



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: SEPTEMBER 11, 2018**

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

SUBJECT: SECOND AMENDMENT TO THE PROFESSIONAL CONSULTANT SERVICES AGREEMENT FOR LOCATING SUBSURFACE FACILITIES WITH UTILIQUEST, LLC – EXTENDING THE TERM TO JUNE 30, 2021, AND INCREASING THE COMPENSATION IN THE AMOUNT OF \$1,052,472, FOR A TOTAL CONTRACT AMOUNT OF \$2,472,869

ISSUE:

Approve the Second Amendment to Professional Consultant Service Agreement with Utiliquest, LLC for underground locating services, extending the term to June 30, 2021, and adding \$1,052,472 for the remaining three years of the agreement, for a total contract amount of \$2,472,869.

RECOMMENDATIONS:

That the City Council:

1. Approve the expenditure of \$78,000 for the Public Works sewer portion of the Second Amendment to Professional Consultant Services Agreement with Utiliquest, LLC for underground locating services; and
2. Approve the Second Amendment to Professional Consultant Services Agreement with Utiliquest, LLC for underground locating services for Riverside Public Utilities and Public Works, in the amount of \$1,052,472, and extending the term by three years, ending June 30, 2021, for a total contract amount of \$2,472,869.

BOARD RECOMMENDATION:

The Board of Public Utilities met on August 27, 2018, and unanimously approved the expenditure of \$974,472 for the Riverside Public Utilities portion of the Second Amendment to Professional Consultant Services Agreement with Utiliquest, LLC, and recommend that the City Council approve the Second Amendment to Professional Consultant Services Agreement with Utiliquest, LLC for underground locating services for Riverside Public Utilities and Public Works, in the amount of \$1,052,472, and extending the term by three years, ending June 30, 2021, for a total contract amount of \$2,472,869.

BACKGROUND:

Underground facility locating is a vital function of the City, to maintain both the safety and reliability of the electric, water, and sewer systems. Facility locating is also 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. The City averages 1,000 electric, 1,250 water, and 70 sewer locates per month. This facility location is vital to all construction and development activity.



Typical underground facility locating process

DISCUSSION:

Utiliquest, LLC (Utiliquest) has been competently providing this service for the City since 2001. To ensure the best possible services and price, the City issued a formal Request for Proposals for these services in April 2013. In May 2013, the proposal evaluation team, consisting of staff from Riverside Public Utilities (RPU), Public Works and the Finance Department, selected Utiliquest as the successful proposer based on their industry experience, lowest cost, and excellent past performance. The team negotiated a favorable agreement with Utiliquest to perform underground locating services for Electric, Water and Sewer Force Main with an option to include Traffic Signals.

On August 27, 2013, the City Council approved a Professional Consultant Services Agreement (Agreement) with Utiliquest in the amount of \$613,397. The term of the Agreement was three years with an option for an additional three-year extension based on acceptable performance by the contractor, acceptable fees, and the same terms and conditions.

On May 23, 2016, the Board of Public Utilities approved the First Amendment to Professional Consultant Services Agreement with Utiliquest through June 30, 2018 in the amount of \$807,000 (which includes \$147,000 due to increased development activities).

Purchasing Resolution 23256, Section 702 (g) authorizes the City to waive the formal bidding process when services are procured from a Contractor who offers the same or better price, terms and conditions as the Contractor previously offered as the Lowest Responsive Bidder under Competitive Procurement or negotiations conducted by the City or another public agency, provided that, in the opinion of the Purchasing Manager, it is in the best interest of the City to do so. In this case, accurate underground facility locating services is a very important function to ensure safety to residents and customers. Utiliquest has provided outstanding services to the

City and has the historical knowledge and familiarity of the City's infrastructure that would allow them to work efficiently and effectively to comply with state law. Therefore, staff has determined that negotiating favorable terms for an extension will save the City staff time required to conduct a formal solicitation of services on the open market.

RPU staff has negotiated with Utiliquest to extend the underground locating services for Electric, Water and Sewer Force Main with an option to include Traffic Signals for three more years through June 30, 2021. In return, Utiliquest agreed to maintain the current fiscal years' contract pricing for the first year and a 1.5% increase in pricing for the second and third years of the extended term of the agreement as summarized below:

	Year 1	Year 2	Year 3
Amount increase over prior year contract price	0%	1.5%	1.5%

The value of the Second Amendment is \$1,052,473, broken down by fiscal year and function:

Period		Electric	Water	Sewer	Total
First additional year	July 2018-June 2019	\$150,000	\$170,000	\$25,000	\$345,000
Second additional year	July 2019-June 2020	\$152,250	\$172,550	\$25,000	\$349,800
Third additional year	July 2020-June 2021	\$154,534	\$175,138	\$28,000	\$357,672
Total		\$456,784	\$517,688	\$78,000	\$1,052,472

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23256. The Public Works Director concurs with the recommendations.

FISCAL IMPACT:

The total fiscal impact is \$1,052,472, for a total contract amount of \$2,472,869. Sufficient funds are available in Public Utilities Professional Services Electric Account No. 6105000-421000 \$456,784, Public Utilities Professional Services Water Account No. 6205000-421000 \$517,688, and in the Public Works Force Sewer Main Account No. 4125100-421000 \$78,000.

Prepared by: Todd Jorgenson, Interim Utilities General Manager
 Certified as to availability of funds: Edward Enriquez, Interim Chief Financial Officer/City Treasurer
 Approved by: Al Zelinka, FAICP, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Second Amendment to Professional Consultant Services Agreement with Utiliquest LLC
2. Draft Minutes from the 8/27/18 Public Utilities Board