

Board of Directors

Special Meeting

Date: July 19, 2021
Time: 5:30 p.m.
Location: Virtual Meeting (online)

Powering forward. Together.



NOTICE OF SPECIAL MEETING AND AGENDA

SACRAMENTO MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS MEETING

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 e-mailing 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 Board 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 Board President 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.

July 19, 2021 – 5:30 p.m.

Zoom Webinar Link: [Join SMUD Special Board of Directors Meeting Here](#)

Webinar ID: 161 059 0306

Password: 313567

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

Call to Order.

a. Roll Call.

1. Approval of the Agenda.

Comments from the public are welcome when these agenda items are called.

Discussion Calendar:

2. Approve an increase to the aggregate contract not-to-exceed amount for civil construction services by \$10 million, from \$15.6 million to \$25.6 million, and extend the contract expiration date by three months from March 25, 2022, to June 25, 2022, for Contract No. 4600001250 with **Arrow Construction**, Contract No. 4600001251 with **Sierra National Construction, Inc.**, and Contract No. 4600001252 **Pacific Gold Marketing, Inc.**
Presenter: Mike Deis

3. Approve an increase to the aggregate contract not-to-exceed amount for civil construction services in downtown and other areas of Sacramento by \$10 million, from \$31.5 million to \$41.5 million, for Contract No. 4600001313 with **Arrow Construction** and Contract No. 4600001312 with **Clark Bros., Inc.**
Presenter: Mike Deis

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Public Comment:

4. Items not on the agenda.

Dated: July 16, 2021

Nancy Bui-Thompson, President
Board of Directors
Sacramento Municipal Utility District

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Board Committee Meetings and Special Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento

The SMUD Board of Directors is currently operating under Emergency Board Meeting Procedures. In response to local, state, and federal directives, the following meetings will be held virtually (online).

August 3, 2021	Strategic Development Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
August 10, 2021	Strategic Development Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
August 11, 2021	Policy Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
August 17, 2021	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
August 18, 2021	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
August 31, 2021	Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.

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Regular Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento

The SMUD Board of Directors is currently operating under Emergency Board Meeting Procedures. In response to local, state, and federal directives, the following meeting will be held virtually (online).

August 19, 2021

Virtual Meeting (online)

5:30 p.m.

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 Board 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 President may read the comments into the record, in her discretion, based upon such factors as the length of the agenda, the number of email comments received, and whether the Board is in danger of losing a quorum. Comments 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.

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.

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

N/A

Board Meeting Date

July 19, 2021

TO				TO				
1.	Mike Deis	6.						
2.	Casey Fallon	7.						
3.	Frankie McDermott	8.						
4.	Jennifer Davidson	9.	Legal					
5.		10.	CEO & General Manager					
Consent Calendar		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<i>If no, schedule a dry run presentation.</i>		
		<input type="checkbox"/>	Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR)			DEPARTMENT			MAIL STOP	EXT.	DATE SENT
Joy Mastache			Office of the General Counsel			B406	5906	07/15/21

NARRATIVE:

Requested Action: Approve an increase to the aggregate contract not-to-exceed amount for civil construction services by \$10 million, from \$15.6 million to \$25.6 million, and extend the contract expiration date by three months from March 25, 2022, to June 25, 2022, for Contract No. 4600001250 with Arrow Construction, Contract No. 4600001251 with Sierra National Construction, Inc., and Contract No. 4600001252 Pacific Gold Marketing, Inc.

Summary: The original contracts were awarded on a competitive basis to Arrow Construction, Sierra National Construction, Inc., and Pacific Gold Marketing, Inc. in March 2019 (Board Resolution No. 19-03-07) to provide civil construction services for a contract term of three years from March 25, 2019, to March 25, 2022, for a not-to-exceed aggregate contract amount of \$15 million.

Currently, the aggregate balance is approximately \$15,600,000 as shown below.

Contract Actions	Amount	Cumulative Total	Description
Original Contract	\$15,000,000	\$15,000,000	Contract Award
Contract Change No. 1	\$600,000	\$15,600,000	Added Allowable Contingency Amount
Pending Board Approval	\$10,000,000	\$25,600,000	Increase Total Aggregate Amount and Extend Contract Term

Current commitments under the Contracts total in aggregate \$12,585,202.15 as reflected in the table below. With foreseeable work requirements for the next six months, we anticipate the remaining contract amounts will be depleted prior to the completion of the necessary work, leaving little or no buffer for emergency work.

Contract No.	Vendor	Start	End	Group Award Limit \$	Invoiced Amount	Released Amount
4600001250	Arrow Construction	03/18/19	03/25/22	\$15,600,000.00	\$2,502,148.46	\$2,568,868.91
4600001251	Sierra National Construction, Inc.	03/18/19	03/25/22		\$3,676,474.31	\$6,165,323.59
4600001252	Pacific Gold Marketing, Inc.	03/18/19	03/25/22		\$3,607,089.63	\$3,851,009.65
					\$9,785,712.40	\$12,585,202.15

Staff had initiated a solicitation process for successor contracts; however, to further SMUD's contract management goals and ensure a robust strategic alliance opportunity, this solicitation has been withdrawn to allow staff the opportunity to optimize its procurement approach for the most cost effective solution for this work. It will take staff several months to revise and reissue the solicitation. This creates a gap in the aggregate contract funds and contract term. To ensure the continuity of this civil construction work, staff is seeking an increase in the aggregate contract funds and an extension of the contract term.

Board Policy: BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement; (Number & Title) SD-4, Reliability; SD-7, Environmental Leadership; SD-13, Economic Development Policy.

Benefits: Continuity of necessary work and excellence in contract management.

Cost/Budgeted: Budgeted

Alternatives: Let the contract expire and suspend civil construction work. If emergencies arise, we will have to issue emergency contracts with available contractors.

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

Coordination: Grid Assets, Supply Chain Services, Legal, Executive Office

Presenter: Mike Deis, Director, Substations, Telecommunications & Metering Assets

Additional Links:

SUBJECT

**Approve Increase in Amount and Contract Extension for
Aggregate Contract for Civil Construction Services**

ITEM NO. (FOR LEGAL USE ONLY)

2

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, by Resolution No. 19-03-07, adopted on March 21, 2019, this Board authorized the Chief Executive Officer and General Manager to award Contract No. 4600001250 to **Arrow Construction**, Contract No. 4600001251 to **Sierra National Construction, Inc.**, and Contract No. 4600001252 to **Pacific Gold Marketing, Inc.** (collectively, the **Contracts**) for civil construction services for a contract term of three years from March 25, 2019, to March 25, 2022, for a not-to-exceed aggregate amount of \$15,000,000;

WHEREAS, Contract Change 1 to the **Contracts** increased the total aggregate contract not-to-exceed amount by \$600,000, a portion of the 10% allowed contingency amount, to provide funds to respond to unexpected requests through the contract term; and

WHEREAS, a solicitation for successor contracts was withdrawn in order to allow staff to optimize its procurement approach for the most cost effective solution to this work; and

WHEREAS, revision and reissuance of the solicitation for the successor contracts will take several months; and

WHEREAS, increasing the aggregate contract amount and extending the expiration date for the **Contracts** will ensure continuity of this civil construction work as staff revises and reissues the solicitation for successor contracts; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. That this Board hereby authorizes the Chief Executive Officer and General Manager, or his designee, to increase the aggregate contract not-to-exceed amount for civil construction services by \$10 million, from \$15.6 million to \$25.6 million, and extend the contract expiration date by three months from March 25, 2022, to June 25, 2022, for Contract No. 4600001250 with **Arrow Construction**, Contract No. 4600001251 with **Sierra National Construction, Inc.**, and Contract No. 4600001252 to **Pacific Gold Marketing, Inc.** (collectively, the Contracts).

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the Contracts that, in his prudent judgment: (a) further the primary purpose of the Contracts; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

N/A

Board Meeting Date

July 19, 2021

TO				TO				
1.	Mike Deis	6.						
2.	Casey Fallon	7.						
3.	Frankie McDermott	8.						
4.	Jennifer Davidson	9.	Legal					
5.		10.	CEO & General Manager					
Consent Calendar		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<i>If no, schedule a dry run presentation.</i>		
		<input type="checkbox"/>	Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR)			DEPARTMENT			MAIL STOP	EXT.	DATE SENT
Joy Mastache			Office of the General Counsel			B406	5906	07/15/21

NARRATIVE:

Requested Action: Approve an increase to the aggregate contract not-to-exceed amount for civil construction services in downtown and other areas of Sacramento by \$10 million, from \$31.5 million to \$41.5 million, for Contract No. 4600001313 with Arrow Construction and Contract No. 4600001312 with Clark Bros., Inc.

Summary: The original contracts were awarded on a competitive basis to Arrow Construction and Clark Bros., Inc. in September 2019 (Board Resolution No. 19-09-06) for provision of civil construction services in downtown and other areas of Sacramento for a three-year period from approximately September 23, 2019, to September 22, 2022, for a total not-to-exceed aggregate contract amount of \$30 million.

Currently, the aggregate balance is approximately \$31,500,000.

Contract Actions	Amount	Cumulative Total	Description
Original Contract	\$30,000,000	\$30,000,000	Contract Award
Contract Change No. 1 to 4600001312 (Clark Bros.)	N/A	N/A	Changed Foreman Labor Rates on Bid Schedule Line Items 56 through 60
Contract Change No. 2 to 4600001312 (Clark Bros., Inc.) / Contract Change No. 1 to 4600001313 (Arrow Construction)	\$1,500,000	\$31,500,000	Added Allowable Contingency Amount
Pending Board Approval	\$10,000,000	\$45,500,000	Increase Total Aggregate Amount

Current commitments under the Contracts total in aggregate \$30,054,372.51 as reflected in the table below. With foreseeable work requirements for the next six months, we anticipate the remaining contract amounts will be depleted prior to the completion of the necessary work, leaving little or no buffer for emergency work.

Contract No.	Vendor	Start	End	Group Award Limit \$	Invoiced Amount	Released Amount
4600001313	Arrow Construction	03/18/19	03/25/22	\$31,500,000.00	\$12,773,354.07	\$15,507,094.53
4600001312	Clark Bros., Inc.	03/18/19	03/25/22		\$12,371,643.73	\$14,547,277.98
					\$25,144,997.80	\$30,054,372.51

Staff had initiated a solicitation process for successor contracts; however, to further SMUD's contract management goals and ensure a robust strategic alliance opportunity, this solicitation has been withdrawn to allow staff the opportunity to optimize its procurement approach for the most cost effective solution for this work. It will take staff several months to revise and reissue the solicitation. This creates a gap in the

aggregate contract funds and contract term. To ensure the continuity of this civil construction work, staff is seeking an increase in the aggregate contract funds.

Board Policy: BL-8, Delegation to the Chief Executive Officer and General Manager with Respect to Procurement;
(*Number & Title*) SD-4, Reliability; SD-7, Environmental Leadership; SD-13, Economic Development Policy.

Benefits: Continuity of necessary work and excellence in contract management.

Cost/Budgeted: Budgeted

Alternatives: Let the contract expire and suspend civil construction work. If emergencies arise, we will have to issue emergency contracts with available contractors.

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

Coordination: Grid Assets, Supply Chain Services, Legal, Executive Office

Presenter: Mike Deis, Director, Substations, Telecommunications & Metering Assets

Additional Links:

SUBJECT

**Approve Increase in Aggregate Contract Amount for
Civil Construction Services in Downtown and Other Areas of Sacramento**

ITEM NO. (FOR LEGAL USE ONLY)

3

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, by Resolution No. 19-09-06, adopted on September 19, 2019, this Board authorized the Chief Executive Officer and General Manager to award Contract No. 4600001313 to **Arrow Construction (Arrow)** and Contract No. 4600001312 to **Clark Bros., Inc. (Clark)** (collectively, the **Contracts**) for provision of civil construction services in downtown and other areas of Sacramento for a three-year period from approximately September 23, 2019, to September 22, 2022, for a total not-to-exceed aggregate amount of \$30,000,000; and

WHEREAS, Contract Change 1 to **Clark** Contract No. 4600001312 changed foreman labor rates on Bid Schedule Line Items 56 through 60; and

WHEREAS, Contract Change No. 2 to **Clark** Contract No. 4600001312 and Contract Change No. 1 to **Arrow** Contract No. 4600001313 increased the total aggregate contract not-to-exceed amount by \$1,500,000, a portion of the 10% allowed contingency amount, to provide funds to respond to unexpected requests through the term of the **Contracts**; and

WHEREAS, a solicitation for successor contracts was withdrawn in order to allow staff to optimize its procurement approach for the most cost effective solution to this work; and

WHEREAS, revision and reissuance of the solicitation for the successor contracts will take several months; and

WHEREAS, increasing the aggregate contract amount for the **Contracts** will ensure continuity of this urban civil construction work as staff revises and reissues the solicitation for successor contracts; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. That this Board hereby authorizes the Chief Executive Officer and General Manager, or his designee, to increase the aggregate contract not-to-exceed amount for civil construction services in downtown and other areas of Sacramento by \$10 million, from \$31.5 million to \$41.5 million, for Contract No. 4600001313 with **Arrow Construction** and Contract No. 4600001312 with **Clark Bros., Inc.** (collectively, the Contracts).

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the Contracts that, in his prudent judgment: (a) further the primary purpose of the Contracts; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.