



City of Palo Alto

City Council Staff Report

(ID # 6600)

Report Type: Consent Calendar

Meeting Date: 3/21/2016

Summary Title: Underground Utility Locating Services

Title: Approval of Amendment One to Contract Number S16155217, Utilities Underground Locating Contract With MDR Utility Locating Specialists, Inc. to Increase Not-to-Exceed Amount by \$75,000 Annually to \$160,000 per Year, for a Total Not-to-Exceed Amount of \$480,000 over Three Years to Provide Utility Locating Services With the Underground Service Alert of Northern/Central California for Identifying and Marking the City of Palo Alto's Underground Facilities

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends that Council approve and authorize the City Manager or designee to execute Amendment One to Contract S16155217, Attachment A, with MDR Utility Locating Specialists, Inc. ("MDR") to increase the not-to-exceed amount each year by \$75,000 to \$160,000, for a total not-to-exceed amount of \$480,000 over the three year term to provide underground utility locating services on an as-needed basis for the City of Palo Alto.

Executive Summary

The City of Palo Alto Utilities (Utilities) is a member of the Underground Service Alert (USA) of Northern/Central California program which provides a free and effective damage prevention service that protects the communities and underground facilities in Central/Northern California. The City identifies and marks all City of Palo Alto underground facilities (i.e. electric, gas, water, sewer, fiber). This requires the City to make contact and respond to requests on behalf of residents, contractors, City staff, and anyone else performing excavations tasks within city limits. The need to adhere to the damage prevention program and provide a level of safety to our community, contractors, staff and the general public is dependent on acquiring resources to complete this work in an effective and timely manner.

Background

On July 27, 2015, Utilities executed Contract S16155217 with MDR Utility Locating Specialists, Inc. The contractor was selected through a competitive bid process (RFQ155217). The scope of

the original contract was to provide underground locating services on an as needed basis since the workload typically increases during the summer. However, with multiple projects both private and City's CIP projects in motion, there has been a need to use these services more frequently to support the City's operational needs. In addition, there was a recent retirement of a Utility Locator (one of three positions). Until the position is filled, MDR will also be temporarily augmenting current staffing requirements.

Discussion

This contract amendment will allow Utilities to stay on track with the number of utility locating tickets being submitted by residents, city staff, and contractors and remain in compliance with the USA North 811 call before you dig program. Utilities receives approximately 2,500 tickets annually from USA. There is generally a 50% increase in number of tickets during the summer compared to winter. In the current contract, there is \$16,785 remaining of the original \$85,000. Based on staff's projections, the remaining funds will be exhausted by the end of March. Under "Call 811 Before You Dig" program, Utilities is required to contact the excavator within two working days after receiving the ticket and scheduling the work within 14 calendar days. Due to the unanticipated retirement and increasing level of locating activity, Utilities will not be able to meet these obligations and keep up with the workload without additional funding to the contract.

Resource Impact:

The additional funding of \$75,000 for the contract amendment is available in the existing Electric Operations FY 2016 budget. Continued work under this contract for FY 2017 through FY 2018 will be subject to satisfactory performance by the contractor and City Council approval of annual appropriations.

Policy Implications:

The approval of amendment one to Contract S16155217 is consistent with existing City policies, including the Council approved Utilities Strategic Plan – Strategic Objective BP4: Serve customers promptly and completely; and Strategic Objective C2: Be responsive to all my utilities related service needs.

Environmental Review

Approval of this contract amendment does not meet the definition of a project pursuant to Section 21065 of the California Public Resources Code, thus no environmental review under the California Environmental Quality Act (CEQA) is required.

Attachments:

- Attachment A: Amendment One to the Contract S16155217 (PDF)

**AMENDMENT ONE TO CONTRACT NO. S16155217
BETWEEN THE CITY OF PALO ALTO AND
MDR UTILITY LOCATING SPECIALIST, INC.**

This Amendment One (“First Amendment”) to Contract No. S16155217 (“Contract”) is entered into March 21, 2016 (“Amendment Effective Date”), by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and MDR UTILITY LOCATING SPECIALIST, INC., a California corporation located at 16506 Avenue, Suite 288, Exeter, CA 93221 (“CONTRACTOR”). City and Contractor are collectively referred to herein as “Parties.”

RECITALS

- A. The Contract, dated effective July 15, 2015 was entered into between the Parties for Contractor to provide general services for on-call assistance with locating underground facilities for the Underground Service Alert (USA) Program in the Utilities Department;
- B. Section R of the Contract authorizes the Parties to modify the Contract by written amendment;
- C. The Utilities Department’s need for services under the Contract have increased due to an unanticipated retirement in the department and an increase in the volume of work, including both private and City capital improvement projects;
- D. The Parties now desire to amend the Contract to increase the current “Not-to-Exceed” Amount by Seventy-Five Thousand Dollars (\$75,000) per year, for a total Not-to-Exceed Amount of One Hundred and Sixty Thousand Dollars (\$160,000) per year, and a new total Not-to-Exceed Amount of Four Hundred and Eighty-Thousand Dollars (\$480,000) over the three year Term of the Contract; and
- E. To accomplish this purpose, the Parties wish to amend the Contract.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the Parties agree:

SECTION 1. Section 5. “COMPENSATION FOR ORIGINAL TERM” is hereby amended to read as follows:

“5. COMPENSATION FOR ORIGINAL TERM. CITY shall pay and CONTRACTOR agrees to accept as not-to-exceed compensation for the full performance of the Services and reimbursable expenses, if any:

- The total maximum lump sum compensation of dollars (\$) ; **OR**

- The sum of _____dollars (\$_____) per hour, not to exceed a total maximum compensation amount of _____dollars (\$_____); **OR**
- A sum calculated in accordance with the fee schedule set forth at Exhibit C, not to exceed a total maximum compensation amount of One Hundred and Sixty Thousand dollars per year (\$160,000/year) for a total not to exceed amount of Four Hundred and Eighty Thousand dollars (\$480,000) for the Term.

CONTRACTOR agrees that it can perform the Services for an amount not to exceed the total maximum compensation set forth above. Any hours worked or services performed by CONTRACTOR for which payment would result in a total exceeding the maximum amount of compensation set forth above for performance of the Services shall be at no cost to CITY.

- CITY has set aside the sum of zero dollars (\$0) for Additional Services. CONTRACTOR shall provide Additional Services only by advanced, written authorization from the City Manager or designee. CONTRACTOR, at the CITY’s request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONTRACTOR’s proposed maximum compensation, including reimbursable expense, for such services. Compensation shall be based on the hourly rates set forth above or in Exhibit C (whichever is applicable), or if such rates are not applicable, a negotiated lump sum. CITY shall not authorize and CONTRACTOR shall not perform any Additional Services for which payment would exceed the amount set forth above for Additional Services. Payment for Additional Services is subject to all requirements and restrictions in this Agreement.”

SECTION 2. Exhibit C to the Contract, entitled “Schedule of Fees” is hereby amended to read as set forth in the attachment to this First Amendment, which is incorporated in full by this reference.

SECTION 3. Except as herein modified all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain unmodified and in full force and effect.

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IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this First Amendment as of the Amendment Effective Date.

CITY OF PALO ALTO

City Manager

APPROVED AS TO FORM:

City Attorney

**MDR UTILITY LOCATING
SPECIALIST, INC.**


DocuSigned by:

By: _____
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Name: Michael Roach
Title: President/CEO

EXHIBIT C

SCHEDULE OF FEES

City shall pay Contractor according to the following rate schedule. The maximum amount of compensation to be paid to Contractor, including both payment for services and reimbursable expenses, shall not exceed One Hundred and Sixty Thousand Dollars per year (\$160,000/year) for a total not to exceed amount of Four Hundred and Eighty Thousand (\$480,000) for the entire Term of the Contract. Any services provided or hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to City.

RATE SCHEDULE

Year One

Standard Hourly Rate	\$72.50/hour
Non-standard Hourly Rate	\$101.50/hour

Year Two – increase of 3%

Standard Hourly Rate	\$74.68/hour
Non-standard Hourly Rate	\$104.55/hour

Year Three – increase of 3%

Standard Hourly Rate	\$76.92/hour
Non-standard Hourly Rate	\$107.69/hour