

Agenda Report

August 8, 2011

TO: CITY COUNCIL

FROM: WATER AND POWER DEPARTMENT

SUBJECT: AUTHORIZATION TO ENTER INTO A LABOR AND MATERIALS CONTRACT WITH INTEC SERVICES, INC. TO PROVIDE LABOR AND SERVICES FOR WOOD POLE INSPECTION, REPAIR AND TREATMENT.

RECOMMENDATION:

It is recommended that the City Council:

1. Acknowledge that the project is exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act Public Resources Code §21080(b)(9); Administrative Code, Title 14, Chapter 3, Class 1 §15301 (Existing Facilities) and Class 2 § 15302 (Replacement or Reconstruction); and
2. Accept the bid dated May 24, 2011, submitted by Intec Services to provide labor and services for wood pole inspection, repair and treatment for the Water and Power Department; Reject all other bids; Authorize the issuance of a Labor and Service Contract for a period of four (4) years or until \$600,000 is expended, whichever occurs first, with two additional one-year extensions, each not to exceed \$150,000 per year.

BACKGROUND:

The power distribution system of Pasadena Water and Power (PWP) has approximately 14,000 wood poles, some of which are jointly owned with other utilities. Many of the wood poles are over 30 years old and deteriorating.

Detailed pole inspections are called for in the Public Utilities Commission General Order 165 as a part of improving distribution system reliability. A pole inspection entails visually inspecting the pole for problems such as rot, insect or mechanical damage; partially excavating poles suspected of exterior decay and testing the pole for interior decay. Treatment entails injecting chemicals to fumigate the interior pole or stripping off exterior decay and applying preservatives and/or a protective wrap. Poles weakened due to decay, insects, or mechanical damage will be reinforced with a steel truss.

On April 26, 2011 a Notice Inviting Bids was published in *The Pasadena Journal* and posted on the City's web page. In addition, specifications were mailed to seven businesses on the Purchasing Division's vendor list. On May 24, 2011, three bids were opened. Intec Services, Inc. was the lowest responsive bidder that met all the requirements of the specifications.

<u>BIDDERS/Location</u>	<u>Total Bid Price Per Crew Hour</u>
Intec Services, Inc./Fort Collins, CO	\$826.71
Davey Utility Services/Livermore, CA	\$954.90
Osrose Utilities Services/Tyrone, GA	\$1,668.96

The evaluation was based on criteria set forth in the specifications to determine the average price to furnish labor, tools, equipment and materials for the evaluation, internal treatment, and reinforcement of a wooden pole for the purpose of extending its useful life.

Following the initial contract period, the Contractor may request annual price increases, but the increase in prices cannot exceed the increase in the Consumer Price Index (CPI) for the Los Angeles County-Riverside-Orange County area for the most recently available 12-month period.

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.

COUNCIL POLICY CONSIDERATION:

The proposed contract supports the Council's goal to improve, maintain and enhance public facilities infrastructure.

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from CEQA pursuant to the State CEQA Guidelines Sections 15301 and 15302. Section 15301 (Existing Facilities) exempts actions (such as maintenance, repair, operation etc.) relating to existing facilities or structures where there is negligible or no expansion of the use. Section 15302 (Replacement or Reconstruction) exempts the replacement and/or reconstruction of existing facilities or structures including utility systems and/or facilities involving negligible or no expansion of capacity. The proposed work will provide needed repairs or new construction necessary to maintain existing electrical infrastructure and operational flexibility.

FISCAL IMPACT:

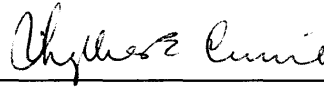
The maximum cost of this action, if both extension years are approved, is \$900,000. The cost for this will be addressed by utilizing existing and future appropriations in the Power Fund. It is estimated that \$150,000 will be spent during the current fiscal year. The remainder of the costs will be spent over the next five fiscal years.

The following table presents a summary of the source of funds that will be used each year. Work will not be authorized under this contract unless sufficient funding is available each fiscal year in the appropriate capital and operating budgets.

Fund	Account	Amount
Power Capital Fund 411	Budget No. 3117 – Wood Utility Pole Replacement/Reinforcement	\$75,000
Power Operating Fund 401	8114-843210 - Outside Services for Power Delivery Overhead Section	\$75,000
Total Annual Fiscal Impact		\$150,000

There are no other impacts to other operational programs or capital projects as a result of this action.

Respectfully submitted,



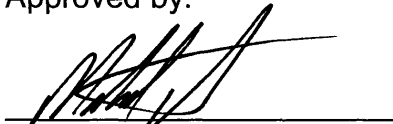
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