

FILED
OFFICE OF THE CITY
OAKLAND

CITY OF OAKLAND
AGENDA REPORT

2009 JUN 11 PM 8:04

TO: Office of the Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: June 23, 2009

RE: **A Resolution Authorizing The City To Accept Capital Improvement Project Funds In An Amount Not To Exceed Two Hundred Twenty-Five Thousand Dollars (\$225,000) For The MacArthur Boulevard Undergrounding Project On MacArthur Boulevard From 73rd Avenue To The San Leandro Border, To Cover Shortfall, Out Of The Total Estimated City Project Costs Of Three Million One Hundred Eighty-Eight Thousand One Hundred Eighty-Nine Dollars (\$3,188,189)**

SUMMARY

This report is a request for Council approval of a resolution authorizing the appropriation of Capital Improvement Project funds not to exceed a total of \$225,000 for the MacArthur Boulevard Undergrounding Project, on MacArthur Boulevard from 73rd Avenue to the San Leandro border, out of the total estimated City project costs of \$3,188,189. The \$225,000 will cover a portion of shortfall costs due to unforeseen increases in Contractor costs for panel conversions and the need for the City to pay the property owners' share of the costs.

FISCAL IMPACT

Funds are available to cover these additional MacArthur Boulevard undergrounding work costs. The City staff proposes to use \$225,000 of the funds originally earmarked for the International Boulevard / MacArthur Streetscape Projects in the following funds and projects:

- \$ 77,409.61 in the General Purpose Fund (1010), International Boulevard / MacArthur Streetscape Project (C167610)
- \$147,590.39 in the Municipal Capital Improvement Fund (5500), International Boulevard / MacArthur Streetscape Project (C167620)

To cover the costs of the MacArthur Boulevard underground shortfall, staff recommends transferring the current International Boulevard / MacArthur Streetscape Project funding into the following coding blocks:

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Fund	Organization	Account	Project	Program	Total
1010	92228	52511	C167610	W772	\$27,409.61
1010	30528	56611	C167610	W772	\$50,000.00
5500	92228	52511	C167620	W772	\$22,590.39
5500	92228	54919	C167620	W772	\$125,000.00

BACKGROUND

The MacArthur Boulevard Underground Project will replace the overhead facilities of PG&E, AT&T, Comcast, and City Streetlights with new underground facilities. The overhead facilities and wood poles will be removed at the completion of the project. The City will install new streetlights with underground feed. City Council Resolution No. 76731 C.M.S. established the underground district on September 25, 2001.

The City's contract with the Underground Construction Company is to construct a substructure for the participants to place their facilities underground. The contract with the Underground Construction Company was for approximately \$9.8 million, the substructure was completed in July 2007. The City's share of the cost for the substructure was \$1.7 million and PG&E, AT&T and Comcast share in the remaining \$8.1 million. There was a cost increase in change orders and the City's share of that increase was \$348,060. The City approached Central City East (CCE) for additional funding on those shortfalls in April 2007, and CCE granted the City \$300,000 to cover part of the shortfall.

After the Contractor completed the substructure, PG&E, AT&T, Comcast, and the City installed new equipment such as cables and terminations, switches, transformers, power supplies, patch panels, streetlights, etc. to make the undergrounding feasible. These internal costs consisting of material and equipment cost, staff construction and project management cost, and permits and inspection costs, etc. and it was estimated at a total of \$11,150,000.

However, the work undertaken by PG&E after July 2007 was not executed in the time allotted, so the Contractor requested the City to release it from its contract with the City. The project was further delayed as PG&E was not ready to go on with the panel conversions or to provide power to the City streetlights in the district.

KEY ISSUES AND IMPACTS

There are approximately 264 properties in this underground district; the original Contractor completed the panel conversion of 13 properties. The remaining 251 properties were bid out to new replacement contractors, who have completed the panel conversion of 134 properties to date. The project is short of funds to pay the new contractors and there are 117 properties still in need of panel conversions. The change to new contractors resulted in a re-bid of the work at a

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higher price. Furthermore, the passage of time resulted in equipment being damaged or found missing in the interim. The resultant change orders were beyond the project's resources. The City can fund the shortfall totaling \$225,000 out of existing funds in the International / MacArthur Streetscape Project budget.

Budget Cost Estimates:

Budget Cost Estimates	City	PG&E	AT&T	Comcast	Total for all participants	% Complete
A. Soft Cost, Equipment & Pole Removal*	\$ 650,000	\$ 7,500,000	\$ 2,000,000	\$ 1,000,000	\$ 11,150,000	75%
B. Contractor Bid Price for Substructure	\$ 1,708,232	\$ 4,435,467	\$ 1,948,549	\$ 1,732,630	\$ 9,824,878	100%
Subtotal	\$ 2,358,232	\$ 11,935,467	\$ 3,948,549	\$ 2,732,630	\$ 20,974,878	
C. Change Orders for Substructure	\$ 348,060	\$ 543,270	\$ 149,460	\$ 214,669	\$ 1,255,459	100%
Total Cost at Termination of 1st Contractor	\$ 2,706,292				\$ 22,230,337	
D. Replacement Contractors' Bid Price for Panel Conversion	\$ 120,000	\$ 90,000			\$ 210,000	55%
E. Change Order for Panel Conversions to date [05/12/2009]	\$ 136,000				\$ 136,000	55%
F. Change Order for Remaining Panel Conversions (Estimate)	\$ 150,000				\$ 150,000	55%
Subtotal	\$ 3,112,292				\$ 22,726,337	
G. Retention Due Contractor at Settlement	\$ 75,897				\$ 75,897	
Total Project Costs	\$ 3,188,189				\$ 22,802,234	

*Amounts for PG&E, AT&T, and Comcast are estimates.

Funding Shortfall:

Funding Shortfall	Amount
Total Project Cost	\$3,188,189
Total Project Resources	\$2,963,241
Shortfall	\$225,000

The work will continue for the next seven months. All the wood poles in Phase 1 and Phase 2 will be removed in July 2009, and all the wood poles in Phase 3 will be removed in December 2009.

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PROJECT DESCRIPTION

The MacArthur Boulevard Undergrounding Project is a major infrastructure project that will benefit the residents, property owners, merchants, and the community in general by improving the utility wires and upgrading the physical environment of the street. The undergrounding should be completed prior to the streetscape improvements in order to implement an orderly and logical sequence of work. For this reason, staff recommends that the funds originally earmarked for the International Boulevard / MacArthur Streetscape Projects be used to cover the shortfall for the undergrounding work. The undergrounding project is expected to be completed by December 2009.

SUSTAINABLE OPPORTUNITIES

Economic: The new contractors are small local companies indigenous to the City. The undergrounding project will help support local businesses, property owners, and the community in general by providing upgrades in the infrastructure of the utilities and physically improving the business aspect of the community, also improving the local economy and supporting commercial businesses.

Environmental: The project will enhance the general aesthetics of the environment with the removal of overhead power and communication utilities. Approximately 130 wood poles will be removed.

Social Equity: The project elements including the removal of aerial lines, communication splice boxes, and power supplies mounted on wood poles, which will aid in making pedestrian walking a safer and more pleasant experience. The removal of the wood poles will enhance the area's aesthetics for the community. By completing the undergrounding work, the next phase of the project, the streetscape improvements may be started.

DISABILITY AND SENIOR CITIZEN ACCESS

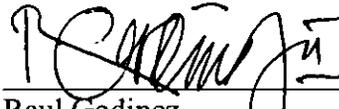
The disappearance of the wood poles will make the right of way safe and useable for seniors and persons with disabilities. The new streetlights will improve the lighting in this major commercial corridor. The new pedestrian streetlights will add to the safety and security of the street.

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ACTION REQUESTED OF THE AGENCY

Staff recommends Council approval of the resolution authorizing the appropriation of Capital Improvement Project funds not to exceed \$225,000 to the MacArthur Boulevard Undergrounding Project on MacArthur Boulevard from 73rd Avenue to the San Leandro border. The \$225,000 will pay for a portion of the shortfall costs that are due to unforeseen increases in project costs associated with a change in the Contractor, a non-assessment district, and the City's payment of the property owners' share of the costs.

Respectfully submitted,



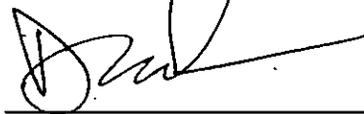
Raul Godinez
Director
Public Works Agency

Reviewed by:
Bruce Saunders
Assistant Director
Public Works Agency

Reviewed by:
Dan Clanton
Electrical Services Division Manager
Public Works Agency

Prepared by:
Paul Chan
Electrical Engineer III
Public Works Agency

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City Administrator

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DRAFT

OAKLAND CITY COUNCIL

FILED
OFFICE OF THE CITY CLERK
OAKLAND

City Attorney

RESOLUTION No. _____ C.M.S.

2009 JUN 11 PM 8:04

Introduced by Councilmember _____

A RESOLUTION AUTHORIZING THE CITY TO ACCEPT CAPITAL IMPROVEMENT PROJECT FUNDS IN AN AMOUNT NOT TO EXCEED TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000) FOR THE MACARTHUR BOULEVARD UNDERGROUNDING PROJECT ON MACARTHUR BOULEVARD FROM 73RD AVENUE TO THE SAN LEANDRO BORDER, TO COVER SHORTFALL, OUT OF THE TOTAL ESTIMATED CITY PROJECT COSTS OF THREE MILLION ONE HUNDRED EIGHTY-EIGHT THOUSAND ONE HUNDRED EIGHTY-NINE DOLLARS (\$3,188,189)

WHEREAS, the MacArthur Underground Utility District No. 233, located on MacArthur Boulevard, from 73rd Avenue to the City of San Leandro border is a California Public Utilities Commission Rule 20A underground utility project, created by Council Resolution No. 76731 C.M.S.; and

WHEREAS, the City wishes to fund the costs of the utility undergrounding work on MacArthur Boulevard from 73rd Avenue to the San Leandro border; and

WHEREAS, the City is implementing the MacArthur Streetscape Project in the same vicinity as part of the MacArthur Underground Utility District No. 233 Project Area to reduce safety hazards for both pedestrian and vehicular traffic in the project area; and

WHEREAS, the City had compiled a Budget Cost Estimates of the MacArthur Underground Project and the shortfall thereof amounting to \$225,000; and

WHEREAS, the City wishes to appropriate \$225,000 from the funds originally earmarked for the International Boulevard / MacArthur Streetscape Project and use it to cover the shortfall in the MacArthur Boulevard Undergrounding Project, which will meet the goals of the City and will improve safety, alleviate blight, and improve the quality of life for residents and businesses throughout the project area and will complement and enhance economic development efforts in the project area; and

WHEREAS, the City Council is consenting to the use of Capital Improvement Project funds originally earmarked for the International Boulevard / MacArthur Streetscape Project to be used to cover the shortfall for the MacArthur Boulevard Undergrounding Project; now, therefore, be it

RESOLVED: That the Council hereby authorizes up to \$225,000 in funds originally earmarked for the International Boulevard / MacArthur Streetscape Projects and appropriates such funds to the MacArthur Boulevard Undergrounding Project; and be it

FURTHER RESOLVED: That the City Administrator is authorized to transfer an amount not to exceed \$225,000 from the funds originally earmarked for the International Boulevard / MacArthur Streetscape Projects to the City's MacArthur Underground Project for the MacArthur Boulevard undergrounding work.

Specifically, the funds are authorized for transfer from the following International Boulevard / MacArthur Streetscape Projects accounts:

- \$ 77,409.61 in the General Purpose Fund (1010), International Boulevard / MacArthur Streetscape Project (C167610)
- \$147,590.39 in the Municipal Capital Improvement Fund (5500), International Boulevard / MacArthur Streetscape Project (C167620)

to the MacArthur Boulevard Undergrounding Project accounts:

Fund	Organization	Account	Project	Program	Total
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5500	92228	52511	C167620	W772	\$22,590.39
5500	92228	54919	C167620	W772	\$125,000.00

; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee is hereby authorized to take whatever actions necessary with respect to this project and the funding consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
 LaTonda Simmons
 City Clerk and Clerk of the Council
 of the City of Oakland, California