

# Agenda Report

**To:** City Council

**Date:** December 13, 1999

**From:** City Manager

**Subject:** Authorization to Extend Contract No.16,519 with Perry C. Thomas Construction Company for the Construction of Underground Electrical and Fiber Conduit Systems, Vaults, and Other Miscellaneous Work for the Water and Power Department

## RECOMMENDATION

It is recommended that the City Council authorize the City Manager to extend Contract No. 16,519 with Perry C. Thomas Construction Company for a period of one year or an amount not to exceed \$750,000, whichever occurs first, pursuant to Specification LD-97-9, construction of underground electrical and fiber communication conduit systems, vaults, and other miscellaneous work for the Water and Power Department (Department).

## BACKGROUND

The Department installs underground conduits and vaults for most new electrical service requests and actively converts existing overhead electrical distribution system to underground. In addition, the Fiber Lease Agreement, between the City and third party communication company approved on September 13, 1999 by the City Council, is anticipated to demand substantial increase of underground construction.

In December 1997, the City and Perry C. Thomas Construction Company entered into Contract No. 16,519. The contract was for a period of one year with an option to extend for two additional one-year extensions subject to the approval of the City Council.

The Department seeks approval to extend this contract for the second and final extension. The contractor has submitted a proposed increase of 3% for the final extension. The proposed increase is the result of labor, materials, and fuel cost increases.

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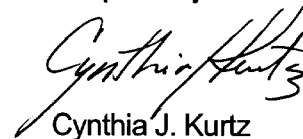
The recommended contract amount of \$750,000 is based on historical expenditures for electrical infrastructure construction and anticipated fiber infrastructure construction. Past annual contract amount of \$500,000 has proven to be sufficient for electrical infrastructure construction. The additional \$250,000 is allocated for fiber infrastructure to support the City's telecommunication lease G.S.T. Telecommunications, Inc.

The proposed contract extension is in compliance with the competitive bidding, affirmative action in contracting, and living wage ordinances.

### **FISCAL IMPACT**

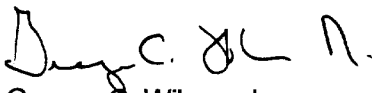
This is an annual contract not to exceed \$750,000. Funds are available from the 1999 and 2000 Fiscal Year Capital Improvement Budget, Account Number 3002 "Distribution System Expansion." G.S.T. Telecommunications, Inc. will reimburse the Department for the costs of construction.

Respectfully submitted,



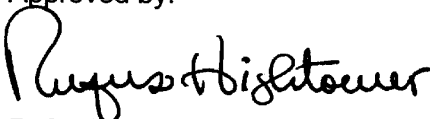
Cynthia J. Kurtz  
City Manager

Prepared by:



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Water and Power Department