



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2018-00335

March 27, 2018

Consent Item 15

**Title: Suspend Competitive Bidding for Sump 152 Generator Rental and Repair
(Two-Thirds Vote Required)**

Location: District 3

Recommendation:

Pass a Resolution: 1) suspending competitive bidding; 2) ratifying the City Manager or his designee's execution of emergency purchase orders in the amount of \$455,205 for the following items: purchase of a portable transformer from Sunbelt in the amount of \$47,388, purchase of 144 cables from Holt of California in the amount of \$45,817, portable generator rental costs from Holt of California from January 19, 2018 to May 18, 2018 in the amount of \$300,000, and Cal Expo security guard from January through May 18, 2018 in the amount of \$62,000; 3) authorizing the City Manager or his designee to execute an emergency contract for repairs estimated at \$266,795, plus a contingency of \$66,000; and 4) approving a budget transfer for the total project cost of \$788,000.

Contact: Tim Weis, Senior Engineer, (916) 808-1428; Dave Hansen, Supervising Engineer (916) 808-1421; Dan Sherry, Engineering & Water Resources Division Manager, (916) 808-1419; Department of Utilities

Presenter: None

Attachments:

1-Description/Analysis

2-Resolution

Description/Analysis

Issue Detail: In January 2018, the Storm Sump 152 emergency backup power generator failed, jeopardizing ability to pump storm drainage during an electrical power outage. Sump 152 is located at the southwest corner of the Cal Expo parking lot, adjacent to Interstate 80 and the American River. It has over 2000 horsepower of pumping capability and can carry over 12 million gallons of drainage per hour from the Cal Expo/Arden Fair Mall commercial area and adjacent residential neighborhoods. Sump 152 is a critical component of the City's storm water drainage infrastructure and loss of its pumping capability poses an unacceptable risk to life and property. Even with the severe lack of storm drainage funds, restoration of the Sump 152 emergency generator prior to the next storm season rises to the highest priority.

In response to the generator failure, the Director of the Department of Utilities (DOU) authorized the emergency rental of a replacement generator and other emergency expenditures to assure that Sump 152 would have backup power for the rest of the wet season and to facilitate repair of the facility by October 2018. Staff recommends Council suspend competitive bidding in the best interest of the City and ratify the City Manager or his designee's execution of emergency purchase orders. Staff also recommends Council authorize the City Manager or his designee to execute an emergency contract for repairs, including repairing the damaged alternator and upgrading the generator controls to the current DOU standards, and approve a budget transfer to fund the project.

Policy Considerations: City Council approval is required for agreements of \$100,000 or more. City Code section 3.56.230(c) authorizes the City Council to suspend competitive bidding for the purchase of services or supplies when, upon a two-thirds vote, the City Council determines it is in the best interest of the City to do so.

Economic Impacts: None.

Environmental Considerations: The Community Development Department, Environmental Planning Services Division reviewed the proposed project and determined it to be a Categorical Exemption- State Class 1 & 2 and Section Numbers 15301(b) and 15302(c) under the California Environmental Quality Act (CEQA).

The project consists of the maintenance, repair and minor alteration of existing facilities and mechanical equipment used to provide public utility services and the replacement of existing utility systems involving negligible or no expansion of capacity.

Sustainability: The project is consistent with the City's Sustainability Master Plan and sustainability targets as it will restore Storm Sump 152 to its required level of service and enhance DOU capability to respond to this type of emergency in the future.

Commission/Committee Action: Not Applicable.

Rationale for Recommendation: Storm Sump 152 provides storm drainage from the Cal-Expo/Arden Fair Mall commercial area and adjacent residential neighborhoods along I-80 from Exposition Boulevard to Marconi Avenue. The fixed emergency generator is critical to maintain continuous storm drainage in the event of an electrical power outage. Failure of the emergency generator in January represented an unacceptable risk to life and property. The Director of DOU authorized immediate restoration of emergency power by renting a kilowatt portable generator, transformer and cabling at a cost of approximately \$80,000 for installation and approximately \$63,000 per month rental fees.

Additional authorization includes the purchase of a transformer and cables to lower the monthly rental cost to approximately \$30,000 for the next two months. Three bids were received for the immediate delivery of a transformer and the lowest price of \$47,388 was selected. Two bids were received for the cables with Holt offering the cables already connected at the site for \$49,597 at a substantial discount in lieu of purchasing and installing new cables. Since the cables, portable generator and transformer are outside the Sump 152 fence, Cal Expo requires a full-time security guard to be stationed at the site, which costs \$62,000, from January through May 18, 2018.

Generator repair includes the replacement of the destroyed alternator and upgrading generator controls to current DOU standards by replacing the voltage regulator, generator controller and switchgear transfer controller. Authorization is recommended to implement these repairs through emergency procurement instead of design and bid to meet the deadline of the next storm season starting October 2018.

One bid has been received for a design/build contract to install a new alternator and generator controls. To the extent possible, given the emergency, the Department will solicit other bids to verify that the project cost is as low as possible. The \$332,795 authorization recommended for approval includes emergency repair work, adding power and control circuits to the generator, and a contingency factor for hidden or unforeseen conditions.

Financial Considerations: The total estimated cost for the project is \$788,000, based on the \$266,795 repairs and \$455,205 to purchase the transformer and cables, site security guard, and rental charges through May 18, 2018, and a contingency of \$66,000. Staff is recommending a budget transfer from the Drainage Fund Reserve (6011) to Project Sump 152 Generator Rental & Repair W14130600 in the amount of \$788,000.

Risk Management will be submitting all the recoverable bills to the property insurer for determination on insured items payment and partial restoration of funds to the City. Funds recovered will be deposited in the Drainage Fund.

There are no General Funds planned or allocated for this project.

Local Business Enterprise (LBE): Not required.

RESOLUTION NO. 2018-

Adopted by the Sacramento City Council

March 27, 2018

Suspend Competitive Bidding for Sump 152 Generator Rental and Repair

BACKGROUND

- A. The 2,000kW back-up power generator at Sump 152 failed during a storm event, jeopardizing the ability of the City to provide storm water pumping during an electrical power outage. This failure presented an unacceptable risk to life and property in the Arden Fair Mall/Cal Expo drainage area. The Department of Utilities (DOU) Director implemented emergency expenditures to temporarily restore back-up power. Restoration of back-up power to Sump 152 was completed on January 19, 2018 by installing a rental 2,000kW generator, 144 sets of cables, and a 2600kVA transformer at a cost of approximately \$80,000 and \$63,000/month until the end of the storm season in May 2018.
- B. The purchase of a portable transformer (\$47,388) and 144 cables (\$45,817) was necessary to enhance DOU capabilities to respond to similar future emergencies without relying on outside resources and lowered the monthly rental cost to approximately \$30,000/month.
- C. The total estimated cost of rental equipment until May 2018 is \$300,000. Full time security (\$62,000 through May 2018) is required by Cal Expo to protect the backup power source from vandalism and theft.
- D. Recommended repair of the permanent generator includes replacement of the failed alternator and upgrading controls to current DOU standards at an estimated cost of \$266,795. The total estimated project cost including a contingency of \$66,000 equals \$788,000. Risk Management will be submitting all the recoverable bills to the property insurer for determination on insured items payment and partial restoration of funds to the City.
- E. City Code section 3.56.230(c) authorizes the City Council to suspend competitive bidding for the purchase of services or supplies when, upon a two-thirds vote, the City Council determines it is in the best interest of the City to do so.
- F. A budget transfer of \$788,000 is required to provide sufficient funds to pay the rental fees, purchase the portable transformer and cables, replace the damaged alternator, and upgrade the generator controls to current standards.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. In the best interest of the City, competitive bidding is suspended for purchase of a portable transformer, 144 cables, portable generator rental, replacement of a failed alternator and upgraded controls to current DOU standards to restore back-up power generation at Sump 152 for flood control purposes.
- Section 2. The City Council ratifies the City Manager or his designee's execution of emergency purchase orders in the amount of \$455,205 for the following items: purchase of a portable transformer from Sunbelt in the amount of \$47,388, purchase of 144 cables from Holt of California in the amount of \$45,817 full-time Cal Expo security guard through May 2018 in the amount of \$62,000, and portable generator rental costs from Holt of California from January 19 to May 18 in the amount of \$300,000.
- Section 3. The City Council authorizes the City Manager or his designee to execute an emergency contract for repairs estimated at \$266,795, plus a contingency of \$66,000, for a total of \$332,795
- Section 4. The following budget transfer is approved:

Program Name	Account/Project	Fund	Amount
Drainage Fund Reserve	Fund Reserve	6011	(\$788,000)
Drainage Sump Repl/Rehab Program	W14130600	6011	\$788,000

Adopted by the City of Sacramento City Council on March 27, 2018, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest:

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.