



# Agenda Report

June 18, 2018

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee

**FROM:** Department of Public Works

**SUBJECT: AMENDMENTS TO FISCAL YEAR 2018 CAPITAL IMPROVEMENT PROGRAM BUDGET AND AUTHORIZE AMENDMENTS TO CONTRACTS WITH ARAMEXX GROUP INC. (NO. 31,000), NOHO CONSTRUCTORS (NO. 30,987) AND OHL USA, INC. (NO. 22,161-2).**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed actions are not "projects" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(4) and (5) of the State CEQA Guidelines and, as such, are not subject to environmental review;
2. Approve a journal voucher with a net increase of \$1,333,115 amending 27 projects in the Fiscal Year 2018 Capital Improvement Program Budget as detailed in Attachment A of this report;
3. Authorize the City Manager to amend Contract No. 31,000 with Aramexx Group Inc. to increase the contract amount by \$10,000 for a total not-to-exceed amount of \$160,000;
4. Authorize the City Manager to amend Contract No. 30,987 with NoHo Constructors to increase the contract amount by \$15,000 for a total not-to-exceed amount of \$405,000; and
5. Authorize the City Manager to amend Contract No. 22,161-2 with OHL USA, Inc. to increase the contract amount by \$460,000 for a total not-to-exceed amount of \$11,575,000.

## **BACKGROUND:**

Throughout the fiscal year, the Department of Public Works reviews active Capital Improvement Program (CIP) projects to determine if budgetary changes are needed.

Staff has completed this report detailing needed budget adjustments and contract amendments. The budget adjustments are necessary due to changes in the status of various capital projects and will also allow staff to close out older completed projects with insufficient funds. Staff from impacted departments have been working diligently with Finance to identify projects that are completed and eligible to be closed. The budgetary changes to the projects are listed below and must be recognized through the City's journal voucher process to formalize the changes.

1. **Complete Streets Project – Avenue 64 from Colorado Boulevard to South City Limits (75077)** – The Department of Transportation recommends unappropriating \$129,000 in Gas Tax and returning it to fund balance. The preliminary design of this project can be completed with remaining funds in FY 2019. Final design and construction will begin when the estimated project cost of \$1.8 million is identified. This action will make these funds available for use on other projects.
2. **Detection of Bicycles at Intersections Controlled by Traffic Signals (75043)** – The Department of Transportation recommends appropriating \$99,225 in TDA Article 3 Bikeway Fund to this project. This \$2.6 million project was completed within budget. However, due to changes in technology during the construction phase, the scope of the project was modified to include necessary technological updates that were not covered by the grant. This appropriation will cover the scope changes and allow this project to be closed.

The following two projects will receive transfers of private capital previously appropriated to the Transportation System Improvements Project and to the East Pasadena Specific Plan project. The use of the funding is flexible enough to allow for these transfers to occur.

3. **Metro Rapid Bus Priority System (75508)** – The Department of Transportation recommends transferring \$40,768 in Private Capital from *East Pasadena Specific Plan (75939)* to this project. This \$1.2 million project was to extend the Metro Rapid Bus (red line) transit signal priority program into Pasadena. Unfortunately, with the Pasadena phase of the program well underway, Los Angeles Department of Transportation (LADOT) had legal issues with the dissemination of their rapid bus traffic signal priority technology (intellectual property) to other public agencies outside the City of Los Angeles boundaries. Because the Rapid Bus Program needed this technology to operate at peak efficiency, this project was placed on hold indefinitely until new technologies could be defined. Metro has only recently identified new technology and now desires to terminate the original project as Phase 1 of the work and start fresh with Phase 2 under a new funding source. At this point, \$952,242 had been spent on Phase 1, of which Pasadena was reimbursed for \$911,475. Transferring \$40,768 to this project will allow Phase 1 to be closed. Phase 2 will be opened once a budget is provided by Metro.
4. **Pedestrian and Bicycle Safety Enhancements (75507)** – The Department of Transportation recommends transferring \$131,544 in General Fund from operating budget savings in accounts 10124003-811400 and 10124001-811400; and, transferring \$58,492 in Private Capital from three completed projects: \$14,688 from *Transportation System Improvements (75035)*, \$10,733 from *Traffic Signal and*

*Intersection Improvements (75603)*, and \$33,071 from *East Pasadena Specific Plan (75939)* to this project and increase the budget by a like amount to \$576,245. The overage was due to unanticipated construction costs associated with the installation of in-roadway flashing lights at two locations: Raymond Avenue and Grandview Street, and Paloma Street, between Altadena Drive and Sierra Madre Boulevard. This was the first time these type of devices were installed in Pasadena and staff underestimated the cost and complexity of installation. Increased cost incurred due to several design modifications, site specific conditions, and increased inspections and construction engineering. This action will allow all projects to be closed.

5. **La Loma Bridge – Rehabilitation (73124)** - The Department of Public Works recommends appropriating \$327,389 in Federal Highway Bridge Program (HBP) Funds and \$43,000 in Gas Tax to this project and increasing the budget by a like amount to \$16.4 million. This budget amendment is the result of a resolution of claims between the Contractor and the City primarily related to subsurface soil conditions. While this project was completed over-budget, staff was able to secure additional HBP funds to cover a majority of additional expenses that occurred during the construction phase of the project. This action will allow the City to receive these Federal funds and close out this project.
6. **Distribution Mains (1001)** – The Water and Power Department recommends transferring \$230,000 in Water Funds from *Water SCADA Improvements (1034)* to this project. This transfer is necessary to fund unplanned expenses associated with main replacement construction for the La Loma Bridge – Rehabilitation project. The FY 2018 work plan for *Water SCADA Improvements (1034)* to upgrade communications at three reservoir sites has been delayed due to the prioritization of chloramination projects. Additionally, the Water and Power Department recommends transferring \$700,000 in Water Funds from *Fire Protection System Improvements (1019)* to this project. In FY 2019, project #1019 will be closed and all main replacement projects work will be continued under the *Distribution Mains (1001)* project.
7. **Jackie Robinson Center – Kitchen Remodel (71908)** – The Department of Public Works recommends transferring \$23,000 in Community Development Block Grant (CDBG) funds from the *Building Maintenance FY 2016 – 2020 (71902)* project to this project. The Senior Center Roof Replacement project was included in the *Building Maintenance FY 2016 – 2020* project and was completed under budget. The JRC Kitchen Remodel project has a budget shortfall due to higher than expected construction bids. This appropriation will fix this shortfall and allow this project to be closed.
8. **Curb and Gutter Improvements Citywide FY 2017 – 2018 (73921)** – The Department of Public Works recommends appropriating \$257,543 in private capital and increasing the budget by a like amount to \$1.6 million. These funds have been collected from property owners and developers as conditions of development or sales of properties. This appropriation will be used for repairs to drive aprons, curbs and gutters, and sidewalks.

- 9. Central Library Restoration - Phase II (71907)** – The Library and Information Services Department recommends appropriating \$12,929 in Library Services Fund from operating budget savings in account 21219006-811400 to this project. This project was completed in FY 2018 within the \$210,000 project budget. The project was funded with \$72,929 in Library Services Fund and \$137,000 in Private Capital from the Pasadena Public Library Foundation. This action will allow this project to be closed.
- 10. DoIT Equipment Lifecycle Replacement FY 2015 – FY 2019 Project (71157)** – The Police Department recommends appropriating \$95,000 in Public Safety Augmentation funds to this project for installation of Wi-Fi connections at the Police building, Police garage, and the firing range. There is currently Wi-Fi in limited areas in the Police building such as the front lobby and assembly room. Enhancing and extending Wi-Fi is consistent with the City's overall Wi-Fi strategy that has included Wi-Fi in City satellite locations that offer both staff and where possible, the public, Wi-Fi access. For Police staff, this would greatly enhance and enable access to critical public safety information, and improve communication throughout the department.
- 11. City Fiber Network Expansion (71212)** – The Department of Information Technology (DoIT) recommends appropriating \$298,941 in Underground Utility Fund to this project. This appropriation will fund the FY 2018 expenses for construction of underground communication utilities as part of the implementation of the five-year Fiber Expansion Program, and is an allowable use for the Underground Utilities Fund. The FY 2018 underground communication expansion efforts included the West and Northeast Fiber Ring Expansion projects, and the extension of fiber to the Goodrich public safety radio antenna site. This appropriation is consistent with the Pasadena Municipal Code Chapter 4.24, Underground Utilities Special Activity Fund.

In addition, the Police Department recommends appropriating \$35,000 in Supplemental Law Fund to this project to support the extension of the City's fiber network to the Police Heliport. Adding the Heliport to the City's network will significantly increase available bandwidth, improve network reliability, and reduce ongoing operational costs. Finally, DoIT recommends transferring \$20,000 in General Fund from the City Manager's operating budget savings in account 10111005-816400 to this project. This appropriation will fund fiber connectivity needed to spur economic development as opportunities arise in the City.

- 12. Citywide Fiber Optic Communication System (3143)** – The Water and Power Department recommends unappropriating \$700,000 in Power Fund from this project and appropriating \$700,000 in Underground Utility Fund to this project. The work plan addresses new construction related to underground utilities expansion and is an allowable use for the Underground Utilities Fund. This appropriation is consistent with the Pasadena Municipal Code Chapter 4.24, Underground Utilities Special Activity Fund.



The Water and Power Department reviews the Electric System and Water System CIP project budgets on an annual basis and requests appropriations for one year's work plan at a time. Although new appropriations were received as part of the FY 2019 Adopted CIP budget, those dollars are for work planned for FY 2019. The request below are to address additional unplanned work/costs associated with the FY 2018 work plan and are required in FY 2018 to close-out the fiscal year.

**13. Switchgear Upgrades for Power System Facilities (3090)** – The Water and Power Department recommends transferring \$110,000 in Power Funds from *Advanced Metering Infrastructure (3142)* to this project. This transfer is needed due to an arc flash event requiring remediation at Villa Substation and higher than anticipated material costs for switchgear replacements. The FY 2018 work plan for *Advanced Metering Infrastructure (3142)* has been delayed, pending selection of a replacement Customer Information System to start an AMI / Meter Data Management System assessment and development of an RFP.

**14. Power Distribution Capacity and Reliability Program (3161)** – The Water and Power Department recommends transferring \$2,000,000 in Power Bond Funds from *Distribution System Expansion (3002)* to this project. The FY 2018 work plan for *Distribution System Expansion (3002)* has been delayed due to emergency outages and repairs that have been prioritized for capacity and reliability. The additional appropriations to the *Power Distribution Capacity and Reliability Program* will replenish funds used to replace switches, transformers, cables, and other electrical equipment as a result of emergency system failures.

**15.4 kV Distribution System Conversion (3191)** – The Water and Power Department recommends transferring \$1,100,000 in Power Funds from *Transmission System Enhancements (3195)* to this project. Additional unplanned 4 kV circuits have been identified for 17 kV conversion to prevent outages during peak usage in the summer months and enhance power quality and reliability. The FY 2018 work plan for *Transmission System Enhancements (3195)* at T.M. Goodrich Substation was delayed by negotiations with Southern California Edison ("SCE"). The work plan will be continued without SCE in FY 2019.

**16. Subtransmission System Enhancements (3205)** – The Water and Power Department recommends transferring \$500,000 from *Work Order Management System (3140)* and transferring \$300,000 from *Supervisory Control and Data Acquisition System Expansion (3073)* for a total transfer in Power Funds of \$800,000 to this project. These appropriations are needed for unplanned repairs and replacements on the LA-St. John subtransmission line that were discovered during insulator replacement in the 3<sup>rd</sup> quarter. The FY 2018 work plan for *Work Order Management System (3140)* was condensed to evaluating the possibility of using Lucity, foregoing development of a new system, and reducing the funds necessary. The FY 2018 work plan for *Supervisory Control and Data Acquisition System Expansion (3073)* has been delayed, pending the completion of the backup dispatch center.

### **Contract Amendments**

- A. The Department of Public Works recommends increasing the Aramexx Group, Inc. Contract No. 31,000 by \$10,000 for a total not-to-exceed amount of \$160,000. Aramexx Group, Inc. is responsible for the construction of the *East Arroyo Neighborhood Connector Trail Improvements (77377)* project. This contract amendment is for the installation of additional asphalt pavement surfacing for the trail. Due to the poor existing condition of the asphalt trail, additional asphalt paving was required to smooth out the surface. There are sufficient funds in the project budget account 77377 to absorb this additional cost.
- B. The Department of Public Works recommends increasing the NoHo Constructors Contract No. 30,987 by \$15,000 for a total not-to-exceed amount of \$405,000. NoHo Constructors is responsible for the construction of the Brookside Park Tennis Court Renovation – *Citywide Sports Facilities Improvements (78044)* project. This contract amendment is for the installation of additional poles and safety netting. There are sufficient funds in the project budget account 78044 to absorb this additional cost.
- C. The Department of Public Works recommends increasing the OHL USA, Inc. Contract No. 22,161-2 by \$460,000 for a total not-to-exceed amount of \$11,575,000. OHL USA, Inc. is responsible for the construction of the *La Loma Bridge – Rehabilitation (73124)* project. This contract amendment is the result of a resolution of claims between the Contractor and the City primarily related to subsurface soil conditions. With the appropriation of the dollars under #5 on this report, there will be sufficient funds in the project budget account 73124 to absorb this additional cost.

### **COUNCIL POLICY CONSIDERATION:**

All of the above projects and actions address City Council's goals to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure.

### **ENVIRONMENTAL ANALYSIS:**

CEQA excludes from environmental analysis those actions that are not "projects" as defined by State CEQA Guidelines Section 15378. That section excludes from the definition of "project" the creation of government funding mechanisms and fiscal activities which do not yet commit the lead agency to any specific project, and also excludes organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein are budgetary and part of the City's normal administrative process as it takes early steps to prepare for the possibility of undertaking a project, and therefore they are not yet "projects" as defined by CEQA. As the City becomes more certain it will undertake one of the projects, and before it commits itself to the project, the appropriate environmental analysis will be conducted and brought to the appropriate City body for approval.

**FISCAL IMPACT:**

The cumulative result of these recommendations will increase the FY 2018 CIP budget by \$1,333,115. The specific funding sources for the CIP budget amendments are listed on Attachment A.

There is no fiscal impact in amending Contract No. 31,000 by \$10,000 for a total not-to-exceed amount of \$160,000. Funding for this action will be addressed by the existing budget in the *East Arroyo Neighborhood Connector Trail Improvements (77377)* project.

There is no fiscal impact in amending Contract No. 30,987 by \$15,000 for a total not-to-exceed amount of \$405,000. Funding for this action will be addressed by the existing budget in the *Citywide Sports Facilities Improvements (78044)* project.

The funding to amend Contract No. 22,161-2 by \$460,000 for a total not-to-exceed amount of \$11,575,000 will be addressed by the amended budget in the *La Loma Bridge – Rehabilitation (73124)* project as described in item #5 of this report.

Respectfully submitted,

  
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