December 14, 2004

TO: Mayor and City Council

FROM: Mark J. Madison, Director of Municipal Utilities Department

SUBJECT: NOTICE TO PROCEED FOR THE CONSTRUCTION OF THE STIMSON STREET CONNECTION PROJECT AND EXECUTION OF RIGHT-OF-ENTRY, TEMPORARY CONSTRUCTION AND PERMANENT EASEMENT AGREEMENTS WITH THE STATE OF CALIFORNIA

RECOMMENDATION

Adopt two resolutions: The first resolution will authorize the City Manager to award a Notice to Proceed for the Stimson Street Connection Project to OMI/Thames Stockton Water, Inc. and authorize the City Manager to make the necessary appropriations. The second resolution will authorize the City Manager to execute right-of-entry, temporary construction, and permanent easement agreements with the State of California for construction of the Stimson Street Connection Project.

SUMMARY

The City's south water system service area includes the Stockton Metropolitan Airport Complex. The project will provide an essential interconnect between the existing water transmission main in Airport Way and the distribution system within the Airport Complex. The Stimson Street Connection will be constructed by OMI-Thames Stockton Water, Inc., on property owned by the State of California.

The recommended action authorizes the City to issue a Notice to Proceed for construction of the Stimson Street Connection. The recommended action also authorizes the City Manager to execute right-of-entry and easement agreements with the State of California.

DISCUSSION

Background

On February 19, 2003, the City Council approved a contract with OMI/Thames Water, Inc. via Resolution No. 03-0081 to operate and maintain the City's water, wastewater, and storm water systems. In addition, the contract included design/build pricing for thirty (30) Initial Capital Improvements (ICI's).
The City, at its sole discretion, may choose to initiate design work on one, some or all of these projects by issuing Pre-Approval Authorizations. In addition, once all governmental approvals have been obtained, funding has been duly authorized, and all CEQA reviews have been completed and adopted by the City Council, Notices to Proceed may be issued to start construction work. Under Section 10.1(C), the City has the right not to issue Notices to Proceed on any one, some or all of the Initial Capital Improvements for any reason including information developed under CEQA reviews.

Prior to issuing Notices to Proceed and in accordance with Section 10.1(B) of the contract, the City:

"....may, but shall not be obligated to, issue a Pre-Approval Authorization for the purpose of allowing the Company to proceed with design, permitting, and other work necessary to obtain all Governmental Approvals necessary to begin construction of a particular Initial Capital Improvement.

This same Section further states:

"A Pre-Approval Authorization shall not constitute a Notice-to-Proceed for any purpose other than authorizing and paying for such preliminary ICI Design/Build Work."

In other words, to start design work on the ICI's, the City needs to issue a Pre-Approval Authorization for each ICI.

On September 23, 2003, the City Council was informed that Pre-Approval Authorizations would be issued to OMI/Thames Stockton Water, Inc. for a number of Initial Capital Improvement Projects including the construction of the Stimson Street Connection, which is also known as W3.

Current Situation

This project will construct approximately 500-feet of 12-inch water main to connect the 24-in water main in Airport Way with the water distribution system within the Stockton Metropolitan Airport complex. The result will be more reliable water delivery for domestic and fire protection purposes in this economically vital area. Design of the project is nearing completion. In order to allow construction to commence, a Notice to Proceed must be issued. The contract construction cost is $60,481.

A portion of the Stimson Street Connection will be constructed on property owned by the State of California. Right-of-entry and temporary construction easement agreements must be executed before construction can begin on State property. Construction operations will be conducted in these areas. A permanent easement agreement, which
will be executed on completion of construction, will provide the City access to the water pipeline for operation and maintenance purposes.

A Notice to Proceed must be issued to authorize proceeding with construction. The contract amounts for design and construction are $91,000.00 and $60,481.00, respectively.

ENVIRONMENTAL CLEARANCE

This project is exempt from the requirements of the California Environmental Quality Act (CEQA) since projects of this type are granted a "Statutory Categorical Exemption" under State CEQA Guidelines (California Code of Regulations, Title 14, Article 18, Section 15282(I).)

GENERAL PLAN CONFORMITY

In accordance with Section 65402 of the Government Code, it has been determined that the subject actions/projects conform to the City's General Plan.

FINANCIAL SUMMARY

The construction contract amount is $60,481.00 which must be appropriated from retained earnings. The Director of Administrative Services or his designee is authorized to make all appropriate entries necessary to implement the intent of this Resolution.

From account number 421-0000-287.00-00 Stockton Water District retained earnings to account number 421-7601-670.20-62 Stockton Water District water system expansion.

PREPARED BY:  Lawrence B. Deimler

Respectfully Submitted,

MARK J. MADISON
DIRECTOR OF MUNICIPAL UTILITIES

APPROVED BY CITY MANAGER

MJM:AG:as
RESOLUTION AUTHORIZING THE CITY MANAGER TO AWARD A NOTICE TO PROCEED TO OMI-THAMES WATER STOCKTON, INC. (OMI-TW) FOR CONSTRUCTION OF THE STIMSON STREET CONNECTION PROJECT

WHEREAS, on February 19, 2003, the City Council adopted Resolution No. 03-0081 which approved a contract with OMI-TW to operate and maintain the City's water, wastewater, and storm water systems; and

WHEREAS, the contract included design/build pricing for thirty (30) Initial Capital Improvements (ICI's); and

WHEREAS, the City, at its sole discretion, may choose to initiate design work on one, some or all of these projects by issuing Pre-Approval Authorizations; and

WHEREAS, once all governmental approvals have been obtained, funding has been duly authorized, and all CEQA reviews have been completed and adopted by the City Council, Notices to Proceed may be issued to start construction work; and

WHEREAS, the design work for the Stimson Street Connection project is nearing completion and a Notice to Proceed must be issued to start the construction phase; and

WHEREAS, the construction cost for the project will be $60,481.00; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the City Manager is hereby authorized to award a Notice to Proceed to OMI-Thames Stockton Water, Inc. for the Stimson Street Connection Project.

2. The City Manager is authorized to make the necessary entries in order to issue the Notices to Proceed.

3. This project is exempt from the requirements of the California Environmental Quality Act (CEQA) since projects of this type are granted a "Statutory Exemption" under State CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, Article 18, section 15282(l)).
In accordance with Section 65402 of the Government Code, it has been determined that the subject actions/project conform to the City's General Plan.

That an appropriation of funds in the amount of $60,481.00 shall be made from Water Retained Earnings to the project account.

PASSED, APPROVED and ADOPTED _____________________.

ATTEST: GARY A. PODESTO, Mayor
of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton
RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE RIGHT-OF-ENTRY, TEMPORARY CONSTRUCTION, AND PERMANENT EASEMENT AGREEMENTS WITH THE STATE OF CALIFORNIA FOR THE STIMSON STREET CONNECTION PROJECT

WHEREAS, on February 19, 2003, the City Council adopted Resolution No. 03-0081 which approved a contract with OMI-TW to design and construct components of the City's water, wastewater, and storm water systems; and

WHEREAS, the design work for the Stimson Street Connection project is nearing completion and rights-of-entry and easements must be acquired prior to start the construction phase; and

WHEREAS, a portion of the project will be constructed on property owned by the State of California; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the City Manager is hereby authorized to execute rights-of-entry, temporary construction, and permanent easement agreements with the State of California for the Stimson Street Connection Project.

2. This project is exempt from the requirements of the California Environmental Quality Act (CEQA) since projects of this type are granted a "Statutory Exemption" under State CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, Article 18, section 15282(l)).

3. In accordance with Section 65402 of the Government Code, it has been determined that the subject actions/project conform to the City's General Plan.

PASSED, APPROVED and ADOPTED ____________________________

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

GARY A. PODESTO, Mayor
of the City of Stockton

DATE DEC 8 2004