



MEMORANDUM

To: Mayor and City Council

From: Mike Garza, P.E., Assistant Director of Public Works
Kent Collins, P.E., Director of Public Works

Date: April 23, 2019

Reference: USIC Change Order #1 (Utility Line Locating Service)

2030: Sustainable City Government, Goal 3
Excellent and Well-maintained City Infrastructure and Facilities

General Information:

- Awarded utility line locating service in 2018.
- It is a 1 year contract which will expire July 31, 2019.
- This contract will go over \$50,000.00, which requires Council approval.
- This change order is for an additional \$25,000.00 to the contract
- Funds provided through the Water/Sewer Fund and General Fund.

Introduction:

This agenda item is being presented for approval of Change Order #1 with USIC, LLC., for the utility line locating contract in the amount of \$25,000.00.

Analysis:

This contract was originally bid in 2018 as 1-year contract in the amount of \$45,000.00. We did a one-year contract as a trial and if we continue to see success, then we would come back at a future council meeting requesting approval for a 5-year renewable contract. USIC was the low bid and began this contract last summer. Prior to hiring USIC, we would locate our own utilities when they were called in. This became an everyday, multiple time a day occurrence, which would take staff away from being able to perform efficiently.

State law requires that anytime someone is going to dig, they need to call the state one-call number (811) to locate cable, gas, electric fiber, etc., and call the City's Public Works department to locate water, sewer, storm and fiber. This is required so that the buried utilities can be identified and marked prior to anybody digging. Most times contractors, homeowners etc. would only call the state number and not the city for locates, which could cause damage to the city's utilities. We decided to include

our utilities (water, sewer, storm, fiber) to the states one call system. This would allow a consultant to locate our utilities for us when they were called in to the states one call system.

The cost of the service is on a per ticket basis. Which means when somebody calls the 811 number for locates and if the area requested falls within our geographical right of way area, that is considered a ticket. We estimated a certain number of tickets over the course of a year which was about \$45,000.00. We have exceeded our estimation and will go over \$50,000.00, which requires council approval. Based on the average number of tickets per month we anticipate the need for an additional \$25,000.00.

Legal Review:

This Change Order did not require legal review.

Fiscal Impact:

This Change Order has a financial impact of \$25,000.00 as provided by the Water/Sewer Operations and General Fund.

Recommendation:

The Public Works Department recommends approval of Change Order #1.