



Agenda Report

20-305

Agenda Date: 4/7/2020

REPORT TO COUNCIL

SUBJECT

Action on a Resolution for the Use of City Electric Forces at Various Locations and Approve Related Budget Amendments [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

BACKGROUND

Charter Section 1310 titled Contracts on Public Works states, in part, “that every contract involving an expenditure of more than one thousand dollars (\$1,000) for the construction or improvement (excluding maintenance and repair) of public buildings, works, streets, drains, sewers, utilities, parks and playgrounds shall be let to the lowest responsible bidder.” The section further states that “the City Council may declare and determine that, in its opinion, the work in question may be performed better or more economically by the City with its own employees, and after the adoption of a resolution to this effect by at least four affirmative votes, it may proceed to have said work done in the manner stated, without further observance of the provisions of this section.”

DISCUSSION

Staff believes that the work described below is best and most efficiently performed with City forces based upon the following factors: (1) the work is limited in size and scope; (2) City forces have knowledge and training in operating and maintaining the electric system that can be leveraged to more economically perform this work; and (3) bidding out the work and contracting with a private entity would not likely result in a lower overall cost or time savings. Therefore, staff recommends that the City Council make a finding that City forces can better perform the installation of the following electric facilities and approve the use of City forces.

Estimate Number:	<u>36243</u>
Location:	Stender Way at Coronado Drive
Type of Service:	Street Lights
Description of Work:	Install 100' underground secondary cable, 100' underground streetlight cable. Connect 8 customer owned decorative streetlights, new traffic signal service and install meter.
Estimated Cost:	\$3,825
Appropriation:	Street Lighting Capital Fund (534) Project 2872 - New Development Street Lighting
Source of Revenue:	Customer/Developer Contribution

Estimate Number: 36214
Location: Lawrence Station - throughout site connecting customer owned lights to SVP circuit.
Type of Service: Street Lights
Description of Work: Install approximately 5,600' 2/4 aluminum streetlight cable through conduits and splice boxes. Connect 22 customer owned streetlights to SVP streetlight circuit.
Estimated Cost: \$21,963
Appropriation: Street Lighting Capital Fund (534) Project 2872 - New Development Street Lighting
Source of Revenue: Customer/Developer Contribution

Estimate Number: 36009
Location: 3615 El Camino Real
Type of Service: New Business
Description of Work: Remove 500KVA 12/208V transformer and install 500KVA 277/480V padmount transformer.
Estimated Cost: \$15,837
Appropriation: Electric Utility Capital Fund (591) Project 2005 - New Business Estimate Work
Source of Revenue: Customer/Developer Contribution

Estimate Number: 36013
Location: 1150 Walsh Avenue
Type of Service: New Business
Description of Work: Remove existing 50' pole and install new 50' ~10' east. Install new 1/0 BT riser to new 750KVA padmount transformer at base of pole for temporary power for construction trailers. To be removed near construction completion.
Estimated Cost: \$26,294
Appropriation: Electric Utility Capital Fund (591) Project 2005 - New Business Estimate Work
Source of Revenue: Customer/Developer Contribution

Estimate Number: 34379
Location: 3215 Stevens Creek Boulevard
Type of Service: New Business
Description of Work: Install approximately 1,125' 397 AL 12KV OH to relocate power around construction at 3215 Stevens Creek Boulevard. Remove existing OH transformer T8570 at 3215 Stevens Creek Boulevard.
Estimated Cost: \$14,904
Appropriation: Electric Utility Capital Fund (591) Project 2005 - New Business Estimate Work
Source of Revenue: Customer/Developer Contribution

Estimate Number: 36231
Location: 3505 Kifer Road (area bordered by Kifer Road, Lawrence Expressway and Central Expressway)
Type of Service: New Business
Description of Work: Install 12KV system including 5,000' cable, 1 5-way switch, 9 transformers, 99 splices and 24 connectors. Connect customer services from 9 main panels. Install 4 house meters, 4 fire pump service meters, 2 commercial meters and 667 residential meters.
Estimated Cost: \$453,713
Appropriation: Electric Utility Capital Fund (591) Project 2005 - New Business Estimate Work
Source of Revenue: Customer Service Charges

Estimate Number: 36225
Location: 2055 Lafayette Street
Type of Service: Temporary Power
Description of Work: Install (N) 50 Class 1 BT riser pole with 3-100A cutouts, ±120' 397 ASCRA Al wire, ±100' Al Tri 15kv cable, 2000kva padmount transformer.
Estimated Cost: \$38,599
Appropriation: Electric Utility Capital Fund (591) Project 2005 - New Business Estimate Work
Source of Revenue: Customer/Developer Contribution

Estimate Number: 34821
Location: 3655 Tahoe Way
Type of Service: New Business
Description of Work: Install 40' underground high voltage cable, splices and one padmount transformer. Connect customer service cable and install metering for 1200A main service panel.
Estimated Cost: \$18,853
Appropriation: Electric Utility Capital Fund (591) Project 2005 - New Business Estimate Work
Source of Revenue: Contribution in Aid of Construction, Customer Service Charges

Estimate Number: 36276
Location: 100 North Winchester Boulevard
Type of Service: Street Lights
Description of Work: Install new streetlight conductors at 100 North Winchester Boulevard as a result of developer damaged conduits.
Estimated Cost: \$1,652
Appropriation: Street Lighting Capital Fund (534) Project 2872 - New Development Street Lighting
Source of Revenue: Customer/Developer Contribution

Estimate Number: 36224
Location: Serra Substation

Type of Service:	Other - Substation
Description of Work:	Remove ±500' primary high voltage cable, 3 45' poles, 2 air switches, and 3 cap banks from Serra Substation.
Estimated Cost:	\$4,745
Appropriation:	Electric Utility Capital Fund (591) Project 2104 - Serra Substation Re-Build
Source of Revenue:	Customer Service Charges

ENVIRONMENTAL REVIEW

The actions being considered are exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines sections 15302(c) (Class 2 - Replacement or Reconstruction) because they involve the replacement or reconstruction of existing utility systems and/or facilities involving negligible expansion of capacity, and 15303(d) (Class 3 - New Construction or Conversion of Small Structures), because they involve the construction of new electric utility extensions.

FISCAL IMPACT

The total estimated cost of the work detailed above is \$600,385 and is broken down as follows: Project 2872 - New Development Street Lighting (\$27,440), Project 2005 - New Business Estimate Work (\$568,200), and Project 2014 - Serra Substation Rebuild (\$4,745). The New Business Estimate Work project in the Electric Capital Fund and the New Development Street Lighting project in the Street Lighting Capital Fund do not have sufficient funding budgeted for this work.

For the New Business Estimate Work project, the staff funding is budgeted in the Electric Utility Fund and then transferred to the Electric Utility Capital Fund as needed. The recommended transfer of \$1,789,464 from the Electric Utility Fund covers engineering and related staff time for the work identified in this memorandum (\$568,200) as well as other work incurred through the end of February 2020 for the New Business Estimate Work project. A budget amendment using the Street Lighting Capital Fund Unrestricted Fund Balance is recommended to fund the New Development Street Lighting project.

Budget Amendment FY 2019/2020

	Current	Increase/ (Decrease)	Revised
Electric Utility Fund			
<u>Expenditures</u>			
Transfer to the Electric Utility Capital Fund	\$ 26,887,211	\$ 1,789,464	\$28,676,675
Salaries and Benefits	\$46,057,785	(\$1,789,464)	\$44,268,321
Electric Utility Capital Fund			
<u>Revenues</u>			
Transfer from the Electric Utility Fund	\$26,887,211	\$1,789,464	\$28,676,675
<u>Expenditures</u>			

New Business Estimate Work\$ 3,616,469	\$1,789,464	\$5,405,933
project (591-2005)		

Street Lighting Capital Fund

Expenditures

New Development Street Lighting project (534-2872)	\$0	\$ 27,440	\$ 27,440
--	-----	-----------	-----------

Unrestricted Fund Balance	\$ 278,224	(\$ 27,440)	\$ 250,784
---------------------------	------------	-------------	------------

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> .

RECOMMENDATION

1. Adopt a Resolution approving the use of City Electric Forces for the installation of facilities at Stender Way at Coronado Drive, Lawrence Station - throughout site connecting customer owned lights to SVP circuit, 3615 El Camino Real, 1150 Walsh Avenue, 3215 Stevens Creek Boulevard, 3505 Kifer Road (area bordered by Kifer Road, Lawrence Expressway and Central Expressway), 2055 Lafayette Street, 3655 Tahoe Way, 100 North Winchester Boulevard, and Serra Substation; and
2. Approve the related budget amendments: in the Electric Utility Fund, reduce the Salaries and Benefits budget by \$1,789,464 and transfer this amount to the Electric Capital Fund; in the Electric Capital Fund, recognize a transfer from the Electric Utility Fund in the amount of \$1,789,464 and increase the New Business Estimate Work project appropriation by the same amount; and in the Street Lighting Capital Fund, reduce the unrestricted ending fund balance by \$27,440 and increase the New Development Street Lighting project appropriation by the same amount.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution