




## MEMORANDUM

**To:** Honorable Mayor, Vice Mayor and Members of the Town Commission

**From:** Hector Gomez, Town Manager 

**Date:** August 28, 2023

**Subject:** Utilities Undergrounding Program

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The Utilities Undergrounding project is a Town-wide program with the objective of undergrounding all above-ground utilities which encompasses electrical and communications infrastructure. Town Administration has developed a flowchart that outlines the program for the undergrounding of utilities (**Attachment A – “Flowchart Process”**). This process commences with the design phase and culminates with commencement of construction.

The project marks a significant milestone as the Town undertakes its largest infrastructure initiative to date. Given its magnitude, substantial costs are anticipated. Ensuring a well-thought-out design is of paramount importance to preempt potentially inflated expenses stemming from unforeseen challenges during the construction phase. The projected costs are expected to surpass what the Town can sustainably finance through ad-valorem collections and reserves.

Although the project is a utility infrastructure project, the investment is towards utilities not owned by the Town and therefore revenues from enterprise funds are not a funding option. Similarly, since the project addresses issues with private utilities, the option for grant support is very limited. Additionally, the project does not qualify for public bonds, therefore, the primary funding source will be private bonds that the Town will need to procure. In order to be fiscally responsible during private bond procurement and leverage market conditions as effectively as possible, Town Administration has divided the entirety of the project into three regions which are as follows:

- Area One – South
- Area Two – Central
- Area Three – North

Refer to **Attachment B – “Area Map”** for distribution of regions.

To date, the Town has made some planning investments through the efforts of HPF Associates, Inc. and KCI Technologies in order to create schematics to be used for an estimate of probable cost, initial design coordination and survey work for Downtown Surfside alleyway to be used for a Right-of-Way Maintenance Map. These efforts collectively incurred expenses amounting to \$571,410. Since then, HPF Associates

resigned from the project and KCI Technologies was re-evaluated for project approach and work to date.

After thorough review, Town Administration determined that the design was still in an early initial state. The project was re-assessed and the following methodology is presented to move forward with:

*A design approach for three years or equivalent time (performing tasks concurrently) based on regions with cost assessments itemized per region in order to address specific issues in a more detailed manner, incorporating a strong investment in surveying and exploring existing condition elements in order to mitigate construction costs due to unforeseen that could had been mitigated. Assessing existing programs to create long-term cost savings rather than long-term additional maintenance costs such as street lighting. Consolidating all efforts within a competent firm with resources and experience to deliver. Reduction is scope of non-essentials utilities in order to underground existing conditions and not proposed conditions.*

Proposed design and program management cost breakdown is as follows:

- **Area One – South**
  - Program Management \$96,900
  - Design Services \$587,400
  - Survey \$172,100
  - Easement Assistance \$39,800
  - Permitting Assistance \$16,000
  - Bid Phase Services \$14,800
  - Total: \$927,000
  
- **Area Two – Central**
  - Program Management \$96,900
  - Design Services \$611,400
  - Survey \$154,100
  - Easement Assistance \$37,500
  - Permitting Assistance \$85,800
  - Bid Phase Services \$14,800
  - Total: \$1,000,500
  
- **Area Three – North**
  - Program Management \$96,900
  - Design Services \$463,200
  - Survey \$115,700
  - Easement Assistance \$88,000
  - Permitting Assistance \$16,000
  - Bid Phase Services \$14,800
  - Total: \$794,600

Refer to **Attachment C** – “Area Map with Costs” for distribution of costs over regions.

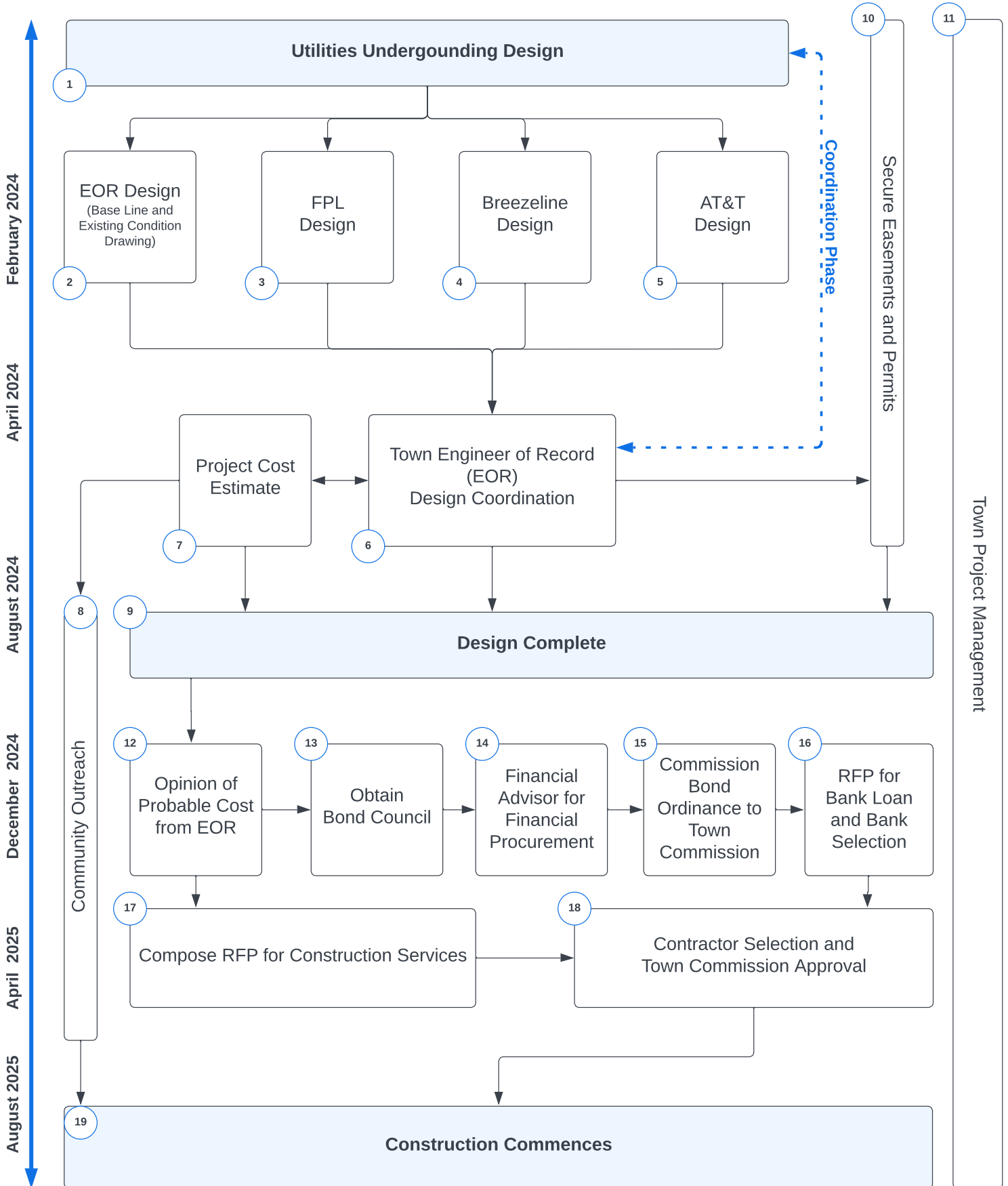
The estimated cost for the design and program management phase amounts to \$2,722,100. Expected to span three years, the design phase could incorporate concurrent tasks to expedite the process. While the Town has allocated funds for this phase, an additional \$1,327,544 is required to advance. Notably, the Town stands to gain several supplementary services that promise future cost and time savings during project implementation, including consultant easement assistance, permitting support for subaqueous water crossings, surveying for bid-ready plans, additional utility verification through soft digging, customer-owned electrical service design, landscape scheduling for equipment screening, and geotechnical exploration to evaluate conduit installation methods.

The project debt issuance was approved through voter referendum during the 2022 General Elections. Refer to **Attachment A** – *“Program Flowchart”* for bonding procedure process.



# Attachment "A"

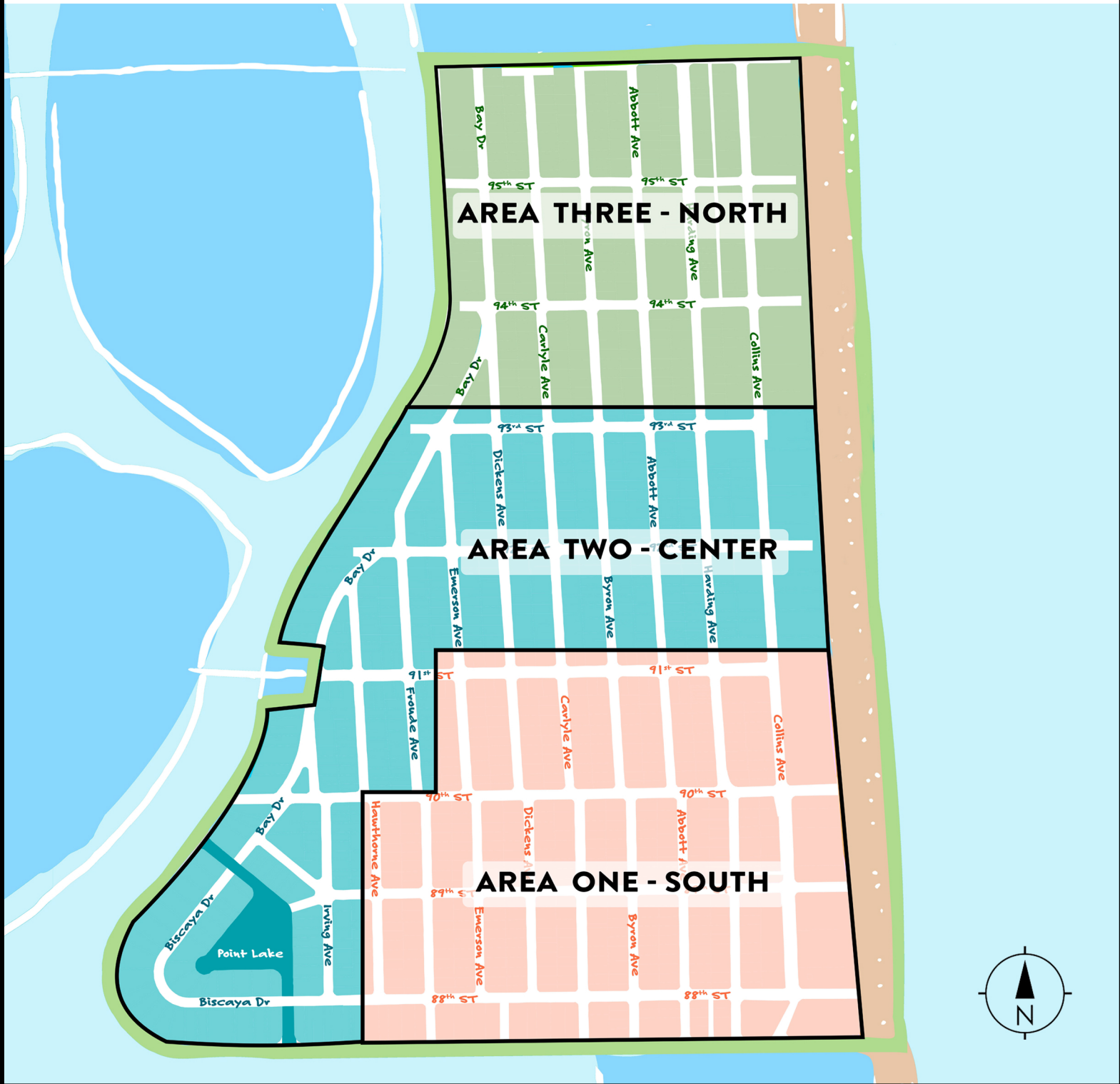
## Town of Surfside Utilities Undergrounding Flowchart Process





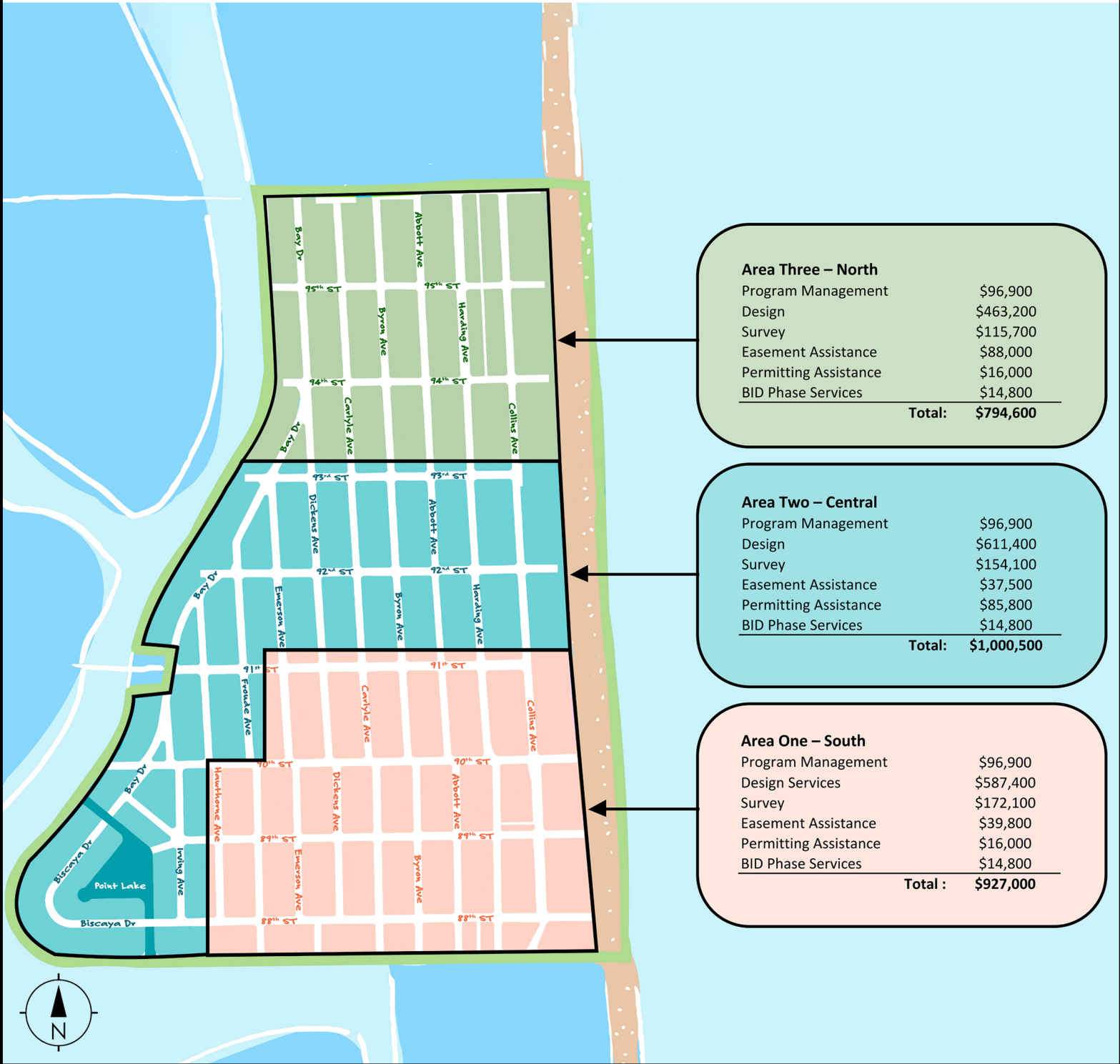
# UTILITIES UNDERGROUNDING

## Distribution of Areas





# UTILITIES UNDERGROUNDING Program Management and Design Cost



<b>Area Three – North</b>	
Program Management	\$96,900
Design	\$463,200
Survey	\$115,700
Easement Assistance	\$88,000
Permitting Assistance	\$16,000
BID Phase Services	\$14,800
<b>Total:</b>	<b>\$794,600</b>

<b>Area Two – Central</b>	
Program Management	\$96,900
Design	\$611,400
Survey	\$154,100
Easement Assistance	\$37,500
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<b>Total:</b>	<b>\$1,000,500</b>

<b>Area One – South</b>	
Program Management	\$96,900
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Survey	\$172,100
Easement Assistance	\$39,800
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<b>Total :</b>	<b>\$927,000</b>