

# Agenda Report

Date: June 21, 2004

**TO:** City Council

**FROM:** City Manager

**SUBJECT:** Authorization to Enter into Contract with Moine Brothers to Furnish and Install a Mineral Oil Storage Tank for the Water and Power Department.

## RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated May 18, 2004, submitted by Moine Brothers to furnish and install a Mineral Oil Storage Tank for the Water and Power Department;
2. Reject all other bids;
3. Authorize the issuance of a Contract not-to-exceed \$217,250, which includes the base amount of \$197,500 and a contingency of \$19,750 for any necessary change orders.

## BACKGROUND

The Department of Water and Power uses mineral oil on a daily basis for electrical components including transformers and switches in the power distribution network. This oil is an insulating and cooling medium for these electrical components. The Water and Power Department uses a large volume of oil at all times to perform routine maintenance and repair. A large capacity oil storage tank is required to meet the needs of maintaining the operation of these components.

The existing oil tank, located at the Water and Power yards, has been in place for over 70 years, is in non-compliance with State and Federal policy for this type of storage application, and must be replaced in order to conform to current regulatory requirements.

On April 15, 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 ten businesses on the Purchasing Division's vendor list. Two bids were opened on May 18,

2004. Moine Brothers was the lowest responsive bidder that met all of the requirements of the specifications.

<b><u>Bidder</u></b>	<b><u>Bidder's Proposal</u></b>
Moine Brothers	\$ 197,500
CDM Construction	\$ 277,000

The oil tank contract calls for the complete furnishing and installation of an above ground double walled stainless steel tank, which will prevent accidental oil discharges, as well as all incidentals required for an operational oil storage and oil pumping system. The new tank design complies with State and Federal regulatory requirements and meets the municipal code for the City of Pasadena.

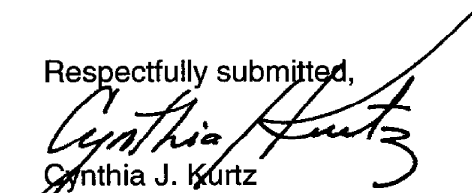
The proposed contract amount not-to-exceed \$217,250 includes the base contract amount of \$197,500 to be performed by Moine Brothers and a contingency of \$19,750 for any necessary change orders. The expected timeline for completion of the contract is 120 working days from the issuance of the Notice to Proceed.

The proposed contract is in compliance 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. The account number is 3159, Installation of Above-Ground Mineral Oil Storage Tanks and Containment Facility.

Respectfully submitted,



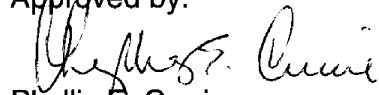
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