

REPORT TO CITY COUNCIL

A handwritten signature in blue ink, appearing to read "Keith Helmuth".

Keith Helmuth, Department Director

A handwritten signature in blue ink, appearing to read "Arnaldo Rodriguez".

Arnaldo Rodriguez, City Manager

Council Meeting of: November 18, 2020

Agenda Number: D-1

SUBJECT:

Rule 20B Agreements with Pacific Gas & Electric Company to Perform Tariff Schedule Related Work for Undergrounding of Existing Overhead Electric Facilities for the Olive Avenue Widening Project

RECOMMENDATION:

Adopt a Resolution Approving Rule 20B Agreements with Pacific Gas & Electric Company (PG&E) to Perform Tariff Schedule Related Work for Undergrounding of Existing Overhead Electric Facilities for the Olive Avenue Widening Project and Authorizing Payment of \$475,383.11.

SUMMARY:

The City formed Underground Utility District (UUD) No. 19 along the Olive Avenue Widening Project requiring the conversion of existing and any new utility services to be undergrounded through a Rule 20B program. The PG&E Agreement to perform tariff related work outlines that portion of the work performed by PG&E and the associated costs for the design, installation and conversion of their respective systems. The City receives credit for the value of relocating an equivalent overhead system. The funds for costs associated with this agreement are included in the Olive Avenue Project budget.

DISCUSSION:

UUD No. 19 was established on November 7, 2018 along the Olive Avenue Widening Project from Gateway Drive to Knox Street. Within the Project, there is a heavy concentration of overhead electrical, telephone, and cable distribution facilities that need to be removed and/or relocated. Undergrounding the utilities in lieu of relocating poles that are in conflict is consistent with previously constructed projects on arterial streets connecting with collector streets. As the "applicant", the City provides the trenching, conduits, substructures and pads for the franchise

utility companies to install their facilities as necessary for conversion from overhead to underground. Each utility will then install their system within the new underground substructure and make the necessary service connections. The above ground system will be abandoned. Agreements are in place with Comcast and AT&T for their portion of the project. Finalizing the PG&E Agreement is the remaining item needed prior to completion of the Rule 20B work.

On May 6, 2020 the City Council (Council) awarded a project to Mid Cal Pipeline & Utilities for Olive Avenue Widening and Reconstruction – Gateway Drive to Knox Street Phase 2, Utility Undergrounding for the Applicant Install portion of the Rule 20B Project. Upon completion of the Phase 2 project, the franchise utilities, Comcast, AT&T and PG&E, will install their facilities, make the necessary connections and abandon the overhead lines and remove the poles. The area will then be cleared for the third and final phase of the Olive Avenue widening project.

To date, the known costs for the UUD No. 19 Rule 20B Project are provided in Table 1:

<i>Table 1: UUD No. 19 Rule 20B Costs</i>	
<i>Agency</i>	<i>Cost</i>
1. City Install Portion (Contract with Mid Cal Pipeline & Utilities)	\$890,002
2. Comcast	\$33,327
3. AT&T	\$107,999
4. City Contract with QK for AT&T Design	\$46,780
5. PG&E (pending Council action; subject item)	\$475,383
Total	\$1,553,491

FINANCIAL IMPACT:

The costs associated with this agreement will be paid for out of the Utility Undergrounding portion of the Olive Avenue Widening Project Budget included in the 2020/21 Fiscal Year Capital Projects Budget.

There will be no impact to the City’s General Fund for the design and construction costs for the Utility Underground District.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

Action 126 – The project supports the strategy for providing clean attractive streets that are safe and aesthetically pleasing. The requested action is for the improvement of infrastructure and is not in conflict with any of the actions or goals contained in the plan.

ALTERNATIVES:

Should Council not approve the Agreement or Payment for the undergrounding of the aerial utility lines and poles, PG&E will not participate in the undergrounding of utilities necessary for completion of the Olive Avenue project.

ATTACHMENTS:

1. Resolution
 - a. Exhibit 1: PG&E Agreement
2. Map – Utility Underground District 19 – Olive Avenue

ATTACHMENT 1

Resolution

RESOLUTION NO. 20-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,
CALIFORNIA APPROVING AGREEMENTS WITH PACIFIC GAS AND
ELECTRIC COMPANY TO PERFORM TARIFF SCHEDULE RELATED
WORK FOR UNDERGROUNDING OF EXISTING OVERHEAD
ELECTRIC FACILITIES FOR THE OLIVE AVENUE WIDENING PROJECT
AND AUTHORIZING PAYMENT OF \$475,383.11**

WHEREAS, a project to widen and improve Olive Avenue to arterial street standards from Gateway Drive to Knox Street, hereinafter called "Project", has been included in the Capital Improvement Program and carried over to the 2020/21 Fiscal Year Capital Projects Budget; and

WHEREAS, on November 7, 2018, the City Council of the City of Madera adopted Resolution No. 18-223 establishing Rule 20B Underground Utility District No. 19 for the Project; and

WHEREAS, the subject agreements are necessary for the relocation and undergrounding of Pacific Gas and Electric Company (PG&E) Facilities within the boundaries of UUD 19; and

WHEREAS, PG&E has established that the costs associated with these agreements is \$475,383.11; and

WHEREAS, costs associated with the utility undergrounding are included in the Project budget.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA HEREBY finds, orders and resolves as follows:

1. The above recitals are true and correct.
2. The Agreements with PG&E to Perform Tariff Schedule Related Work for the Olive Avenue Widening Project, a copy of which are attached hereto as Exhibit 1 and referred to for particulars, are approved including:
 - a. An Agreement for Rule 20B-Underground existing overhead electric facilities in the amount of \$377,559.74, and
 - b. An Agreement with PG&E to Perform Tariff Schedule Related Work for Rule 20B-Work Over 4 City Blocks in the amount of \$97,823.37.
3. The City Engineer is authorized to sign the Agreements on behalf of the City.
4. This Resolution is effective immediately upon adoption.

EXHIBIT 1

PGE Rule 20B Agreements



October 22, 2020

Keith Helmuth
City of Madera, A Government Agency
205 West 4th Street
MADERA , CA 93637

RE: Contract ID: 1250422: Olive Avenue Widening - 20B

Dear Keith Helmuth ,

Enclosed are gas and/or electric agreements for your project located at:

OLIVE AVENUE, MADERA, 93637

This letter summarizes the agreements for this project.

	Non-Refundable Payment	Refundable Option*	50% Discount Option*
Relocation / Rearrangement Costs	\$97,823.37	\$0.00	\$0.00
Electric Overhead to Underground Conversion (20B)	\$377,559.74	\$0.00	\$0.00
Less Credit (Engineering Advance, etc.)	\$0.00	\$0.00	\$0.00
TOTAL **	\$475,383.11	\$0.00	\$0.00
TOTAL PAYMENT DUE	\$475,383.11	OR	\$475,383.11

* Only applies to Rule 15 Refundable Amounts. Amount shown is less credit for associated Applicant work.

** The Income Tax Component of Contribution (ITCC) is included in the above charges when applicable.

Changes to the agreement, either to any of the terms or to the amount owing, are not permitted, and any change or interlineations voids the agreement. The payment of any amount less than the full amount shown will be deposited by PG&E, but PG&E will not begin any work on this contract until the amount is paid in full. The contract shall be deemed effective the date a fully executed copy is received by PG&E. Please allow 60 days from PG&E's receipt of the Agreement for construction to commence.

If the agreement is not returned to PG&E within 90 days of the date of this letter, the proposed agreement is canceled and PG&E may need to re-estimate the job.

PG&E is committed to providing timely and efficient service and we look forward to continuing to work with you on this and future projects.

Should you have any questions regarding these contracts, please contact your project manager Shane Scott at 559-385-8123 or SSSH@pge.com.

To complete your contract ONLINE

- Follow the instructions provided with your electronic contract
- Submit payment at pge.com/contractpayments

Sincerely,

Brian Richards
Brian Richards
Supervisor

To complete your contract BY MAIL

- Make checks payable to: PGE or Pacific Gas and Electric
- Complete, sign and retain one copy of the agreement for your records
- Complete, sign and return one copy of the agreement with your payment to:
PG&E CFM/PPC DEPARTMENT
PO BOX 997340
Sacramento, CA 95899-7340



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Ref: Contract ID: 1250422: OLIVE AVENUE, MADERA, 93637



Pacific Gas and Electric Company
Agreement to Perform
Tariff Schedule Related Work

DISTRIBUTION:
 APPLICANT (Original)
 DIVISION (Original)
 ACCTG. SVCS.

REFERENCES:
 Notification # 113037102
 Contract # 1250422
 R20-PM # 31368599

City of Madera, A Government Agency (Applicant) has requested PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (PG&E), to perform the tariff schedule related work as located and described in paragraph 3 herein. PG&E agrees to perform the requested work and furnish all necessary labor, equipment, materials and related facilities required therefor, subject to the following conditions:

1. Whenever part or all of the requested work is to be furnished or performed upon property other than that of Applicant, Applicant shall first procure from such owners all necessary rights-of-way and/or permits in a form satisfactory to PG&E and without cost to it.
2. Applicant shall indemnify and hold harmless PG&E, its officers, agents and employees, against all loss, damage, expense and liability resulting from injury to or death of any person, including but not limited to, employees of PG&E, Applicant or any third party, or for the loss, destruction or damage to property, including, but not limited to property of PG&E, Applicant or any third party, arising out of or in any way connected with the performance of this agreement, however caused, except to the extent caused by the active negligence or willful misconduct of PG&E, its officers, agents and employees. Applicant will, on PG&E's request, defend any suit asserting a claim covered by this indemnity. Applicant will pay all costs that may be incurred by PG&E in enforcing this indemnity, including reasonable attorneys' fees.
3. The location and requested work are described as follows: (Describe in detail the materials and facilities to be furnished and/or work to be performed by PG&E. If more space is required, use other side and attach any necessary drawings as Exhibits A, B, C, etc):

LOCATION: OLIVE AVENUE, MADERA, 93637

DESCRIPTION OF WORK: Rule 20B - Underground existing overhead electric facilities

Engineering & Administrative Costs		\$157,542.54
Value of Applicant Design Work	(+)	\$0.00
Cost of Additional Applicant Design Plan Checks	(+)	\$0.00
Value of 20B Underground System	(+)	\$246,237.20
Tie-In of 20B by PG&E	(+)	\$107,556.57
PG&E Land Rights Costs	(+)	\$6,554.30
Inspection Fees	(+)	\$3,527.67
Value of 20B Trench & Excavation	(+)	\$137,062.08
Value of 20B Conduits & Substructures	(+)	\$98,170.90
Rule 20B Trench Permits Obtained by PG&E	(+)	\$300.00
less Cost of Equivalent Overhead System	(-)	\$156,766.90
SUB TOTAL	(=)	\$600,184.37
plus ITCC @ 0%	(+)	\$0.00
less 20B Underground System Installed by Applicant	(-)	\$0.00
less 20B Trench & Excavation Provided by Applicant	(-)	\$126,098.45
less 20B Conduits & Substructures Installed by Applicant	(-)	\$96,526.17
less Value of Applicant Design Work	(-)	\$0.00
Electric Rule 20B Cash Payment	(=)	\$377,559.74



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4. Applicant shall pay to PG&E, promptly upon demand by PG&E, as the complete contract price hereunder, the sum of Three Hundred Seventy-Seven Thousand Five Hundred Fifty-Nine Dollars And Seventy-Four Cents

Upon completion of requested work, ownership shall vest in: PG&E Applicant

Executed this _____ day of _____

City of Madera, A Government Agency

PACIFIC GAS & ELECTRIC COMPANY

Applicant

By: _____

By: Brian Richards

Keith Helmuth
Print/Type/Name

Brian Richards

Title: _____

Title: **Supervisor**

Mailing Address: 205 West 4th Street
MADERA CA 93637



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(\$377,559.74)



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**Pacific Gas and Electric Company
Agreement to Perform
Tariff Schedule Related Work**

DISTRIBUTION:
 APPLICANT (Original)
 DIVISION (Original)
 ACCTG. SVCS.

REFERENCES:
 Notification # 113037102
 Contract # 1250422
 ERR-PM # 31368599
 GRR-PM #

City of Madera, A Government Agency (Applicant) has requested PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (PG&E), to perform the tariff schedule related work as located and described in paragraph 3 herein. PG&E agrees to perform the requested work and furnish all necessary labor, equipment, materials and related facilities required therefor, subject to the following conditions:

1. Whenever part or all of the requested work is to be furnished or performed upon property other than that of Applicant, Applicant shall first procure from such owners all necessary rights-of-way and/or permits in a form satisfactory to PG&E and without cost to it.
2. Applicant shall indemnify and hold harmless PG&E, its officers, agents and employees, against all loss, damage, expense and liability resulting from injury to or death of any person, including but not limited to, employees of PG&E, Applicant or any third party, or for the loss, destruction or damage to property, including, but not limited to property of PG&E, Applicant or any third party, arising out of or in any way connected with the performance of this agreement, however caused, except to the extent caused by the active negligence or willful misconduct of PG&E, its officers, agents and employees. Applicant will, on PG&E's request, defend any suit asserting a claim covered by this indemnity. Applicant will pay all costs that may be incurred by PG&E in enforcing this indemnity, including reasonable attorneys' fees.
3. The location and requested work are described as follows: (Describe in detail the materials and facilities to be furnished and/or work to be performed by PG&E. If more space is required, use other side and attach any necessary drawings as Exhibits A, B, C, etc):

LOCATION: OLIVE AVENUE MADERA, 93637

DESCRIPTION OF WORK: R20 work over 4 city blocks

		Electric	Gas
Engineering & Administrative Cost		<u>\$24,632.69</u>	<u>\$0.00</u>
Value of Applicant Design Work	(+)	<u>\$0.00</u>	<u>\$0.00</u>
Additional Applicant Design Plan Checks	(+)	<u>\$0.00</u>	<u>\$0.00</u>
Facilities (Cable, Transformers / Gas Pipe)	(+)	<u>\$12,063.94</u>	<u>\$0.00</u>
Trench, Conduits & Substructures	(+)	<u>\$7,895.42</u>	<u>\$0.00</u>
Tie-In / Meters	(+)	<u>\$54,249.76</u>	<u>\$0.00</u>
Trench Permits & Land Rights	(+)	<u>\$1,788.58</u>	<u>\$0.00</u>
Inspection Fees	(+)	<u>\$814.08</u>	<u>\$0.00</u>
Sub Total	(=)	<u>\$101,444.46</u>	<u>\$0.00</u>
plus ITCC @ <u>0.0%</u> Electric <u>0.0%</u> Gas	(+)	<u>\$0.00</u>	<u>\$0.00</u>
plus Non Taxable Work	(+)	<u>\$0.00</u>	<u>\$0.00</u>
D.0405055 Line Extension Costs - Residential	(+)	<u>\$0.00</u>	<u>\$0.00</u>
D.0405055 Line Extension Costs - Non-Residential	(+)	<u>\$0.00</u>	<u>\$0.00</u>
less Value of Relocation Applicant Design Work	(-)	<u>\$0.00</u>	<u>\$0.00</u>
less Work Provide by Applicant	(-)	<u>\$3,621.10</u>	<u>\$0.00</u>
less Salvage	(-)	<u>\$0.00</u>	<u>\$0.00</u>
Total Payment	(=)	<u>\$97,823.37</u>	<u>\$0.00</u>



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4. Applicant shall pay to PG&E, promptly upon demand by PG&E, as the complete contract price hereunder, the sum of Ninety-Seven Thousand Eight Hundred Twenty-Three Dollars And Thirty-Seven Cents (\$97,823.37)

Upon completion of requested work, ownership shall vest in: PG&E Applicant

Executed this _____ day of _____

City of Madera, A Government Agency

PACIFIC GAS & ELECTRIC COMPANY

Applicant

By: _____

By: Brian Richards

Keith Helmuth
Print/Type/Name

Brian Richards

Title: _____

Title: **Supervisor**

Mailing Address: 205 West 4th Street
MADERA, CA 93637

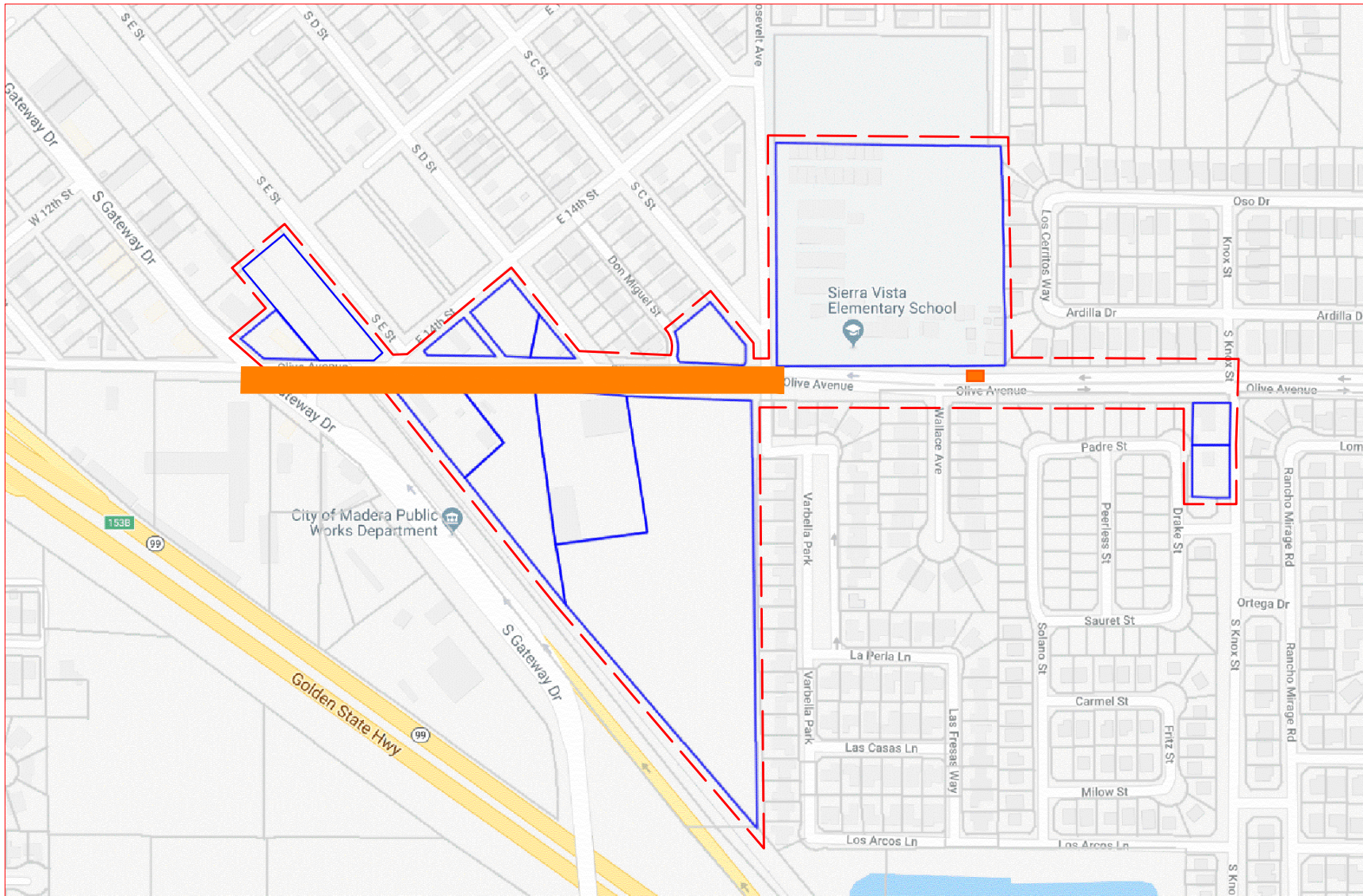


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ATTACHMENT 2

Map – Utility Underground District 19 – Olive Avenue

CITY OF MADERA UNDERGROUND UTILITY DISTRICT # 19 - PG&E FACILITIES



LEGEND:

-  PROPOSED UNDERGROUND PG&E FACILITIES
-  LOT LINES
-  DISTRICT BOUNDARY