



City Council Staff Report

Date: July 21, 2010

CONSENT CALENDAR

Subject: APPROVAL OF AMENDMENT NO. 2 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. 2 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 state Transportation Improvement Program/Regional Improvement Program ("STIP/RIP") funds for construction capital and construction support costs for the Indian Canyon Drive at Interstate 10 Interchange Project ("I-10 Project").

RECOMMENDATION:

- 1) Approve Amendment No. 2 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 Riverside County is administering this I-10 Project for the City, which will allow the concurrent construction of the Indian Canyon Drive, Palm Drive/Gene Autry Trail, and Date Palm Drive I-10

Interchange Projects to be administered more efficiently by one single agency, Riverside County.

On December 2, 2009, the City Council approved Amendment No. 1 to this Agreement, which facilitated the programming of \$5,517,500 in American Recovery and Reinvestment Act of 2009 ("ARRA") funds for this project. At that time, the construction cost estimate was \$25,475,600. Subsequently, on April 28, 2010, Riverside County opened bids on this project and the low bid was submitted by Granite Construction for \$16,526,137 which was significantly less than the final construction estimate.

The original Construction Cooperative Agreement required \$8,128,500 in local funding to apply towards required local match amounts for the two DEMO federal earmarks (which require a 20% local match) and construction support costs (administration and inspection). Given the low construction bid, a revised construction phase estimate of \$22,274,165 has been developed which can now be entirely funded by the various federal grants and the state STIP/RIP funds, **requiring \$0 in local funding for the construction phase.**

The original Construction Cooperative Agreement specifically programmed the state STIP/RIP funds for construction "capital" only, and it can't be applied to construction "support" costs without a further amendment to the agreement. Further, it is required to identify the use of state STIP/RIP funds towards the required 20% local match of the two DEMO federal earmarks, whereas previously the agreement identified the use of local funds.

Staff recommends that the City Council approve Amendment 2 which formally redistributes the costs of the construction phase of this project, and eliminates any need for local funding for it.

FISCAL IMPACT:

Exhibit A for Amendment 2 of the Construction Cooperative Agreement identifies the construction phase estimate for the Indian Canyon Drive I-10 Project: \$4,078,290 for construction support and \$18,195,875 for construction, for a total construction phase cost of \$22,274,165.

Exhibit A/2 also identifies the different funding sources for this project, as follows:

DEMO TEA 21 federal earmark: \$1,120,885
DEMO SAFETEA-LU federal earmark: \$1,979,780
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 \$22,274,165 which will cover 100% of the costs for the construction phase. Assuming no major changes to the project are required during construction, no Regional or Local Measure A funds will be required for construction.

SUBMITTED:

Prepared by:



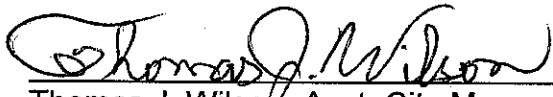
Marcus L. Fuller
Assistant Director of Public Works

Recommended by:

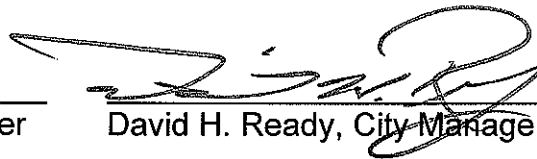


David J. Barakian
Director of Public Works/City Engineer

Approved by:



Thomas J. Wilson, Asst. City Manager



David H. Ready, City Manager

Attachments:

1. Amendment No. 2 to Construction Cooperative Agreement No. 5900

08-Riv-10-PM 32.6/33.6
Reconstruct Existing Interchange at
I-10/Indian Avenue
EA 455701
District Agreement No. 8-1433 A/2

AMENDMENT NO. 2 TO AGREEMENT

THIS AMENDMENT NO. 2 TO AGREEMENT, ENTERED INTO EFFECTIVE ON _____, 2010, is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as "STATE," and the

CITY OF PALM SPRINGS, a body politic and municipal corporation of the State of California, referred to herein as "CITY"

and

COUNTY OF RIVERSIDE, a political subdivision of the State of California, referred to herein as "COUNTY."

RECITALS

1. The parties hereto entered into Agreement No. 8-1433, on October 27, 2009, to reconstruct existing interchange at Interstate 10 (I-10)/Indian Avenue, located within the City of Palm Springs, in Riverside County, referred to herein as "PROJECT."
2. The parties hereto entered into Agreement No. 8-1433 A/1, on December 23, 2009, to include Regional American Recovery and Reinvestment Act of 2009 (ARRA) funds in the amount of \$5,517,500 in place of some of the Local funds.
3. It has been decided that the PROJECT will now be using STATE's Transportation Improvement Program/Regional Improvement Program (STIP/RIP) funding source in place of the Local funds.

IT IS THEREFORE MUTUALLY AGREED:

1. Under RECITALS of Agreement No. 8-1433, Articles 4 and 7, are hereby amended in their entirety to read as follows:
 - “4. CITY for the purpose of funding PROJECT cost for capital outlay will be using Regional ARRA funding source in the amount not to exceed \$5,517,500, STATE’s Transportation Improvement Program/Regional Improvement Program (STIP/RIP) funding source in the amount of \$13,035,867, Federal Demonstration Transportation Equity Act for the 21st Century (DEMO TEA 21) funds in the amount of \$1,120,885 and STIP/RIP matching funds in the amount of \$224,177; and Safe, Accountable, Flexible, Efficient, Transportation Act Equity - A legacy for Users (DEMO SAFETEA-LU) funds in the amount of \$1,979,780 and STIP/RIP matching funds in the amount of \$395,956. The PROJECT cost estimate is \$22,274,165 as shown on Exhibit A-2, attached hereto and made a part of this Agreement.”
 - “7. The STATE’s STIP/RIP funds were programmed by the California Transportation Commission (CTC) at the July 26, 2007, meeting, for the PROJECT’s construction capital and support.”
2. Under SECTION I of Agreement No. 8-1433, Articles 1, 3 and 8, are hereby amended in their entirety to read as follows:
 - “1. To be responsible for one hundred (100%) percent of total PROJECT construction cost (of which a portion will be funded out of STATE’s STIP/RIP, Regional ARRA, DEMO and SAFETEA-LU funding sources, as shown in Exhibit A-2) required for satisfactory completion of PROJECT, including, but not limited to Construction Zone Enhancement Enforcement Program (COZEEP), “State-furnished material (SFM),” and source inspection costs of STATE’s IQA. If it becomes necessary for an increase in PROJECT funding, said increase will be paid in full by CITY.”
 - “3. CITY authorizes STATE to reimburse itself from then available STIP/RIP funds for the actual cost of SFM and source inspection cost.”
 - “8. Upon completion of the construction capital and support activities for PROJECT, to furnish STATE with a detailed statement of the total actual costs funded from STATE’s STIP/RIP funding source, which were reimbursed to CITY on a continuous basis.”
3. Under SECTION I of Agreement No. 8-1433, Articles 4, 5, and 6, are hereby deleted in their entirety
4. Under SECTION II of Agreement No. 8-1433, Article 3 is hereby amended in its entirety to read as follows:

- “3. To submit a written request for any SFM identified in the PROJECT plans, specifications, and estimates (PS&E) a minimum of forty-five (45) days in advance of the need for such materials. COUNTY may take delivery of the SFM.”
5. Under SECTION III of Agreement No. 8-1433, Articles 3, 5 and 7, are hereby amended in their entirety to read as follows:

 - “3. To provide, at CITY’s cost, any SFM as shown on the PROJECT PS&E. Upon receipt of COUNTY’s request for any such SFM, STATE will order those materials and STATE will make those SFM available to COUNTY at a STATE designated site.”
 - “5. STATE to reimburse itself from then available STIP/RIP funds for actual cost of SFM and source inspection for PROJECT.”
 - “7. To allocate \$13,656,000 from STATE’s STIP/RIP funding source to PROJECT. These funds were programmed by the CTC at the July 26, 2007, meeting for construction capital and support services for PROJECT.”
6. Under SECTION IV of Agreement No. 8-1433, a new Article 29 is hereby added to read as follows:

 - “29. STATE invoices for support costs including all direct and applicable indirect costs. Applicable indirect costs are determined by the type of funds being used to pay for support. State and federal funds are subject to the Program Functional Rate. Local funds (Measure money, developer fees, special assessments, etc.) are subject to the Program Functional Rate and the Administration Rate. STATE establishes the Program Functional Rate and the Administration Rate annually according to State and Federal regulations.”
7. The new Exhibit A/2, dated May 6, 2010, replaces the original Exhibit A and A/1 of Agreement No. 8-1433 and is hereby attached to and made a part of that Agreement and any reference to Exhibit A and A/1 in the original agreement is deemed to be a reference to the Exhibit A/2.
8. All other terms and conditions of said Agreement No. 8-1433 shall remain in full force and effect.
9. This Amendment No. 2 to Agreement is hereby deemed to be a part of Agreement No. 8-1433.

SIGNATURES ON FOLLOWING PAGE:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

CINDY MCKIM
Director

By: _____
RAYMOND W. WOLFE, PhD
District Director

APPROVED AS TO FORM AND
PROCEDURE:

By: _____
Attorney,
Department of Transportation

CERTIFIED AS TO FUNDS:

By: _____
District Budget Manager

CERTIFIED AS TO FINANCIAL
TERMS AND POLICIES:

By: _____
Accounting Administrator

CITY OF PALM SPRINGS

By: _____
DAVID H. READY
CITY Manager

By: _____
JAMES THOMPSON
CITY Clerk

APPROVED AS TO FORM AND
PROCEDURE:

By: _____
DOUGLAS HOLLAND
CITY Counsel

COUNTY OF RIVERSIDE

By: _____
Supervisor, Board of Supervisors

By: _____
Clerk, Board of Supervisors

APPROVED AS TO FORM AND
PROCEDURE:

By: _____
COUNTY Counsel