



**JOINT MEETING OF THE
MILPITAS CITY COUNCIL AND
MILPITAS HOUSING AUTHORITY AGENDA
TUESDAY, APRIL 2, 2013**

**455 EAST CALAVERAS BLVD, MILPITAS, CA
6:00 P.M. (CLOSED SESSION) • 7:00 P.M. (PUBLIC BUSINESS)**

SUMMARY OF CONTENTS

- I. CALL TO ORDER/ROLL CALL by the Mayor (6:00 p.m.)**
- II. ADJOURN TO CLOSED SESSION**
 - 1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Pursuant to California Government Code §54956.9(b), (c)
City of Milpitas as Plaintiff or Defendant
 - 2. CONFERENCE WITH LABOR NEGOTIATORS - COLLECTIVE BARGAINING**
Pursuant to California Government Code §54957.6, City Negotiator: Carmen Valdez
Employee Groups: Milpitas Employees Association (MEA), Milpitas Police Officers Association (MPOA), International Association of Fire Fighters (IAFF)
Under Negotiation: Wages, Hours, Benefits, and Working Conditions
- III. CLOSED SESSION ANNOUNCEMENTS:** Report on action taken in Closed Session, if required, pursuant to Government Code Section 54957.1, including the vote or abstention of each member present
- IV. PLEDGE OF ALLEGIANCE (7:00 p.m.)**
- V. INVOCATION (Councilmember Montano)**
- VI. APPROVAL OF COUNCIL MEETING MINUTES – March 19, 2013**
- VII. SCHEDULE OF MEETINGS – COUNCIL CALENDAR – April 2013**
- VIII. PUBLIC FORUM**

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.

- IX. ANNOUNCEMENTS**
- X. ANNOUNCEMENT OF CONFLICT OF INTEREST**
- XI. APPROVAL OF AGENDA**
- XII. CONSENT CALENDAR (Items with asterisks*)**

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.

XIII. PUBLIC HEARINGS

- 1. Hold a Public Hearing, Introduce Ordinance No. 38.807 Approving a Development Agreement and Adopt a Resolution Approving a Site Development Permit and Certifying the Final Environmental Impact Report for the I-880 Billboard Project (Staff Contact: Sheldon Ah Sing, 408-586-3278)**
- 2. Hold a Public Hearing and Adopt a Resolution Approving Recreation Services' Registration Software Upgrade and Transaction Fee to be Applied to All Recreation Programs and Services (Staff Contact: Jaime Chew, 408-586-3234)**

XIV. JOINT MILPITAS HOUSING AUTHORITY AND CITY COUNCIL MEETING

- *HA1. Adopt a Resolution Approving a Loan from the Housing Authority to the City of Milpitas for Demolition of City Buildings at 1650-1690 and 1740-1830 McCandless Drive and Authorize the City Manager to Execute an Agreement with DR Horton (Staff Contact: Felix Reliford, 408-586-3071)**

XV. UNFINISHED BUSINESS

- * 3. Receive the March 2013 Odor Control Report (Staff Contact: Kathleen Phalen, 408-586-3345)**

XVI. REPORT OF MAYOR

- * 4. Consider Mayor's Recommendations for Appointments to Four Milpitas Commissions (Contact: Mayor Esteves, 408-586-3029)**

XVII. NEW BUSINESS

- 5. Receive Report on Updated Milpitas Emergency Operations Plan and Approve the Plan (Staff Contact: Sean Simonson, 408-586-2810)**

XVIII. RESOLUTION

- * 6. Authorize the Purchase of 25 CopVu Wearable Cameras from Watch Guard for Police Utilizing the 2012 Citizens Option for Public Safety (COPS) Grant and Adopt a Resolution Designating Watch Guard as a Sole Source Vendor and Standardize CopVu Cameras (Staff Contact: Chris Schroeder, 408-586-3161)**

XIX. BID AND CONTRACTS

- * 7. Award Construction Contract to DRT Grading & Paving Inc. for Park Renovation 2011 Project No. 5091, Approve Budget Appropriation, and Authorize Staff to Execute Contract Change Orders (Staff Contact: Steve Erickson, 408-586-3301)**
- * 8. Authorize the City Manager to Execute Amendment No. 3 to the Agreement with CalRecovery, Inc. for Solid Waste Consulting Services (Staff Contact: Kathleen Phalen, 408-586-3345)**
- * 9. Authorize the City Manager to Execute Amendment No. 1 to the Agreement with Santa Clara County for the Countywide Household Hazardous Waste Collection Program (Staff Contact: Kathleen Phalen, 408-586-3345)**

- * 10. **Authorize the City Manager to Execute an Agreement with Pyro Spectaculars for the Not-to-Exceed Amount of \$21,600 for the Annual 4th of July Fireworks Display (Staff Contact: Chris Schroeder, 408-586-3161)**

XX. DEMAND

- * 11. **Receive Report of Emergency Repair and Equipment Replacement for the Police/Public Works Building Emergency Generator Fuel Lines and Authorize Staff to Pay Invoices (Staff Contact: Kathleen Phalen, 408-586-3345)**

XXI. ADJOURNMENT

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, APRIL 16, 2013 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, 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 after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website.

All City Council agendas and related materials can be viewed online here:
www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO BECOME A CITY COMMISSIONER!

Current vacancies exist on the:

*Public Art Committee (Alliance for the Arts member)
Community Advisory Commission (alternate)*

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's office (408-586-3003) 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 (408) 586-3001 or send an e-mail 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.

AGENDA REPORTS

XIII. PUBLIC HEARINGS

1. **Hold a Public Hearing, Introduce Ordinance No. 38.807 Approving a Development Agreement and Adopt a Resolution Approving a Site Development Permit and Certifying the Final Environmental Impact Report for the I-880 Billboard Project (Staff Contact: Sheldon Ah Sing, 408-586-3278)**

Background: The City expressed interest in a revenue generating citywide signage program and issued requests for proposals in July of 2008. Milpitas Sign Company (a partnership between McCarthy Land Development and Clear Channel Outdoor) was awarded the ability to construct a portion of the sign program on May 5, 2009. This application represents two of the three signs awarded to Milpitas Sign Company.

Design Review and Development Agreement

The proposed signs are consistent with the City's Sign Ordinance provisions for off-site advertising displays including height, size and operations. The Planning Commission reviewed the architectural design of the sign and recommended the City Council approve the project. Detailed information regarding the project, including the design, size and location, is included in the Planning Commission staff report and the exhibits to the project plan.

The development agreement identifies the timeframe for responsibilities, obligations and shared benefits of erecting and managing the off-site advertising displays. Milpitas Sign Company, LLC, will operate the sign and will be responsible for selling advertising displays. The City will receive ten percent of the annual adjusted gross revenue.

Environmental Review

The scope of the Environmental Impact Report includes installation of three separate billboards containing a total of six advertising facings, two per structure, along the east side of I-880, south of Dixon Landing Road. While the EIR includes four possible locations where three of the billboards could be located, signs will only be located at two of the locations based on leasing negotiations with property owners and distance limitations imposed by state law. The Notice of Preparation for the EIR was circulated for public review between July 25, 2010 and August 25, 2010. The Draft EIR was completed on May 18, 2011 and circulated for public review for 45 days. Impacts identified in the EIR affect aesthetics at the project and cumulative levels. Mitigation measures are suggested, however, some impacts cannot be reduced to a level of less than significant and therefore, adoption of statements of overriding considerations is necessary regarding aesthetics. The Planning Commission staff report, the project's EIR, and the project resolution provide additional detailed information (material included in the agenda packet).

Fiscal Impact: None.

Attachments:

1. Resolution
2. Ordinance No. 38.807
3. Project Plans
4. Final Environmental Impact Report
5. Planning Commission staff report and meeting minutes from 1/23/2013
6. Public Comment

Recommendations:

1. Hold a public hearing to receive comments, then move to close the public hearing.
2. Move to waive the first reading beyond the title of Ordinance No. 38.807.
3. Introduce Ordinance No. 38.807 to approve a Development Agreement between Milpitas Sign Company, LLC and City of Milpitas.

4. Adopt a resolution approving a Site Development Permit and certifying the Final EIR for the McCarthy Billboards project.

2. Hold a Public Hearing and Adopt a Resolution Approving Recreation Services' Registration Software Upgrade and Transaction Fee to be Applied to All Recreation Programs and Services (Staff Contact: Jaime Chew, 408-586-3234)

Background: Starting in October of 2013, Recreation Services' registration software, RecWare Safari, will no longer receive tech support. This lack of support will also affect Recreation's online registration abilities as well. After much research and deliberation, Recreation staff needs to upgrade the registration software to ActiveNet by Active Network. The ActiveNet software would not only provide additional features to enhance service and financial reporting, but it would also allow for complete data transfer from the previous registration software. This will significantly reduce the amount of staff time needed for the software upgrade.

The new registration software, ActiveNet, is a hosted technology which provides cloud computing. Essentially, Active Network would be providing the software via the internet which eliminates the need for in-house servers or system maintenance. With ActiveNet software, there will be no annual maintenance cost because it is a hosted technology. However, because it is a hosted technology, Active Network will be assessing a 1.5% transaction fee on every transaction. This includes not only online transactions but in-person transactions which occur at all three Recreation sites—the Community Center, Barbara Lee Senior Center and the Sports Center.

To compensate for this, staff proposes implementing a new Transaction Fee on all Recreation programs and services. The fee would be on all transactions – a Transaction Fee of 1.5%.

Example: A customer registers his/her child for an art class that is \$50. He would be assessed a 1.5% Transaction Fee which would be \$0.75 and would bring the registration total to \$50.75. Or, a customer registers his/her child for a music class that is \$140. He would be assessed a 1.5% Transaction Fee which would be \$2.10 and would bring the registration total to \$142.10.

If approved, the new software would “go live” and the new Transaction Fee would be effective starting January 2014.

Fiscal Impact: The software upgrade from RecWare Safari to ActiveNet would cost \$15,000. However, if Recreation Services is able to commit to the software upgrade by April 30, 2013, Active Network will discount the upgrade by \$10,000 which would bring the total software upgrade to \$5,000.

Although there is no annual maintenance cost for the ActiveNet registration software, Active Network will be assessing a 1.5% transaction fee on all transactions. In Fiscal Year 2011–12, Recreation Services brought in a total of \$2,156,065.48 in revenue. From this, it is predicted the transaction fee assessed by Active Network would result in payment of \$32,340.98 to the vendor for the year. The incurred cost of Active Network's transaction fee would be passed through to the customer via Recreation Services' 1.5% Transaction fee. As such, the Recreation Services' Transaction Fee would not exceed the reasonable cost to provide this service with the new registration software.

Attachments:

1. Resolution
2. Recreation Master Fee Schedule Exhibit A

Recommendations:

1. Open the public hearing for comments, then move to close the public hearing.
2. Approve Recreation Services' software upgrade to ActiveNet by Active Network.

3. Adopt a resolution for the new Transaction Fee to be added to the Recreation Master Fee schedule, and apply it to all Recreation programs and services.

XIV. JOINT MILPITAS HOUSING AUTHORITY AND CITY COUNCIL MEETING

- *HA1. Adopt a Resolution Approving a Loan from the Housing Authority to the City of Milpitas for Demolition of City Buildings at 1650-1690 and 1740-1830 McCandless Drive and Authorize the City Manager to Execute an Agreement with DR Horton (Staff Contact: Felix Reliford, 408-586-3071)**

Background: On February 19, 2013, the City Council adopted Resolution No. 8227 delegating the Public Works Director the authority to take emergency action and allow emergency contracts to be executed without giving notice soliciting competitive bids. Since that time, the site has been fenced for security, demolition contractors have been conducting site inspections to bid the job (including asbestos removal) and staff has had ongoing discussions with DR Horton (Harmony Project is adjacent to the City buildings) regarding demolition of the buildings. Based on economy of scale, potential costs saving to the City and to expedite the demolition, staff recommends the City Council authorize the City Manager to execute an agreement with DR Horton for demolition of City buildings on McCandless Drive.

DR Horton solicited three bids from its contractors. Three contractor bids are included in the agenda packet. Staff recommends the selection of Gilroy Construction, Inc., the lowest bidder. In general, the demolition work will include:

Demolition of Site - \$415,000
Utility Allowance - \$75,000
<u>Asbestos Removal Allowance - \$75,000</u>
Subtotal: \$565,000

General Contractor Fee (5% x \$565,000) - \$28,250
<u>Housing Authority Interest Rate (5% x \$565,000) - \$28,250</u>
Grand Total: \$621,500

Staff further recommends the Housing Authority authorize a loan to the City in the amount of \$621,500 to pay for the demolition of the buildings on site. Once the City starts collecting Park-In-Lieu fees from developers in the Transit Area, the loan will be paid back to the Housing Authority within one year. The City's intra-fund for loans requires a 5% interest rate.

Fiscal Impact: None. There are sufficient funds in the Housing Authority to provide the loan to the City.

Recommendation: Adopt a resolution approving a loan from the Housing Authority to the City of Milpitas, and authorize the City Manager to execute an agreement with DR Horton for the selection of Gilroy Construction, Inc. for the demolition of City buildings at 1650-1690 and 1740-1830 McCandless Drive, at a total cost not-to-exceed \$621,500.

XV. UNFINISHED BUSINESS

- * 3. Receive the March 2013 Odor Control Report (Staff Contact: Kathleen Phalen, 408-586-3345)**

Background: From February 19 through March 18, 2013, the Bay Area Air Quality Management District (BAAQMD) received thirty-eight odor complaints originating in Milpitas. Twenty-four complaints identified a garbage-related odor, two identified a sewage-related odor and thirteen did not identify an odor source. As of the last Council update, the City's odor reporting website has received forty-eight reported complaints.

Fiscal Impact: None.

Recommendation: Receive the March odor report.

XVI. REPORT OF MAYOR

- * 4. **Consider Mayor's Recommendations for Appointments to Four Milpitas Commissions (Contact: Mayor Esteves, 408-586-3029)**

Background: Mayor Esteves recommends the following new appointments:

Arts Commission/Public Art Committee

Newly appoint Marsha Tran as Alternate No. 2 to a term that will expire in October 2013.

Community Advisory Commission

Move Ray Maglalang from Alternate No. 2 to a regular voting member with a term to expire in January 2015.

Move Van Lan Truong from Alternate No. 3 to Alternate No. 1 to a term that will expire in January 2015.

Move Jacqueline Holland from Alternate No. 4 to Alternate No. 2 to a term that will expire in January 2015.

Newly appoint Willy Wong as Alternate No. 3 to a term that will expire in January 2014.

Economic Development Commission

Newly appoint Mark Wong as Alternate No. 2 to a term that will expire in April 2014.

Senior Advisory Commission

Newly appoint Patrick Yung to Alternate No. 2 to a term that will expire in December 2014.

Copies of all applications on file (for new appointments) are included in Council agenda packets.

Recommendation: Approve the appointment of seven people to four City of Milpitas Commissions.

XVII. NEW BUSINESS

5. **Receive Report on Updated Milpitas Emergency Operations Plan and Approve the Plan (Staff Contact: Sean Simonson, 408-586-2810)**

Background: Staff from the Milpitas Office of Emergency Services will provide a brief presentation on the updated City of Milpitas Emergency Operations Plan at the City Council meeting. A copy of the Plan is included in the Council's agenda packet.

Fiscal Impact: None.

Recommendation: Accept the report on the Milpitas Emergency Operations Plan as presented by Milpitas Office of Emergency Services and approve the Milpitas Emergency Operations Plan.

XVIII. RESOLUTION

- * 6. **Authorize the Purchase of 25 CopVu Wearable Cameras from Watch Guard for Police Utilizing the 2012 Citizens Option for Public Safety (COPS) Grant and Adopt a Resolution Designating Watch Guard as a Sole Source Vendor and Standardize CopVu Cameras (Staff Contact: Chris Schroeder, 408-586-3161)**

Background: In December of 2011, the Milpitas Police Department solicited three quotes and purchased 17 wearable cameras from Watch Guard through the Association of Bay Area Governments (ABAG) PLAN grant. The cameras use proprietary software that was further adjusted to the specific requirements of the Milpitas Police Department.

On January 17, 2012, the Council accepted the 2012 Citizens Option for Public Safety grant for Milpitas Police. The Police Department received funds to purchase assorted equipment including wearable cameras. The Police Department seeks to purchase 25 more wearable CopVu cameras from Watch Guard. Funds for the purchase will come from the remaining balance of the COPS grant of \$21,298.64. The difference between the purchase price of the cameras \$21,874.90 and the balance of the COPS Grant, \$576.26 will come from the Police Department supplies budget.

The Police Department also seeks approval for standardization of the CopVu cameras, pursuant to Municipal Code Section I-2-3.13, "Standardization" and the designation of "Sole Source" for Watch Guard as the sole distributor per Municipal Code I-2-3.09 "Sole Source Procurement."

Fiscal Impact: None. This is a programmed purchase approved in the 2012 COPS Grant and remaining funds are budgeted in the Police Department's supplies budget.

Recommendations:

1. Authorize the purchase of 25 CopVu wearable cameras from Watch Guard utilizing the COPS 2012 grant (approved by Council on January 17, 2012) and the Police Department supplies budget, in an amount not to exceed \$22,000.
2. Adopt a resolution designating Watch Guard as a "Sole Source" vendor and the standardization of the CopVu cameras for Milpitas Police Department.

XIX. BID AND CONTRACTS

- * 7. **Award Construction Contract to DRT Grading & Paving Inc. for Park Renovation 2011 Project No. 5091, Approve Budget Appropriation, and Authorize Staff to Execute Contract Change Orders (Staff Contact: Steve Erickson, 408-586-3301)**

Background: On May 1, 2012, the City Council approved the project plans and specifications and authorized the advertisement for construction bid proposals for the "Pathways" Park Renovation 2011. The project provides for repairs to pathways at Pinewood Park and Albert J. Augustine Jr. Memorial Park. The installation of new Americans with Disabilities Act (ADA) compliant curb ramps connecting the pathways to City sidewalks is also included. The Engineer's Estimate for the base bid project work is \$165,000.

On April 17, 2012, the City Council approved grant funding for this project in the amount of \$77,777.78 through the Community Development Block Grant (CDBG) program. These funds now need to be appropriated into Project No. 5091.

The project was advertised and five sealed bids were received on March 20, 2013. Bid proposals ranged from \$109,510.20 to \$205,279.20, with the lowest responsible base bid submitted by DRT Grading & Paving Inc. in the amount of \$ 109,510.20.

As was approved for the successful completion of the Senior Center, Public Library, Parking Garage, and other recent projects with tight completion and grant funding schedules, staff is requesting the use of the same change order policy to allow for the timely completion of this project. This policy authorizes staff to execute change orders in order to respond swiftly to construction conditions in order to limit potential claims or risk to the City. The construction contingency established for this project is \$30,000, and the change order authority would not exceed this amount and would not require additional appropriation.

Fiscal Impact: A budget appropriation to add the CDBG funding obtained in the amount of \$77,777.78 is required in order to award this project. The remainder of the funds is available in the project budget.

Recommendations:

1. Award a construction contract to DRT Grading & Paving Inc. for the Park Renovation 2011, Project No. 5091, in the amount of \$109,510.20.
2. Approve a budget appropriation of \$77,777.78 from the Community Development Block Grant (CDBG) into the Park Renovation 2011, Project No. 5091.
3. Authorize staff to execute change orders up to \$30,000 for the Park Renovation 2011, Project No. 5091.

- * **8. Authorize the City Manager to Execute Amendment No. 3 to the Agreement with CalRecovery, Inc. for Solid Waste Consulting Services (Staff Contact: Kathleen Phalen, 408-586-3345)**

Background: The City has an on-call agreement with CalRecovery to provide expert consulting services for odor issues and other solid waste related matters. CalRecovery is currently working on odor issues related to the Newby Island landfill expansion. To continue CalRecovery's support, staff recommends increasing the contract amount by \$20,000 for a total contract value not to exceed \$49,000 and exercising the second 12-month option to extend the term to June 30, 2014.

Fiscal Impact: None. There are sufficient funds available in the Engineering operating budget.

Recommendation: Authorize the City Manager to execute Amendment No. 3 to the agreement with CalRecovery Inc. for solid waste consulting services for an amount not to exceed \$20,000.

- * **9. Authorize the City Manager to Execute Amendment No. 1 to the Agreement with Santa Clara County for the Countywide Household Hazardous Waste Collection Program (Staff Contact: Kathleen Phalen, 408-586-3345)**

Background: The Santa Clara County Department of Environmental Health has administered a countywide household hazardous waste collection program since October 1991. An agreement dated May 22, 2012 between the County and each participating jurisdiction, including the City of Milpitas, allows the program to continue for a three-year period and it must be renewed each year with an amendment. The landfill disposal facilities collect a tipping fee surcharge to fund this County-administered program.

Fiscal Impact: None.

Recommendation: Authorize the City Manager to execute Amendment No. 1 to the agreement with Santa Clara County for the FY 2013-14 Countywide Household Hazardous Waste Collection Program.

- * **10. Authorize the City Manager to Execute an Agreement with Pyro Spectaculars for the Not-to-Exceed Amount of \$21,600 for the Annual 4th of July Fireworks Display (Staff Contact: Chris Schroeder, 408-586-3161)**

Background: The 4th of July is traditionally marked by a display of fireworks. There are only two fireworks vendors in the Bay Area. With offices in Oakland, Pyro Spectaculars is the only full service provider of "PyromusicalTM" fireworks displays in the Bay Area. The company is also the premier provider of pyrotechnic devices and aerial fireworks displays in the world. Based on its track record of excellence, safety, custom designed set pieces and bright work, Pyro Spectaculars has been the vendor of choice for the Milpitas Fire Department and the City of Milpitas for the past fifteen years. For the above mentioned reasons, this purchase was

designated as a “sole source,” as sanctioned in Section I-2-3.09 of the Milpitas Municipal Code, by the City Council on April 5, 2011. The designation is good for four more years.

Fiscal Impact: \$21,600. Funds for this purchase are yet to be determined but will come from one of two sources: either from a combination of donations and fundraising activities similar to last year or the City of Milpitas will fund the event from the Contingency Reserve.

Recommendation: Authorize the City Manager to execute an agreement with Pyro Spectaculars for the not-to-exceed amount of \$21,600 for the annual 4th of July 2013 fireworks display in the City of Milpitas.

XX. DEMAND

- * 11. **Receive Report of Emergency Repair and Equipment Replacement for the Police/Public Works Building Emergency Generator Fuel Lines and Authorize Staff to Pay Invoices (Staff Contact: Kathleen Phalen, 408-586-3345)**

Background: Pursuant to state public contracting law and Council Resolution No. 7779, the Director of Public Works may authorize emergency work, but must provide the City Council a report of all such work. As required by Senate Bill 989, staff had Balch Petroleum test and inspect the Police/Public Works building emergency generator diesel fuel line secondary containment system. This generator stands by to power the Police and Public Works Building in the event of a PG&E power outage. It is fueled from the underground diesel tank at the Corporation Yard vehicle fuel island via 80-foot fuel line pipes. These fuel lines are underground for most of their run, but surface into a trench alongside the aboveground generator. The piping secondary containment is a larger pipe sleeve that surrounds the fuel lines to capture and contain any fuel that might leak if the fuel line should break. Testing the secondary containment consists of pressurizing the annular space between the fuel line and its secondary containment pipe with an inert gas and using a detector to locate any leaks of this gas.

Balch’s initial testing identified two locations of the secondary containment requiring repair. In November, the Director approved and reported to Council Balch’s estimated cost of \$6,950 to complete these emergency repairs. Balch completed the identified repairs and, upon retesting, found additional leaks in the secondary containment that it repaired at an additional cost of \$15,257. Balch has now identified further needed work, including replacing the aboveground sections of secondary pipe, and replacing the leak monitor and leak sensors at an estimated cost of \$24,300.

Fiscal Impact: None.

Recommendations:

1. Receive this report of the Police/Public Works of emergency repairs and equipment replacement for the Police/Public Works building emergency generator fuel lines.
2. Authorize staff to pay invoices for the repair work on the fuel lines.

XXI. ADJOURNMENT

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, APRIL 16, 2013 AT 7:00 P.M.**