

# Agenda Report

Date: June 23, 2014

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** WATER AND POWER DEPARTMENT AND  
DEPARTMENT OF INFORMATION TECHNOLOGY

**THROUGH:** MUNICIPAL SERVICES COMMITTEE (June 10, 2014)

**SUBJECT:** AUTHORIZATION TO ENTER INTO CONTRACTS WITH PERRY C. THOMAS CONSTRUCTION, INC. FOR CIVIL CONSTRUCTION RELATED TO THE INSTALLATION OF ELECTRICAL EQUIPMENT FOR THE WATER AND POWER DEPARTMENT AND FIBER NETWORK RELATED CONDUIT CONSTRUCTION FOR THE DEPARTMENT OF INFORMATION TECHNOLOGY.

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Acknowledge that the projects are 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 received on May 7, 2014, submitted by Perry C. Thomas Construction, Inc., in response to Specifications LD-14-1 for the civil construction of underground and substation electrical conduit systems for the Water and Power Department ("PWP"); and authorize a contract with Perry C. Thomas Construction, Inc., for a period of two years or until \$4,000,000 is expended, whichever occurs first. The contract may be extended, with expenditure limits of \$2,000,000 per extension for a total of four extensions within four years after the initial term with the approval of the City Manager and without further City Council approval; and
3. Authorize a separate contract with Perry C. Thomas Construction, Inc. for fiber network conduit construction and related improvements for the Department of Information Technology ("DoIT"), for a period of two years or until \$400,000 is expended, whichever occurs first. The contract may be extended, with expenditure limits of \$200,000 per extension for a total of four extensions within four years after the initial term with the approval of the City Manager and without further City Council approval.

**MUNICIPAL SERVICES COMMITTEE RECOMMENDATION:**

On June 10, 2014, the Municipal Services Committee recommended that the City Council authorize the City Manager to approve the requested contracts with Perry C. Thomas Construction, Inc. for PWP and DoIT.

**BACKGROUND:**

In order to complete approved Capital Improvement (“CIP”) projects and to meet customers’ demands for new and upgraded services, PWP must install underground facilities that consist of trenching the streets to install new vaults and conduits to allow PWP crews to install the electrical equipment.

Typical projects include the expansion of the existing underground system where the extension of overhead facilities is not feasible, the repair and maintenance of existing underground infrastructure, and the construction of infrastructure to connect customers to the underground system. PWP does not have any in-house civil construction crews to install conduits and vaults or to repair such infrastructure.

PWP has traditionally used outside contractors, monitored and inspected by PWP staff for such civil construction. Once this construction is completed, PWP in house crews typically pull the cable and secure the electrical service.

DoIT similarly requires the support of an outside contractor to install fiber network related conduit and improvements. The City’s fiber backbone is primarily within the power conduit system. As DoIT carries out fiber network expansion projects and connects additional facilities to the City’s fiber backbone, it requires that a qualified contractor perform the same type of conduit construction and related improvements included in the recent Water and Power Department bid specification.

On April 10, 2014, a Notice Inviting Bids was published for Specifications LD-14-1 in *The Pasadena Journal* and posted on the City’s web page. Twelve vendors attended a mandatory pre-bid meeting on April 24, 2014. Four responsive bids were opened on May 7, 2014.

<b><u>BIDDERS / Location</u></b>	<b><u>Total Bid Price</u></b>
Perry C. Thomas Construction, Inc., Monrovia	\$1,900,976
VCI Construction, Inc., Upland	\$1,950,025
Sea Pac Engineering, Los Angeles	\$1,995,890
Vantage Utility Services, Upland	\$2,891,282

The Total Bid Price above was calculated by multiplying the unit price bid supplied by each bidder for each item by the estimated amount of work included in the bid schedule, and then adding the sum of all items. Perry C. Thomas Construction, Inc. has the lowest Total Bid Price and is the lowest responsive bidder that meets all the requirements of the specifications to complete the civil construction work. It is recommended that Perry C. Thomas Construction, Inc. be awarded a contract for PWP for a period of two years or until \$4,000,000 is expended, whichever occurs first.

DoIT can use the results of this bid process to meet its needs. Therefore, it is recommended that Perry C. Thomas be awarded a separate contract for DoIT for a period of two years or until \$400,000 is expended, whichever occurs first.

The contracts may be extended with expenditure limits of \$2,000,000 per extension for PWP and \$200,000 per extension for DoIT, for a total of four extensions within four years after the initial term, with the approval of the City Manager and without further City Council approval. Contract expenditures will be based on the actual quantity of work performed and the unit price bid included in the bid schedule.

Any approved extension period shall commence no earlier than the expiration of the preceding contract period; and shall expire at whichever occurs first, the passing of one year, or when total expenditures equal the contract value listed. Approximately 60 days before the end of any contract period, the contractor may request changes in the Bid Schedule; however, any proposed price increase shall not exceed the percentage of the then applicable Consumer Price Index.

Maintenance of the underground infrastructure is critical to maintain a safe environment for employees and City residents and businesses. Customer projects must be done in a timely manner according to City Regulations. Therefore, it is prudent to have a contractor available to do the civil work as needed to permit the installation of such underground electrical services and CIP projects. By using this bid process to secure the services needed by DoIT, the City eliminates the need to engage in a duplicative process and facilitates the extension of the fiber network. The proposed contracts comply with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

The proposed contract for PWP with Perry C. Thomas Construction, Inc. will replace the existing contract with VCI Construction issued May 27, 2011. The proposed contract for DoIT will replace a purchase order contract with VCI Construction that will expire at the end of the current fiscal year.

**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 needed

repairs or new construction necessary to maintain existing electrical infrastructure and operational flexibility. There is no proposed expansion of capacity.

**FISCAL IMPACT:**

The maximum cost of this action if all extensions are approved, will be \$14,145,000, including contract administration, construction engineering and inspections. Of this, \$12,900,000 is Water and Power related, and \$1,245,000 is Department of Information Technology related. It is anticipated that approximately \$2,000,000 will be spent by PWP and \$200,000 will be spent by DoIT each year starting in FY 2015. That cost will be addressed by utilizing approved appropriations in the Capital Improvement ("CIP") budget, Power Capital Fund 411, Budget No. 3001, Services from Utility Underground System; No. 3002, Distribution System Expansion; No. 3023, Connections from the Public Right of Way; and No. 3185, Replacement and Upgrade of Electrical Equipment and Facilities for PWP; and City Fiber Network Expansion CIP Project No. 71212 for DoIT.

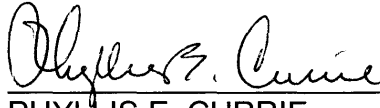
Funds will be requested in each year's CIP budget to cover anticipated expenses for that year. Contractor is not guaranteed a minimal level of expenditure. Work will not be authorized under these contracts unless sufficient funding is available in the CIP budget for each fiscal year.

The following table represents the total cost under these contracts:

	Initial Term	Extension 1	Extension 2	Extension 3	Extension 4
<b>PWP</b>					
Base Contract	\$4,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Contingency	0	0	0	0	0
Not to Exceed	\$4,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Admin/Inspections	\$300,000	\$150,000	\$150,000	\$150,000	\$150,000
Fiscal Impact	\$4,300,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000
<b>Total Maximum Fiscal Impact for PWP</b>					<b>\$12,900,000</b>
<b>DoIT</b>					
Base Contract	\$400,000	\$200,000	\$200,000	\$200,000	\$200,000
Contingency	0	0	0	0	0
Not to Exceed	\$400,000	\$200,000	\$200,000	\$200,000	\$200,000
Admin/Inspections	\$15,000	\$7,500	\$7,500	\$7,500	\$7,500
Fiscal Impact	\$415,000	\$207,500	\$207,500	\$207,500	\$207,500
<b>Total Maximum Fiscal Impact for DoIT</b>					<b>\$1,245,000</b>
<b>Total Maximum Fiscal Impact for PWP and DoIT</b>					<b>\$14,145,000</b>

The proposed contracts will have minimal impact on other operational or capital projects.

Respectfully submitted,



PHYLLIS E. CURRIE

General Manager

Water and Power Department

Prepared by:

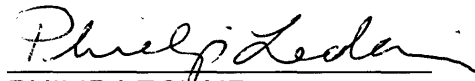


Joe Awad

Assistant General Manager

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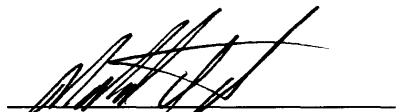


PHILIP LECLAIR

Chief Information Officer

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Approved by:



MICHAEL J. BECK

City Manager