

RESOLUTION 20-05

**A RESOLUTION AUTHORIZING SOLE SOURCE SERVICES CONTRACT WITH
TENNESSEE ONE-CALL SYSTEM FOR UNDERGROUND UTILITY LINES
LOCATE MANAGEMENT AND DISPATCH SERVICES**

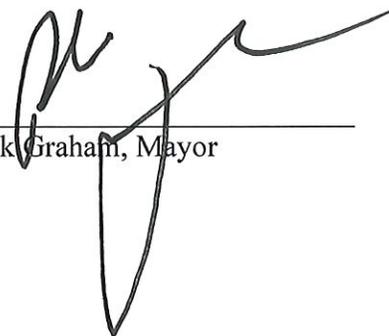
WHEREAS, the City of Spring Hill requires an outside source to manage and dispatch requests to locate underground water and sewer lines for construction, landscaping or private improvements prior to digging; and

WHEREAS, the City is required to be a member of the Tennessee One-Call System by state law; and

WHEREAS, City staff recommends utilizing the sole source services contract with Tennessee One-Call System.

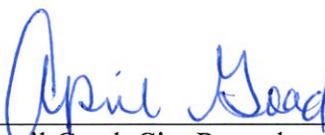
NOW, THEREFORE BE IT RESOLVED, that the City of Spring Hill Board of Mayor and Aldermen, authorize a sole source services contract with Tennessee One-Call System for underground utility lines locate management services using operational monies from the Water Distribution department (410-52100) and the Sewer Collection department (410-52211).

Passed and Adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 21st day of January 2020.



Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

SUBJECT: Resolution to authorize a sole source contract with Tennessee One-Call System

DATE: December 30, 2019

ATTENTION: Board of Mayor and Aldermen

STAFF: Missy Stahl, Senior Project Manager



STAFF MEMORANDUM

The City of Spring Hill requires an outside source to manage and dispatch requests to locate underground water and sewer lines (also known as, "Call Before You Dig"). The city has an employee who is dedicated to pulling these ticket requests and locates the lines prior to any construction, landscaping or private improvements can be done to avoid the lines being hit and service being interrupted.

Tennessee One-Call System is a sole source provider of this service and it is also a state law that every city be a member of Tennessee One-Call System. The amount due each year is dependent on the number of tickets the city has to locate lines for plus a member fee. For the current year (October 1, 2018-September 30, 2019), the city had 12,818 locate tickets.

Funding for the service is cost split between Water Distribution (410-52100) at 70% and Sewer Collections (410-52211) at 30%. Funds are available in the current budget for this year's costs.

Staff recommends approval of the resolution to authorize a sole source contract with Tennessee One-Call System for underground utility lines locate management and dispatch services.



**SPRING HILL WATER SYSTEM
ATTN: ACCOUNTS PAYABLE
P.O. BOX 789
SPRING HILL, TN 37174**

Invoice Date 12/10/2019
Invoice Number 29877
Payment Due 1/9/2020

Member Code(s)	
SPH	
Vender Number	P.O. Number

Qty.	Description	Amount
	2020 Member Fee/Database Maintenance "Call Before You Dig" Underground Utility Service Notifications	250.00
12,818	Cost for participation for 2020 (Ticket volume based on Oct.1, 2018 through Sept.30, 2019) Percentage of impact billing based on 4,768,491 Total Billable Tickets.	17,304.30

410-52100-235
Account # / Object Code

Purchase Order #

Partial Complete Date Approved _____

[Signature]
Department Head Signature

Vendor 4680

E-mail- jfoster.springhilltn.org	Total	\$17,554.30
--------------------------------------------------------------------------------	--------------	--------------------

IMPORTANT: Required IRS Notice - Dues payments are not deductible as charitable contributions for federal income tax purposes. However, dues payments may be deductible as an ordinary business expense. The estimated non-deductible portion of your dues, that portion which is allocated to lobbying, is estimated that 0.52% of the general dues are spent on political activities and are non-deductible. You will wish to bring this notice to the attention of your company's tax preparer so that the proper adjustments may be made and that the proper deductions may be taken into account.

Make check payable to Tennessee One-Call 1850 Elm Hill Pike Nashville, TN 37210 Include Invoice Number	For ACH Payment Pinnacle Bank ABA- 064008637 Acct# 16108448	We accept Credit Cards up to \$5,000 Online Web Form www.tennessee811.com Member Utilities/ Credit Card Information
--------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------

Tennessee811 Fee Explanation – 2020

2020 Billing:

Every Member Utility pays \$250 per member code administrative fee (data base maintenance).

We use the "Percentage of Impact Billing Model". This means if a member receives 5% of the billable volume, then they will pay 5% of the budget.

This billing allows a member to receive locate request in **multiple** locations for NO additional cost, so long as all sites are delivered electronically. (E-mail, FTP, KorWeb).

However, if the member receives a ticket electronically **AND** to a fax output, **they would be billed "double" for that one ticket**. One amount for electronic **AND** one amount for fax.

Example:

2020's billable ticket volume is 4,768,491 the annual budget is \$6,437,463.

Therefore, let's say that member ABC received 10,000 locate requests. That is equal to .002097% of the billable ticket volume. So, moneywise, $\$6,437,463 \times .002097 = \$13,500$ Added to this is the \$250 Member Fee. This makes for a total invoice of \$ 13,750

We have a Minimal Member Fee that is \$250 per year. In order to be invoiced the Minimal Member Fee, the member must receive *less than* 100 notifications in the year. If the volume is 100 or above, the member will pay for all tickets, including the first 100.

Our billing cycle is October 1st – September 30th each year. Invoices are sent in late November/early December.

Additional Fees that may be incurred:

If a member elects to receive their notifications by fax, then they will be charged an additional \$0.25 for each of those notifications.

If a member elects to receive a phone call notification on Emergency Tickets, (Emergency Call Out), *in addition* to the ticket actual delivery on an emergency, then the member will be charged an additional \$1.00 on each call out they receive.

Fax Fees & Emergency Call-Out Fees will be invoiced annually.

If a Tennessee 811 member uses a contract locator to mark their lines, the utility will still be considered the member and the utility will be responsible for the invoicing described above.