

Procurement Process Review
Kern Power Plant Demolition Incident
November 14, 2012

Introduction: This report summarizes the review conducted by Pacific Gas and Electric Company (PG&E) into its procurement process to hire Cleveland Wrecking Company (CWC) on the Kern Power Plant (KPP) demolition project. The report first gives an overview of the process that was used for the KPP demolition with a focus on the portions of the process that involve safety. Next, it describes the corrective actions that PG&E identified as part of the investigation of the KPP demolition project. The corrective actions proposed in this report are consistent with an enterprise-wide Contractor Safety Program under development at PG&E. PG&E anticipates that additional measures and process improvements may result from implementation of the Contractor Safety Program. As a result, the corrective actions proposed herein should be considered interim and subject to refinement based on new insights and the final results of the Contractor Safety Program initiative.

PG&E Procurement Process: PG&E employed a comprehensive RFP evaluation process which included Go/No-Go criteria safety, financials and notification. Thereafter, bid proposals were scored on a weighted scoring mechanism to rank the bids before moving on to interviews with the highest ranked bidders, and finally, awarding a contract.

Phase I Review Process

Redacted

Phase II Review Process

Redacted

Redacted

Evaluation results for Kern Power Demolition RFP

Redacted

Kern Power Plant Demolition RFP Evaluation Scorecard

Phase I: Go/No-Go (Safety, Financial Ability and Notice of Violations)

TOTALSUMMARY	Cleveland Wrecking Company	Bierlein Inc.	NCM Demolition and Remediation, LP	Silverado Contractors	NW Demolition
Redacted					

Phase II: Scorecard (Commercial, Technical, Pricing and Diversity)

TOTALSUMMARY		Cleveland Wrecking Company	Bierlein Inc.	NCM Demolition and Remediation, LP	Silverado Contractors	NW Demolition
Redacted						

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Issue Associated with Current Practice	Recommended Process Enhancements Under Review in Contractor Safety Program Initiative
Redacted	