



## City Council Report

915 I Street, 1<sup>st</sup> Floor  
Sacramento, CA 95814

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**File #:** 2016-01450

December 13, 2016

**Consent Item 14**

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**Title: Interagency Project Agreement to Support Design and Engineering of the Downtown/Riverfront Streetcar Transit Project (\$15131800)  
[Published for 10-Day Review 12/01/2016]**

**Recommendation:** Pass a Resolution authorizing the City Manager or the City Manager's designee to execute an Interagency Project Agreement with the Sacramento Regional Transit District and the City of West Sacramento in an amount not to exceed \$3 million to complete design and engineering of the Downtown/Riverfront Streetcar Transit Project.

**Location:** Districts 3 and 4

**Contact:** Fedolia "Sparky" Harris, Principal Planner, (916) 808-2996; Ryan Moore, Interim City Traffic Engineer, (916) 808-6629, Department of Public Works

**Presenter:** None

**Department:** Public Works

**Attachments:**

- 1-Description Analysis
- 2-Resolution
- 3-Exhibit A - Interagency Project Agreement

## Description/Analysis

**Issue Detail:** An Interagency Project Agreement (Agreement) is required to document the commitment from the City to contribute a fair share towards the design and engineering of the Downtown/Riverfront Streetcar Transit project (Project) through a contract between the Sacramento Regional Transit District (RT) and the consultant design team (HDR). HDR was selected by RT to perform the design and engineering tasks through a competitive bid process but the requested action is required by the RT Board of Directors before their January 9, 2017 meeting in order to release a notice to proceed on the remaining tasks.

**Policy Considerations:** The Agreement is consistent with the goals and policies of the City. Executing the Agreement will allow the City to support the development of streetcar lines and related infrastructure in the Central City and other multi-modal districts as provided in Policy M3.1.16 of the Sacramento 2035 General Plan. The recommendations in this report are in accordance with City Council Rules of Procedure, Chapter 7, Section E.2.d, which requires additional posting time for labor agreements and agreements greater than \$1 million.

**Economic Impacts:** None

**Environmental Considerations:** The Environmental Services Manager has determined that the action of approving the Agreement does not have the potential for causing a significant effect on the environment and is therefore exempt under California Environmental Quality Act (CEQA) Guidelines, Section 15061(b)(3). However, any subsequent actions for implementation of the Agreement will be required to undergo CEQA review.

**Sustainability Considerations:** The project is consistent with the City's Sustainability Master Plan. It conforms to the Air Quality Focus Area by improving and optimizing transportation infrastructure.

**Committee/Commission Action:** None

**Rationale for Recommendation:** This recommendation is made pursuant to Sacramento City Code section 3.60.090, which requires City Council authorization to execute all contracts for public projects involving the expenditure of \$100,000 or more. City Council has approved a Memorandum of Understanding between the City of Sacramento, the City of West Sacramento, the Sacramento Regional Transit District (RT), and the Yolo County Transportation District (YCTD), as "Participating Agencies," and the Sacramento Area Council of Governments (SACOG), as the "Sponsoring Agency" to complete planning and project development for the Project.

**Financial Considerations:** On November 13, 2012 City Council passed Resolution No. 2012-381 to establish the Project and appropriated \$38,750 from the Downtown Transportation Systems Management Fund to the Project. On February 25, 2014 City Council passed Resolution No. 2014-0049 appropriating \$1.5 million from the Sheraton MOPA Project Fund (Fund 2030) to the Project. On November 6, 2014 City Council passed Resolution No. 2014-0358 to adopt the 2015 One-Year Action Plan including the allocation of \$300,000 in Community Development Block Grant (CDBG) funds to the Project. On January 13, 2015 City Council passed Motion No. 2015-0007 assigning \$7 million of City funds to the Project including: \$1 million Cal EPA Lease Revenue; \$1 million CDBG; \$2 million Economic Development Fund; and \$3 million from FY2013/14 year-end operating results to the Project. On February 24, 2015 City Council passed Resolution No. 2015-0048 appropriating \$493,314 from the Fair Share Fund account (Fund 2032) to the Project. On March 17, 2015 City Council passed Resolution No. 2015-0075 appropriating the \$3 million from FY2013/14 year-end operating results previously assigned on January 13, 2015 to the Project.

Based upon this history, funding for the Project is comprised of \$5,332,064 in appropriations and \$4 million in assignments for a total \$9,332,064. Total obligations to date for the Project amount to \$1,010,815. This action would obligate \$3 million of the \$8,321,249 unobligated balance to fund design and engineering tasks to be performed by HDR, Inc. under a contract with RT. A balance of \$5,321,249 would remain as match for the construction phase of the project.

**Local Business Enterprise (LBE):** Not applicable because the City of Sacramento is not procuring goods or services through this agreement.

**Background Information:** The cities of Sacramento and West Sacramento have worked cooperatively with RT and YCTD since 2006 to complete the preliminary concept for a streetcar line linking the two cities across the Sacramento River, known as the Downtown-Riverfront Transit (Streetcar) Project (Project). This work has also been done in partnership with SACOG and the California Department of Transportation (Caltrans) under a Memorandum of Understanding first executed in May 2006.

The 3.3-mile initial line that was identified extends from the West Sacramento Civic Center to the Midtown entertainment and retail district in the City of Sacramento. On March 21, 2014, SACOG requested entry into Project Development (PD) phase under the Federal Transit Authority (FTA) Small Starts program. PD was calculated to cost \$12 million as a percentage of the \$150 million total project cost estimate in 2014. The City of Sacramento agreed to contribute \$2 million toward PD. On May 1, 2014 FTA authorized entry into the PD phase. To date, \$7,532,225 of the estimated \$12 million PD work has been obligated or expended for 30 percent Design, Environmental Analysis, Community Facility District formation, legal services, and staff support. On August 25, 2016, the RT Board of Directors delegated authority to the General

Manager/CEO to execute a contract with HDR for Task 1 of Downtown Riverfront Streetcar Design Services – 85 percent Design for \$4,704,885. Board action on the remaining three tasks was postponed pending the execution of an interagency agreement with the City of Sacramento and the City of West Sacramento to document the financial commitments of the Cities towards those tasks. The remaining design and engineering tasks for HDR, Inc. to complete include:

Task 2.	100 percent Design of the Starter Line .....	\$1,963,900.67
Task 3.	K Street to H Street LRT Relocation Design .....	\$2,092,346.35
Task 4.	Vehicle Maintenance and Storage Facility Site Work.....	\$1,397,107.81

The cost of the remaining design and engineering tasks plus 10 percent administrative costs borne by RT of \$545,335.48 amounts to \$5,998,690.31.

The cost estimate for the Streetcar Project has grown to \$200 million in anticipation of a higher federal contribution and the addition of the relocation of light rail from K Street to H Street, light rail service between the Sacramento Valley Station, and streetcar service on Riverfront Street in West Sacramento. Since the cost of PD was calculated as a percentage of the total cost, the original \$12 million estimate for PD is expected to increase. Past PD expenditures of \$7,532,225 and pending PD costs associated with Tasks 2, 3, and 4 of \$5,998,690.31 suggest that the revised estimate will be at least \$13,530,916.

The City of Sacramento has appropriated or identified a total of \$9,332,064 to contribute towards the Project including PD and Construction. To date, \$1,010,815 of this amount has been obligated or expended for PD including legal analysis, special tax formation, and staff time leaving an unobligated balance of \$8,321,249. The Agreement will make \$3 million of that balance available to RT on a cost reimbursement basis for the remaining design and engineering tasks to be performed by HDR, Inc.

## **Resolution No.**

Adopted by the Sacramento City Council

December 13, 2017

### **INTERAGENCY PROJECT AGREEMENT TO SUPPORT DESIGN AND ENGINEERING OF THE DOWNTOWN/RIVERFRONT STREETCAR TRANSIT PROJECT (S15131800)**

#### **BACKGROUND**

- A. City, Subrecipient and other Participating Agencies in the Downtown/Riverfront Streetcar Transit Project (Project) adopted "Downtown/Riverfront Transit Project Underlying Principles and Roles & Responsibilities (Principles); and
- B. One of the goals of the Principles was for the Participating Agencies to work together to submit a Federal Transit Administration (FTA) funding application; and
- C. On November 13, 2012 City Council passed Resolution No. 2012-381 to establish the Project (S15131800) and appropriated \$38,750 from the Downtown Transportation Systems Management Fund to the Project; and
- D. On February 25, 2014 City Council passed Resolution No. 2014-0049 to appropriate \$1.5 million from the Sheraton Master Owner Participation Agreement (MOPA) Project Fund (Fund 2030) to the Project; and
- E. On November 6, 2014 City Council passed Resolution No. 2014-0358 to adopt the 2015 One-Year Action Plan including the allocation of \$300,000 in Community Development Block Grant (CDBG) funds to the Project; and
- F. On January 13, 2015 City Council passed Motion No. 2015-0007 assigning \$7 million of City funds to the Project including \$1 million Cal EPA Lease Revenue, \$1 million CDBG, \$2 million Economic Development Fund, and \$3 million from the FY2013/14 year-end operating results to the Project; and
- G. On February 24, 2015 City Council passed Resolution No. 2015-0048 appropriating \$493,314 from the Fair Share account (Fund 2032) to the Project and to execute a Subrecipient Agreement with the Sacramento Area Council of Governments for the Project for \$2 million; and
- H. On March 17, 2015 City Council passed Resolution 2015-0075 authorizing the City Manager to fund the Project with \$3 million from FY2013/14 year-end operating results; and
- I. The City of Sacramento anticipated a \$2 million contribution for Project Development costs totaling \$12 million but that cost estimate has increased; and

- J. The parties wish to enter into this Interagency Project Agreement to document the availability of City funding in the amount of \$3 million for reimbursement of design and engineering for the Project.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager or the City Manager's designee is hereby authorized to execute the Interagency Project Agreement with the Sacramento Regional Transit District (RT) and the City of West Sacramento in an amount not to exceed \$3 million to complete design and engineering of the Project as set forth in Exhibit A.

**Table of Contents:**

Exhibit A: Interagency Project Agreement

# INTERAGENCY PROJECT AGREEMENT

## TO SUPPORT DESIGN AND ENGINEERING OF THE DOWNTOWN RIVERFRONT STREETCAR PROJECT

This Agreement ("Agreement") is made as of this \_\_\_\_ day of \_\_\_\_\_, 2016 ("Effective Date") by and between, SACRAMENTO REGIONAL TRANSIT DISTRICT ("RT"), THE CITY OF SACRAMENTO ("Sacramento") and THE CITY OF WEST SACRAMENTO ("West Sacramento"); Sacramento and West Sacramento are herein sometimes referred to as the "Cities", and collectively all parties are referred to herein as "the Parties."

### RECITALS:

- A. Cities desire to design and construct a streetcar line through Downtown and Midtown Sacramento, over Tower Bridge and into West Sacramento through the Bridge District and Civic Center District (the "Project").
- B. On March 21, 2014 SACOG submitted a letter to the Federal Transit Administration (FTA) requesting entry into the Small Starts Project Development as defined by the FTA.
- C. On May 1, 2014, FTA approved the Downtown Riverfront Streetcar Project into the Project Development phase.
- D. The current cost estimate of the Project including the remaining Project Development and construction of the streetcar starter line, relocation of light rail from K Street to H Street, light rail extension to Raley Field and Streetcar Riverfront Street alignment is \$200 million. It is the intent of the project partners to share Project costs as shown in Exhibit A. The Cities portion of funds to be used for the Design and Engineering phase of the Project (as defined in Recital F) is set forth in Section 4 of this Agreement.
- E. The Parties agree that RT's demonstrated technical expertise in managing the design and construction of rail projects is necessary to satisfy the FTA. RT's time and resources qualify for project reimbursement from the Local Funds (defined as the funding shown on Exhibit A to be provided by the Cities, RT, and the County of Sacramento), most of which will ultimately be used as match funding to FTA's Small Starts funds.
- F. The Parties wish to enter in to this Interagency Project Agreement to document the Local Funds contributed by the Cities for the remainder of the Design and Engineering phase, and RT's responsibility for completion of the Design and Engineering phase.
- G. This Agreement covers only the work identified in Exhibit B. This Agreement does not cover work completed prior to Task 2, or other work subsequent to Task 4.

- H. Following a competitive bid process, HDR, Inc. was selected to perform four tasks.
- I. On April 25, 2016, the RT Board of Directors awarded Task 1 design services to HDR, Inc. utilizing funds that had already been secured from the Cities for project development. Task 1 advances streetcar design, which includes the Riverfront alignment and the light rail extension to Raley Field, to 85% at a cost of \$4,704,884.89.
- J. Task 2 advances streetcar design to 100%. Task 3 advances design of the light rail relocation from K Street to H Street (between 8<sup>th</sup> Street & 12<sup>th</sup> Street). Task 4 will provide preliminary and final design of the Vehicle Maintenance and Service Facility (VMSF) site work including the layout of the yard track, overhead contact system (OCS), Traction Power Substation (TPSS) and Signaling. The design of the Vehicle Maintenance and Service Facility building will be provided through a separate contract.
- K. The cost of Task 2 is \$1,963,900.67. The cost of Task 3 is \$2,092,346.35. The cost of Task 4 is \$1,397,107.81. Total consultant costs of all three tasks is \$5,453,354.83. RT staff costs are estimated to be 10% of the total cost, or \$545,335.48 as referenced in the Design Cost Estimate attached hereto and incorporated herein as Exhibit B (the "Estimates").
- L. The total cost of tasks 2, 3 & 4, plus RT costs to perform the required activities in connection with tasks 2, 3 & 4, including all direct and indirect overhead labor and miscellaneous costs are expected to be approximately \$6 million.
- M. The RT Board of Directors stated that a new agreement must be executed between the Parties to secure funding for the remaining tasks before HDR Inc. would be awarded approval for tasks 2, 3, and 4.
- N. In order to pay for tasks 2, 3 and 4, as well as RT staff costs to administer these three tasks, it will be necessary for the Cities to fund this portion of Project Development.
- O. In consideration of the foregoing recitals, which are incorporated in the Agreement below as if fully recited therein, and the mutual covenants contained herein, the Parties hereto agree as follows:

AGREEMENT:

- 1. It is agreed by the Parties that RT, at no cost to RT beyond the funding identified in Exhibit A, will oversee and manage all Project design work during the Design and Engineering phase. An estimate to undertake the Design and Engineering has been reviewed and approved by the Downtown Riverfront Streetcar Project Management Team (the "PMT"). Costs are listed in Recital J and Recital K above and are documented in the Estimates (Exhibit B). Should the Project proceed beyond the Design and Engineering, a separate cost estimate prepared by HDR will be provided by RT to the Cities for construction.

2. Design and Engineering Phase Scope: RT shall utilize the funding provided, up to the maximum amounts set forth in Recitals J and K and the Estimates, exclusively for tasks associated with the completion of Design and Engineering work for the Project (Tasks 2, 3 & 4), as set forth in the Estimates.
3. Payments for RT's Staff Costs: Cities agree to reimburse RT for actual costs and expenses reasonably and necessarily incurred by RT in performance of required activities in connection with the Design and Engineering work (Tasks 2, 3 & 4), including all direct and indirect overhead labor costs. This reimbursement obligation is limited, however, to the amount identified in Recital J and Recital K above. Cities recognize that they can elect under 23 CFR Section 140.907 to reimburse RT for all direct and indirect overhead labor/construction costs using Federal additive rates and agree to do so. RT's scope of work and estimated amount of cost and expense to be incurred by RT in connection with the Design and Engineering work are summarized in the Estimates. Any additional work required incidental to that shown on the Estimates, but specifically detailed thereon, may be included as part of this Agreement by written amendment to this Agreement approved in advance by the Cities. The Parties acknowledge and agree that RT may recalculate and update each of the Estimates if the Effective Date is greater than six (6) months after the date of the Estimates. Application of federally-approved and Cities-accepted labor additive rates will apply to current or future costs and will not be retroactively applied to costs previously billed.
4. Cities Contribution: Cities agree to reimburse RT up to \$3 million each, in accordance with Section 6 below, to be used exclusively for Design and Engineering expenses outlined in Recital J and Recital K above, and in the Estimates (Exhibit B). It is the intent of the Cities to contribute the remainder of the funds identified in Exhibit A to future Phase(s) of the project.
5. Invoicing: On a monthly basis, RT will invoice each City for 50% of the incurred cost for HDR and RT staff time. Amounts claimed must reflect the cost of completed work, which has been paid for. RT will provide all supporting backup documentation for the cost incurred and claimed for reimbursement.
6. Review, approval and payment of invoices: In accordance with the California Prompt Payment Act, Government Code Sections 927 et seq, all undisputed invoices must be paid within 45 days of receipt of the invoice from RT. If Cities determine that any costs set forth in an invoice are not allowable, Cities must deliver written notice to RT identifying the disputed amounts and setting forth Cities reasoning as to why such amounts are not allowable, and upon RT's receipt of such notice, Cities and RT must use commercially reasonable efforts to promptly resolve any such disputed amounts.
7. All work to be done hereunder by RT must be done by RT's employees or RT's contractor(s) as approved by the Parties.
8. Insurance: The Parties hereto agree RT and the Cities are qualified self-insurers.

9. All applicable portions of Title 23, Code of Federal Regulations, Parts 646A, 646B and 140I are by reference incorporated herein and made a part hereof.
10. The records accounts of RT relating to the project must be open for inspection and audit by the Cities and by the State and/or Federal Government during normal business hours at RT's Sacramento headquarters for a period of three years from the date final payment from Cities is received by RT in connection with the Project.
11. There are no ascertainable net benefits, as defined by Federal Regulations, to RT from the Project and; consequently, there is no required RT sharing of the costs beyond RT's contribution as outlined in Exhibit A.
12. No alternation or variation of the terms of this Agreement is valid unless made by a formal amendment and executed by the Parties hereto and no oral understanding or agreement not incorporated herein is binding on any of the Parties hereto.
13. Nothing within the provisions of this Agreement is intended to create duties or obligations or rights to third parties not a party to this Agreement or to affect the legal liability of the Party to this Agreement by imposing any standard of care different from the standard of care imposed by law.
14. This Agreement is effective as of the Effective Date shown on the front page of this Agreement and when fully signed and executed by all Parties' authorized signatories. Each party hereto represents and warrants that the person executing this Agreement on behalf of such party has full power and authority to enter into this Agreement.
15. This Agreement inures to the benefit of and is binding upon the successors and assigns of RT and upon the assigns of the Cities.
16. This Agreement terminates upon completion of the work performed by RT pursuant to Section 1, or 18-months from the Effective Date of this Agreement, whichever is earlier in time.
17. Any party to this agreement may terminate this Agreement for any reason, with or without cause, at any time, by giving the other parties fifteen (15) days written notice. The notice will be deemed served and effective for all purposes on the date it is deposited in the U.S. mail, certified, return receipt requested, addressed to the other parties at the address indicated in Section 19.
18. Upon termination, RT will send the final invoice for eligible work completed up to the date of the termination in accordance with Section 5 above and the Cities shall reimburse RT in accordance with Section 6 above.
19. Representatives: The representatives of the parties to this agreement are, as follows:

Sacramento Regional Transit

Attn: Ed Scofield  
Director, Project Management  
2811 O Street  
Sacramento, CA 95812

City of West Sacramento  
Attn: Rafael Martinez  
Transportation Division Manager  
Public Works Department  
1110 West Capitol Avenue, 1<sup>st</sup> floor  
West Sacramento, CA 95691

City of Sacramento  
Sacramento City Hall  
Attn: Adam Randolph, PE  
Senior Engineer  
Department of Public Works  
915 I Street, Suite 200  
Sacramento, CA 95814

20. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused these presents to be executed in duplicate, by their officers' thereunto duly authorized, as of the day and year first above written.

CITY OF SACRAMENTO

SACRAMENTO REGIONAL TRANSIT  
DISTRICT

By: \_\_\_\_\_  
Howard Chan  
City Manager

By: \_\_\_\_\_  
Henry Li  
General Manager/CEO

Approved as to Content:  
CITY OF SACRAMENTO

Approved as to Content:  
SACRAMENTO REGIONAL TRANSIT  
DISTRICT

By: \_\_\_\_\_  
Hector Barron  
Director of Public Works

By: \_\_\_\_\_  
Neil Nance  
VP, Strategic Planning and System  
Development

Approved as to Legal Form:  
CITY OF SACRAMENTO

Approved as to Legal Form:  
SACRAMENTO REGIONAL TRANSIT  
DISTRICT

By:  \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
James Sanchez  
City Attorney

\_\_\_\_\_  
Tim Spangler  
Chief Counsel

CITY OF WEST SACRAMENTO

By: \_\_\_\_\_  
Martin Tuttle  
City Manager

Approved as to Content:  
CITY OF WEST SACRAMENTO

By: \_\_\_\_\_  
Kryss Rankin  
City Clerk

Approved as to Legal Form:  
CITY OF WEST SACRAMENTO

By: \_\_\_\_\_  
Jeffrey Mitchell  
City Attorney

**EXHIBIT A**  
**FUNDING FOR PROJECT INCLUDING DESIGN,**  
**ENGINEERING, CONSTRUCTION & VEHICLE**  
**PROCUREMENT**

Total Project Cost (Starter line+ Riverfront Alignment+ LRT Extension to Raley Field + LRT relocation from K Street to H Street

Dollars in Millions

FTA	\$100
City of West Sacramento	\$35
Cap & Trade (State)	\$30
Prop 1A (RT)	\$25
City of Sacramento	\$7
County of Sacramento	\$3
TOTAL	\$200

**EXHIBIT B  
DESIGN COST ESTIMATE**

**LOCATION:** Downtown and Midtown Sacramento, West Sacramento.

**PROJECT:** Downtown Riverfront Streetcar Project

**ESTIMATE:**

Task 2 – Civil, Track, Systems and Stations Final Design Services	\$1,963,900.67
Task 3 – Civil, Track, Systems and Stations Design for the Relocation of RT’s Light Rail from K Street to H Street between 8 <sup>th</sup> & 12 <sup>th</sup> Street	\$2,092,346.35
Task 4 – Vehicle Maintenance and Service Facility (VMSF) Site Work	\$1,397,107.81
RT Staff Time	<u>\$545,335.48</u>
<b>Total (Not To Exceed)</b>	<b>\$5,998,690.31</b>



Requires Council Approval:  No x YES Meeting: 12/13/16

Real Estate

Other Party Signature Needed

Recording Requested

General Information

Type: <b>Agreement</b>	PO Type:	Attachment:	No.:
\$ Not to Exceed: <b>\$3 million</b>		Original Doc Number:	
Other Party: City of West Sacramento, Sacramento Regional Transit District		<b>Certified Copies of Document:</b>	
Project Name: Downtown/Riverfront Streetcar Transit Project		Deed: <input type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate	
Project Number: S15131800	Bid	LBE:	
Transaction #:			

Department Information

Department: Public Works

Division: Transportation

Project Mgr: Sparky Harris

Supervisor:

Contract Services:

Date: 11/21/16

Division Mgr: Ryan Moore

PM Phone Number: 808-2996

Org Number:

Comment: RT wants to be the last party to sign the agreement

Review and Signature Routing

Department	Signature/Initial	Date
Project Mgr:		11/21/16
Contract Services:		
Supervisor:	NA	
Division Manager:		11/21/16
City Attorney	Signature or Initial	Date
City Attorney:		11/22/2016

Call  Notify for Pick Up

Authorization	Signature	Date
Hector Barron		
Department Director:		
City Mgr: yes <input type="checkbox"/> No <input type="checkbox"/>		

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-09)

**For City Clerk Processing**

**Finalized:**

Initial: \_\_\_\_\_

Date: \_\_\_\_\_

**Imaged:**

Initial: \_\_\_\_\_

Date: \_\_\_\_\_

**Received:**  
(City Clerk Stamp Here)