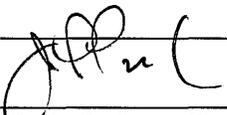


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Alameda Corridor Transportation Authority

June 14, 2018

To:	Governing Board
From:	James P. Preusch, Chief Financial Officer 
Subject:	<i>Approval of FY19 ACET Annual Contract Work Orders, Change Orders and Extension for Agreement No. C0027 (APPROVAL)</i>

Recommendation:

Approve the following Contract Work Orders (CWOs) and Change Orders (COs) and Agreement extensions and authorize the Chief Executive Officer or Chief Financial Officer to execute said CWOs and reallocate funding amounts as discussed herein:

1. Annual Contract Work Orders (CWOs) and corresponding Change Orders (COs) to First Amended Agreement No. C0027 with the Alameda Corridor Engineering Team (ACET) for FY19 in the aggregate amount of \$2,431,478 allocated as follows: \$1,924,026 for ACTA Support and \$507,452 for the SR-47 Project;
2. Extend the term of the First Amended Agreement No. C0027 through June 30, 2019; and
3. Reallocate the FY19 CWO amounts amongst the CWO's during the fiscal year provided the aggregate total amount is not exceeded.

Discussion:

In February 2014, the Board expressed its preference to extend the ACET contract on a year-by-year basis until ACTA's unfinished capital support obligations are complete. For each subsequent fiscal year the Board has reaffirmed its preference for one year extensions. In February 2018, the Board approved the inclusion of ACET in the FY19 Budget.

ACET staff peaked at about 170 full time equivalent (FTE) positions in FY00 at the height of corridor construction. ACET staff size was gradually reduced to 16 by FY07 and remained relatively constant through FY10. ACET staffing was then gradually reduced to 5 FTEs by FY16. The number of FY19 FTE positions remains at 5, excluding subconsultants.

The ACET budget also includes specialized technical services provided by subconsultants through the ACET contract. The proposed number of ACET positions may increase, if



additional ACTA project development tasks are identified during the fiscal year in which case Governing Board approval for such Change Orders would be sought at the appropriate time.

The Amended Agreement with ACET, effective January 1, 1996, requires that an annual CWO be submitted to the Governing Board for approval prior to the beginning of each fiscal year (July 1). For budget purposes, separate CWOs and corresponding COs are required for ACTA Support and the SR-47 Project. In prior years, there was also a CWO for the PCH Project, which is no longer required.

In FY19, the ACTA Support CWO will be funded by the Administrative Operating Budget that is paid from ACTA revenue, and the M&O Budget that is paid directly by the railroads or through the Reserve Account. The SR-47 Project CWO is funded mostly from Caltrans sources.

The aggregate original FY18 CWO amount approved by the Board in June 2017 was \$2,337,607. It included \$1,845,989 for ACTA Support and \$491,619 for the SR-47 Project. A final FY18 closeout CO for both CWOs will be brought to the Board in September or October 2018.

The proposed FY19 aggregate CWO is \$2,431,478 (exclusive of amounts related to the Dominguez Channel Oil Release EPA Matter (EPA)), which is 4.0% more than the FY18 budget of \$2,337,607. The ACTA Support CWO and SR-47 Project CWO are described in more detail below.

1. ACTA SUPPORT CWO (Operating)

The ACTA Support CWO covers the following three areas:

A. Base Program Closeout (Operating, previously Capital)

This effort includes:

- Transferring ACTA-acquired property to the ports, municipalities and others;
- Concluding utility replacement rights agreements, licenses, franchises, and easements.

The proposed FY19 budget for this item is \$363,447, which is 1.6% more than the FY18 budget of \$357,738. This item is charged to the Administrative Operating Budget and paid from ACTA Use Fees and Container Charges.

B. Maintenance and Operations (Direct Railroad Cost)

This item supports rail maintenance and is directly reimbursed by the Railroads. **The FY19 budgeted amount is \$506,000,** which is 6.9% more than the FY18 budget of \$473,271.

C. ACTA General Administrative Support (Operating)

This effort includes general ACTA technical and administrative support and staff augmentation for other ongoing ACTA activities including:

- Computer and network systems support;
- Grant reimbursement, contract administration, planning, environmental coordination, document control, graphics, accounts payable, and other general support.

The proposed FY19 allocation for this item is \$1,054,579, which is 3.9% more than the FY18 budget of **\$1,014,979**. This item is charged to the Administrative Operating Budget and paid from ACTA Use Fees and Container Charges.

The aggregate total for the three parts of the ACTA Support CWO is \$1,924,026.

2. SR-47 PROJECT CWO (Public Benefit Project only)

The proposed FY19 budget for the SR-47 Project CWO is \$507,452 (Segment 1 only, as Segment 2 is on indefinite hold), which is 3.2% more than the FY18 budget of \$491,619. It includes final design support, design support during construction, and ROW/utility support during construction for the SR-47 Project as detailed below.

SR-47 Project Background:

Through four separate agreements with Caltrans, the SR-47 Project has progressed in four phases: the Feasibility Phase, the Environmental Document Phase, the Final Design and ROW Phase, and the Construction Phase. The cost for Phase 1 was \$1,502,221, of which ACTA funded \$1,013,416 (67%). The Phase 2 cost was approximately \$14.4 million, of which ACTA funded \$9.55 million (66%).

The draft EIS/EIR documents were publicly reviewed in the fall of 2007. ACTA also completed a Health Risk Assessment, which was publicly reviewed in January 2009. Litigation regarding the validity of the EIR/EIS for the project was first filed in late 2009. A court approved stipulation agreed to by all parties allowed Segment 1 (the Heim Bridge Replacement) to proceed, but postponed Segment 2 (the Expressway extension) until the litigation was resolved. Favorable rulings on the EIR were received in state court and the final federal ruling confirming the adequacy of the EIS was issued by the court in November 2014, exactly five years after the litigation was filed.

The design for Segment 1 was completed, and the construction was bid in FY11. In FY12, design work for two drainage pump stations (also part of Segment 1) was performed. In June 2011, the Board gave approval to enter into a fifth cooperative agreement for ACTA's administration of the pump station construction contract. However, at this time it is unlikely that ACTA will execute the fifth agreement and perform those services on behalf of Caltrans due to cost exposure risk to ACTA. Pump station construction involves many risks of cost overruns and delay caused by unforeseen

environmental conditions and mechanical/electrical system issues. Caltrans wants to fix its budget for the work thus exposing ACTA to funding costs for additional work beyond its control.

Caltrans' current estimate for completion of construction is November 2020. ACTA will continue to provide the required services, through two separate Cooperative Agreements between the parties, through that date.

If the FY19 ACET CWO is approved, the not-to-exceed total contract value will be increased by \$2,431,478 from \$242,577,396 to \$245,008,875, exclusive of oil release matter amounts.

Budget Impact:

The \$2,431,478 aggregate CWO amount is included in the FY19 Program Budget. Sources include \$507,452 in federal SAFETEA-LU funds, Caltrans funds, and ACTA federal matching funds (20% match to design-related costs) for SR-47 in the Operating Budget as an Expense for Public Benefit; \$506,000 in Railroad M&O funds paid directly by the Railroads or from the Reserve Account; and \$1,418,026 from ACTA revenue sources in the Operating Budget.

Transmittals:

- Transmittal 1: Change Order No. 65 to ACET (Base CWO) Agreement No. C0027
- Transmittal 2: Change Order No. 47 to ACET (SR47 CWO) Agreement No. C0027
- Transmittal 3: CWO FY19 ACET Cumulative Contract Values