



## CITY COUNCIL AGENDA REPORT

### City of Anaheim PUBLIC UTILITIES DEPARTMENT

**DATE:** SEPTEMBER 26, 2017

**FROM:** PUBLIC UTILITIES DEPARTMENT

**SUBJECT:** AGREEMENT FOR UNDERGROUND UTILITY LOCATING SERVICES

**ATTACHMENT (Y/N):** YES

**ITEM #** 11

**RECOMMENDATION:**

That the City Council by Motion:

- 1) Determine that the Underground Utility Locating Services (Locating Services) are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15061(b)(3) and 15301(b) of Title 14 of the California Code of Regulations;
- 2) Approve an Agreement with Kana Substructure Engineering, Inc. (KSE) to perform the Locating Services for an initial term of two years and up to three one-year extensions in the amount of \$1,074,200 for the two-year initial term and approximately \$537,148 with Consumer Price Index (CPI) adjustments for each one-year extension, plus an additional 15% for as-needed extra services; and
- 3) Authorize and direct the Public Utilities General Manager or designee, on behalf of Anaheim, to execute the Agreement and any related documents and take any and all actions as are necessary to implement and administer the Agreement.

**DISCUSSION:**

The Public Utilities Department (Department) is recommending retaining a professional firm that is qualified to perform Locating Services to comply with State law and minimize the potential for digging into its electric, fiber optic, and water lines.

Prior to beginning excavation in the public right-of way or on private property, a property owner, developer, or contractor must have the underground utilities located and marked, in order to avoid contacting the utility lines during excavation. The customer can dial 811 at no cost, referred to as DigAlert, to request that all utility owners mark their respective facilities. The California Government Code Section 4216 requires all utilities, at their own expense, to mark the location of their underground facilities within 48 hours of receiving a request. The requirement improves the safety and well-being of construction workers and the general public, and minimizes having to make costly repairs to damaged infrastructure.

As background, the City Council approved the award for electric and fiber optics locating services on October 25, 2011. The agreement was amended on October 18, 2016 by the City Council to include locating water lines. The current agreement will terminate on October 31, 2017 and the Department therefore proceeded with a new solicitation to qualified firms.

A Request for Proposals (RFP) was issued through the City's online system on August 11, 2017 to 40 firms. The Department received proposals from three firms that were evaluated in accordance with the qualifications-based selection criteria pursuant to City Council Policy No. 4.1. The evaluation criteria included the firm's ability to perform the tasks, methods and techniques employed, qualifications and availability of project team, record of success on similar projects, quality control, and the reasonableness of the proposed fees.

Following evaluation of the proposals, the firms were ranked as follows:

<b><u>Ranking</u></b>	<b><u>Firm's Name</u></b>	<b><u>Fee (for Two-Year Initial Term)</u></b>
1	KSE	\$1,074,200
2	AIRX Utility Surveyors, Inc.	\$6,891,000
3	Interline Engineering	\$8,820,000

The proposals submitted are for an estimated 60,000 requests the Locating Service contractor would typically receive during the initial two-year term of the agreement. The actual payment will be based on the completed number of locate requests the contractor processes. There is an option to extend the agreement up to three times, each for a one-year term, with a cost escalation based on CPI.

KSE had the highest ranked proposal due to its lowest cost, experienced field staff, and approach to performing Locating Services. Also, KSE has agreed to the City's standard terms and conditions that include insurance requirements, and compliance with the California Department of Industrial Relations to pay prevailing wages for its crews performing the Locating Services. Therefore, KSE was determined to be the most advantageous based on the evaluation criteria and is recommended to provide the Locating Services.

#### **ENVIRONMENTAL REVIEW:**

The Department recommends that City Council determine that the Locating Services work is categorically exempt from CEQA pursuant to Sections 15061(b)(3) and 15301(b) of Title 14 of the California Code of Regulations. The Locating Services consist of identifying and temporarily marking the locations of existing underground structures and do not include construction or excavation activities that would require further environmental review.

**IMPACT ON BUDGET:**

Sufficient funds are available in the Public Utilities Department Fiscal Year 2017/18 budget. Funding for future fiscal years will be subject to City Council's approval of budget appropriations.

Respectfully submitted,

Dukku Lee  
Public Utilities General Manager

**Attachments:**

1. Agreement for Underground Utility Locating Services
2. Underground Utility Locating Services Request For Proposal