

Agenda Report

DATE: July 23, 2012

TO: Honorable Mayor and City Council

FROM: Department of Water and Power

SUBJECT: AUTHORIZE A PURCHASE ORDER CONTRACT WITH CABLE ENGINEERING SERVICES FOR AN AMOUNT NOT TO EXCEED \$120,000 FOR POLE ASSET MANAGEMENT AND INSPECTION SERVICES FOR THE WATER AND POWER DEPARTMENT.

RECOMMENDATION

It is recommended that the City Council:

1. Find the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3) General Rule;
2. Accept the bid dated June 4, 2012, submitted by Prescott Communication dba Cable Engineering Services in response to Specification LD-12-07; reject all other bids; and authorize a purchase order contract for two years or until \$120,000 has been expended, whichever comes first; with three optional one-year extensions, each not to exceed \$60,000.

BACKGROUND

The Water and Power Department ("PWP") utility power poles are sometimes used by other utilities to attach their equipment to provide power, telephone, or cable services to customers. PWP relies on a telecommunications project management company to manage the administration of the various pole attachments and other related management issues, such as billing for the pole use, permitting, processing and tracking of all joint pole documents.

On May 24, 2012, a Notice Inviting Bids to Furnish and Deliver Pole Asset Management and Inspection Services was published in *The Pasadena Star News* and posted on the City's web site. In addition, specifications were mailed to sixteen businesses on the Purchasing Division's vendor list. Vendors were asked to bid on two items:

- Item 1: Monthly rate for overall pole asset management, including maintaining the database, administration of Joint Pole Agreements, preparing and tracking invoices and accounts payable/receivable, researching and processing requests for pole information, preparation of all required forms and generating monthly activity reports.
- Item 2: Hourly rate for pole inspections under Government Order 165.

Two responsive bids were received on June 4, 2012:

Bidder/Location	Item 1	Item 2
1. Cable Engineering Services, ("CES") Mission Hills, CA	\$ 2,400.00	\$ 36.00/hr.
2. Integrated Environmental Technologies ("IET") Los Angeles, CA	\$ 16,258.00	\$44.00/hr.

This is a specialized contract that requires knowledge of and familiarity with the Joint Pole Committee billing and document processes, and not many firms would be able to compete for this type of work. It appears that IET may have calculated the cost for an asset collection contract for the entire overhead system instead of managing a limited number of existing poles that are jointly owned with other utilities.

CES is the lowest responsive bidder that met all of the requirements of the specification and is recommended to receive the contract. The proposed purchase order contract complies with the Competitive Bidding and Purchasing Ordinance P.M.C.4.08 and the rules and regulations promulgated there under.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the Public Facilities Element of the General Plan and supports the Council's goal to improve, maintain and enhance public facilities infrastructure; to provide a high level of public service which adds to the quality of life in the City and increase its attractiveness through more efficient management of resources.

ENVIRONMENTAL ANALYSIS:

The proposed action has been determined to be exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3); the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The awarding of a contract for the management of equipment on utility poles has been determined to not have a potential for significant effect.

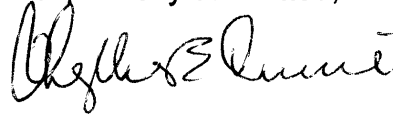
FISCAL IMPACT

The maximum cost of this action, if all extensions are approved, is \$310,000 over five years including administrative costs. The cost will be addressed by utilizing existing and future appropriations in the Power Operating Fund account 8114-401-843210-0588. It is estimated that \$60,000 will be spent in the current fiscal year, and sufficient funds have been appropriated in the current year's operating budget for this purpose. The remainder of the funds are projected to be spent over the next four fiscal years. Funds will be requested in each year's operating budget. Work will not be authorized under this contract unless sufficient funding is available in each year's operating budget

It is anticipated that the cost of administering the contract will be less than \$2,000 per year (\$4,000 in the initial two-year term of the contract). The proposed contract will have no impact on operational or capital projects. The following table represents a contract summary.

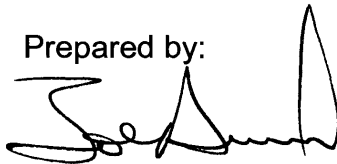
	Initial Term (2 years)	Optional Extension Years		
	FY2013 -2014	FY2015	FY2016	FY2017
Not to Exceed	\$120,000	\$60,000	\$60,000	\$60,000
Contingency	0	0	0	0
Contract Total	\$120,000	\$60,000	\$60,000	\$60,000
Administration	\$4,000	\$2,000	\$2,000	\$2,000
Fiscal Impact	\$124,000	\$62,000	\$62,000	\$62,000
Total Maximum Fiscal Impact Over Five Years				\$310,000

Respectfully submitted,



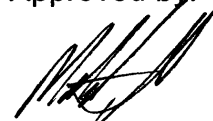
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