

Agenda Report

DATE: December 12, 2005

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO INCREASE THE CONTRACT AMOUNT OF PURCHASE ORDER CONTRACT NUMBER 9042 WITH McAVOY & MARKHAM ENGINEERING & SERVICES CO. (McAVOY & MARKHAM) BY \$400,000 FOR THE PURCHASE OF ELECTRIC METERS

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to increase the "not-to-exceed" amount of Purchase Order Contract Number 9042 with McAvoy & Markham by \$400,000, from \$3,000,000 to \$3,400,000 for the purchase of electric meters for Pasadena Water and Power (PWP). The proposed contract is exempt from competitive bidding pursuant to City Charter section 1002 (H), contracts with other governmental entities or their contractors for labor, materials, supplies or services.

BACKGROUND:

Presently, PWP has approximately 130 customers with time-of-use (TOU) meters on its Customer Load Research Program which provides vital customer consumption patterns for its cost-of-service and rate design studies. PWP plans to expand this program to include approximately 700 customers in all customer rate groups and has a need to acquire additional TOU and/or touch-probe meters. These TOU and/or touch-probe meters will enable PWP to gather selected customers' kilowatt-hour (a unit of energy consumption) usage on a 15-minute interval basis, aggregate this data to develop load profiles and incorporate the results in its cost-of-service and rate design models.

PWP has an existing contract with McAvoy & Markham for \$3,000,000 for the purchase of electric meters, which was approved by the City Council on

September 8, 2003. In the selection of McAvoy & Markham for the said contract, PWP piggybacked on a contract based on a competitive bidding process undertaken by the City of Glendale, and McAvoy & Markham extended the same pricing to PWP. As of November 30, 2005, PWP has expended approximately \$2,100,000 of the initial \$3,000,000 on its meter replacement program. PWP anticipates expending the remaining funds by fiscal year-end for the meter replacement program and needs additional funds for the load research program.

McAvoy & Markham has been a reliable supplier of electric meters to PWP and has performed well under the existing purchase order contract. Staff believes that it would be in the city's best interests to increase the purchase order contract amount by \$400,000 for the purchase of approximately 570 additional TOU and/or touch-probe meters.

FISCAL IMPACT:

Funds are available in the FY 2006 Power Capital Improvement Program Budget for the purchase of additional meters as follows: \$180,000 in Account Number 3109 - Customer Load Research Program and \$220,000 in Account Number 3142 - Time-of-Use Metering Infrastructure.

Respectfully submitted,



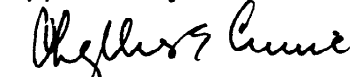
Cynthia J. Kurtz
City Manager

Prepared by:



Keith Ban
Principal Financial/Rate Analyst
Water and Power Department

Approved by:



Phyllis E. Currie
General Manager
Water and Power Department

Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII

Contractor hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor, as follows:
(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor Name: McAvey & Markham Engineering & Sales Co.

2. Name(s) of trustees, directors, partners, officers of Contractor:

<u>Richard Salemm</u>
<u>John McAvey</u>

3. Names of those with more than a 10% equity, participation or revenue interest in Contractor:

<u>Richard Salemm</u>
<u>John McAvey</u>

Prepared by: Richard Salemm

Title: VP Sales

Date: 12/1/05

For office use only

Contract No. _____