

# Agenda Report

April 30, 2012

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT:** AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH MEGGER FOR FURNISHING AND DELIVERING THREE RELAY TEST SETS FOR THE WATER AND POWER DEPARTMENT.

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 (Existing Facilities);
2. Accept the bid dated March 21, 2012, submitted by Megger for three relay test sets; reject all other bids, and authorize the City Manager to issue a purchase order contract for the purchase of three relay test sets for an amount not to exceed \$121,484.

**BACKGROUND:**

The electrical distribution system contains approximately 400 microprocessor-based digital protective relays. These relays are vitally important as they detect problems on the electrical distribution system and trip circuit breakers to shut off the flow of electricity to the targeted circuit quickly and safely. This isolates the outage and prevents problems from spreading and destroying additional expensive high voltage equipment within the electrical distribution system. When the damage to the system is limited, repairs can usually be made quickly and power restored with less inconvenience to the customers.

The Department of Water and Power (PWP) Electrical Test crews must regularly test the relays to ensure they are working properly. As more of the old electromechanical relays are replaced with digital relays, the existing test equipment has become obsolete and must be replaced. On March 8, 2012, a Notice Inviting Bids was issued for Specifications LD-12-12 to furnish and deliver digital relay test equipment. The Notice was published in *The Pasadena Star News* and posted on the City's web page. In addition, specifications were mailed to five vendors on the Purchasing Division's vendor list. Two responsive bids were opened on March 21, 2012.

<b><u>Bidder/Location</u></b>	<b><u>Bid Amount</u></b>
1. Megger / Dallas , Texas	\$121,484
2. Omnicron / Houston, Texas	\$174,474

Bid amount includes base price, tax, 10-year warranty and shipping

Megger is the lowest responsive bidder that meets all the requirements of the specifications and is recommended to receive the contract award for an amount not to exceed \$121,484 for three digital relay test sets including a 10-year warranty. The City retains the option of reducing the warranty period and realizing a corresponding savings.

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

**COUNCIL POLICY CONSIDERATION:**

The proposed contract is consistent with the Public Facilities Element of the General Plan and supports the Council's goal to improve, maintain and enhance public facilities infrastructure and to implement capital improvements that will maintain and rehabilitate infrastructure.

**ENVIRONMENTAL ANALYSIS:**

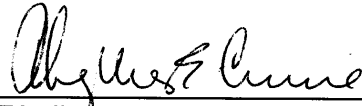
The proposed contract is exempt under CEQA Guidelines Section 15301 (Existing Facilities), which exempts actions such as maintenance, repair and operation relating to existing facilities, mechanical equipment, or structures where there is negligible or no expansion of the use. Section 15301(b) specifically identifies existing facilities of publicly-owned utilities used to provide electric power. The proposed contract will provide equipment for the necessary maintenance of existing electrical infrastructure.

**FISCAL IMPACT:**

The maximum cost of this action is \$121,734. Funding for this action will be addressed by utilizing existing appropriations in the Power Capital Fund 411, Budget 3021, Power System Cable and Transformer Test Equipment. It is anticipated that the entire amount will be expended in the current fiscal year. This contract will have no impact on other operational or capital projects other than minor costs for administration and oversight of delivery. The following table summarizes the total fiscal impact:

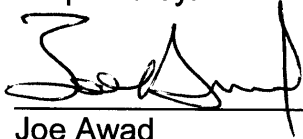
Base Contract Amount	\$121,484
Contingency	0
Not to Exceed Amount	\$121,484
Administration	\$250
<b>Total Fiscal Impact in FY2012</b>	<b>\$121,734</b>

Respectfully submitted,




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Water and Power Department

Prepared by:



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Approved by:



MICHAEL J. BECK  
City Manager