



CONTRACT CHANGE ORDER

CITY OF PALO ALTO

DEPARTMENT: ELECTRIC UTILITIES OPERATIONS

Electric Utility Construction Services Project

Contract Change Order # 1

Project Title:	Grid Modernization	Project No.:	EL-24000
Contract Number:	C23185980	Date:	4/16/2024
Contractor:	VIP Powerline Corp	Change Order No.:	1

Description of Change Order

Background Information:	<p>The Electric Grid Modernization project is to enhance the distribution system's grid resiliency and reliability in a manner that will continue to accelerate the City's clean energy and decarbonization goals. Palo Alto's grid must be modernized to reach the capacity required to electrify all homes and cars.</p> <p>The original contract C23185980 was approved by City Council on April 10, 2023 under staff report 2303:1119. The original terms of the contract was an annual not-to-exceed amount of \$4,000,000 per year, for a five-year contract not-to-exceed a total amount of 20,000,000 from April 10, 2023 through April 9, 2028.</p> <p>https://cityofpaloalto.primegov.com/meeting/document/1862.pdf?name=Item%2010%20Staff%20Report</p>
Change Order Justification:	<p>To meet the expected increase in demands, Grid Mod will increase network capacity. Capacity increases will include the following work: converting 4kV systems to 12kV; installing more distribution transformers with greater capacity; and rebuilding secondary networks by increasing conductor size, replacing utility poles, and creating more secondary networks.</p> <p>Staff recommends increasing the annual amount from \$4 million to \$8 million for the remaining four years of the contract and increasing the five-year not-to-exceed amount of the contract from \$20 million to \$36 million.</p>
Description of Work to be Performed:	<p>Contractor will provide electric line construction crew(s) to be used on an ongoing basis to assist with construction and operating activities on the City's 12kV and 4kV Electric Distribution System. The City proposes to utilize contract labor and equipment to supplement the City's crews in the construction of necessary maintenance, pole replacements, and existing facilities upgrades on its Electric System. The project includes replacing 1,400 pole top transformers and 341 underground transformers. Furthermore, 296,300 circuit feet of open wire secondary conductors in the distribution system will be replaced with aluminum aerial cable. Approximately 1,500 or 25% of 6,000 poles will need to be replaced and increased in size to support the weight of the new transformers, wires, and equipment.</p>
Incorporates Field Order Number(s):	Bid items 1 - 20

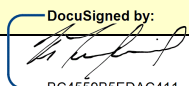
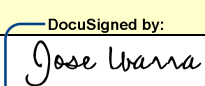
Cost		Time
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This Change Order will: <input type="checkbox"/> No cost change: N/A <input checked="" type="checkbox"/> Increase cost by \$ 16,000,000.00 <input type="checkbox"/> Decrease cost by \$ N/A	This Change Order will: <input checked="" type="checkbox"/> Not change time <input type="checkbox"/> Increase time by ____ days ○ ____ days Excusable Delay ○ ____ days Compensable Delay <input type="checkbox"/> Decrease time by ____ days The date of completion as of this Change Order is: Requesting this change for year 2 (current) through year 5 contract.
G/L account number (s): <u>40029013 / 31650</u>	
Basis for change in cost: <input type="checkbox"/> Unit price(s) <input type="checkbox"/> Lump sum <input checked="" type="checkbox"/> Time and Materials <input type="checkbox"/> Compensation for Compensable Delay X Other: Time and Equipment	

Contract Change Order – continued

CONTRACTOR CERTIFICATION: By signing below, Contractor agrees that this Change Order constitutes full resolution, settlement, accord and satisfaction with respect to any and all pending or future Claims for cost and extensions of time that were asserted, or that could have been asserted, in connection with the Work covered by this Change Order, as more fully set forth in Article 7 of the Contract General Conditions.

FAILURE TO EXECUTE: If Contractor fails to promptly execute this Change Order after it has been submitted for Contractor's signature, the City may unilaterally approve this Change Order as set forth in Article 7 of the Contract General Conditions. Contractor may dispute the terms of a unilaterally-approved Change Order, in whole or in part, by submitting a Claim in accordance with the Dispute Resolution Procedures set forth herein within fourteen (14) days after the Change Order is approved by the City. If Contractor fails to submit a Claim within that 14-day period, with respect to all or part of the unilaterally-approved Change Order, those portions of the Change Order which have not been disputed by timely submission of a Claim shall be deemed to have the same effect as if the Change Order was fully executed by both parties as set forth above.

Accepted for Contractor:	Accepted for City of Palo Alto:
DocuSigned by:  BC4559B5EDAC411...	DocuSigned by:  97409E03C6A74D6...
By: Ryan Tufnail	By: Jose Ibarra
Title: President	Title: Utilities Supervisor
Date: 4/25/2024	Date: 4/25/2024

Scope of Work

PCO No.	ASI	FO	COR	CO	Description	Amount	Reason for Change
1					Foreman/ Crew Leader (12 kV rubber glove certification required)	\$514,000	Electric Grid Modernization Project
2					Line Person/ Journeyman (12 kV rubber glove certification required)	\$892,000	Electric Grid Modernization Project
3					Line Person/Journeyman Apprentice (12 kV rubber glove certification required)	\$394,000	Electric Grid Modernization Project
4					Truck Driver/ Ground Person (12 kV rubber glove certification required)	\$314,000	Electric Grid Modernization Project

5					Overtime Foreman/ Crew Leader (12 kV rubber glove certification required)	\$293,000	Electric Grid Modernization Project
6					Overtime Line Person/ Journeyman (12 kV rubber glove certification)	\$247,000	Electric Grid Modernization Project
7					Overtime Line Person/ Journeyman Apprentice (12 kV rubber glove certification required)	\$214,000	Electric Grid Modernization Project
8					Overtime Truck Driver/ Ground Person (12 kV rubber glove certification required)	\$162,000	Electric Grid Modernization Project
9					Line Truck Capable of setting and removing poles up to 70'	\$192,000	Electric Grid Modernization Project
10					Line Truck Capable of setting and removing poles up to 80'	\$90,000	Electric Grid Modernization Project
11					Material Handler/ Bucket Truck capable of facilitating live line work at 55'	\$192,000	Electric Grid Modernization Project
12					Material Handler/ Bucket Truck capable of facilitating live line work at 70'	\$100,000	Electric Grid Modernization Project
13					Cargo Trailer capable of hauling material including poles up to 80'	\$20,000	Electric Grid Modernization Project
14					Bucket Truck capable of working on electric secondary level (35')	\$70,000	Electric Grid Modernization Project
15					18k LB Boom Truck (e.g. Small Crane)	\$70,000	Electric Grid Modernization Project
16					Single Reel Dolly Trailer	\$20,000	Electric Grid Modernization Project
17					3 Reel Dolly/Trailer or Truck	\$20,000	Electric Grid Modernization Project
18					40k LB Take up Dolly (e.g. 4k Hogg Davis Cable Puller)	\$70,000	Electric Grid Modernization Project
19					Underground Splicing Van	\$70,000	Electric Grid Modernization Project
20					Traffic Control Services	\$56,000	Electric Grid Modernization Project
					Total for this Change Order	\$4,000,000	

Annual incremental percentage increases in bid prices shall be listed for each additional year of the contract.	
YEAR 2 - 1st Optional 12-month extension (Items 001 – 0020)	3.90%
YEAR 3 - 2nd Optional 12-month extension (Items 001 – 0020)	3.70%
YEAR 4 - 3rd Optional 12-month extension (Items 001 – 0020)	3.50%
YEAR 5 - 4th Optional 12-month extension (Items 001 – 0020)	3.30%

Contract Change Order – continued			
Summary of Amounts Payable Under Contract (For Internal Purposes Only)			
Original Contract Sum:	\$	20,000,000.00	
Previous Change Orders	\$	0.00	
This Change Order	\$	16,000,000.00	
Revised Contract Sum:	\$	36,000,000.00	
Compare to:			
Original Contract Authorization:	\$	20,000,000.00	Contingency: 0.00
Contract Amendment Authorizations	\$	0.00	Contingency added: 0.00
Contingency Authorizations:	\$	0.00	Used to date (0.00)
Total Authorized Funding:	\$	20,000,000.00	Balance remaining 0.00
Change Orders shall not be initiated for Council-approved contracts if the revised Contract Sum exceeds the total authorized funding amount.			

Document Preparation	
By:	Dave Yuan <small>DocuSigned by: Dave Yuan A40D49CF745B243B...</small>
Title:	Utilities Strategic Business Manager
Date:	April 16, 2024

City Approval – Division Head	
Signature required on all Change Orders	
By :	<small>DocuSigned by:</small> Tomm Marshall <small>60FCC050B7C0A7E...</small>
Title :	Tomm Marshall Assistant Director, Electric Engineering and Operations
Date:	4/30/2024

City Approval – Department Head	
Signature required when any individual Change Order exceeds \$10,000.	
By:	<small>DocuSigned by:</small> Dean Batchelor <small>7C0097F94DAF492...</small>
Title:	Dean Batchelor Director of Utilities
Date:	4/30/2024