

Agenda Report

November 19, 2012

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT:

AUTHORIZATION TO ENTER INTO A CONTRACT WITH VCI CONSTRUCTION, INC. FOR AN AMOUNT NOT TO EXCEED \$1,550,000.00 TO PROVIDE LABOR AND MATERIALS FOR CIVIL CONSTRUCTION AT HASTINGS SUBSTATION FOR THE WATER AND POWER DEPARTMENT.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from CEQA review pursuant to State CEQA Guidelines Section 15302(c), Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity;
2. Accept the bid dated October 24, 2012, from VCI Construction, Inc., in response to Specifications LD-12-6 for civil construction at Hastings Substation; reject all other bids; and authorize the City Manager to enter into a contract with VCI Construction, Inc., for an amount not to exceed \$1,550,000.

BACKGROUND:

Pasadena Water and Power (PWP) has a current capital improvement project to relieve overloading at substations by replacing 4kV with 17kV systems to improve electrical system reliability. The most recent engineering analysis of the distribution system indicated that the Hastings Substation should be upgraded to improve reliability and power delivery in the Hastings Ranch neighborhood. Council approved the purchase of a new transformer on April 16, 2012, and a new switchgear on June 4, 2012. The equipment is scheduled to be delivered in February 2013, and the new substation is expected to be operational by June 2013.

In order to meet the tight timeline for the new substation to be in operation before June 2013, civil construction work at the substation must start in December 2012. The majority of the civil work must be completed by the end of February 2013, to allow the installation of the new transformer and switchgear, scheduled to be delivered in February. The remaining civil work must be completed by April 2013. Electrical installation and testing of the new equipment will follow and will be completed in May 2013.

The demolition work that consisted of removal of walls, transformer foundation slabs, vaults and conduit in the easterly half of the substation has already been completed to prepare for the construction work.

On October 4, 2012, a Notice Inviting Bids to Provide Labor and Materials for Civil Construction at Hastings Substation in accordance with Specifications LD-12-6 was published in the Pasadena Journal and posted on the City's web page. The scope of work includes construction of retaining walls and installation of foundation slabs, cast-in-place and precast concrete vaults, and conduit for the new transformer and switchgear equipment. The contractor will provide all necessary material required for a complete installation, except for equipment specifically listed as supplied by PWP. Five contractors attended a mandatory pre-bid meeting and three contractors attended a mandatory job walk on October 16, 2012. Two responsive bids were opened on October 24, 2012.

<u>Contractor</u>	<u>Bid Amount</u>
VCI Construction, Inc. Upland, CA	\$1,348,194
Perry C. Thomas Construction, Inc. Monrovia, CA	\$1,815,469
Engineering Estimate	\$819,140

The low bid is 65% higher than the engineering estimate. Because the work must be done in a confined, energized area, and within a tight time frame, the contractor is taking extra precautions, making the unit prices higher than for typical civil work. The contractor is bringing in additional workers and may have to work overtime to meet the contract milestones. Staff recommends proceeding with the contract award because rebidding is unlikely to result in substantially lower bids but will delay construction of the new substation until the summer of 2014. In addition, the City will incur storage fees for the transformer and switchgear.

VCI Construction, Inc. was the lowest responsive bidder that met all of the requirements of the specifications, and is recommended to receive the contract for an amount not to exceed \$1,550,000, which includes the base bid amount and a 15% contingency for any necessary change orders.

Although substantial effort has been made to verify site conditions, the underground conditions at Hastings Substation cannot be fully known until additional excavation begins, so a contingency is recommended. A 15% contingency is needed for this contract because a cast-in-place reinforced concrete vault will be added as a change order. This change order is estimated to cost approximately \$100,000.00. Staff planned to purchase two prefabricated precast vaults; however one of the vaults is too large to be prefabricated; therefore, the construction of one vault must be added to this contract at contract award as a change order. All civil construction must be completed within five months after issuance of a Notice to Proceed.

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 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; and to provide a high level of public service which adds to the quality of life in the City and increases its attractiveness through more efficient management of resources.

ENVIRONMENTAL ANALYSIS:


The proposed contract is exempt from CEQA pursuant to the State CEQA Guidelines Section 15302 (Replacement or Reconstruction), which 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 maximum cost of this action is \$1,625,000, which includes administrative costs. All funds will be spent in the current fiscal year. The cost will be addressed by utilizing existing appropriations in the Power Capital Fund 411, Budget No. 3090, Switchgear Upgrades for Power System Facilities. This expenditure will have minimal impact on other operational or capital projects. However, any delays in this project could result in incurring additional costs to store the transformer and switchgear. The following table summarizes the total fiscal impact.

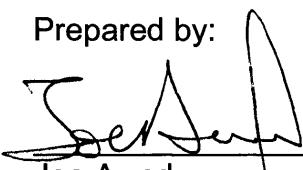
Total Expenditure in 2013	
Base Contract Amount	1,348,194
Contingency	\$201,806
Not to Exceed Amount	1,550,000
Administration/Inspections	\$75,000
Total Fiscal Impact	1,625,000

Respectfully submitted,



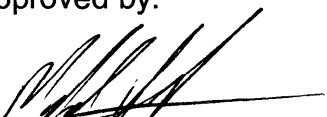
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