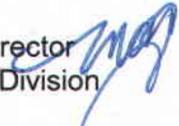


AGENDA ITEM NO.	1 C
COUNCIL MEETING	02/09/12
APPROVED BY	
	
DEPARTMENT DIRECTOR	
CITY MANAGER	

February 9, 2012

**FROM:** PATRICK N. WIEMILLER, Director  
Department of Public Utilities – Administration

**BY:** MARTIN A. QUERIN, PE, Assistant Director   
Department of Public Utilities – Water Division

**SUBJECT:** ADOPT THE FINDINGS OF CATEGORICAL EXEMPTION PURSUANT TO SECTION 15301 (CLASS 1/EXISTING FACILITIES); AND, SECTION 15303 (CLASS 3/NEW CONSTRUCTION OF SMALL STRUCTURES) OF THE CALIFORNIA ENVIRONMENTAL QUALITY CONTROL ACT (CEQA) GUIDELINES FOR THE INSTALLATION OF EMERGENCY GENERATORS AT PUMP STATIONS 69A (FIRST AND SHIELDS AVENUES); PS 159 (HERNDON AND WEST AVENUE) AND PS 307 (VALENTINE AND MARTY AVENUES); AND, AWARD CONTRACT TO CUMMINS WEST, INC. OF FRESNO, CALIFORNIA, IN THE AMOUNT OF \$279,250.62 FOR THE PURCHASE OF EMERGENCY GENERATORS AND AUTOMATIC TRANSFER SWITCHES, TO BE INSTALLED UNDER SEPARATE CONTRACT, AT PUMP STATIONS 69A, 159 AND 307 (BID FILE 3141) (COUNCIL DISTRICTS 1,2 AND 7)

**RECOMMENDATIONS**

Staff recommends that City Council:

1. Adopt the findings of Categorical Exemption pursuant to Section 15301 (Class 1/Existing Facilities) and Section 15303 (Class 3/New Construction of Small Structures) of the California Environmental Quality Act (CEQA) Guidelines for the installation of emergency generators at Pump Stations 69A, 159 and 307.
2. Award a contract to Cummins West, Inc. of Fresno, California, in the amount of \$279,250.62, as the lowest responsive and responsible bidder for the purchase of emergency generators and automatic transfer switches, to be installed under separate contract, at Pump Stations 69A, 159 and 307.

**EXECUTIVE SUMMARY**

The Department of Public Utilities, Water Division, has received bid prices to purchase emergency diesel generators and automatic transfer switches, to be installed under separate contract, at Pump Stations 69A, 159 and 307. The generators and switches are required to maintain water service in the event of an electrical grid failure. Funding for this purchase is included in the FY2012 Budget. Staff recommends that the City Council adopt the findings of Categorical Exemption pursuant to Section 15301 (Class 1/Existing Facilities) and Section 15303 (Class 3/New Construction of Small Structures) of the CEQA guidelines and award a contract to Cummins West, Inc. of Fresno, California, in the amount of \$279,250.62 for the purchase of the generators, as the lowest responsive and responsible bidder.

## REPORT TO CITY COUNCIL

Purchase Gensets for Pump Stations 69A, 159 & 307

February 2, 2012

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### **BACKGROUND**

In response to a widespread electrical service interruption in 1996, the Water Division developed an emergency plan to ensure a safe, reliable and economical water supply in the event of future sustained electrical blackouts. The foundation of the plan is an emergency power system to provide baseline water service for limited domestic service and fire suppression uses in the event of an electrical power failure until PG&E can restore electrical service. This plan resulted in the installation of 27 standby diesel-powered electrical generators at designated pump stations that automatically start when the water system pressure drops due to electrical power supply interruption.

Since the emergency plan was created, the City of Fresno has experienced significant growth resulting in the development of over 50 new pump stations without the support of generators. With an inventory of over 270 municipal water supply wells that provide 88 percent of the City's potable water, the City has an overwhelming reliance on electrical power to operate its water production system. The lack of water service resulting from an electrical grid failure has the potential to expose the public to clear and imminent danger by drastically reducing the fire suppression capabilities of the City's water distribution system and by the reduction or complete cessation of water supplies to correctional facilities, hospitals or persons with medical conditions that require an uninterrupted clean water supply.

In 2008, in an effort to mitigate the effects of a widespread power outage, the City entered into a contract with Electrical Power Systems Corporation (EPS), a professional engineering firm, to provide a study for emergency back-up power for the City's surface water treatment plant and the design of plans and general construction contract documents for emergency power supply units for well site pump stations. This study resulted in a five-year plan to install up to ten generators at critical pump stations throughout the City. In 2009, the City Council approved the purchase of two emergency generators and automatic transfer switches that were installed at Pump Stations 132 and 318. In 2010, Council approved the purchase of emergency generators and automatic transfer switches are currently being installed at Pump Stations 3A and 33A.

On November 4, 2011, the request for bids was advertised and specifications were distributed to 32 prospective bidders. Three sealed bid proposals were received and opened in a public opening on December 1, 2011. Cummins West, Inc. of Fresno, California, submitted a bid price in the amount of \$279,250.62 and is considered to be the lowest responsive and responsible bidder. The other two bid proposals were \$283,804.70 and \$285,939.51.

### **ENVIRONMENTAL FINDING**

Staff has performed an initial study for the proposed project and has determined that the proposed project is categorically exempt from the provisions of CEQA pursuant to Section 15301 (Class 1/Existing Facilities) of the CEQA Guidelines, which allows for the addition of safety or health protection devices for use in an existing facility, and, Section 15303 (Class 3/New Construction of Small Structures), which allows for the installation of accessory equipment within an existing facility. This project is necessary to protect public health, safety and welfare by providing an adequate water supply for fire suppression purposes, as well as potable water during a widespread power outage. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2, apply to this project.

## REPORT TO CITY COUNCIL

Purchase Gensets for Pump Stations 69A, 159 & 307

February 2, 2012

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### CONCLUSION

The City Council may take the following actions:

1. Adopt the findings of Categorical Exemption pursuant to Section 15301 (Class 1/Existing Facilities) of the CEQA Guidelines and Section 15303 (Class 3/New Construction of Small Structures) of the CEQA Guidelines, for the installation of emergency generators at Pump Stations 69A, 159, and 307 (Council Districts 1, 2 and 7), and

Award a contract to Cummins West, Inc. of Fresno, California in the amount of \$279,250.62 for the purchase of emergency generators and automatic transfer switches, to be installed under separate contract, at Pump Stations 69A, 159 and 307 (Bid File 3141) (Council District 1, 2 and 7).

2. Council may reject all bids. However, if all bids are rejected, the project will be rebid resulting in a delay of approximately 60 days.

### FISCAL IMPACT

Funds for the purchase of emergency diesel generators to be installed at Pump Stations 69A, 159, and 307, are included in the Water Division's FY2012 Capital Improvement Program budget within the Water Enterprise Fund (40101). The project was included in the water rate model used to create the five-year utility rate plan and subsequently adopted by City Council on February 27, 2007 (Resolution 2007-70). No additional funding is required for this project.

#### Attachments:

- Fiscal Impact Statement
- Evaluation of Bid Proposal

**EVALUATION OF BID PROPOSALS**

FOR: EMERGENCY GENERATORS FOR PS 69A, 159, 307

Bid File No. 3141  
Bid Opening: 12/1/11

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BIDDERS NAME	TOTAL NET BID AMOUNT
1. Cummins West Inc 5333 N Cornelia Ave Fresno, CA 93722	\$279,250.62
2. Spectrum Electric 1921 Sundown Trl Placerville, CA 95667	\$283,804.70
3. Quinn Co. 10273 S. Golden State Selma, CA 93662	\$285,939.51

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Each bidder has agreed to allow the City ninety (90) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, January 4, 2012 5:00 P.M.

The Engineers Estimate for this expenditure is \$ 300,000.00. The contract price is 9 % below the Engineer's Estimate.

**BACKGROUND OF PROJECT** (To be completed by Evaluating Department/  
Division.

The City of Fresno has experienced significant growth resulting in the development of over 50 new pump stations without the support of generators. With an inventory of over 270 municipal water supply wells that provide 88% of the City's potable water, the City has an overwhelming reliance on electrical power to operate its water production system. The lack of water service resulting from an electrical grid failure has the potential to expose the public to clear and imminent danger by drastically reducing the fire suppression capabilities of the City or by precluding water supplies to correctional facilities, hospitals or persons with medical conditions that require an uninterrupted clean water supply.

**EVALUATION OF BID PROPOSALS**

FOR: EMERGENCY GENERATORS FOR PS 69A, 159, 307

Bid File No. 3141  
Bid Opening: 12/1/11

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**DEPARTMENT CONCLUSIONS AND RECOMMENDATION:**

Award a contract in the amount of \$ 279,250.62  
to Cummins West, Inc.  
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval

  
\_\_\_\_\_

Assistant Director, DPU/water Division

Date 1/20/12

Approve Dept. Recommendation       Approve Finance/Purchasing Recommendation

Disapprove       Disapprove

See Attachment

FINANCE DEPARTMENT

CITY MANAGER

 1/20/2012  
Purchasing Manager      Date

 1/24/12  
City Manager or Designee      Date

 1/23/2012  
Finance Director/Controller      Date

## FISCAL IMPACT STATEMENT

PROGRAM: 40101/411501/ WC00053 PS 69A, 159 & 307

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$279,250.62</u>	_____
Indirect Cost	<u>\$233,000.00</u>	_____
TOTAL COST	<u>\$512,250.66</u>	_____
Additional Revenue or Savings Generated	<u>0</u>	_____
Net City Cost	<u>\$512,250.62</u>	_____
Amount Budgeted (If none budgeted, identify source)	<u>\$533,000.00</u>	_____