

# Agenda Report

January 10, 2011

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee (January 10, 2011)

**FROM:** Water and Power Department

**SUBJECT:** CONTRACT AWARD TO VCI TELCOM, INC., DBA VCI CONSTRUCTION, FOR THE CONSTRUCTION OF OIL CONTAINMENT SYSTEM IN CHESTER SUBSTATION FOR AN AMOUNT NOT TO EXCEED \$229,000

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the project is categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in Section 15301, subsection (b) Existing Facilities, of the California Code of Regulations Title 14, Chapter 3. This exemption involves negligible or no expansion of use beyond that previously existing, and there are no changed circumstances or new information which would require further environmental review;
2. Accept the bid, dated November 15, 2010, submitted by VCI Telcom, Inc., dba VCI Construction, for the construction of an oil containment system in Chester Substation; reject all other bids, and authorize the City Manager to enter into a contract not to exceed \$229,000; and
3. Appropriate \$250,000 from the unappropriated Power Fund balance to Power Fund Capital Improvement Project 3128, Substation Oil Containment.

**BACKGROUND:**

The project provides for the construction of an oil containment system in Chester Electrical Substation that will prevent any mineral oil spills from transformers and electrical equipment from affecting the environment. Federal Environmental Protection Agency regulations require that potentially large oil spills be contained within the immediate area. The Chester Substation was constructed prior to these federal regulations, and the project will bring the substation up to code.

The construction work includes removal and replacement of existing concrete and asphalt pavement; excavation, backfill, soil compaction, testing and shoring where required; installation of reinforced concrete pipe, PVC piping, and ductile iron pipe; installation of reinforced concrete trench with grates; construction of concrete and steel structures; miscellaneous concrete coring and chipping, hauling, providing safety devices, demolition, shoring, etc.; and cleanup and miscellaneous appurtenant work.

The Water and Power Department prepared Plans and Specifications, LD-10-8, for the subject project. In accordance with Section 4.08.070 of the Pasadena Municipal Code, bids have been requested and received. The project was advertised in the Pasadena Star News on October 21, 2010. In addition, the Notice Inviting Bids was published on the City website. Bid packets were obtained by 20 contractors, 3 of whom submitted bids for the project.

Bids for the advertised project were opened on November 16, 2010, and the results are as follows:

<u>Bidder/Location</u>	<u>Amount</u>
1. VCI Telcom, Inc., dba VCI Construction, Upland	\$ 199,314.70
2. Perry C. Thomas Construction, Monrovia	\$ 213,105.00
3. R.G. West Corporation, Los Angeles	\$ 225,422.00
ENGINEER'S ESTIMATE	\$ 200,000.00

The lowest bid received was 0.3 percent lower than the Engineer's Estimate. The other two bids were 6.5 and 11.3 percent higher than the Engineer's Estimate.

It is recommended that VCI Telcom, Inc. be awarded the contract for this project as they are the lowest responsive bidder. The proposed contract with VCI Telcom, Inc. fully complies with the Competitive Bidding and Living Wage Ordinances. The Contractor has indicated that the award of this contract will result in no new hires to its present workforce.

The proposed contract will be set up as follows:

Base Bid	\$ 199,314.70
Contingency Allowance	\$ 29,685.30
Contract "Not to Exceed" Amount	\$ 229,000.00

It is anticipated that the project will begin in March 2011 and be completed in April 2011.

**COUNCIL POLICY CONSIDERATION:**

The proposed contract is consistent with the Public Facilities Element of the General Plan and supports the Council's goal to improve, maintain and enhance public facilities

infrastructure, to provide a high level of public service which adds to the quality of life in the City and increase its attractiveness through more efficient management of resources, to provide cost effective and innovative management of the City's resources, and to implement capital improvements that will maintain and rehabilitate infrastructure.

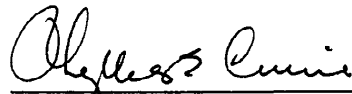
**ENVIRONMENTAL ANALYSIS:**

On November 22, 2010, the City's Environmental Administrator determined that the project is categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in Section 15301, subsection (b) Existing Facilities, of the California Code of Regulations Title 14, Chapter 3. This exemption involves negligible or no expansion of use beyond that previously existing. A Notice of Exemption for the project was filed with Los Angeles County Clerk on November 30, 2010. There are no changed circumstances or new information which would require further environmental review.

**FISCAL IMPACT:**

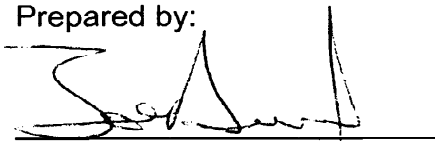
Because funds for this work were not budgeted in fiscal year 2011, it is recommended that \$250,000 be appropriated from the unappropriated Power Fund balance to Power Capital fund 411, project 3128, Substation Oil Containment. This additional appropriation will cover the full contract amount and the costs of internal labor for engineering, project management and inspections.

Respectfully submitted,



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Approved by:



MICHAEL J. BECK  
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