



CITY OF LONG BEACH

DEPARTMENT OF PARKS, RECREATION & MARINE

R-49

2760 N. Studebaker Road, Long Beach, CA 90815-1697

(562) 570-3100 • FAX (562) 570-3109

www.lbparks.org

June 20, 2006

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution authorizing the City Manager to execute a construction contract and all related documents with Verizon California, Incorporated (Verizon), for the relocation of Verizon secondary demarcation points at the Long Beach marinas, in the amount of \$750,000, plus an additional 10 percent contingency, if needed. (Districts 2 and 3)

DISCUSSION

The City has embarked on a rebuild program for the City's marinas, utilizing loan funds from the State Department of Boating and Waterways (DBW). DBW offers loan funds for new and rebuilt marinas, with terms of 4.5 percent for 30 years. Over the past several years, City Council has authorized DBW marina rebuild loan applications totaling \$98,223,000. To date, these funds have been utilized to build Basin 8 in the Alamitos Bay Marina (ABM), and are being used to refurbish the Shoreline Marina (LBSM) and Rainbow Marina (RM). Of the \$98,223,000 in loan requests, DBW has approved \$46,843,000, which includes \$2,650,000 for Basin 8, and the remainder for LBSM, RM, and to begin the rebuild of ABM.

As part of the rebuild of the marinas, it is necessary for Verizon to relocate network access lines, called demarcation points, and secondary network access lines that are necessary to meet the needs of the Marina, which are called secondary demarcation points. In March 2005, working through the City's Technology Services Department, Verizon provided an estimated cost of \$300,000 to complete this work in LBSM and RM, and an additional \$450,000 to complete the work in ABM. In accordance with Verizon and California Public Utilities Commission Decisions and Resolutions, which governs the recovery from customers of actual costs of facilities provided, Verizon is required to collect the full actual cost for this work. Using Verizon as a single source for the services eliminates the problem of one vendor claiming they cannot fix a problem due to the fault of another party.

The proposed agreement with Verizon will have the following terms and conditions:

- Term: The term of the agreement will be from March 18, 2005 through December 31, 2015.
- Scope of Work: The work performed by Verizon will include all labor, parts, and engineering costs necessary for the relocation of Verizon secondary demarcation points in the marinas.
- Compensation: The cost estimate provided by Verizon is \$750,000 for ABM, LBSM, and RM. In accordance with Verizon and California PUC D&R regulations, the City must pay for the actual cost of the work. A contingency of 10 percent is requested in the event the cost exceeds the estimate.

Deputy City Attorney J. Charles Parkin prepared the attached Resolution on May 11, 2006, and Budget Management Officer David Wodynski reviewed this matter on April 21, 2006.

TIMING CONSIDERATIONS

City Council action is requested on June 20, 2006, so work can continue on schedule with the rebuilding of the marinas.

FISCAL IMPACT

DBW loan funds will be used to fund this contract. Sufficient funds to support this activity are budgeted in the Tidelands Operating Fund (TF) in the Department of Parks, Recreation and Marine (PR).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:



GERALD R. MILLER
CITY MANAGER