TO:  HONORABLE CITY COUNCIL

FROM:  CITY MANAGER

DEPARTMENT: UTILITIES

DATE:  MAY 6, 2002

CMR: 211:02

SUBJECT:  APPROVAL OF AMENDMENT NO. 2 TO CONTRACT NO. C1126141 WITH UNDERGROUND CONSTRUCTION FOR THE 2000-2001 UTILITY TRENCH AND SUBSTRUCTURE INSTALLATION IN THE AMOUNT OF $200,000

RECOMMENDATION

Staff recommends that Council approve and authorize the Mayor to execute the attached amendment to contract C1126141 with Underground Construction Company Incorporated, to increase the contract amount by $200,000 for a total contract amount of $1,707,850.

BACKGROUND

On June 26, 2000 the City entered into a contract with Underground Construction Co., Inc. in the amount of $717,925 for the trenching and installing conduits for electric utility customers, small extensions, replacements to the existing underground system; and to install communications, street light, traffic signal, and fiber optic conduits. The contract was awarded for a 12-month period with the option to extend the contract for two additional 12-month periods. A contingency of $72,000 was also approved at the time of award to cover unforeseen work.

On June 26, 2001, change order 2 was executed to access the contingency amount of $72,000 for unforeseen work in FY 2000/01. At the end of FY 2000/01 the City Manager’s designee extended the contract term for one additional year in the amount of $717,925. The current contract amount with the changes above is $1,507,850.
**DISCUSSION**

Due to the accelerated infrastructure replacement in the electric utility, Underground Construction has performed more work than originally anticipated when the contract was executed in FY 2000/01. Additional substructure construction work was assigned to Underground Construction in response to additional work created by unanticipated field conditions on East Bayshore Rd. ($50,000), infrastructure replacement program in the Northampton Area ($50,000) and rebuilding costs in the Stanford Business Park ($100,000). The work being performed by Underground Construction is essential for the completion of the rebuilding of the electric system infrastructure and the continuing connection of new customers. Before the electric system can be rebuilt or customers can be connected, improvements and additions to the existing conduits, manholes, and foundations must be performed.

Funding for this additional work was not anticipated in the original contract and will require an additional $200,000 to complete. With the proposed amendment the total amount of this contract since inception will be $1,707,850. Underground Construction has agreed to perform the additional work requested by this amendment.

**RESOURCE IMPACT**

This amendment will increase the contract amount by $200,000. Funds for this contract are available in the FY 2001/02 Electric Capital Improvement Program Budget. This action has no impact on City construction work forces because the work is being performed by an outside contractor.

**POLICY IMPLICATONS**

The award of this contract does not represent any change to existing City policies. This recommendation is consistent with the Council approved Utilities Strategic Plan to invest in infrastructure to deliver reliable service.

**ENVIRONMENTAL REVIEW**

This project is categorically exempt from the California Environmental Quality Act.
ATTACHMENT

A: Amendment No. 2 to Contract No. C1126141

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