



City of Rialto

Legislation Text

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For City Council Meeting [November 27, 2018]

TO: Honorable Mayor and City Council

APPROVAL: Ahmad R. Ansari, Interim City Administrator

FROM: Robert G. Eisenbeisz, P.E., Public Works Director/City Engineer

Request City Council to (1) Accept the Asset Transfer and LED Conversion Project, City Project No. 170803; (2) Authorize Filing of the Notice of Completion; and (3) Authorize Release of Retention to Siemens Industry, Inc.

BACKGROUND:

On May 9, 2017, the City approved an agreement with Siemens Industry, Inc., in the amount of \$1,414,492 for the Asset Transfer (purchase of street lights) and LED Conversion of the Rialto-owned Street Lights, City Project No. 170803. The transfer of ownership for Phase 1 and Phase 2 street lights to the City of Rialto occurred on August 19, 2017 and October 29, 2017, respectively.

ANALYSIS/DISCUSSION:

On September 26, 2018, the Contractor completed the final work for the LED street light conversion project. Staff conducted a final inspection and found the work to comply with the plans, specifications and standards of the City of Rialto. Upon acceptance by the City Council, staff will file a Notice of Completion for recordation at the County Recorder's office. A copy of the Notice of Completion is included as **Attachment 1**. In total, the City acquired and converted 3,729 streetlights.

ENVIRONMENTAL IMPACT:

This project is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

Approval of this action complies with the following City of Rialto Guiding Principles, General Plan Goals and Policies:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

Goal 2-31: Conserve energy resources.

Policy 2-31.1: Require the incorporation of energy conservation features into the design of all new construction and site development activities.

Policy 2-31.2: Provide incentives for the installation of energy conservation measures in existing multi-unit residential and commercial developments, including technical assistance and possibly low interest loans.

Policy 2-31.3: Educate the public regarding the need for energy conservation techniques, which can be employed and systems that are available.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report and notice of completion.

FINANCIAL IMPACT:

Operating Budget Impact

The estimated annual maintenance cost for the first year post-conversion is \$145,224. The actual cost will be based upon competitive bidding for the future annual Street Light Maintenance contract.

Capital Improvement Budget Impact

Table 2 below shows the project funding sources and related expenditures for the Street Light acquisition and LED conversion project.

Table 2

| <i>Funding Sources</i> | Budget | Actual | Under/(Over) Budget |
|-----------------------------------|------------------------|---------------------|----------------------------|
| Street Light Assessment District | \$ 3,211,462.00 | \$ 3,136,881 | \$ 74,581 |
| Landscape & Lighting District 2 | \$ 401,247.00 | \$ 386,592 | \$ 14,655 |
| Total Funding Sources | \$ 3,612,709.00 | \$ 3,523,473 | \$ 89,236 |
| | | | |
| <i>Uses of Funds</i> | Budget | Actual | Under/(Over) Budget |
| Design/Administration | \$ 30,000 | \$ 8,118 | \$ 21,882 |
| Construction Management & Support | \$ 44,800 | \$ 1,250 | \$ 43,550 |
| SCE Acquisition | \$ 2,038,617 | \$ 2,035,559 | \$ 3,058 |
| Asset Transfer & LED Conversion | \$ 1,499,292 | \$ 1,478,545 | \$ 20,747 |
| Total Uses of Funds | \$ 3,612,709 | \$ 3,523,473 | \$ 89,236 |

The City is holding retention of \$69,687.27 for Siemens Industry, Inc. The Public Contract Code provides for retention release 60 days after construction completion or 35 days after filing of the Notice of Completion.

The Finance Department will add the value of this project to the City's fixed asset system, in compliance with Governmental Accounting Standard Board (GASB) 34 *Standards for Financial Reporting of Infrastructure Assets* as included in **Attachment 2**.

Licensing

The proposed action will not require payment of a business license tax.

RECOMMENDATION:

Staff recommends that the City Council:

- Accept the Street Light Asset Transfer and LED Conversion Project No. 170803;
- Authorize the Public Works Director/City Engineer to file of the Notice of Completion at the County Recorder's Office; and
- Authorize Release of Retention to Siemens Industry, Inc., 35 days after the filing of the Notice of Completion, provided that no claims are filed before that time.