

Agenda Report

Date: January 12, 2009

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH SHIHLIN ELECTRIC & ENGINEERING CORP. TO FURNISH AND DELIVER SIX POWER TRANSFORMERS FOR THE WATER AND POWER DEPARTMENT.

RECOMMENDATION:

It is recommended that the City Council:

1. Accept the bid dated October 27, 2008 submitted by Shihlin Electric & Engineering Corp. in response to Specification LD-08-10;
2. Reject all other bids; and
3. Authorize the issuance of a purchase order contract with Shihlin Electric & Engineering Corp in an amount not to exceed \$3,500,000 for the purchase of six transformers, of which two transformers shall be purchased in fiscal year 2009 for an amount not to exceed \$1,200,000.

BACKGROUND:

The Power Delivery Master Plan recommends the replacement and addition of new 34kV to 17kV transformers at three electrical Substations. These new installations will relieve overloaded feeders and improve electrical distribution service reliability. The Water and Power Department plans to install two transformers per year for the next three years. The purchase order contract includes the installation, extended warranties, spare parts and transportation to Pasadena substations and disposal of obsolete parts.

On October 6, 2008, a Notice Inviting Bids to Furnish and Deliver Power Transformers was published in *The Pasadena Star News* and posted on the City's web page. In addition, specifications were mailed to ten businesses on the Purchasing Division's vendor list. Seven bids were opened on October 28, 2008. Two bids were considered non-responsive because they did not meet the requirements of the specification. The per unit item bid results are as follows:

Price for two transformers per item

<u>BIDDERS</u>	<u>ITEM 1</u> <u>(Substation 1)</u>	<u>ITEM 2</u> <u>(Substation 2)</u>	<u>ITEM 3</u> <u>(Substation 3)</u>
Shihlin Electric Co	\$1,107,180	\$1,058,682	\$1,058,682
Pauwel, Inc.	\$1,108,150	\$1,233,122	\$1,233,122
HD Supply Utilities, LTD	\$1,530,105	\$1,508,455	\$1,508,455
Delta Star Inc	\$1,785,292	\$1,587,842	\$1,540,946
Southern Contracting	\$1,717,200	\$1,847,100	\$1,717,200

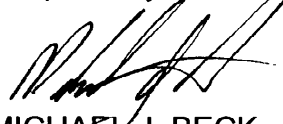
Shihlin Electric Engineering Corp. is the lowest responsive bidder that met all of the requirements of the specifications and is recommended to receive the contract award for items 1, 2 and 3 for an amount not to exceed **\$3,500,000**. The contract amount consists of the base price, including tax and freight, of \$3,224,544 and a contingency of \$275,456 (8.5%) to cover storage fees and any technical assistance that may be required during installation.

The Proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

FISCAL IMPACT:

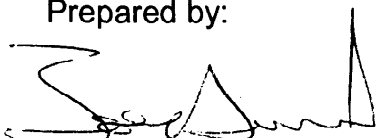
There are sufficient funds in the Power Fund Capital Budget, Fund 411, Capital Improvement Project No. 3090 to cover the fiscal year 2009 purchase of \$1,200,000. Additional funds will be requested in the Capital Improvement Program budget for fiscal years 2010 through 2012 for additional purchases on the contract.

Respectfully submitted,



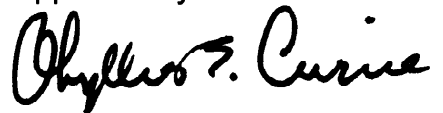
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