

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors Meeting

Date: Wednesday, April 14, 2021

Time: 5:30 p.m.

Location: Virtual Meeting (online)

Powering forward. Together.



AGENDA

BOARD FINANCE & AUDIT COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

Wednesday, April 14, 2021

Scheduled to begin at 5:30 p.m.

Zoom Webinar Link: [Join SMUD Finance & Audit Committee Meeting Here](#)

Webinar ID: 161 556 1171

Password: 179043

Phone Dial-in Number: 1-669-254-5252

In accordance with the Governor's Executive Order N-29-20 and the Emergency Board Meeting Procedures adopted by the SMUD Board of Directors, the regular Board meeting and other public meetings are closed to the public to align with state, local, and federal guidelines and social distancing recommendations for the containment of the coronavirus.

Live video streams and indexed archives of meetings are available at:

http://smud.granicus.com/ViewPublisher.php?view_id=16

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.**

Members of the public may provide written public comments on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via e-mail. Comments may be submitted to PublicComment@smud.org and will be placed into the record of the meeting.

Members of the public that are listening to or watching the live stream of a Committee meeting and wish to submit written comments on a specific agenda item as it is being heard may submit their comments, limited to 250 words or less, to PublicComment@smud.org, noting the agenda item number in the subject line. The Committee Chair may read comments for items on the agenda into the record, in her discretion, based upon such factors as the length of the agenda or the number of e-mail comments received. General public comment for items not on the agenda will not be read into the record but will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Energy Resources and Customer Services Committee will review, discuss and provide the Committee's recommendation on the following:

DISCUSSION ITEMS

1. Ross Gould
Authorize the Chief Executive Officer and General Manager to award a contract to **Granite Construction Company** to provide construction services for the **Union Valley Bike Trail Extension Project** in the Crystal Basin region of the **Upper American River Project (UARP)** for a total contract amount not-to-exceed \$20,300,300 and for a contract term from May 1, 2021, to December 31, 2023.
Presentation: 10 minutes
Discussion: 5 minutes
2. Mike Deis
Authorize the Chief Executive Officer and General Manager to award contracts to **Sierra National Construction, Inc., Arrow Construction, and Mountain G Enterprises** for civil construction services for a contract term of three years from April 19, 2021, to April 18, 2024, for a total aggregate contract amount not-to-exceed \$35 million.
Presentation: 7 minutes
Discussion: 3 minutes
3. Mike Deis
Authorize the Chief Executive Officer and General Manager to award contracts to **Arrow Construction and Teichert Energy & Utilities Group, Inc.** for urban civil construction services in Downtown Sacramento for a contract term of three years from April 19, 2021, to April 18, 2024, for a total aggregate contract amount not-to-exceed \$30 million.
Presentation: 7 minutes
Discussion: 3 minutes

INFORMATIONAL ITEMS

4. Public Comment
5. Rosanna Herber
Summary of Committee Direction.
Discussion: 1 minute

Pursuant to Resolution No. 20-06-08 adopted on June 18, 2020, Emergency Board Meeting Procedures are in effect:

Members of the public may make either a general public comment or comment on a specific agenda item by submitting comments via email. Comments may be submitted to PublicComment@smud.org.

Comments will be provided to the Board and placed into the record of the Committee meeting if it is received within two hours after the meeting ends.

Members of the public that are listening or watching the live stream of a Board meeting and wish to comment on a specific agenda item as it is being heard, may submit their comments, limited to 250 words or less, to PublicComment@smud.org. The Board Chair may read the comments into the record, in her discretion, based upon such factors as the length of the agenda or the number of email comments received. Comments will be provided to the Board and placed into the record of the Committee meeting if it is received within two hours after the meeting ends.

*Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.***

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this virtual meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at (916) 732-7143, no later than 48 hours before this virtual meeting.

SSS No. SCS 21-070

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance and Audit
04/14/2021
Board Meeting Date
April 15, 2021

TO					TO				
1.	Alan Sparks				6.	Gary King			
2.	Robert Adams				7.	Jennifer Davidson			
3.	Casey Fallon				8.				
4.	Ross Gould				9.	Legal			
5.	Frankie McDermott				10.	CEO & General Manager			
Consent Calendar	X	Yes		No <i>If no, schedule a dry run presentation.</i>	Budgeted	X	Yes		No <i>(If no, explain in Cost/Budgeted section.)</i>

FROM (IPR) Doug Moore	DEPARTMENT Supply Chain Services	MAIL STOP EA404	EXT. 7069	DATE SENT 04/02/2021
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NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to award a contract to Granite Construction Company to provide Construction Services for the Union Valley Bike Trail Extension Project in the Crystal Basin region of the Upper American River Project (UARP) for a total contract amount not-to-exceed \$20,300,300 and for a contract term from May 1, 2021, to December 31, 2023.

Summary: RFP Doc. 2763582351 was issued on December 18, 2020, to solicit qualified firms to extend the Union Valley Bike Trail as required by United States Forest Service (USFS) 4(e) Condition 45 of the License for the UARP. The scope of work includes a paved bike trail, a paved parking area, picnic area, boardwalk and bridge structures, etc. The design/environmental/permitting for this project has received USFS approval. Construction is planned to begin as soon as snowmelt allows in 2021 and is targeted for completion before inclement weather begins toward the end of 2021.

Board Policy: BL-8; Delegation to the CEO and GM with respect to Procurement; Procurement principles followed in this award include but are not limited to: a) Competition, d) Inclusiveness, e) Economic Development, f) Environmental Procurement, and g) Responsible Bidder(s).

Recommendation: Award to Highest Evaluated Responsive Proposer

Award to:

Granite Construction Company
1900 Glendale Ave.
Sparks, NV 89431

Participants Invited - Ariba: 9

Bids/Proposals Received: 5

Responsive Proposals Received	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
	10	50	40	100					
Granite Construction Company	10.00	47.42	38.28	95.70	1	\$20,300,300	\$250,000	\$20,050,300	\$20,300,300
DVGE, Inc.	10.00	44.77	40.00	94.77	2	\$19,439,439	\$250,000	\$19,189,439	
Clark Bros., Inc.	10.00	39.65	37.00	86.65	3	\$20,994,475	\$250,000	\$20,744,475	
Burdick Excavating, Inc.	10.00	28.15	39.31	77.46	4	\$19,776,312	\$250,000	\$19,526,312	

Non-responsive Proposals Received	Comments
K.W. Emerson	Proposal not received at proper Due Date and Time

SEED Program:

The highest evaluated responsive proposer, Granite Construction, Inc., is self-performing 80% of this work. Through outreach efforts, Granite was able to subcontract with SEED verified subcontractors/vendors for 20% of their contract.

Benefits: Completion of a major project that is a requirement/condition for compliance with the operating License for the UARP.

Cost/Budgeted: \$20,300,300 Budgeted for 2021/2022 by Power Generation, Cost Center 463

Alternatives: None. Project is UARP License Compliance.

Affected Parties: Power Generation, Supply Chain Services, US Forest Service, and Granite Construction, Inc.

Coordination: Power Generation - Darold Perry/Shane Crowe, and Supply Chain Services – Doug Moore.

Presenter: Ross Gould, Director of Power Generation

Additional Links:

SUBJECT	Award Contract to Granite Construction Company to complete the Union Valley Bike Trail Extension Project	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.
SCS-21-061

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit April 14, 2021
Board Meeting Date April 15, 2021

TO				TO			
1.	Alan Sparks	6.	Frankie McDermott				
2.	Robert Adams	7.	Gary King				
3.	Casey Fallon	8.	Jennifer Davidson				
4.	Patrick Garvey	9.	Legal				
5.	Mike Deis	10.	CEO & General Manager				
Consent Calendar	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Jesse Mays		DEPARTMENT Procurement		MAIL STOP EA404	EXT. 5744	DATE SENT 3/26/21	

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to award contracts to Sierra National Construction, Inc. (SNC), Arrow Construction (Arrow), and Mountain G Enterprises (MGE) for Civil Construction Services for a contract term of three years from April 19, 2021, to April 18, 2024, for a total aggregate contract amount not-to-exceed \$35,000,000.

Summary: Request for Proposal (RFP) No. Doc2718362413 was issued in December 2020 to solicit qualified firms to provide civil construction services that include constructing cast in place reinforced concrete structures including drilled piers, cast in place concrete foundations, constructing cast in place concrete retaining walls and cable trenches; setting reinforced precast concrete structures and service boxes, installing conduit duct banks, performing structural repairs on concrete structures, manholes and boxes; installing or modify electrical grounding systems, fencing, manhole access grates which includes field welding, furnishing and placing aggregate base and crushed rock, grading and paving, constructing electric vehicle charging stations, or any other construction-related needs. A pre-proposal conference was held on January 12, 2021, of which nine vendors attended. On February 2, 2021, eight proposals were received and evaluated in accordance with the advertised criteria. Of the eight proposals received, six were responsive. SMUD negotiated pricing with all six responsive Proposers which resulted in a price reduction of 1% from SNC, 3% from Arrow, and 4% from MGE. The final pricing from SNC, Arrow, and MGE was highly competitive; and combined with their technical score, informed the decision to recommend contract awards to the three highest rated proposers. Awarding three (zero-dollar) contracts with an aggregate amount of all tasks not-to-exceed \$35,000,000 for three years gives the business unit flexibility and mitigates the risk of work disruption. The result of the evaluation and award recommendations are shown below.

Board Policy: BL-8, Delegation to the CEO and GM with Respect to Procurement; SD-4, Reliability; SD-6, Safety; (Number & Title) SD-13; Economic Development

Recommendation: Award to the Highest Evaluated Responsive Proposers.

Award to:

Arrow Construction	Sierra National Construction, Inc.	Mountain G Enterprises
1850 Diesel Drive	5433 El Camino Ave., Ste 4	1180 Iron Point Rd., Suite 320
Sacramento, CA 95838	Carmichael, CA 95608	Folsom, CA 95630

Proposers Notified by Procurement:	34
Proposers Downloaded:	17
Pre-Proposal Conference Attendance:	9

Responsive Proposals Received	P/F	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
		10	35	55	100					
Sierra National Construction, Inc.	P	10	31.33	53.35	94.68	1	\$4,824,975	\$234,350	\$4,590,625	The aggregate amount of all task authorizations not-to-exceed \$35,000,000
Arrow Construction	P	10	30.92	52.79	93.71	2	\$4,873,015	\$234,350	\$4,638,665	
Mountain G. Enterprises	P	10	26.33	55.00	91.33	3	\$4,687,000	\$234,350	\$4,452,650	
Pacific Gold Marketing	P	10	26.92	49.03	85.95	4	\$5,228,870	\$234,350	\$4,994,520	
Syblon Reid	P	10	30.50	36.99	77.49	5	\$6,854,670	\$234,350	\$6,620,320	
Moreno Trenching, LTD	P	8.80	25.00	42.31	76.11	6	\$5,839,645	\$51,389	\$5,788,256	

Non-Responsive Proposals Received	Proposal Amount
Anvil Builders	\$7,158,140
Teichert Energy & Utilities Group, Inc.	\$5,300,567

Comments: The RFP included a provision of the Proposer's to achieve a minimum of 25 points out of 35 technical points available in Evaluation Criteria Items 3,4, and 5. Anvil Builders was deemed non-responsive as they achieved a total technical score of 22.33. Teichert Energy & Utilities Group, Inc. was deemed non-responsive as they achieved a total technical score of 21.17.

Supplier Diversity Program:

SNC is a SEED verified vendor and was the highest ranked proposer. SNC proposed to self-perform 98% of the work and subcontract 2% to a SEED verified vendor. Arrow is a SEED verified vendor and was the second highest ranked proposer. Arrow proposed to self-perform 92% of the work and subcontract 8% to SEED verified vendors. MGE was the third highest ranked proposer and proposed to self-perform 79.5% of the work and subcontract 20.2% to SEED verified vendors and 0.3% to non-SEED vendors.

Benefits: Award will provide SMUD with three qualified contractors to execute civil construction.

Cost/Budgeted: \$35,000,000; Budgeted for 2021 through 2024 by Grid Assets

Alternatives: Resolicit proposals and award funded contracts. This would not be in SMUD's best interest because it does not present the competitive tension at a task level that is key to continued cost savings and contractor efficiencies to complete the work.

Affected Parties: Grid Assets, Supply Chain Services, and Contractor

Coordination: Grid Assets and Supply Chain Services

Presenter: Mike Deis, Director of Substations, Telecom and Metering Assets

Additional Links:

SUBJECT

Award Civil Annual Construction Contracts

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.
SCS-21-062

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit April 14, 2021
Board Meeting Date April 15, 2021

TO				TO			
1.	Alan Sparks	6.	Frankie McDermott				
2.	Robert Adams	7.	Gary King				
3.	Casey Fallon	8.	Jennifer Davidson				
4.	Patrick Garvey	9.	Legal				
5.	Mike Deis	10.	CEO & General Manager				
Consent Calendar		Budgeted		Yes		No (If no, explain in Cost/Budgeted section.)	
FROM (IPR)		DEPARTMENT		MAIL STOP	EXT.	DATE SENT	
Jesse Mays		Procurement		EA404	5744	3/26/21	

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to award contracts to Arrow Construction (Arrow) and Teichert Energy & Utilities Group, Inc. (Teichert) for Urban Civil Construction Services for a contract term of 3 years from April 19, 2021 to April 18, 2024 for a not-to-exceed aggregate amount of \$30,000,000.

Summary: Request for Proposals (RFP) No. WS2590304622 was issued in December 2020 to solicit qualified firms to provide construction services in Downtown Sacramento in the road right-of-way in high pedestrian and vehicular traffic to repair or modify existing high voltage electrical facilities or build new high voltage electrical structures or facilities in Downtown Sacramento. A pre-proposal conference was held on January 12, 2021 of which 8 vendors attended. On February 2, 2021 4 proposals were received and evaluated in accordance with the advertised criteria. Of the 4 proposals received, 2 were responsive. SMUD negotiated pricing with both responsive Proposers which resulted in a price reduction of 0.3% from Arrow and 5.7% from Teichert. The final pricing from Arrow and Teichert was highly competitive and determined to be fair and reasonable. Awarding two zero-dollar contracts with an aggregate amount of all tasks not-to-exceed \$30,000,000 for three years gives the business unit flexibility and mitigates the risk of work disruption. The result of the evaluation and award recommendations are shown below.

Board Policy: BL-8; Delegation to the GM with respect to Procurement; SD-4, Reliability; SD-6, Safety; SD-13; Economic Development
(Number & Title)

Recommendation: Award to the Highest Evaluated Responsive Proposers.

Award to:

Arrow Construction	Teichert Energy & Utilities Group, Inc.
1850 Diesel Drive	3500 American River Drive
Sacramento, CA 95838	Sacramento, CA 95864

Proposers Notified by Procurement:	44
Proposers Downloaded:	15
Pre-Proposal Conference Attendance:	8
Proposals Received:	4

Responsive Proposals Received	P/F	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Ampunt	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
		10	35	55	100					
Arrow Construction	P	10	28.17	55	93.17	1	\$14,967,900	\$250,000	\$14,717,900	The aggregate amount of all task authorizations not-to-exceed \$30,000,000
Teichert Energy & Utilities Group, Inc.	P	10	25.50	52.43	87.93	2	\$15,689,542	\$250,000	\$15,439,542	

Non-Responsive Proposals Received	Proposal Amount
Clark Bros Inc.	\$15,741,770
Moreno Trenching, LTD	\$18,297,350

Comments: The RFP included a provision of the Proposer’s to achieve a minimum of 24.5 points out of 35 technical points available in Evaluation Criteria Items 3,4, 5, and 6. Clark Bros Inc. was deemed non-responsive as they achieved a total technical score of 18.5. Moreno Trenching, LTD was deemed non- responsive as they achieved a total technical score of 20.93.

Supplier Diversity Program:

Arrow is a SEED verified vendor and was the highest ranked proposer. Arrow proposed to self -perform 87.5% of the work and subcontract 8% to SEED verified vendors and 4.5 to non-SEED vendors. Teichert was the second highest ranked proposer and proposed to self-perform 70.5% of the work and subcontract 29.5% to SEED verified vendors.

Benefits: Award will provide SMUD with two qualified contractors to execute civil construction in downtown Sacramento.

Cost/Budgeted: \$30,000,000; Budgeted for 2021 through 2024 by Grid Assets

Alternatives: Resolicit proposals and award funded contracts. This would not be in SMUD’s best interest because it does not present the competitive tension at a task level that is key to continued cost savings and contractor efficiencies to complete the work. Soliciting new proposals will also delay SMUD projects to deliver power to our customers.

Affected Parties: Grid Assets, Supply Chain Services, and Contractor

Coordination: Grid Assets and Supply Chain Services.

Presenter: Mike Deis

Additional Links:

SUBJECT

Award Urban Civil Annual Construction Contracts

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. BOD 2021-006

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit 2021
Board Meeting Date N/A

TO	TO
1. Gary King	6.
2. Jennifer Davidson	7.
3.	8.
4.	9. Legal
5.	10. CEO & General Manager

Consent Calendar		Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted		Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Rosanna Herber / Donna Lofton	DEPARTMENT Board Office			MAIL STOP B307	EXT. 5079	DATE SENT 12/22/20		

NARRATIVE:

Requested Action: Provide a summary of committee direction from the Board to Staff.

Summary: During a Board discussion at the January 2017 Policy Committee, the Board requested having an on-going opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting in an effort to make clear the will of the Board. The Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.
(Number & Title)

Benefits: Having an agendaized opportunity to summarize the Board's requests and suggestions that arise during the committee meeting will help clarify what the will of the Board.

Cost/Budgeted: N/A

Alternatives: Not summarize the Board's requests at this meeting.

Affected Parties: Board of Directors and Executive Staff

Coordination: Donna Lofton, Special Assistant to the Board

Presenter: Rosanna Herber, Finance & Audit Committee Chair

Additional Links:

SUBJECT Summary of Committee Direction	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.