City Council Report

Date: September 23, 2024

To: City Council

Through: Michael Kennington, Deputy City Manager/Chief Financial Officer

From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator

Subject: Dollar Limit Increase to the Term Contract for Utility Locating Services for the Energy Resources Department **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Energy Resources Department and Procurement Services recommend increasing the dollar limit with USIC, Year 1 by $63,000, from $260,000 to $323,000, and Years 2 and 3 by $685,000, from $323,000 to $1,008,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract provides utility location services for the City's new Fiber to the Premises Project. There are five (5) separate fiber optic companies that are installing new infrastructure at a never-before-seen pace throughout the City of Mesa and San Tan Valley, where the City's gas system is also located. These utility locating services are essential to meet project timelines and completion.

There has been a higher locating demand from the Fiber to Premises Project, increasing the number of USIC employees from five (5) to seven (7). This dollar limit increase is needed to maintain the same level of service and to comply with state 811 regulations.

Purchase Information

Action: Amendment
Procurement Type: Request for Proposals
Contract Number: 2023220
Initial Contract Term: Three (3) years
Possible Renewals: Up to a maximum of two (2) years subject to Administrative review
     and approval
Funding Source: Capital Improvement Program Budget Department

Dollar Limit History

Original Award Amount:	$160,000.00
Administrative Approved Increase – 8/27/2024:	$100,000.00
New Contract Amount:	$260,000.00
This Increase Request:	$63,000.00

New Contract Amount (Year 1): $323,000.00

New Annual Contract Amount (Years 2 and 3) $1,008,000.00