



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
April 13, 2010

Honorable Mayor and
Members of the City Council

Title: Supplemental Agreement: I-5/Cosumnes River Boulevard Extension and Interchange Project (T15018000)

Location/Council District: Along Interstate 5, one mile south of Pocket Road/Meadowview Road in the Pocket and Airport Meadowview Planning Areas. Location Map – Exhibit A of Resolution. (Districts 7 and 8)

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute Supplemental Agreement No. 2 to City Agreement 2009-0012 with Sacramento Municipal Utility District (SMUD) in the amount of \$324,792.

Contact: Nader Kamal, Special Projects Engineer, (916) 808-7035; Tim Mar, Supervising Engineer (916) 808-7531

Presenters: None

Department: Transportation

Division: Engineering Services

Organization No: 15001131

Description/Analysis

Issue: The construction of the Interchange at I-5 requires the relocation of a portion of a 20-inch SMUD high-pressure natural gas pipeline that currently exists within the vicinity of the future Project. Executing Supplemental Agreement No. 2 with SMUD is necessary to compensate SMUD for its work in relocating the 20" gas main in order for the City to build the interchange at I-5 in the future.

Policy Considerations: The proposed City Council action is consistent with the City's Strategic Plan goals of improving the transportation system, enhancing livability, and expanding economic development throughout the city.

Environmental Considerations:

California Environmental Quality Act (CEQA): The project final Environmental Impact Report was approved by City Council on May 15, 2007.

Sustainability Considerations: The project will improve access, provide route continuity, and reduce overall vehicle miles traveled in the south area of Sacramento. The project will construct new sidewalks and bike lanes which will increase the use of alternate modes of commuting. The project will also increase the City's urban forest canopy and create an environment more conducive to pedestrian and bicycle trips, thereby encouraging the use of alternate modes of transportation. All of these considerations and improvements are consistent with City sustainability goals.

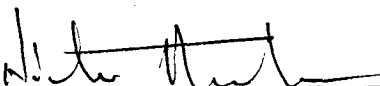
Other: None.

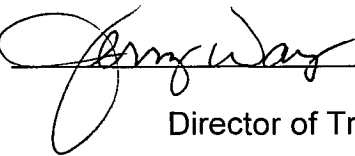
Commission/Committee Action: None.

Rationale for Recommendation: Supplemental Agreement No. 2 with SMUD is needed to carry out the City and SMUD's agreement in funding the relocation of the 20-inch gas pipeline which is necessary to eliminate conflicts with the construction of the project and to avoid the possibility of damage to SMUD's facilities.

Financial Considerations: The current project budget is \$12,862,630 consisting of state, federal, and local transportation funds. There are no general funds planned or allocated for this project. As of February 26, 2010, the I-5/Cosumnes River Boulevard Extension and Interchange Project (T15018000) has an unobligated balance of \$2,412,223, which is sufficient to fulfill the City's financial obligations under the proposed supplemental agreement in the amount of \$324,792.

Emerging Small Business Development (ESBD): None, since no goods or services are being procured with this action.

Respectfully Submitted by: 
Nicholas Theocharides
Engineering Services Manager

Approved by: 
Jerry Way
Director of Transportation

Recommendation Approved:

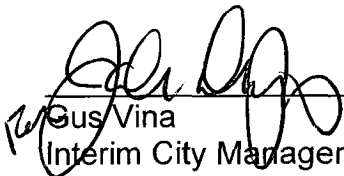

Gus Vina
Interim City Manager

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Attachment 1

Background

The I-5/Cosumnes River Boulevard Extension and Interchange Project (T15018000) extends Cosumnes River Boulevard from its westerly terminus at Franklin Boulevard to an at-grade intersection with Freeport Boulevard, and includes the construction of a new interchange at I-5 and a new bridge crossing over Morrison Creek and Union Pacific Railroad (UPRR).

The construction of the Interchange at I-5 requires the relocation of a portion of a 20-inch SMUD high-pressure natural gas pipeline (Pipeline) that currently exists within the vicinity of the future Project.

On January 6, 2009, the City Council executed a Utility Agreement with SMUD to relocate the Pipeline in the estimated amount of \$3,663,450. This amount was an estimate due to uncertain material and replacement energy costs paid by SMUD.

Supplemental Agreement No. 1 had a zero (\$0) value and was processed to address the Pipeline depreciation value requested by Caltrans to be eligible for Caltrans utility cost reimbursements.

Supplemental Agreement No. 2 in the amount of \$324,792 is needed to finalize the actual costs for the relocation of the Pipeline. The Pipeline relocation cost increase is due to rising material costs and higher than projected net replacement energy cost. The final cost of pipe and coating material exceeded estimates by a substantial margin and replacement energy costs purchased on the open market cannot be estimated with great accuracy very far in advance as there are many factors affecting price.

This agreement also includes credit for pipeline material purchased and invoiced, but not used for the relocation project and credit for accumulated depreciation or "used life" of the abandoned pipe facility.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVING SUPPLEMENTAL AGREEMENT NO. 2 WITH SACRAMENTO
MUNICIPAL UTILITY DISTRICT (SMUD) FOR THE I-5/COSUMNES RIVER
BOULEVARD EXTENSION AND INTERCHANGE PROJECT (T15018000)**

- A. The I-5/Cosumnes River Boulevard Extension and Interchange Project (T15018000) extends Cosumnes River Boulevard from its westerly terminus at Franklin Boulevard to an at-grade intersection with Freeport Boulevard, and includes the construction of a new interchange at I-5 and a new bridge crossing over Morrison Creek and Union Pacific Railroad (UPRR).
- B. The construction of the Interchange at I-5 requires the relocation of a portion of a 20-inch SMUD high-pressure natural gas pipeline (Pipeline) that currently exists within the vicinity of the future Project.
- C. On January 6, 2009, the City Council executed a Utility Agreement with SMUD to relocate the Pipeline in the estimated amount of \$3,663,450. This amount was an estimate due to uncertain material and replacement energy costs paid by SMUD.
- D. Supplemental Agreement No. 1 had a zero (\$0) value and was processed to address the Pipeline depreciation value requested by Caltrans to be eligible for Caltrans utility cost reimbursements.
- E. Supplemental Agreement No. 2 in the amount of \$324,792 is needed to finalize the actual costs for the relocation of the Pipeline. The Pipeline relocation cost increase is due to rising material costs and higher than projected net replacement energy cost. The final cost of pipe and coating material exceeded estimates by a substantial margin and replacement energy costs purchased on the open market cannot be estimated with great accuracy very far in advance as there are many factors affecting price.
- F. This agreement also includes credit for pipeline material purchased and invoiced, but not used for the relocation project and credit for accumulated depreciation or "used life" of the abandoned pipe facility.

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

Section 1. The City Manager is authorized to execute Supplemental Agreement No. 2 with Sacramento Municipal Utility District (SMUD) in the amount of \$324,792 for the I-5/Cosumnes River Boulevard Extension and Interchange Project (T15018000).

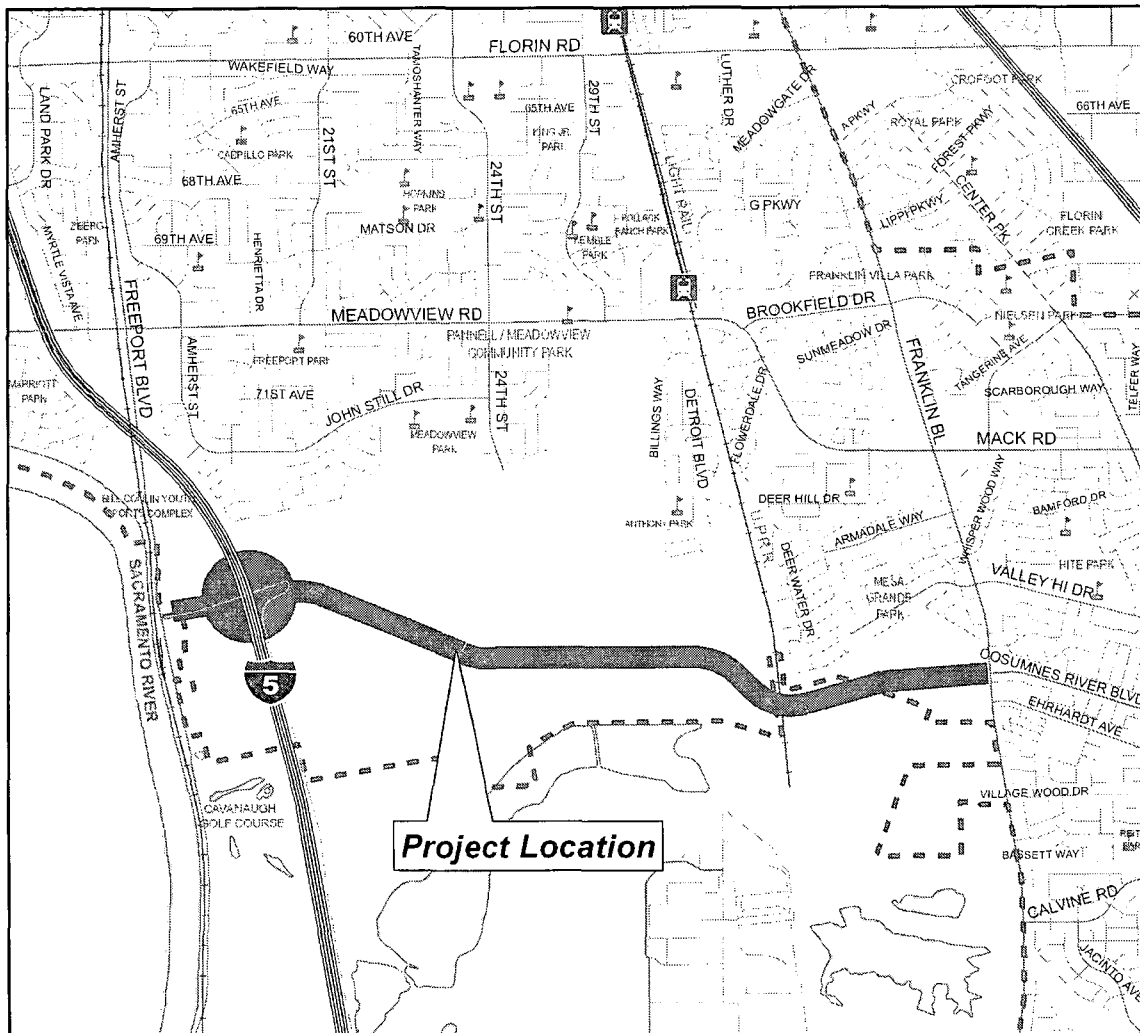
Section 2. Exhibit A is hereby incorporated into and is part of this Resolution.

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Exhibit A: Location Map for I-5/Cosumnes River Boulevard Extension and Interchange
Project

EXHIBIT A

Location Map for
I-5/COSUMNES RIVER BOULEVARD EXTENSION
AND INTERCHANGE PROJECT
(PN: T15018000)



Department of
TRANSPORTATION
City of Sacramento

Map Contact: S. Tobin
Map Date: March, 2008

0 750 1,500 3,000 4,500 6,000
Feet

