



Agenda Report

February 11, 2019

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: **AUTHORIZATION TO AMEND INITIAL TERM AND EXTENSIONS FOR CONTRACT NUMBER 30949 WITH HAR-BRO ENVIRONMENTAL, INC.**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is categorically exempt pursuant to the guidelines of the California Environmental Quality Act ("CEQA") Public Resources Code §21080(b)(9); Administrative Code, Title 14, Chapter 3, Class 1 §15301 (Existing Facilities) and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances; and
2. Authorize the City Manager to amend initial term and extensions for contract number 30949 with Har-Bro Environmental, Inc.

BACKGROUND:

Pasadena Water and Power ("PWP") has approximately 7,623 underground utility vaults containing critical power distribution conductor and equipment. During the normal course of operations and maintenance of these vaults, when there is presence of asbestos, PWP requires the services of a hazardous material abatement contractor that can remove asbestos from cables and structural components within underground utility vaults. The contractor is required to supply all labor, materials, equipment, services, notifications, clearances, decontamination, insurance, permits and equipment necessary to successfully complete the work and dispose of the asbestos in accordance with all applicable Federal, State and local regulations.

On July 10, 2017, contract number 30949 was awarded to Har-Bro Environmental, Inc. for asbestos abatement in an amount not-to-exceed \$150,000 for a period of three years, with two optional one-year extensions of \$50,000 each. For a total maximum not-to-exceed amount of \$250,000. The contract was a result of a competitive selection process that evaluated proposals based on qualifications and experience, staff support and responsiveness, cost of services, and corporate strength.

The initial scope of the contract was to provide routine maintenance and planned capital improvement work. Since contract execution, additional work has been identified to support operational needs, capital project scope changes, or system vulnerabilities identified by annual inspections. The contract balance is currently \$100,000 in the initial term, which does not provide sufficient funding for urgent asbestos remediation projects affecting subtransmission line replacements, vault remediation projects, and cable protection that must be completed in fiscal years 2019 and 2020.

The current contract language, Section 1.2, says, "The term of this contract shall be three (3) years from the date of execution by the City for a not to exceed amount of \$150,000. This Contract may be extended for a period up to two (2) additional one-year extension periods not to exceed \$50,000 each, subject to the approval of the City Manager..." PWP is seeking to amend the contract to read as follows: "The term of this contract shall be three (3) years from the date of execution by the City ~~for a not to exceed amount of~~ or until \$150,000 has been expended, whichever occurs first. This Contract may be extended for a period up to two (2) additional one-year extension periods not to exceed \$50,000 each, whichever occurs first, subject to the approval of the City Manager..."

The timing on asbestos mitigation is often challenging to anticipate because the scope of each project is identified during the design process of capital projects, customer driven jobs and emergency work. The amendment of the contract will allow PWP to perform necessary capital work without trying to match asbestos mediation with contract periods and extensions.

PWP is also preparing a request for proposal for a department-wide hazardous materials contract that will consolidate the work completed under this contract with another contract for general asbestos mitigation. A single contract is expected to improve operational efficiencies, contract administration, and obtain competitive pricing.

Approval of this action maintains support for critical projects until the department transitions to a new consolidated contract, possibly eliminating the need for the utilization of contract extensions. Therefore, staff respectfully recommends amending the initial term and extensions for contract number 30949 with Har-Bro Environmental, Inc. to support the aforementioned critical maintenance and capital improvement projects. The City of Pasadena has awarded four contracts to Har-Bro Environmental Inc. since 2015 for a total of \$335,000 for hazardous waste treatment and asbestos removal and disposal.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council's goals to maintain fiscal responsibility and stability, and PWP's strategic initiatives to enhance customer satisfaction and confidence, improve efficiency and business continuity, and maintain PWP's fiscal health and stability.

ENVIRONMENTAL ANALYSIS:

The proposed contract amendment is exempt from CEQA pursuant to the State CEQA Guidelines Section 15301. Section 15301 (Existing Facilities) exempts actions (such as maintenance, repair, operation, etc.) relating to existing facilities where there is negligible or no expansion of the use. The proposed contract amendment provides for the removal and disposal of asbestos containing "Fiamastic" from cables and structural components within underground utility vaults during the normal course of operations and maintenance. No expansion of use is proposed.

FISCAL IMPACT:

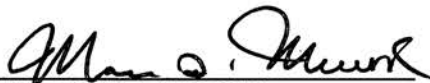
There is no fiscal impact as a result of this action. The amendment will only amend the initial term and extension periods. Funding for this contract will be provided by the utilization of existing appropriations in the Power Operating Fund 401 and Power Capital Fund 411.

Respectfully submitted,



GURCHARAN S. BAWA
General Manager
Water and Power Department

Prepared by:



MARVIN D. MOON
Assistant General Manager
Water and Power Department

Approved by:



STEVE MERMELL
City Manager