

Exhibit to Agenda Item #6

Approve an increase to the aggregate contract not-to-exceed amount for general line construction services by \$20 million, from \$20 million to \$40 million, for Contract No. 4600001474 with **Hot Line Construction, Inc.** and Contract No. 4600001475 with **Mountain G Enterprises.**

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, October 18, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

General Line Construction



Contract change

Work drivers, categories

- Commercial project volume
- Large local agency projects
- Wildfire\Avian mitigation projects
- Subdivision volume
- End of life infrastructure replacement

Benefits

- Retain qualified contractors in a resource constrained environment
- Existing crews are familiar working on SMUD's system
- Pricing is ~7% below market per supply chain market intelligence
- Both contractors have met performance expectations

Procurement process

- Proposals were solicited by RFP and evaluated based on the following:
 - Experience, qualifications, technical approach, customer relations, safety, SEED participation, environmental sustainability, commercial terms (price), and compliance with SMUD's contractual terms
- Due to current contractor labor resource constraints, pricing, and quick turnaround needed to complete the project, it is in SMUD's best interest to increase the contract value through contract changes