



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 4/10/2012

Report Type: Staff/Discussion

Title: Streetlight Repair and Copper Wire Restoration Project S15121800)

Report ID: 2012-00319

Location: Citywide

Recommendation: Pass a Resolution authorizing 1) the establishment of the project; 2) the allocation of funding from the New Measure A Fund (2026) and the Risk Fund (6502); and 3) the establishment of all necessary budget appropriations and transfers.

Contact: Hector Barron, City Traffic Engineer, (916)808-2669; Linda Tucker, Media & Communications Specialist, (916)808-7523, Department of Transportation

Presenter: Hector Barron, City Traffic Engineer, and Linda Tucker, Media & Communications Specialist, (916)808-7523, Department of Transportation

Department: Transportation Department

Division: Traffic Engineering Division

Dept ID: 15001161

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Resolution
- 4-Exhibit A - Map of Street Light Repair Locations

City Attorney Review

Approved as to Form
Gerald Hicks
4/5/2012 10:41:09 AM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 4/2/2012 9:01:24 AM



Description/Analysis

Issue: The establishment of this Capital Improvement Project (CIP), Street Light Repair/Copper Wire Restoration Project (S15121800), and the transfer of funds are necessary to repair street light infrastructure and reduce the wait time for residents without street lights due to copper thefts from the current time of up to 12 months to 90 days.

The City Manager has authorized a contract supplement increasing the contract amount with CB Grant Electric from \$95,000 to \$495,000. This action was necessary on an emergency basis in order to repair, within 90 days, street light infrastructure damaged by thieves stripping copper wiring. The contract supplement prevents an interruption of repair work and protects any person, property, equipment, and materials from substantial and immediate risk of damage or injury and where damage has occurred, prevents the occurrence of further damage.

Policy Considerations: This project is in accordance with the City Operating Principles of promoting safety and livability by restoring street lights within 90 days.

Additionally, Sacramento City Code, Section 3.56.290, Authority of City Manager, requires a report to the City Council as soon as reasonably possible, but in any event not later than thirty (30) days upon issuing a contract supplement to increase the contract amount in excess of limitations set forth in the Sacramento City Code.

Environmental Considerations:

California Environmental Quality Act (CEQA): The establishment of a CIP and transfer of funds are not subject to the provisions of the California Environmental Quality Act (CEQA). Under CEQA general rule 15061-B-3, CEQA applies only to projects which have the potential for causing a significant effect on the environment. These actions will have no effect on the environment, thus are not subject to CEQA.

Sustainability Considerations: None

Other: None

Commission/Committee Action: None

Rationale for Recommendation: The project will improve safety and security and livability, by setting aside funding to immediately hire more contractors and purchase materials to replace copper wire and repair all damaged parts within the street lights to return them to normal operation. The establishment of a

Capital Improvement Project and transfer of funds are necessary to pursue this project.

In November 2011, after a competitive bid process, a contract was executed with CB Grant Electric for an amount of \$95,000. In order to ensure that there is no delay in repair of street light infrastructure, the City Manager authorized a contract supplement with CB Grant Electric to increase the contract amount from \$95,000 to \$495,000. This contract supplement was executed on March 28, 2012. Sacramento City Code, Section 3.56.290(C)(2) authorizes the City Manager to issue contract supplements that increase the contract amount in excess of the limitations set forth in Sacramento City Code, Section 3.56.290(A) to the extent that it becomes reasonably necessary in the judgment of the City Manager to take such action to protect any person, property, equipment, materials or the environment from substantial and immediate risk of damage or injury from any cause, or, where damage or injury has occurred, prevent the occurrence of further damage, injury or deterioration.

Financial Considerations: The Street Light Repair/Copper Wire Restoration Project (S15121800) will be funded by \$1,000,000 from Measure A Maintenance (Fund 2026) Fund Contingency and \$1,000,000 from the Risk Fund (Fund 6502).

The \$1,000,000 in New Measure A Maintenance (Fund 2026) are currently available in fund contingency. The Risk Management Fund will reimburse the Department of Transportation an additional \$1,000,000 under the Self-Insured Property Claims Reimbursement procedure. Under this procedure, the Risk Management fund reimburses City departments for repairs and replacement parts due to thefts, vandalism, fire, etc., up to the City's \$100,000 property insurance deductible. However, in this case, instead of processing each reimbursement claim for copper theft individually, the reimbursement will be provided to fund the project in advance to be more efficient.

With the appropriation of these funds, sufficient funding is available to fund the \$495,000 construction contract supplement with CB Grant Electric and fund additional contracts to complete this work.

Street Lights operating budget is primarily funded by the Citywide Landscaping & Lighting District (Fund 2232), Gas Tax (Fund 2002), and various other special district and transportation related funds. These funds have been depleted for fiscal year 2011-12 for this specific purpose.

There are no General Fund resources planned or allocated for this project.

Emerging Small Business Development (ESBD): None, since no goods or services are being procured with this action.



Attachment 1

Background

The Department of Transportation has an urgent and ongoing need to repair the City's street lighting infrastructure damaged by thieves stripping copper wiring.

The reason for the thefts is the rapidly rising cost of copper, which has escalated the scrap price paid out at recycling centers. Prices for salvaged copper have more than doubled over the past three years. In October of 2008, copper was valued at \$1.50 per pound. The cost today is about \$3.30 per pound.

The department recently reported that 224 neighborhoods were blacked out and waiting on repairs. Currently, there are approximately 150 reported areas. Each location encompasses several blocks of street lights. Even with outreach and the Police Department's recent arrests of a few suspected thieves, the Department of Transportation continues to receive an average of three to five new reports per week about street lights out due to copper thieves. Depending upon the extent of damage to the light facility, each repair job may take two laborers two full days to complete. Until very recently, we were losing ground in our effort to keep up with repairs by nearly a 2 to 1 ratio. With two wire stripping suspects recently apprehended, we have now gained some ground, but we do not expect the thefts to halt anytime soon.

The sum the copper thieves are gaining from a salvage sale pales in comparison to the damage the thieves leave in their wake. We estimate 70 pounds of wire is stolen per hit, (two pull boxes on one street, about 250-feet apart). Each hit equates to about \$240 in cash for them from salvage. For us, the cost runs between \$1,200 to \$1,800 to repair (labor and materials, equipment replaced or repaired).

In November 2011, an agreement with CB Grant Electric was executed for a total of \$95,000 through a competitive bid process in order to assist with repairs. We estimated our contract crew and City staff working weekends was working at a pace that would restore street lights within a four-to six-month wait time. We now see that the estimated time of repair was overly ambitious, given the unrelenting scourge. The projected backlog currently results in a staggering 12-month wait list for neighbors to have street lights repaired. We realize the situation is far larger than we had presumed, so we are intent to find the resources to reduce the wait list to 90 days or less. Blacked out neighborhoods invite more crime, fuel a lack of security and reduce livability.

In the majority of thefts targeting the City's street lighting and traffic signal infrastructure, thieves have stripped the wire from in-ground access points, called pull boxes. City and contract crews have started installing new steel locking pull box lids, which thus far have proven to be theft proof. The cost is \$100-\$204 per lid depending on the size needed, or twice the cost of conventional concrete lids.

Last month the Department of Transportation received City Council approval to procure 3,000 additional lids for \$460K. However, in order to meet our 90-day target for repairs,

the City needs to commit to not only purchasing 3,000 more pull box lids, but more copper wire and more labor. We recommend contracting with two to three additional contractors to focus solely on repairs so that we are able to reduce citizens' wait time from up to 12 months to an acceptable 90 days or less. To achieve this goal, sufficient labor is needed to replace 15,000 to 20,000 feet per day of copper wiring. The current labor force completes about 5,000 feet per day of repairs.

Recommendations

The following resources are needed to complete repairs within 90 days:

- A total of \$2 million to increase contractors working full-time as well as materials (copper wiring, replacement parts and more lids). The cost assumes the labor and materials for "year 1" to: a) complete all repairs on the wait list to within 90 days, and b) provide on-going service within 90-days or less.
- Expedite getting a total of three to four contractors on board so work can continue without delay:
 - Immediately issue a contract supplement to CB Grant Electric increasing contract amount from \$95,000 to \$495,000 as the contract amount will be reached within 30 days and the original contract was competitively bid. The City Manager authorized the contract supplement which was executed on March 28, 2012. Sacramento City Code, Section 3.56.290(C)(2) authorizes the City Manager to issue contract supplements that increase the contract amount in excess of the limitations set forth in Sacramento City Code, Section 3.56.290(A) to the extent that it becomes reasonably necessary in the judgment of the City Manager to take such action to protect any person, property, equipment, materials or the environment from substantial and immediate risk of damage or injury from any cause, or, where damage or injury has occurred, prevent the occurrence of further damage, injury or deterioration. Furthermore Sacramento City Code, Section 3.56.290, Authority of City Manager, requires a report to the City Council as soon as reasonably possible, but in any event not later than thirty (30) days upon issuing a contract supplement to increase the contract amount in excess of limitations set forth in the Sacramento City Code.
 - Immediately utilize an existing On-Call Traffic Signal maintenance contract eligible for activities related to street light repairs. Available balance is approximately \$60,000.
 - Take advantage of "piggyback" contracts issued by other public agencies. The County of Sacramento is expected to execute agreements with three on-call contractors in May 2012.
- Funds would be derived from the City's Measure A half-cent sales tax in fund contingency intended to be used for maintenance and the City's Risk Management fund.

Staff further recommends publicizing the launch of our new webpage, currently under construction, to educate citizens on the enormity of the situation and to also let them know we have a plan to reduce the repair time 90-days or less. The new webpage will allow citizens to check the date an outage was reported within their neighborhood and obtain an estimated repair date. The web page will also feature a counter showing the number of street lights area out and dollar amount copper thieves have cost the City, which will be updated bi-weekly. We also recommend either a utility bill stuffer and/or a letter to all residents explaining the severity, what we are doing, the link to our webpage and encouraging them to continue to be vigilant in reporting crimes in progress.



RESOLUTION NO.

Adopted by the Sacramento City Council

Street Light Repair/Copper Wire Restoration Project (S15121800)

BACKGROUND

- A. There are approximately 150 reported areas within the City of Sacramento that are currently blacked out due to copper thefts.
- B. The estimated repair time for street lights due to copper thefts has risen within the last year to 12 months.
- C. Additional resources are needed in order to reduce the wait time for street light repairs from 12 months to 90 days or less. It is anticipated that approximately \$2 million will be needed over the next year for street light repairs (copper wiring, trenching, conduit, locking pull box lids, replacement parts, labor, etc.).
- D. Establishing a CIP for the Street Light Repair/Copper Wire Restoration Project (S15121800) will allow proceeding with securing materials and hiring contractors to augment City staff and speed up the restoration of street lights.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

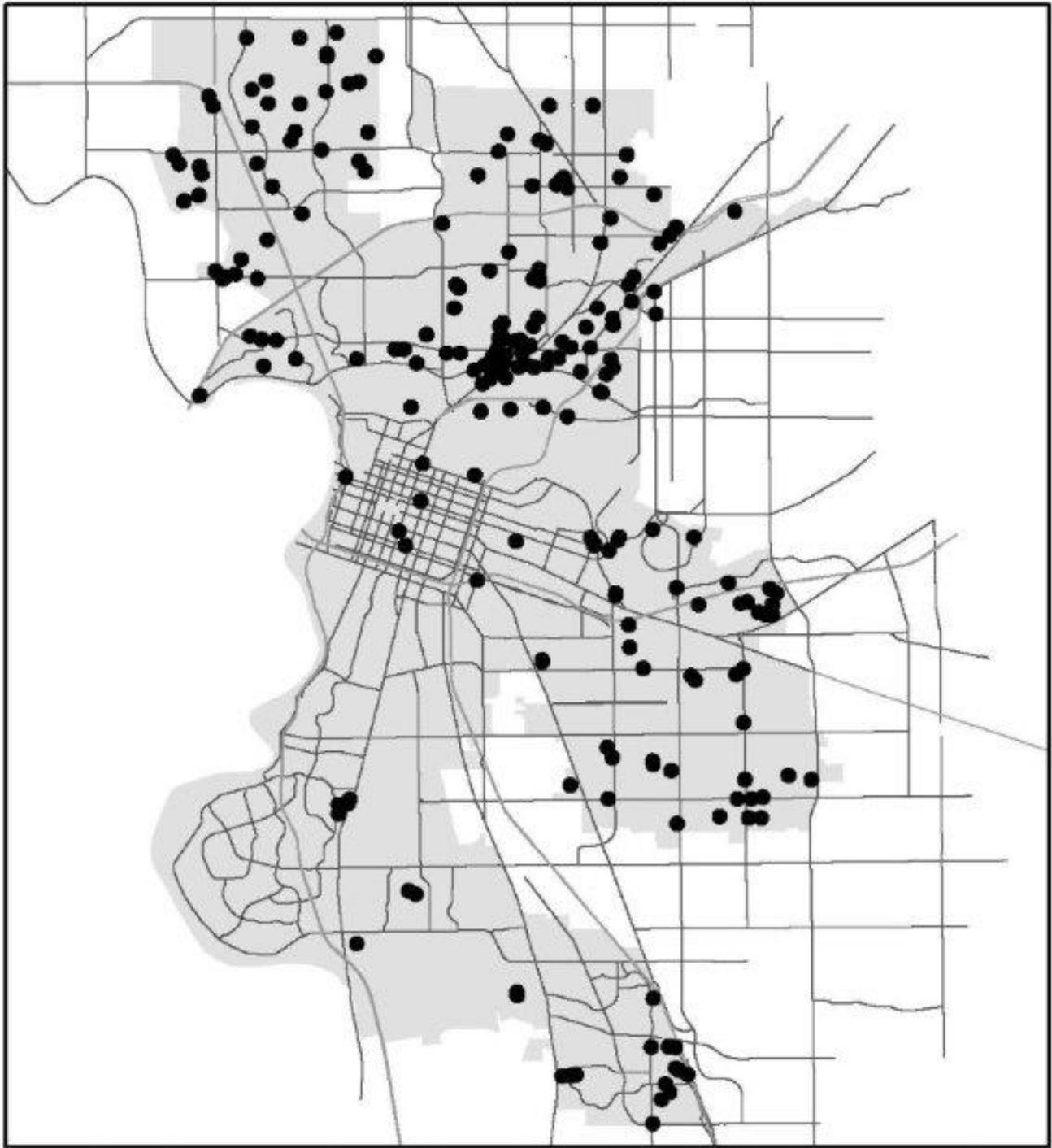
- Section 1. The Street Light Repair/Copper Wire Restoration Project (S15121800) is established as a Capital Improvement Project.
- Section 2. The Street Light Repair/Copper Wire Restoration Project (S15121800) is funded by appropriating \$1,000,000 from the Measure A Maintenance (Fund 2026) fund contingency and \$1,000,000 from the Risk Fund (Fund 6502). The Risk Fund will provide the \$1,000,000 self-insured property claims reimbursement to the Department of Transportation in advance to provide funding for the project.
- Section 3. The Department of Finance is authorized to establish the necessary budgetary appropriations and transfers in order to properly account for these funds.
- Section 4. Exhibit A is attached and is a part of this Resolution.

Table of Contents:

Exhibit A: Exhibit A- Location Map, Street Light Repair Areas

LOCATION MAP FOR STREET LIGHT REPAIR AREAS

EXHIBIT A



MARCH 2012

Map Contact: Hamid Khalessi
Date: March 28, 2012

