

# Agenda Report

**TO:** CITY COUNCIL

**DATE:** SEPTEMBER 12, 2005

**FROM:** CITY MANAGER

**SUBJECT:** AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH AREVA FOR \$3,042,389 TO SUPPLY 34.5 KV SULPHUR HEXAFLUORIDE GAS (SF<sub>6</sub>) FILLED CIRCUIT BREAKERS FOR THE CITY OF PASADENA

## RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated August 2, 2005 submitted by Areva in response to Specification LD-05-5 to furnish and deliver 34.5 kV Sulphur Hexafluoride Gas (SF<sub>6</sub>) breakers for the Water and Power Department;
2. Reject all other bids;
3. Authorize the issuance of a purchase order contract to Areva for a total amount not to exceed \$3,042,389 for an initial period of three years. The contract may be extended by the City Manager in two-year increments up to a total of seven years, with the provision that the total expended shall not exceed \$3,042,389.

## BACKGROUND

Pasadena power system utilizes circuit breakers for the control and protection of power equipment and circuits. A circuit breaker's main duty is to isolate electrical problems by cutting off the current flowing to the problematic location.

Maintenance of existing circuit breakers in place for over 35 years is no longer supported by existing manufacturers. Also, as the City's electrical demand grows, existing circuit breakers will not be capable of providing the necessary electrical protection required by industry standards. Therefore, in concurrence with the recommendation in the Electrical Distribution System Master Plan adopted by City Council on March 28, 2005, PWP invited bids to replace all existing seventy (70) 34kV breakers.

On July 22, 2005, Notice Inviting Bids was published in *The Pasadena Star News* and posted on the City's web page. In addition, specifications were mailed to three businesses on the Purchasing Division's vendor list. Two bids were opened on August 2, 2005. Areva was the lowest responsive bidder that met all of the requirements of the specifications to furnish and deliver 34kV SF<sub>6</sub> filled circuit breakers.

The per unit item bid results are as follows:

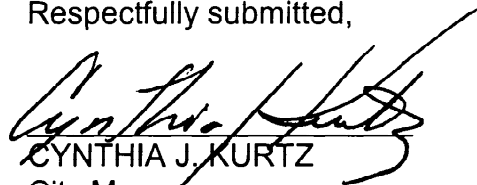
| <b>BIDDER</b> | <b>BID COST PER BREAKER (8.25% tax incl.)</b> |
|---------------|---|
| Areva         | \$36,218.88                                   |
| Siemens       | \$37,671.00                                   |

In compliance with the specifications, the total amount of the proposed contract includes a 20% contingency fee for escalation of costs for aluminum and copper and possible tax increases. 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.

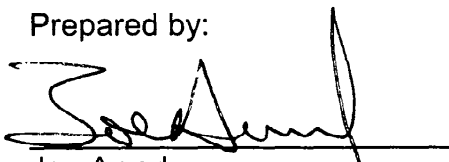
**FISCAL IMPACT**

Sufficient funds are available in the Power Fund 401, to cover this purchase. The purchase of SF<sub>6</sub> filled circuit breakers is budgeted in CIP # 3090, Switchgear Upgrades for Power System Facilities.

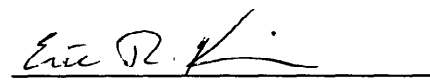
Respectfully submitted,

  
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