TO:        HONORABLE CITY COUNCIL

FROM:      CITY MANAGER            DEPARTMENT: UTILITIES

DATE:      MARCH 21, 2005                                                CMR:190:05

SUBJECT:   APPROVE SPECIFIC AGREEMENT IN THE AMOUNT OF $214,065 FOR JOINT PARTICIPATION INSTALLATION OF UNDERGROUND FACILITIES SYSTEM BETWEEN CITY OF PALO ALTO, SBC CALIFORNIA AND COMCAST CORPORATION FOR UNDERGROUND UTILITY DISTRICT NO. 40 (1700 THRU 1900 BLOCK OF EDGEWOOD DRIVE)

RECOMMENDATION
Staff recommends that Council approve and authorize the City Manager to execute the attached Specific Agreement for Joint Participation Installation of Underground Facilities System between the City of Palo Alto, SBC Communications and Comcast Corporation (Attachment A), in an not to exceed amount of $214,065, including $194,565 for basic services and $19,500 for additional services.

BACKGROUND
At its meeting on March 22, 2004, the Council adopted Ordinance No. 4822 creating Underground Utility District No. 40 for the 1700 thru 1900 block of Edgewood Drive. As indicated in CMR: 178:04, this project involves constructing an underground distribution system in an area which meets both City and SBC guidelines for undergrounding. The new underground system is to be installed in the public right-of-way and constructed in four phases:

Phase I       Substructure installation by the contractor, consisting of trenching and placement of conduits, vaults, boxes and pads in the public right-of-way and in public utility easements.

Phase II      Installation, testing and energizing of new underground distribution cables, switches and transformers.

Phase III     Customer service conversions – all affected property owners will be required to connect to the new underground system.
Phase IV  -  Removal of all overhead lines and poles.

**DISCUSSION**
The work on this project is being performed by contract because the City does not have the staff and the equipment to install the substructure required for this project.

**Invitation for Bids**
A notice inviting formal bids for proceeding with Phase I was sent to contractors on November 23, 2004. The bidding period was 21 calendar days. Bids were received from three qualified contractors on December 14, 2004 as listed on the attached bid summary (Attachment B). Bids ranged from $194,565 to $397,795.

Staff reviewed all bids submitted and awarded the bid of $194,565 submitted by Columbia Electric, Inc. The bid is about 7% above the engineer’s estimate of $180,000. The change order amount of $19,500, which equals 10% percent of the total contract, is also included in the contract for related unforeseen work, which may develop during the project. Staff confirmed with the Contractor's State License Board that the contractor has an active license on file, and checked references supplied by the contractor for previous work performed and found no significant complaints.

**Summary of Bid Process**

<table>
<thead>
<tr>
<th>Bid Name</th>
<th>Underground District No.40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>3 months</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>10</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder's Exchanges</td>
<td>2</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>21</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>No</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>3</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $194,565 to a high of $397,795</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment A.

**Joint Agreement**
To take advantage of the economics of joint use of trenches, the City, SBC California and Comcast Corporation executed an Amended Master Agreement in 1990 (originally a master agreement between City and Pacific Bell executed in 1975 and amended in 1986) for participation in joint underground construction projects.

This Amended Master Agreement, however, limits the expenditures to $25,000 per project. Whenever the amount involved in a project exceeds the $25,000 limit, then a Specific Supplementary Agreement is required. The Supplementary Agreement references the Amended
Master Agreement for general terms and conditions and requires, when the work is contracted, the use of the exact unit prices quoted by the contractor to determine the costs shared between the utilities. Accordingly, the City, who will administer the contract for this project, will invoice SBC California and Comcast Corporation on the basis of prices quoted and the terms agreed upon in Exhibit "A". Staff recommends approval of the Specific Supplementary Agreement for the Underground Utility District No. 40.

**RESOURCE IMPACT**
Funds for this project are included in the FY 2003-2005 Electric Capital Improvement Program Budget. Based on the low bid, the estimated costs for the City, SBC and Comcast are $117,835, $39,250 and $37,480, respectively.

**POLICY IMPLICATIONS**
This project supports CPAU Key Strategy number 7 – Implement programs that improve the quality of the environment, and Supporting Objective number 2 – Invest in utility infrastructure to deliver reliable service.

**ENVIRONMENTAL REVIEW**
This project is categorically exempt from the California Environmental Quality Act (CEQA).

**ATTACHMENTS**
A: Specific Agreement for Joint Participation Installation of Underground Facilities System
B: Bid Summary

**PREPARED BY:** Patrick Valath, Senior Project Engineer

**DEPARTMENT HEAD:** JOHN ULRICH
Director of Utilities

**CITY MANAGER APPROVAL:** EMILY HARRISON
Assistant City Manager