TO:       HONORABLE CITY COUNCIL

FROM:     CITY MANAGER

DEPARTMENT: UTILITIES

DATE:     SEPTEMBER 11, 2006

CMR:334:06

SUBJECT:  APPROVAL OF A UTILITIES ENTERPRISE FUND CONTRACT WITH
           PACHECO UTILITY LINE BUILDERS INCORPORATED IN THE
           AMOUNT OF $1,000,000 FOR THE 2006-2007 OVERHEAD
           CONSTRUCTION SERVICES.

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached contract with Pacheco Utility Line
   Builders Incorporated for a period of twelve (12) months in the amount of $1,000,000 to
   provide overhead construction services.

2. Authorize the City Manager or his designee the option of renewing the contract for up to two
   additional 12 month periods at a cost of $1,000,000 for the first renewal (FY 2007/2008) and
   $1,000,000 for the second renewal (FY 2008/2009) for a total contract price of $3,000,000 if
   the contractor is responsive to the contract requirements, and the quality of the work is
   acceptable during the first twelve months of the contract.

DISCUSSION

Project Description
The work to be performed under the contract is for providing overhead construction services on the
City’s electric transmission and distribution system. The contractor will be asked to provide two
crews (one four-man crew and one two-man crew) to be used full time by the City’s Electric
Operations for a period of twelve months, with an option for the City to extend the term for two
additional 12 month periods.

The contractor’s services include the replacement of poles, transformers, air switches, connectors,
insulators, overhead conductors, and any other miscellaneous work related with overhead line
construction. In addition, the crew will be available to assist Electric Operations for general
maintenance and restoration of power during emergency and storm situations.
Staff is recommending the use of a contractor to perform this work because the City’s electric line workforce does not have adequate staff to meet the current peak workload. Existing staff is barely keeping up with the new business requests, underground construction, and maintenance work. The contractor will be asked to perform overhead services to assist City crews in meeting deadlines for on-going capital improvement projects. Furthermore, there is not sufficient City staff to keep up with the increased number of poles requiring replacement in the current fiscal year and the poles planned to be replaced over the next three years.

**Summary of Bid Process**

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>Overhead Construction Services/IFB-117123</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>1 year with option to extend for two additional years</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>5</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>2</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>25</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>No</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>2*</td>
</tr>
<tr>
<td>Bid Price Range – Hourly Rate for 4 person crew</td>
<td>From $439 to $599</td>
</tr>
<tr>
<td>Bid Price Range – Hourly Rate for 2 person crew</td>
<td>From $194 to $276</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment B.

Staff has reviewed all bids submitted and recommends that the bid submitted by Pacheco Utility Line Builders Incorporated be accepted and that Pacheco Utility Line Builders Incorporated be declared the lowest responsible bidder.

Pacheco Utility Line Builders Incorporated was selected because of its recent experience with related projects, demonstrated full understanding of the RFP, cost, and the foreman’s qualifications and experience. In addition, Pacheco Utility Line Builders Incorporated worked for the City for about three months during the last fiscal year and has performed very well. Therefore, staff recommends the selection of Pacheco Utility Line Builders Incorporated for this contract.

Staff checked references supplied by the contractor for previous work performed by Pacheco Utility Line Builders Incorporated and found no complaints. Staff also checked the contractor’s license with the Contractor’s State License Board and found that the contractor has an active license on file.

**RESOURCE IMPACT**

Funds for this Capital Improvement Program project are included in FY 2006-2007 Electric Capital Improvement Program Budget EL 98003 - and Distribution Operation and Maintenance Budget. Continued work under this contract for FY 2007/2008 and FY 2008/2009 will be subject to
satisfactory performance by the contractor and appropriation of required funds in these fiscal years. This action has no impact on construction work forces since it is being performed by an outside contractor.

POLICY IMPLICATIONS
The approval of this contract is consistent with existing City policies, including the Council approved Utilities Strategic Plan Key Strategy No.1, “Operate distribution system in a cost effective manner” and; Strategy No. 2, “Invest in utility infrastructure to deliver reliable service”.

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

ATTACHMENTS
Attachment “A”: Contract
Attachment “B”: Bid Summary
Attachment “C”: Certification of Nondiscrimination

PREPARED BY:

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CITY MANAGER APPROVAL:

EMILY HARRISON
Assistant City Manager