

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	05/24/10	Open	Action	04/23/10

Subject: Approving the Second Amendment to the Agreement for Preliminary Engineering Reimbursement (Gas Line) with Pacific Gas and Electric Company (PG&E) for the South Sacramento Corridor Phase 2 Project

ISSUE

Whether or not to approve the Second Amendment to the Agreement for Preliminary Engineering Reimbursement (Gas Line) with Pacific Gas and Electric Company (PG&E) for the South Sacramento Corridor Phase 2 Project

RECOMMENDED ACTION

Adopt Resolution No. 10-05-_____, Approving the Second Amendment to the Agreement for Preliminary Engineering Reimbursement (Gas Line) with Pacific Gas and Electric Company (PG&E) for the South Sacramento Corridor Phase 2 Project.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	196,937.65
Budget Source:	Capital	Next FY:	\$	N/A
Funding Source:	New Starts/TCRP/MSA/STA/Prop1B	Annualized:	\$	N/A
Cost Cntr/GL Acct(s) or	910800	Total Amount:	\$	382,937.65
Capital Project #:	410.03.04.01.01 - SSCP2			
Total Budget:	\$ 383,000			

DISCUSSION

On April 13, 2009, the RT Board approved the Agreement for Preliminary Engineering Reimbursement (Gas Line) with PG&E for the South Sacramento Corridor Phase 2 (SSCP2) Project.

RT is proceeding with the advanced preliminary engineering of the SSCP2 Project. The existing PG&E gas line within the Union Pacific Railroad right of way that will be occupied by the Project must be relocated to accommodate Project construction.

The existing PG&E gas line extends through the Union Pacific Railroad Corridor for approximately three-quarters of a mile directly under the proposed 40-foot light rail corridor. To expedite the relocation of the PG&E gas line and to prevent potential delays of the SSCP2 Project, RT requested that PG&E commence preliminary engineering for its relocation, and the Agreement was entered into to compensate PG&E for its preliminary engineering costs.

Approved:

Presented:

Final 5/18/10

General Manager/CEO

Director, Civil and Track Design

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The cost for PG&E's preliminary engineering for the relocation of its 20" gas line was estimated to be approximately \$125,000. The Agreement committed RT to pay PG&E's actual costs (as presented by PG&E, with limited audit rights for RT) for preliminary engineering work, up to \$125,000.

In accordance with the Agreement, PG&E provided notice to RT in January that its costs have exceeded \$100,000 and will reach the \$125,000 cap prior to completion of preliminary design. On January 25, 2010, the Board approved the first amendment to the Agreement to increase the authorized reimbursement amount by \$61,000 from \$125,000 to \$186,000. PG&E provided notice to RT in March that its costs exceeded \$186,000 and requested an additional amendment for \$196,937.65 to complete the design for the Project.

PG&E requests an additional amount of \$196,937.65, for a total cost of \$383,937.65, due to the SSCP2 Environmental Amendment which requires the approval of additional property acquisitions for the project, the right of entry for RT and PG&E to complete the site analysis, additional schedule overhead for PG&E staff and their design consultants and the miscalculation of PG&E's professional services from 6% to 12% of the proposed construction estimate of \$3.2 M. (Industry standard for professional services is 10% to 15% of the proposed construction estimate.)

Staff recommends approval of the Second Amendment to the Agreement for Preliminary Engineering Reimbursement with Pacific Gas and Electric Company for the SSCP2 Project to add \$196,937.65 to the total consideration that may be paid to PG&E for preliminary engineering work.

RESOLUTION NO. 10-05-_____

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

May 24, 2010

**APPROVING THE SECOND AMENDMENT TO THE AGREEMENT FOR
PRELIMINARY ENGINEERING REIMBURSEMENT (GAS LINE) WITH PACIFIC GAS
AND ELECTRIC COMPANY (PG&E) FOR THE SOUTH SACRAMENTO CORRIDOR
PHASE 2 PROJECT**

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

THAT, the Second Amendment to the Agreement for Preliminary Engineering Reimbursement (Gas Line) between Pacific Gas and Electric Company, therein referred to as "PG&E," and the Sacramento Regional Transit District, therein referred to as "RT," whereby PG&E agrees to continue preliminary engineering work for relocation of its 20" gas pipeline as required for construction of the South Sacramento Corridor Phase 2 Project and RT agrees to increase the amount it will reimburse PG&E for PG&E's actual costs for such work by \$196,937.65, from \$186,000 to \$382,937.65, as further set forth therein, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Second Amendment.

STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary