

Agenda Report

Date: July 26, 2004

TO: City Council

FROM: City Manager

SUBJECT: Authorization to Enter into a Labor and Materials Contract with Osmose Utilities Services to Provide Labor and Services for Wood Pole Inspection, Repair and Treatment.

RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated June 29, 2004 submitted by Osmose Utilities Services to provide labor and services for wood pole inspection, repair and treatment for the Water and Power Department;
2. Reject all other bids;
3. Authorize the issuance of a Labor and Service Contract for a period of four (4) years or until \$600,000 is expended, whichever occurs first, with two additional one-year extensions, each not to exceed \$150,000 per year.

BACKGROUND

The power distribution system of Pasadena Water and Power (PWP) is comprised of approximately 14,000 wooden poles, both municipally and jointly owned. Many of the wood poles are over 30 years old and deteriorating.

Detailed pole inspections are called for in the Public Utilities Commission General Order 165 as a part of improving distribution system reliability. Pole inspection entails visiting each pole; visually inspecting the pole for problems such as rot, insect or mechanical damage; partially excavating poles suspected of exterior decay and testing the pole for interior decay. Treatment entails injecting chemicals to fumigate the interior pole or stripping off exterior decay and applying preservatives and/or a protective wrap. Poles weakened due to decay, insects, or mechanical damage will be reinforced with a steel truss.

In previous years, testing and replacement of wooden poles was completed on an as-needed-basis through purchase orders. To expedite service, PWP is shifting towards the use of long-term, fixed price contracts. Consequently, in order to meet PWP's continuing need for inspection, repair and treatment of wooden poles, a specification was prepared.

On June 10, 2004, a Notice Inviting Bids was published in *The Pasadena Journal* and posted on the City's web page. In addition, specifications were mailed to five businesses on the Purchasing Division's vendor list. On June 29, 2004, three bids were opened. Osmose Utilities Services, Inc. was the lowest responsive bidder that met all of the requirements of the specifications.

<u>Bidder</u>	<u>Evaluated Cost</u>
Intec Service, Inc.	\$888.21
Osmose Utilities Services, Inc.	\$709.74
Pole Maintenance Co.	\$4,873.75

The evaluation was based on a criteria set forth in the specification to determine the average price to furnish labor, tools, equipment and materials for the evaluation, internal treatment, and reinforcement of a wooden pole to for the purpose of extending its useful life.

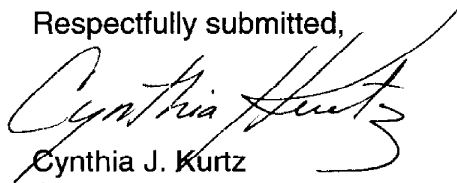
It is recommended that the City Council authorize a labor and service contract for an amount not-to-exceed \$600,000 for four (4) years from the date of execution by the City. The contract may be extended for a period of up to two additional one-year periods, each not to exceed \$150,000 per year. The extended contract may increase prices but cannot exceed the increase in Consumer Price Index (CPI) for the Los Angeles County-Riverside-Orange County area for the most recently available 12-month period.

The proposed contract is in compliance with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

FISCAL IMPACT

Sufficient funds are available in the Power Division's capital budget: account number 3117, Wood Utility Pole Replacement/Reinforcing Program.

Respectfully submitted,



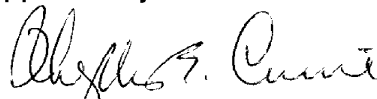
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