

TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: UTILITIES

DATE: OCTOBER 5, 2009

CMR: 388:09

REPORT TYPE: CONSENT

SUBJECT: Approval to Amend the Existing Blanket Purchase Order with Oldcastle Precast to Appropriate \$350,000 for the Purchase of Electric Utility Vaults and Equipment Pads Required for Capital Improvement Projects (CIP) and to Provide Service to New Customers

RECOMMENDATION

Staff recommends that Council:

Approve and authorize the City Manager or his designee to amend the contract limit from \$150,000 to \$500,000 on the existing blanket purchase order for FY 09-10 with Oldcastle Precast Incorporated for the purchase of electric utility vaults and equipment pads.

DISCUSSION

Precast concrete vaults and equipment pads are required whenever electric overhead lines are undergrounded. Vaults and pads are purchased on an as needed basis for CIPs and for providing service to new business. In order to simplify procuring and timely delivery of these items staff recommended that the City’s Purchasing Department establish an annual blanket contract with suppliers of vaults and pads.

A Request for Quote (RFQ) for the purchase of vaults and equipment pads was issued in January 2008. The solicitation was sent to six vendors and only two responses were received. Based on the unit prices, one vendor was selected and a blanket purchase order was issued to Oldcastle Precast Incorporated in FY 08-09. The table below shows the quotes received.

Vendor	Quote
Structure Cast	\$409,926
Oldcastle Precast Inc.	\$287,222

The expenditure for this blanket purchase order was limited to \$150,000 per year. Since the RFQ had provision for two optional 12-month contract extensions, the contract was renewed in FY 09-10. During the last fiscal year, the Electric Utility has purchased approximately \$130,000 of vaults and equipment pads.

This year, however, the City's Utilities Department has several major underground construction CIPs. They include the underground conversion project Underground Utility District (UUD) 45 and several system rebuild projects within the boundaries of old UUDs 17 and 24. Estimated costs for vaults and equipment pads for each CIP are shown in the table below.

Project Description	Estimated Cost
UUD 45	\$185,000
UUD 17	\$ 67,000
UUD 24	\$118,000
New Business	\$130,000

In order to procure the vaults and pads for these projects, the existing blanket purchase order will need to be amended in excess of authorized limit of \$250,000. The anticipated expenditure on vaults and equipment pads, combined with the baseline of \$130,000, will approach \$500,000 this year.

RESOURCE IMPACT

Funds have been budgeted for the purchase of vaults and equipment pads in the FY 2009-10 Electric CIP project EL -98003, Electric Customer Connection EL- 89028, EL-06002 (UUD 45), EL-09003 (UUD 17), and EL-10007 (UUD 24).

POLICY IMPLICATIONS

Authorization of this blanket purchase order does not represent any change to the existing policy.

ENVIRONMENTAL REVIEW

Approval to amend this blanket purchase order does not meet the definition of a "project" pursuant to California Public Resources Code Section 21065. The installation of electric utility vaults and equipment pads is categorically exempt from CEQA pursuant to Section 15301 of the CEQA Guidelines (operation or minor alteration of existing public structures and facilities), and Section 15303 (installation of small new equipment and facilities).


ATTACHMENT

None

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