

DATE: October 28, 2014

TO: Mayor and City Council

FROM: Director of Public Works – Engineering & Transportation

SUBJECT: Authorization for the City Manager to Execute a Professional Services Agreement for the Route 238 Corridor Improvement Project – Phase 2 and Phase 3 Design Services

RECOMMENDATION

That Council adopts the attached resolution (Attachment I) authorizing the City Manager to execute a professional services agreement with BKF Engineers, for the preparation of Phase 2 Final Design Plans of the Route 238 Corridor Improvement Project and Preliminary Design (35% design) for Phase 3, in an amount not to exceed \$1,400,000.

BACKGROUND

On November 27, 2007, Council approved Phase 1 of the Route 238 Corridor Improvement Project and certified the Final Environmental Impact Report (FEIR) for the project. Subsequently, Caltrans relinquished portions of State Routes 92, 185 and 238 to the City within the Phase 1 project limits. During the relinquishment discussions, the City and Caltrans agreed that Caltrans would relinquish, and the City would accept, most of the remainder of these state highways within the City boundaries after the Phase 1 project was completed and after sufficient Local Area Transportation Improvement Program (LATIP) funding might be available to improve these additional highway segments. Construction of the Phase 1 project is now complete.

Rule 20A Program – In 1968, the California Public Utilities Commission (CPUC) and utility companies established a program to “underground” utilities across the State. Under Rule 20A, Pacific Gas and Electric Company (PG&E) allocates funds, on a calendar year basis, to convert existing overhead electrical facilities to underground electrical facilities within the communities it serves. PG&E considers Rule 20A allocations as a tool to allow cities and counties to evaluate and prioritize undergrounding projects within their respective jurisdictions. These allocations accumulate until they are expended for undergrounding projects. PG&E uses its own funds to design and construct Rule 20A projects, and once the projects are completed, the cost is recovered through incremental utility rate increases.

By other CPUC rules and federal law, AT&T and Comcast are required to budget their own funds for the conversion of their facilities within the districts legislated for Rule 20A funding.

The City of Hayward often uses the Rule 20A program allocations to leverage the work that can be done with City capital improvement projects to maximize the benefits deriving from these projects. Each underground district requires a commitment of capital funds to install new streetlights, poles, conduit, and conductor, as PG&E’s wood poles supporting the overhead utility lines also support City street lights.

For the past several years, the City’s Rule 20A program has focused on the Mission Boulevard corridor. The City established seven districts, Underground District Nos. 24 – 30, to underground overhead wiring on Mission Boulevard and Watkins Street. On December 7, 2010, in anticipation of Phases 2 and 3 of the Mission Boulevard Corridor project, Council approved Underground District No. 29, Mission Boulevard from A Street to the north City limit, and Underground District No. 30, Mission Boulevard from Arrowhead Way to the south City limit. Work on District Nos. 24 – 27 completed the undergrounding along Mission Boulevard from Arrowhead Way to Sycamore Avenue. This work expended the City’s CPUC Rule 20A allocations through 2019, according to the latest PG&E accounting.

DISCUSSION

In general, the scope of work for Phases 2 and 3 of the Route 238 improvement project includes construction of new curb, gutter, sidewalk, median islands, pavement, streetlights, traffic signal system upgrade including Adaptive Traffic Management System, fiber optic cable, overhead utility undergrounding, landscaping, irrigation, sanitary sewers, water, and storm drain improvements.

Phases 2 and 3 of the project will improve Mission Boulevard from Industrial Parkway to the south City limit, and from A Street to the north City limit (Rose Street), respectively.

On September 6, 2013, three consultants responded to the Request for Proposals (RFP) for this project. City staff reviewed the proposals from BKF Engineers, Kimley-Horn and Associates, and Mark Thomas and Company for their understanding of the proposed work and the education, training, experience, past-performance, capabilities, personnel and workload of the firm’s staff. Staff recommends BKF Engineers for this project, based on their qualifications and experience. Their work will lead to the preparation of 100% plans for Phase 2 and 35% plans for Phase 3, including engineer’s estimates that can be used to advertise Phase 2 of the project and to identify funding sources for the remaining Phase 3 design and construction.

FISCAL & ECONOMIC IMPACT

BKF Engineers submitted a proposal for this phase of the project that is consistent with the budget allocation approved by the CTC. The not-to-exceed amount of \$1,400,000 includes \$1,167,000 for basic services and \$233,000 for additional services. Since all of this phase of the work will be funded by CTC approved LATIP funds, there will be no impact to the City’s General Fund.

Consultant Design Services	\$1,400,000
Design Administration – City Staff	600,000
Total	\$2,000,000

The Adopted FY 2015 Capital Improvement Program (CIP) includes \$2 million in the Route 238 Corridor Improvement Fund for this project.

LATIP Funds

Proceeds from the sale of State Route 238 Bypass properties totaling \$30 million were approved by the California Transportation Commission (CTC) as the top priority for LATIP funding. The CTC allocated \$8.1 million of this amount for the Route 238 Phase 1 expenses. All of the Route 238 Phase 2 funding is expected to come from the remaining LATIP balance of \$21.9 million and additional Rule 20A allocations for Underground District No. 30.

The CTC approved a \$2 million allocation from the LATIP fund balance for the Phases 2 and 3 design during their August 20, 2014 meeting. The remaining LATIP balance will be approved for construction of the Phase 2 project after design completion.

Rule 20A Funds

Unfortunately, the formula for calculating the City's annual Rule 20A allocation was revised in 2011, resulting in a reduction from approximately \$844,000 to \$440,000 annually. The change in the Rule 20A allocation, and the significant undergrounding work in Phase 1 have resulted in a negative Rule 20A balance that exceeds the City's allocation for the next five years. This is critical since PG&E will only work on an underground district if there is available funding for the entire project within this five year allocation window. The City has critically questioned PG&E's annual allocation calculation and lack of appropriate credits on recently completed Underground Districts for expenses related to the relocation of wood poles.

Staff is also exploring the potential of buying or borrowing Rule 20A allocations from other local agencies that do not have pending or planned underground projects. For instance, the City of Stockton has an available Rule 20A balance of \$11 million, with programmed projects requiring only \$6 million of that amount. Staff is working on a loan agreement that would reallocate the remaining \$5 million balance for Mission Boulevard undergrounding. The City would repay Stockton by transferring \$5 million, plus 2.5% interest in Rule 20A allocations, from future allocations as they become available.

A portion of the Mission Boulevard Phase 3 funding was also expected to come from the Rule 20A allocation for Underground District No. 29. Staff will continue to investigate opportunities to fund this undergrounding work, as well as remaining design work and the overall roadway construction project.

PUBLIC CONTACT

A very extensive public outreach and information program was conducted for Phase 1 of the Route 238 Project during development of the preliminary engineering and environmental study, final design, and during construction. Staff anticipates that similar outreach will continue during this next design phase with community input meetings, and a dedicated website to share information about the design and project schedule.

SCHEDULE

The following preliminary schedule has been established for this project:

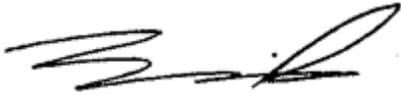
Begin Design	December 2014
Begin Construction	Early 2016
Complete Construction	Late 2017

This schedule is highly dependent upon utility companies providing the necessary support for the undergrounding design effort, in a timely fashion.

Prepared by: Yaw Owusu, Assistant City Engineer

Recommended by: Morad Fakhrai, Director of Public Works – Engineering & Transportation

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution