CONSENT AGENDA

AGENDA ITEM 12.8
TO: Mayor and City Council
FROM: Robert Murdoch, Director
Public Works Department
SUBJECT: APPROVE UTILITY AGREEMENT WITH PACIFIC GAS AND ELECTRIC COMPANY (PG&E) FOR THE SPERRY ROAD EXTENSION, PROJECT NO. 09-11

RECOMMENDATION

It is recommended that the City Council adopt a motion that authorizes the City Manager to execute a Utility Agreement with Pacific Gas and Electric Company (PG&E) for electric distribution and electric transmission pole relocation at McKinley Avenue as part of the Sperry Road Extension, Project No. 09-11, in the amount of $60,739.

It is further recommended that the motion authorize the City Manager to take appropriate actions to carry out the purpose and intent of this motion.

Summary

On July 26, 2011, Council approved the construction contract for the Sperry Road Extension Project (Project) with C.C. Myers, Inc. This Project is one of the Council’s Strategic Initiatives and the location is shown on Attachment A.

The relocation of existing electrical distribution and transmission lines is needed for the construction of the Project. Specifically, PG&E must install new higher poles along McKinley Avenue and El Dorado Street to raise the existing overhead lines to provide adequate clearance over the new elevated roadway. Two existing PG&E poles on McKinley Avenue are within an existing twenty-two-foot wide PG&E Easement. Therefore, the City must pay 100 percent of the cost of this relocation, or $60,739. The two poles along El Dorado Street are in the City’s right-of-way, so the new poles will be installed under the City’s Franchise Agreement and at no cost to the City.

Taking the recommended action will have no impact on the General Fund.

DISCUSSION

Background

On July 26, 2011, Council approved the Sperry Road Extension Project (Project) construction contract with C.C. Myers, Inc. (Resolution No. 11-0211) in the amount of
$30,660,918.10. The Project consists of constructing an elevated roadway between Performance Drive (east end) and French Camp Road (west end) crossing over El Dorado Street, McKinley Avenue, and three Union Pacific Railroad tracks. This Project is one of the Council’s Strategic Initiatives and the location is shown on Attachment A.

The relocation of existing electrical distribution and transmission lines is needed to accommodate the construction of the elevated portion of the Project. Specifically, PG&E must install new higher poles along McKinley Avenue and El Dorado Street to raise the existing overhead lines and provide adequate clearance over the new roadway. Typically, utilities located in an area covered by a City Franchise Agreement will be relocated and/or adjusted at no cost to the City. This is the case with the two poles located along El Dorado Street which PG&E will modify at no cost to the City. However, the two poles along McKinley Avenue are within an exclusive twenty-two-foot wide PG&E Easement and not covered by the City Franchise Agreement. Therefore, the City must pay 100 percent of the cost, or $60,739, to adjust these poles.

Present Situation

Construction is underway and per the Project’s Special Provisions, PG&E facilities must be relocated by January 31, 2012. The Utility Agreement is needed now, so no delays are encountered.

The construction contract with C.C. Myers, Inc. includes costs for utility relocations. Therefore, C.C. Myers, Inc. will pay PG&E for the new poles not in the franchise area, even though the Utility Agreement will be with the City. This is done so that 60% of the relocation cost can be funded by the Project’s State Proposition 1B allocation.

Staff is recommending the approval of the Utility Agreement with PG&E (Attachment B) so that the work may be scheduled and performed without causing delays.

FINANCIAL SUMMARY

These expenses were anticipated and are identified and included in the C.C. Myers, Inc. Construction Contract that was previously approved by Council (Resolution No. 11-0211). Sufficient funds have already been appropriated and encumbered into the following project account:

9837-640 Sperry Road Extension

The City Manager is authorized to sign the Utility Agreement with PG&E and undertake additional financial actions consistent with the purpose and intent of this motion.
APPROVE UTILITY AGREEMENT WITH PACIFIC GAS AND ELECTRIC COMPANY (PG&E) FOR THE SPERRY ROAD EXTENSION, PROJECT NO. 09-11

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Taking the recommended actions will have no impact on the General Fund.

Respectfully submitted,  

ROBERT MURDOCH, DIRECTOR  
PUBLIC WORKS DEPARTMENT

APPROVED

MICHAEL E. LOCKE  
DEPUTY CITY MANAGER

RM:EA:OAH:nla/cl

Attachment A - Vicinity Map  
Attachment B - PG&E Utility Agreement

::ODMA\GRPW\E02\OAH\nla\cl
City of Stockton

Department of Public Works

22 East Weber Ave.

Stockton, CA 95202

UTILITY AGREEMENT

<table>
<thead>
<tr>
<th>City</th>
<th>Location</th>
<th>P.M.</th>
<th>Project #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockton</td>
<td>Sperry Rd</td>
<td>N/A</td>
<td>09-11</td>
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State Aid No.: TCIFL-5008 (105)

Owners File:

FEDERAL PARTICIPATION: On the Project: Yes / No
On the Utilities: Yes / No

UTILITY AGREEMENT No. 09-11-3.2

DATE: ______________

The City of Stockton hereinafter called City proposes to realign and extend Sperry Road westerly from McKinley Ave. to French Camp Rd. The proposed work will construct bridges over McKinley Ave., El Dorado St. Union Pacific Railroad and French Camp Slough in the City of Stockton and San Joaquin County.

Pacific Gas and Electric hereinafter called PG&E owns and maintains overhead electric transmission and distribution facilities within the City’s project that requires relocation of said facilities to accommodate City’s project.

It is hereby mutually agreed that:

Section 1. WORK TO BE DONE

1.1 In accordance with Notice to Owner Number 09-11-3.2 dated November 04, 2010 PG&E shall relocate its facilities as identified on the attached drawing. All work shall be performed substantially in accordance with PG&E’s plan job number 30747622 Dated August 26, 2010 consisting of one sheet, a copy of which is on file in the Office of the Department of Public Works City of Stockton 22 East Weber Ave. Stockton, CA 95202. Deviations from the PG&E’s plan described above initiated by either the City or PG&E, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notice to Owner, approved by the City and acknowledged by PG&E, will constitute an approved revision of PG&E’s plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to receipt by PG&E of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner.
On McKinley Avenue, PG&E will raise two existing power lines by replacing existing poles (2/57 & 2/56) with taller poles to maintain adequate clearances to the newly constructed Sperry Road Extension.

On El Dorado Street, PG&E will raise two existing power lines by replacing existing poles (12/6 & 12/7) with taller poles to maintain adequate clearances to the newly constructed Sperry Road Extension.

Section 2. LIABILITY FOR WORK

2.1 The existing facilities on McKinley Avenue described in Section 1 Above will be relocated at the City’s expense in accordance with Chapter 12 ‘Franchises’ Part 1, Division 1 Electric-Pacific Gas & Electric Company of the Stockton Municipal Code. Both of the existing poles are within PG&E easements. PG&E’s cost for raising the two poles is $60,739.00. The City, at the completion of the work and upon the receipt of an itemized invoice, shall only pay the mentioned relocation cost.

2.2 The existing facilities on El Dorado Street described in Section 1 Above will be relocated at the PG&E’s expense in accordance with Chapter 12 ‘Franchises’ Part 1, Division 1 Electric-Pacific Gas & Electric Company of the Stockton Municipal Code. Both of the existing poles are within Franchise. PG&E’s estimate for raising the two poles is $60,739.00. PG&E, at the completion of the work shall not invoice the City of Stockton for any relocation costs or other costs related to this relocation.

2.3 Pursuant to Public Works Case Number 2001-059 determination by the California Department of Industrial Relations dated October 25, 2002, work performed by PG&E’s contractor is a public work under the definition of Labor Code Section 1720(a) and is subject to prevailing wage requirements. PG&E shall verify compliance with this requirement in the administration of its contract referenced above.

Section 3. PERFORMANCE OF WORK

3.1 PG&E agrees to perform the herein-described work with its own forces or to cause the herein described work to be performed by PG&E’s contractor, employed by written contract on a continuing basis to perform work of this type, and to provide and furnish all necessary labor, materials, tools, and equipment required therefore; and to prosecute said work diligently to completion.

Section 4. PAYMENT FOR WORK

4.1 The City shall pay its share (50%) of the total cost ($121,478.00) of the herein described work within 90 days after receipt of PG&E’s itemized bill in quintuplicate, signed by a responsible official of PG&E’s organization and prepared on PG&E’s letterhead, compiled on the basis of
PG&E's cost as provided in this agreement incurred and charged or allocated to said work in accordance with the uniform system of accounts prescribed for PG&E by the California Public Utilities Commission (PUC) or Federal Communications Commission (FCC), Whichever is applicable.

4.2 It is understood and agreed that the City will not pay for any betterment or increase in capacity of PG&E's facilities in the new location and the PG&E shall give credit to the City for all accrued depreciation on the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by PG&E.

4.3 Not more frequently than once a month, but at least quarterly, PG&E will prepare and submit progress bills for costs incurred not to exceed PG&E's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills shall not exceed the amount of this Agreement.

4.4 PG&E shall submit a final bill to the City within 180 days after the completion of the work described in Section I above. If the City has not received a final bill within 180 days after notification of completion of PG&E's work described in Section I of this Agreement, and the City has delivered to PG&E fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements as required for PG&E's facilities; the City will provide written notification to PG&E of its intent to close its file within 30 days and PG&E hereby acknowledges, to the extent allowed by law that all remaining costs will be deemed to have been abandoned.

4.5 The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the City shall not pay final bills, which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from PG&E and approval of documentation by the City. Except, if the final bill exceeds the City's estimated costs solely as the result of a revised Notice to Owner as provided in Section 1, a copy of said revised Notice to Owner shall suffice as documentation.

4.6 In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an amended Agreement shall be executed by the parties to this Agreement prior to the payment of the PG&E final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of the City.

Section 5. GENERAL CONDITIONS
5.1 All costs accrued by PG&E as a result of the City’s request of November 04, 2010 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

5.2 If the City’s project which precipitated this Agreement is cancelled or modified so as to eliminate the necessity of work by PG&E, the City will notify PG&E in writing, and the City reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

5.3 PG&E shall submit a Notice of Completion to the City within 30 days of the completion of work described herein.

5.4 The City may acquire new rights of way in the name of either the City or PG&E through negotiation or condemnation and when acquired in the City’s name, shall convey same to PG&E by Easement Deed. The City’s liability for such rights of way will be at the proration shown for relocation work involved under this Agreement.

5.5 Upon completion of the work to be done by the City in accordance with the Sperry Road Extension plans and specifications and PG&E’s Plans, the new facilities shall become the property of PG&E, and PG&E shall have the same rights in the new location that it had in the old location.

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

CITY OF STOCKTON

By: ____________________________

PACIFIC GAS AND ELECTRIC

By: ____________________________

BOB DEIS
City Manager

Marvin Penner
Manager
Land Management

Date: __________________________

Date: __________________________