

RESOLUTION NO. 2018-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING AGREEMENT BETWEEN THE CITY OF MARINA AND LEE WILSON ELECTRIC COMPANY, INC. OF ARROYO GRANDE, CALIFORNIA, FOR ELECTRICAL POWER UPGRADE AT 3240 IMJIN RD., BUILDING 510, AT THE MARINA MUNICIPAL AIRPORT, WAVING CITY'S FORMAL BID PROCESS FINDING THAT COMPETITIVE BIDDING WOULD BE UNAVAILING, WOULD NOT PRODUCE AN ADVANTAGE, WOULD NOT BE IN THE PUBLIC INTEREST AND THAT UNDERTAKING THE COMPETITIVE BIDDING PROCESS WOULD NOT ALLOW FOR THE NECESSARY CONSTRUCTION TO BE COMPLETED IN A TIMEFRAME TO MEET PACIFIC GAS & ELECTRIC'S SCHEDULED INSTALL OF THE NEW 480 VOLT TRANSFORMER, AUTHORIZING THE FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES, AND AUTHORIZING CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY

WHEREAS, at the regular meeting of February 22, 2017, the City Council adopted Resolution No. 2017-20, approving Lease Agreement between City of Marina and Driven Performance Manufacturing, LLC, of Sand City, California (Tenant) for the building located at 3240 Imjin Road (Building 510) at the Marina Municipal Airport; and

WHEREAS, Section 9.08 Improvements by the City, (ii) of the lease states "The City shall be responsible for installing and/or upgrading the electrical system from 208 volt service to 480 volt service". Further stated in Section 9.08, "All Improvements that are the responsibility of the City shall be expeditiously completed with first quality materials in a proper, professional and good and workmanlike manner in compliance with any approved schedule of completion of the improvements by the Tenant and all applicable federal, state and local laws, rules, regulations and ordinances." (**"EXHIBIT A"**); and

WHEREAS, the electric service upgrade from 208 volt service to 480 volt service is critical to the Tenant's business as several key components (machines) in the production of composite materials require 480 volt power. Therefore, the tenant has desired to have the power upgrade completed as soon as possible; and

WHEREAS, in March 2017, the Tenant and City engaged Wulff Electric to complete the necessary electrical upgrade plans and other documentation required by Pacific Gas & Electric (PG&E). In August 2017, staff opened an application for the required power upgrade with PG&E; and

WHEREAS, in late January 2018, PG& E completed their review of the design plans and other documentation for the electrical upgrade and informed the Tenant and City that PG&E's installation of the new 480 volt transformer, including material labor and equipment, is scheduled for mid-March 2018. Missing this PG&E scheduled install would cause a further delay and would result in additional cost to the City by a delay in completing the electric upgrade for up to six months or more; and

WHEREAS, staff and Tenant sought to attain three proposals for the necessary construction related to underground to installing underground conduit and EMT(?) Building conduit_ to include acquiring the necessary building permit, all materials and labor (at prevailing wage) to allow PG&E to install the 480 volt transformer and upgrade the 208 volt service to 480 volt service by mid-March 2018. Three electric companies were contacted with proposals provided by Wulff Electric and Lee Wilson Electric Company and a local electric company declined to provide a proposal; and

WHEREAS, both Wulff Electric and Lee Wilson Electric Company are licensed by the California Contractors State License Board (CSLB) and registered with the California Department of Industrial Relations (DIR). Both contractors are able to perform the necessary construction to meet the PG&E scheduled install of the new 480-volt transformer; and

WHEREAS, Wulff Electric's proposal to complete the necessary construction is \$157,710, plus a 15% contingency would total \$181,367 ("**EXHIBIT B**"); and

WHEREAS, Lee Wilson Electric Company's proposal to complete the necessary construction is \$92,133, plus a 15% contingency would total \$105,953 ("**EXHIBIT C**"); and

WHEREAS, the proposal from Lee Wilson Electrical Company was reviewed and found to be responsive, and staff has not identified issues concerning Lee Wilson Electrical Company's responsibility to perform the work of the contract. The contractor shall agree to follow all code requirements of the City of Marina including, but not limited to, prevailing wage requirements and obtaining a City business license and will be subject to the terms of the agreement substantially in the form attached hereto as ("**EXHIBIT D**"); and

WHEREAS, California law excuses cities from the conduct of formal competitive bidding and advertising of public works, where the nature of the contract or project is such that competitive proposals would be unavailing or would not produce an advantage, thereby rendering any formal advertisement for competitive bidding under the Public Contract Code undesirable, impractical or impossible (Graydon v. Pasadena Redevelopment Agency (1980) 104 Cal.App. 3d 631, 164 Cal.Rptr. 56); and

WHEREAS, due to the PG&E scheduled install of the new 480 volt transformer, initiating a competitive bidding process would be unavailing, would not produce an advantage or be in the public interest and would cause a further delay for up to six months or more and result in increased cost in completing the electrical upgrade; and

WHEREAS, should the City Council approve this request, funding is available in the FY 2017-18 Budget, Airport Enterprise Fund 555 for the necessary construction to complete the electric service upgrade for Building 510 in the amount of \$106,000; and

WHEREAS, the electric service upgrade of Building 510, along with other necessary Airport Building maintenance, repairs and improvements were contemplated in the FY 2017-18 Budget Airport Enterprise Fund 555, Maintenance & Repairs Building, Account No. 555.000.000.00-6360.050; and

WHEREAS, the cost of necessary construction will be recorded in the FY 2017-18 Budget, Airport Enterprise Fund 555, Maintenance & Repairs Building, Account No. 555.000.000.00-6360.050.

NOW, THEREFORE, the City Council of the City of Marina hereby finds that based on the full record before it, which may include by is not limited to such things as the staff report, testimony by staff and the public and other materials and evidence submitted or provided to it:

1. City staff sought informal quotes from multiple suppliers thereby securing market pricing information and sparking market competition to the extent practicable such that the authorization to execute a contract would not constitute any sign of favoritism, improvidence, extravagance, fraud or corruption;

2. That the delay and increased costs that would occur as a result of engaging in competitive bidding process would be unavailing, would not produce an advantage and would, therefore, not be in the public interest.

3. That the designation of Lee Wilson Electric Company of Arroyo Grande, CA is necessary due to the time required to coordinate the work with the time line established by PG&E.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina does hereby:

1. Approve agreement between the City of Marina and Lee Wilson Electric Company, Inc. of Arroyo Grande, California for electrical power upgrade at 3240 Imjin Rd., Building 510, at the Marina Municipal Airport; and
2. Waive City's formal bid process finding that competitive bidding would be unavailing, would not produce an advantage, would not be in the public interest and that undertaking the competitive bidding process would increase the cost and not allow for the necessary construction to be completed in a timeframe to meet Pacific Gas & Electric's scheduled install of the new 480 volt transformer; and
3. Authorize the Finance Director to make necessary accounting and budgetary entries, and;
4. Authorize City Manager to execute agreement on behalf of the City subject to final review and approval by the City Attorney.
5. Determine the recitals set forth above are found to be true and correct and are incorporated herein by reference.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 21st day of February 2018 by the following vote:

AYES: COUNCIL MEMBERS: Amadeo, Morton, O'Connell, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: Brown

ABSTAIN: COUNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

9.08 Improvements by the City. Except as otherwise expressly set forth in this Lease, the City is not obligated to construct or install any improvements on or off of the leased Premises. The City shall have no obligation on account of any construction or installation of any improvement by Tenant to pay for all or any portion of the costs or expenses arising out of such construction or installation, excepting the City's obligation to provide the credits against rent contemplated by Section 4.03 of this Lease. Notwithstanding the above, the City shall be responsible for: (i) installing and/or upgrading the fire sprinkler system to a "wet pipe" system from the current "deluge" fire suppression system; and (ii) installing and/or upgrading the electrical system from 208 volt service to 480 volt service as agreed in a prior writing between City Manager and Tenant and ensuring electrical systems are functional, safe, and code compliant prior to the Effective Date; (iii) any construction-related accessibility improvements required by the CASp Report including but not necessarily limited to: (a) required push bars on doors; (b) entry doors; (c) the restroom facilities located on the ground floor. All improvements that are the responsibility of the City shall be expeditiously completed with first quality materials in a proper, professional and good and workmanlike manner in compliance with any approved schedule of completion of the improvements by the Tenant and all applicable federal, state and local laws, rules, regulations and ordinances.

9.09 Right of Entry for Construction and Maintenance. The City and Tenant each agree that the other shall be permitted to enter upon its property, as may reasonably be necessary in order for Tenant to make the Improvements or do other work required by this Lease or in order for the City to fulfill its responsibilities to make improvements (see Section 9.08) and for maintenance as set forth in Section 10.01, and to maintain or repair the respective party's property. The right of each party to enter the other's property or the Premises shall extend to such party's lessees, and licensees and contractors. A party's exercise of its right of entry shall not unreasonably interfere with the other party's use of its property. Any interference shall be temporary and all work on the entering party's property shall proceed expeditiously as necessary to avoid or minimize any such interference. A party intending to exercise the right of entry shall first give to the other party reasonable prior written notice before commencement of any work on the other party's property. In the event a party's entry results in any damage to the other party's property, the same shall be repaired expeditiously at the entering party's expense.

9.10 Prevailing Wage Required.

(a) Prevailing Wage Standards.

(1) **Basic Requirements.** Tenant agrees that, with respect to any construction at or on the Premises of the Tenant Allowance-Eligible Improvements for which Tenant is to receive a Tenant Allowance as a credit against rent in accordance with Section 4.03, Tenant (and its contractors and subcontractors) shall comply with the then current Public Works Prevailing Wage Requirements, as the same may be amended from time-to-time (collectively, the "Prevailing Wage Requirements").

(2) **Additional Prevailing Wage Provisions.** The following provisions of this Section apply only if, and to the extent that, the Prevailing Wage Requirements are applicable:

February 2, 2018

Revision #1

Jeff Crechriou
Marina Airport Services Manager
 831.384.2901 / 831.241.8628
jcrechriou@marina.ca.us



**Re: City of Marina—Marina Municipal Airport
 Building 510- Electrical Upgrade**

Wulff Electric appreciates the opportunity to offer your company a proposal on the above referenced project. We propose to perform the electrical portion in accordance with the following Scope of Work.

Scope of Work:

- (20') Empty 4" PVC Conduit from power pole to transformer pad
- 106" X 90" Transformer Pad w/ grounding per PG&E standards
- (140') Empty 5" PVC Conduit from transformer pad to 2000A switchboard
- 2000A switchboard: 480V, 3 Phase, NEMA 3R
 - (1) 500A breaker for Autoclave
 - (1) 400A breaker for MDP
 - (1) 300A breaker for 225KVA transformer
- 225 KVA transformer, 480V to 120/208V w/ disconnect and feeder
- 300A feeder from switchboard to 225 KVA transformer
- Trench, backfill, compaction, and spoils removal
- Concrete pad for new switchboard
- Removal of existing switchboard and feeders
- Conduit supports, fittings and junction box
- Permit Fees

TOTAL BASE BID	\$ 157,710.00
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EXCLUSIONS

- Relocation of rain gutter drop
- PG&E transformer and high voltage cabling
- PG&E fees
- Asphalt, concrete cutting, coring, patching or removal.
- Temporary power and lighting.
- Waterproofing and caulking of any kind.

Terms:

- 25% payment upon procurement of contract, due within 30 days
- 50% payment upon project progress, due within 30 days
- 25% payment upon completion, due within 30 days

Please call us at your earliest convenience should you have any questions or need clarification.

Sincerely,

Jason Javier

Wulff Electric, Inc.

City of Marina-Building 510										
Material and Labor Breakdown										
								Materials	Labor (85/hr)	
(20') Empty 4" PVC Conduit from power pole to transformer pad								\$ 245.00	\$ 850.00	
106" X 90" Transformer Pad w/ grounding per PG&E standards								\$ 1,285.00	\$ 2,380.00	
(140') Empty 5" PVC Conduit from transformer pad to 2000A switchboard								\$ 1,750.00	\$ 2,890.00	
2000A switchboard: 480V, 3 Phase, NEMA 3R								\$ 25,560.00	\$ 7,395.00	
225 KVA transformer, 480V to 120/208V w/ disconnect and feeder								\$ 8,920.00	\$ 6,205.00	
300A feeder from switchboard to 225 KVA transformer								\$ 2,565.00	\$ 3,995.00	
Trench, backfill, compaction, and spoils removal								\$ 3,225.00	\$ 22,525.00	
Concrete pad for new switchboard								\$ 1,980.00	\$ 3,315.00	
Removal of existing switchboard and feeders								\$ 1,215.00	\$ 2,890.00	
Conduit supports, fittings and junction box								\$ 1,175.00	\$ 5,525.00	
Permit Fees								\$ 1,500.00	\$ 425.00	
Equipment Rental/Tooling								\$ 3,500.00	\$ 1,360.00	
Mobilization								\$ 560.00	\$ 1,360.00	
Supervision/Coordination Meetings								\$ 525.00	\$ 2,720.00	
									751 Man Hours	
Materials Tax								\$ 4,724.44		
									Labor (85/hr)	Labor (125/hr)
Totals								\$ 58,729.44	\$ 63,835.00	\$ 93,875.00

EXHIBIT C



P.O. BOX 250 • ARROYO GRANDE, CALIFORNIA 93421-0250
1151 EL CAMINO REAL • PHONE (805) 489-4216 • FAX (805) 489-0248

FAX TRANSMISSION QUOTATION LETTER

Date: February 15, 2018

Number of pages: 1

To: Tartaglia Engineering
Attn: John Smith

From: Scott Wilson

Project: Marina Airport
Driven Performance Building Work.....LS.....\$89,733.00
Permits (Not to Exceed).....LS.....\$2,400.00
Work includes trench to PGE pole, PGE Pad, Switch board panel and pad, conduit Underground and above ground. PVC Sch 40 underground and EMT above ground Run Conduit from switch board to existing transformer, existing MDP panel and Existing autoclave. Provide new transformer to be turned over to airport. Quoted Per updated 1-17-18 plans. Existing DP panel and existing wire to existing Subpanels from DP to remain.
Exceptions: Permits, Any Fees (Including PG&E) ,Survey, S.W.P.P.P.
Erosion control, Temp Power, Temp Lighting, Remove or Abandon foundations
Changeable Message Signs, Impact Attenuator Vehicles
This quotation good for 30 days, quote only valid complete.
License # 851738 C-10,A,B Expiration 12/31/2018, A Union Contractor, DIR#1000007719

Marina Airport Breakdown

PGE Install

Material- \$5,485.00

Labor- \$3,515.00

Equipment- \$900.00

Total \$9,900.00

Underground Conduit Including Main Switch Board

Material- \$29,375.00

Labor- \$11,410.00

Equipment- \$4,015.00

Total \$44,800.00

EMT Building Conduit and Wire and Transformer

Material- \$19,245.00

Labor- \$12,643.00

Equipment- \$3,145.00

Total \$33,033.00

Total \$89,733.00

EXHIBIT D

CITY OF MARINA ELECTRICAL POWER UPGRADE AT 3240 IMJIN RD., BUILDING 510

THIS AGREEMENT, made and entered into this _____ day of _____, 2017, by and between Marina, a municipal corporation of the State of California, hereinafter called "City," and Lee Wilson Electrical Company, Inc., hereinafter called "Contractor,"

W I T N E S S E T H:

FIRST: Contractor hereby covenants and agrees to furnish and provide all labor, materials, tools, appliances, equipment, plant and transportation, and all other things required or necessary to be furnished, provided or done, and build, erect, deconstruct and complete the work at the time and in the manner provided, and in strict accordance with the plans and specifications therefore, for the ELECTRICAL POWER UPGRADE AT 3240 IMJIN RD., BUILDING 510 at the City of Marina, CA.

SECOND: It is expressly understood and agreed that this contract consists of the following documents, all of which are incorporated into this agreement and made a part hereof as fully and completely as if set forth herein verbatim, to wit:

- a. Plans and Specifications for the project;
- b. Standard Plans and Standard Specifications, City of Marina, 2006 Edition
- c. Special Provisions of the Contract
- d. And this Agreement.

THIRD: That said Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work embraced and contemplated in this Agreement and as set forth in the Proposal adopted by the City of Marina, a true copy thereof hereto attached, also, for all loss or damage arising out of the nature of said work, or from the action of the elements or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until the acceptance thereof by the City of Marina and for all risk connected with the work, and for well and faithfully completing the work, and the whole thereof, in the manner and according to the said Plans and Specifications and the provisions of this Agreement, and the requirements of the Engineer under them, to wit: The prices as set forth in the Proposal of said Contractor for the work to be constructed and completed under this Agreement, which prices shall be considered as though repeated herein.

Forty Thousand Sixty Nine Dollars
(\$105,953.00)

EXHIBIT D

The undersigned Contractor further agrees to so plan the work and to prosecute it with such diligence that said work, and all of it, shall be completed on or before the expiration of the time specified in the Special Provisions after execution of the contract on behalf of the City of Marina and the receipt from the City of Marina of a notice to proceed with the work.

FOURTH: The City of Marina hereby promises and agrees with said Contractor to employ, and does hereby employ, said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the price aforesaid, and hereby contracts to pay the same at the time, in the manner and upon the conditions set forth in the Specifications; and the said parties, for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

FIFTH: No interest in this agreement shall be transferred by the Contractor to any other party, and any such transfer shall cause the annulment of this contract, so far as the City of Marina is concerned. All rights of action, however, for any breach of this contract are reserved to City.

SIXTH: Contractor shall keep harmless and indemnify the City of Marina, its officers and employees and agents, from all loss, damage, cost or expense that arises or is set up for infringement of patent rights of anyone for use by the City of Marina, its officers, employees or agents, of articles supplied by the Contractor under this contract, of which he is not entitled to use or sell. Contractor agrees to, at his own cost and expense, defend in court the City, its officers, agents and employees, in any action which may be commenced or maintained against them or any of them, on account of any claimed infringement of patent rights, arising out of this agreement.

SEVENTH: The Contractor agrees to immediately repair and replace all defective material and workmanship discovered within one year after acceptance of final payment by Contractor and to indemnify said City of Marina against all loss and damage occasioned by any such defect, discovered within said year, even though the damage or loss may not be ascertained until after the expiration thereof. Provided, however, that if such failure of the Contractor to perform should not, by reasonable diligence, be discoverable or discovered within said one year, then the obligation of the Contractor to repair and replace said defective material or workmanship shall continue until one year after the actual discovery thereof.

EIGHTH: The Contractor agrees at all times during the progress of the work to carry with insurance carriers approved by the City of Marina full coverage workmen's compensation and public liability insurance. Such insurance policy shall contain an endorsement that the same shall not be canceled nor the amount of coverage be reduced until at least 30 days after receipt by the City of Marina by certified or registered mail of a written notice of such cancellation or reduction in coverage.

NINTH: Contractor agrees to comply with all applicable federal, state and municipal laws and regulations, including but not limited to California Labor Code Division 2, Part 7, Chapter 1.

TENTH:

(a) The City is subject to laws relating to public agencies which are part of this contract as though fully set forth herein.

(b) Contractor shall comply with City of Marina Municipal Code Chapter 13.02 Local Hiring for Public Works.

(c) Contractor shall comply with laws relating to the work.

ELEVENTH:

(a) Other than in the performance of professional services by a design professional, which shall be solely as addressed by subsection (b) below, and to the full extent permitted by law, Contractor shall indemnify, defend (with independent counsel reasonably acceptable to the City) and hold harmless City, its Council, boards, commissions, employees, officials and agents ("Indemnified Parties" or in the singular "Indemnified Party") from and against any claims, losses, damages, penalties, fines and judgments, associated investigation and administrative expenses, and defense costs including but not limited to reasonable attorneys fees, court costs, expert witness fees and costs of alternate dispute resolution (collectively "Liabilities"), where same arise out of the performance of this Agreement by Contractor, its officers, employees, agents and sub-contractors, excepting only to the extent same result from the sole negligence, active negligence or willful misconduct of City, its employees, officials, or agents.

(b) To the fullest extent permitted by law (including without limitation California Civil Code Sections 2782.8), when the services to be provided under this Agreement are design professional services to be performed by a design professional, as that term is defined under said section 2782.8, Contractor shall indemnify, protect, defend (with independent counsel reasonably acceptable to the City) and hold harmless City and any Indemnified Party for all Liabilities regardless of nature or type that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Contractor, or the acts or omissions of an officer, employee, agent or subcontractor of the Contractor, excepting only to the extent liability arises from the sole negligence, active negligence or willful misconduct of City.

EXHIBIT D

(c) All obligations under this section are to be paid by Contractor as incurred by City. The provisions of this Section are not limited by the provisions of sections relating to insurance including provisions of any worker's compensation act or similar act. Contractor expressly waives its statutory immunity under such statutes or laws as to City, its employees and officials. Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor, sub tier contractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance or subject matter of this Agreement. In the event Contractor fails to obtain such indemnity obligations from others as required here, Contractor agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder.

(d) If any action or proceeding is brought against any Indemnified Party by reason of any of the matters against which the Contractor has agreed to defend the Indemnified Party, as provided above, Contractor, upon notice from the City, shall defend any Indemnified Party at Contractor's expense by counsel reasonably acceptable to the City. An Indemnified Party need not have first paid for any of the matters to which it is entitled to indemnification in order to be so defended.

(e) This obligation to indemnify and defend City, as set forth herein, is binding on the successors, assigns, or heirs of Contractor and shall survive the termination of this Agreement or this Section.

TWELFTH: In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

EXHIBIT D

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year
and date first above written.

CONTRACTOR

CITY OF MARINA

By:_____

By:_____

Layne P. Long, City Manager

Print Name:_____

Date:_____

Address: _____

Date:_____

APPROVED AS TO FORM:

By:_____

By:_____

Robert Wellington, City Attorney

Date:_____

Date:_____

ATTESTED:

Anita Shepherd-Sharp, Deputy City Clerk

Date:_____

Resolution No. 2018-

February 21, 2018

Item No. **8f(2)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of February 21, 2018

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2018-, APPROVING AGREEMENT BETWEEN THE CITY OF MARINA AND LEE WILSON ELECTRIC COMPANY, INC. OF ARROYO GRANDE, CALIFORNIA, FOR ELECTRICAL POWER UPGRADE AT 3240 IMJIN RD., BUILDING 510, AT THE MARINA MUNICIPAL AIRPORT, WAVING CITY'S FORMAL BID PROCESS FINDING THAT COMPETITIVE BIDDING WOULD BE UNAVAILING, WOULD NOT PRODUCE AN ADVANTAGE, WOULD NOT BE IN THE PUBLIC INTEREST AND THAT UNDERTAKING THE COMPETITIVE BIDDING PROCESS WOULD INCREASE THE COST AND NOT ALLOW FOR THE NECESSARY CONSTRUCTION TO BE COMPLETED IN A TIMEFRAME TO MEET PACIFIC GAS & ELECTRIC'S SCHEDULED INSTALL OF THE NEW 480 VOLT TRANSFORMER, AUTHORIZING THE FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES, AND AUTHORIZING CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY

REQUEST:

It is requested that the City Council consider:

1. Adopting findings waiving City's formal bid process because competitive bidding would be unavailing, would not produce an advantage, would not be in the public interest and that undertaking the competitive bidding process would increase the cost and not allow for the necessary construction to be completed in a timeframe to meet Pacific Gas & Electric's scheduled install of the new 480 volt transformer; and
2. Adopting Resolution No. 2018-, approving agreement between the City of Marina and Lee Wilson Electric Company, Inc. of Arroyo Grande, California for electrical power upgrade at 3240 Imjin Rd., Building 510, at the Marina Municipal Airport; and
3. Authorizing the Finance Director to make necessary accounting and budgetary entries, and;
4. Authorizing City Manager to execute agreement on behalf of the City subject to final review and approval by the City Attorney.

BACKGROUND:

At the regular meeting of February 22, 2017, the City Council adopted Resolution No. 2017-20, approving Lease Agreement between City of Marina and Driven Performance Manufacturing, LLC, of Sand City, California (Tenant) for the building located at 3240 Imjin Road (Building 510) at the Marina Municipal Airport.

Section 9.08 Improvements by the City, (ii) of the lease states “The City shall be responsible for installing and/or upgrading the electrical system from 208 volt service to 480 volt service”. Further stated in Section 9.08, “All Improvements that are the responsibility of the City shall be expeditiously completed with first quality materials in a proper, professional and good and workmanlike manner in compliance with any approved schedule of completion of the improvements by the Tenant and all applicable federal, state and local laws, rules, regulations and ordinances.” (“**EXHIBIT A**”).

The electric service upgrade from 208 volt service to 480 volt service is critical to the Tenant’s business as several key components (machines) in the production of composite materials require 480 volt power. Therefore, the tenant has desired to have the power upgrade completed as soon as possible.

In March 2017, the Tenant and City engaged Wulff Electric to complete the necessary electrical upgrade plans and other documentation required by Pacific Gas & Electric (PG&E). In August 2017, staff opened an application for the required power upgrade with PG&E.

In late January 2018, PG& E completed their review of the design plans and other documentation for the electrical upgrade and informed the Tenant and City that PG&E’s installation of the new 480 volt transformer, including material labor and equipment, is scheduled for mid-March 2018. Missing this PG&E scheduled install would cause a further delay and would result in additional cost to the City by a delay in completing the electric upgrade for up to six months or more.

Staff and Tenant sought to attain three proposals for the necessary construction related to underground to installing underground conduit and EMT Building conduit to include acquiring the necessary building permit, all materials and labor (at prevailing wage) to allow PG&E to install the 480 volt transformer and upgrade the 208 volt service to 480 volt service by mid-March 2018. Three electric companies were contacted with proposals provided by Wulff Electric and Lee Wilson Electric Company and a local electric company declined to provide a proposal.

ANALYSIS:

Both Wulff Electric and Lee Wilson Electric Company are licensed by the California Contractors State License Board (CSLB) and registered with the California Department of Industrial Relations (DIR). Both contractors are able to perform the necessary construction to meet the PG&E scheduled install of the new 480 volt transformer.

Wulff Electric’s proposal to complete the necessary construction is \$157,710, plus a 15% contingency would total \$181,367 (“**EXHIBIT B**”).

Lee Wilson Electric Company’s proposal to complete the necessary construction is \$92,133, plus a 15% contingency would total \$105,953 (“**EXHIBIT C**”).

The proposal from Lee Wilson Electrical Company was reviewed and found to be responsive, and staff has not identified issues concerning Lee Wilson Electrical Company’s responsibility to perform the work of the contract. The contractor shall agree to follow all code requirements of the City of Marina including, but not limited to, prevailing wage requirements and obtaining a City business license and will be subject to the terms of the agreement substantially in the form attached hereto as (“**EXHIBIT D**”).

The Adopted FY 2017-18 budget for the Airport Enterprise Fund contains appropriation for building maintenance, repairs and improvements and contemplated the electric service upgrade for Building 510.

California law excuses cities from the conduct of formal competitive bidding and advertising of public works where the nature of the contract or project is such that competitive proposals would be unavailing or would not produce an advantage, thereby rendering any formal advertisement for competitive bidding under the Public Contract Code undesirable, impractical or impossible (Graydon v. Pasadena Redevelopment Agency (1980) 104 Cal.App. 3d 631, 164 Cal.Rptr. 56).

Due to the PG&E scheduled install of the new 480 volt transformer by mid-March 2018, initiating a competitive bidding process would be unavailing, would not produce an advantage or be in the public interest and would cause further delay for up to six months or more and result in increased cost in completing the electric upgrade.

FISCAL IMPACT:

Should the City Council approve this request, funding is available in the FY 2017-18 Budget, Airport Enterprise Fund 555 for the necessary construction to complete the electric service upgrade for Building 510 in the amount of \$106,000.

The electric service upgrade of Building 510, along with other necessary Airport Building maintenance, repairs and improvements were contemplated in the FY 2017-18 Budget Airport Enterprise Fund 555, Maintenance & Repairs Building, Account No. 555.000.000.00-6360.050.

The cost of necessary construction will be recorded in the FY 2017-18 Budget, Airport Enterprise Fund 555, Maintenance & Repairs Building, Account No. 555.000.000.00-6360.050.

CONCLUSION:

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

Jeff Crechriou
Airport Services Manager
City of Marina

REVIEWED/CONCUR:

Layne Long
City Manager
City of Marina