TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER
DEPARTMENT: UTILITIES
DATE: SEPTEMBER 12, 2005
CMR: 185:05

SUBJECT: APPROVAL OF A UTILITIES ENTERPRISE FUND CONTRACT WITH MTH ENGINEERS INCORPORATED IN THE AMOUNT OF $161,945 FOR ENGINEERING AND DESIGN OF THE ALMA SUBSTATION RELOCATION TO QUARRY SUBSTATION

RECOMMENDATION

Staff recommends that Council approve and authorize the City Manager to execute the attached contract with MTH Engineers, Inc. (Attachment A) in a not to exceed amount of $161,945 for engineering and design of the Alma Substation relocation to Quarry Substation, including $147,945 for basic services and $14,000 for additional services. This contract will not be executed until a written agreement has been executed with Stanford.

DISCUSSION

Scope of Services Description
The scope of work to be performed under the contract is for engineering design to move the substation equipment in Alma Substation to Quarry Rd. Substation. The existing Alma Substation located on Alma Street between Channing Avenue and Homer Avenue is interfering with City plans in downtown Palo Alto for an affordable housing project. Further redevelopment in the downtown Alma area has been constrained by the substation’s location and its adjoining 60kV overhead lines. The City has approved a multi-year plan (CMR 298:04) to relocate Alma Substation to Quarry Road Substation. The overall project includes relocation of the transmission lines (includes communication system/cables) from the back alley of Alma substation, building new 12kV electric distribution feeders to feed the downtown area from Quarry Road Substation; and eventually removing all equipment in order to decommission Alma Substation. The detailed Scope of Work is part of the contract which is Attachment A to this report.

The existing land lease with Stanford for Quarry Substation expires on June 30, 2007. Staff is currently negotiating to extend the use of the property as a substation. Because this project is contingent upon maintaining use rights at Quarry Substation, the execution of this contract will be delayed until a written agreement has been executed with Stanford.
There is no practical alternative for relocating the Alma substation equipment. Other City substations in the area are fully built out with no extra space available, and are farther away from downtown Palo Alto. This would require long, expensive 12 kV feeder extensions and result in adverse impacts on electric reliability. A new substation site would be prohibitively expensive and create land use and aesthetic issues.

### Summary of RFP Solicitation Process

<table>
<thead>
<tr>
<th>Proposal Description/Number</th>
<th>Engineering and Design Services for Quarry Substation Expansion/Modification by Relocating Existing Alma substation AL-22.23 Line up/ 109624</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>24 months (Approx.- Includes construction support)</td>
</tr>
<tr>
<td>Number of Proposals Mailed</td>
<td>14</td>
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<tr>
<td>Total Days to Respond to Proposal</td>
<td>33</td>
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<tr>
<td>Number of Proposals Received:</td>
<td>9</td>
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<tr>
<td>Number of No-Bid Response</td>
<td>1</td>
</tr>
<tr>
<td>Range of Proposal Amounts Submitted</td>
<td>$100,000 (approx.) to $200,000 (approx.)</td>
</tr>
</tbody>
</table>

* See Attachment B for RFP Evaluation sheet.

A three-member evaluation committee consisting of Utilities Engineering staff reviewed the proposals. During the initial screening process, staff reviewed all nine proposals and recommended the top three (Power Engineers, MTH Engineers, and IEC Corporation) to the finalist selection committee. The committee carefully reviewed each firm's qualifications and submittals in response to the criteria identified in Attachment B; and MTH Engineers, Inc. was evaluated as the best responsive bidder. For more details on the evaluation, refer to Attachment-B.

**RESOURCE IMPACT**

Electric Fund 2004-2005 Electric Capital Improvement Program (CIP) project (EL-05003-Relocation Alma Substation) has been set up for the first phase of this project which includes Alma substation relocation to the existing Quarry substation along with all new feeders and transmission facilities rerouting.

The cost will be reimbursed through elimination of the rent payments to the General Fund for Alma Substation. A cost analysis of the projected future cost of rent, maintenance and required capital improvements for the Alma substation indicated a net benefit to the Utilities Department.

Workload Impact – Utilities Engineering will be able to properly manage this contract engineering work with existing staff. This engineering work is being contracted in order to avoid adverse impacts on CIP engineering work already being performed by the Utilities Engineering staff.
POLICY IMPLICATIONS

This recommendation is consistent with the Council approved Utilities Strategic Plan Key Strategy # 7, Implement Programs that Improve the Quality of the Environment.

ENVIRONMENTAL REVIEW

This project is categorically exempt from California Environmental Quality Act (CEQA).

ATTACHMENTS

A: Contract
B: RFP Summary

PREPARED BY: ________________________________

Tomm Marshall
Electric Engineering Manager

CITY MANAGER APPROVAL: ________________________________

EMILY HARRISON
Assistant City Manager