



S A C O G

SACOG Board of Directors

Item #06-5-11
Consent

May 11, 2006

Advance of \$400,000 in Regional Funds for Cost Increase on Mather Field Interchange Landscaping Project

Issue: Should SACOG approve an advance of \$400,000 in federal enhancement funds from the region's future share of the State Transportation Improvement Program (STIP), requested by City of Rancho Cordova to help cover a cost increase to build the Mather Field interchange landscaping project?

Recommendation: The Transportation Committee recommends that the SACOG Board approve the requested \$400,000 advance to Rancho Cordova, which would include an agreement from City of Rancho Cordova for future payback of the funds advanced.

Committee Action/Discussion: SACOG in the 1998 STIP programmed a Mather Field/U.S. 50 interchange landscaping project for \$1,070,000 in federal enhancement funds. Originally the project was proposed by Sacramento County, but has since been inherited by City of Rancho Cordova. The project for various reasons was delayed by four years in the STIP, with no change in the program amount. City recently completed the design, secured its allocation of STIP funds in March 2006, put the project out to bid, and received a low bid of \$1,688,000.

Under SACOG policy, a local agency is generally responsible for cost overruns on regionally-funded projects. Rancho Cordova must come up with about \$950,000 to fund the higher bid amount, cover its project oversight costs, and take care of a water connection issue for the landscape irrigation. City has reviewed the low bid, believes it accurately represents current construction costs (the STIP amount was based on 1998 construction estimates), and does not expect a significantly lower cost if the project were re-bid. The newly-incorporated city has no property tax reserves and very limited gas tax reserves, and can only come up with \$550,000 right now toward the cost increase to allow it to award the contract. City has asked SACOG to advance an additional \$400,000 from future regional programming to allow the project to proceed.

During 2004 and 2005, SACOG assembled and the Board approved Delivery Plans to match available funds with delivered projects ready for construction. Those delivery plans have been very successful at making efficient use of available funds, and have covered some project cost increases, with agreements for subsequent local agency payback. SACOG staff believes the funding and delivery situation for SACOG's upcoming 2006 Delivery Plan and for a supplemental STIP allocation are favorable presently. The Transportation Committee recommends that SACOG provide this advance, contingent on working out an agreement with City of Rancho Cordova to cover payback before the funds are actually made available in early June.

Approved by:

Mike McKeever
Executive Director

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Key Staff: Pete Hathaway, Director of Transportation, (916) 340-6235

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