



Legislation Details (With Text)

**File #:** ID 21-532      **Version:** 1      **Name:**

**Type:** Action Item      **Status:** Agenda Ready

**File created:** 4/7/2021      **In control:** City Council

**On agenda:** 4/22/2021      **Final action:**

**Title:** Reject the sole bid received for the Substation Expansion project at the Fresno-Clovis Regional Wastewater Reclamation Facility (Bid File 3736) (Council District 3)

**Sponsors:** Department of Public Utilities

**Indexes:**

**Code sections:**

**Attachments:** 1. Attachment 1 - Bid Eval & Fiscal Impact.pdf, 2. Attachment 2 - Vicinity Map.pdf

Date	Ver.	Action By	Action	Result
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**REPORT TO THE CITY COUNCIL**

**April 22, 2021**

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**SUBJECT**

Reject the sole bid received for the Substation Expansion project at the Fresno-Clovis Regional Wastewater Reclamation Facility (Bid File 3736) (Council District 3)

**RECOMMENDATIONS**

Staff recommends that City Council reject the bid proposal received for the Substation Expansion at the Fresno-Clovis Regional Wastewater Reclamation Facility (Facility) (Project) and direct staff to rebid the project.

**EXECUTIVE SUMMARY**

The Department of Public Utilities, Wastewater Management Division, seeks to expand the electrical substation that serves the Facility as the load on the existing transformer has reached a level where

an expansion in electrical service capabilities is required. The single received bid proposal was 30.6% higher than the engineer's estimate. Staff therefore recommends rejection of the single received bid for the Project.

## **BACKGROUND**

Prior to commissioning the existing substation, the Facility was fed from two separate electrical 12 Kilovolt (KV) distribution feeds from PG&E. These distribution services are limited as they are shared with surrounding users within a several mile radius and limits the power available to the Facility. Distribution service is also less reliable and more susceptible to power swings and dips which can knock equipment offline or lose the source altogether for an unpredictable period of time. In 2001 the decision was made to provide the Facility with a dedicated substation to exclusively serve the growing power needs of the Facility.

Phase 1 of the substation Project provided a 70KV transmission feed from two different PG&E substations. The higher voltage service equates to greater power stability and a higher load capacity. Phase 1 provided capacity to handle existing Facility loads plus the additional capacity for the Organics Upgrade Expansion Project (completed in 2009), the Enhanced Dewatering Facility Project (completed in 2014), and the Tertiary Treatment and Disinfection Facility (completed in 2017). A Load Study performed in late 2017 concluded that the Phase 1 Substation is nearing available capacity and will not support the next major Facility expansions identified in the 2005 Master Plan Update for the Facility.

To accommodate future growth at the Facility, Phase 2 will expand the substation to add another 70KV to 12KV transformer, rated at 10 Megavolt Ampere (MVA). This expansion will include the addition of a high-side circuit switcher and connection to the existing switchgear installed in Phase 1.

In October 2018, a consultant services contract was awarded for the design of the substation expansion. During the schematic design it was determined that in order to save both time and costs, a pre-purchase of the transformer should be initiated. The transformer fabrication was completed in October 2020. The final design for the substation expansion was completed in October 2020. Plans and specifications were prepared for the construction of the Project. A Notice Inviting Bids was published on November 4, 2020, and posted on the City of Fresno's (City's) Planet Bids website. Specifications were distributed to 20 prospective bidders and posted at 14 Building Exchanges. One sealed bid proposal was received and publicly opened on December 22, 2020.

The bid proposal submitted by Contra Costa Electric, Inc., in the amount of \$1,769,768 is 30.6% above the Engineer's Estimate of \$1,355,000 and it was deemed excessive after evaluation. For this reason, staff recommends City Council reject the bid. To obtain a successful bid, staff will reevaluate the construction scope, industry conditions, and contract requirements to help ensure a successful rebid. Staff recommends that City Council reject the bid and direct staff to rebid the project.

## **ENVIRONMENTAL FINDINGS**

By definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the rejection of all bids does not qualify as a "project" and is therefore exempt from the CEQA requirements.

## **LOCAL PREFERENCE**

Local preference is not applicable as this action does not involve the bid or award of a construction or services agreement.

**FISCAL IMPACT**

The rejection of all bids has no financial impact to the Sewer System Enterprise Fund or General Fund.

Attachments:

Attachment 1 - Bid Evaluation & Fiscal Impact Statement

Attachment 2 - Vicinity Map