WATER | ENERGY | LIFE

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES **DATE: DECEMBER 8, 2025**

SUBJECT: **RPU BID NO. 8180 FOR THE GRADING CONSTRUCTION OF WILDERNESS SUBSTATION AND WILDLIFE SWITCHYARD SITE, AND STREET IMPROVEMENT CONSTRUCTION OF WILDERNESS AVENUE AND ED PERKIC STREET TO ACT 1 CONSTRUCTION, INC. OF NORCO, CALIFORNIA, IN THE AMOUNT OF $9,635,566, WITH A 10% CONTINGENCY IN THE AMOUNT OF $963,557**

ISSUES:

Consider awarding RPU Bid No. 8180 for the grading construction of Wilderness substation and Wildlife switchyard site, and street improvement construction of Wilderness Avenue and Ed Perkic Street to Act 1 Construction, Inc. of Norco, California, in the amount of $9,635,566, with a 10% contingency in the amount of $963,557.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Award RPU Bid No. 8180 for the grading construction of Wilderness substation and Wildlife switchyard site, and street improvement construction of Wilderness Avenue and Ed Perkic Street to Act 1 Construction, Inc. of Norco, California, in the amount of $9,635,566;

2. Authorize a 10% contingency in the amount of $963,557; and

3. Authorize the City Manager, or designee, to execute any documents necessary to effectuate the procurement described herein, as well as the ability to make minor non-substantive changes in alignment with all purchasing policies.

BACKGROUND:

Riverside Transmission Reliability Project (RTRP) is a joint project with Southern California Edison (SCE) to provide Riverside Public Utilities (RPU) with a critical second connection to the state electric transmission grid. The project connects to SCE's existing 230kV SCE Mira Loma – Vista line, addressing long-term capacity and reliability needs of the City's electric utility system.

RTRP includes construction of approximately nine (9) miles of double circuit 230kV transmission lines, installation of approximately 10 miles of 69kV sub-transmission lines within the City of Riverside, construction of a new 230kV switchyard and 230kV/69kV substation – Wildlife (SCE) and Wilderness (RPU), improvements to five (5) existing RPU 69kV substations, reconfiguration of existing distribution lines and installation of new telecommunication lines.

On January 20, 2006, the Board of Public Utilities (Board) approved the RTRP and Work Order No. 642975. On February 5, 2013, the City Council certified the Final Environmental Impact Report (FEIR) for the entire project in accordance with California Environmental Quality Act (CEQA) requirements. On March 12, 2020, SCE obtained California Public Utilities Commission (CPUC) approval of RTRP and was granted Certificate of Public Convenience and Necessity (CPCN), thus clearing the way for SCE to begin construction coordination of their 230kV components. On August 24, 2020, the Board authorized total funds for RTRP Work Order 642975 in the amount of $216,515,521 for work related to RPU's component and the shared responsibilities between RPU and SCE for the construction of RTRP.

RPU is responsible for all work related to the 69kV components. RPU is leading the scope of work for the new 230kV/69kV RPU Wilderness substation. SCE leads the 230kV transmission lines (overhead and underground) and the Wildlife 230kV switchyard. RPU supports overall 230kV project coordination in collaboration with SCE. This bid award pertains specifically to site grading for the Wildlife switchyard and Wilderness substation.

Wildlife Switchyard & Wilderness Substation Site Overview

Grading is an essential prerequisite for substation and switchyard construction. It establishes a stable, level platform capable of supporting heavy electrical equipment and foundations, preventing settlement or shifting over time. Engineered slopes ensure effective drainage, directing surface water away from structures to protect foundations and equipment from erosion, standing water, or long-term degradation. Completion of grading is critical to ensure structural integrity and operational safety before subsequent construction phases begin.

Current Site Condition

The primary scope of work for this bid includes Wilderness and Wildlife site grading, and street improvements on Wilderness Avenue and Ed Perkic Street in order to improve traffic flow to the new electrical facilities. The work also includes site clean-up, drainage, utilities, traffic and access roads, streetlights, concrete retaining wall, electronic and physical site security, expanded metal and chain link fence. The awarded contractor will furnish all equipment, tools, labor, materials and incidentals necessary to complete the work in a satisfactory and timely manner.

DISCUSSION:

Certain components of RTRP, including, but not limited to, the scope of work herein, overlap between RPU and SCE due to the interdependent nature of the project's scope of work. Both parties will collaborate and coordinate on these project components as needed.

RPU, as the project initiator and a public agency, leads the coordination of the common work and shares the cost with SCE per a Cost Sharing Agreement (CSA) between RPU and SCE. The CSA implements a cost-effective approach by allowing both parties to benefit from the shared operational expenditures and increases oversight during construction.

The Wildlife site was previously owned by the City and sold to SCE on December 16, 2022, in accordance with the Third Amendment of the Interconnection Facilities Agreement (IFA) between RPU and SCE (Attachment 2). The establishment of the CSA was essential to the sale of the property to SCE as noted in Article III of the Purchase and Sale Agreement and Joint Escrow

Instructions (PSA; Attachment 3). The City Council approved the PSA and CSA with SCE on October 11, 2022.

RPU and SCE will share the expenses of this bid construction in accordance with the CSA. RPU will manage and control the procurement and contract administrative matters of this bid, therefore all payments to the awarded contractor will be made by the City. SCE will then reimburse RPU per the CSA.

Bid No. RPU-8180

On July 22, 2025, Bid No. RPU-8180 for the RTRP Site Preparation and Streets Improvements was posted on the City's Online Bid System, PlanetBids. The bid's notification summary and bid actions are detailed in the following table:

Bidding Notification Summary Table

Action	Number of Vendors
External Vendors Notified	500
City of Riverside Vendors Notified	336
Prospective Bidders Who Downloaded the RFB	92
Questions and Answers Released	23
Addenda Released	3

On August 13, 2025, RPU staff held a mandatory pre-bid meeting with fifteen (15) companies in attendance, and closed September 16, 2025. One vendor submitted a bid for the project. Staff evaluated the bid and deemed Act 1 Construction, Inc., of Norco, California to be a responsive and responsible bidder. The bid was over the engineer's estimated amount of $4,000,000. The bid is summarized in the table below:

Vendor	City Location	Bid Amount	Rank
Act 1 Construction, Inc.	Norco, CA	$9,635,566.00	1
➢ *Engineer's Estimate*		*$4,000,000.00*	

The low turnout in bids submitted could have resulted from various factors such as job location and market condition. Given the scope of work for this project, some vendors may not have the experience or qualification to meet the requirements of the mandatory project experience in the bid specification. Some vendors also expressed concern about the location of the job site being close to the transient population and the security of their equipment during construction. Bids are also influenced by the workload of contractors and their availability at the time of construction.

During early design, the engineer's estimate was developed using historical costs and publicly available references. As design progressed, the scope expanded to include storm drain basins, retaining walls, street lighting, and 24/7 on-site security. The design was revised, but the estimate was not updated to reflect these additions or prevailing market conditions, and the contingency carried was insufficient. As a result, the original estimate understated the project cost. The submitted bid appears competitive. It aligns with a recent Homewyse benchmark for grading of similar acreage (Attachment 4), noting that the benchmark reflects grading only while the current scope is broader. Both RPU and SCE concur that the vendor's bid amount is acceptable.

The project/fiscal breakdown is as follows:

Project and Fiscal Breakdown

Work Type	Performed By:	Amount ($)
Engineering	Power Engineers, Inc.	$100,000
Project Management	RPU Energy Delivery Engineering	$200,321
Grading & Street Improvement Construction Inspection	Public Works	$100,000
Streetlights Electrical Connection	RPU Electric	$75,000
Water Meter Connection	RPU Water	$50,000
Construction contract	Act 1 Construction, Inc.	$9,635,566
Contingency - 10% of Construction Contract[1]		$963,557
Miscellaneous Materials		$275,000
Work Order Total:		**$11,399,444**
(Estimated Reimbursements from SCE)[1]		($4,532,015)
Anticipated Start Date:		**February 2026**
Anticipated Duration:		**18 Months**

1. Per the CSA, SCE shall be responsible for change orders related to its scope of work

A 10% contract contingency is requested to cover revision to project plans, additional work resulting from EIR mitigation requirements, schedule coordination matters with other departments and agencies, coordination with neighboring businesses that may be affected by construction work, and other project needs per RPU and SCE directive to ensure timely project construction schedules are met.

Purchasing Resolution 24101, Section 508 Awards states, “Contracts procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible Bidder.”

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 24101, Section 508.

FISCAL IMPACT:

The total fiscal impact is $11,399,444. In accordance with the Cost Sharing Agreement between RPU and SCE, $4,532,015 of the amount will be funded by SCE. SCE’s portion will be charged to Accounts Receivable Miscellaneous SCE Cost Sharing RTRP 0000510-116003 until reimbursement is received upon completion of the work. Sufficient funds are available for RPU’s share of $6,867,429 in Public Utilities Capital Account No. 6130000-470685.

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Approved by:	David A. Garcia, Utilities General Manager
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Project Site Map
2. Third Amendment of the Interconnection Facilities Agreement (IFA)
3. Purchase and Sale Agreement and Joint Escrow Instructions (PSA)
4. Homewyse grading only estimate
5. Award Recommendation
6. SCE Cost Sharing per CSA
7. Presentation