

# Agenda Report

Date: June 28, 2004

**TO:** City Council

**FROM:** City Manager

**SUBJECT:** Authorization to Enter into a Purchase Order Contract with G&W Electric Company to Furnish and Deliver High Voltage Gas-Insulated Switches for the Water and Power Department.

## RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated June 2, 2004 submitted by G&W Electric Company to furnish and deliver High Voltage Gas-Insulated Switches for the Water and Power Department;
2. Reject all other bids;
3. Authorize the issuance of a Purchase Order Contract for a period of four years or until \$5,092,622.00 is expended, whichever occurs first, with two optional one-year extensions, each not to exceed \$1,273,156.00 per year.

## BACKGROUND

Through the normal course of providing electrical service to its customers, the Water and Power Department (Department) requires a variety of parts and equipment for the electrical distribution system. This includes the use of high voltage switches for the maintenance and expansion of its distribution and transmission circuits. Existing oil insulated switches in the system will be systematically replaced with these new gas-insulated switches to improve the reliability of the distribution system and transmission circuits.

The existing supply contract for high voltage switches expired. Consequently, in order to meet the Department's continuing need, a specification was prepared.

On May 13, 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 four businesses on the Purchasing Division's vendor list. On June 2, 2004, the bids were opened. One bid was responsive to the specifications. The G&W Electric Company was the lowest responsive bidder that met all of the requirements of the specifications.

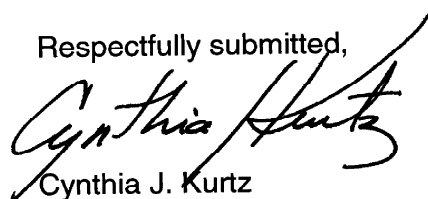
Staff's request for an initial contract term of four years is based on the desire to implement further improvements in material management. Issuing a long-term contract to G&W Electric Company will allow the Department to streamline its warehouse operation which will help facilitate the implementation of efficiencies such as job site delivery and consignment inventory and eliminate unnecessary materials redundancies. The proposed contract may be extended for a period of up to two additional one-year periods at \$1,273,156.00 each.

The proposed contract complies 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 numbers are: 3001, Private Property Vaults; 3006, Underground Utility District; 3033, New Feeder and Communications Circuits; 3161 Distribution Line Operation and Maintenance Services.

Respectfully submitted,



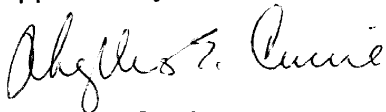
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