

Agenda Report

DATE: April 30, 2007

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO INCREASE THE ANNUAL NOT-TO-EXCEED AMOUNTS FOR CONTRACT NUMBERS 18,663 WITH POUK AND STEINLE AND 18,664 WITH PAR ELECTRICAL CONTRACTOR, INC. TO PERFORM CAPITAL IMPROVEMENT PROJECTS

RECOMMENDATION

It is recommended that City Council:

1. Authorize an amendment to Contract Number 18,663 with Pouk and Steinle increasing the total not to exceed amount from \$8,000,000 to \$12,000,000.
2. Authorize an amendment to Contract Number 18,664 with PAR Electrical Contractor, Inc. (PAR) increasing the total not to exceed amount from \$2,075,000 to \$3,500,000.

BACKGROUND

On October 18, 2004 City Council authorized the City Manager to enter into contracts with Pouk and Steinle and PAR to assist the Pasadena Water and Power Department (Department) in the installation of overhead, underground and substation equipment for the Department. The initial Contract with Pouk and Steinle is for a period of three years with two additional one-year extension options not to exceed \$1,600,000 annually, for a total not to exceed \$8,000,000. The Contract with PAR is for a period of three years with two additional one-year extension options not to exceed \$415,000 annually, for a total not to exceed \$2,075,000. The Department anticipates the expenditure limits for the initial Pouk & Steinle contract will be reached within sixty days and will recommend that the City Manager exercise the option to extend the contract for another year. The initial contract for PAR is set to expire in October 2007 or when the expenditure limit is reached. The Department intends to recommend that the City Manager exercise the option to extend the contract at that time.

The Department proposes to perform more than \$20,000,000 in Electric Distribution system Master Plan (EDSMP) Capital Improvements during the remainder of FY 2007 and FY 2008, or \$10,000,000 more than previous years. The work will consist of adding new feeders, cable replacement, underground vault replacement, switch and transformer replacements, conversion of 4 kV to 17 kV circuits and other work required to maintain the reliability of the electrical infrastructure. This type of work is consistent with the Electric Distribution Master Plan. This work cannot be accomplished with the use of Department crews alone. Existing contracts 18,663 with Pouk and Steinle and 18,664 with PAR allow the Department to add electrical construction resources such as linemen, splicers and necessary equipment and trucks on an hourly cost basis to supplement existing Department field personnel to complete overhead, underground and substation work on an as-needed basis and as directed by the Department. The existing \$1,600,000 and \$415,000 annual limits on these contracts are earmarked for continuous maintenance and inspection programs

The Department recommends that the Pouk & Steinle contract be amended to increase the total not to exceed amount from \$8,000,000 to \$12,000,000, allowing the Department to spend the additional \$4,000,000 during the next twelve months on the following CIP projects:

- 3033 – New Feeders and Communication Circuits
- 3137 – Cable Replacement and Testing
- 3161 – Distribution Capacity and Reliability Sustaining Program
- 3174 – Utility Undergrounding
- 3185 – Replacement and Upgrade of Electrical Equipment and Facilities

The Department also recommends that the PAR contract be amended to increase the total not to exceed amount from \$2,075,000 to \$3,500,000, allowing the Department to spend the additional \$1,425,000 during the next twelve months on CIP 3090 Switchgear Upgrades for Power System Facilities. Authorizing these new contract limits will allow the Department to add contract resources as needed to supplement Department crews as they continue to perform inspection, operating and maintenance programs, and more importantly to complete the electrical CIP projects started in Fiscal Year 2007 and planned in 2008.

It is prudent and in the best interest of the City to increase these two contracts rather than going out for new contracts at this time because:

- Council approved these contracts for a minimum of three and maximum of five years. The Department is not requesting extension beyond time already approved by Council or a change in the scope of work.
- These contracts were approved prior to the implementation of the EDSMP, which increased the EDSMP capital projects by more than \$10,000,000 annually. The Department must augment its crews with contractor crews in order to complete approved and scheduled projects in a timely manner.

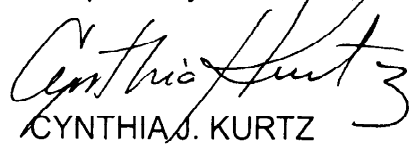
- The work to be performed has the necessary engineering and specifications completed, and is ready to go. Timely completion will strengthen the overall distribution system. Developing new contracts for bid would delay this work by at least 4 months.
- Terms and conditions and pricing are set in the existing contracts.

The Department is starting the preparation of a new bid process and anticipates additional contracts will be in place in the second half of fiscal year 2008. As additional contractors become available, it is possible that the amount of work performed by Pouk and Steinle and PAR crews, and the associated expenses, may be reduced.

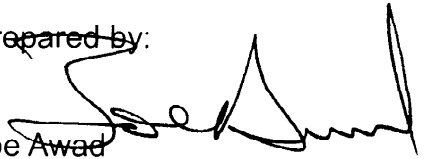
FISCAL IMPACT

Sufficient funds are available in the Power Division's Fiscal Year 2007 Capital Improvement Budget Fund 411, Account Numbers: 3090, Switchgear Upgrades for Power System Facilities; 3133 New Feeders and Communication Circuits; 3137 Cable Replacement and Testing; 3161 Distribution Capacity and Reliability Sustaining Program; 3174 Utility Undergrounding; 3185 Replacement and Upgrade of Electric Equipment & Facilities, to cover the additional expenditures requested in this agenda report. Contractor work in Fiscal Year 2008 will not be authorized unless sufficient funds are available and appropriated by Council after the adoption of the Fiscal Year 2008 budget.

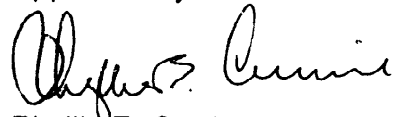
Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

Prepared by:


Joe Awad
Business Unit Director
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:

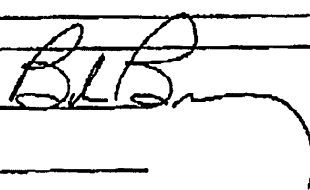
Pouk & Steinle, Inc.

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

Bob Briscoe
Terry Hildestad
Warren L. Robinson
Paul K. Sandness
John Harp
Craig Keller
Don McNair
James Hagge Jr.
Daniel Smith

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

Prepared by: Bob Briscoe



Title: President

Date: 1/19/06

For office use only

Contract No. _____



**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:

PAR Electrical Contractors, Inc.

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

See attached list. Additionally,
James M. Stapp, Division Manager
Rod Walser, Operations Supervisor

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

Not applicable.

Prepared by: Celine Hiatt

Title: Administrative Assistant

Date: December 7, 2005

For office use only

Contract No. _____





ELECTRICAL CONTRACTORS, INC.

PAR ELECTRICAL CONTRACTORS, INC.
OFFICERS AND DIRECTORS

<u>POSITION</u>	<u>NAME</u>	<u>ADDRESS</u>
President	Tom F. Shiflett	12508 Pelhamdale Kearney, MO 64060 816-628-2629
CFO/Vice President	Debbie George	4770 N. Belleview Avenue Suite 300 Kansas City, MO 64116
Senior Vice President	Mike Murray	4770 N. Belleview Avenue Suite 300 Kansas City, MO 64116
Senior vice President	Duane Anstaett	4770 N. Belleview Avenue Suite 300 Kansas City, MO 64116
Assistant Secretary	Rebecca Norman	5103 N.W. 66 th Terrace Kansas City, MO 64151 816-587-5687
Vice President Asst. Secretary & Director	Dana A. Gordon	7803 Delmonte Houston, TX 77063
Vice President Assistant Secretary	Peter B. O'Brien	1360 Post Oak Blvd. Suite 2100 Houston, TX 77056
Vice President Asst. Secretary & Director	Derrick A. Jensen	9418 Sinfonia Houston, TX 77040
Treasurer	Nicholas M. Grindstaff	319 El Toro Webster, TX 77598
Director	James H. Haddox	9141 Briar Forest Houston, TX 77024 713-629-7600

Corporate Headquarters

4770 N. Belleview Avenue, Suite 300 Kansas City, Missouri 64116 (816) 474-9340 Fax (816) 471-3569

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