

# Agenda Report

March 3, 2014

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT:** AUTHORIZATION TO ENTER INTO A CONTRACT WITH ARB, INC. FOR PROVIDING FIELD SERVICES FOR VARIOUS PROJECTS AT THE BROADWAY, GLENARM AND AZUSA POWER PLANTS.

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that contracting with ARB, Inc. for Providing Field Services for Various Projects at the Broadway, Glenarm, and Azusa Power Plants is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301, Existing Facilities; and
2. Accept the bid dated November 8, 2013 submitted by ARB, Inc. in response to Specifications LD-13-4 for Providing Field Services for Various Projects at the Broadway, Glenarm, and Azusa Power Plants; and
3. Authorize the City Manager to enter into a contract with ARB, Inc. for Providing Field Services for Various Projects at the Broadway, Glenarm, and Azusa Power Plants in an amount not to exceed \$600,000, with one two-year extension option of \$300,000, for a total cost of \$900,000. The initial term is for three years or until the funds are expended, whichever occurs first, with one two-year extension option for not to exceed \$300,000, subject to approval by the City Manager.

## **BACKGROUND:**

Pasadena Water and Power Department ("PWP") is currently implementing several capital improvement projects for its power generating units. These projects must be completed in time to meet regulatory compliance and to keep the units operating reliably and efficiently. In addition, PWP performs all plant equipment regular maintenance and repairs. As the workload associated with these tasks cannot be sustained utilizing only plant maintenance staff, PWP is requesting authorization to contract for field services.

The proposed contract with ARB, Inc. will provide the services of various craftsmen on an "as needed basis." These craft services will support the plant maintenance staff in completing the capital improvement projects as well as major equipment repair and maintenance within the schedule. The actual services to be provided by ARB, Inc. will be defined by task order based on the specific field services required, and approved by PWP's General Manager.

On September 26, 2013, a Notice Inviting Bids was published in the Pasadena Journal and Specifications LD-13-4 were posted on Planet Bids and also sent to seven prospective bidders. On October 24, 2013 the mandatory pre-bid conference was attended by representatives of nine companies. On November 13, 2013, the City Clerk received one responsive bid. PWP staff spoke with contractors who attended the job walk but did not submit a bid. Two main factors were cited for the non-response: the lack of qualification in all required fields of the potential scope of work and/or the lack of capability to mobilize on site within 24 hours in emergency situations. The 24-hour emergency response is a new requirement that had not been included in past field service contracts. This condition is needed to quickly complete the repairs in order to bring units back in service. It is especially important for Unit B-3, which is going through frequent and unexpected component failures, since it has already exceeded its design life.

The bid results are as follows:

<b><u>BIDDER</u></b>	<b><u>BID PRICE</u></b>
ARB, Inc., Lake Forest, CA	\$565.74/Hour

The above Bid Price criteria consisted of the sum of hourly rates of craftsmen identified in Specifications LD-13-4, overhead and profit, and mark-up on materials, non-standard tools and equipment, and the subcontractor for typical plant projects.

PWP staff evaluated the bid price, compared it to prices from a similar 2009 bid and found that it is comparable and slightly lower than the lowest bid in 2009. Additionally, ARB, Inc. provided similar services in the past and they proved to be highly qualified, capable of mobilizing quickly, and completing the repairs in a very efficient manner. ARB, Inc. met all requirements of the Specifications and is therefore recommended for award of the proposed contract.

The duration of the proposed contract will be three years, or after \$600,000 has been expended, whichever occurs first. This not-to-exceed amount is based on the actual expenditures of the previous contract during the initial term of three years. The proposed contract may be extended for one additional two-year period not-to-exceed \$300,000 subject to the approval of the City Manager.

The proposed contract complies with the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code, Chapter 4.08 and the rules and regulations promulgated thereunder.

**COUNCIL POLICY CONSIDERATION:**

This authorization supports the City Council strategic goals to improve, maintain, and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community.

**ENVIRONMENTAL ANALYSIS:**

Authorization to enter into the proposed contract for field services has been determined to be categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA, Title 14, Chapter 3 (the State CEQA Guidelines), Section 15301, Class 1, Existing Facilities and Section 15302, Class 2, Replacement or Reconstruction. Class 1 allows for the maintenance, repair, minor alteration etc. of existing facilities, including publically owned utilities that involves negligible or no expansion of use. Class 2 allows for the replacement and reconstruction of existing facilities and structures, including utility systems where the replacement structure/facility will have substantially the same purpose and capacity. The proposed contracted Field Services are anticipated to be utilized for improvements at the Broadway, Glenarm, and Azusa Power Plants consisting of maintenance, repair, minor alteration, replacement, and/or reconstruction. There will be no expansion of use or capacity as a result of the required services.

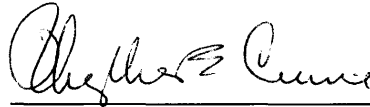
**FISCAL IMPACT:**

The cost of Field Services will be \$600,000 for the initial term. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the following accounts:

CIP 3182 for GT-1 & 2 Renewals and Repairs	25%	\$150,000
CIP 3180 for Power Production Facility Improvement	6.7%	\$ 40,000
CIP 3158 for Power Facility Water Treatment and Disposal	5%	\$ 30,000
CIP 3148 for B-3 Renewals and Replacements	33.3%	\$200,000
CIP 3186 for GT-3 & 4 Renewals, Replacements and Improvements	15%	\$ 90,000
Power Operating Fund – Operation and Maintenance	15%	\$ 90,000
Total	100%	\$600,000

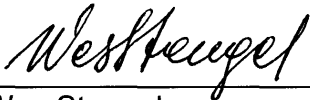
There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



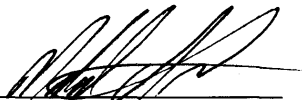
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