



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers

168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 22-206

November 22, 2022

Introduced: 11/14/2022

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt a resolution to:

Authorize and direct the Auditor-Controller to amend the Fiscal Year (FY) 2022-23 Adopted Budget, General Fund, Fund 001, Facility Services, Unit 8552, Appropriation Unit PFP054, to increase appropriations by \$59,157, to pay the vendor cancellation fee for a cancelled generator and automatic transfer switch order for a project planned at the Government Center, 168 W. Alisal, Salinas, financed by a decrease in appropriations of \$59,157 from General Fund Contingencies, Fund 001, Unit 8034, Appropriation Unit CAO020 (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

Authorize and direct the Auditor- Controller to amend the Fiscal Year (FY) 2022-23 Adopted Budget, General Fund, Fund 001, Facility Services, Unit 8552, Appropriation Unit PFP054, to increase appropriations by \$59,157, to pay the vendor cancellation fee for a cancelled generator and automatic transfer switch for a project planned at the Government Center, 168 W. Alisal, Salinas, financed by a decrease in appropriations of \$59,157 from General Fund Contingencies, Fund 001, Unit 8034, Appropriation Unit CAO020 (4/5the vote required).

SUMMARY/DISCUSSION:

In November 2020, the Monterey County Office of Emergency Services (OES) accepted a grant award from the State of California's CalOES, for Public Safety Power Shutoff (PSPS)/Community Power Resiliency Program funding. Public Works, Facilities and Parks (PWFP) commenced design and then facilitated the completion of four (4) projects to install 'generator ready' infrastructure at OES specified sites around the County, to assist vulnerable communities in providing air-conditioned spaces (cooling centers) the event of a power outage. Concurrently, PWFP embarked on a larger PSPS project to upgrade the emergency power system at the Government Center, 168 W. Alisal, Salinas (MCGC), including a new larger capacity emergency generator, a new automatic transfer switch and supporting equipment, to allow the continuation of government services in the event of a power outage/emergency, with an original budget of \$438,012 funded from the awarded grant. The current 200kW generator is limited to only energize emergency egress and systems in the event of a power outage.

With design nearly complete in September 2021 for the project at MCGC, PWFP solicited a quote from an approved vendor for the direct purchase of the emergency generator and the automatic transfer switch (ATS). Understanding the ongoing volatile nature of materials pricing and supply chain challenges, and to qualify the equipment purchase for the PSPS grant fund ahead of the deadline, OES and PWFP sought direct purchase of these pieces, utilizing Sourcewell Cooperative Agreement,

instead of having a contractor furnish them. Direct purchase through Sourcewell enabled the County to secure discount pricing and to get placed on manufacturing schedules as early as possible. The order was placed in October 2021, with equipment delivery projected then to be mid-to-late 2022.

Upon the completion of construction drawings in March 2022, PWFP sought a Job Order Contract (JOC) pricing for the installation of the equipment on order and the supporting infrastructure. The original project estimate was \$438,012, based on staff's best understanding of the efforts to retrofit the existing electrical panels to accommodate a full capacity generator. However, the contractor's proposal cost was \$1,510,280, an increase of \$1,072,268. The final design documents required more extensive retrofits to existing utility infrastructure than originally anticipated to accommodate a generator that would fully energize the facility. The existing generator was sized to provide 200kW of emergency power whereas the new system was designed to include a 500kW generator that required a new larger concrete foundation, security fencing enclosure, and an upgrade to all associated electrical infrastructure. Electrical improvements would be necessary to upsize most components including the main switch board circuit breakers, electrical buses, conduits, and wiring. Value engineering efforts were made to simplify the design within the generator specifications but did not sufficiently reduce the scope and pricing to make the project any less costly. In July 2022, OES, CAO and PWFP determined that the project would not advance into construction and to cancel the generator and automatic transfer switch.

Without a current or future need for the custom-built equipment on order, staff promptly cancelled the equipment order, with the knowledge that County was subject to cancellation fees per the executed contract with the vendor. Vendor invoiced County with cancellation fees in the amount of \$69,596 on July 20, 2022. Staff presented this item to the Budget Committee at its October 27, 2022, meeting, and informed the committee that staff would continue to negotiate with the vendor to attempt to reduce the requested cancellation fee. Since the Budget Committee meeting, the staff negotiated the cancellation fees, and the vendor provided a 15% invoice credit (Attachment C). The current cancellation fee amount is therefore \$59,157.

The payment of this invoice is not an eligible cost for PSPS grant reimbursement. OES and PWFP recommend that the Board of Supervisors authorize the payment of \$59,157 from Contingencies.

OTHER AGENCY INVOLVEMENT:

PWFP and OES coordinated throughout the development of the PSPS suite of projects. The cancellation fee payment, of \$69,596 was supported by the Budget Committee on October 27, 2022. On November 1, the vendor, approved a 15% invoice credit of \$10,439. The Budget Committee requested that staff review the standard operation procedures for project estimate development to ensure more accurate project budgets at the time of funding requests.

FINANCING:

The FY 2022-23 PWFP Adopted Budget does not include funding for this expense. The payment of the vendor invoice is not an eligible cost for the PSPS grant funds. OES and PWFP recommend that the Board of Supervisors authorize the payment of \$59,157 from Contingencies. The Contingencies balance at the time of this report is \$615,417, and if the recommendation is approved, would be

reduced to \$556,260.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:


This recommendation supports the Board of Supervisors' Administrative Initiatives to ensure efficient and effective government operations. Staff's decision to cancel the Generator and ATS order at MCGC were based on the determination that the cost of construction would not be fiscally prudent and that the grant funding would be better utilized to buy portable generators to support community sites in the event of a power outage.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Reviewed by: Jessica Cordiero-Martinez, Finance Manager III

Reviewed by: Tom Bonigut, PE, Assistant Director of Public Works, Facilities and Parks

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks 

Attachments are on file with the Clerk to the Board:

Attachment A - Generator and ATS Proposal with Terms and Conditions

Attachment B - Vendor Cancellation Fee Invoice

Attachment C - Cancellation Invoice Credit

Attachment D - Sourcewell NJPA Contract 120617-KOH

Attachment E - Generator and ATS Photos

Attachment F - Proposed Resolution