

Agenda Report

Date: January 30, 2006

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACTS WITH SOUTHWEST POWER TO FURNISH AND DELIVER THREE 34.5 KV 10.8 MVAR CAPACITOR BANKS FOR AN AMOUNT NOT TO EXCEED \$147,200 AND TO FURNISH AND DELIVER THREE 34.5 KV LOAD INTERRUPTER SWITCHES FOR AN AMOUNT NOT TO EXCEED \$180,700 FOR THE CITY OF PASADENA.

RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated January 10, 2006 submitted by Southwest Power representing Cooper Power Systems in response to Specification LD-05-11: Furnish and Deliver 34.5 kV 10.8 MVAR Capacitor Bank;
2. Accept the bid dated January 13, 2006 submitted by Southwest Power in response to Specification LD-05-12: Furnish and Deliver 34.5 kV Load Interrupter Switch;
3. Reject all other bids;
4. Authorize the issuance of a purchase order contract to Southwest Power for a total amount not to exceed \$147,200 for the Capacitor Banks.
5. Authorize the issuance of a purchase order contract to Southwest Power for a total amount not to exceed \$180,700 for the Switches.

BACKGROUND

Reactive power is the power necessary to maintain acceptable voltage levels in the system. PWP's sources for reactive power are its five internal generators and the existing 34.5 kV and 17 kV capacitor banks located within its electrical system. The current supply of reactive power has reached the limit of reactive load it can serve. New capacitor banks must be added to meet immediate needs and to provide redundancy. Furthermore, load interrupter switches will be used to switch the new 10.8 MVAR capacitor banks at 34.5 kV.

Consistent with the Power Delivery Master Plan, PWP proposes to add three 34.5 kV 10.8 MVAR capacitor banks and corresponding load interrupter switches at the Santa Anita substation to serve increasing reactive power demands of the power system and to meet contractual obligations.

On December 15, 2005, a Notice Inviting Bids to Furnish and Deliver 34.5 kV 10.8 MVAR Capacitor Bank was published in *The Pasadena Star News* and posted on the City's web page. In addition, specifications were mailed to six businesses on the Purchasing Division's vendor list. Two bids were opened on January 10, 2006. The per unit item bid results, excluding tax, are as follows:

| <u>BIDDERS</u> | <u>34.5 kV 10.8 MVAR Capacitor Bank</u> |
|---|--|
| Southwest Power (representing Cooper Power Systems) | \$45,296.75 |
| Southwest Power (representing GE) | \$49,022.85 |

Southwest Power, representing Cooper Power Systems, was the lowest responsive bidder that met all of the requirements of the specifications and is recommended to receive the contract award for an amount not to exceed \$147,200. This amount includes the purchase of three banks and applicable shipping charges and taxes.

Also, on December 15, 2005, a Notice Inviting Bids to Furnish and Deliver 34.5 kV Load Interrupter Switches was published in *The Pasadena Star News* and posted on the City's web page. In addition, specifications were mailed to five businesses on the Purchasing Division's vendor list. One bid was opened on January 13, 2006. The per unit item bid results, excluding tax, are as follows:

| <u>BIDDERS</u> | <u>34.5 kV Load Interrupter Switch</u> |
|-----------------------|---|
| Southwest Power | \$55,614.00 |

Southwest Power was the only bidder, was responsive, met all the requirements of the specifications and is recommended to receive the contract award for an amount not to exceed \$180,700. This amount includes the purchase of three switches and applicable shipping charges and taxes.

Southwest Power is a distributor that represents several manufacturers of high voltage electrical materials and equipment throughout California and Nevada.

The prices quoted in the bids are consistent with the engineer's estimates. The proposed contracts comply with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

FISCAL IMPACT

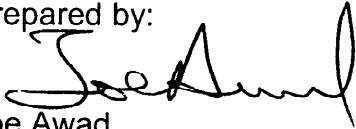
Sufficient funds are available in the Power Fund 411, to cover both purchase orders. The purchase of 34.5 kV 10.8 MVAR Capacitor Banks and related Load Interrupter switches is budgeted in CIP # 3015, Substation Capacitor Banks.

Respectfully submitted,



Cynthia J. Kurtz
City Manager

Prepared by:



Joe Awad
Business Unit Director
Water and Power Department

Approved by:



Phyllis M. Currie
General Manager
Water and Power Department

Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII

Contractor hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor, as follows
(If printing, please print legibly Use additional sheets as necessary)

1. Contractor Name:

Southwest Power, Inc.

2. Name(s) of trustees, directors, partners, officers of Contractor:

| |
|---|
| David Hughes - Chairman ; Director |
| Thomas I. Morgan - President ; Director |
| J. Stephen Zepf - Vice President |
| David Bearman - Treasurer ; Director |
| John Z. Pace - Secretary ; General Counsel |
| Jacqueline K. Clark - Asst. Treasurer ; Asst. Secretary |
| Jeffrey S. Leonard - Asst. Treasurer |
| |
| |

3. Names of those with more than a 10% equity, participation or revenue interest in Contractor:

| |
|---------------------|
| Hughes Supply, Inc. |
| |
| |
| |
| |
| |
| |
| |
| |

Prepared by By: *[Signature]*
Ken Veneziano
Title: Authorized Signatory
Date _____

For office use only
Contract No. _____