



● **Board of Directors**
Engineering and Operations Committee

10/12/2010 Board Meeting

7-1

Subject

Award \$820,103.29 procurement contract to Royal Wholesale Electric for the Skinner Electrical Building Upgrades (Approp. 15365)

Description

This action awards a procurement contract for electrical equipment to be installed in 12 buildings at the Robert A. Skinner Water Treatment Plant. All installation work will be performed by Metropolitan forces. No funds are required in this action, as sufficient funds were previously appropriated under the Skinner Electrical Building Upgrades project. The electrical equipment provides power for the reliable operation of all treatment facilities at the Skinner plant.

Timing and Urgency

The 12 electrical buildings that supply power to Skinner Plants Nos. 1 and 2 are currently being upgraded by Metropolitan forces. The upgrades include replacement of existing electrical components that have reached the end of their useful life. The frequency of failure for this equipment has significantly increased, and individual component failure is unpredictable. The upgrades will enhance plant reliability by reducing the probability of partial or overall plant shutdowns caused by unintentional power outages.

This project has been reviewed with Metropolitan's updated Capital Investment Plan (CIP) prioritization criteria. It is categorized as an Infrastructure Upgrade project and is budgeted within Metropolitan's CIP for fiscal year 2010/11.

Background

The Skinner plant commenced service in 1976 and has been expanded four times. The plant has a treatment capacity of 630 mgd, and consists of seven treatment modules that are operated as three distinct facilities (Plants Nos. 1, 2, and 3). The Skinner plant delivers a blend of waters from the Colorado River and State Water Project to Eastern Municipal Water District, Western Municipal Water District of Riverside County, and San Diego County Water Authority.

The 12 electrical buildings serving Skinner Plants Nos. 1 and 2 house six unit power centers (UPCs) and nine motor control centers (MCCs). The buildings provide power to treatment process equipment such as flocculators, traveling bridges, solids transfer pumps, filter valves, and the ferric chloride, polymer, and sodium hypochlorite chemical feed systems. The electrical components in these 12 buildings include circuit breakers, motor starters, transfer switches, and relays. These components have deteriorated due to age and extreme temperatures, and no longer operate reliably. Electrical component failure could result in an unplanned outage of process equipment, or potentially an entire treatment module. When the components do fail, they require intensive maintenance. Spare parts for some of the electrical equipment are difficult to locate or are no longer available.

In December 2009, Metropolitan's Board authorized construction of the Skinner Electrical Building Upgrades by Metropolitan forces. The total estimated cost of construction is \$5,756,000. As described to the Board when the project was authorized in December 2009, staff's implementation plan includes the purchase of materials and

equipment through several procurement contracts. For procurement contracts which exceed the General Manager's Administrative Code authority, staff will return to the Board for award of the contracts. This action awards a procurement contract for parts required to upgrade the nine MCCs. Electrical components included in this procurement contract are items such as relays, transformers, circuit breakers, motor starters, terminal blocks, and pushbutton stations.

Construction of the Skinner Electrical Building Upgrades is presently underway. Expenditures to date are approximately \$1,132,000.

Skinner Electrical Building Upgrades – Procurement (No Funds Required)

Request for Bids No. RFB-VT-217537-a was advertised on July 20, 2010. As shown in [Attachment 1](#), three bids were received and opened on September 7, 2010. The low bid from Royal Wholesale Electric, in the amount of \$820,103.29, complies with the requirements of the specifications. The other bids received were in the amounts of \$950,322.62 and \$1,687,613.13. The budgetary estimate for this equipment, based on quotes from prospective bidders, was \$1.4 million. Staff has investigated the difference between the budgetary estimate and low bid, and believes that the low bidder was able to negotiate better prices with equipment manufacturers and accept a lower profit because of the quantities of parts being procured under this contract.

For this procurement contract, no Small Business Enterprise (SBE) participation level was established. However, for bid evaluation purposes, a \$12,500-bid-price reduction credit was provided to each of the bidders who qualified either as an SBE or a Regional Business Enterprise (RBE). Royal Wholesale Electric is an RBE firm, and therefore received a \$12,500-bid-price reduction credit during the bid evaluation.

This action awards a \$820,103.29 procurement contract to Royal Wholesale Electric to furnish MCC components for the Skinner Electrical Building Upgrades. The procurement contract amount includes all sales and use taxes imposed by the state of California. No funds are requested in this action, as sufficient funds were previously appropriated.

Additional procurement contracts are planned to be issued in the future for items such as breakers, transformers, and transfer switches for the six UPCs. Staff will return to the Board for award of any additional procurement contracts which exceed the General Manager's Administrative Code authority.

See [Attachment 1](#) for the Abstract of Bids and [Attachment 2](#) for the Location Map.

This project is consistent with Metropolitan's goals for sustainability by enhancing the reliability of the existing treatment system in order to maintain reliable water deliveries in the future.

Project Milestone

August 2014 – Completion of Skinner Electrical Building Upgrades

Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The project was previously determined to be categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The Board found this project to be exempt under Class 1, Section 15301 and Class 2, Section 15302 of the State CEQA Guidelines on February 13, 2007. A Notice of Exemption (NOE) was filed on the project at that time and the statute of limitations has ended. With the current board action, there are no substantial changes proposed to the project since the original NOE was filed. Hence, the previous environmental documentation in conjunction with the project fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act with regards to the proposed project.

The CEQA determination is: Determine that the proposed action has been previously addressed in the 2007 NOE (Class 1, Section 15301 and Class 2, Section 15302 of the State CEQA Guidelines) and that no further environmental analysis or documentation is required.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and award \$820,103.29 procurement contract to Royal Wholesale Electric for the Skinner Electrical Building Upgrades.

Fiscal Impact: None. Funds have previously been appropriated.

Business Analysis: This option will reduce the frequency of unexpected electrical component failures, increase reliability of the Skinner electrical system, and reduce the risk of unplanned shutdowns.

Option #2

Do not award the procurement contract and re-advertise in an attempt to receive more favorable bids.

Fiscal Impact: None

Business Analysis: This option may or may not result in a lower bid.

Staff Recommendation

Option #1

 Roy L. Wolfe Manager, Corporate Resources	9/27/2010 Date
 Jeffrey Kightlinger General Manager	9/29/2010 Date

[Attachment 1 – Abstract of Bids](#)

[Attachment 2 – Location Map](#)

Ref# cr12606729

The Metropolitan Water District of Southern California
Abstract of Bids Received on September 7, 2010 at 11:00 A.M.
Request for Bids No. RFB-VT-217537-a
Electrical Equipment/Components and Accessories

This contract consists of furnishing electrical equipment and components to upgrade electrical buildings at Skinner Plants Nos. 1 and 2.

Budgetary estimate: \$1,400,000

Bidder and Location	Total¹
Royal Wholesale Electric, Chatsworth, California	\$820,103.29
One Source Distributors, Downey, California	\$950,322.62
Grand Electric Supply Inc., Vista, California	\$1,687,613.13

¹ Includes sales and use taxes of 9.75 percent imposed by the state of California

