



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 20, 2022**

**FROM: PUBLIC UTILITIES DEPARTMENT      WARDS: ALL**

**SUBJECT: BID RPU-7932 - SERVICES AGREEMENT FOR LOCATING SUBSURFACE FACILITIES FOR CITY OF RIVERSIDE UNDERGROUND UTILITIES WITH KANA SUBSURFACE ENGINEERING, INC., OF RIVERSIDE, CALIFORNIA FOR A THREE-YEAR TERM ENDING OCTOBER 4, 2025, AND TWO OPTIONAL ONE-YEAR TERM EXTENSIONS IN AN ANNUAL AMOUNT OF \$1,021,700**

## **ISSUES:**

Award Bid No RPU-7932 and approve a Services Agreement for Locating Subsurface Facilities for City of Riverside Underground Utilities with KANA Subsurface Engineering, Inc., of Riverside, California, for a three-year term ending October 4, 2025, with two optional one-year term extensions, in an annual amount of \$1,021,700.

## **RECOMMENDATIONS:**

That the City Council:

1. Award Bid No. RPU-7932 for Locating Subsurface Facilities for City of Riverside Underground Utilities to Kana Subsurface Engineering, Inc. of Riverside, California in the annual amount of \$1,021,700;
2. Approve the Services Agreement for Locating Subsurface Facilities for City of Riverside Underground Utilities with KANA Subsurface Engineering, Inc., of Riverside, California, for a three-year term ending October 4, 2025, with two optional one-year term extensions, in an annual amount of \$1,021,700; and
3. Authorize the City Manager, or designee, to execute the Services Agreement, including making minor and non-substantive changes, and with the option to extend for two additional one-year terms.

## **BOARD RECOMMENDATION:**

On September 12, 2022, the Board of Public Utilities will hear this item for consideration to recommend to the City Council the approval of a Services Agreement for locating subsurface facilities for City of Riverside underground utilities with KANA Subsurface Engineering, Inc., of Riverside, California, for a three-year term ending October 4, 2025, with two optional one-year term extensions, in an annual amount of \$1,021,700.

If the Board of Public Utilities approves to forward this item to the City Council, we respectfully request the City Council consider the item at the September 20, 2022 meeting.

## **BACKGROUND:**

Underground facility locating is a vital function of Riverside Public Utilities (RPU) and the Public Works Department, to maintain both the safety and reliability of the electric, water, and sewer systems. Underground facility locating is required by California Government Code Section 4216. All parties planning to excavate, for any reason, are required by law to notify the California One Call 811 system, which in turn informs all potentially affected utilities. Each utility must respond by physically marking the location of their facilities in the field.

Underground facility location service is vital to capital improvement construction projects and development driven projects in the City. The City of Riverside averages approximately 1,000 electric, 1,300 water, and 100 sewer locates per month. City crews and contractors utilize KANA Subsurface Engineering, Inc. to locate underground facilities when responding to emergency call-out work involving outages associated with underground electric, water, and sewer line failures, new installations, and replacement of infrastructure and associated equipment that requires digging near existing facilities.

## **DISCUSSION:**

Request for Bid No.RPU-7932 was posted on the City's Online Bid System (Planet Bids) on July 27, 2022, and closed August 9, 2022. Two (2) vendors submitted bids. KANA Subsurface Engineering, Inc., of Riverside, California was deemed the lowest bidder. The bids are summarized in the table below:

<b>Consultant</b>	<b>Bid Amount</b>
KANA Subsurface Engineering, Inc.	\$1,021,700
Builder's Protection Group, LLC	\$7,482,350

Annual cost per Department:

<b>Department/Division</b>	<b>Account No.</b>	<b>Annual Costs</b>
RPU - Electric	6105000-421000	\$425,700
RPU - Water	6205000-421000	\$553,400
Public Works - Sewer	4125100-421000	\$42,600
<b>Total</b>		<b>\$1,021,700</b>

The Public Works Director concurs with this report.

The Purchasing Manager concurs that the recommended actions comply with the City of Riverside's Purchasing Resolution No. 23812.

## **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 6 - Infrastructure, Mobility and Connectivity** and **Goal 6.2** – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Underground facility locating is a vital function of the Riverside Public Utilities to maintain both the safety and reliability of the electric, and water systems which help build community trust and result in the greater public good.
2. **Equity** – RPU endeavors to provide safe and reliable electric service to all its customers. Since RPU’s electric system is an interconnected network, investments made to identify and avoid subsurface utility conflicts improve the reliability of the overall system, thereby providing an equitable benefit to all customers.
3. **Fiscal Responsibility** – The lowest price for the locating services and thereby the best value for RPU’s customers was ensured through a competitive RFP process utilized by another similar public agency.
4. **Innovation** – RPU will utilize available technology tools within City of Riverside for the billing system which should improve efficiency and reduce staff time to reconcile invoices, maintain complete and accurate electronic records of all facilities updated.
5. **Sustainability & Resiliency** – The Underground facility locating services will help identify and avoid utility conflict across the City of Riverside electric and water systems and thereby will reduce possibility of faults and customer outages system wide.

## **FISCAL IMPACT:**

The annual fiscal impact for this Services Agreement is \$1,021,700 per year. Sufficient funds are available in the FY 2022/23 and FY 2023/24 budgets as listed in the table below:

<b>Fund</b>	<b>Department/Division</b>	<b>Account Number</b>	<b>Amount</b>
Electric Fund	RPU, Electric Field Operations	6105000-421000	\$425,700
Water Fund	RPU, Water Field Operations	6205000-421000	\$553,400
Sewer Fund	Sewer, Collection System Maintenance	4125100-421000	\$42,600
	<b>Total</b>		<b>\$1,021,700</b>

Future years’ funding of annual amounts will be included as a part of the biennial budget process

Prepared by: Todd M. Corbin, Utilities General Manager  
 Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer  
 Approved by: Kris Martinez, Assistant City Manager  
 Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Services Agreement
2. Bid Award Recommendation
3. Presentation