



City Council Staff Report

Date: December 2, 2009 CONSENT CALENDAR

Subject: APPROVAL OF AMENDMENT NO. 1 TO THE CONSTRUCTION COOPERATIVE AGREEMENT RELATED TO THE INDIAN CANYON DRIVE AT INTERSTATE 10 INTERCHANGE PROJECT; CITY PROJECT 00-14

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

Amendment No. 1 to the Construction Cooperative Agreement between the state of California Department of Transportation ("Caltrans"), the City of Palm Springs, and the County of Riverside modifies the agreement to allow the use of federal economic stimulus funds for the Indian Canyon Drive at Interstate 10 Interchange Project ("I-10 Project").

RECOMMENDATION:

- 1) Approve Amendment No. 1 to Agreement No. 5900, a Construction Cooperative Agreement between the state of California Department of Transportation ("Caltrans"), the City of Palm Springs, and the County of Riverside related to the Indian Canyon Drive at Interstate 10 Interchange Project (City Project 00-14); and
- 2) Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

On September 16, 2009, the City Council approved Agreement No. 5900, a Construction Cooperative Agreement between the state of California Department of Transportation ("Caltrans"), the City of Palm Springs, and the County of Riverside related to the Indian Canyon Drive at Interstate 10 Interchange Project (City Project 00-14). The City is the Lead Agency for the I-10 Project, and has completed the final design and is currently waiting for Caltrans' approval of the plans, and has completed all right-of-way acquisition. Riverside County will be administering this I-10 Project for the City, which will allow the concurrent construction of the Indian Canyon Drive, Palm

Item No. 2.J.

Drive/Gene Autry Trail, and Date Palm Drive I-10 Interchange Projects to be administered more efficiently by one single agency, Riverside County.

The American Recovery and Reinvestment Act of 2009 ("ARRA") was signed into law by President Barack Obama on February 17, 2009. The ARRA is intended to provide a stimulus to the U.S. economy in the wake of the economic downturn. \$80.9 billion in ARRA funds is budgeted for spending on infrastructure investment nationwide, of which approximately \$2.5 billion was allocated to California. The California Legislature subsequently allocated 37.5% of the state's ARRA funding to the state for its own highway projects, and 62.5% of the state's ARRA funding to the various Metropolitan Planning Organizations (MPO's). The MPO for Riverside County is the Riverside County Transportation Commission (RCTC), which received approximately \$71 million as its allocation of ARRA funds directly from the state.

Earlier this year, RCTC approved programming its ARRA funds for four different interchange projects: I-10 @ Bob Hope/Ramon Road; I-10 @ Gene Autry Trail/Palm Drive; I-215 @ Clinton Keith Road; and SR-60 @ Valley Way. Specifically, \$35 million was programmed for I-10 @ Bob Hope/Ramon Road and \$4.5 million for I-10 @ Gene Autry Trail/Palm Drive.

In early October, Caltrans, as Lead Agency for the I-10 @ Bob Hope/Ramon Road interchange project, had its bid opening of the first of the five Coachella Valley I-10 interchange projects. The engineer's estimate for construction was \$35 million, however, the low bid was \$22.4 million, leaving excess ARRA funds that could be used elsewhere. RCTC, in an effort to ensure these excess ARRA funds are not lost, needed to find other projects that were nearing construction and could have the ARRA funds programmed and obligated by a December deadline imposed by the state. The only other projects nearing construction that could meet this deadline were I-10 @ Gene Autry Trail/Palm Drive and I-10 @ Indian Canyon Drive.

RCTC in consultation with CVAG, ultimately decided to split the excess ARRA funds of \$11,403,100 by programming another \$5,885,600 for I-10 @ Gene Autry Trail/Palm Drive and programming \$5,517,500 for I-10 @ Indian Canyon Drive. Amendment of the previously approved Construction Cooperative Agreement is necessary to allow for the use of ARRA funds on this project.

FISCAL IMPACT:

Exhibit A of the Construction Cooperative Agreement identifies the construction phase estimates for the Indian Canyon Drive I-10 Project: \$3,000,000 for construction support and \$27,762,000 for construction. If the current highly competitive bidding environment continues, it is estimated that a low bid for this project may be submitted 40% below the estimate, or approximately \$16.6 million.

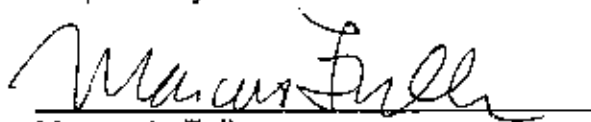
Exhibit A also identifies the different funding sources for this project, as follows:

DEMO TEA 21 federal earmark: \$1,260,000
DEMO SAFETEA-LU federal earmark: \$2,200,000
STIP/RIP state funds: \$13,656,000
ARRA federal funds: \$5,517,500

The total in state and federal funding programmed for this project is \$22,633,500. The balance of \$8,128,500 is to be funded by local Regional Measure A funds. However, if the low bid submitted for this project is received well below the construction estimate, it is expected that the state and federal funding will cover 100% of the construction phase of this project, requiring no use of local Regional Measure A funds.

SUBMITTED:

Prepared by:



Marcus L. Fuller
Assistant Director of Public Works

Recommended by:

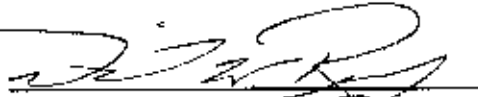


David J. Barakian
Director of Public Works/City Engineer

Approved by:



Thomas J. Wilson, Asst. City Manager



David H. Ready, City Manager

Attachments:

1. Amendment No. 1 to Construction Cooperative Agreement No. 5900 (to be provided)