

MEMORANDUM

DEPARTMENT OF PUBLIC WORKS County of Placer

TO: Board of Supervisors

Date: October 2, 2007

FROM:  KEN GREHM / KEVIN ORDWAY

SUBJECT: **AMENDMENT TO THE INTERAGENCY PROJECT MANAGEMENT AGREEMENT BETWEEN PUBLIC WORKS AND THE PLACER COUNTY REDEVELOPMENT AGENCY FOR THE STATE ROUTE 49/HULBERT WAY IMPROVEMENT PROJECT**

ACTION REQUESTED

It is requested that the Board:

1. Adopt a Resolution approving an amendment in the amount of \$500,000 to the Interagency Project Management Agreement between the Placer County Redevelopment Agency and the Department of Public Works to Provide Project and Construction Management Services for the Project; and
2. Authorize the Director of Public Works or his designee to execute the amendment to the Interagency Project Management Agreement and all other amendments in an amount not to exceed \$4,500,000 subject to County Counsel approval.

BACKGROUND

On April 17, 2007, the Board of Supervisors authorized the Public Works Director to enter into an Interagency Project Management Agreement (Agreement) with the Placer County Redevelopment Agency (Agency) to provide project and construction management support for the State Highway 49/Hulbert Way Improvement Project (Project). The Project is located on State Highway 49 from Luther Road to Kemper/New Airport Road in North Auburn. The Project will widen State Highway 49 from four to six lanes of through traffic and construct a new traffic signal and related left and right turn lanes at Hulbert Way. The Project has been coordinated and will match the Caltrans Safety Operations project being constructed concurrently to help alleviate traffic congestion on this portion of Highway 49.

The Agreement allows Public Works to provide project and construction management support on the Project to the Agency including the procurement of a Construction Contractor and Construction Management firm. On August 7, 2007 Public Works awarded a \$3,487,007 construction contract to Sierra Nevada Construction, Inc. for the Project. The requested Agreement amendment will augment the Agreement budget by \$500,000 which will provide for a 14% construction contingency. The contingency was

affected by the \$3,487,007 bid and the fact that the previously awarded construction management contract was higher than anticipated. The Agency has sufficient funds budgeted in its fiscal year 07/08 budget for the North Auburn Redevelopment Project Area to fully fund the Project, including this amendment.

FISCAL IMPACT

The Agreement has been amended to an amount not to exceed \$4,500,000. The Agency has received a \$1,888,397 California Over the Counter Block grant award and an California Infrastructure Bank loan in the amount of \$1,500,000 to support the Project. The remaining Project funds are derived from budgeted North Auburn Redevelopment Project Area Tax Increment Funds and developer contributions. There is no impact to the County's General Fund.

ENVIRONMENTAL

The Planning Commission approved the Environmental Impact Report for Auburn Plaza and the Project on April 14, 2005. A Finding of No Significant Impact was determined under the National Environmental Policy Act (NEPA). This administrative action to finance the Project does not constitute a separate project under California Environmental Quality Act guidelines, section 15378(b)(3) and is exempt from NEPA per 24 CFR Part 58.34(a)(1) and (a)(3).

Attachments: Resolution
Draft Amendment

Before the Board of Supervisors
County of Placer, State of California

In the matter of:

Adopt a Resolution approving an amendment to the Interagency Project Management Agreement between the Placer County Redevelopment Agency and Public Works to Provide Project and Construction Management Services for the Project; and Authorize the Director of Public Works to execute the amendment to the Interagency Project Management Agreement and all other amendments subject to County Counsel approval.

Resol. No:.....

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held October 2, 2007,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chair, Board of Supervisors

Clerk of said Board

BE IT RESOLVED by the Placer County Board of Supervisors as follows:

WHEREAS, the Placer County Public Works Department (Public Works) provides support to the Placer County Redevelopment Agency (Agency) to staff, administer, and manage bidding, design, and construction on various capital projects funded by the Agency; and

WHEREAS, on April 17, 2007, the County Board authorized the Public Works Director to enter into an Interagency Project Management agreement with the Agency for the project and construction management services for the State Highway 49/Hulbert Way improvement project (Project); and

WHEREAS, on January 10, 2006, the Board of Supervisors and Agency Board made the findings required by Section 33445 of the Community Redevelopment Law to permit the Agency to pay for the costs of public improvements; and

WHEREAS, the Planning Commission approved the Environmental Impact Report for Auburn Plaza and the Project on April 14, 2005. A Finding of No Significant Impact was determined under the National Environmental Policy Act (NEPA). This administrative action to finance the Project does not constitute a separate project under California Environmental Quality Act guidelines, section 15378(b)(3) and is exempt from NEPA per 24 CFR Part 58.34(a)(1) and (a)(3); and

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer that after due consideration of the facts presented, the findings including but not limited to the environmental findings regarding this action, as stated in the staff report that accompanies this resolution are approved.

BE IT FURTHER RESOLVED by the Board that the amendment to the Interagency Project Management Agreement between the Agency and the County of Placer Department of Public Works is approved and the Director of Public Works or his designee is authorized to execute the amendment and all related amendments in a not to exceed amount of \$4,500,000, subject to County Counsel review.

BE IT FURTHER RESOVLED by the Board that this resolution shall become effective immediately upon adoption.

Project: **Hulbert Way Signal and Road Improvement Area of Benefit Project**

Administering Agency: **Placer County Redevelopment Agency**

Description: **Interagency Project Management Agreement**

AGREEMENT AMENDMENT NO. 1

THIS AGREEMENT, originally made at Auburn, California, entered into and approved by the Placer County Redevelopment Agency Board on April 17, 2007 and effective July 1, 2007, and as may be subsequently amended from time to time, by and between the Placer County Redevelopment Agency ("Agency"), and Placer County, a political subdivision of the State of California ("County"), is amended as follows:

1. Section 12. Funding Sources and Reimbursement.

This section shall be replaced in its entirety with the following language:

DPW acknowledges and agrees that Agency approval is required for all Project expenditures. Expenditures outside the scope of this Agreement shall require the prior written approval of Agency. The Parties acknowledge and agree that unless otherwise expressly agreed upon in writing, Agency shall have no obligation to provide funding for the Project or otherwise to County pursuant to this Agreement in excess of \$4,500,000.

DPW acknowledges that it currently holds the sum of \$183,945 in Developer contributions for the Project ("**Prior Contributions**"). DPW shall use the Prior Contributions prior to requesting reimbursement from Agency for Project costs. The Parties agree that the Prior Contributions are included within the total Project budget set forth in Table A. Agency shall collect a minimum cash contribution of \$300,000 in fair share payments from Developer ("**Developer Payment**") prior to the award of the Project construction contract. Agency shall reimburse DPW for Project costs actually incurred in the maximum amount of \$4,500,000 in accordance with the budget set forth in Table A. The Developer Payment is included with the foregoing sum. Agency shall reimburse DPW within **thirty (30) days** following Agency receipt of DPW invoices submitted monthly and accompanied by such documentation as Agency may reasonably require. DPW invoices shall identify the time period covered by the invoice, a description of the work performed, and the costs incurred.

Notwithstanding the foregoing, the Parties agree that DPW has no funding that is available for this project. Project overruns shall be the sole responsibility of the Agency.

2. Table A

Table A shall be replaced in its entirety with the following table.

Tasks	DPW Collected Developer Contributions	Agency Reimbursement to DPW	Misc. Cost to Agency	TOTAL PROJECT COST
Construction Costs and Construction Contingency	\$69,757	\$3,867,250		\$3,937,007
Engineering/Design/Permitting/Project Management & Inspection**	\$114,188	\$620,000		\$734,188
IBank loan origination fee			\$12,750	\$12,750
TOTAL	\$183,945	\$4,487,250	\$12,750	\$4,683,945

All other terms and conditions of this agreement shall remain in full force and affect.

PLACER COUNTY REDEVELOPMENT AGENCY

By: _____ Date: _____
 Richard E. Colwell
 Chief Assistant CEO -- Redevelopment Director

Placer County Department of Public Works

By: _____ Date: _____
 Ken Grehm
 Title: Director