

Agenda Report

Date: June 4, 2012

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH MYERS POWER PRODUCTS TO FURNISH AND DELIVER ONE SUBSTATION SWITCHGEAR FOR THE WATER AND POWER DEPARTMENT.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act ("CEQA") Section 15301 (Existing Facilities) and Section 15302 (Replacement or Reconstruction);
2. Accept the bid dated March 25, 2012 submitted by Myers Power Products, in response to Specifications LD-12-03; reject all other bids; and authorize a purchase order contract in an amount not to exceed \$590,000 for the purchase of one substation switchgear for the Water and Power Department ("PWP")

BACKGROUND:

PWP is in the process of upgrading the Hastings Substation from 4kV to 17kV to relieve overloaded circuits and improve the reliability of the electrical distribution system. The improvements include installation of a new transformer and switchgear. The purchase of the new transformer was approved by the City Council on April 16, 2012.

On March 5, 2012, a Notice Inviting Bids to Furnish and Deliver One Substation Switchgear was published in *The Pasadena Star News* and posted on the City's web page. In addition, specifications were mailed to eighteen businesses on the Purchasing Division's vendor list. Eight responsive bids were received on March 25, 2012. Bid results are as follows:

| <u>Bidder/Location</u> | <u>Total Bid Price</u> |
|---|-------------------------------|
| 1. Myers Power Products, Ontario, CA | \$536,133 |
| 2. Gexpro, Anaheim, CA | \$564,511 |
| 3. Crown Technical System, Fontana, CA | \$593,189 |
| 4. General Switchgear & Control, Ontario Canada | \$681,625 |
| 5. ABB, Concord, CA | \$682,924 |
| 6. National Electrical System, Boonville, NY | \$690,341 |
| 7. One Source Distributors, Buena Park, CA | \$717,517 |
| 8. AZZ I Central Electric, Buena Park, CA | \$801,643 |

Myers Power Products is the lowest responsive bidder that met all of the requirements of the specifications and is recommended to receive the contract award for an amount not to exceed \$590,000. The contract amount consists of the base price, including tax, freight and installation, of \$536,133 and a contingency of \$ 53,867 to cover additional taxes, storage fees and 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.

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; to provide cost effective and innovative management of the City's resources; and to implement capital improvements that will maintain and rehabilitate infrastructure.

ENVIRONMENTAL ANALYSIS:

The proposed contract has been determined to be exempt from environmental review pursuant to CEQA guidelines Section 15301 and 15302. Section 15301 (Existing Facilities) exempts actions such as maintenance, repair and operation relating to existing facilities, mechanical equipment, or structures where there is negligible or no expansion of the use. Section 15301(b) specifically identifies existing facilities of publicly-owned utilities used to provide electric power. Section 15302 (Replacement or Reconstruction) exempts the replacement and/or reconstruction of existing facilities or structures on the same site as the existing structure and where the new structure will have substantially the same purpose and capacity. Section 15302(c) specifically identifies existing utility systems and facilities involving negligible or no expansion of capacity. The proposed project is for installation of equipment that will allow redistribution of the load and add redundancy to the distribution system and will not result in increased capacity.

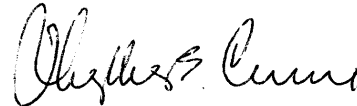
FISCAL IMPACT:

The maximum cost of this action is \$600,000. It is anticipated that all of the costs will be spent in Fiscal Year 2013. Funding for this action will be addressed by utilization of existing budgeted appropriations in the Power Capital Fund 411, Budget 3090, Switchgear Upgrades for Power System Facilities.

This contract will have minimal impact on other operational or capital projects, other than minor costs for contract administration and oversight of delivery and installation. The following table summarizes the total fiscal impact.

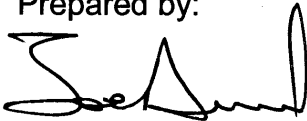
| | FY2013 |
|----------------------------|------------------|
| Base Contract Amount | \$536,133 |
| Contingency | \$53,867 |
| Not To Exceed Amount | \$590,000 |
| Contract Administration | \$10,000 |
| Total Fiscal Impact | \$600,000 |

Respectfully submitted,



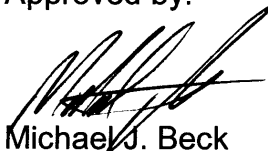
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