



Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to questions from Council member Tanaka regarding the **Monday, April 10 Council Meeting** consent and action agenda items.

**Item 8, Approval of a Purchase Order with The Public Restroom Company in the Amount of \$596,556 to Provide and Install Modular Restroom Buildings at Rinconada and Ramos Parks for the Rinconada Park Improvements Capital Improvement Program Project (PE-08001) and Park Restroom Installation Capital Improvement Program Project (PG-19000), including \$542,324 for basic services and \$54,232 for additional services and Approval of Budget Amendments in the Parks Development Impact Fee Fund and Capital Improvement Fund; CEQA status – Section 15303 exempt**

1. **The report states that an additional \$30,000 will be transferred from the Parks Development Impact Fee Fund (from \$400,000 to \$430,000) to the Capital Improvement Fund to complete the purchase of the prefabricated restroom building and to continue the design and permitting work. How will the expenditure of funds for this purchase order impact other projects dependent on funds from the Parks Development Impact Fee Fund?**

**Staff response:** The expenditure of the additional \$30,000 in Parks Development Impact Fee funds is not expected to impact other projects, as existing and projected Impact Fee funds are anticipated to cover the projects currently budgeted and coming in the 5-year capital improvement program plan.

2. **The report states that The Public Restroom Company provided restrooms for the City in 2017 as part of the Palo Alto Municipal Golf Course Reconfiguration Project, and a similar restroom style is being proposed for Rinconada and Ramos Parks. What other options for restroom facilities were considered for the Rinconada Park Improvements Capital Improvement Program project (PE-08001) and Park Restroom Installation Capital Improvement Program project?**

**Staff response:** A design/bid/build option for procuring the restroom facilities was also considered. As described in the report, the piggyback contract option with The Public Restroom Company was preferred because it expedites the completion of the project and the availability of the new restroom facilities to park users.

3. **How will the installation and maintenance of the new restrooms impact park visitors at Rinconada and Ramos Parks and operations during the 9–12-month fabrication period?**

**Staff response:** Impacts to park visitors will be minimal, as the fabrication of restroom will occur offsite, and construction work at the parks will be limited and of a short duration.

**Item 10, Approval of the Electric Utility Construction Services Contract With VIP Powerline Corp. (C23185980) for a Total Not-to-Exceed Amount of \$20,000,000 Over Five Years; CEQA status – exempt (existing facilities, replacement or reconstruction)**

- 1. How much of the work will VIP Powerline do compared to local contractors and current government personnel?**

**Staff response:** We do not have other local contractors performing this type of overhead and underground construction work for the City. It is anticipated that the work will be split 80/20, VIP taking on the 80% of the workload due to current staffing levels within the line construction section. If staff levels increase within the line construction section, then the amount of work given to VIP may decrease, changing the ratio.

- 2. Was cost (~\$107,380 difference) the only reason why VIP Powerline Corp was ultimately selected over Ferreira Power West, LLC? Were there other criteria used to evaluate the suitability of VIP Powerline, and how do they compare to the other potential contractors?**

**Staff response:** Yes, the cost was the determined factor in awarding the contract to VIP given that all 3 bids were evaluated and deemed responsive. As required by the Municipal Code, contracts shall be awarded on the basis of the bid deemed lowest responsive bid. Note: "Responsive bid" means a bid that substantially complies with the invitation for bid and all prescribed procurement procedures and requirements. Purchasing validated and confirmed all 3 bids received and VIP was the lowest responsive bid.

- 3. VIP Powerline Corp is based in British Columbia, Canada (office in San Leandro), while Ferreira Power West and Hot Line Construction are both located in California. Did this raise any concerns about the effectiveness of VIP Powerline and its ability to provide to the City during emergencies?**

**Staff response:** The IFB process is clearly written to award the lowest responsive bidder. As far as emergency response, it is stipulated in the Scope of Services that in the event of an emergency, the Contractor shall respond within two (2) hours of being notified by the City. Crew(s) should be assembled and onsite within the two (2) hours from time of call by the City representative. As stated in the staff report, VIP Powerline maintains a California contractor license and demonstrates the knowledge and skills required to perform the work.

- 4. The report says that the Electric Operating budget will fund 2 million and \$800,000 will come from the vacant electrical linesperson positions and the remaining money will be recommended in the FY2024 budget. In the FY2024 budget, from which other categories will funds be taken out in order to meet the remaining \$1.2 million needed for VIP Powerline?**

**Staff response:** The Electric Capital budget will fund the remaining \$2,000,000 of the contract based on anticipated work among various existing projects such as pole replacements (specific projects subject to change based on actual services rendered to each project). In short, it is a 50/50 split between Ops Maintenance and CIP Electric Reconstruction & Customer Connections.

The breakdown below was given as an *example*.

Electric Customer Connections (EL-89028) \$500,000

Wood Pole Replacement (EL-19004) \$500,000

Electric System Improvements (EL-98003) \$1,000,000

- 5. VIP Powerline has a higher rate increase each year than Ferreira Power West, which stays at 3% each year. Was this taken into consideration when choosing a contractor?**

**Staff response:** Yes, when reviewing the bid responses there was an overall cost analysis, this is outlined in the Attachment B, Bid Summary, which included totals for both the overall Year 1 costs and up to the year 5 term costs that included the incremental increases per year. Note that VP Powerline remained the lowest responsible bidder.