



**DATE:** June 2, 2021

**TO:** Mayor and Members of the City Council

**FROM:** John R. Gillison, City Manager

**INITIATED BY:** William Wittkopf, Public Works Services Director  
Ernest Ruiz, Streets, Storm Drains and Fleet Superintendent  
Ruth Cain, CPPB, Procurement Manager

**SUBJECT:** Consideration of a Contract with National Utility Locators, LLC for Utility Marking Services in an Amount Not to Exceed \$115,000 for FY 2021/2022. (CITY)

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**RECOMMENDATION:**

Staff recommends the City Council award and authorize the execution of a contract with National Utility Locators, LLC for Utility Marking Services, effective July 1, 2021 for a term of one (1) year with an option to renew for one (1) year increments up to a total of six (6) additional years, in an amount not to exceed \$115,000 for FY 2021-2022, and an estimated total contract amount of \$805,000 over seven years, contingent upon the approval of the FY 2021/2022 and future budgets, and authorize the City Manager to renew the contract annually.

**BACKGROUND:**

Utility marking services are necessary to protect the City's underground fiber, electric, and traffic signal equipment when excavation is to be done in the public right-of-way. In April of 2020, the Public Works Services Department reached out to its utility marking services vendor to renew the professional service agreement. The vendor communicated a desire to change the agreement moving forward as they are no longer willing to provide the indemnifications required by the City's standard professional services agreement. The vendor provided a revised agreement proposing a rate increase and a limitation of their liability for any damages to underground infrastructure that may occur due to errors or omissions on the part of the vendor. Under the proposed agreement, vendor liability is limited to ten percent (10%) of the annual revenues generated under the contract, leaving the City exposed to an increase in costs if infrastructure is damaged during construction. The City receives requests for marking services on a continuous basis and moving forward in this direction was problematic. To maintain the continuity of services, Public Works entered into a temporary modified agreement to provide time to complete a formal Request for Proposal (RFP) process.

Public Works staff developed updated utility marking services specifications, with new requirements, and better compliance language. The scope of services includes receiving excavation notices and/or requests directed to the City from anyone performing any type of digging within the City's jurisdiction. These requests are typically generated through the Underground Services Alert notification center which will forward the information to the contractor providing the marking services to perform underground facility investigations of the City's fiber,

electric utility, and traffic signal infrastructure in the designated work area. The City utilities identified within the work areas will then be marked in accordance with the American Public Works Association color codes to prevent construction crews from damaging the City underground infrastructure.

The specifications were provided to the Procurement Division to prepare an RFP. The Procurement Division prepared and posted RFP #20/21-004 for Utility Marking Services. There were Six Hundred Sixty-Seven (667) notified vendors; Forty (40) prospective bidders downloaded or viewed the bid package, and Six (6) responses were received.

**ANALYSIS:**

An Evaluation Committee consisting of staff from various departments conducted a thorough analysis of the RFP responses and scored and ranked the responsive proposals. The vendors were then interviewed and given an opportunity to provide additional information about their services. Upon completion of the ranking and interviews, Procurement reached out to the vendors and requested a best and final offer. National Utility Locators, LLC of Lancaster, California, was determined to be the most responsive contractor providing the best value while meeting the scope of services listed in the specifications. Therefore, staff recommends City Council award a contract to National Utility Locators, LLC, effective July 1, 2021 for a term of one (1) year in an amount not to exceed \$115,000 for FY 2021-2022, with an option to renew for one (1) year increments up to a total of six (6) additional years, with an estimated total contract amount of \$805,000 over seven years. A copy of the contract agreement is available in the City Clerk's Office.

The utility marking services cost per request will triple under the new agreement. The impact of this increase is partially mitigated by external trends resulting in a reduced demand for these services. The number of requests fluctuate annually based on the number of excavation notices received by the Underground Services Alert notification center for work requiring digging in the public right-of-way. The number of excavation notices peaked in FY 2018/2019 and have since declined steadily. The current excavation notice count is less than half the peak. The budgeted dollar amount for these services is based on this new rate and current trends in the number of excavation notices. However, if the number of excavation notices increase to prior levels as the economy recovers, it will be necessary to increase the budget for these services.

**FISCAL IMPACT:**

The funding for this contract service is within the proposed contract services budget line items in the General Fund 318, State Gas Tax Fund 174, Municipal Utility Fund 705, and Fiber Optic Network Fund 711 for FY 2021/2022.

**COUNCIL MISSION / VISION / GOAL(S) ADDRESSED:**

This item addresses City Council core values of promoting and enhancing a safe and healthy community for all by ensuring underground City facilities are appropriately marked and maintained.

**ATTACHMENTS:**

None