



## Legislation Details (With Text)

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**Title:** Authorize the City Manager to execute an Actual Cost Contract with Pacific Gas and Electric (PG&E) for the relocation of PG&E facilities impacted by the SR120 / Union Road Interchange project  
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**Attachments:** 1. Attachment 1 - DRAFT Actual Cost Contract, 2. Attachment 2 - Letter from Department of Transportation

Date	Ver.	Action By	Action	Result
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### City Council Agenda

**Memo to:** Manteca City Council  
**From:** Mark Houghton, Public Works Director  
**Prepared By:** Koosun Kim, Public Works Deputy Director - Engineering  
**Date:** June 4, 2019  
**Subject:** SR120 / Union Road Interchange Project - Actual Cost Contract with PG&E

Authorize the City Manager to execute an Actual Cost Contract with Pacific Gas and Electric (PG&E) for the relocation of PG&E facilities impacted by the SR120 / Union Road Interchange project

### Background:

The City of Manteca awarded a construction contract to TEICHERT Construction (Contractor) for the SR120 / Union Road Interchange project (CIP 14037) on March 5, 2019. However, the City has been unable to start construction due to a utility relocation conflict namely a disagreement between the parties as to responsibility for the relocation costs. The cost to relocate four PG&E power poles within the state right-of-way is approximately \$4 million. Caltrans believes that the cost should be 100% paid by PG&E, while PG&E maintains that the cost should be shared 50/50 (see attachments). This impasse has stalled the start of the project.

City staff have held many discussions with the two entities to resolve the cost-share issue. The one thing that all parties have in common is "support" for the construction of the SR120 / Union Road IC project. Most recently, City staff worked with senior San Joaquin Council of Governments (SJCOG) staff and the two parties to obtain approvals and additional funding needed to proceed with the project.

Since there are real costs and legal implications with the construction contract being delayed, a new funding plan was developed and SJCOG Board approved amendment #1 on May 23, 2019 to the Measure K Cooperative Agreement (C-19-039) in an amount not to exceed \$1 million.

This additional Measure K funding approved by SJCOG Board will cover 50% of the City's share for a PG&E utility relocation up to \$1 million. Due to the additional Measure K funding, the City's share will be approximately \$1 million.

The cost shares for a PG&E utility relocation is summarized as follows:

PG&E Share (50%)	\$2,000,000
Additional Measure K by SJCOG (25%)	\$1,000,000
<b>City Share (25%)</b>	<b>\$1,000,000</b>
<b>Total Cost</b>	<b>\$4,000,000</b>

Since a contingency rate on the total cost is conservative, an actual cost for each party could be reduced. Furthermore, City staff has worked with the contractor to reduce the city's cost by applying Value Engineering up to \$500,000. Pros and cons for each value engineering item will be evaluated carefully so that the City can avoid any long-term maintenance issues on the SR120 / Union Road Interchange.

**Fiscal Impact:**

The SR120 / Union Road Interchange Project (CIP 14037) has a total project budget of \$28,407,795 and is funded by a combination of funds including: Successor Agency/RDA bonds, Measure K and PFIP. The project is expected to start after July 1<sup>st</sup>, therefore the City's cost share for the PG&E utility relocation has been included in the FY2019-20 budget.

**Documents Attached:**

1. Attachment 1 - Actual Cost Contract with PG&E
2. Attachment 2 - Letter from Department of Transportation