



Agenda Report

January 12, 2015

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO EXTEND CONTRACT NO. 20,518 WITH UC SYNERGETIC AND CONTRACT NO. 20,519 WITH VTA CONSULTING ENGINEERS FOR ENGINEERING SERVICES FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action is exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act ("CEQA") Section 15061(b) (3);
2. Authorize the City Manager to issue and sign a change order to extend Contract No. 20,518 with UC Synergetic for up to two additional years or until the balance authorized under the current contract is exhausted, whichever comes first; and
3. Authorize the City Manager to issue and sign a change order to extend Contract No. 20,519 with VTA Consulting Engineers for up to two additional years or until the balance authorized under the current contract is exhausted, whichever comes first.

BACKGROUND:

On October 18, 2010, the City Council authorized contracts with Pike Energy Solutions and VTA Consulting Engineers to supplement engineering resources, as needed, in performing various types of power engineering services for the Water and Power Department ("PWP").

Contract 20,518 with UC Synergetic

Contract 20,518 was executed on January 24, 2011 with Pike Energy Solutions (which later became UC Synergetic) for a period of four years or until \$1,000,000 was expended. This contract is set to expire on January 23, 2015. PWP needed UC Synergetic services

sporadically since 2011 until recently when significant projects required additional engineering resources. As a result, PWP issued tasks to UC Synergetic to upgrade the receiving stations and substations in order to connect the recently approved GT 5 power generating units and to make other improvements at the substations. These tasks have limited durations and not-to-exceed costs. These important tasks cannot be completed before the date of the expiration of the contract and it would be in the best interest of the City to continue with this contractor who is the most familiar with this scope of work. To date, approximately \$200,000 has been spent. The remaining City Council authorized amount of \$800,000 is estimated to be spent as shown below:

Scope of Work and CIP Budget No.	FY2015 Feb-Jun	FY2016 Jul-Jun	FY2017 Jul-Jan
CIP 3090 – Switchgear Upgrades for Power System Facilities		\$300,000	\$200,000
<u>Scope of Work:</u> GT 5 power connection Emergency generator connection Substation upgrades	\$150,000	\$150,000	
Total Projected Expenditures	\$150,000	\$450,000	\$200,000

To ensure work can continue on the current projects and tasks that have been initiated can be completed after January 23, 2015, staff recommends extending Contract No. 20,518 with UC Synergetic for a maximum of two years, until January 2017, or until funds currently remaining in the contract are spent, or services are no longer needed, whichever comes first.

Contract 20, 519 with VTA Consulting Engineers

Contract 20,519 was executed on January 24, 2011 with VTA Consulting Engineers for a period of four years or until \$500,000 was expended. This contract is currently set to expire on January 23, 2015.

Because PWP civil engineering resources lack structural engineering expertise, PWP assigned to VTA Engineering Consultants a task to design a new structural security wall for TM Goodrich receiving station and another task to design seismic upgrades to protect the electrical equipment at the City’s substations. The design of the security wall started two years ago and appropriate approvals have recently been obtained. The construction specifications prepared by VTA but reviewed by PWP are expected to be issued in March 2015. VTA would be expected to respond to bidders’ requests for information, review shop drawings submitted by the successful vendor selected to build the wall, and to perform quality assurance during the construction of the wall and electrical equipment seismic anchoring. These important tasks cannot be completed before the date of the expiration of the contract and it would be in the best interest of the city to continue to contract with this contractor who is the most familiar with this scope of work.

To date, approximately \$100,000 has been spent. The remaining City Council authorized amount of \$400,000 is estimated to be spent as shown below:

Budget No.	FY2015 Feb-Jun	FY2016 Jul-Jun	FY2017 Jul-Jan
3013 – Facility Systems Security	\$50,000	\$50,000	
3196 – Seismic Upgrades of Power Facilities	\$50,000	\$150,000	\$100,000
Total Projected Expenditures	\$100,000	\$200,000	\$100,000

To ensure work can continue on the current structural projects and tasks that have been initiated can be completed after January 23, 2015, staff recommends extending Contract No. 20,519 with VTA Consulting Engineers for a maximum of two years, until January 2017, or until funds currently remaining in the contract are spent, or services are no longer needed, whichever comes first.

On April 30, 2014, PWP issued a Request for Proposals (“RFP”) for various types of power engineering services. On May 28, 2014, proposals were received from 23 engineering firms. Engineering staff has evaluated the proposals and is currently working with the City Attorney and the Finance department to review contract terms and select the firms to recommend for contracts. It would be very disruptive, costly and time-consuming to shut down work on the current projects, and there is no guarantee that the same contractors will be selected for new contracts.

COUNCIL POLICY CONSIDERATION:

The proposed contract extensions support the Council’s goal to improve, maintain and enhance public facilities infrastructure and to implement capital improvements that will maintain and rehabilitate infrastructure.

ENVIRONMENTAL ANALYSIS:

The proposed action is exempt from CEQA pursuant to the State CEQA Guidelines Section 15061 (b) (3), which states that CEQA only applies to projects which have the potential for causing a significant effect on the environment. The proposed action is for the extension of contracts which authorize engineering services only. No construction is proposed and the proposed action will not have a significant effect on the environment. In the event the engineering services recommend a physical construction project that will have significant environmental impact, that project will be subject to environmental review prior to the time the City commits itself to the project.

FISCAL IMPACT:

The maximum cost of this action for these two contracts is \$1,240,000 over two years including administration costs. Funds will be requested in future years’ capital budgets to cover anticipated expenses for each year. The following tables represent contract summaries.

Contract 20, 518 with UC Synergetic

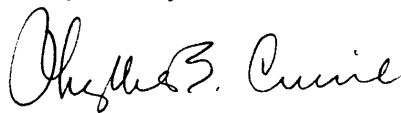
Through December 31, 2014		FY2015	FY 2016	FY2017
Not to Exceed Contract Amount	\$1,000,000			
Expended through December 31, 2014	\$200,000			
Balance Remaining in Contract	\$800,000			
Estimated Contract Expenditure		\$150,000	\$450,000	\$200,000
Contract Administration		\$5,000	\$10,000	\$5,000
Anticipated Fiscal Impact		\$155,000	\$460,000	\$205,000
Total Maximum Fiscal Impact Through Fiscal Year 2017				\$820,000

Contract 20, 519 with VTA Consulting Engineers

Through December 31, 2014		FY2015	FY 2016	FY2017
Not to Exceed Contract Amount	\$500,000			
Expended through December 31, 2014	\$100,000			
Balance Remaining in Contract	\$400,000			
Estimated Contract Expenditure		\$100,000	\$200,000	\$100,000
Contract Administration		\$5,000	\$10,000	\$5,000
Anticipated Fiscal Impact		\$105,000	\$210,000	\$105,000
Total Maximum Fiscal Impact Through Fiscal Year 2017				\$420,000

The proposed contract extensions will have minimal impact on other operational or capital projects other than minor costs for contract administration.

Respectfully submitted,



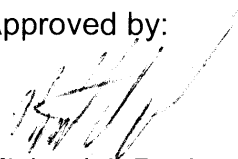
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