

# Agenda Report

August 15, 2011

**TO:** CITY COUNCIL

**FROM:** WATER AND POWER DEPARTMENT

**SUBJECT:** AUTHORIZATION TO ENTER INTO CONTRACTS WITH CITY LIGHT & POWER FOR ELECTRICAL CONSTRUCTION AND INSPECTIONS FOR THE WATER AND POWER DEPARTMENT.

**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);
2. Accept the bid dated November 2, 2010 submitted by City Light & Power in response to Specifications LD-10-10, Item A for installing overhead equipment for the Water and Power Department (PWP); reject all other bids; and authorize a contract with City Light & Power for a period of two years or until \$2,000,000 is expended, whichever comes first, with four optional one-year extensions, each not to exceed \$1,000,000 per year;
3. Accept the bid dated November 2, 2010 submitted by City Light & Power in response to Specifications LD-10-10, Item B for installing underground equipment for PWP; reject all other bids; and authorize a contract with City Light & Power for a period of two years or until \$2,000,000 is expended, whichever comes first, with four optional one-year extensions, each not to exceed \$1,000,000 per year;
4. Accept the bid dated November 2, 2010 submitted by City Light & Power in response to Specifications LD-10-10, Item C for installing electrical equipment at substations for PWP, reject all other bids, and authorize a contract with City Light & Power for a period of two years or until \$1,000,000 is expended, whichever comes first, with four optional one-year extensions, each not to exceed \$500,000 per year;
5. Accept the bid dated November 2, 2010 submitted by City Light & Power in response to Specifications LD-10-10, Item D for General Order 165 (GO 165) inspections for PWP; reject all other bids; and authorize a contract with City Light & Power for a period of two years or until \$1,000,000 is expended, whichever comes first, with four optional one-year extensions, each not to exceed \$500,000 per year; and

6. Accept the bid dated November 2, 2010 submitted by City Light & Power in response to Specifications LD-10-10, Item E for Geographic Information System (GIS) inspections for PWP; reject all other bids; and authorize a contract with City Light & Power for a period of two years or until \$1,000,000 is expended, whichever comes first, with four additional one-year extensions, each not to exceed \$500,000 per year.

**BACKGROUND:**

Contract crews are needed in addition to PWP's power crews to perform overhead, underground and electrical construction capital improvement projects, maintenance and customer projects. Contract crews are also needed to inspect underground electrical vaults and other City infrastructure to comply with existing regulations and to validate engineering data.

On October 6, 2010, a Notice Inviting Bids was issued for Specifications LD-10-10 for installing electric utility specific overhead, underground and substation equipment, and for inspecting electrical facilities. The Notice was published in *The Pasadena Journal* and posted on the City's web page. Specifications were also mailed to thirty-three businesses on the Purchasing Division's vendor list.

The Specifications also included terms for the construction of underground electrical conduit systems, vaults and other miscellaneous civil work. On April 25, 2011, Council approved a contract for the civil work. PWP is now requesting contracts for electrical construction and inspections.

There were five responsive bids for the electrical construction of overhead, underground and substation systems. The responsive bidders and their unit bid prices are listed below:

<b><u>BIDDERS</u></b>	<b><u>ITEM (A)</u></b>	<b><u>ITEM (B)</u></b>	<b><u>ITEM (C)</u></b>	<b><u>ITEM (D)</u></b>	<b><u>ITEM (E)</u></b>
<b><u>Location</u></b>	<b><u>Overhead</u></b>	<b><u>Underground</u></b>	<b><u>Substation</u></b>	<b><u>GO 165</u></b>	<b><u>GIS</u></b>
<b>City Light &amp; Power/ Long Beach</b>	<b>\$453.54</b>	<b>\$502.01</b>	<b>\$435.12</b>	<b>\$161.90</b>	<b>\$161.61</b>
Hampton Tedder/ Montclair	No bid	\$633.00	\$448.00	\$253.00	\$253.00
International Line Builders/ Riverside	\$632.02	\$710.28	\$565.09	\$261.94	\$261.94
E.E. Electric/ Mira Loma	\$530.25	\$601.56	\$546.59	\$236.40	\$236.40
PAR Electrical/ Fontana	\$1,845.19	\$2,207.92	\$1,830.57	\$775.91	\$775.91

The specifications allowed bidders to bid on any or all of the items for electrical services. The bid prices are total hourly rates for electrical construction, including personnel and related equipment. City Light & Power was the lowest responsive bidder for all Electrical Bid items (overhead, underground, substation and inspections). It is recommended that City Light & Power be awarded the contracts for Electrical Bid Items A, B, C, D and E. Contractor services may be used over the next six years for a variety of projects, such as:

- Conversion of 4 kV overhead distribution system to 17 kV
- Installation of distribution transformers and other equipment on the overhead system
- Installation of new underground feeders
- Testing and installation of underground cable
- Installation of transformers, switches, junctions and other equipment on the underground distribution system
- Conversion of distribution from overhead to underground
- Installation of substation transformers, switchgears, switches, circuit breakers, capacitor banks and related equipment
- Vault inspections to document any problems with the structural integrity of vaults and any damage to the equipment in the vaults
- Inspections to identify the precise location and specifications of all distribution assets

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.

It is prudent to have contractors available to do specialized and unique work for PWP, and to supplement the PWP workforce in order to complete electrical projects in a timely fashion and maintain the safety and reliability of the City's electrical system. PWP personnel will continue to monitor and inspect the quality of the contractors' workmanship.

The proposed contracts comply with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

**COUNCIL POLICY CONSIDERATION:**

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

**ENVIRONMENTAL ANALYSIS:**

The proposed contracts are 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 necessary repairs or construction as necessary to maintain existing electrical infrastructure.

**FISCAL IMPACT:**

The maximum cost of this action if all extensions for each of the five contracts are approved, will be \$21 million over six years. The cost for this will be addressed by utilizing existing and future appropriations in the Power Fund. It is anticipated that \$3.5 million will be spent during the current fiscal year. The remainder of the costs will be spent over the next five fiscal years.

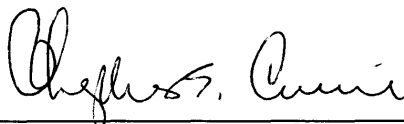
The following table presents a summary of the source of funds currently budgeted to pay for the contract work. Work will not be authorized under this contract unless sufficient funding is available each fiscal year in the appropriate capital and operating budgets

<b>Power Capital Fund – 411</b>	
Budget 3191, 4 kV System Conversion	\$1,500,000
Budget 3161, Distribution Capacity and Reliability	\$1,000,000
Budget 3137, Cable Replacement and Testing	\$500,000
Budget 3034, Distribution System Life Cycle Management	\$250,000
<b>Power Operating Fund – 401</b>	
Account 8114-843220	\$250,000
<b>Total Annual Fiscal Impact</b>	<b>\$3,500,000</b>

The following table represents a contract summary:

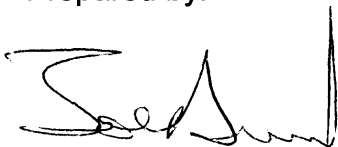
	Initial Term (2 years)	Year 3	Year 4	Year 5	Year 6
Not To Exceed	\$7,000,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Contingency	0	0	0	0	0
Contract Total	\$7,000,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Admin/Inspection	\$ 300,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Fiscal Impact	\$7,300,000	\$3,650,000	\$3,650,000	\$3,650,000	\$3,650,000
<b>Total Maximum Fiscal Impact Over Six Years</b>					<b>\$21,900,000</b>

Respectfully submitted,



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Water and Power Department

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