



Legislation Details (With Text)

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Title: Discuss an Increase to the Budget for the APS District 30 Overhead to Underground Conversion and Associated Contract
30 Minutes

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment A - District 30 Map, 2. Attachment B - District 30 Photos, 3. Attachment C - Bid Tabulation, 4. Attachment D - Arizona Trench Company Contract, 5. Attachment E - Arizona Public Service Price Breakdown, 6. Attachment F – CenturyLink Price Breakdown, 7. Attachment G - Resolution 2018-08 Budget Transfer Request, 8. Attachment H- PowerPoint APS District 30, 9. R0577, 10. R0813, 11. FY18 CIP Proj By Dept 6 yrs

Date	Ver.	Action By	Action	Result
2/22/2018	1	Town Council	Received and Filed	

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Paul Mood, P.E., Town Engineer
Jeremy Knapp, Engineering Services Analyst

DATE: February 22, 2018

DEPARTMENT: Engineering

AGENDA TITLE:

Discuss an Increase to the Budget for the APS District 30 Overhead to Underground Conversion and Associated Contract

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☐ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☒ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

Undergrounding Overhead Power Lines Improves Community Aesthetics By Eliminating Visual Clutter in our Viewsheds

Council Goals or Statutory Requirements:

RECOMMENDATION:

Reallocate budget authority to the APS District 30 Conversion project.

SUMMARY STATEMENT:

The Town has a long standing history of working with Arizona Public Service (APS) to complete overhead to underground powerline conversions. Since 1988, the Town and APS have completed 36 districts, removed over 74 miles of lines, removed almost 2,000 poles, and invested over \$42 million. The final undergrounding district is District 30.

The Town's longstanding agreement for funding undergrounding of overhead electrical lines with APS includes APS paying 45% of the trenching cost, installation of conduits and cable. The Town shares with APS 55% of the underground cost (trenching, conduits wires and appurtenances). Additionally, the Town provides trenching, conduits and pull boxes for CenturyLink and pays them their cost for engineering, wire and labor. The Town also pays for the cost of trenching for Cox Communications.

Undergrounding District 30 is located east of Scottsdale Road, between Jackrabbit Road and Vista Drive (see Attachment A and B). The district is unique in that it borders the City of Scottsdale on three sides and had failed to reach the resident funding contribution during multiple attempts to fund the project. The main reason the project failed to meet the resident contribution limits was due to the fact that many of our residents would still be able to see APS lines in Scottsdale adjacent to their properties. Town staff approached the City of Scottsdale and requested their participation in this project similar to the Town's participation. This was rejected due to an equity concern for similarly situated neighborhoods throughout Scottsdale. Town staff approached APS, requesting they extend the Town's Undergrounding Agreement to the adjacent City of Scottsdale properties in order to complete this district, APS agreed. In February of 2015 Town Council Directed staff to proceed with attempting to reach the resident funding contribution limits again, including those properties within the City of Scottsdale that abut the lines.

The estimate prepared by APS for this project, which was utilized to budget the project in the Town's CIP, turned out to be considerably below actual low-bid costs for several reasons. These include increased costs for electrical conversions and trenching as well as an estimating error. To help offset additional costs, APS has offered to cover an additional percentage of the project as shown in the attached PowerPoint Presentation (Attachment H).

This district includes 56 properties, 30 of which are within the Town of Paradise Valley and 26 are within the City of Scottsdale. Town residents contributed, on average, the voluntary \$1,500 contribution, meeting the town's threshold of \$34,500. Scottsdale residents were required to contribute, on average, \$7,323 per lot, for a total of \$79,994, which they did. In many cases, several Town and Scottsdale residents paid much more than the average contribution listed in order to ensure the project would move forward.

On January 4th, 2018, the Town received competitive bids for the Town's portion of the work. The bid results (Attachment C) are as follows:

Bidder	Bid Amount
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Arizona Trench Company	\$ 659,196.00
MGI	\$ 715,300.00
Team Fishel	\$ 884,943.52
Doublejack	\$ 1,005,895.00
Beecroft	\$ 1,108,500.00

Based on their qualifications, experience, and price, it is recommended that Arizona Trench Company be awarded the trenching contract (Attachment D) in the amount of \$659,196.

In addition to trenching and conduit install by Arizona Trench Company, the Town also has to pay a portion of the APS Conversion which totals \$159,575 (Attachment E).

Per our Franchise Agreement with CenturyLink, The Town is also obligated to pay CenturyLink in an amount of \$113,286.63 (Attachment F) for the conversion of their overhead facilities in the area. This cost includes design engineering for CenturyLink Improvements, manpower necessary to install the new wire, and for the wire itself.

Item	Cost
Conversion Trenching - Arizona Trench Company	\$ 659,196.00
Payment to APS for Facility Conversion	\$ 159,757.00
Payment to CenturyLink for Facility Conversion	\$ 113,286.63
Sub Total	\$ 932,239.63
Less Residents Contributions	\$ 114,494.00
Town Cost	\$ 817,745.63

BUDGETARY IMPACT:

Approval of this agenda item will cost the town \$932,239.63.

The amount budgeted for this project was \$634,793 in FY2016-17 which was never spent on the project. The cash is still available for this project; but the approved budget authority was not carried forward into this year. Of the budgeted \$634,793, \$114,494 came from previously received District 30 property owner contributions.

The remaining \$297,446.63 will come from the future re-programming of FY2018-19 CIP Project 2019-04 Telecommunications System Upgrade.

In order to balance the CIP projects budgets between the three fiscal years (FY2016-17, FY2017-18, and FY2018-19), a transfer of budget authority (Exhibit G) of \$817,745.63 is necessary from FY2017-18 CIP Project 2016-14.1 Lincoln Drive - Ritz Related Roadway Improvements. A majority of this project has been delayed until FY2018-19. As a priority, this amount will be reinstated with the proposed FY2018-19 Budget to the Lincoln Drive - Ritz Related Roadway Improvements Project to make the project whole and fully funded. Other projects slotted for FY2018-19 are subject to adjustments, contingent upon available resources and spending limitations.

ATTACHMENT(S):

Attachment A - District 30 Map
Attachment B - District 30 Photos
Attachment C - Bid Tabulation
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Attachment G - Resolution 2018-08 Budget Transfer Request
Attachment H - PowerPoint Presentation