TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: UTILITIES
DATE: SEPTEMBER 18, 2006 CMR: 370:06
SUBJECT: APPROVAL OF A CONTRACT WITH WILSON CONSTRUCTION CO. IN THE AMOUNT OF $1,584,590 FOR CONSTRUCTION OF THE QUARRY SUBSTATION EXPANSION/MODIFICATION BY RELOCATING ALMA SUBSTATION 22/23 SWITCHGEAR LINEUP

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the City Manager or designee to execute the attached contract with Wilson Construction Co. in the amount of $1,584,590 for relocation of Alma Substation switchgear to Quarry Substation.

2. Authorize the City Manager or designee to negotiate and execute one or more change orders to the contract with Wilson Construction Co. for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $158,500.

DISCUSSION

Project Description
The work to be performed under this contract is the expansion of the electrical capacity of Quarry Substation by relocating two transformers and a metal-clad switchgear lineup from Alma Substation to Quarry Substation. This work will enable Quarry Substation to serve the Downtown electric customers presently served from Alma Substation. The overall purpose of this project is to enable the Utilities Department to vacate the Alma Substation site at 827 Alma Street, thereby making it available for future City redevelopment projects.

The only cost effective alternative for vacating the Alma Substation site is to relocate the necessary equipment to Quarry Substation. Quarry Substation is the closest remaining substation
site and has sufficient space available for installing the necessary equipment within the existing fenced area.

Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>Quarry Substation Expansion/IFB 117486</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>8 months</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>6</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>4</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>32</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>Yes (mandatory)</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>6</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>3*</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $1,584,590.56 to a high of $2,778,500</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment B.

Staff has reviewed all bids submitted and recommends that the bid of $1,584,590 submitted by Wilson Construction Co. be accepted and that Wilson Construction Co. be declared the lowest responsible bidder. The bid is 9 percent above the engineer's estimate of $1,450,000. A change order amount of $158,500, which equals 10 percent of the total contract, is requested for related additional but unforeseen work which may develop during the project.

Staff confirmed with the Contractor's State License Board that the contractor has an active license on file. Staff checked references supplied by the contractor for previous work performed and found favorable recommendations with no significant complaints.

**RESOURCE IMPACT**

Funds for this project are included in the FY 2006-2007 and FY 2007-2008 Electric Capital Improvement Program (EL-05003) Budget. The lowest bid exceeded the engineer’s estimate by $134,590 (9%). Utilities needs further time to evaluate the remaining distribution system costs for this project and may need to request additional funding. However, due to the importance of keeping this project on schedule, staff recommends approval of this contract request.

Due to the lack of available manpower resources in Utilities Electric Operations to complete this project on schedule without diverting resources from other priority projects, Utilities needs to contract for this work.
POLICY IMPLICATIONS
This recommendation is consistent with past Council direction.

ENVIRONMENTAL REVIEW
This project received a CEQA Negative Declaration from the City Planning Division.

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

PREPARED BY: 

__________________________________
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Senior Project Engineer

CITY MANAGER APPROVAL:

__________________________________
EMILY HARRISON
Assistant City Manager