

Agenda Report

April 9, 2018

TO: Honorable Mayor and City Council
FROM: Department of Water and Power
SUBJECT: **CONTRACT AWARD TO PERRY C. THOMAS CONSTRUCTION, INC., FOR THE CONSTRUCTION OF AN OIL CONTAINMENT SYSTEM AT THE DEL MAR SUBSTATION FOR AN AMOUNT NOT TO EXCEED \$799,986**

RECOMMENDATION:

It is recommended that the City Council:

1. Find the proposed action to be categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301(b) (Existing Facilities) and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances;
2. Accept the bid dated December 28, 2017 submitted by Perry C. Thomas Construction, Inc., in response to Specifications for the construction of an oil containment system at the Del Mar Substation for the Water and Power Department; and Authorize the City Manager to enter into a contract with Perry C. Thomas Construction, Inc., for an amount not to exceed \$799,986 , which includes the base bid amount of \$727,260 plus a 10% contingency of \$72,726 to provide for any necessary change orders; and,
3. Reject all other bids.

BACKGROUND:

The project is part of the Electric Distribution System Master Plan and provides for the construction of an oil containment system at the Del Mar Substation to prevent environmental damage resulting from mineral oil spills originating from transformers or electrical equipment. Federal Environmental Protection Agency ("EPA") regulations require that regulated facilities, including electric facilities, ensure that potentially large oil spills be contained within the immediate area. The Del Mar Substation was constructed in 1964 prior to federal regulations requiring that electric facilities have a Spill Prevention, Control, and Countermeasure ("SPCC") plan. The proposed construction project will make the Del Mar Substation compliant with Title 40 (Protection

of Environment), Code of Federal Regulations (“CFR”), Part 112 (Oil Pollution Prevention).

Construction work includes the removal and replacement of existing asphalt pavement; excavation, backfill, soil compaction, testing and shoring; installation of high-density polyethylene pipe, ductile iron pipe, reinforced concrete trench with grates, and reinforced concrete structures; hauling, demolition, cleanup, etc.; and miscellaneous appurtenant work.

The Department of Water and Power (“PWP”) prepared Specifications LD-17-08 in accordance with Section 4.08.060 of the Pasadena Municipal Code. On November 22, 2017, a Notice Inviting Bids to Provide Labor and Materials for the Construction of an Oil Containment System at the Del Mar Substation was published in the *Pasadena Journal*, and posted on the City’s website via PlanetBids. The electronic posting generated notices to 1849 vendors – including 106 local vendors, and documents were downloaded by 26 vendors. Of the four vendors that attended the mandatory pre-bid conference on December 12, 2017, two submitted bids as required by the Specifications on December 28, 2017. The engineer’s estimate was \$440,775.

The bid results are as follows:

<u>Bidder</u>	<u>Amount</u>
1. Perry C. Thomas Construction, Inc., Monrovia, CA	\$727,260.00
2. IO Environmental and Infrastructure, Inc., San Diego, CA	\$801,034.19

It is recommended that Perry C. Thomas Construction, Inc., be awarded the contract for this project as the lowest responsive bidder that met all the requirements of the Specifications. On March 29, 2018, Perry C. Thomas Construction, Inc. notified PWP that they must revise their bid as a result of recently imposed tariffs on steel imports. This revised bid resulted in an increase of \$8,693 from the original bid price of \$718,567. The increase did not impact the bid results and Perry C. Thomas Construction, Inc. remains the lowest responsive bidder. The proposed contract fully complies with the Competitive Bidding and Purchasing Ordinance P.M.C. Chapter 4.08 and the rules and regulations promulgated there under.

Perry C. Thomas Construction, Inc. has been awarded multiple contracts with the City over the past thirty years and currently has two active contracts with the City awarded in 2014 and collectively valued at \$14,145,000. The contracts are for civil construction related to the installation of electrical equipment for PWP and fiber network related conduit installation for the Department of Information Technology.

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:

The project is categorically exempt under the CEQA Guidelines in Section 15301 Existing Facilities (Class 1), of the State CEQA Guidelines (California Code of Regulations Title 14, Chapter 3). Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. Section 15301 Part (b) specifically applies this categorical exemption to existing facilities of both investor and publicly owned utilities. The project is an alteration of an existing facility involving no expansion of the existing use.

FISCAL IMPACT:

The maximum cost of this action is \$799,986 which includes the bid amount of \$727,260 plus a 10% contingency of \$72,726 . It is estimated that the contract funds will be spent in FY2019. Funding for this action will be addressed by the utilization of existing appropriations in the Power Capital Fund 411, Capital Improvement Project 3128, Substation Oil Containment.

The following table represents a contract summary:

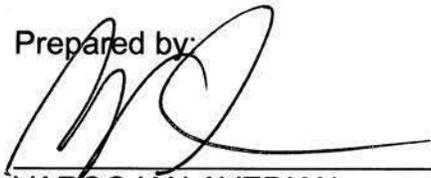
Base Contract Price	\$727,260
Contingency Amount (10%)	\$72,726
Total Contract Not to Exceed Amount	\$799,986

Respectfully submitted,



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STEVE MERMELL
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