



Agenda Report

June 10, 2019

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: AUTHORIZATION TO ENTER INTO CONTRACTS WITH KEWO ENGINEERING, INC. AND STANTEC CONSULTING SERVICES, INC. TO PROVIDE GENERAL ENGINEERING SERVICES FOR THE POWER PLANTS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the authorization to enter into contracts with Kewo Engineering Corporation ("Kewo") and Stantec Consulting Services, Inc. ("Stantec") is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project;
2. Authorize the City Manager to enter into a contract, as the result of a competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with Kewo Engineering Corporation to provide general engineering services for power projects in an amount not to exceed \$300,000 or five years, whichever comes first, with one optional two year extension with a not to exceed budget of \$120,000 over the two years; and;
3. Authorize the City Manager to enter into a contract, as the result of a competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with Stantec Consulting, Inc. to provide general engineering services for power projects in an amount not to exceed \$300,000 or five years, whichever comes first, with one optional two year extension with a not to exceed budget of \$120,000 over the two years.

BACKGROUND:

Pasadena Water and Power ("PWP") is implementing several capital improvement projects for its power generating units. These projects include but are not limited to, the repair of Gas Turbine 2 and upgrades of controls, emission reduction and containment systems. Because these projects include civil, mechanical, electrical, and specialized engineering services like fire protection and controls, a multidisciplinary general

engineering and consulting firm is required to assist in-house personnel in bringing the projects necessary to keep the generating units operating reliably, efficiently, safely and in compliance with environmental rules and regulations to successful completion.

The proposed contracts will provide engineering support and expertise needed to ensure efficient and reliable plant operations, regulatory compliance, and maintenance and capital projects for the plant on as-needed basis. The actual services to be provided by Kewo and Stantec will be defined in the General Manager's Task Order Letter based on the need of each task and type of support required.

On February 8, 2019 a Request for Proposals ("RFP") was posted on Planet Bids for a general engineering services firm to augment existing in-house resources at PWP. The RFP was posted with proposals due on April 4, 2019. Six proposals were received, including one local firm. Of these six, one proposal was non-responsive and not ranked.

An evaluation of the proposals using the criteria set forth in the RFP was conducted. The proposals were evaluated in accordance with the stated criteria outlined in the RFP. The top three firms were ranked as follows:

<u>Rank</u>	<u>Firm Name</u>	<u>Location</u>	<u>Avg. Score</u>
1	Stantec	Pasadena, CA	85
2	Kewo	Los Angeles, CA	82
3	Worley Parsons	Folsom, CA	80

A complete summary of the ranked proposals is included in Attachment A.

Based on the results of the evaluation, Stantec and Kewo met the requirements of the RFP and received the two highest evaluated scores; therefore, staff recommends Stantec and Kewo for the award of the proposed contracts.

Each of the proposed contracts will have an initial five year term and a not-to-exceed budget amount of up to \$300,000, whichever occurs first and, subject to the City Manager's approval, each will have one additional two-year extension with a not to exceed budget of \$120,000 for the entire two year period. The selected firms will not be guaranteed any specific quantity or value of work and will not be eligible for any compensation except to the extent that is identified by Task Order Letters. Work will be assigned based on the lower of the two quotes from Stantec and Kewo for each task. Additionally, PWP shall reserve the right to self-perform any work or conduct additional formal competitive selection processes to allow other firms to be considered.

Since 2014, the City has awarded Stantec, Inc. three contracts and one purchase order, collectively valued at \$8.4 million. Of these, two contracts are currently active and with a remaining balance of approximately \$2 million combined. Kewo has not worked for the City in the past five years.

In addition, the proposed contract fully complies with Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 15, 2014.

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 and to implement capital improvements that will maintain and rehabilitate infrastructure.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not a project subject to the CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The awarding of contracts for professional services (including on-call general engineering services) is an organizational and administrative action that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in 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. However, CEQA review may apply to construction projects in the future.

FISCAL IMPACT:

The cost of this action will be \$840,000. It is anticipated that funds will be spent beginning in Fiscal Year 2020 and continue over seven years. Funding for this action will be addressed by the utilization of existing and future budgeted appropriations in various power-related capital or operating budget categories as appropriate.

The following table presents expenditure projections.

Firm	Year 1-5	Year 6-7	Total
Stantec	\$300,000	\$120,000	\$420,000
Kewo	\$300,000	\$120,000	\$420,000
Total Fiscal Impact			\$840,000

Respectfully submitted,



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