

**AGENDA ITEM K-7**



**CITY OF LODI  
COUNCIL COMMUNICATION**

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**AGENDA TITLE:** Adopt resolution to award contract to Rosendin Electric Inc., San Jose, CA for the reconstruction of Killelea Substation and the addition of 60kV power circuit breakers (PCB) at Industrial Substation; accept the bid withdrawal of Diede Construction; and authorize the transfer of funds in the amount of \$4,231,874 to fund this phase of the project (EUD)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Electric Utility Director

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**RECOMMENDED ACTION:** That the City Council adopt resolution awarding the contract for the reconstruction of Killelea Substation and the addition of 60kV PCB at Industrial Substation to Rosendin Electric (Rosendin) of San Jose, California, and to further accept the bid withdrawal of Diede Construction (Diede) and authorize the transfer of sufficient funds of \$4,231,874 to fund this phase of the project.

**BACKGROUND INFORMATION:** Planning for the reconstruction of Killelea Substation and the addition of two 60kV PCB at Industrial Substation commenced on June 7, 2000. Engineering and design were completed on January 19, 2005. On August 3, 2005, the City Council authorized the advertisement for bid for this project. Bid proposals were received and opened on November 9, 2005 from three bidders with the results shown below.

BIDDER	AMOUNT
<b>Rosendin Electric Inc., San Jose CA</b>	<b>\$4,231,874.00</b>
Wilson Construction, Rancho Cordova, CA	4,854,928.50
* Diede Construction, Woodbridge, CA	4,038,025.63

\* Bid withdrawn due to clerical error.

In the afternoon of the bid opening, we received a telephone call from Mr. Jeff Gilbertson of Diede Construction that they are withdrawing their bid due to clerical error. Letter of bid withdrawal from Diede was received on November 11, 2005 that is within five (5) days after the opening of bids as prescribed in California Public Contract Code Section 1503. A mistake was incurred in filling out the bid form, which made the bid materially different than they intended it to be. We therefore recommend to the City Council the acceptance of the bid withdrawal of Diede Construction.

The EUD Project Team and Power Engineers scrutinized the bid proposal and supporting documents submitted by the second lowest bidder, Rosendin. The bid proposal and supporting documents submitted by Rosendin were complete and in order. Due to the withdrawal of Diede and wide bid estimates on several Construction Units by the bidders, we requested Rosendin to verify their bid costs. Rosendin responded on November 16, 2005 that their figures are complete and correct for a total project bid price of \$4,231,874. Power Engineers' estimate was \$3,869,040 with two (2) power transformers

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APPROVED:   
Blair King, City Manager

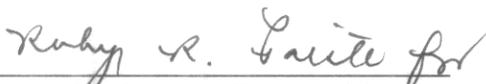
bid price of \$4,231,874. Power Engineers' estimate was \$3,869,040 with two (2) power transformers included in the cost. Deducting the approximate price of the transformers, the initial estimated construction cost of the substation would be \$3,069,040. Power Engineers furnished this estimated cost in July 7, 2003. The difference between the engineer's estimate and Rosendin's bid is \$1,162,834. The significant difference is due to market changes, unforeseeable natural events, and drastic price increases in materials and supplies from 2003 to the present time. During the bidding period, more than twenty-five (25) sets of bid documents were mailed to potential bidders but only ten (10) prime contractors showed interest on the project. Three proposals were received and another one missed the 11:00 o'clock deadline on November 9, 2005. It is assumed that the resurgence of high-voltage transmission projects, renewable energy resource initiatives and other construction projects resulted in shortage of skilled labor and relatively low response to this bid request by the City. Rebidding the project, which is not recommended, would likely draw fewer bids and most probably at a higher price. Based on current conditions and for purposes of improving the power distribution system of the City, we therefore recommend that project be awarded to Rosendin Electric.

Total project costs are estimated at \$6,208,003 and a breakdown of those costs is provided on Attachment 1. Currently, funds remaining in the bond proceeds total \$11.8 million.

Therefore, we recommend the transfer of funds to finance this portion of the reconstruction of Killelea Substation and the addition of power circuit breakers (PCB) at Industrial substation. The transfer from bond proceeds to augment funds in Business Unit 161677 shall be \$4,231,874.

**FISCAL IMPACT:** None. Project was scheduled and listed as a bond project. The estimated completion date is April 2007.

**FUNDING AVAILABLE:** Transfer from bond proceeds the amount of \$4,231,874 to project Business Unit No. 161677.

  
James R. Krueger, Finance Director



David Dockham  
Interim Electric Utility Director

**PREPARED BY:** Demy Bucaneg, Jr., Sr. Power Engineer

DD/DB/lst

cc: City Attorney

ATTACHMENT 1

**Killelea S/S Reconstruction & Industrial S/S 60kV PCB Addition Project**

Date: 8-Nov-05

<b><u>Item No.</u></b>	<b><u>Description</u></b>	<b><u>Estimate</u></b>
1	Reconstruction and PCB Addition	\$4,231,874.00
2	Power Transformer Procurement	\$1,250,000.00
3	Construction Management, Test and Commissioning	\$ 427,579.00
4	Engineering Support	\$ 61,350.00
5	House Acquisition	\$ 230,000.00
6	HazMat Test and Survey	<u>\$ 7,200.00</u>
	<b>Total Project Cost</b>	<b><u>\$6,208,003.00</u></b>

RESOLUTION NO. 2005-266

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING CONTRACT FOR THE RECONSTRUCTION OF KILLELEA SUBSTATION AND THE ADDITION OF 60KV POWER CIRCUIT BREAKERS AT INDUSTRIAL SUBSTATION; AND FURTHER ACCEPTING THE BID WITHDRAWAL OF DIEDE CONSTRUCTION, AND AUTHORIZING THE TRANSFER OF FUNDS IN THE AMOUNT OF \$4,231,874 TO FUND THIS PHASE OF THE PROJECT

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WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on November 9, 2005, at 11:00 a.m., for the reconstruction of Killelea Substation and the addition of 60kV power circuit breakers at Industrial Substation, described in the specifications therefore approved by the City Council on August 3, 2005; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

<u>Bidder</u>	<u>Location</u>	<u>Bid</u>
<b>Engineer's Estimate</b>		<b>\$</b>
Rosendin Electric Inc.	San Jose, CA	\$4,231,874.00
Wilson Construction	Rancho Cordova, CA	\$4,854,928.50
Diiede Construction	Woodbridge, CA	\$4,038,025.63*

**Note: \* Bid withdrawn due to clerical error.**

WHEREAS, the staff recommends award of the contract for the reconstruction of Killelea Substation and the addition of 60kV power circuit breakers at Industrial Substation to the second low bidder, Rosendin Electric Inc., of San Jose, California, in the amount of \$4,231,874.00, accepting the bid withdrawal of Diiede Construction, and authorizing the transfer of sufficient funds of \$4,231,874.00 to fund this phase of the project.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby awards the contract for the reconstruction of Killelea Substation and the addition of 60kV power circuit breakers at Industrial Substation to the second low bidder, Rosendin Electric Inc., of San Jose, California, in the amount of \$4,231,874.00; and

BE IT FURTHER RESOLVED that the Lodi City Council hereby accepts the bid withdrawal of Diiede Construction, due to a clerical error; and

FURTHER RESOLVED that the Lodi City Council hereby authorizes the transfer of sufficient funds of \$4,231,874.00 to fund this phase of the project.

Dated: December 21, 2005

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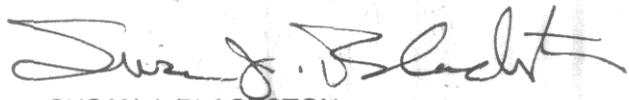
I hereby certify that Resolution No. 2005-266 was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, Mounce,  
and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
SUSAN J. BLACKSTON  
City Clerk

CITY COUNCIL  
SUSAN HITCHCOCK, Mayor  
BOB JOHNSON  
Mayor Pro Tempore  
JOHN BECKMAN  
LARRY D. HANSEN  
JOANNE L. MOUNCE

# CITY OF LODI

ELECTRIC UTILITY DEPARTMENT  
DAVID DOCKHAM, INTERIM DIRECTOR

1331 S HAM LANE  
LODI, CALIFORNIA 95242-3995  
(209) 333-6762  
FAX (209) 339-6839

BLAIR KING  
City Manager

D. STEPHEN SCHWABAUER  
City Attorney

SUSAN J. BLACKSTON  
City Clerk

RECEIVED  
DEC 29 2005  
City Clerk  
City of Lodi

December 22, 2005

John L Brown  
Rosendin Electric Inc  
880 Mabury Road  
San Jose CA 95133

Re: Killelea Substation Reconstruction and Industrial Substation-60kV PCB Addition

At the City Council meeting of December 21, 2005, your firm was awarded the contract for Killelea Substation Reconstruction and Industrial Substation-60kV PCB Addition in the amount of \$4,231,874.00. The bids received for the project are tabulated below:

BIDDER	AMOUNT
<b>Rosendin Electric Inc., San Jose CA</b>	<b>\$4,231,874.00</b>
Wilson Construction, Rancho Cordova, CA	4,854,928.50
* <del>Diode Construction, Woodbridge, CA</del>	<del>4,038,025.63</del>

At this time various documents need to be completed and/or provided by you in order to finalize the Contract for this project. Therefore, enclosed with this letter you will find:

**Contract**, 3 copies.

Please execute each copy on page 4.17 under CONTRACTOR and return the three copies to the City for execution. The effective date of this contract will be the date the City executes the Contract.

**Contract Surety Bonds** (Labor and Materials, Faithful Performance) 1 copy of each. Please have these bonds completed and submitted with the Contract. See section 2.1000 of "Information to Bidders". The bonds must be executed on the forms enclosed with this letter in addition to any other documents your Surety Company may wish to supply. The "California All-Purpose Acknowledgment" must also be completed for each Bond.

**Insurance Certificate**

Please provide and include the insurance certificates with the Contract, as required per section 2.1200 and 2.1300 of "Information to Bidders". The "Certificate Holder's" address should be **City of Lodi, 221 West Pine, Lodi, California, 95240.**

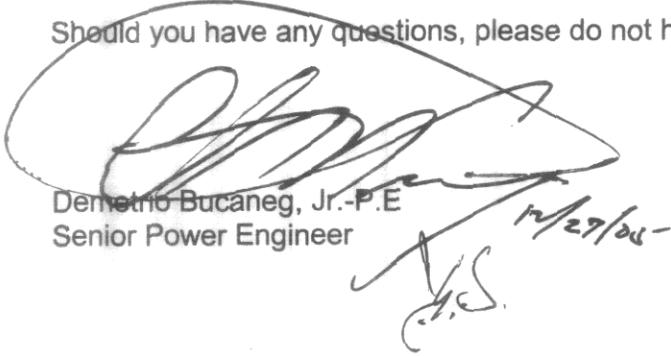
Please return all documents to:

Demetrio Bucaneg, Jr.-P.E.  
City of Lodi, Electric Utility Department  
1331 South Ham Lane  
Lodi CA 95242-3995

Upon execution of the contract a pre construction meeting will be scheduled at the Electric Utility Service Center, 1331 S. Ham Lane, Lodi CA. Please indicate the name or names of the individual(s) in your organization we should contact regarding the specific date and time of the pre construction meeting.

Upon execution of the contract by the City your Bid Bond will be returned.

Should you have any questions, please do not hesitate to contact me at (209) 333-6811.



Demetrio Bucaneg, Jr.-P.E.  
Senior Power Engineer

Enclosures

c: Electric Utility Director  
City Clerk  
Purchasing Officer

CITY COUNCIL  
SUSAN HITCHCOCK, Mayor  
BOB JOHNSON  
Mayor Pro Tempore  
JOHN BECKMAN  
LARRY D. HANSEN  
JOANNE L. MOUNCE

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DAVID DOCKHAM, INTERIM DIRECTOR  
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LODI, CALIFORNIA 95242-3995  
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FAX (209) 339-6839

BLAIR KING  
City Manager

D. STEPHEN SCHWABAUER  
City Attorney

SUSAN J. BLACKSTON  
City Clerk

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DEC 30 2005

City Clerk  
City of Lodi

December 22, 2005

Kim E Wilson  
Wilson Utility Construction Company  
1190 NW Third Avenue  
Canby OR 97013

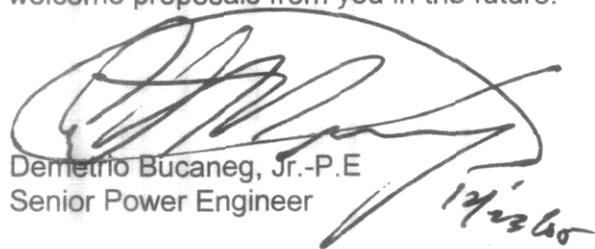
Re: Killelea Substation Reconstruction and Industrial Substation-60kV PCB Addition

At the City Council meeting of December 21, 2005, the City Council awarded the bid referenced above to Rosendin Electric Inc., San Jose CA, the lowest responsible bidder. The bids received for the project are tabulated below:

BIDDER	AMOUNT
<b>Rosendin Electric Inc., San Jose CA</b>	<b>\$4,231,874.00</b>
Wilson Construction, Rancho Cordova, CA	4,854,928.50
* <del>Diode Construction, Woodbridge, CA</del>	<del>4,038,025.63</del>

The bid bond you submitted with your bid proposal will be returned to you once the contract for this project has been executed, expected within 30 days.

The City of Lodi wishes to thank you for your interest in this project, and assures you that we welcome proposals from you in the future.

  
Demetrio Bucaneg, Jr.-P.E.  
Senior Power Engineer

c: Electric Utility Director  
City Clerk  
Purchasing Officer

CITY COUNCIL  
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City Clerk

RECEIVED

DEC 30 2005

City Clerk  
City of Lodi

December 22, 2005

Steven L Diede  
Diede Construction Inc  
PO Box 1007  
Woodbridge CA 95258

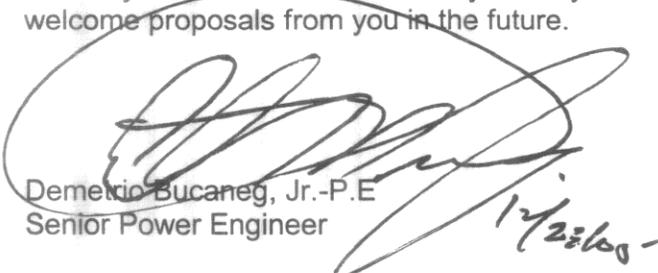
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The bidder's guarantee you submitted with your bid is herewith returned to you.

The City of Lodi wishes to thank you for your interest in this project, and assures you that we welcome proposals from you in the future.

  
Demetrio Bucaneg, Jr.-P.E.  
Senior Power Engineer

Enclosures

c: Electric Utility Director  
City Clerk  
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