

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer
Katy Allen

**SUBJECT: ROUTE 87 – SANITARY SEWER
RECONSTRUCTION**

DATE: 01-26-06

Approved

Date

1/30/06

Council District: 3

RECOMMENDATION

Approval of the First Amendment to the utility agreement between the California Department of Transportation (Caltrans) and the City of San José to increase Caltrans' reimbursement of costs to the City by \$2,022,500 for a total reimbursement amount of \$6,993,000, for the mitigation of impacts to the City's sanitary sewer system associated with the Route 87 Project (Julian to 101).

BACKGROUND

On June 18, 2002, the City of San José and the State Department of Transportation (Caltrans) entered into Utility Agreement No. 1390.1 for the replacement of a portion of the City's sanitary sewer system. The sewer replacement project is needed to mitigate both structural and maintenance access impacts to the system that resulted from the construction of the Route 87 (Julian to 101) Freeway project.

Under the terms of the agreement, the City of San José serves as the lead agency for the design and construction of a sanitary sewer replacement project located under Route 87 between Hedding Street and Interstate 880. Additionally, Caltrans will reimburse the City for all associated project costs. Based on the June 2001 engineer's estimate, the Utility Agreement specified a reimbursable project cost of \$4,970,500.

With the City's award of the construction contract on March 29, 2005, project costs were re-evaluated and determined to have increased by \$2,022,500 from the original 2001 estimate. The cost increase is largely attributable to inflation, however there are other unanticipated costs, to include the acquisition of temporary access rights from the Santa Clara Valley Transportation Authority (VTA) and VTA inspection for construction activities in the Younger Maintenance Yard. The total project cost is now \$6,993,000.

ANALYSIS

The sanitary sewer replacement project is fully funded for \$6,993,000 through the Sanitary Sewer Capital Improvement Program. Currently, the City and Caltrans have an executed utility agreement that reflects Caltrans commitment to reimburse the City for all project related costs in the amount of \$4,970,500. Through discussions between the Caltrans and City staff, Caltrans has agreed to increase the agreement amount by \$2,022,500 to fund the additional cost of this sanitary sewer project. This amendment will increase Caltrans' reimbursement funding to the City by \$2,022,500 for a total project cost of \$6,993,000.

The scope of the project consists of microtunnelling two 42-inch sanitary sewer siphons under Route 87 and the Guadalupe River between Hedding and I-880. The project also includes construction of new junction structures and manholes, modifications of existing structures, and abandoning of existing sewers.

Project construction started in June 2005 and is scheduled to be completed by the end of 2006.

OUTCOME

The City benefits from this project by replacing older sanitary sewer facilities, increasing the reliability of the system and decreasing the number of siphons that currently pass beneath the Guadalupe River.

PUBLIC OUTREACH

Not applicable.

COORDINATION

This item has been coordinated with the City Attorney's Office, City Manager's Budget Office and the Department of Planning, Building, and Code Enforcement.

COST IMPLICATIONS

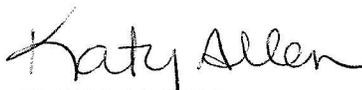
Caltrans has agreed to fully reimburse the City with the cost for the permanent mitigation to the sanitary sewer system impacts related to the construction of the Route 87 freeway. Based on current actual update project cost, the amount of reimbursement will increase by \$2,022,500 for a total amount not to exceed \$6,993,000 to be received in revenue code 540/545 57 0000007415 – Hwy 87 Detour 2 SS PHII. The project is fully budgeted in the Sanitary Sewer Connection Fund and the Sewer Service and Use Charge Capital Improvement Fund, and it does not require

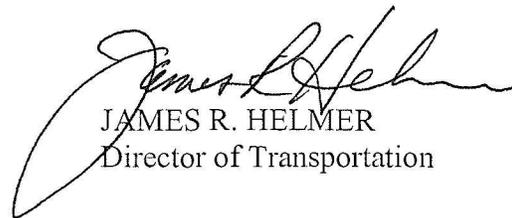
additional funding in the current year. The revenue reimbursements are proposed to be included in the 5-Year Sanitary Sewer Capital Improvement Program.

CEQA

An Environmental Impact Report for the Route 87 Freeway Project was approved on January 25, 1994 (Resolution No. 65071, PP94-1-15).

Mitigated Negative Declaration PP03-12-378 was issued on for the project design and construction.


KATY ALLEN
Director of Public Works


JAMES R. HELMER
Director of Transportation