

City of Hesperia

STAFF REPORT



DATE: December 19, 2017

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Michael Blay, Director of Development Services
David Burkett, Project Construction Manager

SUBJECT: Approve Amendment No. 4 to the Construction Cooperative Agreement Between the City of Hesperia and the San Bernardino County Transportation Authority

RECOMMENDED ACTION

It is recommended that the City Council approve Amendment No. 4 to the Construction Cooperative Agreement (COOP), Agreement No. C12219, between the City of Hesperia and the San Bernardino County Transportation Authority (SBCTA), formerly the San Bernardino Associated Governments (SANBAG), related to the Ranchero Road & I-15 Interchange Project (C.O. No. 7086) and authorize the Mayor to execute the Amendment.

BACKGROUND

The City pursued the construction of a new interchange on Interstate 15 at Ranchero Road for many years. In order to move forward with this project the City partnered with the SBCTA during the construction phase of the project. On April 3, 2012, the City Council approved a COOP (Agreement No. C12219) with the SBCTA for construction, which was subsequently approved by the the SBCTA Board on April 4, 2012. The COOP defines the roles and responsibilities of the parties, including the funding sources for all phases of the project. The project was released for bids on September 12, 2012, bids were opened on October 18, 2012, and the construction contract was awarded to Security Paving, Inc. on November 7, 2012. Construction commenced at the beginning of January 2013 and all work was complete in June 2015 and the interchange was opened to vehicular traffic.

ISSUES/ANALYSIS

Per the COOP, the City is responsible for 57.5% of the final eligible project costs. Section III(18) of the COOP stipulates that upon completion of the project all eligible costs would be reconciled in order to determine the final funding responsibilities following close-out of the project. SANBAG funded the City's share of the costs up front with Corridor Mobility Improvement Account (CMIA) transportation funds, which must be paid back. The COOP, as previously amended, expires on December 31, 2017 as it was expected that all costs would be reconciled and the amount owed to the SBCTA would be determined prior to this date.

Although construction on the project was completed in June 2015 and the interchange was opened to traffic, the closeout process took another six months and the new interchange was not accepted by Caltrans until December 2015. In addition, Southern California Edison (SCE) would not reconcile their final costs for relocation of their facilities related to the project until a Joint Use Agreement (JUA) was executed and recorded by Caltrans. The JUA was not finalized

until October 2016 and SCE did not complete their calculation of final costs until July 2017. All eligible costs for the project have been agreed to between the City and the SBCTA.

Because of the unexpected length of time it has taken to reconcile all costs associated with this project, the termination date of the COOP is fast approaching. In order to provide more time to finalize the costs and complete the repayment agreement, staffs from the City and the SBCTA are proposing that the COOP termination date be extended six months, via Amendment No. 4. This amendment will only modify the original COOP by extending the termination date from December 31, 2017 to June 30, 2018, no other modifications are proposed.

Staff is recommending that the Council approve Amendment No. 4 to the original COOP (Agreement No. C12219) and authorize the Mayor to execute the Amendment.

FISCAL IMPACT

There is no impact if the Amendment is signed. However, if the Amendment is not signed, then payback of the CMIA funding will commence immediately. The COOP provides that the City and SBCTA may negotiate a 10-year payback agreement after final costs are determined and also provides a grace period before payback will commence. If no such payback agreement is negotiated before the COOP terminates, then payback will be required immediately, either through cash on hand or through withholding of the City's share of Measure I funds. Extending the termination date of the COOP gives staff more time to negotiate a favorable payback agreement.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Amendment No. 4