21-861 **Agenda Date: 7/13/2021**

REPORT TO COUNCIL

SUBJECT

Action on Additional Authorization to Execute Change Orders for the Serra Substation Construction Project Contract No. 2104 with the Newtron Group

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

On January 14, 2020, Council awarded the Public Works Contract (Contract No. 2104A) for the Serra Substation Construction Project (Project) to the Newtron Group for the bid price of $4,987,510 plus a 10% contingency of $498,751 for a total authorized contract amount $5,486,261. The Serra Substation Construction Project is a rebuild of the existing substation, which has obsolete equipment nearing the end of its useful service life. The rebuild will allow Silicon Valley Power (SVP) to continue to provide service to customers while improving service reliability and system redundancy. Work includes replacing the existing single 16 MVA transformer bank and switchgear with two 20 MVA transformer banks, new switchgear, and control room that meets SVP's current standards. The site is physically constrained within the current lease of the property owner. The Public Works Contract consists of all required work to reconstruct the Serra Substation at the existing location along Lawrence Expressway.

On January 12, 2021, Council authorized the City Manager to execute Change Order No. 4 to add the replacement of the existing wood transmission poles with steel self-supporting transmission poles to mitigate field conflicts with new underground structures. Change Order No. 4 increased the authorized funding amount by $715,512 and additional contingency of $375,000 for a contract total not-to-exceed amount of $6,576,773. Due to the confined construction area and associated COVID-19 work requirements, staff recommended using the Newtron Group as the prime contractor for this additional work activity. The construction phase of the Project is at 75% of completion.

DISCUSSION

The Serra Substation's physical footprint of 16,560 square feet is significantly smaller than the average sized substation in SVP's system of 43,560 square feet and the site contains other underground City water, sewer, and storm utilities within the adjacent easement. These physical constraints have resulted in unique construction challenges when changes are required during the construction process. Staff has worked diligently with the design consultant to resolve unforeseen underground utility conflicts recently found during construction and also to incorporate enhancements to Substation security operations.

During construction, AT&T determined that the AT&T fiber trunk line did not have enough slack to

allow for the minor relocation of fiber conduits. AT&T's retraction of their previous design approval required the Project to move the transmission pole foundation and caused delays to the Project schedule. Further, after construction field potholing of the 12-inch potable water utility pipeline a discrepancy was found from the original potholing completed during the design process. It was determined that there would be inadequate separation between the South Wall and the potable water line and this required the relocation of the South Wall. There were a number of options explored, and SVP staff in collaboration with the Department of Public Works and the Water & Sewer Utilities Department identified the best relocation option to minimize cost and schedule impacts to the Project while still meeting City requirements. Due to these redesign efforts and schedule extensions caused by the unprecedented COVID-19 pandemic, the approved change orders to date and potential change orders are projected to fully utilize the authorized construction contingency.

The attached table describes the projected changes on physical security and other enhancements estimated for the proposed change orders of $663,000. Further, staff is requesting authorization for additional contingency for the contract in the amount of $100,000 for a total requested authorization of $763,000 to complete the construction.

ENVIRONMENTAL REVIEW

The actions being considered are exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines sections 15302(`c) Class 2 - Replacement or Reconstruction) because this involve the replacement or reconstruction of existing utility systems involving negligible or no expansion of capacity.

FISCAL IMPACT

The proposed authorization to execute change orders would increase the Project cost by $663,000 and the contingency would increase by $100,000, resulting in a new not-to-exceed contract total of $7,339,773. Sufficient funds are available in the Adopted FY 2021/22 Capital Improvement Program Budget in the Serra Substation Rebuild CIP Project.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Authorize the City Manager to execute additional change orders for a total contingency authorization of up to $763,000 and a total not-to-exceed amount of $7,339,773 for the Serra Substation Construction Project (Contract No. 2104A).

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. RTC 20-647 - Action on the Award of the Public Works Contract for the Serra Substation Construction Project
2. RTC 21-503 - Action on Change Order No. 4 Serra Substation Rebuild Project Contract No. 2104 with the Newtron Group and Related Additional Authorization
3. Serra Substation Potential Change Orders