

Agenda Report

February 22, 2021

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH HENKELS & MCCOY, INC. TO PROVIDE LABOR AND MATERIALS FOR FIBER OPTIC CABLE INSTALLATION

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (c) and Section 15303 New Construction or Conversion of Small Structures; and
2. It is recommended that the City Council: i) accept the bid dated January 19, 2021 submitted by Henkels & McCoy, Inc. in response to specifications for Fiber Optic Installation work; ii) reject all other bids received; and iii) authorize the issuance of a contract for a period not to exceed five years, or until \$2,000,000 has been expended, whichever comes first.

BACKGROUND:

The City's fiber optic backbone, originally installed in 1998 and 1999, has become a vital resource supporting City business operations and generating revenue through leases and services to local institutions, telecommunications firms, and businesses. In recent years, potential uses for City fiber connectivity have outgrown capacity in the existing fiber network.

In FY 2015, the Departments of Information Technology (DoIT), Water & Power (PWP), Transportation, Public Works and the City Manager's Economic Development Division conducted a fiber network and services strategic planning process to assess City fiber network requirements, evaluate alternatives to meet those requirements, and make recommendations about implementing improvements. This effort led to the development of the City's Fiber Expansion Program in FY 2016, which included expansion efforts to all City-owned office spaces, ten City libraries, fifteen parks and community centers, and a customer base of commercial entities across the City.

In October 2015, to address the anticipated fiber expansion installation requirements under the plan, following a competitive bid process, City Council awarded a five-year contract, for fiber optic cable installation to Henkels & McCoy, Inc. The City relies primarily on vendors to construct and install this specialized fiber infrastructure. However, the current contract will expire on February 25, 2021, and there are multiple fiber installation projects currently underway and under consideration.

Given this continuing need under the fiber expansion program, DoIT staff prepared and published a bid specification for Fiber Optic Cable Installation on December 24, 2020, and in accordance with Section 4.08.070 of the Pasadena Municipal Code, bids were requested and received. This solicitation was a combined effort between DoIT and PWP staff, as both the electrical construction and fiber installation work will take place in and around the power conduit system, and share the same requirements related to firm and worker qualifications, safety, and traffic control.

In addition to the Notice Inviting Bids listed on the City's website through PlanetBids, the bid specification was also advertised in the Pasadena Journal. Following advertising, 76 companies downloaded information about this bid opportunity, two of which were local Pasadena businesses. A total of 61 businesses were also notified from the Purchasing Division's vendor list, one of which was Pasadena based. On January 5, 2021, 19 prospective bidders attended the mandatory pre-bid meeting, none of them were based in Pasadena. Following advertising, eight firms submitted bids by the January 19, 2021 deadline, seven of which were responsive, with the results as follows:

1. Henkels & McCoy, Inc.	Pomona, California	\$ 251,647.50
2. Comet Electric, Inc.	Chatsworth, CA	\$ 395,900.00
3. DBX, Inc.	Temecula, CA	\$ 409,500.00
4. HHS Construction, LLC	Ontario, CA	\$ 494,035.00
5. Elecnor Belco Electric, Inc.	Chino, CA	\$ 598,500.00
6. VCI Construction, Inc.	Upland, CA	\$ 967,322.50
7. Parkia Inc.	Santa Fe Springs, CA	\$2,192,222.50

Based on the results above, it is recommended that Henkels & McCoy, Inc. be awarded a contract for a period not to exceed five years, or until \$2,000,000 is expended, whichever occurs first, to provide as-needed fiber optic cable installation services, as they are the lowest responsive and responsible bidder. The recommended not-to-exceed amount reflects staff's estimate of the maximum amount of work that may be required over the course of the five-year term. Actual payments will be based on the amount of work requested by DoIT and satisfactory performance by the contractor. The contract does not guarantee any minimum level of work or compensation over the term of the proposed contract.

The proposed contract with Henkels & McCoy, Inc. fully complies with the Competitive Bidding and Living Wage Ordinance, and with the Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 14, 2014.

As mentioned previously in this report, there is currently one active contract, 30307, with Henkels & McCoy, Inc. for fiber optic cable installation, which was awarded through a previous competitive bidding process, and will expire on February 25, 2021.

COUNCIL POLICY CONSIDERATION:

The proposed contract promotes the Council goal to improve, maintain and enhance public facilities infrastructure by contributing to the maintenance and expansion of the City's fiber optic backbone, a critical resource supporting City and customer business operations.

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15301 (c) Existing Facilities and Section 15303 New Construction or Conversion of Small Structures. Section 15301 (Existing Facilities) exempts actions relating to existing facilities or structures where there is negligible or no expansion of the use. Section 15303, Class 3, consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. The proposed action relates to installation of fiber optic cable in existing communications and power conduit systems, with little or no alteration to those existing conduit systems.

FISCAL IMPACT:

The cost of this action will be \$2,000,000 for the five-year term of the contract. Annual funding for this action will be addressed by the utilization of existing budgeted appropriations in Capital Improvement Budget account number 71167 (City Fiber Network Expansion) and in Operating Budget account number 40814013-811400 (IT Fiber- Related Projects). It is anticipated that \$200,000 of the cost will be spent during the current fiscal year, and the remainder of the cost will be spent over the next five fiscal years. There are no indirect or support costs anticipated as a result of this contract award.

The following table represents a contract summary for the five-year period:


FY2021 Contract Amount	\$ 200,000
Future Contract Amount	\$ 1,800,000
Total Fiscal Impact	\$ 2,000,000

Respectfully submitted,



PHILLIP LECLAIR
Chief Information Officer
Department of Information Technology

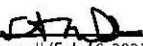
Prepared by:



Jonathan Lang (Feb 15, 2021 17:46 PST)

Jonathan Lang
Telecom & Regulatory Administrator

Approved by:



Steve Mermell (Feb 16, 2021 11:39 PST)

STEVE MERMELL
City Manager

Attachment A: Taxpayer Protection Amendment