



## City Council Report

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

[www.cityofsacramento.org](http://www.cityofsacramento.org)

---

**File ID:** 2018-01716

January 22, 2019

**Consent Item 16**

---

**Title:** Budgetary Adjustments: Intermodal Transportation Facility Project (T15029000)

**Location:** 5<sup>th</sup> and I Streets, District 3

**Recommendation:** Adopt a Resolution authorizing the City Manager or the City Manager's designee to: 1) increase the Fiscal Year 2018/19 revenue budget in the Department of Public Works by \$7,000,000 (General Fund, Fund 1001); and 2) increase the expenditure budget in the Intermodal Transportation Facility Project (T15029000) by \$7,000,000 (General Fund, Fund 1001).

**Contact:** Adam Randolph, Senior Engineer (916) 808-7803; Nader Kamal, Interim Engineering Services Manager (916) 808-7035, Department of Public Works

**Presenter:** None

**Attachments:**

1-Description/Analysis

2-Resolution

## Description/Analysis

**Issue Detail:** In January 2008, the City contracted with TranSystems Corporation for the design of the Intermodal Transportation Facility Project: Phase 1- Track Relocation at the Sacramento Valley Station. In March 2011, the City entered into a separate contract with TranSystems for design support services during construction of the project. In March 2011, the City entered into a contract with Vali Cooper & Associates, Inc. as construction manager and a construction contract with Granite Construction Company for the project. Granite Construction Company sub-contracted portions of the work to CMC Steel Fabricators and Cemex Construction Materials Pacific, LLC.

In July 2012, shortly after the completion of construction, the concrete surfaces on both of the new 1,000-foot-long passenger platforms began to crack excessively in the slab-on-grade and structural slab areas. Additionally, cracks in the stucco ceiling of the ramps from the platform to the tunnel below have developed and there is also water intrusion at the canopy column bases along the ramps. Furthermore, the vestibules below the platforms were not waterproofed, so water leaks into the tunnels.

The City sued the following five defendants involved in the design and/or construction of the project: TranSystems Corporation; Granite Construction Company; Vali Cooper & Associates, Inc.; CMC Steel Fabricators Inc. dba CMC Rebar; and Cemex Construction Materials Pacific, LLC. The City accepted a \$7 million settlement with the defendants to compensate the City for necessary repairs to the Sacramento Valley Station passenger platforms. On August 22, 2018, all the settlement payments were received. In order to complete the necessary repairs to the Sacramento Valley Station passenger platforms the settlement payments should be recognized as General Fund (Fund 1001) revenue and allocated to the Intermodal Transportation Facility Project.

**Policy Considerations:** The action requested supports the City's General Plan goal M1.2.1 of developing an integrated, multimodal transportation system that improves the attractiveness of walking, bicycling, and riding transit over time to increase travel choices and aid in achieving a more balanced transportation system and reducing air pollution and greenhouse gas emissions.

**Economic Impacts:** None

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** Budgetary adjustments are not subject to the provisions of CEQA. Under CEQA general rule 15061-B-3, CEQA applies only to projects which have the potential for causing a significant effect on the environment. These actions will have no effect on the environment and are therefore not subject to CEQA review.

**Sustainability:** The project is consistent with the City's General Plan Climate Action Plan goal M3.2.1 encouraging and promoting the enhancement of passenger rail service to and through the Sacramento area, including the development of new infrastructure and services associated with the California High Speed Rail Project.

**Commission/Committee Action:** None

**Rationale for Recommendation:** The budgetary adjustments are needed to complete the necessary repairs of the Sacramento Valley Station passenger platforms.

**Financial Considerations:** The City has received settlement payments totaling \$7,000,000 (Fund 1001) for passenger platform repairs to the Sacramento Valley Station.

Upon approval of the budgetary adjustments, there will be sufficient funding within the Intermodal Transportation Facility Project (T15029000) to complete the necessary passenger platform repairs at the Sacramento Valley Station.

It is anticipated that the full settlement amount will be needed to complete the passenger platform repairs.

**Local Business Enterprise (LBE):** Not applicable.

## **RESOLUTION NO. 2019-**

Adopted by the Sacramento City Council

### **BUDGETARY ADJUSTMENTS: INTERMODAL TRANSPORTATION FACILITY PROJECT (T15029000)**

#### **BACKGROUND**

- A. The Intermodal Transportation Facility Project (T15029000) is a multi-phase project for construction of a multi-modal transportation facility at the Downtown Sacramento Valley Station (SVS).
- B. In January 2008, the City contracted with TranSystems Corporation for the design of the Intermodal Transportation Facility Project- Phase 1-Track Relocation SVS. In March 2011, the City entered into a separate contract with TranSystems for design support services during construction of the project. In March 2011, the City entered into contracts with Granite Construction Company for the construction of the project and with Vali Cooper & Associates, Inc. as construction manager.
- C. In July 2012, shortly after the completion of construction, the concrete surfaces of both of the new 1,000-foot-long passenger platforms began to crack excessively in the slab-on-grade and structural slab areas. Additionally, cracks in the stucco ceiling of the ramps from the platform to the tunnel below have developed and there is also water intrusion at the canopy column bases along the ramps. Furthermore, the vestibules below the platforms were not waterproofed, so water leaks into the tunnels.
- D. The City entered into construction litigation with the City as the Plaintiff and the following five (5) defendants involved in the design and/or construction of the project: TranSystems Corporation; Granite Construction Company; Vali Cooper & Associates, Inc.; CMC Steel Fabricators Inc. dba CMC Rebar; and Cemex Construction Materials Pacific, LLC. The City arrived at a settlement with the defendants for a total of \$7,000,000 to compensate the City for necessary repairs to the Sacramento Valley Station passenger platforms.
- E. On August 22, 2018, the City received settlement payments totaling \$7,000,000.

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

- Section 1. The City Manager or City Manager's designee is authorized to increase the Fiscal Year 2018/19 revenue budget in the Department of Public Works by \$7,000,000 (General Fund, Fund 1001).

Section 2. The City Manager or City Manager's designee is authorized to increase the expenditure budget in the Intermodal Transportation Facility Project (T15029000) by \$7,000,000 (General Fund, Fund 1001).