

# Agenda Report

January 28, 2019

**TO:** Honorable Mayor and City Council  
**FROM:** Water and Power Department  
**SUBJECT:** **AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH WESCO DISTRIBUTION, INC. TO FURNISH AND DELIVER 8KV, 25KV, AND 35KV TRIPLEXED INSULATED CABLE FOR A MAXIMUM CONTRACT AMOUNT NOT-TO-EXCEED \$12,748,680**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 21065, 15060 (c)(2), 15060 (c)(3), and 15378, and as such, no environmental document pursuant to CEQA is required for the project; and
2. Accept the bid dated October 30, 2018 submitted by WESCO Distribution, Inc. in response to the Specification to furnish and deliver 8kV, 25kV, 35kV Triplexed Insulated Cable for the Water and Power Department ("PWP"); reject all other bids, and authorize the City Manager to enter into a purchase order contract with WESCO Distribution, Inc. for an amount not-to-exceed \$7,649,208 for three years or until the not-to-exceed amount has been expended, whichever occurs first, with two optional extensions each for an amount not-to-exceed \$2,549,736 or one year, whichever occurs first, for a maximum contract amount not-to-exceed \$12,748,680.

## **BACKGROUND:**

PWP provides electricity to more than 65,000 customers. The Power Distribution System is highly complex and comprised of thousands of components functioning together as the Transmission and Distribution ("T&D") System. Through the normal course of providing electrical service to its customers, PWP requires a variety of parts and equipment for the T&D system, including 8kV, 25kV and 35kV triplexed insulated cables.

A Notice Inviting Bids was advertised in the Pasadena Journal Newspaper and on the City's website via PlanetBids on September 19, 2018. 1222 vendors received electronic notification (58 local) and 25 vendors downloaded the Specification (two local). No local vendors submitted bids. Four bids were received on October 30, 2018 as required by the Specifications. Prospective bidders were invited to bid on one or all of the cable types items identified in the Specifications.

**Table 1: Bid Results**

<b>EPR Cable</b>	<b>Bidder</b>	<b>35kV</b>	<b>25kV</b>	<b>8kV</b>	<b>Total</b>
	Okonite Company Long Beach, CA	\$654,074.30	\$540,529.60	\$202,738.80	\$1,397,342.70
	<b>WESCO Distribution, Inc. Cerritos, CA</b>	<b>\$620,515.94</b>	<b>\$526,799.96</b>	<b>\$167,512.14</b>	<b>\$1,314,828.04</b>
	OneSource Distributors Garden Grove, CA	\$634,268.20	\$564,773.60	\$172,658.40	\$1,371,700.20
	Nexgen Power Inc. Gardena, CA	\$832,327.00	\$661,350.00	\$245,148.00	\$1,738,825.00
<b>TR-XLPE Cable</b>	<b>Bidder</b>	<b>35kV</b>	<b>25kV</b>	<b>8kV</b>	<b>Total</b>
	Okonite Company Long Beach, CA	No Bid	No Bid	No Bid	No Bid
	<b>WESCO Distribution, Inc. Cerritos, CA</b>	<b>\$589,437.53</b>	<b>\$489,859.14</b>	<b>\$155,610.90</b>	<b>\$1,234,907.57</b>
	OneSource Distributors Garden Grove, CA	\$617,288.20	\$521,502.00	\$163,783.20	\$1,302,573.40
	Nexgen Power Inc. Gardena, CA	\$665,796.00	\$528,990.00	\$196,104.00	\$1,390,890.00

WESCO Distribution, Inc. was the lowest responsive and responsible bidder for all groups identified in the specification. Therefore, staff recommends that the City Council authorize the City Manager to enter into purchase order contract with WESCO Distribution, Inc. for a period of three years or until \$7,649,208, has been expended, whichever occurs first, with two optional extensions each for an amount not-to-exceed \$2,549,736 or one year, whichever occurs first, . Each optional extension must be authorized by the City Manager. Bid results are shown in Table 1.

The City of Pasadena has awarded six contracts to WESCO Distribution, Inc. since 2015, for a total of \$10,119,888 for distribution transformers, cables, safety equipment and supplies. The proposed contract complies with the Competitive Bidding and

Purchasing Ordinance pursuant to Pasadena Municipal Code Chapter 4.08 and the rules and regulations promulgated thereunder.

**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 action proposed herein is not subject to CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of the proposed contract, which provides for the purchasing of equipment, is a continuing administrative and maintenance activity (i.e., purchasing of supplies). Moreover, this action would not commit the City to undertaking or approving any actual or specific physical construction activities or any other actions that involve physical changes to the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

**FISCAL IMPACT:**

The maximum cost of this action will be \$12,748,680 if both one-year contract extensions are exercised. There is no minimum expenditure for this contract and cable is ordered as needed to maintain warehouse inventories. Funding for this action will be addressed by the utilization of existing appropriations in the Power Fund 401, Account 120500 (Warehouse). Table 2 shows a complete summary of contract costs.

**Table 2: Contract Summary**

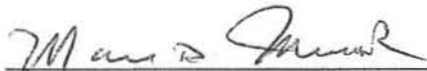
<b>Contract Expenditures</b>	<b>Amount</b>
First three-year purchase order contract amount	\$7,649,208
Two optional one-year extensions	\$5,099,472
Maximum amount of purchase order contract	\$12,748,680

Respectfully submitted,



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Water and Power Department

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Approved by:



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