



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2671
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CONSENT
JUNE 27, 2006

Honorable Mayor and
Members of the City Council

Subject: El Centro Road and Arena Boulevard Traffic Signal; Amendment to City Agreement 2005-0091 with Natomas Gateway, LLC

Location/Council District: Intersection of El Centro Road and Arena Boulevard,
Council District 1

Recommendation:

Adopt resolution amending the purchase agreement (City Agreement 2005-0091) with Natomas Gateway LLC for the El Centro Road and Arena Boulevard Traffic Signal by increasing the scope of reimbursable costs and the amount of the purchase agreement by \$13,540.43 for those costs.

Contact: Mark Griffin, Fiscal Manager, (916) 808-8788

Presenters: Not Applicable

Department: Development Services Department

Division: Public Improvement Financing

Organization No: 4815

Summary:

On June 28, 2005, Resolution 2005-515, City Council approved the installation of a signal at the intersection of El Centro Road and Arena Boulevard. Due to disagreements over standard contract terms with Natomas Gateway LLC and due to findings that the signal was a public safety concern, the City agreed to assume the construction contract from Natomas Gateway and to reimburse Natomas Gateway for design and other associated costs. The reimbursement items and amount were not correct in the purchase agreement approved at that time. The item before you corrects this situation by increasing the amount of the purchase agreement by \$13,540.43.

Committee/Commission Action: None required.

Background Information:

The signal at the intersection of El Centro Road and Arena Boulevard was a specified improvement in the North Natomas Financing Plan to be paid for by the Plan in the form of credits issued for developer-built improvements or in the form of cash for City-built and contracted improvements. In an effort to program this project as a developer-built improvement, Natomas Gateway advertised and received three bids for construction and incurred expenses for design, permitting and related expenses.

Natomas Gateway and the City, however, were not able to come to terms acceptable to both parties that would allow Natomas Gateway to proceed with construction. Staff therefore recommended, and Council approved, on June 28, 2005, a contract directly with the lowest bidder and the reimbursement of Natomas Gateway for expenses. The signal is now fully operational.

The reimbursement contract with Natomas Gateway inadvertently left out costs incurred by Natomas Gateway beyond design costs. It had been the intent of staff at the time to recommend design costs as well as related expenses for reports and other documents associated with permitting, inspection, testing, and other necessary and appropriate services related to the signal. This scope for reimbursement was anticipated in Resolution 2005-515, which provided for "design and other appropriate and related expenses". Below is a table that breaks out design and all related costs. There were two signals involved in the entire project. Reimbursable costs incurred by Natomas Gateway on the signal constructed by the City are recommended as follows:

<u>Item</u>	<u>Cost</u>	<u>Allocation %</u>	<u>Reimbursable</u>
Design	\$23,000.00	50%	\$12,500.00
Topographic Survey	1,550.00	36.28%	562.34
Permitting, Inspection, Materials Testing	35,196.00	36.28%	12,769.11
Design Miscellaneous	417.97	50%	208.98
	<u>\$60,163.97</u>		<u>\$26,040.43</u>

City Agreement 2005-0091 authorized the reimbursement of the design. The recommendation before you now amends the agreement to include all costs and increases the amount to \$26,040.43, for an increase of \$13,540.43.

Financial Considerations:

There is no impact to the General Fund. The signal at El Centro and Arena is included in the North Natomas Financing Plan ("NNFP") and is paid by the Plan.

The transaction associated with this request is a transfer of \$13,541 from the fund

balance of the NNFP (780-710-7012-4999) to the project, El Centro/Arena Traffic Signal (780-500-SK66-4820).

Environmental Considerations:

The Environmental Services Manager has determined that the proposed action of amending a contract is exempt from CEQA under Statutory Section 15273(a)(3) and (4) of the CEQA Guidelines. Section 15273(a)(3) and (4) of the CEQA Guidelines applies to activities that involve the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of meeting financial reserve needs and requirements; and obtaining funds for capital projects, necessary to maintain service within existing service areas.

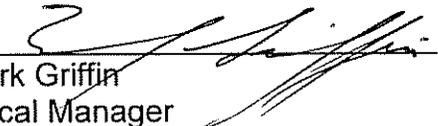
Policy Considerations:

This action amending a contract for a traffic signal is consistent with the City's Strategic Plan to achieve sustainability and enhance livability.

Emerging Small Business Development (ESBD):

City Council adoption of the attached resolution is not affected by City policy related to the ESBD Program.

Respectfully Submitted by:


Mark Griffin
Fiscal Manager

Approved by:


Carol Shearly
Director of Planning

Recommendation Approved:

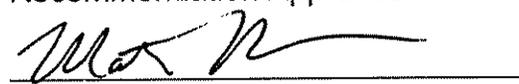

Ray Kerridge
City Manager

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

AMENDMENT TO CITY AGREEMENT 2005-0091 WITH NATOMAS GATEWAY LLC

BACKGROUND

- A. Paragraph 5 of Resolution No. 2005-515, which the City Council adopted on June 28, 2005, authorized the City Manager to enter into an agreement with Natomas Gateway for the following purposes: first, to purchase from Natomas Gateway the plans and specifications relating to a traffic signal at the T-intersection of Arena Boulevard and El Centro Road in the City's Natomas area (Traffic Signal No. 9); and second, to reimburse Natomas Gateway for other "appropriate and related expenses." According to the staff report that recommended approval of the resolution, Natomas Gateway's "appropriate and related expenses" include costs incurred for permitting, inspection, and testing in connection with the signal.
- B. The cost of the plans and specifications was \$12,500, and the amount to be reimbursed for permitting, inspection, testing, and other appropriate and related expenses was \$13,540.43, for a total of \$26,040.43. Yet recital G of the resolution erroneously lists the total cost as only \$12,500, an error reflected in paragraph 5.
- C. Subsequent to June 21, 2005, the City Manager entered into an Agreement for Purchase of Plans & Specifications with Natomas Gateway (City Agreement No. 2005-0091), under which the City paid Natomas Gateway \$12,500 for the plans and specifications. But nothing in the agreement addresses the reimbursement of Natomas Gateway for its other "appropriate and related expenses." Even so, Natomas Gateway delivered to the City all of the reports and other documents associated with permitting, inspection, testing, and other necessary and appropriate services related to the signal.
- D. Using not just the plans and specifications but also the reports and other documents, the City subsequently constructed the signal, which has been in operation since August 2005.
- E. The Agreement for Purchase of Plans & Specifications should be amended to correct the administrative oversight that resulted in Natomas Gateway not being reimbursed for "appropriate and related expenses," as the City Council intended when it adopted Resolution No. 2005-515.

- F. The signal is a designated improvement of, and is funded by, the North Natomas Financing Plan.

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

1. City Council finds that the recitals set forth above are true.
2. The City Manager is authorized to execute an amendment to City Agreement 2005-0091 that will accomplish the following purposes: (a) clarifying that the City not only agreed to purchase the plans and specifications for the signal but also agreed to reimburse Natomas Gateway for all appropriate and related expenses, including but not limited to expenses associated with permitting, inspections, testing, and other necessary and appropriate services related to the signal; and (b) increasing the amount the City is to pay Natomas under the agreement from \$12,500 to \$26,040.43.
3. The City Manager is further authorized to increase appropriations in support of the signal by transferring \$13,541 from North Natomas Development Fees fund balance (780-710-7012-4999) to the fund for Traffic Signal No. 9 (780-500-SK66-4820).