TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: UTILITIES

DATE: AUGUST 5, 2002

CMR:309:02

SUBJECT: APPROVAL OF A CONTRACT WITH PULSAR TECHNOLOGIES, INC. IN THE AMOUNT OF $181,837 FOR SUBSTATION FIBER OPTIC COMMUNICATION NETWORK

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached contract with Pulsar Technologies, Incorporated in the amount of $181,836 for substation fiber optic communication network.

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Pulsar Technologies, Inc. for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed $18,184.

DISCUSSION

Project Description
The existing coaxial cable substation communication network is aged, experiencing an increased rate of communication failures in the past several years, and requires a significant amount of routine maintenance and tuning. If this project is not performed in a timely manner, the Utility’s ability to monitor the critical electric substation system and perform routine and emergency control orders will be increasingly jeopardized. The City has already installed and tested a pilot fiber communication system at the Quarry substation to prove the integrity and reliability of the proposed network. This installation will also act as hub points for later inclusion of other systems in the fiber optic network.
The work to be performed under this contract is for furnishing an electric utility fiber optic electric substation communications network. Immediate uses of this network will be for fiber optic connections between the electric substations and the electric Supervisory Control and Data Acquisition (SCADA) system. Scope of contract to include:

- T1 digital fiber optic multiplexers
- Network management, configuration and diagnostic software
- Fiber optic jumpers
- Spare parts
- Documentation submittals
- Factory testing
- Field testing
- Training
- Start-up assistance

Bid Process
A notice inviting formal bids for substation fiber optic communication network and related services was sent on May 23, 2002 to four contractors. The proposing period was 21 days. No pre-bid meeting was required. Proposals were received from three qualified contractors on June 18, 2002, as listed on the attached bid summary (Attachment A). A fourth proposer turned in a proposal past the due deadline and will not be considered. Proposals ranged from a high of $301,461 to a low proposal of $181,836, after the proposals were equalized by applying equivalent warranty periods. A “Possible Protest” letter was sent from RFL. Staff reviewed and as a result, had a more detailed ‘weighted’ scoring of the proposals performed, based on the evaluation criteria outlined in the RFP, Part II – “Proposal Instructions and Special Conditions”. The results are attached (Attachment C). Staff has reviewed all proposals submitted and recommends that the proposal of $181,836 submitted by Pulsar Technologies, Inc. be accepted and that Pulsar Technologies, Inc. be declared the lowest responsible proposer. The proposal is 1.7 percent below the staff/engineer's estimate of $160,000 for the entire, multi-phase project. The change order amount of $18,184, which equals 10 percent of the total contract, is requested.

Staff checked references supplied by the contractor for previous work performed and found no significant complaints.
RESOURCE IMPACT
Funds for this project are included in the FY 2002-03 Utilities Department Electric Fund, Capital Improvement Program budget (9802). The operating budget impact will be reduced maintenance expense as older equipment is retired and replaced with current technology and new equipment.

POLICY IMPLICATIONS
This recommendation is consistent with current City policy and with the Council approved Utilities Strategic Plan, especially supporting Strategy #1: Operate Distribution Systems in a Cost-Effective Manner (by decreasing maintenance and operating costs).

ENVIRONMENTAL REVIEW
Categorically exempt from environmental impact under Section 15302 of CEQA, replacement of existing utility facilities.

ATTACHMENTS
A: Bid Summary
B: Contract
C: Proposal Evaluation and Recommendation Supplement

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