STAFF REPORT

MEETING DATE:	**October 9, 2018**
SUBJECT:	**Approve Additional Regional Transportation Improvement Program (RTIP) Funds for the Interstate 5 Redding to Anderson Six-Lane Project (I-5 RASL)**
AGENDA ITEM:	**12**
STAFF CONTACT:	**Daniel S. Little, Executive Director**

SUMMARY:

The Interstate 5 Redding to Anderson Six-Lane (I-5 RASL) Project has been the region's long-standing, highest transportation priority. A $65.7 million Trade Corridor Enhancement Program (TCEP) grant was awarded in May to complete the estimated $135.503 million construction project scheduled to begin this year. The project 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 was approved by the board last June to detail responsibilities for any cost overruns. Construction bids were opened in September. The apparent low bid was approximately $12.216 million over the engineer's estimate. Consistent with the June agreement, $5.593 million in additional funds will need to come from SRTA's Regional Transportation Improvement Program (RTIP) shares.

STAFF RECOMMENDATION:

It is recommended that the board of directors authorize an additional $5.593 million in regional improvement program shares for the I-5 RASL Project.

DISCUSSION

The I-5 RASL Project completes a six-lane interstate from central Redding to the south county line (see attached map). The project received a $65.7 million competitive grant under the state's new TCEP program made possible by Senate Bill 1 fuel taxes. Construction would begin this fall and span three years.

The I-5 RASL construction funding plan in the table below includes initial grant request, the final programmed amounts, and the actual bid amounts:

Fund Source	Grant Commitments	Actual Grant Award & Local Commitments	Actual Bid + Contingency and Support
State Highway Operations and Protection Program (SHOPP)	$56,081,000	$56,081,000	$56,522,000
County of Shasta	$200,000	$200,000	$200,000
City of Anderson	$500,000	$125,000	$125,000
Regional Transportation Improvement Program (RTIP)	$13,722,000	$13,722,000	$19,315,000
Trade Corridor Enhancement Program (TCEP)	$65,700,000	$65,700,000	$71,882,000
Total	**$136,203,000**	**$135,828,000**	**$148,044,000**

The cooperative agreement approved by the board last June is attached and specifies that any cost overruns would generally be assigned to either the state or SRTA in proportion to the various project fund sources. Because nearly all of the $12.216 million in cost overruns is attributed to non-SHOPP eligible items, SRTA is responsible for nearly half of the overrun. The remaining share will be covered by additional TCEP grant funds. The SRTA Fiscal Committee has reviewed the agreement and recommends approval.

At the June meeting, the board also directed staff to meet with the Anderson city manger regarding the city's actual match commitment being less than the amount stated in the grant application. This directly resulted in greater SRTA RTIP shares now needed to cover the cost overruns. An initial meeting has occurred and staff expects a recommended solution for the board to consider this spring when various street and road funds are allocated to the cities and the county.

ALTERNATIVES:

The board of directors may decline the additional funds. This is not recommended because it would result in the forfeiture of $128.404 million in discretionary TCEP and SHOPP funds.

OTHER AGENCY INVOLVEMENT:

Caltrans District 2 was a joint applicant with SRTA. The California Transportation Commission (CTC) approved and administers the TCEP program. The CTC will consider award of the additional TCEP grant funds on October 17th.

FISCAL IMPACT:

Cost overruns directly impact current and future SRTA shares of RTIP funds which are valuable for leveraging other funds for major regional projects. SRTA currently has a $7.130 million unprogrammed RTIP reserve. The action would reduce this to $1.537 million.

Daniel S. Little, AICP, Executive Director

Attachments:

Cooperative Agreement dated June 8, 2018
Redding to Anderson Six-Lane Project 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, Statues 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, Statues 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:

PROGRAMMING TABLE				
SHOPP				
Source	PARTY	Fund Type	Construction Amount	Percentage of PARTY Share
STATE-FEDERAL	CALTRANS	SHOPP	$56,081,000	100%
		SHOPP Subtotal	$56,081,000	100%
SHOPP percentage of total construction programming				41.4%
NON-SHOPP				
Source	PARTY	Fund Type	Construction Amount	Percentage of PARTY Share
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%
		Non-SHOPP Subtotal	$79,422,000	100.0%
Non-SHOPP percentage of total construction programming				58.6%
		TOTAL	$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
Phil Baker
Deputy Director Program Project Management

SHASTA REGIONAL
TRANSPORTATION AGENCY

By:
Dan S. Little, AICP
Executive Director

VERIFICATION OF FUNDS AND AUTHORITY:

By: Wendy Nagi
Project Control Officer

APPROVED AS TO FORM AND PROCEDURE:

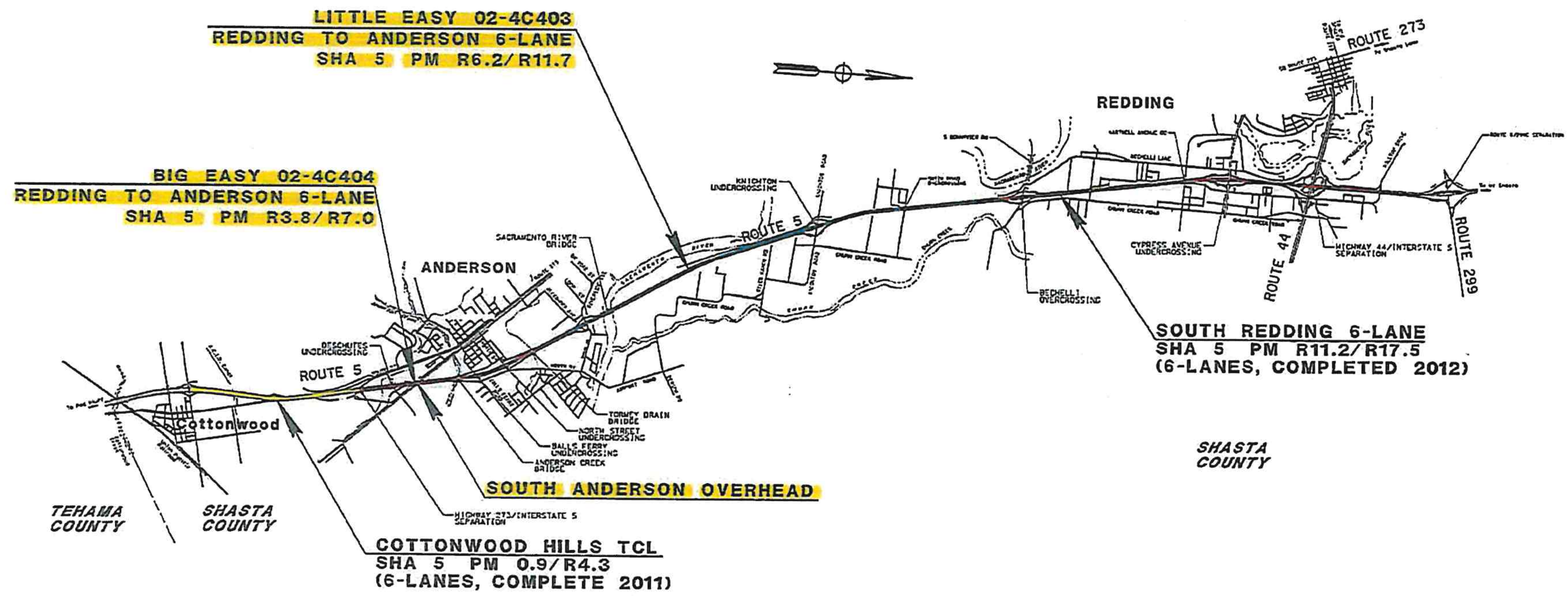
By: Linda Schaap for
John Kenny
Counsel

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



NO SCALE