

# Agenda Report

Date: June 9, 2008

**TO:** CITY COUNCIL

**FROM:** CITY MANAGER

**SUBJECT:** AUTHORIZATION TO ENTER INTO A CONTRACT WITH IMCORP TO TEST AND EVALUATE UNDERGROUND 34KV TRANSMISSION ELECTRICAL CABLE SYSTEMS FOR THE WATER AND POWER DEPARTMENT.

## **RECOMMENDATION**

It is recommended that the City Council:

1. Approve the establishment of a contract with IMCORP to obtain test and evaluation services for an amount not to exceed \$350,000; and
2. Acknowledge that the proposed contract is exempt from competitive bidding pursuant to the City Charter Section 1002(F), contracts for professional or unique services;

## **BACKGROUND**

Pasadena Water and Power Department (Department) recognizes the growing need to address the reliability of its aging underground cable system. The Department experienced several failures of its 34kV sub-transmission lines in the past few months. These lines form the back bone of the electrical system and connect the various receiving stations from one end of the city to the other. The increase in failure rate indicates that the cable system is rapidly reaching the end of its useful life.

The replacement cost of this particular system would range from \$5 to \$12 Million per line and will total approximately \$40 Million. Due to limited funding, and complexity of the replacement, segmentation and prioritization are necessary. This prioritization will provide significant financial and/or reliability benefits.

## Authorization to enter into contract with IMCORP

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The Department proposes to contract with IMCORP to develop the prioritization. IMCORP will test and evaluate each cable; test results will enable the Department to identify the least reliable cables, to prioritize their replacement, determine how long subsequent replacement can be deferred, and spread the capital cost over time. The work under this contract is a key step toward a comprehensive cable reliability program.

Based on a survey of potential vendors, IMCORP's ability to provide these services is unique in that they are the only provider that can complete the mix of non-destructive field testing and engineering evaluation that will reliably identify specific problem locations, or potential failures, as well as the predictive assessment of future performance of the cable system, using a proprietary software for their analysis and evaluation. IMCORP is uniquely capable of performing all the tests necessary in a timely manner, and has committed to performing the majority of the testing by July 15, 2008, prior to the summer load, if a contract is awarded by June 9, 2008. The timely testing of the cables will allow the Department to develop a replacement strategy by September 1<sup>st</sup>, 2008, identify the replacement priorities, order the right quantity of the type of cables needed, budget the expenditures, secure the resources and perform the work in the following months.

A typical replacement project will occur during the fall, winter and spring months. Testing and analyzing the cables prior to the summer heat waves, will provide the Department a window into the ability of each cable to sustain the summer load and create contingency plans to deal with the summer loads without jeopardizing the reliability of the electrical system or increasing the Department's cost in additional local generation to support this objective. IMCORP has provided this service for other utilities, including Los Angeles Department of Water and Power, and Colorado Springs Utility, as well as other utilities here in California.

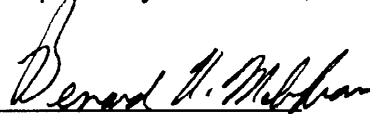
The Department recommends a contract award to IMCORP for the work described in a proposal dated May 28, 2008 for an amount not to exceed \$350,000. The contract amounts include the base contract amount, an amount for some additional testing identified since their proposal was submitted, plus a 10% contingency.

It is in the City's best interests to contract with IMCORP to test the 34kV cables before finalizing a replacement plan. It is also a prudent and proactive approach that will enable the city to anticipate the next failures before they occur. The Department recommends Council approve a contract not to exceed \$350,000 to IMCORP to allow this critical and vital work to be completed in a timely manner.

**FISCAL IMPACT**

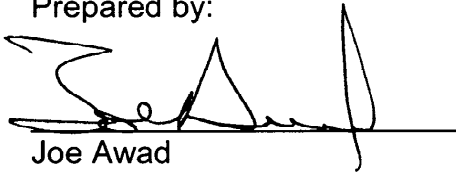
Sufficient funding is available in capital fund 411, CIP 3137, Cable Replacement and Testing.

Respectfully submitted,



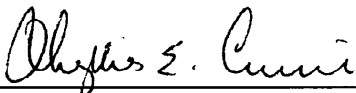
**BERNARD K. MELEKIAN**  
City Manager

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 Act  
Pasadena City Charter, Article XVII**

I. Does the value of this application/project **have the potential** to exceed \$25,000?  Yes  No (Applicant **must** mark one)

II. Is the application being made on behalf of a government entity?  Yes  No

III. Is the application being made on behalf of a non-profit 501(c) organization?  Yes  No  
If yes, please indicate the type of 501(c) organization:  501(c)(3)  501(c)(4)  501(c)(6)

Applicant's name: Instrument Manufacturing Co. (IMCORP) Date of Application: April 16, 2008

Owner's name: Matthew Mashikian Contact phone number: 860.427.7620  
(for questions regarding this form)

Project Address: City of Pasadena Water & Power

Project Description: Electrical power system reliability consulting

III. Applicant and Property Owner must disclose all joint owners, trustees, directors, partners, officers and those with more than a 10% equity participation or revenue interest in owner and/or project. If any of these are an organization/entity include the name of the organization/entity **and** the first and last names of all parties of interest of that organization/entity. (List all parties below and use additional sheets as necessary, or provide all parties on an attachment). **Please print legibly.** Have any additional sheets or an attachment been provided?  Yes  No

Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project	Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project (continued)	Those with more than a 10% equity participation or revenue interest in Owner and/or Project
Matthew Mashikian		
Harry Birkenruth		

I hereby certify that I am the owner or designated agent and that the statements and answers contained herein, and the information attached, are in all respects true, accurate and complete to the best of my knowledge and belief.

Signature of Owner or Designated Agent: Matthew Mashikian Date: 4/16/2008

**For Office Use Only**

Type of Application:  Variance (all types)  Adjustment Permit  Sign Exception  Temporary Use Permit  Expressive Use Permit  
 Conditional Use Permit (excluding Master Plan)  Master Plan Amendment  Planned Development  Other

Assigned Planner: \_\_\_\_\_ PLN#: \_\_\_\_\_

Attached Address: \_\_\_\_\_ No Attached Address

Appealed: Yes  No  Appeal PLN#: \_\_\_\_\_ Application Withdrawn

Final Decision: Approved  Denied  Decision Date: \_\_\_\_\_ Decision Maker: \_\_\_\_\_  
(Name and Title, or Name of Commission/Committee)

Votes in favor (please print):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_