

Agenda Report

Date: June 7, 2004

TO: City Council

FROM: City Manager

SUBJECT: Authorization to Enter into a Purchase Order Contract with The Okonite Company to Furnish and Deliver 15,000 volt (15kV) Shielded Ethylene Propylene Rubber (EPR) Insulated Cable for the Water and Power Department.

RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated May 11, 2004, submitted by The Okonite Company to furnish and deliver 15kV Shielded Ethylene Propylene Rubber (EPR) Insulated Cables for the Water and Power Department;
2. Reject all other bids;
3. Authorize the issuance of a Purchase Order Contract for a period of four years or until \$1,802,300.00 is expended, whichever occurs first, with two optional one-year extensions, each not to exceed \$450,575.00 per year.

BACKGROUND

Through the normal course of providing electrical service to its customers, the Water and Power Department requires a variety of parts and equipment for the electrical distribution system. This includes the use of high voltage cables such as 15kV shielded Ethylene Propylene Rubber insulated power cables for distribution and transmission circuits' expansion; provide services to new developments and to perform regular cable replacement to adequately maintain the system.

Recently, the existing supply contract for high voltage cables expired. Consequently, in order to meet the Department's continuing need, a specification was prepared.

On April 29th, 2004, a Notice Inviting Bids was published in *The Pasadena Journal* and posted on the City's web page. In addition, specifications were mailed to seven businesses on the Purchasing Division's vendor list. On May 11, 2004, the bids were opened. Two bids were responsive to the specifications. The Okonite Company was the lowest responsive bidder that met all of the requirements of the specifications.

<u>Bidder</u>	<u>Bidder's Proposal</u>
The Okonite Company	\$ 450,575.00
M.A. Hanson and Associates	\$ 529,395.00

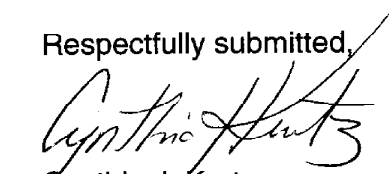
Staff's request for an initial contract term of four years is based on the desire to implement further improvements in material management. Issuing a long-term contract to the Okonite Company will allow the Department to streamline its warehouse operation which will help facilitate the implementation of efficiencies such as job site delivery and consignment inventory and eliminate unnecessary materials redundancies. The proposed contract may be extended for a period of up to two additional one-year periods at \$450,575.00 each.

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

FISCAL IMPACT

Sufficient funds are available in the Power Division's capital budget. Account numbers are: 3001, Private Property Vaults; and 3023, Services from Public Right-Of-Way; 3033 New Feeder and Communications Circuits; 3137, Cable Replacement and Testing; 3161 Distribution Line Operation and Maintenance Services.

Respectfully submitted,



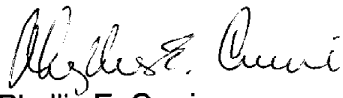
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