

TOWN OF PALM BEACH

Information for Town Council Meeting on: July 9, 2024

TO: Mayor and Town Council

VIA: Kirk W. Blouin, Town Manager

VIA: Robert Miracle, CPA Deputy Town Manager, Finance and Administration

FROM: Dean Mealy, II NIGP-CPP, CPPO Town Procurement and Contract Manager

RE: Resolution approving a purchase order to Kimley-Horn and Associates, Inc. for Construction Phase Services for Phase 7 South Undergrounding in the amount of \$376,765 and establishing a project budget in the amount of \$433,279.

DATE: May 31, 2024

STAFF RECOMMENDATION

Staff recommends the Town Council approve Resolution No. 063-2024, approving a purchase order to Kimley-Horn and Associates, Inc. for Construction Phase Services for Phase 7 South Undergrounding in the amount of \$376,765 and establishing a project budget in the amount of \$433,279.

SUMMARY EXPLANATION/BACKGROUND

Kimley-Horn and Associates, Inc. was engaged to provide Construction Phase Services for the Town-wide Undergrounding of Utilities Program.

The design phase of Phase 7 South is complete and the Town's construction manager has prepared the Guaranteed Maximum Price. The Town has requested that Kimley-Horn perform construction phase engineering services to support the Town during the construction of the undergrounding.

It is understood that work is anticipated to begin in June 2024. This sub-phase is located between Atlantic Avenue and Sanford Avenue.

It is understood that FPL, AT&T, and Comcast all have facilities on utility poles to varying degrees. These poles are generally located in rear-lot easements or in the public right-of-way. New underground infrastructure will be installed within the road rights-of-way and in new front-lot easements. Once the new facilities have been installed, activated, and the services cut over, the rear-lot poles and wires will be removed.

I have attached the Scope of Services for review.

FUNDING/FISCAL IMPACT

With this latest contract, the cost for the undergrounding project will be in the 140-150 million dollar range. We will know more when the Phase 8 bid comes in later this year. As the council has reiterated to residents, any cost overruns will not increase their underground assessment. This continues to be a challenge as capital project costs continue to increase in the South Florida market. The Town started to transfer funds from the Marina fund to try to cover the increase in costs to the undergrounding project. In 2017, the Marina transferred 2.4 million dollars to the undergrounding project. This amount has increased to 5.5 million dollars in the fiscal year 2024. The proposed Marina transfer for fiscal year 2025 will be 6 million dollars.

One item that has been discussed since the undergrounding project was started is the need to pave the roads after each phase is completed. This cost was not part of the original undergrounding project. We will need to pay this over the next five years from the Capital Improvement Fund. This is causing increased pressure in that fund to pay for all of the other needed capital projects. This will be discussed more with Council at the Budget Workshop on July 11th.

TOWN ATTORNEY REVIEW

This format has been utilized by the Town in previous recommendations and was approved by the Town Attorney.