

Exhibit to Agenda Item #4

Approve an increase to the aggregate contract not-to-exceed amount for general line construction services by \$12 million, from \$44 million to \$56 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, February 13, 2024, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium



Background

Contracts were established in 2021 with a primary focus to support General Line Construction:

- Capacity projects
- Local agency projects
- Transmission projects
- Pole Replacements
- Fire hardening
- Fiber optic
- Avian mitigation

Reason for change

Primary contributors:

- January 2023 Storm Repairs
- Labor rate increases accelerated the contract spend rate
- Influx of local agency projects



January 2023 storm damage



January 2023 storm damage – Grant Line Road



Procurement strategy

- Proposals were originally solicited in 2021 by Request for Proposal (RFP) and resulted in contract awards to the two highest evaluated and responsive Proposers, Hot Line Construction Inc. and Mountain G. Enterprises.
- This contract change will bridge the gap until new contracts are sourced through a competitive process this year.