

Agenda Report

March 18, 2002

TO: City Council

FROM: City Manager

SUBJECT: Authorization to Issue a Purchase Order to Wesco Distribution Inc. for \$200,000 for the Purchase of Time of Use (TOU) Meters

RECOMMENDATION

It is recommended that the City Council authorize the Purchasing Administrator to issue a purchase order to Wesco Distribution Inc. in an amount not to exceed \$200,000 for the purchase of TOU meters for large industrial and commercial electric customers. The proposed purchase is exempt from competitive bidding pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services.

It is also recommended that the City Council grant this purchase an exemption from the competitive selection process of the Affirmative Action in Contracting Ordinance pursuant to Pasadena Municipal Code (P.M.C.) 4.09.060(C) contracts for which the City's best interests are served.

BACKGROUND

On December 17, 2001, Council approved the Pasadena Water and Power electric rate restructuring proposal. Included in this proposal was a provision to offer only TOU and market rate options to large industrial and commercial electric customers with demands greater than 300 kW. This requires that customers in this classification be equipped with the appropriate TOU meters by the implementation date of the new rate design.

After an extensive evaluation of the various types of TOU meters in the market, PWP has chosen to utilize ABB Alpha Plus meter for its TOU rate option, and has identified about 150 large industrial and commercial electric customers that must have their meters replaced with a TOU meter before July 2002. Due to the time required to undertake a bidding process, PWP proposes to use the result of a similar exercise that was recently completed by the City of Glendale.

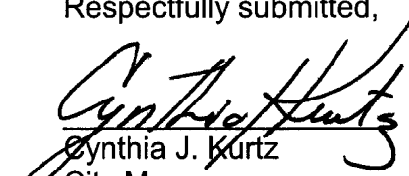
On April 29, 1998, the City of Glendale undertook a competitive bidding process for the purchase of miscellaneous electric meters including the type of TOU meter PWP is interested in purchasing. As a result of the bidding process, the City of Glendale awarded a contract to Wesco Distribution Inc. (Wesco). On March 21, 2001, Wesco extended its pricing to the City of Glendale up until June 30, 2002. Wesco has also offered to extend to the City of Pasadena the same pricing for the purchase ABB Alpha Plus TOU meters that was provided to the City of Glendale for purchase of its meters.

The probability that a new bidding process by the City would yield a price better than that currently being offered by Wesco is low. The City last purchased this type of TOU meter in September 2001 from Wesco at about the same price being offered by Wesco on this bid.

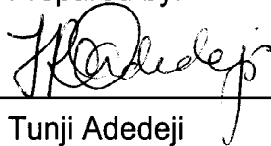
FISCAL IMPACT

Funds in the amount of \$200,000 are available for use in account 8504-401-843310-0370 (Budget # 3142 – Direct Access Program and Budget # 3034 – Distribution System Management).

Respectfully submitted,

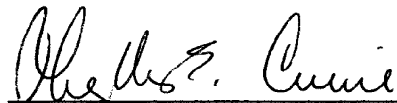

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