



**MILPITAS CITY COUNCIL, REDEVELOPMENT AGENCY
AND ECONOMIC DEVELOPMENT CORPORATION
MEETING AGENDA
TUESDAY, JUNE 21, 2011**

7:00 P.M.

SUMMARY OF CONTENTS

- I. CALL TO ORDER/ROLL CALL by the Mayor**
- II. PLEDGE OF ALLEGIANCE**
- III. INVOCATION (Vice Mayor McHugh)**
- IV. APPROVAL OF COUNCIL MEETING MINUTES – June 7, 2011**
- V. SCHEDULE OF MEETINGS – Council Calendars for June and July 2011**
- VI. PRESENTATIONS**
 - Present “Promoting Lifelong Partnerships and Awareness in Your Community” (PLAY) Awards to Milpitas Businesses
 - Recognition of Volunteer Income Tax Assistance (VITA) Volunteers for 2010 Tax Season at Milpitas Public Library
 - Recognition of North Valley Christian Fellowship for donation to Japan Tsunami Relief Efforts
- VII. PUBLIC FORUM**
- VIII. ANNOUNCEMENTS**
- IX. ANNOUNCEMENT OF CONFLICT OF INTEREST**
- X. APPROVAL OF AGENDA**
- XI. CONSENT CALENDAR (Items with asterisk*)**

Members of the audience are invited to address the Council on any subject not on tonight’s agenda. Speakers must come to the podium, state their name and city of residence for the Clerk’s record, and limit their remarks to three minutes. As an unagendized item, no response is required from City staff or the Council and no action can be taken; however, the Council may instruct the City Manager to agendize the item for a future meeting.

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a member of the City Council, member of the audience, or staff requests the Council to remove an item from or be added to the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

- XII. PUBLIC HEARINGS**
 - 1. Hold a Public Hearing and Adopt a Resolution Approving the Annual Engineer’s Report and the Levying of Assessment for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch (Staff Contact: Fernando Bravo, 586-3328)**

2. **Hold a Public Hearing and Adopt a Resolution Approving the Annual Engineer's Report and the Levying of Assessment for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon (Staff Contact: Fernando Bravo, 586-3328)**

XIII. UNFINISHED BUSINESS

3. **Receive Progress Report from a Representative of the Pacific Gas & Electric Company on the Gas Transmission Lines in Milpitas (Staff Contacts: Greg Armendariz, 586-3317 and Brian Sturdivant, 586-2811)**
- * 4. **Receive Report on Bay Area Rapid Transit (BART) Construction Mitigation to Residents/Businesses (Staff Contact: Greg Armendariz, 586-3317)**

XIV. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

- RA1. **Call to Order/Roll Call by the Mayor/Chair**
- RA2. **Approval of Minutes – June 7, 2011**
- RA3. **Approval of Agenda/Consent Calendar**
- RA4. **Approve Recommendation of City Council Economic Development Subcommittee to Approve an Agreement with the Milpitas Chamber of Commerce for an Amount Not-to-Exceed \$20,000 (Staff Contact: Diana Barnhart, 586-3059)**
- *RA5. **Approve and Authorize the Agency Executive Director to Execute an Agreement with Advanced Design Consultants, Inc. for Department of Energy Grant Program, Project No. 8198 (Staff Contact: Steve Erickson, 586-3301)**
- *RA6. **Approve Plans and Specifications and Authorize Advertisement for Bid Proposals for Soundwall Renovation, Project No. 8196 (Staff Contact: Steve Erickson, 586-3301)**
- *RA7. **Approve and Authorize the Agency Executive Director to Execute Amendment No. 6 to the Agreement with Sugimura Finney Architects, Light Rail Median Landscaping, Project No. 2001 (Staff Contact: Kathleen Phalen, 586-3345)**
- *RA8. **Award a Construction Contract to DRT Grading and Paving Incorporated for North Main Street Parking Lot Resurfacing, Project No. 8162 (Staff Contact: Steve Erickson, 586-3301)**
- *RA9. **Approve and Authorize the Agency Executive Director to Execute an Agreement with David J. Powers & Associates, Inc., for Plan Line Study for Montague Expressway Widening, Project No. 4179 (Staff Contact: Steve Erickson, 586-3301)**
- RA10. **Agency Adjournment**

XV. ECONOMIC DEVELOPMENT CORPORATION MEETING

- EDC1. **Call to Order/Roll Call by the Mayor/Chair**
- EDC2. **Approval of Agenda/Consent Calendar**
- *EDC3. **Approve and Authorize the Corporation President to Execute an Agreement with Shalleck Collaborative, Inc. for City Hall Audio Visual Replacement Project No. 9001 (Staff Contact: Steve Erickson, 586-3301)**
- EDC4. **Corporation Adjournment**

XVI. REPORT OF MAYOR

- * 5. Consider Mayor's Recommendation for Appointment to the Milpitas Community Advisory Commission (Contact: Mayor Esteves, 586-3051)

XVII. NEW BUSINESS

- 6. Receive the Monthly Economic Development Report (Staff Contact: Diana Barnhart, 586-3059)
- * 7. Approve a Budget Appropriation from the Santa Clara Valley Transportation Authority (VTA) Community Design and Transportation Planning Grant to the Milpitas Climate Action Plan, Project No. 8200 (Staff Contact: Janice Spuller, 586-3291)

XVIII. ORDINANCES

- 8. Waive the First Reading Beyond the Title and Introduce Ordinance No. 89.4 Amending Chapter 10 of Title V of the Milpitas Municipal Code Relating to Air Guns (Staff Contact: Bronwen Lacey, 586-3043)
- 9. Waive the First Reading Beyond the Title and Introduce Ordinance No. 218.3 Amending Chapter 13 of Title III of the Milpitas Municipal Code Relating to Transient Occupancy Tax Refunds (Staff Contact: Bronwen Lacey, 586-3043)

XIX. BIDS AND CONTRACTS

- * 10. Award Construction Contract Including an Alternate Item to Inter Mountain Slurry Seal Incorporated for the Street Surfacing Project 2011, Project No. 4255 (Staff Contact: Steve Chan, 586-3324)
- * 11. Approve Plans and Specifications and Authorize Advertisement for Bid Proposals for Alviso Adobe Renovation, Phase IV, Project No. 5055 (Staff Contact: Steve Erickson, 586-3301)
- * 12. Authorize the City Manager to Execute a Contract Extension with AmeriPride Service, Inc. for Uniform Rental and Laundry Services for the Not-to-Exceed Amount of \$40,000 (Staff Contact: Chris Schroeder, 586-3161)
- * 13. Approve Renewal of Excess Workers' Compensation Insurance Contracted via Brown & Brown of California (Staff Contact: Carmen Valdez, 586-3086)
- * 14. Authorize the City Manager to Execute Amendment No. 2 to the Contract with Universal Building Services to increase the contract Amount by \$17,492 and Grant Yearly Increases Pursuant to the Amendment (Staff Contact: Chris Schroeder, 586-3161)
- * 15. Authorize the City Manager to Negotiate and Execute a Consultant Services Agreement with Kimley-Horn and Associates for the Capitol Avenue Storm Drain Replacement, Minor Storm Drain, Project No. 3702 (Staff Contact: Greg Armendariz, 586-3317)
- * 16. Authorize the City Manager to Execute an Agreement with XO Communications for Fiber Optic Leases (Staff Contact: Matthias Schwarz, 586-2711)
- * 17. Authorize the City Manager to Execute a Contract for Abandoned Vehicle Abatement Services (Staff Contact: Gloria Anaya, 586-3075)

- * 18. **Authorize the City Manager to Execute a Master Agreement for FY 2011-12 with the County of Santa Clara for the Senior Nutrition Program and Contract Documents for the Provision of Meal Services by Compass Group USA, Inc. and New Orient Restaurant (Staff Contact: Renee Lorentzen, 586-3409)**
- * 19. **Award the Bid and Authorize the City Manager to Execute a Contract with Valley Oil Company for Gasoline and Diesel Fuel for the Not-to-Exceed Annual Amount of \$600,000 (Staff Contact: Chris Schroeder, 586-3161)**
- * 20. **Authorize the City Manager to Execute a Contract with Rural Metro to Park Trailers at Fire Stations 2 and 4 (Staff Contact: Robert Mihovich, 586-2826)**

XX. ADJOURNMENT

NO CITY COUNCIL MEETINGS IN JULY

**NEXT CITY COUNCIL MEETING:
TUESDAY, AUGUST 2, 2011 AT 7:00 P.M**

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: mogaz@ci.milpitas.ca.gov / Fax: 408-586-3056 / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council/Redevelopment Agency after initial distribution of the agenda packet are available for public inspection at the City Clerk's Office/Information Desk at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, and at the Milpitas Library during normal business hours.

APPLY TO BECOME A CITY COMMISSIONER!

Current vacancies exist for the:

Arts Commission/Public Art Committee (alternate)

Community Advisory Commission (alternates)

Emergency Preparedness Commission (large industry rep.)

Mobile Home Park Rental Review Board

Veterans Commission (alternate)

Applications are available online at www.ci.milpitas.ca.gov or at the City Hall Information Desk.

Contact the City Clerk's office (586-3003) for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, call the City Clerk at 586-3001 or send an email to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the Council Chambers for all meetings. TDD phone number (408) 586-3013.

AGENDA REPORTS

XII. PUBLIC HEARINGS

1. **Hold a Public Hearing and Adopt a Resolution Approving the Annual Engineer's Report and the Levying of Assessment for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch (Staff Contact: Fernando Bravo, 586-3328)**

Background: On May 17, 2011, the City Council adopted Resolution of Intention No. 8089 to levy annual assessments for the Landscaping and Lighting Maintenance Assessment District No. 95-1. This district provides for servicing and maintaining the public landscaping and additional lighting along North McCarthy Boulevard and the Gateway feature on Ranch Drive. An annual public hearing is necessary to adopt the Annual Engineer's Report to provide funds for the district.

The total assessment for the district in the Annual Engineer's Report is \$276,676.00 for the Fiscal Year 2011-12 and the assessment is within the previously approved range of assessments.

Fiscal Impact: None.

Recommendations:

1. Open the public hearing, receive any written protests, and hear testimony.
2. Move to close the public hearing.
3. Adopt a Resolution approving Annual Engineer's Report, confirming diagram and assessment, and ordering levy of assessments for Fiscal Year 2011-12 for Landscaping and Lighting Maintenance Assessment District No. 95-1.

2. **Hold a Public Hearing and Adopt a Resolution Approving the Annual Engineer's Report and the Levying of Assessment for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon (Staff Contact: Fernando Bravo, 586-3328)**

Background: On May 17, 2011, the City Council adopted Resolution of Intention No. 8090 to levy annual assessments for the Landscaping and Lighting Maintenance Assessment District No. 98-1. This district provides for servicing and maintaining the public landscaping along Sinclair Frontage Road, Los Coches Creek and Berryessa Creek abutting the Sinclair Horizon residential subdivision. An annual public hearing is necessary to adopt the Annual Engineer's Report to provide funds for the district.

The total assessment for the district in the Annual Engineer's Report is \$35,847.00 for the Fiscal Year 2011-12 and the assessment is within the previously approved range of assessments.

Fiscal Impact: None.

Recommendations:

1. Open the public hearing, receive any written protests, and hear testimony.
2. Move to close the public hearing.
3. Adopt a Resolution approving Annual Engineer's Report, confirming diagram and assessment, and ordering levy of assessments for Fiscal Year 2011-12 for Landscaping and Lighting Maintenance Assessment District No. 98-1.

XIII. UNFINISHED BUSINESS

3. **Receive Progress Report from a Representative of the Pacific Gas & Electric Company on the Gas Transmission Lines in Milpitas (Staff Contacts: Greg Armendariz, 586-3317 and Brian Sturdivant, 586-2811)**

Background: While significant progress has been made by both the National Transportation Safety Board (NTSB) and California Public Utilities Commission (CPUC) on the investigation of the PG&E pipe explosion in San Bruno, these investigations have not been finalized. Meanwhile, PG&E representatives and City staff have been meeting regularly and have accomplished the first phase of training in the workplan presented to the Council in January. PG&E representatives will provide an update at the Council meeting on the various activities including ongoing training of City staff, gas pipeline testing scheduled in Milpitas, and other work underway and in planning to improve the safety of the PG&E gas transmission lines in Milpitas.

Fiscal Impact: None.

Recommendation: Receive progress report and provide any comments to PG&E staff.

* 4. **Receive Report on Bay Area Rapid Transit (BART) Construction Mitigation to Residents/Businesses (Staff Contact: Greg Armendariz, 586-3317)**

Background: At the Council meeting on April 5, 2011, staff was directed to report back on the property impacts and acquisitions in Milpitas, due to the proposed BART Project. On June 7, 2011, Carolyn Gonot, Chief Silicon Valley Rapid Transit Program Officer provided an update presentation on the BART project including estimated summary totals of the property acquisitions required for the BART project. There are three areas where the acquisitions are focused:

- Dixon Landing Road/BART grade separation
- North end of Railroad Court
- Milpitas BART Station at Montague Expressway/Capitol Avenue.

Dixon Landing Road – Right-of-way acquisitions include a fee take for a storm drain pump station and several temporary construction easements. None of the acquisitions at Dixon Landing Road require relocations of residents or businesses.

Wrigley Creek Industrial Park – New Traction Power Substations (TPSS) are required at regular intervals to provide the third rail electrification for the BART trains. The property adjacent to the optimum location for the BART substation is at the triangular property parcels at the north end of Railroad Court. The VTA Board approved the 2nd Supplemental Environmental Impact Report (SEIR) at its March meeting. The SEIR included a “footprint” for the substation housing and maintenance access that straddles the substation on two properties with the objective to minimize the operational impacts to each individual business. The footprint covers the northern corner of Wrigley Creek Industrial Park, impacting 30 parking spaces, and also covers the northern portion of the “Horner” property where there is an RV storage facility, affecting 25 RV storage spaces. VTA is currently under negotiation with potential litigation and is not able to provide city staff with details of discussions or the negotiations.

Milpitas BART Station at Montague Expressway/Capitol Avenue – Owners and management of The Crossings Apartments have expressed several concerns with the planned BART project since the property is located adjacent to the Milpitas station site. At the direction of the VTA Board, a meeting was held between VTA project management, and the owners and management of the Crossings apartments on April 7, 2011. VTA provided the Crossings with an overview of the project status, listened to the various concerns from the Crossings and provided a binder with project descriptions, maps, design conceptual drawings, project schedule, various contract requirements, and general overview. Overall, there was a good exchange of information and the Crossing representatives were satisfied with the binder of information provided to them which they would further review. Property acquisitions at this site will include utility easements required for the BART project as well as a storm drain easement required for modification of the local storm drain system. The storm drain work is not required by the BART project but is being performed by VTA on a cooperative basis at the City’s request. Lastly, the planned flood

improvements of Berryessa Creek will affect the design of Milpitas Boulevard extension and Montague Expressway, which will then determine the final impacts to the adjacent parcels. This information will be brought forth to the Council as it becomes available. Included in the Council packets is a map illustrating potentially affected parcels at the future Milpitas BART station.

Construction Impacts to residents and businesses:

The BART project will be the largest public infrastructure project in Milpitas with massive construction operations continuing over several years. For example, the project will require approximately 300,000 cubic yards of excavation in Milpitas for the retained cut BART alignment at Dixon Landing Road and at the Milpitas BART station including the crossings of Montague Expressway and Capitol Avenue. In order to carefully plan for and control the related construction traffic upon the City's streets, the Design/Build contractor will be required to prepare, continually monitor and modify an overall Maintenance of Traffic and Access plan (MOTA) for all construction activities related to the BART project.

Staff is recommending that VTA issue an addendum to the Request for Proposals (RFP), requiring the design/build contractors to prepare and submit a detailed MOTA as part of their "Civil Construction Approach" section of the RFP proposal. The MOTA plan will be one of the proposal elements VTA would use in the evaluation and selection of the most qualified Design/Build contractor. The early delivery of the MOTA plan will also allow the City to immediately engage VTA and its selected contractor on the proposed traffic and access mitigation plans intended to minimize construction negative impacts to Milpitas residents and businesses.

Fiscal Impact: None.

Recommendations:

1. Receive the staff report on BART construction and mitigation measures.
2. Authorize the City Manager to issue a letter to Santa Clara Valley Transportation Authority requesting that VTA issue an addendum to the Request for Proposal (RFP) which adds the Maintenance of Traffic and Access plan as a required submittal to the RFP proposals, and which VTA will include in its evaluation for determination of the most qualified design/build contractor.

XIV. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

RA4. Approve Recommendation of City Council Economic Development Subcommittee to Approve an Agreement with the Milpitas Chamber of Commerce for an Amount Not-to-Exceed \$20,000 (Staff Contact: Diana Barnhart, 586-3059)

Background: As a result of the May 10 FY 2011-12 budget hearing, the Milpitas Chamber of Commerce presented a proposal to the City Council Economic Development Subcommittee to consider a new contract for FY 2011-12 services, focused on economic development. The Chamber proposal included two programs: the Business Compliance Express and the Business Retention in Milpitas (BRIM) program that are briefly described below.

Business Compliance Express

This program targeted smaller businesses to assist them through the development review process. The Chamber proposal offered to provide one-hour of free professional advice to permit applicants if they did not have adequate plans and drawings for the proposal. The Chamber estimated that this "outsourcing" could free up city staff for other duties and possibly save public funds. After meeting with City staff, the Chamber realized that the services are being offered now at the City and that the proposed Business Express Program could be interpreted as trying to promote individual consultant services, which would be a conflict of interest of city policy. Staff urged the Chamber to refocus this program to help market the existing development review services to the public.

Business Retention in Milpitas

This program would complement City corporate outreach efforts in that the Chamber would reach out to those businesses with 49 to 99 employees. Outreach would be coordinated with City staff and identify those businesses that may be thinking about expanding, contracting or relocating. The Chamber proposes to conduct 20 to 40 business interviews per month and provide critical data back to assist in City retention efforts.

The program also includes the promotion and implementation of Foreign Trade Zones (FTZ) and the EB5 Program. The Chamber proposes to work with the City of San Jose, as the local FTZ Administrator, to expand FTZ “subzones” into Milpitas. The subzones would enable local companies to designate physical space for the duty free receipt of equipment or product from overseas. The EB5 finance program provides an opportunity for foreign investment for construction and infrastructure projects that create and maintain jobs for a specified time period. As a result of the investment, the foreign investors would receive priority Visa processing.

The Economic Development Subcommittee met with the Chamber on Monday, June 13, to review the final contract scope and performance measurements. Staff will report out on the meeting at the City Council meeting. As decided at the May Economic Development Subcommittee meeting, the Mayor and Vice Mayor agreed that if the Council approves a contract with the Chamber that the funds would be paid in advance to the Chamber.

Fiscal Impact: The proposed contract amount of \$20,000 is budgeted in the FY 2011-12 Redevelopment Fund balance.

Recommendation: Approve the contract with the Milpitas Chamber of Commerce for economic development services for an amount not to exceed \$20,000.

***RA5. Approve and Authorize the Agency Executive Director to Execute an Agreement with Advanced Design Consultants, Inc. for Department of Energy Grant Program, Project No. 8198 (Staff Contact: Steve Erickson, 586-3301)**

Background: The Department of Energy Grant Program, Project No. 8198, is included in the approved Capital Improvement Program. The work involves retrofit of existing high pressure sodium parking lot lights at the Milpitas Sports Center with energy efficient LED fixtures. In order to improve the lighting of the parking lot several new poles with LED fixtures will also be installed. Through the City’s consultant selection process, Advanced Design Consultants, Inc. has been selected to provide the design services for the Department of Energy Grant Program Project. Staff negotiated a scope and fee for these services not to exceed \$25,082, which is considered reasonable for the work.

Fiscal Impact: None. Sufficient funds are available in the project budget for these services.

Recommendation: Approve and authorize the Agency Executive Director to execute an agreement with Advanced Design Consultants, Inc. in the amount of \$25,082, Project No. 8198, subject to approval as to form by the Agency Counsel.

***RA6. Approve Plans and Specifications and Authorize Advertisement for Bid Proposals for Soundwall Renovation, Project No. 8196 (Staff Contact: Steve Erickson, 586-3301)**

Background: Staff completed plans and specifications for the reconstruction of a segment of City owned sound walls located north of Del Rio Court, Project No. 8196. This project provides for the complete removal and replacement of approximately 240 lineal feet of precast concrete sound wall.

The Engineer's Estimate for the project is \$150,000. A copy of the title sheet of the project plans is included in the Agency's agenda packet, and the complete set of plans and specifications are available for review in the office of the City Engineer.

Fiscal Impact: None. Sufficient funds are available in the project budget for this work.

Recommendations:

1. Approve plans and specifications for Project No. 8196.
2. Authorize advertisement for bid proposals.

***RA7. Approve and Authorize the Agency Executive Director to Execute Amendment No. 6 to the Agreement with Sugimura Finney Architects, Light Rail Median Landscaping, Project No. 2001 (Staff Contact: Kathleen Phalen, 586-3345)**

Background: The City recently constructed the recycled water main along Great Mall Parkway to provide irrigation water to the Great Mall Parkway medians. Preparation of the plans and specifications to install the landscaping as the second phase of work is nearly complete. Final plan revisions are needed to incorporate minor modifications to the recycled water main and services made during construction, complete the phase one record drawings, incorporate increased requirements of the new State General Construction stormwater permit, and omit landscape design at the southern median islands to avoid rework due to the planned BART construction. Staff recommends amending the Sugimura Finney agreement to perform this work and has negotiated a scope amendment with a not-to-exceed fee of \$55,645, which is considered reasonable for the work. Approval will bring the total agreement amount to \$686,337, of which two-thirds was for civil design and construction support for the recycled water main line, median grading, and special drainage design to address the poor soil conditions in the medians.

Fiscal Impact: None. There are sufficient funds in the project budget.

Recommendation: Approve and authorize the Agency Executive Director to execute Amendment No. 6 to the agreement with Sugimura Finney Architects in the amount of \$55,645.

***RA8. Award a Construction Contract to DRT Grading and Paving Incorporated for North Main Street Parking Lot Resurfacing, Project No. 8162 (Staff Contact: Steve Erickson, 586-3301)**

Background: On May 3, 2011, the Agency approved the project plans and specifications and authorized the advertisement for construction bid proposals for North Main Street Parking Lot Resurfacing. The project provides for repairs to failed pavement, asphalt overlay, and new painted striping. The Engineer's Estimate for the base bid project work was \$100,000.

The project was advertised and eleven sealed bid proposals were received on May 27, 2011. Bid proposals ranged from \$64,946 to \$95,715, and the lowest responsible base bid was submitted by DRT Grading and Paving Incorporated in the amount of \$64,946. Staff recommends award of this construction contract to DRT Grading and Paving Incorporated.

Fiscal Impact: None. Sufficient funds are available in the project budgets.

Recommendation: Award a construction contract to DRT Grading and Paving Incorporated for the North Main Street Parking Lot Resurfacing, Project No. 8162, in the amount of \$64,946.

***RA9. Approve and Authorize the Agency Executive Director to Execute an Agreement with David J. Powers & Associates, Inc. for Plan Line Study for Montague Expressway Widening, Project No. 4179 (Staff Contact: Steve Erickson, 586-3301)**

Background: The Montague Expressway Widening Project, No. 4179, is included in the approved Capital Improvement Program and provides capacity improvements by adding a fourth

travel lane in each direction. The City is implementing this project in partnership with Santa Clara County Roads & Airports (SCC Roads & Airports), who owns and maintains Montague Expressway. There are two major regional projects underway which directly impact the portion of Montague Expressway from Great Mall Parkway to I-680. These projects are Bay Area Rapid Transit (BART) extension and the Berryessa Creek Flood Improvements. The Berryessa Creek improvements will raise the height of the existing levees and construct a new bridge structure to replace the existing box culvert, at Berryessa Creek Montague Expressway. This will require the reconstruction of Montague Expressway on both sides of the new bridge. The BART Extension Project will modify the existing intersection of Montague Expressway and Milpitas Boulevard and future Milpitas Boulevard south extension to the future BART station.

On April 5, 2011, the Agency approved an agreement with HMM Incorporated to prepare a Plan Line Study of Montague Expressway and Milpitas Boulevard. The Plan Line Study findings and information will become the basis for a Cooperative Cost Share agreement among VTA, SCVWD, Milpitas and Santa Clara County Roads & Airports (SCC). Based upon the cooperative agreement, SCVWD, SCC Road & Airports or the City will take the lead in the design and construction of the time critical improvements on Montague and Milpitas Boulevard. The cooperative agreement is anticipated to be completed for Council consideration and approval by late this summer.

In an effort to keep the project moving forward to maintain the tight schedule for the improvements on Montague Expressway, Berryessa Creek, and Milpitas Boulevard, the City of Milpitas is positioned to take the lead in obtaining the necessary environmental clearances in accordance with the California Environmental Quality Act (CEQA). This will include an Addendum to the approved Mitigated Negative Declaration for the previous Montague Widening Projects and an environmental evaluation of the proposed bridge structure over Berryessa Creek.

Through the City's consultant selection process, David J. Powers & Associates, Inc. has been selected to provide the environmental services for the Montague Expressway Widening Project. Staff negotiated a scope and fee for these services not to exceed \$100,000, which is considered reasonable for the work.

Fiscal Impact: None. Sufficient funds are available in the project budget for these services.

Recommendation: Approve and authorize the Agency Executive Director to execute an agreement with David J. Powers & Associates, Inc. in the amount of \$100,000, Project No. 4179, subject to approval as to form by the Agency Counsel.

RA10. Agency Adjournment

XV. ECONOMIC DEVELOPMENT CORPORATION MEETING

***EDC3. Approve and Authorize the Corporation President to Execute an Agreement with Shalleck Collaborative, Inc. for City Hall Audio Visual Replacement Project No. 9001 (Staff Contact: Steve Erickson, 586-3301)**

Background: The City Hall Audio Visual Replacement, Project No. 9001, is included in the approved Capital Improvement Program. The work involves the replacement and/or upgrade of the audio visual systems located in the City Hall conference rooms, Council Chambers, and the audio visual control room. Through the City's consultant selection process, Shalleck Collaborative, Inc. has been selected to provide the design services for the City Hall Audio Visual Replacement Project. Staff negotiated a scope and fee for these services not to exceed \$100,000, which is considered reasonable for the work.

Fiscal Impact: None. Sufficient funds are available in the project budget for these services.

Recommendation: Approve and authorize the Corporation President to execute an agreement with Shalleck Collaborative, Inc. in the amount of \$100,000, Project No. 9001, subject to approval as to form by the Corporate Counsel.

EDC4. Corporation Adjournment

XVI. REPORT OF MAYOR

- * 5. **Consider Mayor's Recommendation for Appointment to the Milpitas Community Advisory Commission (Contact: Mayor Esteves, 586-3051)**

Background: Mayor Esteves recommends appointing Jose Rosario as Alternate No. 3 to the Community Advisory Commission to a term that expires in January 2012.

Recommendation: Approve the Mayor's recommendation to appoint Jose Rosario as Alternate No. 3 to the Community Advisory Commission.

XVII. NEW BUSINESS

- 6. **Receive the Monthly Economic Development Report (Staff Contact: Diana Barnhart, 586-3059)**

Background: Conditional Use Permit Review: The Planning Commission and Economic Development Commission are working together to review the Conditional Use Permit process in an effort to streamline the process for business uses. This will be a vital part of the full implementation of the business streamlining that has been underway with the Building and Safety Department over the last few years. Staff will make a presentation at the Council meeting on the joint Commission effort.

Business Outreach: Staff is working with Building and Fire to assist a small business owner in securing appropriate permits for his growing business. Much of the permitting is in arrears, but staff has been able to work out a solution that will allow the business to grow and still be in compliance with life safety requirements.

Staff has also met with another large company as part of the Use Tax outreach program. As are many of the companies contacted, the company is interested in assisting the City but does not want to complicate any of its business processes. The City's consultant, Municipal Resource Advisors, is meeting with the company to facilitate the reassignment of the tax to the City.

Chamber of Commerce: As discussed in another item on this agenda, staff has been working with the Chamber of Commerce to refine the scope of work for its business outreach services during the past month.

Redevelopment: To date, there is no change in the status of redevelopment in the State Legislature. There is redevelopment reform legislation, but the Governor's budget continues to include the dissolution of redevelopment.

Fiscal Impact: None. There is no fiscal impact associated with this action.

Recommendation: Receive the monthly economic development report from the Economic Development Manager.

- * 7. **Approve a Budget Appropriation from the Santa Clara Valley Transportation Authority (VTA) Community Design and Transportation Planning Grant to the Milpitas Climate Action Plan, Project No. 8200 (Staff Contact: Janice Spuller, 586-3291)**

Background: On November 15, 2010, the VTA issued a call for CDT Planning Grant Program proposals. The City of Milpitas submitted a proposal to prepare a Climate Action Plan to develop emission reduction measures in response to California Assembly Bill (AB 32) and Senate Bill (SB 375). On March 3, 2011, the VTA Board of Directors approved the programming of \$57,500.

Fiscal Impact: None. A Capital Improvement Project titled “Climate Action Plan” is included in the approved five-year CIP funded from this grant and a City local share of \$42,500 for a total of \$100,000.

Recommendation: Approve a budget appropriation in the amount of \$57,500 from the Santa Clara Valley Transportation Authority (VTA) Community Design and Transportation Planning Grant to the Milpitas Climate Action Plan, Project No. 8200.

XVIII. ORDINANCES

8. Waive the First Reading Beyond the Title and Introduce Ordinance No. 89.4 Amending Chapter 10 of Title V of the Milpitas Municipal Code Relating to Air Guns (Staff Contact: Bronwen Lacey, 586-3043)

Background: In January of 2010, the City Attorney’s Office brought various Municipal Code clean-up changes that required nothing more than deletion of antiquated or unused sections of the Code. The City Attorney then mentioned that his office would bring back proposed Code changes that required more than simple deletions before the end of Fiscal Year 2010-11. Such changes are included for Council approval in what is proposed to be an annual effort at updating the Municipal Code.

State law preempts the regulation of the possession and sale of air and BB guns, but allows local jurisdictions to regulate the use of air and BB guns. As such the City’s current ordinance is outdated and needs to be amended to reflect current state law. Ordinance No. 89.4 contains the necessary amendments to bring the Municipal into compliance with state law.

Fiscal Impact: None.

Recommendations:

1. Waive the first reading beyond the title of Ordinance No. 89.4 relating to air guns.
2. Move to introduce Ordinance No. 89.4.

9. Waive the First Reading Beyond the Title and Introduce Ordinance No. 218.3 Amending Chapter 13 of Title III of the Milpitas Municipal Code Relating to Transient Occupancy Tax Refunds (Staff Contact: Bronwen Lacey, 586-3043)

Background: Currently, the Transient Occupancy Tax in the Milpitas Municipal Code does not specify whether taxpayers must pay the tax before suing the City for a refund. This amendment would require taxpayers to pay the tax before challenging the City’s charges in court. In addition, taxpayers seeking a refund must follow the administrative procedures before filing suit. These changes are consistent with state and federal law that require the taxpayer to pay a tax and then seek a refund.

Fiscal Impact: None.

Recommendations:

1. Waive the first reading beyond the title of Ordinance No. 218.3 relating to transient occupancy tax refunds.
2. Move to introduce Ordinance No. 218.3.

XIX. BIDS AND CONTRACTS

- * 10. **Award Construction Contract Including an Alternate Item to Inter Mountain Slurry Seal Incorporated for the Street Surfacing Project 2011, Project No. 4255 (Staff Contact: Steve Chan, 586-3324)**

Background: On May 17, 2011, the City Council approved the project plans and specifications and authorized the advertisement for construction bid proposals for Street Slurry Seal 2011. The slurry seal coat will rejuvenate the asphalt pavement and will provide a new wearing surface to the streets.

Streets included in this seal project are:

- Bryce Court
- Zion Court
- Sequoia Drive - Yosemite Drive to Yellowstone Avenue
- Shenandoah Avenue
- Big Bend Drive
- Crater Lake Avenue
- Everglades Drive
- Mt. Rainier Avenue
- Grand Teton Drive
- Uridias Ranch Road
- Aguilar Court

The Engineer's Estimate for the base bid project work was \$600,000. The project was advertised and three (3) sealed bid proposals were received on June 3, 2011. Bid proposals ranged from \$667,422.70 to \$739,812.50, and the lowest responsible base bid was submitted by Inter Mountain Slurry Seal Incorporated in the amount of \$667,422.70.

The bid package included one add alternate item for consideration of submitted pricing after bid opening. Staff recommends awarding the package with this item for a not to exceed amount of \$4,279.00, which was below the \$25,000 Engineer's Estimate for this add alternate item. The add alternate item will provide for the replacement of the standard gray aggregate in the slurry seal mix with the black aggregate resulting in the darker more desirable street pavement surface. Awarding the project base bid with the recommended alternate item brings the total construction contract to \$671,701.70, which is within the project's cost plan and budget and no additional budget appropriation is required.

The Abbott Avenue Street Resurfacing Project, Project No. 4251, was successfully completed and there is \$56,000 of unspent Traffic Congestion Relief Fund money that was due to project savings. These funds are required to be spent by the end of the fiscal year or they will be required to be returned to the State. Staff recommends that these funds be appropriated to the Street Resurfacing Project 2011 where they can be expensed prior to the end of the fiscal year.

Fiscal Impact: A budget appropriation in the amount of \$56,000 of Traffic Congestion Relief Fund from the Abbott Avenue Street Resurfacing Project, Project No. 4251 into the Street Resurfacing Project 2011 is needed for the construction phase of the project.

Recommendations:

1. Award a construction contract including one Add Alternate item to Inter Mountain Slurry Seal Incorporated for Street Surfacing Project No. 4255, in the amount of \$671,701.70.
2. Approve a budget appropriation of \$56,000 of Traffic Congestion Relief Fund from the Abbott Avenue Street Resurfacing Project No.4251, to Street Resurfacing Project 2011, Project No. 4255.

- * 11. **Approve Plans and Specifications and Authorize Advertisement for Bid Proposals for Alviso Adobe Renovation, Phase IV, Project No. 5055 (Staff Contact: Steve Erickson, 586-3301)**

Background: Staff completed plans and specifications for the Alviso Adobe Renovation Phase IV, site improvements, Project No. 5055. This next phase of the Alviso Adobe Project, involves construction of the site improvements to create a new historic public park setting replicating an 1850's Mexican Rancho through early 1900's rural Santa Clara County orchard and farmhouse. The improvements include rebuilding the three existing outbuildings, constructing a new public restroom, onsite parking, Americans with Disabilities Act (ADA) accessibility to the site, landscaping, installation of park benches and picnic areas. The interior building improvements to Alviso Adobe are estimated at over \$1.0 million and are not funded at this time. However, this will not delay the grand opening of the new historic park, following Park construction which is anticipated to be complete by late Fall 2012.

The Engineer's Estimate for the project is \$2,500,000. A copy of the title sheet of the project plans is included in the Council's agenda packet, and the complete set of plans and specifications are available for review in the office of the City Engineer.

Fiscal Impact: None. Sufficient funds are available in the project budget for these services.

Recommendations:

1. Approve the plans and specifications for Project No.5055.
2. Authorize advertisement for bid proposals.

- * 12. **Authorize the City Manager to Execute a Contract Extension with AmeriPride Service, Inc. for Uniform Rental and Laundry Services for the Not-to-Exceed Amount of \$40,000 (Staff Contact: Chris Schroeder, 586-3161)**

Background: On October 18, 2006, the City entered into a Piggyback Agreement based on the City of San Jose's agreement with AmeriPride Services, Inc. for uniform rental and laundry services. The agreement allows for annual cost of living adjustments; however, during the five years of the contract AmeriPride has only increased its rates one time in 2009 by 6%. The City of San Jose has extended the contract with the same rates until May 2012. Staff recommends that the City of Milpitas extends the contract with AmeriPride to May 2012 at the same rates.

Fiscal Impact: None. This is a budgeted expense in the operating budgets of the various City departments.

Recommendation: Authorize the City Manager to execute a contract extension with AmeriPride Services, Inc. for uniform rental and laundry service for the not-to-exceed amount of \$40,000.

- * 13. **Approve Renewal of Excess Workers' Compensation Insurance Contracted via Brown & Brown of California (Staff Contact: Carmen Valdez, 586-3086)**

Background: The City carries excess workers' compensation insurance in accordance with state law. The City's insurance broker, Brown & Brown of California, was able to retain coverage through Safety National Casualty Corporation for Fiscal Year 2011-12. Last year, in Fiscal Year 2010-11, the cost of the excess workers' compensation was \$110,903. For the new fiscal year, City year staff was quoted an overall rate decrease of approximately 1%. The City's self-insured retention is \$1,000,000 for safety employees and \$750,000 for miscellaneous employees. The renewal premium for Fiscal Year 2011-12 is \$109,976 and is based on the City's payroll.

Fiscal Impact: None. There are sufficient funds allocated in the Human Resources Department's FY 2011-12 budget.

Recommendation: Authorize the City Manager to pay Brown & Brown of California the premium rate of \$109,976 and approve the acceptance of Safety National Casualty Corporation to provide for the City's excess workers' compensation insurance for FY 2011-12.

- * 14. **Authorize the City Manager to Execute Amendment No. 2 to the Contract with Universal Building Services to increase the contract Amount by \$17,492 and Grant Yearly Increases Pursuant to the Amendment (Staff Contact: Chris Schroeder, 586-3161)**

Background: On September 21, 2010, Council awarded a contract for city wide janitorial service to Universal Building Services. The contract is for three years with two one year options for renewal for the annual amount of \$173,808. On September 22, 2010, Amendment No. 1 was executed for \$10,000 for Universal Building Services to perform incidental services for unscheduled events. Staff now recommends approval of Amendment No. 2 for the following:

Contract Time adjustment: In order to align this multi-year services contract with the City's operating budget cycle, the first contract year shall be effectively reduced to a nine-month period from October 1, 2010 through June 30, 2011, and the contract amount for the first year shall be prorated accordingly. The second contract year shall begin on July 1, 2011 through June 30, 2012, and continue annually through the remainder of the contract time, inclusive of the option years, if invoked by the City.

Additional contract services and contract adjustments:

- The City now desires to amend the contract by adding \$5,000 per year to the contract for each of the remaining four years, to cover incidental services and unscheduled events.
- The City also desires to expand the scope of the contract to cover the cost of adding additional cleaning services at the Great Mall Raceway Police Department Substation II five days per week, for an agreed annual contract increase of \$5,532.
- The Contract did not have an annual rate adjustment for labor and material cost increases, which is typical in multi-year City contracts, and staff recommends an annual contract increase of \$6,960 which is considered reasonable for the services provided. In addition, a discretionary cost of living increase provision will be added to the contract.
- Authorize the City Manager to grant annual contract increases pursuant to the amendment.

With all of the above mentioned adjustments, the annual amount of the contract will increase by \$17,492 from \$173,808 to \$191,300.

The City also wishes to correct a typographical error. On page 18, LIQUIDATED DAMAGES item 1, line two, the words Two Hundred Dollars shall be changed to Five Hundred Dollars to match the numeral (\$500).

Fiscal Impact: None. Funds are available from the Facilities Maintenance operating budget for FY 2011-12 for these services.

Recommendations:

1. Authorize the City Manager to execute Amendment No. 2 to the contract with Universal Building Services to increase the annual contract amount by \$17,492.
2. Authorize the City Manager to grant yearly increases pursuant to the second amendment without further City Council approval.

- * 15. **Authorize the City Manager to Negotiate and Execute a Consultant Services Agreement with Kimley-Horn and Associates for the Capitol Avenue Storm Drain Replacement, Minor Storm Drain, Project No. 3702 (Staff Contact: Greg Armendariz, 586-3317)**

Background: Capitol Avenue adjacent to the Crossings Apartments is subject to storm flooding because the existing City storm drain pipe cannot discharge into a much larger City of San Jose

storm drain main pipe when the San Jose pipe is at full capacity during major storms. This results in the stormwater backing up Capitol Avenue and flooding at the Crossings Apartments.

The Santa Clara Valley Transportation Authority (VTA) is relocating existing utilities in this area as part of the BART project at the Milpitas Station and along Capitol Avenue. As part of this work, City staff proposes disconnecting the Capitol Avenue storm drain pipe from the San Jose storm drain main pipe, extending it north along the BART corridor, and connecting it to a Milpitas storm drain system at Piper Drive. VTA can incorporate this storm drain construction into the other utility relocation work it is doing for the BART project, but VTA needs preliminary design drawings for the proposed work.

Staff has determined that entering into a consultant agreement with Kimley-Horn and Associates to provide the additional engineering and design plans for the storm pipeline alignment and profile is the most efficient and expeditious way to incorporate this work into VTA's current Request for Proposals for the BART project. Kimley-Horn and Associates is one of the VTA design consultants and is already familiar with the BART-related improvements in the vicinity. Another consultant would require additional time to become familiar with the existing utilities and the multitude of utility relocations needed to accommodate the BART improvements. Secondly, time is of the essence as the BART project is currently in the bidding phase and the preliminary alignment and profile engineering plans need to be included in an addendum this July. Staff has negotiated a fee of \$85,000 which is considered reasonable for the work.

Meanwhile, City staff and VTA are currently also working on an amendment to the City/VTA Master Agreement to address the City's cost share of the Capitol Avenue storm drain pipe. This amendment will be presented to Council in August for review and approval.

Fiscal Impact: None. Sufficient funds are available in the capital improvement project titled Minor Storm Drain Project No. 3702.

Recommendation: Authorize the City Manager to negotiate and execute a consultant agreement with Kimley-Horn and Associates for Project No. 3702 in an amount not to exceed \$85,000.

***16. Authorize the City Manager to Execute an Agreement with XO Communications for Fiber Optic Leases (Staff Contact: Matthias Schwarz, 586-2711)**

Background: In 1998 and 1999, the City of Milpitas entered into several lease agreements with Nextlink (now XO Communications), granting Nextlink access to certain City-owned vacant Optic fiber conduits for a period of ten years. In lieu of payment, Nextlink furnished parts and labor to install part of the City's optic fiber cable backbone ring, primarily the section between City Hall and Fire Station 1. The City reached agreement on a consolidation and continuation of these lease agreements for the next 30 years.

In lieu of payment, XO Communications will again provide parts and labor for the continuing build-out of the City's optic fiber network totaling a net present value of \$180,444.65. A first part will be the completion of the City's Communications Enhancement Project Phase II, the upgrade and replacement of optic fiber cables and conduits between City Hall and Public Works totaling \$107,750.00. The remaining net present value of the new lease agreement of \$72,694.65 will be provided in form of parts and labor for additional optic fiber conduit and cabling work yet to be specified by the City's Information Services staff. The Telecommunications Commission was briefed on the status of the City's voice and data network and associated plans including the negotiation of this agreement on May 16, 2011.

Fiscal Impact: None.

Recommendation: Authorize the City Manager to execute an agreement with XO Communications for fiber optic conduit leases.

* 17. **Authorize the City Manager to Execute a Contract for Abandoned Vehicle Abatement Services (Staff Contact: Gloria Anaya, 586-3075)**

Background: The City is a member agency within the Santa Clara County Abandoned Vehicle Abatement Service Authority (AVASA). As a member agency, the City receives partial reimbursement for expenses in abating abandoned vehicles on private property and public roads. Vehicle abatement on private property has been performed using contract services since 2009.

Fiscal Impact: None. The department operating budget has allocated funding for this service in FY 2011-12.

Recommendation: Authorize the City Manager to execute a contract with Christopher Schaller for abandoned vehicle abatement services for an amount not-to-exceed \$25,000.

* 18. **Authorize the City Manager to Execute a Master Agreement for FY 2011-12 with the County of Santa Clara for the Senior Nutrition Program and Contract Documents for the Provision of Meal Services by Compass Group USA, Inc. and New Orient Restaurant (Staff Contact: Renee Lorentzen, 586-3409)**

Background: The City of Milpitas has contracted with the County of Santa Clara to help implement the Senior Nutrition Program since March 1978. This program serves seniors, sixty years and older, 249 days per year, an average of 96 meals per day, for a total of 23,904 meals per year. The total budget for the FY 2011-12 Nutrition Program is \$173,489. Under the proposed Fiscal Year 2011-12 Master Agreement for the Senior Nutrition Program, the City of Milpitas and the County of Santa Clara would equally share the cost of the program, which would amount to a burden of \$86,475 each (after reimbursements), as outlined in the County's contract. Under the Master Agreement, the City would initially pay all costs and the County would reimburse the City its 50% cost share after receipt of invoices and other documentation. The City contracts with outside catering services for the provision of meals under the Senior Nutrition Program, but directly provides related transportation and program administration services.

Compass Group USA, Inc., doing business as Bateman, has been catering the Senior Center Nutrition Program since July 1, 1998. Bateman provides hot meals in addition to salads and sandwiches five days a week at the Senior Center. In Fiscal Year 2011-12, Bateman will provide 16,128 meals for \$4.405 each, which will not exceed the approved budget amount of \$71,044 for FY 2011-12.

The City of Milpitas has also contracted with New Orient Restaurant since July 1, 2004 for Asian style meals twice a week for seniors. An amendment to the existing scope of services and compensation rate for FY 2010-11 meals are required to implement the increased meal service and mid-year budget appropriation directed by this Council at its February 1, 2011 meeting. This amendment to Fiscal Year 2010-11 services would provide an additional \$4,499 in compensation, bringing the total compensation amount for Fiscal Year 2010-11 services under the New Orient Agreement to \$32,367. In addition, in Fiscal Year 2011-12, New Orient will provide 7,776 meals at \$4.50 per meal, and will not exceed the approved budget amount of \$34,992 for the new Fiscal Year.

Fiscal Impact: None. Sufficient funds have been budgeted in the Parks and Recreation Services Department's FY 2010-11 and FY 2011-12 operating budgets.

Recommendations:

1. Authorize City Manager to execute a Master Agreement with the County of Santa Clara for the Senior Nutrition Program Master.
2. Authorize City Manager to execute a contract amendment with Compass Group USA, dba Bateman, in the amount of \$71,044 for FY 2011-12 services.

3. Authorize City Manager to execute a contract amendment with New Orient Restaurant in the amount of \$39,491. \$4,499 is for additional services in FY 2010-11, and \$34,992 is for FY 2011-12 meal services.

*** 19. Award the Bid and Authorize the City Manager to Execute a Contract with Valley Oil Company for Gasoline and Diesel Fuel for the Not-to-Exceed Annual Amount of \$600,000 (Staff Contact: Chris Schroeder, 586-3161)**

Background: On April 28, 2011, Purchasing issued a bid for a multi-year fuel purchase and delivery contract. The bid was advertised in the local newspaper, the City's website, and on Public Purchase. Eleven fuel distributors received bid packages and two responded. Bid prices were based on the Oil Price Information Service (OPIS) Pad 4/5 index of May 16, 2011 plus a set margin for the distributor. The two bids received are summarized below.

	J.N. Abbott	Valley Oil
Unleaded:		
May 16, 2011 OPIS Pad San Jose Avg Price	\$3.24 / gallon	\$3.24 / gallon
Margin Bid	\$.120 / gallon	\$.0155 / gallon
Total price per gallon	\$3.36 / gallon	\$3.25 / gallon
Red Diesel:		
May 16, 2011 OPIS Pad San Jose Avg Price	\$3.23 / gallon	\$3.23 / gallon
Margin Bid	\$.240 / gallon	\$.1295 / gallon
Total price per gallon	\$3.47 / gallon	\$3.36 / gallon
Clear Diesel #2:		
May 16, 2011 OPIS Pad San Jose Avg Price	\$3.23 / gallon	\$3.23 / gallon
Margin Bid	\$.240 / gallon	\$.1295 / gallon
Total price per gallon	\$3.47 / gallon	\$3.36 / gallon

Based on past consumption, staff estimated the annual contract amount to be approximately \$600,000. The initial term of the contract is for two years and covers the period of July 1, 2011 through June 30, 2013 with three one year options to renew through June 30, 2016.

Fiscal Impact: None. Funding for this contract is available in the Fleet Maintenance and Utility Maintenance Operating Budgets.

Recommendation: Award the bid and authorize City Manager to execute a contract with Valley Oil Company for gasoline and diesel fuel for the not-to-exceed annual amount of \$600,000.

*** 20. Authorize the City Manager to Execute a Contract with Rural Metro to Park Trailers at Fire Stations 2 and 4 (Staff Contact: Robert Mihovich, 586-2826)**

Background: In July 2011, Rural Metro will be the new primary provider of emergency medical (ambulance) services in Santa Clara County. To be able to provide efficient service, particularly to the citizens of Milpitas, Rural Metro trailers need to be strategically located within Milpitas. Fire Stations 2 and 4 have been determined as strategic locations for the trailers. Per contract, rental fees will be charged to Rural Metro for its use of City parking spaces.

Fiscal Impact: None. Revenue is included in the FY 2011-12 budget.

Recommendation: Authorize the City Manager to execute a contract with Rural Metro to park trailers at Milpitas Fire Stations 2 and 4.

XX. ADJOURNMENT