

Agenda Report

November 4, 2013

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH NOVINIUM, INC. FOR A CABLE REJUVENATION PROJECT FOR THE WATER AND POWER DEPARTMENT.

RECOMMENDATION:

It is recommended that the City Council:

1. Find the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301(b) (Existing Facilities);
2. Accept the proposal dated September 27, 2013 from Novinium, Inc. in response to a Request for Proposals for a Development Project on 34kV line 34-13; and authorize the City Manager to enter into a contract without competitive bidding, pursuant to the City Charter Section 1002 (f), Contracts for Professional or Unique Services, with Novinium, Inc. in an amount not to exceed \$275,000 for engineering, design and installation services for rejuvenation of the 34kV Line 13.

BACKGROUND:

Most of the synthetic cable used on the City's underground electric distribution system lasts approximately forty years. As it ages, cracks develop in the insulation and it becomes less reliable. Replacing cable is very costly, time-consuming and disruptive to residents and businesses. During the past twenty-five years, products have been developed that rejuvenate and extend the life of cable. The process consists of injecting a proprietary fluid directly into the cable. The fluid migrates into the conductor shield and insulation and extends the cable life by forty years. In the 25-year period from 1984 through 2009, over 90 million feet of medium voltage cable in North America were rejuvenated, and the failure rate of the cable is under 1%. The cost of the procedure is approximately 40% of the cost of replacing cable.

The Water and Power Department (“PWP”) engineering and field staff have researched this process and visited a utility to see it firsthand and selected a section of 34kV cable for a test project. On July 9, 2013, PWP issued a Request for Proposals for Engineering, Design and Installation for Rejuvenation Services for 34kV Line 13. Two proposals were received on September 27, 2013. Proposals were evaluated per the following criteria: Qualifications and experience, Staff support and responsiveness, Cost of services, Schedule, References, Local preference and Micro or Small Business.

The results of the vendor evaluation are as follows:

	Vendor/ Location	Novinium/ Auburn, WA	Utilix/ Kent, WA
Criteria	Weight		
Qualifications & Experience	25%	25	10
Staff Support/Responsiveness	15%	15	10
Cost of Services	20%	0	20
Schedule	5%	5	5
References	25%	22	5
Local Preference	5%	0	0
Small/Micro Business	5%	0	0
Total Score		67	50

Novinium, Inc. had the best evaluated score, and staff recommends award of a contract to Novinium, Inc. for an amount not to exceed \$275,000, which includes the base bid of \$247,844 and a 10% contingency for any necessary change orders. The proposed contract is exempt from competitive bidding pursuant to City Charter Section 1002 (f), contracts for professional or unique services.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council’s goals to improve, maintain and enhance public facilities and infrastructure and maintain fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from CEQA pursuant to the State CEQA Guidelines Section 15301(b) (Existing Facilities). Section 15301 exempts the operation, repair, maintenance, permitting, leasing, licensing and minor alteration of existing public or private structures, facilities, mechanical equipment or topographic features involving negligible or no expansion of use. Section 15301(b) specifically exempts existing facilities of utilities used to provide electric power.

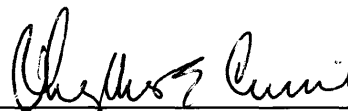
FISCAL IMPACT:

The maximum cost of this action is \$330,000, which includes project management and cost of in-house labor used during the project. All funds will be spent in fiscal year 2014. The cost will be addressed by utilizing appropriations in the Power Capital Fund 411, Capital Improvement Project 3205, Subtransmission System Enhancements. This expenditure will have minimal impact on other operational or capital projects.

The following table summarizes the total fiscal impact in fiscal year 2014.

Base Contract Amount	\$247,844
Contingency	\$27,156
Not To Exceed Amount	\$275,000
Project and Contract Management	\$15,000
In-House Labor	\$40,000
TOTAL MAXIMUM FISCAL IMPACT	\$330,000

Respectfully submitted,

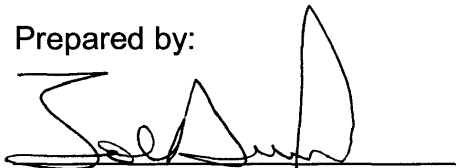


Phyllis E. Currie

General Manager

Water and Power Department

Prepared by:

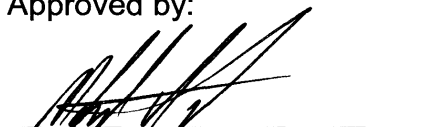


Joe Awad

Assistant General Manager

Water and Power Department

Approved by:



Michael J. Beck

City Manager