

Agenda Report

To: City Council

Date: July 14, 2003

From: City Manager

Subject: Authorization to enter into a contract with Henkels & McCoy, Inc. for the construction of underground electrical conduit systems, vaults and other miscellaneous work for the Water and Power Department – Specification LD-03-3

RECOMMENDATION

It is recommended that the City Council: (i) accept the bid dated June 24, 2003, submitted by Henkels & McCoy, Inc., in response to Specification LD-03-3; (ii) reject all other bids; and (iii) authorize the City Manager to enter into a contract for a period of one year or an amount not to exceed \$950,000.00 whichever occurs first.

BACKGROUND

In accordance with the Pasadena Municipal Code and the City's Electric Service Regulations as adopted by Council, the Department must install underground facilities to connect customers in existing underground areas. The contract will be used to do the required work, and to extend existing underground systems where the extension of overhead facilities is not feasible.

The contract issued under Specification LD-03-3 will enable the Water and Power Department to further this undergrounding program by providing underground customer service installations, pull boxes, vaults, and other work as the need arises throughout the year. This work is in addition to the major undergrounding projects that are covered by separate, competitively bid contracts.

Department staff distributed the specification to a total of seven companies. Five Bidder's Proposals were received with prices as follows:

<u>Bidders</u>	<u>Total Bid Price</u>
Henkels & McCoy, Inc.	\$ 7,489,837
Par Electrical Contractors, Inc.	\$ 8,815,493
Perry C. Thomas Construction, Inc.	\$ 9,225,745
Irish Construction	\$10,415,590
Pete & Sons Constructions, Inc.	\$10,750,425

The prices shown above are the total bid prices, which were compared in order to determine the lowest and best bidder. The bid prices are substantially higher than the contract amount because the bidder's proposals include prices of all potential services and materials that may be required by the Department. The proposals provide a comprehensive list of labor rates and material costs for the contractor to be used for billing purposes during the term of the contract. The engineer's estimate for the amount of miscellaneous underground work expected to be performed in the coming year is \$950,000.

Henkels & McCoy, Inc. is the lowest bidder. The bid prices are reasonable and competitive; and therefore, it is recommended that the City Council award a contract on this basis. The recommended contract is for \$950,000 or one year, whichever occurs first. As provided for in the Specifications, the City Manager will have the option to extend the contract for three additional one-year-periods at \$950,000 per period.

Henkels & McCoy, Inc., which is located in San Dimas, has indicated that it will be using approximately three people in the performance of the proposed contract and will not be hiring additional labor. The proposed contract is in compliance with the Competitive Bidding and Purchasing Ordinance P.M.C.4.08.

FISCAL IMPACT

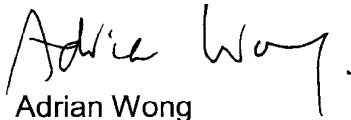
Funds for this project have been included in Fiscal Year 2003-2004 Capital Improvement Budget, Account Number 3001, "Services from Utility Underground System Private Property Vaults," Account Number 3002, "Distribution System Expansion," and Account Number 3023, "Services from Public Right-of-Way." Customer generated expenses are reimbursable to Account Number 7029, "Other Contributions-Private."

Respectfully submitted,



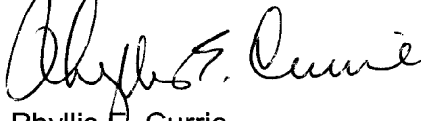
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