

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	04/14/14	Open	Action	04/07/14

Subject: Approving the First Amendment to the Settlement Agreement & Mutual Release for the Contract for Minimal Operable Segment for the Downtown-Natomas-Airport Rail Corridor with Stacy & Witbeck, Inc.

## ISSUE

Whether or not to approve the First Amendment to the Settlement Agreement and Mutual Release for the Contract for Minimal Operable Segment (MOS 1) for the Downtown-Natomas-Airport Rail Corridor with Stacy & Witbeck, Inc.

## RECOMMENDED ACTION

Adopt Resolution 14-04-\_\_\_\_\_ Approving the First Amendment to the Settlement Agreement and Mutual Release for the Contract for Minimal Operable Segment for the Downtown-Natomas-Airport Rail Corridor with Stacy & Witbeck, Inc.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	0
Budget Source:	Capital (Downtown-Natomas-Airport Light Rail Extension)	Next FY:	\$	N/A
Funding Source:	Local/Revenue Bonds/Measure A*	Annualized:	\$	N/A
Cost Cntr/GL Acct(s) or Capital Project #:	404.08.01	Total Amount:	\$	0
Total Budget:	\$ 49,762,000			

### \* Funding Sources and Amounts

Measure A Sales Tax	\$43,001,190
Revenue Bonds	\$ 5,090,772
State Transit Assistance	\$ 535,214
City of Sacramento	\$ 1,120,945 (Reimbursement for utility undergrounding work)
County of Sacramento	\$ 13,879 (Reimbursement for underground tank remediation)

## DISCUSSION

On June 24, 2013, the Board approved the Settlement Agreement and Mutual Release (Agreement) for the Contract for MOS 1 for the Downtown-Natomas-Airport Rail Corridor Project with Stacy & Witbeck, Inc. That Agreement established a final contract amount of \$42.1 million with specified specific items of work remaining to be completed, upon which RT would file a notice of completion, make final payment and trigger the retention release process. The amount of money that RT holds for the remaining work in conjunction with the Agreement is approximately

Approved:

Presented:

Final 04/07/14

General Manager/CEO

Director, Construction Management

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\$1,980,796, plus retention monies of \$942,412.00 withheld from prior progress payments and held by an escrow agent, for a total amount retained and due upon completion of \$2,923,208.00.

Since the execution of the Settlement Agreement, substantial progress has been made on remaining work items; however, not all items are yet complete. The most significant work activity related to the completion of SWI's work is the resolution of the Track-to-Earth resistance testing at the 7th & Richards Station. Currently, the anomalies associated with the testing are being investigated and this investigation is expected to produce corrective measures to be implemented within the next 3-4 months.

In light of the substantial progress, staff desires to release a portion of the final payment to the contractor. Staff recommends an interim payment of \$1,030,796.00. To make that payment, all retention held in escrow would be released, and an additional \$88,384.00 would be paid through RT's process for making progress payments. After RT makes the interim payment, \$1,892,412.00 will be due as a final payment.

Staff requests that the Board approve the First Amendment to the Settlement Agreement and Mutual Release for the Contract for MOS 1 for the Downtown-Natomas-Airport Rail Corridor with Stacy & Witbeck, Inc.

RESOLUTION NO. 14-04-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

April 14, 2014

**APPROVING THE FIRST AMENDMENT TO THE SETTLEMENT AGREEMENT  
AND MUTUAL RELEASE FOR THE CONTRACT FOR MINIMAL OPERABLE  
SEGMENT FOR THE DOWNTOWN-NATOMAS-AIRPORT RAIL CORRIDOR WITH  
STACY & WITBECK, INC.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the First Amendment to the Settlement Agreement and Mutual Release for the Contract for Design-Build of the Minimal Operable Segment (MOS 1) for the Downtown-Natomas-Airport Rail Corridor Project between Sacramento Regional Transit District (therein "RT") and Stacy and Witbeck, Inc. (therein "Design-Builder"), whereby RT agrees to release of retention in the amount of \$942,412 and to make a progress payment of \$88,384.00 prior to completion of remaining work items, is hereby approved.

THAT, the General Manager/CEO or his designee is hereby authorized to execute said First Amendment.

\_\_\_\_\_  
PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary