

# Agenda Report

March 21, 2011

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH AC PROS INC. FOR PROVIDING LABOR AND MATERIALS FOR UNITS GT-3 AND GT-4 CHILLER CONDENSERS RETUBING.

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find the project proposed herein to be categorically exempt under the California Environmental Quality Act (CEQA) in accordance with Title 14, Chapter 3, Section 15301, Class 1, (b) Existing Facilities;
2. Accept the bid dated February 9, 2011, submitted by AC Pros Inc. in response to the Specifications LD-10-11 for providing labor and materials for Units GT-3 and GT-4 Chiller Condensers Retubing, reject the other bid received, and authorize the City Manager to enter into such contract as is required for an amount not to exceed \$329,000.

## **BACKGROUND:**

Pasadena Water & Power Department (PWP) currently operates Units GT-3 and GT-4 for electricity generation. Each of the units is equipped with a chiller that cools the air entering the engine to increase its capacity and performance during the summer operation when the ambient air temperature is high. In addition, the chiller provides cooling to the auxiliary equipment of the unit.

Last year, PWP hired a consultant to inspect and test the condenser tubes of the chiller system as part of the yearly maintenance on Units GT-3 and GT-4. The consultant found severe pitting and loss of wall metal on the condenser tubes due to rust and corrosion resulting from poor water circulation in the chiller system. To avoid further damage and possible tube failure, PWP immediately plugged the severely damaged tubes and improved the chiller operation procedure per consultant's recommendation.

The proposed contract to replace over 1,300 copper tubes of Unit GT-3 Chiller Condenser, 300 copper tubes of Unit GT-4 Chiller Condenser, and one leaking 16” butterfly valve is the main recommendation of the consultant. The work will prevent total failure of the chiller system and will ensure reliable and efficient operation of Units GT-3 and GT-4.

The Pasadena Water and Power Department prepared the Specifications for the subject project in accordance with Section 4.08.070 of the Pasadena Municipal Code.

On January 20, 2011, the Notice Inviting Bids for providing labor and materials for Units GT-3 and GT-4 Chiller Condensers Retubing was advertised in the Pasadena Journal and posted on the City’s website. Bid packets were obtained by 11 prospective bidders, and six attended the mandatory pre-bid conference and job walk.

Following advertising, two bids were received on February 9, 2011, and are as follows:

<u>Bidder</u>	<u>Amount</u>
AC Pros Inc., Tarzana, CA	\$ 299,125
Advanced Centrifugal Systems Inc., Santa Clarita, CA	\$ 300,000
Engineer’s Estimate	\$ 400,000

It is recommended that AC Pros Inc be awarded the contract for this project as they are the lowest responsive and responsible bidder with a bid that is 25% lower than the engineer’s estimate. The proposed contract fully complies with Competitive Bidding and Living Wage Ordinances.

The proposed contract will be set up as follows:

Base Bid	\$ 299,125
Contingency Allowance (approx.10%)	<u>\$ 29,875</u>
Contract “Not-to-Exceed” Amount	\$ 329,000

**COUNCIL POLICY CONSIDERATION:**

This project supports the City Council strategic goal to improve, maintain, and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community.

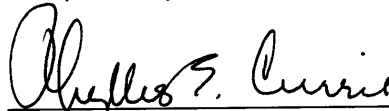
**ENVIRONMENTAL ANALYSIS:**

Staff recommends that the City Council find the project to be categorically exempt in accordance with Title 14, Chapter 3, Section 15301, Class 1, Existing Facilities of the California Environmental Quality Act (CEQA). This exemption includes the repair and maintenance of an existing facility involving negligible or no expansion of use. The project is the replacement only of the existing equipment components.

**FISCAL IMPACT:**

There is sufficient funding in the current fiscal year for Capital Improvement Project 3186, GT-3 and GT-4 Renewals, Replacements and Improvements, Budget Account No. 8114-411-841200-0341-23364.

Respectfully submitted,



PHYLLIS E. CURRIE

General Manager

Water and Power Department

Prepared by:

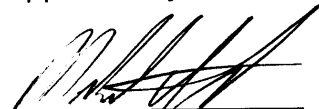


Wes Stengel

Associate Engineer

Power Supply Business Unit

Approved by:



MICHAEL J. BECK

City Manager