



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: APRIL 28, 2015

FROM: ENGINEERING

**SUBJECT: RESOLUTION NO. _____ UTILITY AGREEMENTS
BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT,
PHILLIPS 66 COMPANY AND AT&T OF CALIFORNIA FOR THE
INTERSTATE 110/C STREET INTERCHANGE IMPROVEMENTS
PROJECT**

SUMMARY:

The City of Los Angeles Harbor Department's (Harbor Department) Interstate 110/C Street Access Ramp Improvements Project (Project) requires Phillips 66 Company and AT&T of California to relocate their respective existing utilities. The Harbor Department is responsible to pay a portion of the relocation costs per their respective agreements, as follows.

The Utility Agreement (Agreement No. 1) between the City of Los Angeles Harbor Department and Phillips 66 Company (P66) requires P66 to relocate a sewer line and fire protection line. The Harbor Department share is \$334,548.

The Utility Agreement (Agreement No. 2) between the Harbor Department and AT&T of California (AT&T) requires AT&T to relocate fiber optic lines from overhead poles to underground conduit. The Harbor Department share is \$262,047.

If approved by the City of Los Angeles Board of Harbor Commissioners (Board), these two Utility Agreements authorize the Harbor Department to pay its share of the utility relocation work to be done by both utility companies. The Harbor Department is responsible to pay for actual costs up to the total agreement amounts. These funds are budgeted in the Project's approved budget, therefore, additional Project funds are not being requested.

The Harbor Department is financially responsible for payment as described in these two Agreements.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

SUBJECT: UTILITY AGREEMENTS WITH P66 AND AT&T

1. Approve Utility Agreement between the City of Los Angeles Harbor Department and Phillips 66 Company;
2. Approve Utility Agreement between the City of Los Angeles Harbor Department and AT&T of California;
3. Authorize the Executive Director to execute and Board Secretary to attest to said Agreements for and on behalf of the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Harbor Department, in cooperation with the California Department of Transportation (Caltrans), is sponsoring the Project. This Project is located on Interstate 110 from 0.30 miles south of C Street to 0.20 miles north of C Street, in Los Angeles County (Transmittal 1). As part of the execution of this Project, the Harbor Department requested utility owners to remove, relocate and/or protect their utilities located within the footprint of the project area to accommodate the construction of the Project.

This Project is partially funded with a Federal Surface Transportation Program (Local) Grant Fund of \$5,927,000. The use of federal grant funds stipulates that the Harbor Department must enter into a Caltrans Standard Utility Agreement with P66 and AT&T for relocation of their facilities within the Project's limits.

Utility Agreement No. 1 between the Harbor Department and P66, (Transmittal 2) affects a 24" sewer line and 12" fire protection line. In accordance with the Harbor Department's Notice to Owner No. 12-3875, dated December 24, 2012, P66 shall relocate their 24" sewer and 12" fire protection facilities in accordance with Utility Plan Permit No. 5470-EX-002, dated May 7, 2013. Since one-third of the 24" sewer line relocation is located on P66 property, the Harbor Department is responsible for paying for approximately one-third of the total cost for the relocation. The estimated cost for P66 to relocate their 24" sewer line is \$835,212 of which the Harbor Department is responsible for \$252,438. In addition, construction requires that the 12" fire protection facility be temporarily removed and then replaced when construction is completed. Therefore, the Harbor Department is responsible for 100% of the cost to temporarily remove and replace the 12" fire protection facility in accordance with the franchise agreement between P66 and the Harbor Department. The estimated cost for P66 to relocate their 12" fire protection facility is \$82,110 of which the Harbor Department is responsible for the entire cost. In total, the Harbor Department is responsible for \$334,548 for P66's relocation work related to the Interstate 110/C Street Interchange Improvements Project.

SUBJECT: UTILITY AGREEMENTS WITH P66 AND AT&T

Utility Agreement No. 2 between the Harbor Department and AT&T (Transmittal 3) affects fiber optic lines that are carried on third party power poles. This Project requires that the AT&T fiber optic lines be relocated into underground conduit. In accordance with the Harbor Department's Notice to Owner No. 12-3880, dated December 24, 2012, AT&T shall relocate their fiber optic facilities in accordance with Utility Plan Permit No. 8702670, dated November 27, 2012. The Freeway Master Contract between Caltrans and Pacific Bell (predecessor to AT&T) dated November 15, 2004 requires Caltrans or others performing work on behalf of Caltrans to pay an equal share with AT&T the cost for relocating AT&T facilities within a project's limits. Since the Harbor Department is sponsoring and leading the construction of this Project on behalf of Caltrans, the Harbor Department is responsible for 50% of the relocation costs. The estimated cost for AT&T to relocate their fiber optic facilities is \$524,093 of which the Harbor Department is responsible for \$262,047.

Both Agreements allow for a maximum 25% increase in cost over the cost estimate without an amendment to the Agreements. As stated in both Agreements, Section IV Payment for Work, the Harbor Department, in its capacity as project sponsor, is responsible for its share of the actual work and will pay accordingly for actual costs up to the Agreement amounts.

ECONOMIC BENEFITS:

Approval of the proposed Agreements will support 11 direct and 9 secondary one-year equivalent job for the five-county region.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an approval of the Utility Agreements with P66 and with AT&T for utility relocation within said Project limits. The Project limits were assessed in a joint Initial Study/Mitigated Negative Declaration (IS/MND) and Environmental Assessment/Finding of No Significant Impact (EA/FONSI) which was approved by the Board on June 21, 2012. At the time of Project approval, it was assumed that the utility corridors would be maintained in place and that Caltrans would grant a longitudinal encroachment permit to allow this. However, it was subsequently determined that Caltrans would not grant the encroachment permit and would require relocation of the utilities outside of Caltrans' right-of-way. However, the minor alteration of utilities is exempt from the California Environmental Quality Act (CEQA). Therefore, as an activity involving the minor alteration of existing utilities serving existing facilities, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article III Class 1 (2) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the proposed Agreements would commit the Harbor Department to expending \$334,548 for the cost of work completed by P66 and \$262,047 for the cost of work completed by AT&T for a total of \$596,595.

The estimated cost for Agreement No. 1 for P66 to relocate their 24" sewer line is \$835,212 of which the Harbor Department is responsible for \$252,438 or approximately 30% of the total cost. The estimated cost for P66 to relocate their 12" fire protection is \$82,110 of which the Harbor Department is responsible for the entire cost. The estimated contract amount for Agreement No. 1 is \$334,548. The agreement allows for a maximum 25% increase in cost over the cost estimate without an amendment to the Agreement. Operating and maintenance costs for the relocated 24" sewer line and 12" fire protection line will be borne by P66 and no maintenance cost will be borne by the Harbor Department. The Harbor Department is obligated to fund the costs for the 24" sewer line and 12" fire protection line relocation in accordance with this Agreement No. 1.

The funds in the amount of \$334,548 for Agreement No. 1 will be expended in Fiscal Year 2015/2016 in Center No. 1172, Program No. 000, Account No. 54510. Funding will be requested through the annual budget process.

The estimated cost for Agreement No. 2 for AT&T to relocate their fiber optic lines is \$524,093 of which the Harbor Department is responsible for \$262,047 or 50% of the total cost. The Agreement allows for a maximum 25% increase in cost over the cost estimate without an amendment to the Agreement. Operating and maintenance costs for the relocated fiber optic lines will be borne by AT&T and no maintenance cost will be borne by the Harbor Department. The Harbor Department is obligated to fund the costs for the fiber optic line relocation in accordance with this Agreement No. 2.

The funds in the amount of \$262,047 for Agreement No. 2 will be expended in Fiscal Year 2015/2016 in Center No. 1172, Program No. 000, Account No. 54510. Funding will be requested through the annual budget process.

SUBJECT: UTILITY AGREEMENTS WITH P66 AND AT&T

CITY ATTORNEY:

The office of the City Attorney has reviewed the Utility Agreements and is prepared to approve as to form and legality.

TRANSMITTALS:

1. Interstate 110/C Street Interchange Project Vicinity Map
2. Utility Agreement between the City of Los Angeles Harbor Department and Phillips 66 Company inclusive of Utility Plan No. 5470-EX-002 (Owner's File No. 5470-EX-002)
3. Utility Agreement between the City of Los Angeles Harbor Department and AT&T of California inclusive of Utility Plan No. 8702670 (Owner's File No. 8702670(A4-03))

FIS Approval: MB (initials)
 CA Approval: [Signature] (initials)

[Signature]
 DAVID M. WALSH, P.E.
 Chief Harbor Engineer

[Signature]
 ANTONIO V. GIOIELLO, P.E.
 Deputy Executive Director, Development

APPROVED:

[Signature]
 EUGENE D. SEROKA
 Executive Director

FDR

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