



City of Palo Alto

City Council Staff Report

(ID # 11236)

Report Type: Consent Calendar

Meeting Date: 6/22/2020

Summary Title: Contract Approval with TW Power Line for Utility Pole Replacement

Title: Approval and Authorization for the City Manager to Execute Electric Enterprise Fund Contract Number C20177717 With Wire Wrangler, LLC, dba TW Power Line Construction, in an Amount of \$1,906,408 for the Caltrain Facility Relocation Project (EL-17007) and Wood Pole Replacement Project (EL-19004), and Authorization to Negotiate and Execute Related Change Orders in the Amount of \$190,641, for a Total Not-to-Exceed Amount of \$2,097,049

From: City Manager

Lead Department: Utilities

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached contract [C20177717](#) with Wire Wrangler, LLC, dba TW Power Line Construction ([Attachment A](#)), in an amount not-to-exceed \$1,906,408, for the Caltrain Facility Relocation Project (EL-17007) and the Wood Pole Replacement Project for 2020 (EL-19004).
2. Staff recommends that Council delegate authority to the City Manager or his designee to approve and execute change orders to the contract with Wire Wrangler, LLC, dba TW Power Line Construction, for additional related, but unforeseen work, which may develop during the project; the total of which shall not exceed \$190,641 (10% of the contract amount).

The total not to exceed authorized amount is \$2,097,049, which includes a contract amount of \$1,906,408 and a 10% contingency of \$190,641.

EXECUTIVE SUMMARY

This project has two components: one is to relocate the existing overhead power and communication lines at ten (10) Caltrain crossing locations, to accommodate Caltrain's

electrification project; the other is to replace deteriorated utilities wood poles on the electric distribution system at various locations.

BACKGROUND

This contract contains the work for two projects, Caltrain Facility Relocation (CFR) and Wood Pole Replacement 2020 (WPL 2020). Most of the work for both projects is pole replacement. PG&E has ramped up its efforts to replace PG&E's aging wood poles after the recent wildfires in their territories. Consequently, there is shortage of contractors available for wood pole replacement since PG&E has retained many of contractors and resources in the industry. By combining two projects into one larger contract, staff's goal was to attract more contractors and obtain better pricing.

Caltrain Facility Relocation (EL-17007)

Caltrain is electrifying its fleet of trains to improve system performance and curtail long-term environmental impacts by reducing noise, improving regional air quality, and lowering greenhouse gas emissions. Caltrain's work includes installation of an overhead electric system above the tracks to power the trains. In order for Caltrain to complete its project, all overhead utility lines crossing the railroad must be either at a minimum height of 32 feet above the top of the train track, or placed underground. This requires the City of Palo Alto Utilities (CPAU) along with AT&T to replace several jointly owned poles to raise overhead lines that cross the railroad tracks.

Wood Pole Replacement for 2020 (EL-19004)

This project is the annual replacement of deteriorated wood poles. Wood poles are used to support overhead utility lines throughout the City of Palo Alto. Though poles are inspected, tested, and treated to maintain their integrity, over time poles deteriorate and must be replaced to maintain utility worker and community safety. Poles are identified for replacement during annual inspections by Electric Operations Staff or by contractors hired to inspect, test, and treat the poles.

DISCUSSION

The City of Palo Alto has ten (10) locations where utility overhead lines cross the railroad tracks. Eight of the utility rail road crossings will be raised to a minimum of 32 feet above the top rail, requiring the replacement of 28 poles. The crossing at Rinconada Avenue and Tennyson Avenue (the "R/S crossings") combines the two overhead crossings into a single underground crossing to improve the electric system reliability and the aesthetics of the area. The electric work (not the substructure) for these two crossings are included in this contract. The substructure for the R/S crossing will be installed in June 2020 by MPNextLevel, another CPAU contractor.

The R/S crossing terminates at Peers Park. On November 12, 2019 the Parks and Recreation Commission reviewed the project and the Park Improvement Ordinance describing the

installation of the electric utility equipment ([excerpt minutes](#)). On January 13, 2020 the Council adopted the Park Improvement Ordinance ([City Council Staff Report 10824](#)).

CPAU investigated placing all overhead lines that cross the train tracks underground, but due to the uncertainty of the final design for the City's grades separation project and the required timeline for the Caltrain Facility Relocation (CFR), plus the high cost of undergrounding, only two crossings can feasibly be placed underground. The rest of the crossings will be raised since it is the most cost-effective way to accommodate the Grade Separation project in the future. The R/S crossing will not be affected by the grade separation project since it is only a utility crossing, not a road crossing. The substructure work at the Churchill Avenue crossing was previously completed; although the electrical connections are included in this contract.

During routine electric system evaluation, staff identifies utility power poles that require replacement (aged, deteriorated, or otherwise unsafe) through inspections, audits, and wood pole testing. While replacements of some power poles are completed by staff, there are currently insufficient resources within the Electric Operations Division to handle all the identified pole replacements. Staff compiled engineering drawings and estimates for several pole replacements into a single bid package to solicit bids from qualified contractors to complete the pole replacements in a timely manner. The Wood Pole Replacement 2020 project includes 84 utility poles (out of a total of 6,000 poles in the system), which need replacement and were included in the bid package.

Demand and competition from PG&E and other electric utilities in the area for qualified electrical contractors has made it difficult to obtain quality competitive bids for projects. Because of the similarity in actual construction work between the Caltrain and pole replacement projects, staff decided to bundle the two projects together into a single larger bid package to attract more contractors to bid along with better competitive pricing.

The bid required contractors to provide the labor, equipment, and management of all field activities in coordination with CPAU Electric Operations' staff. The City will provide the major construction materials such as: poles, crossarms, insulators, and miscellaneous hardware for the project. New poles will be installed and built to current city, state and industry standards. The height of the new poles will also be increased by 5 feet to accommodate future pole attachments. Staff completed the engineering design for all pole replacements in the bid package.

AT&T is a co-owner of the utility poles being replaced in this project and is responsible for sharing the pole replacement costs based on the 1931 joint pole agreement between the City of Palo Alto and Pacific Telephone and Telegraph Company (AT&T). Upon completion of the project staff will invoice AT&T for its portion of the work, approximately 10-15% of the contract amount based on the shared common pole space and the amount of communication space that each party's equipment will occupy on a pole.

The following table is a summary of the bid process initiated in May 2020:

Bid Name / Number	Caltrain Facilities Relocation & Replacement Project 2020 / IFB-17717
Proposed Length of Project	3 months
Number of Potential Contractors notified via the "PlanetBids" bid management system	9
Total Days to Respond to Bid	21
Pre-Bid Meeting	Yes
Number of Company Attendees at Pre-Bid Meeting	5
Number of Bids Received	5
Bid Price Range	\$1,906,408 - \$4,825,967

Staff has reviewed the bids received and recommends that the bid of \$1,906,408 submitted by TW Power Line be accepted and that TW Power Line be declared the lowest responsible bidder by Council. The last pole replacement contract was \$593,235 for 70 poles in June of 2018.

Staff confirmed with the Contractor's State License Board that the contractor has an active license on file and also checked references supplied by the contractor for previous work performed and found all to be satisfactory.

TIMELINE

Upon Council approval of the Contract, construction can be scheduled to begin the week of July 06, 2020, and is to be completed within ninety (90) calendar days after the commencement date specified in City's Notice to Proceed.

RESOURCE IMPACT

Funding for the contract is available in the Fiscal Year 2020 Facilities Relocation for Caltrain Modernization (EL-17007) and Wood Pole Replacement (EL-19004) projects.

POLICY IMPLICATIONS

The approval of this contract is consistent with existing City policies, including the Council-approved 2018 Utilities Strategic Plan, Priority 4 Strategy 1 "Establish a proactive infrastructure replacement program, based on planned replacement before failure to support reliability and resiliency."

This contract is on the City's construction contract template, which permits the City to terminate without cause/for convenience by providing written notice to the contractor. In the event the City finds itself facing a challenging budget situation, and it is determined that City resources need to be refocused elsewhere, the City can terminate for convenience. Other options include termination due to non-appropriation of funds or amending the contract to reduce the cost, for example, by reducing the scope of work.

STAKEHOLDER ENGAGEMENT

The contractor is responsible for coordination with Caltrain on the schedule before the contractor can perform the work on the crossings.

The contractor is responsible for coordination with the surrounding schools, Safe Route to School program, if a pole to be replaced is within this route.

Utilities will coordinate with Caltrain four weeks prior to starting the substructure work at the Rinconnada-Seal crossing.

ENVIRONMENTAL REVIEW

This project is categorically exempt from California Environmental Quality Act (CEQA), under CEQA Guidelines Sec. 15301 (repair or maintenance of existing facilities), and Sec. 15302 (replacement or reconstruction of existing structures and facilities).