY Attorney