



Action on Award of Contract for NRS Project to Henkels & McCoy

RTC 25-417
Item #5

July 8th, 2025

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Background

- Silicon Valley Power (SVP), issued a Public Works project bid for:
 - Northern Receiving Station (NRS) - Project No. 2454
- This project is part of SVP's Capital Improvement Program (CIP)
- Projects were identified in SVP's Three-Year System Growth Plan Strategy
 - Accepted by City Council on September 28, 2021 (RTC#21-871)
- Purpose of the Projects are to:
 - Upgrade SVP's transmission system
 - Support anticipated system load growth
 - Replace end-of-life equipment
 - Maintain system reliability



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NRS Project Scope

- Increase station reliability with additional transformers and reconfiguring/expanding 60kV, 115kV, and 230kV buses and air insulated switchgear (AIS) to Double-Bus-Double-Breaker (DBDB)
- Increase capacity from 372MVA to over 900MVA
- Three 115kV/60kV, 336 MVA power transformers
- Two 230kV/115kV, 560 MVA power transformers
- Schedule considerations:
 - City began long lead material procurement in 2023
 - Start Construction – 3rd quarter 2025
 - Work Completion– 1st quarter 2028



Northern Receiving Station

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Request for Bid (RFB) Summary

- First RFB Issuance Period: March 11, 2025 - May 15, 2025
- Second RFB Issuance Period: May 21, 2025 - June 12, 2025
- Henkels & McCoy West, LLC (*Lowest Responsive Bidder*)
 - Bid Opening: \$47,783,784.64
 - Corrected Bid: \$47,788,603.86
 - 32% under engineer's estimate of \$70,300,000
- PAR Western Line Contractors, LLC
 - Bid Opening: \$45,700,982.00
 - Corrected Bid: \$49,763,888.61
 - 29% under engineer's estimate of \$70,300,000



Northern Receiving Station

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Request for Bid (RFB) Summary

- SVP follows the Public Works bidding process
- Two bids received (typical of projects of this size and complexity)
 - Mandatory pre-bid conducted with ~7 potential bidders
- Outreach to contractors on the overall System Expansion Program began November 2024 with regular communication on upcoming bid opportunities



The Silicon Valley Power team has received an exciting milestone. On February 24, SVP issued the final of the System Expansion Program (SEP) related improvement projects out for bid for the Kilar Receiving Station and South Receiving Station Rehabilitation and Replacement Project.

To participate in the bidding process, each bidder must register with BidNet 24/7 online. For all questions, contact BidNet Demand Vendor Support at (907) 835-8823. Option 2 or via email at dvsupport@bidnet.com and having the support representative with you are registering for City of Santa Clara solicitations.

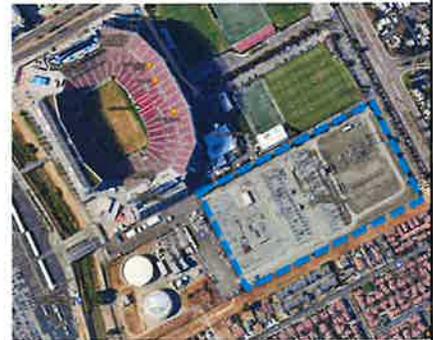
Here is the revised schedule of the projects we will request:

| Project | Estimated Construction Cost | Estimated Bid Publication | Estimated Bid Date | Scope |
|--|-----------------------------|---------------------------|--------------------|---|
| SEP 24/25 (KILAR AND SOUTH RECEIVING STATION REHABILITATION AND REPLACEMENT PROJECT) | \$121,260,000 | February 28, 2025 | March 27, 2025 | COMBINED PROJECT: Complete rehab and replacement of the Kilar and South Receiving Stations, including Warehouse Rehabilitation, water treatment, water treatment, and nearby concrete enhancements. |
| SEP 24/25 (NORTHERN RECEIVING STATION REHABILITATION AND REPLACEMENT) | \$71,800,000 | March 20, 2025 | April 27, 2025 | Replacement of high-voltage transformer and equipment in the Northern Receiving Station to improve capacity and operational performance. |
| SEP 24/25 (NEW 115KV TRANSMISSION LINE) | \$22,200,000 | April 7, 2025 | May 20, 2025 | Installation of a new 115KV transmission line connecting the Northern and Kilar Receiving Stations to enhance. |

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Alternate Bid Items

- Staff requests the approval of Bid Alternates #1-9
- Bid alternates were included for work to prepare the site to support the future work approved by CAISO as part of the TPP 24/25 on May 22, 2025.
 - Modification of existing caisson foundations
 - Replacement of steel structures
 - Demolition of existing main bus
 - Replacement of new main and transfer bus at the various voltage levels throughout the yard
- Bid Alternates #1-9 = \$12,068,489.28
- Total-not-to-exceed amount of \$59,857,093.14
 - 15% under engineer's estimate of \$70,300,000



Northern Receiving Station

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FY 2025/26 Budget Amendment

| | Current | Increase/ (Decrease) | Revised |
|--|---------------|-------------------------|---------------|
| Electric Utility Capital Fund (591) | | | |
| <u>Beginning Fund Balance</u> | | | |
| Unrestricted Beginning Fund Balance | \$124,493,014 | \$16,000,000 | \$140,493,014 |
| <u>Expenditures</u> | | | |
| NRS Upgrades and Expansion Project | \$115,439,070 | \$16,000,000 | \$131,439,070 |

Accounts for additional budgetary need:

- PM services
- Construction management
- Testing and commissioning
- Special testing services
- Additional equipment and material costs (e.g., transformers)

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Recommended Action

- Award the Public Works Contract for NRS Upgrade and Expansion (Contract No. 2454), to Henkels & McCoy West, LLC in the amount of \$47,788,603.86 and authorize the City Manager or designee to execute the contract in a final form approved by the City Attorney
- Authorize the City Manager or designee to take any actions necessary to implement and administer the Contract including executing any and all documents in furtherance of the award, completion, and acceptance of these projects and approval of:
 - Bid Alternates #1-9, or \$12,068,489.28, for a revised Contract Price not to exceed \$59,857,093.14
 - Any necessary change orders not to exceed 15% of the Contract Price, or \$8,978,563.97, for a total not to exceed amount for the Contracts of \$68,835,657.11
- Approve the FY 2025/26 budget amendment in the Electric Utility Capital Fund to increase the Unrestricted Beginning Fund Balance and increase the NRS Upgrades and Expansion Project in the amount of \$16 million (**five affirmative Council votes required to appropriate additional revenue**)

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The seal of the City of Santa Clara, California, is circular. It features a central illustration of a mission building with a red roof and a bell tower, set against a blue sky with clouds and a green field. The year "1852" is written below the building. The outer ring of the seal contains the text "CITY OF SANTA CLARA CALIFORNIA" at the top and "THE MISSION CITY" at the bottom, separated by a dotted line.

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