TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: UTILITIES
DATE: JUNE 17, 2002 CMR:261:02
SUBJECT: APPROVAL OF A CONTRACT WITH LEO TIDWELL EXCAVATING CORPORATION IN THE AMOUNT OF $89,000 FOR CONSTRUCTION OF UNDERGROUND ELECTRIC DUCT SYSTEMS AT THE GREEN ACRES SUBDIVISION

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached contract with Leo Tidwell Excavating Corporation in the amount of $89,000 for construction of underground electric duct systems at the Green Acres subdivision.

2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Leo Tidwell Excavating Corporation for related, additional but unforeseen work, which may develop during the project, the total value of which shall not exceed $22,250.

DISCUSSION

Project Description
The work to be performed under the contract is installation of new underground electric duct systems in the existing Green Acres subdivision, including labor, equipment, and material to install the complete substructure and duct system and necessary landscaping repairs. Unless replaced, the condition of the 30-year old, direct-buried, electric underground system in the Green Acres subdivision will continue to degrade due to insulation damage caused by water and corrosion. It is already beyond its service life and the likelihood of an increased rate of major cable failures is imminent. Since 1968, the
City has standardized installation by placing electrical cables in conduits. These conduit systems provide better protection for the cables and facilitate replacement of the cable in the future, leading to reduced maintenance costs and increased system reliability and availability to meet customer needs.

**Bid Process**
A notice inviting formal bids for construction of underground electric duct systems at the Green Acres subdivision was sent on April 4, 2002 to 6 contractors. The bidding period was 26 days. A pre-bid meeting was held on April 18, 2002; 6 bidders attended the meeting. Bids were received from 4 qualified contractors on April 30, 2002, as listed on the attached bid summary (Attachment A). Bids ranged from a high of $262,500 to a low bid of $89,000. One contractor not responding indicated that they did not submit a bid because they were not in a position to move crews into California at this time, but wished to continue to be included in future bid lists for underground utility boring.

Two of the bidders submitted a single joint bid where one of them was to have been a subcontractor to the other. Staff has reviewed all bids submitted and recommends that the bid of $89,000 submitted by Leo Tidwell Excavating Corporation be accepted and that Leo Tidwell Excavating Corporation be declared the lowest responsible bidder. The bid is 77 percent below the staff/engineer's estimate of $400,000.

The change order amount of $22,250, is requested to cover unforeseen work which generally involves relocating or redirecting trenching due to underground obstacles. The costs for these changes would be significant, (e.g., extra hauling, paving, and restoration quantities), and could exceed a normal contingency based on 10% due to the very low bid. Therefore, staff recommends a contingency of $22,250, or 25%, for this contract.

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

**RESOURCE IMPACT**
Operating impact equals reduced maintenance expense as older equipment is retired and replaced with new equipment. Funds for this project are included in the FY 2001-02 Utilities Department Electric Fund, Capital Improvement Program (CIP) budget.
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.

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

ATTACHMENTS
A: Bid Summary
B: Contract

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