

# STAFF REPORT



|                       |                                                                                               |
|-----------------------|-----------------------------------------------------------------------------------------------|
| <b>MEETING DATE:</b>  | <b>June 19, 2018</b>                                                                          |
| <b>SUBJECT:</b>       | <b>Interstate 5 Redding to Anderson Six-Lane Project Update and Ratify Project Agreements</b> |
| <b>AGENDA ITEM:</b>   | <b>10</b>                                                                                     |
| <b>STAFF CONTACT:</b> | <b>Daniel S. Little, Executive Director</b>                                                   |

## **STAFF RECOMMENDATION:**

The Interstate 5 Redding-to-Anderson Six-Lane (I-5 RASL) Project has been the region's long-standing priority. A \$65.7 million Trade Corridor Enhancement Program (TCEP) grant was awarded in May to complete the \$135.503 million project and begin construction this year. This will include complete replacement of the Union Pacific Railroad overhead in Anderson and new auxiliary lanes between Balls Ferry Road and Deschutes Road. A cooperative agreement with Caltrans is also needed to detail responsibilities for cost overruns, if any.

## **STAFF RECOMMENDATION:**

It is recommended that the board of directors ratify the cooperative agreement to the TCEP grant for the I-5 RASL Project. Staff and Caltrans will also provide a project update.

## **DISCUSSION**

The I-5 RASL Project is the region's long-standing, highest priority project. An overview of the project is provided via the attached map. The project received a \$65.7 million competitive grant under the state's new TCEP program derived from Senate Bill 1 fuel taxes. Construction should begin this fall and will span three years.

The I-5 RASL construction funding plan includes the following sources:

| <b>Fund Source</b>                                      | <b>Grant Commitment</b> | <b>Actual</b> |
|---------------------------------------------------------|-------------------------|---------------|
| State Highway Operations and Protection Program (SHOPP) | \$56,081,000            | \$56,081,000  |
| County of Shasta                                        | \$200,000               | \$200,000     |
| City of Anderson                                        | \$500,000               | \$125,000     |
| Regional Transportation Improvement Program (RTIP)      | \$13,722,000            | \$13,722,000  |
| Trade Corridor Enhancement Program (TCEP)               | \$65,700,000            | \$65,700,000  |
| Total                                                   | \$136,203,000           | \$135,828,000 |

The cooperative agreement has already been submitted to the California Transportation Commission but must be ratified by the board. Any cost overruns would generally be assigned to either the state or SRTA in proportion to the various project fund sources. Depending on the project components subject to the higher costs, SRTA would be responsible for about 27.8% of the added cost. For example, a 20% cost overrun means SRTA would be responsible for about \$7.5 million in additional funds from its regional shares. The SRTA Fiscal Committee has reviewed the agreement and recommends approval.

**ALTERNATIVES:**

The board of directors may choose not to ratify the cooperative agreement thereby requiring new negotiations with Caltrans.

**OTHER AGENCY INVOLVEMENT:**

Caltrans District 2 was a joint applicant with SRTA. The California Transportation Commission approved and administers the TCEP program.

**FISCAL IMPACT:**

Any cost overruns would directly impact current and future SRTA shares of State Transportation Improvement Program funds, unless recouped through other formula-share programs where the SRTA board has discretion.



**Daniel S. Little, AICP, Executive Director**

**Attachments:**

Redding to Anderson Six-Lane (RASL) Cooperative Agreement  
Project Overview Map

## COOPERATIVE AGREEMENT

This AGREEMENT, effective on June 8, 2018, is between the State of California, acting through its Department of Transportation, referred to as CALTRANS, and:

Shasta Regional Transportation Agency, a public corporation/entity, referred to hereinafter as SRTA.

### RECITALS

1. PARTIES are authorized to enter into a cooperative agreement for improvements to the State Highway System (SHS) per the California Streets and Highways Code sections 114 and 130.
2. The term AGREEMENT, as used herein, includes this document and any associated attachments, exhibits, and amendments.
3. For the purpose of this AGREEMENT, constructing a project that widens mainline Interstate 5 (I-5) to 3 lanes in both the northbound and southbound directions, from the Interstate 5/273 Separation to 0.4 mile south of the Churn Creek Road Overcrossing, post miles R3.8 to R11.7, will be referred to hereinafter as PROJECT. This description only serves to identify the PROJECT. The project scope of work is defined in the appropriate authorizing documents per the Project Development Procedures Manual.
4. SRTA has State Transportation Improvement Program - Regional Improvement Program (STIP-RIP) and SB1 Trade Corridor Enhancement Program (TCEP) Regional funds programmed for construction capital for the PROJECT.
5. CALTRANS has State Highway Operation and Protection Program (SHOPP) and TCEP State funds programmed for construction capital and support for the PROJECT.
6. PARTIES have agreed to enter into this AGREEMENT to clarify the funding sources for possible cost overruns for programmed construction capital and support, and to include BASELINE AGREEMENT conditions for the TCEP funding for the PROJECT.

7. PARTIES hereby set forth the terms, covenants, and conditions of this AGREEMENT.

### **ROLES AND RESPONSIBILITIES**

8. CALTRANS is a CO-SPONSOR and IMPLEMENTING AGENCY for the PROJECT, and has SHOPP, and TCEP State funds programmed for construction capital and support for the PROJECT as shown in the PROGRAMMING TABLE.
9. SRTA is a CO-SPONSOR and has STIP- RIP and TCEP Regional funds programmed for construction capital for the PROJECT as shown in the PROGRAMMING TABLE.
10. CALTRANS is responsible for completing all work for the PROJECT.

### **ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB1)**

11. In those instances where PARTIES have signed a PROJECT scope, cost, and schedule and benefit baseline data agreement (BASELINE AGREEMENT), PARTIES agree to abide by the terms and conditions of that PROJECT BASELINE AGREEMENT. The PROJECT BASELINE AGREEMENT is attached to and made a part of this AGREEMENT, by reference.
12. Notwithstanding anything to the contrary in this AGREEMENT, PARTIES are not permitted to make changes to the scope, cost, schedule or benefits of the PROJECT, unless approved by CTC.
13. PARTIES will meet the requirements of The Road Repair and Accountability Act of 2017 (SB 1), Chapter 5, Statutes of 2017, California Transportation Commission (CTC) Resolution G-18-09: SB1 Accountability and Transparency Guidelines, and the CTC's State Highway Operation and Protection Program (SHOPP) guidelines.  
  
PARTIES agree that contributed funds originating from the SHOPP shall only be expended on SHOPP-eligible item(s) identified in the PROJECT.
14. PARTIES will meet the requirements of The Road Repair and Accountability Act of 2017 (SB 1), Chapter 5, Statutes of 2017, California Transportation Commission (CTC) Resolution G-18-09: SB1 Accountability and Transparency Guidelines, and the CTC's Trade Corridor Enhancement Program (TCEP) Guidelines Resolution G-17-32.

PARTIES agree that contributed funds originating from the TCEP shall only be expended on Non-SHOPP eligible item(s) identified in the PROJECT.

### **FUTURE PROJECT COSTS INCREASE**

15. Should the PROJECT encounter or is approaching a construction cost overrun, CALTRANS and SRTA shall discuss and consider implementing costs saving alternatives prior to seeking additional funding. The funding of overruns will require CTC and SRTA board approvals as appropriate.
16. The ratio of the PROJECT's SHOPP vs. Non-SHOPP construction programming is shown in the PROGRAMMING TABLE. Increases in funding shall be discussed by CALTRANS and SRTA. SHOPP and Non-SHOPP shall use G12 for initial overruns. Future increases shall be provided as follows:
  - I. Increases for SHOPP related work.
    - A. SHOPP overruns are CALTRANS' responsibility.
  - II. Increases for Non-SHOPP related work.
    - A. 52.5% of the increase TCEP State is CALTRANS' responsibility.
    - B. 17.3% of the increase STIP RIP and 30.2% of the increase TCEP Regional is SRTA's responsibility to provide funding from their unprogrammed STIP-RIP shares and/or future STIP-RIP shares toward the PROJECT.
  - III. Increases for combination of SHOPP and Non-SHOPP work.
    - A. The proportion of SHOPP vs. Non-SHOPP will be determined by CALTRANS in coordination with SRTA, and the increases will be administered as shown in I. and II. above.

### **GENERAL CONDITIONS**

17. All CALTRANS' and SRTA's state and federal fund obligations under this AGREEMENT are subject to the appropriation of resources by the Legislature, the State Budget Act authority, programming of funds by the California Transportation Commission (CTC) and the allocation thereof by the CTC.
18. The cost of any engineering support performed by CALTRANS includes all direct and applicable indirect costs. CALTRANS calculates indirect costs based solely on the type of funds used to pay support costs. State and federal funds administered by CALTRANS are subject to the current Program Functional Rate. All other funds are subject to the current Program Functional Rate and the current Administration Rate. The Program Functional Rate and Administration Rate are adjusted periodically.

19. Neither SRTA nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon CALTRANS under this AGREEMENT. It is understood and agreed that CALTRANS, to the extent permitted by law, will defend, indemnify, and save harmless SRTA and all of its officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by CALTRANS, its contractors, sub-contractors, and/or its agents under this AGREEMENT.
20. This AGREEMENT is intended to be PARTIES' final expression and supersedes any oral understanding or writings pertaining to PROJECT.

21. SRTA and CALTRANS have support and capital construction funds programmed as listed below:

| <b><u>PROGRAMMING TABLE</u></b>                        |          |               |               |                           |
|--------------------------------------------------------|----------|---------------|---------------|---------------------------|
| <b><u>SHOPP</u></b>                                    |          |               |               |                           |
| Source                                                 | PARTY    | Fund Type     | Construction  | Percentage of PARTY Share |
|                                                        |          |               | Amount        |                           |
| STATE-FEDERAL                                          | CALTRANS | SHOPP         | \$56,081,000  | 100%                      |
| <b>SHOPP Subtotal</b>                                  |          |               | \$56,081,000  | 100%                      |
| SHOPP percentage of total construction programming     |          |               |               | 41.4%                     |
| <b><u>NON-SHOPP</u></b>                                |          |               |               |                           |
| Source                                                 | PARTY    | Fund Type     | Construction  | Percentage of PARTY Share |
|                                                        |          |               | Amount        |                           |
| STATE-FEDERAL                                          | SRTA     | STIP/RIP      | \$13,722,000  | 17.3%                     |
| STATE-FEDERAL                                          | SRTA     | TCEP/REGIONAL | \$24,000,000  | 30.2%                     |
| STATE-FEDERAL                                          | CALTRANS | TCEP/STATE    | \$41,700,000  | 52.5%                     |
| <b>Non-SHOPP Subtotal</b>                              |          |               | \$79,422,000  | 100.0%                    |
| Non-SHOPP percentage of total construction programming |          |               |               | 58.6%                     |
|                                                        |          |               |               |                           |
| <b>TOTAL</b>                                           |          |               | \$135,503,000 |                           |

22. This AGREEMENT will terminate upon completion of all work necessary to complete the full scope of PROJECT. However, all indemnification articles will remain in effect until terminated or modified in writing by mutual agreement.

## DEFINITIONS

**BASELINE AGREEMENT-** PROJECT scope, cost, and schedule and benefit baseline data agreement executed between PARTIES and CTC.

**IMPLEMENTING AGENCY** – The party responsible for managing the scope, cost, and schedule of a project component to ensure the completion of that component.

**PARTY** – The term that references a signatory agency to this AGREEMENT.

**PARTIES** – The term that collectively references all of the signatory agencies to this AGREEMENT. This term only describes the relationship between these agencies to work together to achieve a mutually beneficial goal. It is not used in the traditional legal sense in which one party's individual actions legally bind the other PARTIES.

**CO-SPONSOR** – A PARTY that accepts the obligation to secure financial resources to fund PROJECT. This includes any additional funds beyond those committed in this AGREEMENT necessary to complete the full scope of PROJECT.

**PROJECT COMPONENT** – A distinct portion of the planning and project development process of a capital project as outlined in California Government Code, section 14529(b).

- **CONSTRUCTION SUPPORT** – The activities required for the administration, acceptance, and final documentation of the construction contract for PROJECT.
- **CONSTRUCTION CAPITAL** – The funds for the construction contract.

## **CONTACT INFORMATION**

The information provided below indicates the primary contact information for each PARTY to this AGREEMENT. PARTIES will notify each other in writing of any personnel or location changes. Contact information changes do not require an amendment to this AGREEMENT.

The primary AGREEMENT contact person for CALTRANS is:

Eric Orr, Project Manager  
1031 Butte Street  
Redding, CA 96001  
Office Phone: (530) 225-3466  
Mobile Phone: (530) 440-5382  
Email: eric.orr@dot.ca.gov

The primary AGREEMENT contact person for SRTA is:

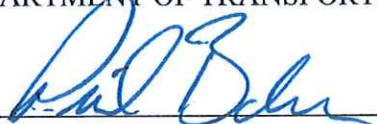
Daniel Little, Executive Director  
1255 East Street, Suite 202  
Redding, CA 96001  
Office Phone: (530) 262-6191  
Mobile Phone: (530) 262-2153  
Email: dlittle@srta.ca.gov

## SIGNATURES

PARTIES declare that:

1. Each PARTY is an authorized legal entity under California state law.
2. Each PARTY has the authority to enter into this AGREEMENT.
3. The people signing this AGREEMENT have the authority to do so on behalf of their public agencies.

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

By:   
Phil Baker  
Deputy Director Program Project  
Management

SHASTA REGIONAL  
TRANSPORTATION AGENCY

By:   
Dan S. Little, AICP  
Executive Director

VERIFICATION OF FUNDS AND  
AUTHORITY:

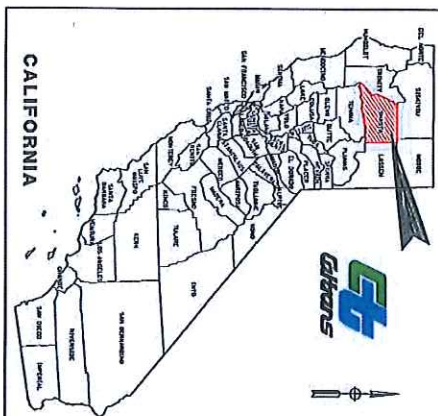
By:   
Project Control Officer

APPROVED AS TO FORM AND  
PROCEDURE:

By:   
John Kenny  
Counsel

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION  
**REDDING TO ANDERSON 6-LANE PROJECT**  
IN SHASTA COUNTY IN AND NEAR REDDING

NOTE: only the highlighted portions are included in the  
I-5 UP RASL Project scope of work for funding under the  
Trade Corridor Enhancement Program



**LITTLE EASY 02-4C403**  
**REDDING TO ANDERSON 6-LANE**  
**SHA 5 PM R6.2/R11.7**

**BIG EASY 02-4C404**  
**REDDING TO ANDERSON 6-LANE**  
**SHA 5 PM R3.8/R7.0**

