



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: See Below

DATE: September 8, 2025

Approved

Date:

9/11/2025

COUNCIL DISTRICT: Citywide

SUBJECT: Master Consultant Agreement with Bellecci & Associates, Inc. (dba Sanbell) for Consulting Services Supporting Rule 20 Utility Undergrounding Projects

RECOMMENDATION

Approve a Master Consultant Agreement with Bellecci & Associates, Inc. (dba Sanbell) for on-call consultant services for the City of San José's Rule 20 Utility Undergrounding projects from the date of execution to June 30, 2030, in an amount not to exceed \$1,500,000.

SUMMARY AND OUTCOME

Award of the Master Consultant Agreement to Bellecci & Associates, Inc. (dba Sanbell) will provide the City with on-call professional consulting services to support Rule 20 utility undergrounding projects. Services may include assistance and support in project management, utility coordination, design, permitting, public outreach, and construction management.

This agreement will enable the City to efficiently plan and implement undergrounding projects ahead of the 2030 sunset of the Rule 20A program. Bellecci & Associates Inc. (dba Sanbell) was selected through a competitive process and has demonstrated the technical expertise and relevant experience needed to help the City maximize its use of remaining Rule 20A work credits.

BACKGROUND

The California Public Utilities Commission established Rule 20 to guide and fund the undergrounding of overhead utility infrastructure. Under Rule 20A, cities historically

received annual ratepayer-funded allocations, referred to as work credits, from utility providers to complete qualifying undergrounding projects in areas that serve the public interest, such as arterial roadways, high pedestrian-use areas, and scenic corridors.

In 2021, the California Public Utilities Commission adopted Decision 21-06-005, initiating the process to sunset the Rule 20A program. This action was reaffirmed by Decision 23-04-019 in 2023, which confirmed the program's closure and provided additional guidance on the wind-down process. As a result of the Decisions, no new Rule 20A allocations have been issued since December 31, 2022, and all remaining work credits must be used by December 31, 2030. After that date, any unused credits will be permanently forfeited and will no longer be available to fund undergrounding projects.

The sunset of the program has prompted many jurisdictions to accelerate the planning and delivery of undergrounding projects while eligible credits remain available. To ensure the City is well-positioned to maximize the use of its remaining Rule 20A work credits before the deadline, it is necessary to retain a qualified consultant to provide support throughout all phases of project delivery, including planning, feasibility analysis, utility coordination, civil design, permitting, public outreach, bid support, and construction oversight.

The proposed Master Consultant Agreement with Bellecci & Associates, Inc. (dba Sanbell) will provide the City with these services on an as-needed basis. In addition to helping advance current undergrounding efforts, this engagement will also provide an opportunity for City staff to gain valuable experience by working alongside an experienced consultant. The knowledge and skills acquired through this collaboration will enhance internal capacity and can be applied to future in-house project delivery efforts.

ANALYSIS

A Request for Qualifications for consultant services to support the City's Rule 20 Utility Undergrounding Program was advertised on April 14, 2025. The City received Statements of Qualifications from three firms by the May 27, 2025 deadline. Public Works staff conducted a selection process for consultant services in accordance with the evaluation criteria specified in the Request for Qualifications.

These firms were evaluated and ranked as follows:

	AECOM Technical Services, Inc.	Harris & Associates	Bellecci & Associates Inc., (dba Sanbell)
Expertise (30)	20	27.00	26.67
Experience (30)	17.33	25.33	27.67
Approach (30)	17.33	27.67	29.33
Local Business Preference (5)	0	0	0
Small Business Preference (5)	0	0	0
Total	54.66	80.00	83.67

Staff recommends awarding an agreement to Bellecci & Associates Inc. (dba Sanbell). Bellecci & Associates Inc. (dba Sanbell) earned the highest overall score by demonstrating a thorough understanding of the Rule 20 program and providing a detailed, well-organized approach to managing undergrounding projects. Their submission clearly outlined methodologies, anticipated challenges, and mitigation strategies, showing a strong grasp of the program's technical and regulatory requirements and alignment with the City's objectives. Bellecci & Associates Inc. (dba Sanbell) scored highest in the approach category for its clarity and completeness.

Under this Master Consultant Agreement, Bellecci & Associates Inc. (dba Sanbell) will be initiated by authorized service orders detailing the specific scope of services, schedule, and compensation along with the appropriate funding source for the task.

EVALUATION AND FOLLOW-UP

No additional follow-up action with the City Council is anticipated at this time.

COST SUMMARY/IMPLICATIONS

No budget actions are being requested as part of this recommendation. Annual costs of approximately \$300,000, for an approximate total of \$1,500,000, are estimated within the next five years for this master agreement. Service orders will be executed by the Director of Public Works for consultant services, which will be reimbursed on an hourly rate basis, as specified in the master agreement, according to the rates for the assigned consultant personnel. Service orders will be funded through the Underground Utility Fund (Fund 416).

1. TOTAL COST OF AGREEMENT

Agreement Amount	\$1,500,000
Project Delivery (Contract Administration)	\$350,000
TOTAL CONTRACT/AGREEMENT AMOUNT	\$1,850,000

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2025-2027 Proposed Biennial Capital Budget Page*	Last Budget Action (Date, Ord. No.)
416	4654	Underground Utility Program (20B)	\$2,588,000	\$1,500,000	137	6/17/2025 31230

* The 2025-2027 Adopted Biennial Capital Budget was approved on June 10, 2025 and adopted on June 17, 2025 by the City Council.

COORDINATION

The agreement and this memorandum were coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the September 30, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

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CEQA

Categorically Exempt, File No. ER24-313, CEQA Guidelines Section 15301(c), Existing Facilities.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Matt Loesch

Director, Public Works

For questions, please contact Mathew Nguyen, Deputy Director, Public Works, at mathew.nguyen@sanjoseca.gov or (408) 535-8300.