

# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** JUNE 26, 2017

**ITEM NO:** 6

**SUBJECT:** BID NO. RPU-7461 FOR THE GENERAL ORDER 165 OVERHEAD AND UNDERGROUND ELECTRIC DISTRIBUTION INSPECTION PROGRAM - REJECT THE BIDS SUBMITTED BY DAVEY RESOURCE GROUP OF KENT, OHIO, INTEC SERVICES, INC. OF FORT COLLINS, COLORADO, AND HENKELS & MCCOY OF POMONA, CALIFORNIA – AWARD TO OSMOSE UTILITIES SERVICES, INC. OF PEACHTREE CITY, GEORGIA, FOR THE GENERAL ORDER 165 OVERHEAD ELECTRIC DISTRIBUTION INSPECTION PROGRAM, TERM OF THREE YEARS – IN THE AMOUNT OF \$2,537,640 – APPROVAL OF WORK ORDER NO. 1722605 FOR \$2,844,000

**ISSUES:**

Reject as non-responsive the bids submitted by Davey Resource Group of Kent, Ohio, in the amount of \$2,260,785.27 (Overhead and Underground schedules), Intec Services, Inc. of Fort Collins, Colorado, in the amount of \$565,815.00, and Henkels & McCoy of Pomona, California, in the amount of \$1,451,055.00; Award Bid No. RPU-7461 to Osmose Utilities Services, Inc. of Peachtree City, Georgia, for a term of three years, in the amount of \$2,537,640 for the General Order 165 Overhead Electric Distribution Inspection Program; and approve Work Order No. 1722605 in the amount of \$2,844,000.

**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Reject as non-responsive the bids submitted by Davey Resource Group of Kent, Ohio, in the amount of \$2,260,785.27 (Overhead and Underground schedules), Intec Services, Inc. of Fort Collins, Colorado, in the amount of \$565,815.00, and Henkels & McCoy of Pomona, California, in the amount of \$1,451,055.00;
2. Award Bid No. RPU-7461 to Osmose Utilities Services, Inc. of Peachtree City, Georgia, for a term of three years, in the amount of \$2,537,640 for the General Order 165 Overhead Electric Distribution Inspection Program; and
3. Approve Work Order No. 1722605 in the amount of \$2,844,000.

**BACKGROUND:**

On March 31, 1997 the State of California Public Utilities Commission (CPUC) adopted General Order 165 (G.O.165) imposing on investor owned utilities standards for the inspection, maintenance, repair and replacement of electric utility distribution facilities. The standards established minimum inspection requirements for certain electric distribution facilities, including maximum allowable inspection cycle lengths, condition rating, record keeping, reporting on scheduling and performance of corrective action.

In March of 1998, the CPUC recommended that all publicly owned utilities comply with the requirements of G.O.165. Riverside Public Utilities (RPU) is not regulated by the CPUC. RPU has chosen to comply with GO 165 requirements because they establish industry standards and best practices for inspections of electric distribution and transmission facilities in order to ensure safe, reliable, and high-quality electrical service.

## **DISCUSSION:**

To comply with G.O. 165, the Contractor will be conducting detailed inspections of the overhead electric system which includes 22,500 poles and related overhead electrical distribution equipment. The scope of work also includes pole loading information for each wood pole, grading the condition of the asset, and minor maintenance items for regulatory infractions. The Contractor will perform inspections over a three (3) year contract with two (2) optional one-year extensions. The five (5) period will cover the G.O. 165 required inspection cycle for detailed inspections. RPU will use the inspection results over a period of five (5) years to prioritize repair and maintenance activities, and improve safety and reliability of the overhead electrical distribution system. Inspection and maintenance of overhead infrastructure is identified as part of the Utility 2.0 Electrical Infrastructure Improvement Road Map.

Customers will be notified in advance of routine overhead inspections in the area. There are no anticipated electrical service disruptions as part of this inspection program. If inspection results require service disruptions, outages will be coordinated with customers and notifications will be sent in advance.

Bid RPU-7461 provided that RPU may award the entire bid, or award only the portion of the bid related either to overhead inspection or underground inspection, based upon available funding. RPU will award based on the lowest responsive bidder for each portion of the bid, as described.

Bid RPU-7461 was posted on April 11, 2017 and closed May 1, 2017. Seven vendors submitted bids for the inspection program. Staff evaluated the bids and determined that only the overhead inspection portion of Bid RPU-7461 will be awarded. Engineering staff will rebid the underground inspection portion at a later date.

### *Underground Inspection Not Awarded; To Be Re-bid At Later Time*

The lowest bid for underground inspection submitted by Henkels & McCoy was deemed non-responsive due to failure to provide proper bid documents including bid bond, subcontractor information, and experience questionnaire. The next lowest bid submitted by Davey Resource Group was deemed non-responsive due to failure to provide proof of the required contractor's license A or C10.

<b>Vendors</b>	<b>City Location</b>	<b>Bid Amount per Year</b>	<b>Rank</b>
Henkels & McCoy	Pomona, CA	\$1,451,055.00	Non-responsive
Davey Resource Group	Kent, OH	\$1,759,392.89	Non-responsive
Parkia, Inc.	Santa Fe Springs, AL	\$4,013,215.28	1
Hot Line Construction, Inc.	Menifee, CA	\$4,161,125.00	2
VCI Utility Services	Upland, CA	\$22,300,428.77	3

➤ *Engineer's Estimate*      \$1,200,000

### *Overhead Inspection to Be Awarded*

The lowest bid submitted by Davey Resource Group and second lowest bid submitted by Intec Services, Inc. for overhead inspection were deemed non-responsive due to failure to provide proof of the required contractor's license A or C10.

Staff evaluated the bids and deemed Osmose Utilities Services, Inc., Peachtree City, GA to be the lowest responsive and responsible bidder. The two non-responsive lowest bids for the overhead inspection were compared favorably to the engineer's estimated amount of \$750,000 annually. However, the bid submitted by the responsive and responsible bidder was about 12% percent higher than the engineer's estimate for the pole loading section in the scope of work. The bids are summarized in the tables below:

Vendors	City Location	Bid Amount per Year	Rank
Davey Resource Group	Kent, OH	\$501,392.38	Non-responsive
Intec Services, Inc.	Fort Collins, CO	\$565,815.00	Non-responsive
Osmose Utilities Services, Inc.	Peachtree City, GA	\$845,880.00	1
VCI Utility Services	Upland, CA	\$1,624,818.00	2
Hot Line Construction, Inc.	Menifee, CA	\$4,059,351.00	3
Parkia, Inc.	Santa Fe Springs, AL	\$6,135,403.50	4

➤ Engineer's Estimate      \$750,000

The project breakdown is proposed as follows:

Project Breakdown	
Engineering Performed By:	RPU engineering staff
Electric Overhead Inspection Performed By:	Contractor
Electrical Work Performed By:	Contractor
Anticipated Start Date:	August 1, 2017
Anticipated Duration:	20 weeks per year for 3 year contract (with 2 optional one-year extensions)
Coordination Required With:	RPU Field Superintendent, PW Inspector
Reimbursements:	None

The Purchasing Services Manager concurs that the recommended actions comply with Purchasing Resolution No. 22576.

### **FISCAL IMPACT:**

The expenditure for Work Order No. 1722605 is \$2,844,000. Sufficient funds are available in Public Utilities' Electric Capital Account No. 6130000-470623 in the amount of \$2,388,000 and in the Professional Services Account No. 6105000-421000 in the amount of \$456,000.

Description	Amount	% of Total
Design, Inspection Program Management	\$306,360	11%
Inspection Contract	\$2,537,640	89%
<b>Total</b>	<b>\$2,844,000</b>	<b>100%</b>

Prepared by: George R. Hanson, Utilities Assistant General Manager/Energy Delivery  
 Approved by: Girish Balachandran, Utilities General Manager  
 Approved by: John A. Russo, City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

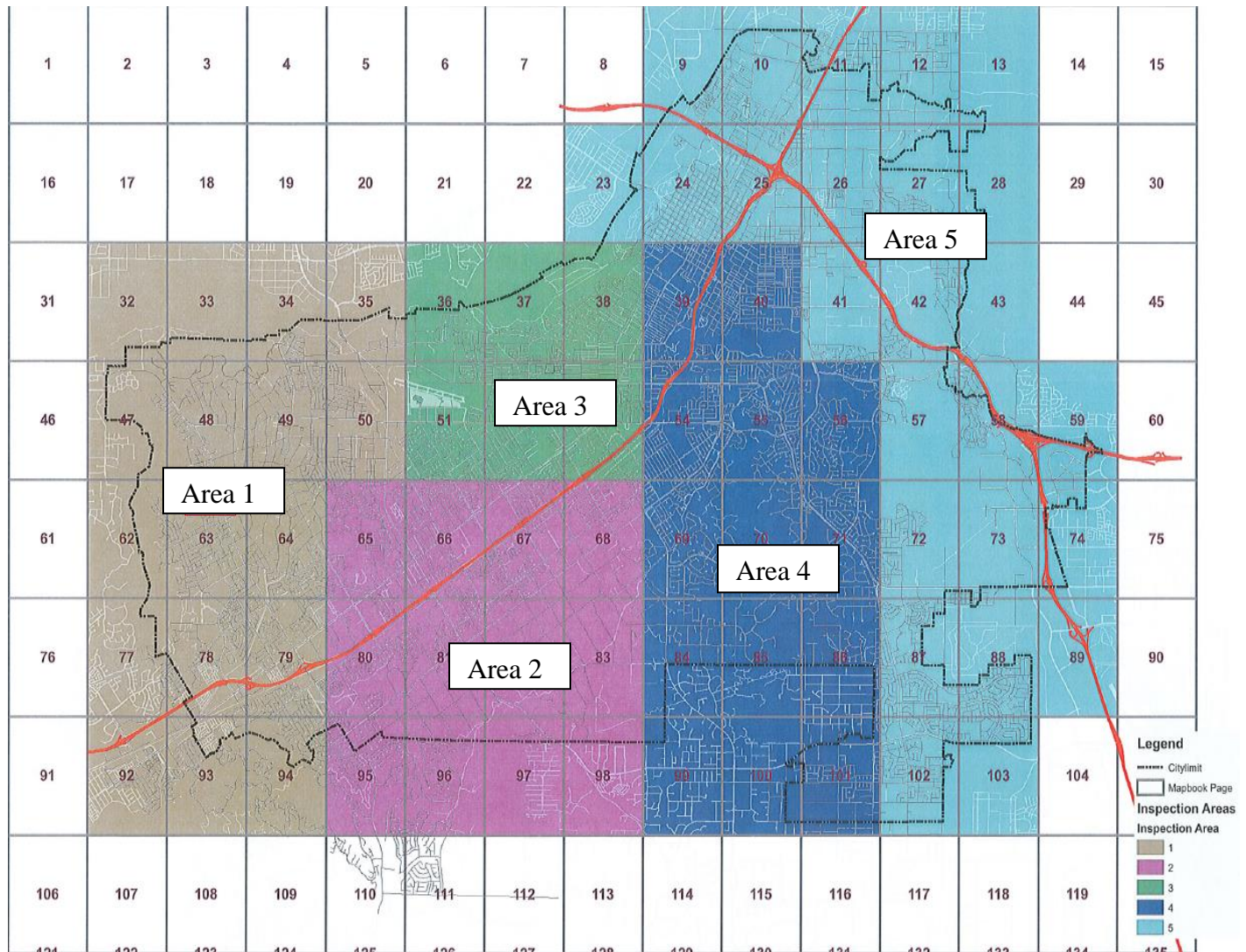
Certifies availability of funds: Laura Chavez-Nomura, Utilities Assistant General Manager/Finance

Attachment:

1. Bid Award Recommendation
2. Presentation

Project Site Map

**Five Inspection Areas for OH Facilities**



- Area 1 (2017)
- Area 4 (2018)
- Area 2 (2019)
- Area 3 (2020)
- Area 5 (2021)