



Action on Award of Contract for KRS and SRS Project to DMZ Builders

RTC 25-385
Item #8

June 24th, 2025

1

Background

- Silicon Valley Power (SVP), issued a combined Public Works project bid for:
 - Kifer Receiving Station (KRS) - Project No. 2453
 - Scott Receiving Station (SRS) - Project No. 2456
- These projects are 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



2

KRS and SRS Project Scope

- Replaces end of life infrastructure and increases capacity
- KRS constructed 1955 and SRS in 1975
- Full Rebuild - New 60kV/115kV Switchgear, control rooms, larger transformers, circuit breakers, disconnect switches, cable sealing, relocation of 60kV and 115kV transmission lines associated with each substation
- Upgrading capacity from 372 MVA to over 600 MVA
- Schedule considerations:
 - City began long lead material procurement in 2023
 - Start Construction – mid-2025
 - 115 kV Completion – 3rd Quarter 2027
 - 60 kV Completion – 4th Quarter 2028
 - Close out and demo existing – 1st quarter 2029



Scott Receiving Station



Kifer Receiving Station

3

Request for Bid (RFB) Summary

- RFB Issuance Period: February 24, 2025 - May 1, 2025
- Newtron LLC (*Bid Withdrawn*)
 - Bid Opening: \$13,405,695
 - Corrected Bid (Post-Evaluation): \$113,405,695
 - 6% less than engineers estimate of \$121,200,000
 - Withdrawal Date: May 9, 2025
 - Reason: Incorrect Subcontractor and bid value listed
- DMZ Builders (*Lowest Responsive Bidder*)
 - Bid Opening: \$117,688,674
 - 3% less than engineers estimate of \$121,200,000



Scott Receiving Station



Kifer Receiving Station

4

FY 2025/26 Budget Amendment

	Current	Increase/ (Decrease)	Revised
Electric Utility Capital Fund (591)			
<u>Revenues</u>			
Other Revenue	\$34,544,978	\$15,000,000	\$49,544,978
<u>Expenditures</u>			
KRS Project	\$93,024,573	\$6,000,000	\$99,024,573
SRS Project	\$86,112,417	\$9,000,000	\$95,112,417

Accounts for additional budgetary need:

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

5

5

Recommended Action

- Award the Public Works Contract for KRS and SRS Rebuild (Contract No. 2453 and 2456), to DMZ Builders in the amount of \$117,688,674 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 Contracts including executing any and all documents in furtherance of the award, completion, and acceptance of these projects and approval of any necessary change orders not to exceed 15 percent of the Contract Price, or \$17,653,301, for a total not to exceed amount for the Contracts of \$135,341,975;
- Approve the FY 2025/26 budget amendment in the Electric Utility Capital Fund to increase Other Revenue to recognize additional Load Development Fee revenue in the amount of \$15.0 million, increase KRS Project in the amount of \$6.0 million, and increase SRS Project in the amount of \$9.0 million **(five affirmative Council votes required to appropriate additional revenue).**

6

The seal of the City of Santa Clara, California, is circular. It features a central illustration of a mission-style building with a red-tiled roof and a bell tower, set against a blue sky with white clouds and a green field. The year "1852" is prominently displayed in the center. 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 small dots.

**Action on Award of
Contract for KRS and
SRS Project to DMZ
Builders**

RTC 25-385
Item #8

June 24th, 2025