



# Agenda Report

August 27, 2018

**TO:** Honorable Mayor and City Council

**FROM:** Department of Water and Power

**SUBJECT: CONTRACT AWARDS TO W.A. RASIC CONSTRUCTION COMPANY, INC. IN AN AMOUNT NOT TO EXCEED \$383,790 AND HOT LINE CONSTRUCTION, INC. IN AN AMOUNT NOT TO EXCEED \$550,000 FOR VAULT REINFORCMENT FOR THE WATER AND POWER DEPARTMENT, WHICH INCLUDES A 10% CONTINGENCY FOR EACH CONTRACT**

## **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 (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; and
2. Accept the bids from W.A. Rasic Construction Company, Inc. ("W.A. Rasic") dated April 9, 2018 and Hot Line Construction, Inc. ("Hot Line") dated April 6, 2018 in response to Specifications LD-18-05 for Vault Reinforcing for the Water and Power Department; reject all other bids, and authorize the City Manager to enter into contracts with W.A. Rasic Construction Company, Inc. in an amount not to exceed \$383,790 and Hot Line Construction, Inc. in an amount not to exceed \$550,000, which include a 10% contingency for each contract.

## **BACKGROUND:**

Pasadena Water and Power ("PWP") provides electricity to more than 65,000 customers. The Power Distribution System is highly complex and comprised of thousands of components which function together as a Transmission and Distribution ("T&D") System. PWP is faced with the challenge of managing a wide range of aging T&D assets, such as underground vaults, that are critical to system reliability. Underground vaults are room size structures on both public and private property that contain electrical distribution equipment like transformers and cables. There are approximately 4,000 underground vaults in PWP's T&D system within the public right-

of-way; a typical vault size is 8'x14'. Many of these vaults are old and in need of repair, reinforcement, or replacement. PWP has active inspection and repair programs to examine all underground vaults, identify potential issues, and make repairs as needed. There are currently 43 vaults identified for major repairs, reinforcement, or complete replacement.

The current practice of excavating the street to replace underground vaults is disruptive to traffic and adversely impacts businesses/residents in the construction area. The cost to replace a vault using traditional methods is approximately \$1,000,000 and takes approximately ten weeks to complete.

Staff is aware of two new proprietary methods developed by Voltek, Inc. ("Voltek") and Composite for Infrastructure ("CFI") that enable vault reinforcement without costly and disruptive excavations which are expected to extend the life of reinforced vaults by at least 20 years. These new methods have been initiated at various utilities in Southern California including Burbank Water & Power and Southern California Edison. PWP plans to implement a pilot program using these methods on four vaults. The assessment will include ease of installation, cost analysis, and vault integrity at various intervals. Once the pilot program is assessed and deemed viable for PWP, it may result in the expanded use of these technologies where applicable.

The Voltek method involves the installation of prefabricated panels of composite material that provide strength equal to concrete walls. The panels are installed within an existing vault. The cost for vault reinforcing using the Voltek method is approximately 30% of the cost of a traditional vault replacement and work can be completed in approximately two weeks without any excavation.

The CFI method involves the application of composite material directly to the vault wall that provide strength equal to concrete walls. The composite material is applied directly onto all surfaces within an existing vault. The cost for vault reinforcing using the CFI method is approximately 40% of the cost of a traditional vault replacement and work can be completed in approximately two weeks without any excavation.

PWP prepared Specifications LD-18-05 in accordance with Section 4.08.060 of the Pasadena Municipal Code. On March 8, 2018, an Invitation for Bids to Provide Labor and Materials for Vault Reinforcing for PWP in accordance with the Specifications was published in the *Pasadena Journal* and posted on the City's website via PlanetBids. The electronic posting generated notices to 1683 vendors including 96 local vendors. The Invitation for Bids documents were downloaded by 41 vendors including one local vendor. Six vendors attended the mandatory pre-bid conferences on March 27, 2018 and April 17, 2018. Vendors were allowed to bid on one or all of the items listed in the Specifications. Four bids were received as required by the Specifications by April 24, 2018. The bid results are as follows:

Bidder	Vault 1742 (Voltek)	Vault 1790 (Voltek)	Vault 2712 (CFI)	Vault 2421 (CFI)
1. W.A. Rasic Construction Company, Inc., Long Beach, CA	\$174,450.00	\$174,450.00	\$250,663.00	\$250,663.00
2. Hot Line Construction, Inc., Brentwood, CA	\$186,000.00	\$186,000.00	<b>\$250,000.00</b>	<b>\$250,000.00</b>
3. Henkels & McCoy, Inc., Pomona, CA	No Bid	No Bid	\$252,114.80	\$252,114.80
4. VCI Utility Services, Upland, CA	\$290,315.00	\$274,890.00	\$321,864.00	\$316,717.00

Staff recommends that W.A. Rasic and Hot Line each receive a contract award for vault reinforcing as the lowest responsive bidders that met all the requirements of the Specifications. Both proposed contracts are in compliance with the Competitive Bidding and Purchasing Ordinance P.M.C. Chapter 4.08 and the rules and regulations promulgated there under. Both vendors have no previous contracts with the City in the last 15 years. In addition, the proposed contract fully complies with Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 15, 2014. If approved by City Council, the contracts will be awarded as follows:

W.A. Rasic – Vaults 1742 and 1790

Base Bid	\$ 348,900.00
Contingency Allowance (10%)	<u>\$ 34,890.00</u>
Contract Not to Exceed Amount	\$ 383,790.00

Hot Line – Vaults 2712 and 2421

Base Bid	\$ 500,000.00
Contingency Allowance (10%)	<u>\$ 50,000.00</u>
Contract Not to Exceed Amount	\$ 550,000.00

**COUNCIL POLICY CONSIDERATION:**

The proposed contracts are 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 from CEQA in accordance with 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 (d) specifically applies this categorical exemption to restore or rehabilitate deteriorated or damaged structures, facilities, or mechanical equipment to

meet current standards of public health and safety, unless it is determined that the damage was substantial and resulted from an environmental hazard such as earthquake, landslide, or flood. The project involves the restoration of existing deteriorated underground electrical vaults in City streets that involve no expansion of an existing use. There are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances.

**FISCAL IMPACT:**

The maximum cost of this action is \$1,027,010, which includes \$933,780 for two contracts with a 10% contingency and internal contract administration labor in the amount of \$93,220. The contingency amount will be used to address any unforeseeable expenditures such as construction or vault conditions, changes to sales tax, tariffs, or price increases not to exceed the Producer Price Index. The Power Delivery Civil Engineering Section of PWP will administer the contracts. It is anticipated that all funds will be spent in Fiscal Year 2019. Funding for this action will be addressed by the utilization of existing appropriations in the Power Capital Fund 411, Capital Improvement Project 3185, Replacement and Upgrade of Electrical Substructures.

The following table represents the summary for the two contracts:

<b>Expenditures</b>	<b>W.A. Rasic</b>	<b>Hot Line</b>
Base Bid	\$348,900	\$500,000
Contingency (10%)	\$34,890	\$50,000
Not to Exceed Contract Amount	\$383,790	\$550,000
<b>Grand Total / Maximum Contract Cost</b>	<b>\$933,790</b>	

Respectfully submitted,



\_\_\_\_\_  
GURCHARAN S. BAWA  
General Manager

Prepared by:



MARVIN D. MOON  
Assistant General Manager

Approved by:



\_\_\_\_\_  
STEVE MERMELL  
City Manager