



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Feeder Reconstruction for the 12 kV Operation, Time and Equipment; Reject Sole Bid Received, and Direct the City Clerk to Re-advertise for Bids.

1. Resolution rejecting the sole bid received in response to Specification No. 3875 for Feeder Reconstruction for the 12kV Operation, Time and Equipment, and directing the City Clerk to re-advertise for bids.

COUNCIL ACTION

Item Type: Consent Calendar

Approved for November 16, 2021 **calendar**

EXECUTIVE SUMMARY

Resolution rejecting the sole bid received in response to Specification No. 3875 for Feeder Reconstruction for the 12 kV Operation, Time and Equipment, and directing the City Clerk to re-advertise for bids.

COUNCIL PRIORITIES

- Infrastructure & Mobility: The electrical feeder upgrades will provide efficient and reliable utility services to Glendale residents.
- Exceptional Customer Service: Ensure uninterrupted service and increase the reliability of the City's electric system.

RECOMMENDATION

That the City Council reject the sole bid received for Feeder Reconstruction for the 12 kV Operation, due to the bid's amount being significantly higher than staff's estimate, and direct the City Clerk to re-advertise for bids.

BACKGROUND

The City of Glendale prides itself on the quality of services it provides to the community. GWP serves over 88,000 electrical customers within the city limits. GWP's transmission system is comprised of 56 miles of 34.5 kilovolt (kV) and 69 kV lines, and its distribution system includes 503 miles of 4 kV and 12 kV lines supported by 14 substations. In an effort to maintain the infrastructure and continue providing safe and reliable service to its customers, GWP's master plan includes the conversion of its 4kV distribution feeders to 12kV operational voltage. Replacement of aging and inadequate infrastructure is a critical step in improving the reliability of the City's electrical system. Transmitting power

at the higher 12kV voltage increases efficiency, minimizes power losses, and reduces the likelihood of outages caused by instant contact of the vegetation. In addition, as more renewable sources of localized electrical generation come online, the demand for a higher voltage distribution will continue to grow. The goal of the 12kV Feeder Reconstruction Project is to upgrade up to four feeders per year from 4kV to 12kV, which is a part of GWP's 10-year Capital Improvement Program plan.

ANALYSIS

On July 20, 2021, the City Council adopted Specification No. 3875 for feeder reconstruction for the 12kV operation, and directed the City Clerk to advertise for bids. The bid was advertised in the local paper and the City's web site, as well as the ebidboard.

On September 22, 2021, the City received one bid only, in the amount of \$6,340,889.07, from Hot Line Construction, Inc. The bid was evaluated and the bidder was qualified for the work. However, the bid amount was considerably higher than the \$4,000,000 estimate.

The work for the feeder reconstruction is a specialized trade. GWP believes that it only received one bid because at the time of the bid issuance, other companies that are qualified to do the work were not able to bid, due to the deployment of majority of their construction crews in Louisiana to rebuild after Hurricane Ida's damage.

The bid package specifically reserves the right for the City to reject all bids and re-advertise the project. Further, the City Charter, Article VI, Section 9 authorizes the City Council to "reject all bids" and further provides that, "the council, after rejecting bids, or if no bids are received, may re-advertise for bids, or may have the work done by city forces if it determines that city forces can economically do the work, or it may have the contract negotiated without further bidding." In an effort to increase the number of bids received and with the goal of achieving bid prices more in line with the engineer's estimate, staff recommends the City Council to reject the only bid received, and to direct the City Clerk to re-advertise the bids for Specification No. 3875, Feeder Reconstruction for the 12kV Operation, Time and Equipment.

STAKEHOLDERS/OUTREACH

Not applicable.

FISCAL IMPACT

The cost for Feeder Reconstruction for the 12 kV Operation is estimated at \$4.0 million, of which \$3.0 million was approved as part of the FY 2021-22 budget. No new appropriation is being requested at this time. Funding for future years will be included as part of the annual budget process. The City Council approved funding is outlined below:

Amount: \$3,000,000

Funding Source: Electric Depreciation Fund (5830)

Account String GL & PL Ledger (if applicable): 43110-5830-GWP-0020 (Project GWP00652AA)

ENVIRONMENTAL REVIEW

Rejecting bids and re-advertising the subject work is not a project under the California Environmental Quality Act (CEQA) because it does not commit the City to a definite course of action. Moreover, the subject work (upgrading feeders from 4kV to 12kV is categorically exempt from CEQA under 14 California Code of Regulations Section 15301 ("operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use") and 14 California Code of Regulations Section 15303 ("construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures").

CAMPAIGN DISCLOSURE

This item is exempt from campaign disclosure requirements.

ALTERNATIVES

Alternative 1: Adopt a resolution rejecting the sole bid received in response to Specification No. 3875 for Feeder Reconstruction for the 12 kV Operation, and directing the City Clerk to re-advertise for bids.

Alternative 2: Move to accept the sole bid received which is \$2,000,000 above staff's estimate, and award a contract to Hot Line Construction, Inc. in the amount of \$6,340,889.07.

Alternative 3: Consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Submitted by:

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Reviewed by:

Michele Flynn, Director of Finance
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Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS / ATTACHMENTS

Not applicable.