

Agenda Report

To: City Council

Date: November 25, 2002

From: City Manager

Subject: Authorization to enter into a contract with the Southern California Gas Company in the amount of \$160,000 for the construction of gas supply at the Broadway Power Plant

Recommendation:

It is recommended that the City Council authorize the City Manager to enter into a contract with the Southern California Gas Company to upgrade the gas supply system at the Broadway Power Plant, in an amount not to exceed \$160,000. The proposed contract is exempt from Competitive Bidding pursuant to City Charter Section 1002(C), contracts for labor, materials, services or supplies available only from one vendor.

Background:

As part of the Pasadena Water and Power Strategic Resource Plan adopted by the City Council on November 19, 2001, the existing Broadway Units G1 and G2 will be replaced by two new 45 MW simple cycle gas turbines GT-3 and GT-4.

The installation of GT-3 and GT-4 requires an upgrade to the existing natural gas supply piping system. As owner and operator of this utility gas system, the Southern California Gas Company is the sole provider of the necessary upgrades, and has provided Pasadena Water and Power a design and a cost estimate of \$133,149 for the gas system upgrade.

The Southern California Gas Company requires payment of the estimated amount in advance of the work and reserves the right to adjust this amount up or down depending on the actual cost. This estimated amount reflects the Southern California Gas Company's general past experience of the cost of similar work.

Pasadena Water and Power requests that the City Manager enter into a contract not to exceed \$160,000. This amount includes a contingency amount of \$26,851

to pay for the difference, if any, between the actual and estimated cost at the conclusion of the gas system upgrade.

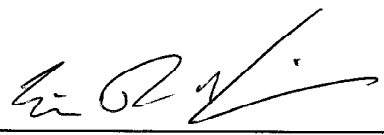
Fiscal Impact:

Funding is available from the Light and Power Fund Capital Improvement Program under Budget #3166 for "Installation of GT-3 and GT-4".


Respectfully Submitted,


Cynthia J. Kurtz
City Manager

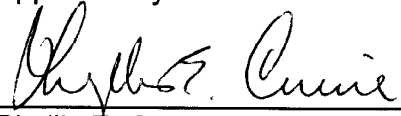
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