

Agenda Report

April 25, 2011

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH VCI CONSTRUCTION FOR CIVIL CONSTRUCTION RELATED TO THE INSTALLATION OF ELECTRICAL EQUIPMENT FOR THE WATER AND POWER DEPARTMENT.

RECOMMENDATION:

It is recommended that the City Council:

1. Acknowledge that the project is exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act Public Resources Code §21080(b)(9); Administrative Code, Title 14, Chapter 3, Class 1 §15301 (Existing Facilities) and Class 2 § 15302 (Replacement or Reconstruction).
2. Accept the bid dated November 2, 2010, submitted by VCI Construction in response to Specifications LD-10-10 for the civil construction of overhead, underground and substation electrical conduit systems, vaults, and other miscellaneous civil work for the Water and Power Department (Department); reject all other bids; and authorize a contract with VCI Construction for a period of two years or until \$2,000,000 is expended, whichever occurs first, with four additional one-year extensions, each not to exceed \$1,000,000 per year.

BACKGROUND:

In accordance with the City's Electric Service Regulations as adopted by City Council, the Department must install underground facilities to connect customers in existing underground areas. The Department must also extend existing underground systems where the extension of overhead facilities is not feasible and must continually maintain and repair the existing underground infrastructure. The Department does not have any in-house civil construction crews and must use outside contractors, monitored and inspected by Department staff, for civil construction of all electrical projects. The requested contract will enable the Department to provide underground electrical customer service installations, install pull boxes, vaults, and conduits; and complete electrical repair and maintenance work as needed throughout the term of the contract.

On October 6, 2010, a Notice Inviting Bids was issued for Specifications LD-10-10 for installing electric equipment and for the construction of underground electrical conduit systems, vaults and other miscellaneous civil work.

The Notice was published in *The Pasadena Journal* and posted on the City's web page. In addition, specifications were mailed to thirty-three businesses on the Purchasing Division's vendor list. Nine bids for electrical and/or civil construction were opened on November 2, 2010 in the City Clerk's office.

The original electrical specifications were for installation of utility-specific overhead, underground and substation equipment and for inspecting electrical facilities. However, at this time the Department is not requesting approval for any contracts for the electrical work but will return to Council for such approval at a later date. The specifications for civil construction requested unit prices for typical civil construction activities related to the installation of electrical systems. Such activities include trenching, furnishing and installing various sizes of electrical conduits and vaults, grading, street paving and traffic control. The specifications stated that the Total Bid Price is used to determine the lowest and best bidder. There were seven responsive bids for the civil portion of the work.

<u>BIDDERS / Location</u>	<u>Total Bid Price</u>
VCI Construction / Upland	\$356,153.66
Perry C. Thomas / Monrovia	\$364,257.00
International Line Builders / Riverside	\$388,030.00
Doty Bros. Equipment / Norwalk	\$608,474.20
Herman Weissker, Inc / Riverside	\$611,780.50
PAR Electrical Contractors / Fontana	\$672,350.43
City Light & Power / Long Beach	\$770,335.90

The Total Bid Price above was calculated by multiplying the unit price bid of each item by the estimated amount of work and adding the sum of all items. VCI Construction has the lowest Total Bid Price and is the lowest responsive bidder that meets all the requirements of the specifications to complete civil construction work. It is recommended that VCI Construction be awarded the contract.

Following the initial contract period, the Contractor may request annual price increases, but the increase in prices cannot exceed the increase in the Consumer Price Index (CPI) for the Los Angeles County-Riverside-Orange County area for the most recently available 12-month period.

Maintenance of the underground infrastructure is critical to maintain a safe environment for Department employees and City residents and businesses. Customer projects must be done in a timely manner according to City Regulations. Therefore, it is prudent to have a contractor available to do the work as needed. The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

COUNCIL POLICY CONSIDERATION:

The proposed contracts support the Council's goal to improve, maintain and enhance public facilities infrastructure.

ENVIRONMENTAL ANALYSIS:

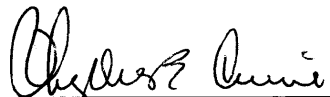
The proposed contract is exempt from CEQA pursuant to the State CEQA Guidelines Sections 15301 and 15302. Section 15301 (Existing Facilities) exempts actions (such as maintenance, repair, operation etc.) relating to existing facilities or structures where there is negligible or no expansion of the use. Section 15302 (Replacement or Reconstruction) exempts the replacement and/or reconstruction of existing facilities or structures including utility systems and/or facilities involving negligible or no expansion of capacity. The proposed work will provide needed repairs or new construction necessary to maintain existing electrical infrastructure and operational flexibility.

FISCAL IMPACT:

The approval of the recommended contract with VCI Construction will result in a total contract amount of \$2 million in the first two years of the contract. With the adoption of the fiscal year 2012 Capital Improvement Fund (CIP) budget, sufficient funds will be available in the Power Capital Fund 411 budget 3001, Services from Utility Underground System (Private Property Vaults): \$750,000; 3002, Distribution System Expansion: \$200,000; 3023, Connections from the Public Right of Way: \$750,000; and 3185, Replacement and Upgrade of Electrical Equipment and Facilities: \$300,000, to cover the initial term of the contract.

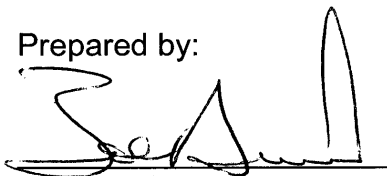
If all four one-year extensions are approved, the total contract amount will not exceed \$6 million over a maximum six year period; however, the Contractor is not guaranteed a minimum level of expenditure. Work will not be authorized under this contract unless sufficient funding is available each fiscal year in the appropriate CIP projects.

Respectfully submitted,



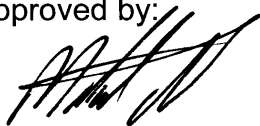
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