

# Agenda Report

Date: April 27, 2009

**TO:** CITY COUNCIL

**FROM:** CITY MANAGER

**SUBJECT:** AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACT WITH MYERS POWER PRODUCTS CORP. TO FURNISH AND DELIVER THREE SUBSTATION SWITCHGEARS FOR THE WATER AND POWER DEPARTMENT.

**RECOMMENDATION:**

It is recommended that the City Council:

1. Accept the bid dated February 24, 2009 submitted by Myers Power Products Corp., in response to Specification LD-09-03; reject all other bids; and
2. Authorize the issuance of a purchase order contract to Myers Power Products Corp. for an amount not to exceed \$2,100,000 for the purchase of three substation switchgears, of which one switchgear shall be purchased in fiscal year 2009 for an amount not to exceed \$700,000.

**BACKGROUND:**

The Power Delivery Master Plan recommends the replacement and addition of new 34/17 kV unit substations at Chester, Hastings and Brookside Substations. The new installations will relieve overloaded feeders and sub-transmission 34 kV lines and improve electrical distribution service reliability. The Water and Power Department plans to install one switchgear per year for the next three years.

On, February 4, 2009 a Notice Inviting Bids to Furnish and Deliver three Substation Switchgears was published in *The Pasadena Star News* and posted on the City's web page. In addition, specifications were mailed to seven businesses on the Purchasing Division's vendor list. Four bids were received and opened on February 25, 2009. For each unit, bid results are as follows:

<b>BIDDERS</b>	<b><u>Switchgear Delivery Location</u></b>			<b><u>Total</u></b>
	<b><u>Chester</u></b> <b><u>Deliver 2010</u></b>	<b><u>Hastings</u></b> <b><u>Deliver 2011</u></b>	<b><u>Brookside</u></b> <b><u>Deliver 2012</u></b>	
<b>Myers Power Products</b>	<b>\$649,032</b>	<b>\$661,138</b>	<b>\$661,138</b>	<b>\$1,971,308</b>
Industrial Electric Manufacturing	\$645,251	\$699,340	\$743,978	\$2,088,569
Pederson Power Products	\$712,673	\$748,306	\$778,400	\$2,239,469
Crown Technical Systems	\$774,135	\$826,975	\$859,768	\$2,460,878

With the recent 1% increase in sales tax, the total for Myers Power Products increases to \$1,998,500.

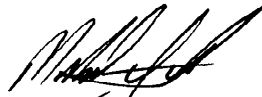
Myers Power Products is the lowest responsive bidder that met all of the requirements of the specifications and is recommended to receive the contract award for an amount not to exceed \$2,100,000. The contract amount consists of the base price, including tax, freight and installation, of \$1,998,500 and a contingency of \$101,500 (5%) to cover additional taxes, storage fees and technical assistance that may be required during installation.

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

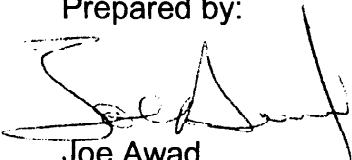
**FISCAL IMPACT:**

There are sufficient funds in the Power Fund Capital Budget, Fund 411, Capital Improvement Project No. 3090, Switchgear Upgrades for Power System Facilities, to cover the fiscal year 2009 purchase of \$700,000. Additional funds will be requested in the Capital Improvement Program budget for fiscal years 2010 through 2012 for additional purchases on the contract as required.

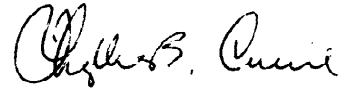
Respectfully submitted,

  
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City Manager

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