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INTEROFFICE MEMO

TO: Jose Mendoza, Procurement Manager
FROM: Hector Casillas, Right of Way Manager
David Lewis, Capital Project Manager
DATE: 1/16/2025
SUBJECT: City of Beaumont Co-Op Amendment

EXECUTIVE DIRECTOR APPROVAL

AMOUNT APPROVED\$

At its March 13, 2014, Commission meeting, RCTC and city of Beaumont (City) entered into a cooperative agreement to deliver the State Route 60 Potrero Boulevard Interchange Phase 2 (Project), Agreement No. 24-72-064-00. The agreement included a \$5,706,000 not to exceed amount, which was staff's best estimate at the time of the approval.

The Project has progressed through the various stages, and more specifically with various right of way utility owners. The utility owners have begun to provide the Commission with rough order of magnitude estimates the week of January 13, 2025 for the respective utility relocations that are required as part of the Project. Based on the submittals, Staff has determined a need to amend the cooperative agreement to account for higher utility relocation costs.

Utility agreements are anticipated with, MCI, Frontier, Williams, and SCE. The initial estimates from February 2024 determined that approximately \$2.7M would be necessary to complete the utility relocations. Now that the utility owners have prepared their relocation plans, and specifically, Williams, determined that the original 100' pipeline relocation would need to be within Western Knolls Avenue and extend up to 700', the scope of the original estimate increased substantially, from \$720K to \$4.7M.

The need for these funds is not immediate, but contract authority is necessary as progress billing by the respective utility companies will occur after the execution of the Utility Agreement(s) and satisfy the Caltrans requirement for Right of Way Certification. Staff has enough budget authority in other projects to transfer to this Project to ensure funds are available.

After internal discussions between the Capital Project Delivery Team and RCTC's legal team at BB&K, it was determined the \$4M increase to the cooperative agreement with the city of Beaumont will not require a Commission action and is within the Executive Director's approval. The determination was made since the \$4M amount will be reimbursed to RCTC by the city of Beaumont and funds are a passthrough. The authority is necessary to execute the upcoming/pending Utility Agreements.

The Executive Director's approval is pursuant to Chapter 2, Section 1(H) of the Commission Procurement Policy Manual, where in addition to the authority granted to the Executive Director for single signature agreements in a given fiscal year, the Executive Director is authorized to approve and enter into contracts on behalf of the Commission, where the relevant contract is directly related to and necessary to implement a project that has been approved by the Commission, the contract is within the approved project budget and, based on the circumstances, exercise of this authority is in the best interest of the Commission. This approval is used under limited circumstances and as noted above, is in addition to the authority granted to the Executive Director for single signature agreements. Therefore, approval of this agreement will not count towards the aggregate amount of \$2 million per fiscal year of Executive Director single signature authority.

If you have any questions, please feel free to let me know. Thank you