

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	04/25/11	Open	Action	04/12/11

Subject: Approving the Third Amendment to the Contract for Procurement of Traction Power Substations with Powell Electrical Systems, Inc.

ISSUE

Whether or not to Approve the Third Amendment to the Contract for Procurement of Traction Power Substations with Powell Electrical Systems, Inc.

RECOMMENDED ACTION

Adopt Resolution No. 11-04-___, Approving the Third Amendment to the Contract for Procurement of Traction Power Substations with Powell Electrical Systems, Inc.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$(115,990)
Budget Source:	Capital	Next FY:	\$
Funding Source:	Local: MSA POF, Developer Fees, ECOS Lawsuit Loan	Annualized:	\$
Cost Cntr/GL Acct(s) or Capital Project #:	910800 404.07.03.02	Total Amount:	\$(115,990)
Total Budget:	\$(115,990)		
TPSS Contract			\$ 2,464,204.00
Estimated CA Taxes			\$ 190,975.81
Amendment 1			\$ 175,888.00
Amendment 2			\$ No Cost
Amendment 3			\$ (115,990.00)
Contract Total			\$ 2,715,077.81

DISCUSSION

On December 14, 2009, the Board approved the First Amendment to the Contract with Powell Electrical Systems, Inc. (PESI) to change the procurement from two 12 kV traction power substations (TPSS) to one 12 kV TPSS and one 21 kV TPSS. The 21 kV TPSS was to be used on the new Green Line Project to accommodate the 21 kV SMUD distribution voltage in the Downtown area. Although there was a cost of \$175,888 associated with this change, Staff anticipated that the cost would be substantially offset by a credit from Stacy and Witbeck, Inc. (the Design-Builder for Green Line 1) due to elimination of the requirement to provide a step down transformer, which would be necessary to provide electrical service to a 12 kV TPSS. Upon execution of the First Amendment, RT gave direction to PESI to begin the engineering and submittal process for the 21 kV TPSS to ensure timely delivery of the 21kV TPSS and avoid a

Approved:

Presented:

Final 4/13/11

General Manager/CEO

Craig Norman, Senior Systems Engineer

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delay to the Green Line Project.

Staff negotiated for months with Stacy and Witbeck, but Stacy and Witbeck was unwilling to give RT a sufficient credit for the step down transformer to offset the increased cost of the 21 kv TPSS. When it became clear that it was not cost-effective to procure the 21kv TPSS, RT directed PESI to stop work on the TPSS.

To meet the time commitment in the Green Line contract for delivery of the TPSS to Stacy and Witbeck, RT was able to recondition a spare 12 kV TPSS that was in storage. Subsequent to the stop work directive, PESI provided Change Order Request (COR) #004 totaling \$59,898 for non-refundable engineering services associated with work performed on the 21 kV TPSS prior to the stop work directive. RT wishes to amend the Contract to eliminate the requirement to provide a 21 kv TPSS and instead return to the original Contract base order of two 12 kV TPSSs. In addition, RT desires to accept PESI COR #004. Eliminating the 21kv TPSS and accepting PESI COR #004 will result in a net reduction of \$115,990 in the Total Consideration.

Staff recommends approving the Third Amendment of the Contract for Traction Power Substations with Powell Electrical Systems, Inc. to eliminate the requirement to provide a 21 kv TPSS, restore the base order to 2 12 kv TPSSs, accept PESI COR #004, and reduce the Total Consideration by \$115,990.

RESOLUTION NO. 11-04-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

April 25, 2011

**APPROVING THE THIRD AMENDMENT TO THE CONTRACT FOR
PROCUREMENT OF TRACTION POWER SUBSTATIONS WITH POWELL
ELECTRICAL SYSTEMS, INC.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Third Amendment to the Contract for Purchase of Traction Power Substations ("Principal Agreement") by and between the Sacramento Regional Transit District (therein "RT") and Powell Electrical Systems, Inc. (therein "CONTRACTOR") whereby the parties agree to eliminate the requirement to provide a 21 kv TPSS, restore the base order to 2 12 kv TPSSs, accept Contractor's Change Order Request #004, and reduce the total consideration by \$115,990, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to sign said Third Amendment.

DON NOTTOLI, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary