

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	09/27/10	Open	Information	09/01/10

Subject: Green Line to the River District Update

ISSUE

Green Line to the River District Update

RECOMMENDED ACTION

Information

FISCAL IMPACT

None

DISCUSSION

The Green Line to the River District (Project) will construct a 1.1-mile segment of track from the existing system at 7th/8th and H Streets to the Township 9 development at 7th Street and Richards Boulevard. The Project will also construct two light rail stations: 8th and H Street/ County Center Station and 7th and Richards/Township 9 Station. The purpose of the Project is to bring light rail from downtown Sacramento through the future Railyards Development and the Richards Boulevard Redevelopment Area (Township 9). The Project is the first phase of a 12.8-mile project planned to ultimately bring light rail from downtown Sacramento through the Natomas area to the Sacramento International Airport.

On February 2, 2009, RT began the procurement process for the Project and awarded a contract to Stacy and Witbeck (SWI) on September, 14, 2009. The Notice to Proceed was not issued until November 30, 2009 due to a delay in securing the Project's funding. The 13-month contract duration was established based upon the issuance of a Notice to Proceed. This resulted in an expected revenue service date in January 2011.

Since the issuance of the Notice to Proceed, SWI has procured and welded the rail, substantially completed the designs, completed a number of utility relocations, and started the construction of the underground light rail infrastructure. Track construction started in the 7th & Richards/ Township 9 Station area at the end of August.

While there are only three right of way acquisitions needed for the Project, this effort has been challenging. The Railyards Tentative Map identified a site to be designated for a traction power substation. There were also attempts to work with multiple River District property owners to relocate the substation to a more northerly site, but after several weeks of discussions the property owners decided not to allow the placement on right of way fronting 7th Street. Following discussions with the River District property owners, Thomas Enterprises and RT mutually agreed to move the substation within the Railyards development to a comparable site. The financing

Approved:

Presented:

FINAL 9/21/10

General Manager/CEO

AGM, Engineering and Construction

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challenges experienced by Thomas Enterprises also created additional hurdles to gaining access to the right of way needed for the substation.

Discussions with Township 9 regarding the coordination and construction of the 7th & Richards/Township 9 Station have also resulted in challenges to completing the easement agreement for the station and light rail system infrastructure. The added complication from Township 9 is that the current construction cost estimate exceeds the available funding, so the station construction has not yet been bid. Township 9 will bid and administer the construction of the station. Completion of SWI's work will rely upon the timely delivery of the completed station by Township 9.

One additional piece of right of way needed is an easement from the County of Sacramento at 7th and G Streets (County Sheriff's office) for sidewalk modification. The transactions to provide access for the Project's construction will be completed shortly.

The Project has encountered a significant number of hurdles in past months, and the Project team has worked diligently to solve and/or mitigate the majority of those issues. The team is struggling with the resolution of some issues, the depth and complexity of these issues, along with the interests of third party entities and cost impacts.

The unresolved issues represent a potential significant financial exposure to the District. As an initial position, SWI took the position that the resolution or lack thereof, is attributable to RT. However, after discussions with SWI's President, they have committed to work with RT to resolve the issues and get the Project team focused on delivery of the Project. The most significant issue is the completion of the project is delayed. RT and SWI have committed to resetting the completion date to remove this issue as a distraction from the team. The cost impact of the remaining issues is not currently known, but RT and SWI have agreed to work toward the resolution/division of cost responsibilities as soon as possible.

The contract awarded to SWI is valued at \$36,324,888 with an overall project budget that includes design, construction and allowances to mitigate encounters with unknown subsurface materials (hazardous materials, cultural resources, unidentified utilities, fare vending equipment, and tree mitigation). The total project budget including project development, project management/staff costs, procurement of a traction power substation and contingency is \$43,880,882. The overall contingency for the project is \$1,000,000. This is only 2% of the overall cost of the project. Normally, projects at the start of construction would have at least a 10% contingency.

RT has discussed several modifications to the design of the project that may result in a credit, but those costs savings are not expected to be significant. A more significant savings may result from the use of a traction power substation already owned by RT. RT Wayside maintenance personnel have refurbished that traction power substation and have eliminated the need to procure one. RT staff are committed to initiating additional cost saving measures as feasible. However, the magnitude of the cost of the unresolved issues will severely erode most, if not all, of these costs savings.

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Because the completion of design work and the necessary approvals have taken longer than previously anticipated in the Project schedule, SWI will be rescheduling construction work to make up some of the lost time. However, the Project and station construction are currently delayed enough that the anticipated start of revenue service will not begin in January 2011. The ability to begin revenue service will rely upon the completion of the station construction and until that work has been bid, a new date cannot be identified with certainty. However, based upon Township 9's anticipated bid and construction schedule, along with SWI's work schedule, staff would anticipate the start of revenue service no sooner than May 2011.