

Agenda Item 3a

TO: Bay Area Headquarters Authority

DATE: April 19, 2017

FR: Executive Director

W. I. 9130

RE: Contract – Construction Services: Metro Center Main Electrical Service Replacement: Pacific Gas and Electric Company (PG&E) (\$310,000 plus Owner's contingency of \$90,000)

This item would authorize the Executive Director or his designee to negotiate and enter into a contract with Pacific Gas and Electric Company (PG&E) for replacement of the main electrical service for the Bay Area Metro Center (Metro Center) in the amount of \$310,000 plus an Owner's contingency of \$90,000.

Background

The Metro Center is currently served by two 34kV electrical feeds, such that one feed powers the building and the other is a back-up. These feeds step down to 12kV in liquid-filled transformers owned by PG&E and located in a vault within the Metro Center. PG&E has sole access to this vault to service and maintain the transformers, even though it is located within BAHA's facility.

The 34kV service, which was installed by PG&E in early 2000 prior to BAHA's purchase of the building, would be appropriate were the building used for heavy industry or as a data center, but is more power than will ever be needed for the Metro Center's current use as an office building. The current setup carries potential safety risks that will be eliminated by replacing the redundant 34kV feeds with a single 12kV feed and removing the PG&E transformers. Removal of the transformers will also resolve the Office of State Fire Marshal's (OSFM's) requirement to provide fire sprinklers over the transformers, which PG&E will not allow.

PG&E's scope will be to disconnect the 34kV feeds and bypass the PG&E transformers by connecting a new 12kV feed directly to the Metro Center's switchgear. The new 12kV feed requires PG&E to install a new electrical pole on the far side of Main Street, trench across Main Street, install new conduit, and pull feeders to PG&E's utility vault below the sidewalk. PG&E will also remove its transformers, and the vault will be returned to BAHA's use. PG&E estimates it can begin work within approximately four weeks of receiving from BAHA the executed contract and full payment.

In March, PG&E provided BAHA its cost proposal of \$310,000 for the work. The cost has been reviewed by staff to ensure the work is consistent with the scope of the work. BAHA has explored whether this project should be paid for by PG&E, but PG&E has stated that since this replacement is being done at the customer's (BAHA's) request and since the transformers are within their service life, the work must be paid for by BAHA. Additionally, since the room is in a location in the building non-standard to PG&E, BAHA would have been responsible for removal costs even at the end of the equipment's service life. We are requesting a \$90,000

contingency for potential cost increases, such as but not limited to differing site conditions and weather delays.

An alternative solution acceptable to OSFM and PG&E would have been to replace one transformer with a dry transformer and remove the other. OSFM would not have required a sprinkler because of an exception in the National Fire Protection Association (NFPA) code for electrical rooms with dry transformers. This alternative would have been more costly: PG&E estimated the cost of the equipment alone would be \$500,000; modifications to the room would have been required to meet current codes; and mobile standby generators would have been required to keep the building powered during an extended shutdown.

Recommendation

Staff recommends this Authority authorize the Executive Director or his designee to negotiate and enter into a contract with PG&E for the replacement of the Metro Center's main electrical service in the amount of \$310,000 plus an Owner's contingency of \$90,000.



Steve Heminger

SH:sw

J:\COMMITTEE\BAHA\2017\04 Apr'2017_BAHA\3a_Electrical Utility Relocation_PGE_Wolf.docx

REQUEST FOR AUTHORITY APPROVAL
Summary of Proposed Contract

Work Item No.: 9130

Contractor: Pacific Gas and Electric Company (PG&E)

Work Project Title: Bay Area Metro Center (Metro Center) Main Electrical Service Replacement

Purpose of Project: To replace the Metro Center's two 34kV feeds with a single 12kV feed.

Brief Scope of Work: Site work and electrical work to replace the Metro Center's main electrical service from redundant 34kV feeds to a single 12kV feed, and removal of PG&E's transformers.

Project Cost Not to Exceed: \$310,000 plus an Owner's contingency of \$90,000

Funding Source: BAHA FY 2016-17 Capital Budget

Fiscal Impact: Funding is included in the BAHA FY 2016-17 Capital Budget

Motion by Authority: That the Executive Director or his designee is authorized to negotiate and enter into a contract for Metro Center Main Electrical Service Replacement with PG&E as described above and in the Executive Director's Memorandum dated April 19, 2017 and the Treasurer and Auditor is directed to set aside funds in the amount of \$310,000 plus an Owner's contingency of \$90,000 for such contract.

BAHA Chair:

Jake Mackenzie

Approved: Date: April 26, 2017