

Brettle, Jessica

From: Minor, Beth
Sent: Saturday, May 30, 2020 12:31 PM
To: Brettle, Jessica
Subject: Fwd: Agenda Consent Questions for June 1, 2020: Items 2 and 3

From: "Rice, Danille" <Danille.Rice@CityofPaloAlto.org>
Date: May 30, 2020 at 11:41:58 AM PDT
To: "Council, City" <city.council@cityofpaloalto.org>, Council Agenda Email <CouncilAgendaEmail@CityofPaloAlto.org>
Cc: Executive Leadership Team <ExecutiveLeadershipTeam@cityofpaloalto.org>
Subject: **Agenda Consent Questions for June 1, 2020: Items 2 and 3**



Council Question Response

Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to inquiries made by Council Member Tanaka in regard to the June 1, 2020 Council Meeting agenda.

- **Item 2: Award of Contract for Loma Verde Avenue Trunk Line Improvement Project**
- **Item 3: Utilities Enterprise Fund Contract for Utility Line Clearing**

Item 2: Award of Contract for Loma Verde Avenue Trunk Line Improvement Project

1. **Since you described Stoloski & Gonzalez to be “responsible”, what are the terms and definitions that determine a bidder to be responsible?**
Section 2.30.440 of the Palo Alto Municipal Code provides that, “The awarding authority shall award contracts required to be formally bid to the lowest responsive and **responsible bidder.**” (PAMC 2.30.440, emphasis added in bold.) Section 2.30.440(c) defines a responsible bidder as follows:

(c) **Responsible Bidder.** A responsible bidder is a bidder determined by the awarding authority:

- (1) To have the ability, capacity, experience, and skill to perform the work, or provide the goods and/or services in accordance with the bid specifications;
- (2) To have the ability to perform the contract within the time specified;

- (3) To have the equipment, facilities and resources of such capacity and location to enable the bidder to perform the contract;
- (4) To have the ability to provide, as required, future maintenance, repair, parts and service for the use of goods purchased;
- (5) To have a record of satisfactory or better performance under prior contracts with the city or others; and
- (6) To have complied with applicable laws, regulations, policies (including city Council policies), guidelines and orders governing prior or existing contracts performed by the bidder.

Item 3: Utilities Enterprise Fund Contract for Utility Line Clearing

1. **Is there any way to shorten the 90 day per unit pricing review to say 30 or 45 days so we can try to determine the need to negotiate faster?**
Unit pricing is derived by dividing costs for a two person crew by a measured daily production rate. Average production rates differ between electric delivery systems. Quantifying trend data that has a high level of confidence requires an adequate sample, therefore the 90 day review clause in the contract was established to provide strong justification to reduce pricing. Trend data with a high level of confidence may be derived sooner if production rates are very consistent with less variability than historic averages. Staff will closely monitor data to support negotiating the largest price reduction at the earliest opportunity.
2. **Why hasn't staff tried to reduce the scope of the work to the bare regulatory minimum from the get-go?**
The primary metric for regulatory compliance is the clearance distance between an individual tree and an electric line. Work quantities are estimates to obtain compliance for the system as a whole. Variables such as weather dependent regrowth rates or decisions about tree removal/retention by private property owners influence the number of potential departures from standards. The amount of pruning affects the health and structure of the tree, but also the time required to complete one tree or one unit. With respect to the budget, there were adjustments made to reduce the total cost that will increase the amount of pruning on some trees and increase the risk of not meeting standards, however these potential outcomes are considered to be tolerable (and less than significant) given the current financial situation. The scope or work cannot be reduced further. The goal of electric line clearance pruning is to prune the minimum required to obtain regulatory compliance and ensure the system delivers safe and reliable power to customers.
3. **Are the additional burdens on staff along with the delays from choosing UTS worth 2 million dollars (the cost difference between UTS and Davey)?**
The CMR explains the reasons for selecting Davey. The lower cost proposal from UTS was not expected to provide sufficient outputs for staff to ensure regulatory compliance nor comply with other laws and policies. Assignment of liability was also unacceptable.

Thank you.



Danille Rice

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