

Brettle, Jessica

From: Svendsen, Janice
Sent: Thursday, January 18, 2018 4:48 PM
To: Council Members; Council Agenda Email; ORG - Clerk's Office
Cc: Keene, James; Shikada, Ed; De Geus, Robert; Flaherty, Michelle; Yuan, Dave; Ghaemmaghami, Hamid; Gitelman, Hillary; Reichental, Jonathan; Dauler, Heather
Subject: 1/22 Council Agenda Questions for Items 5,11 & 14



Council Question Response

Dear Mayor and Council Members:

On behalf of City Manager Jim Keene, please find below in **bold** staff responses to inquiries made by Council Members DuBois and Kou in regard to the January 22, 2018 council meeting agenda.

- Item 5 – Adoption of 2018 Legislative Policy & Priorities – CM Kou
- Item 11 – Verizon Wireless placement of communication equipment – CM Kou
- Item 14 – Upgrade to Downtown Project - CM DuBois

Item 5 – Adoption of 2018 Legislative Policy & Priorities

Q.1. In the Technology category "Authorizing Palo Alto as a place for autonomous vehicle testing." The priority of reducing the congestion on Palo Alto street seems to conflict with this authorization. There is a safety factor as well.

In the Other category "Supporting reasonable state action to update, implement, and refine processes, services, and programs affecting the city." With the State proposing and passing legislation taking away a municipality's governing controls and imposing blanket mandates is not something I want to encourage especially with our City budgets thinning. Why are we allowing for the State to continue deregulating our local controls and impose unreasonable chaos and financial burden?

A. 1. The authorization of autonomous vehicle testing would not limit the City's ability to set standards and requirements on any entity allowed to operate. If authorized, subsequent City Council action would be required.

With regard to the question about "Supporting reasonable state action to update, implement, and refine processes, services, and programs affecting the city," this allows staff the ability to support and encourage state action that would positively impact the City. For example, the City may wish to support bills that allow us to streamline duplicative reporting requirements, or regulations that provide flexibility in implementing mandated programs. This would not in any way diminish the City's position regarding local control and unfunded mandates, as stated in the "Foundational Principles".

Item 11 – Verizon Wireless placement of communication equipment

Q.1. Was notification provided to the residents in the townhome complex at Colorado Place?

A. 1. After the approval of the lease and ratification by both parties, Verizon will start the planning review and approval with our Planning Department. Please refer to Palo Alto Municipal Code listed below for more information. The property currently houses two other cellular carriers. The current site was used previously by Metro PCS.

The muni code (18.42.110 Wireless Communication Facilities) can be accessed here: [http://library.amlegal.com/nxt/gateway.dll/California/paloalto_ca/paloaltomunicipalcode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:paloalto_ca](http://library.amlegal.com/nxt/gateway.dll/California/paloalto_ca/paloaltomunicipalcode?f=templates$fn=default.htm$3.0$vid=amlegal:paloalto_ca) **

***Instructions: Upon opening the above link, go to Title 18 (Zoning) on the left side bar. Scroll down to 18.42 (Standards and Special Uses). Locate 18.42.110 (Wireless Communication Facilities.) Scroll down to Section C (Types of WCF Permits Required.)*

Item 14 – Upgrade to Downtown Project

Q. 1. What basis was used to allocate the costs among the Enterprise funds?

A. 1. Each utility will pay for the work directly associated with the installation as described in the bid items. The joint trench work of \$5.7M will be split among the 3 utilities being installed in the trench (water main, gas main, and two fiber conduits).

Q. 2. Page 3 refers to "dig once" policy - have we adopted an updated dig once policy?

A. 2. Staff developed this project based on a "dig once" policy, though the policy has not yet been officially adopted. Staff is developing this along with other ordinances, such as String Once, Multi-unit Housing, and Micro-trenching, to reduce construction costs and minimize disruption in the public-right-of-way. Staff plans to bring all the ordinances to Council at one time as a comprehensive package for approval. Since University Avenue is the main artery for downtown, it makes sense to install everything at the same time to avoid future excavation/disruption and only pay indirect and overhead costs once.

Q. 3. As the staff report states, the point of a dig once policy is to "reduce underground construction costs..." . As such the, laying fiber should be viewed as incremental work and not be assigned any of the cost of the digging. Can you break down the \$2.1M expense for fiber on this project? What would be the cost if fiber

conduit was laid separately at a future date? How much is the dig once policy saving us on costs?

A. 3. Water, gas, and two fiber conduits are going to be installed in the joint trench. Bid item #1 includes the labor, equipment, material costs to excavate and shore the trench, install pipes, backfill/restore the trench, as well as all indirect and overhead costs such as mobilization/demobilization, traffic control, and construction management by the contractor. The estimated cost to install fibers separately on University Avenue at a future date has not been estimated at this point. Such a project would necessarily carry all the indirect and overhead costs by itself, but may be located along a different alignment within this crowded (with infrastructure) street. As designed, fiber installation requires a deeper trench, with associated shoring and other constructability costs. Nonetheless, the dig once policy saves the City from paying the indirect and overhead costs twice and minimizes impact on residents, businesses, and transportation in downtown.

Q. 4. In the detailed bid the fiber related costs appear to be only about \$35,000 dollars - \$15K to install 2 PVC conduits, \$13K to to install another 4 PVC conduits, and \$6K to install a fiber optic pull boxes. Is that correct? Where is the rest of the fiber expense coming from?

A. 4. These bid items are the pull boxes and fiber conduits directly allocated to the fiber installation and are in addition to the fiber utility's share of the joint trench cost. The primary fiber expense is listed under Bid Item #1 – joint trench and installation of water pipe, gas pipe, and fiber conduit. Bid item #1 includes the labor, equipment, material costs to excavate and shore the trench, install pipes, backfill/restore the trench, as well as all indirect and overhead costs such as mobilization/demobilization, traffic control, and construction management by the contractor.

Q. 5. Is more fiber capacity needed at this location?

A.5. At this time, there are no immediate or forecasted needs for the City. This was included to provide flexibility for future uses and advance prior council direction to include fiber capacity in conjunction with main replacement projects.

Q. 6. The staff report on page 4 says "for this specific location, however, the incremental cost to include fiber optic conduits may be marginal....:" If council decides not to include fiber at this time, how will the \$2.1M in cost be allocated to other enterprise funds?

A.6. It is worth noting that the sentence concludes, "...marginal in comparison to anticipated benefits." Since the fiber is an integral part of the negotiated contract package, if council prefers not to include fiber, staff would not recommend awarding the contract. The project will require repackaging and rebidding, to return to council at a future date.

This may encounter the same problem with few or no bidders (high market demand and downtown restrictions) and the bid prices for other programs (general fund as well as utilities) will be allocated overhead and indirect costs.

Q. 7. East Palo Alto is in the process of a fiber installation to its public buildings. I know some of the ongoing operational costs maybe subsidized but I believe the actual construction and installation costs are estimated to be much lower, under \$200,000 for more than 8000 ft distance. How are they able to do it so cost effectively?

A. 7. It is difficult to make a comparison of costs since we do not know where East Palo Alto's conduits are to be installed or what construction method will be used. The installation on University Avenue is very expensive due to the congestion of underground utilities in the street (directional drilling method is not feasible because of the potential impact to existing underground utilities), restricted construction timeframes, extensive outreach and traffic management requirements. The high cost of water main installation on California Avenue in the Cal Ave Business District around 4 years ago also indicates that it's typically more costly to install utilities in downtown or business districts.

Thank you,
Janice Svendsen



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