

Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to questions from Councilmembers Cormack and Tanaka regarding the [Monday, December 13 Council Meeting](#) consent agenda item:

Item 6, Approval of Contract Number C20182200 With Cratus, Inc. in the Amount of \$3,444,302 for Sanitary Sewer Replacement Project 30 (WC17001) in the Ventura, Charleston Meadows, Fairmeadow, and Palo Verde Neighborhoods; Authorization for the City Manager to Negotiate and Execute Related Change Orders Not-to-Exceed \$344,430, for a Total Not-to-Exceed Amount of \$3,788,732; and Approval of Budget Amendments in the Wastewater Collection Fund

Item 7, Approval and Authorization for the City Manager or Their Designee to Execute the Following Three Utilities Public Benefits Program Contract Amendments: 1) Amendment Number 3 to Eagle Systems International, Inc. DBA Synergy Companies C15159126, Extending the Term for One Additional Year With no Increase in Compensation; 2) Amendment Number 4 to Eagle Systems International, Inc. DBA Synergy Companies C15159125, extending the Term for One Additional Year With no Increase in Compensation; 3) Amendment Number 3 to CLEAResult Consulting, Inc. C15159135 extending the Term for One Additional Year With no Increase in Compensation

Item 10, Approval of Amendment No. 3 to Contract C17166591 with Susan Zoccola, LLC to increase the contract amount by \$35,000 for a total not to exceed amount of \$135,000 and to extend the term through December 2023 to complete the artwork associated with the Charleston-Arastradero Corridor Project.

Councilmember question and Staff response are below:

Item 6, Approval of Contract Number C20182200 With Cratus, Inc. in the Amount of \$3,444,302 for Sanitary Sewer Replacement Project 30 (WC17001) in the Ventura, Charleston Meadows, Fairmeadow, and Palo Verde Neighborhoods; Authorization for the City Manager to Negotiate and Execute Related Change Orders Not-to-Exceed \$344,430, for a Total Not-to-Exceed Amount of \$3,788,732; and Approval of Budget Amendments in the Wastewater Collection Fund

1. **If the Charleston Corridor Project is delayed due to potential delay in awarding the contract for Sanitary Sewer Replacement Project 30, how much of an additional cost to taxpayers is predicted?**

Answer: Charleston Corridor Project is currently under construction. If this project is suspended, the contractor may submit delay claims. There is no way of telling how the contractor would calculate the cost associated with the delay, to know how it impacts the taxpayers.

2. **What is the expected disruption for residents near roads uprooted for the project? Will residents be able to leave and return to their homes?**

Answer: Residents will be able to leave and return to their homes during construction as well as after working hours. Utility services to the residents would not be interrupted. However, when the contractor is working in front of their properties, the residents may be asked to minimize the water usage that discharges into the sewer system (such as laundry or dish washing) during construction hours.

3. **What is the predicted maximum construction duration? How much of a disruption to residential life would it entail?**

Answer: Construction duration is provided on pages 2 and 3 (Bid Process table) of the Staff Report (Packet pages 25 and 26) and Section 6.3 of the linked Contract document. The disruption to residential life would be similar to typical capital improvement construction projects – limited time inconvenience in the interest of long-term utility service reliability. A couple of examples of typical disruption during the work hours are construction noise and minor traffic delay due to reduced lanes.

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- 1. If this contract extension was not needed due to the state of negotiations, what would have happened to the excess spending from the initial contract?**

Answer: If contract negotiations had moved faster and the remaining funding from this contract had not been needed, those funds would be returned to the energy efficiency (Public Benefits) budget for use in other programs.

- 2. If funds from the initial contract will last until December of 2022, why is this contract being terminated in the Spring for a new one, as opposed to simply renegotiating then?**

Answer: The contracts are not being terminated in the spring. Under their existing terms they end December 31, 2021. If we do not extend the current contracts, the existing programs will end (go dark) without any programs to replace them until new contracts are put in place. New vendors have been selected for new programs; however, those new contracts can take a number of months to execute. With the S/CAP goals as our guide, we will continue to run the existing programs into 2022, building on the existing successful designs of the Home Efficiency Genie, Residential Energy Assistance Program (REAP) and Multifamily Plus programs to create new programs that combine previously successful program elements with newer, innovative elements that further support S/CAP goals. The existing contracts are being extended through December 2022 to allow for uninterrupted services until the newer program versions can be put in place. Spring 2022 is a goal, but more time may be needed so we requested the full year of 2022 to finalize new contracts.

Additional background: The Home Efficiency Genie program is a foundational program running for over six years providing phone and in-home services for residential efficiency and want to continue to offer these services until a new contract is in place. The Residential Energy Assistance Program and Multifamily Plus program both reach our low income and most vulnerable residents who benefit from lowered utility bills and improved energy and water efficiency.

- 3. What is the dollar amount of excess funds from the initial contract that would go towards this extension?**

Answer: As of November 2021, the following allocated funds are available for each of the program extensions:
Synergy Residential Energy Assistance Program (REAP) - \$414,769.28
Synergy Multifamily Plus (MF+) - \$701,895.57
CLEAResult Home Efficiency Genie - \$787,546.57

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- 1. Since the cost increases are due to the delays in construction, could the requested increase in the contract amount come from the contingency budget for the project itself instead of from the pooled art budget? Is another option to have four pieces of art instead of five and remain within the original budget?**

Answer: The Project's contingency budget cannot be used to cover these costs as Public Works anticipates the contingency will be needed for cost escalations due to construction delays and potential change orders from unforeseeable site conditions. There are adequate funds in the Art in Public Spaces CIP for this contract amendment, as described in the staff report.

The suite of five sculptures were designed to be distributed throughout the Charleston/Arastradero corridor, and the foundations for three of those are already in place. Our initial query indicates that reducing the amount of sculptures from five to four would not result in adequate savings to remain within the initial budget as the costs of shipping, subcontractors, and the fabrication shop's time wouldn't significantly change.

Thank you,
Joanna



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