

Agenda Report

January 28, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (January 28, 2013)

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH PHENIX TECHNOLOGIES, INC. TO FURNISH AND DELIVER ONE AUTOMATED DISTRIBUTION TRANSFORMER TEST SYSTEM FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act ("CEQA") §15301 (Existing Facilities);
2. Accept the bid dated November 21, 2012 submitted by Phenix Technologies, Inc. to supply an Automated Distribution Transformer Test System ("ADTTS") for the Water and Power Department ("PWP"); authorize the City Manager to issue a purchase order contract for an amount not to exceed \$345,073 to Phenix Technologies, Inc; and
3. Appropriate \$150,000 from the unappropriated Power Fund balance to Power Fund Capital Improvement Project 3021, Power System Cable and Transformer Test Equipment.

BACKGROUND:

PWP's Power Delivery Test Group is responsible for testing transformers and other equipment that will be installed on the City's electrical distribution system. The testing equipment that is currently being used is outdated, and should be replaced with an ADTTS system to test all single- and three-phase power transformers up to and including 35kV class.

An ADTTS system will allow the City's Electrical Test employees to increase testing productivity, to perform and document acceptance tests of each distribution transformer before field installation, and to improve the reliability of such transformers in service.

On November 1, 2012, a Notice Inviting Bids to Furnish and Deliver one Automated Distribution Transformer Test System was published in *The Pasadena Star News* and posted on the City's web page. In addition, specifications were mailed to thirteen businesses on the Purchasing Division's vendor list.

One bid was opened on November 21, 2012. The bid result is as follows:

<u>Bidder/Location</u>	<u>Bid Price</u>
Phenix Technologies, Inc., Accident, MD.	\$313,703
Engineering Estimate	\$295,000

Phenix Technologies, Inc. was the only responsive bidder that met all the requirements of the specifications and is recommended to receive the contract for an amount not to exceed \$345,073, which includes the base bid amount and a 10% contingency for any necessary change orders. The proposed contract complies with 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; to provide a high level of public service which adds to the quality of life in the City and increase its attractiveness through more efficient management of resources.

ENVIRONMENTAL ANALYSIS:

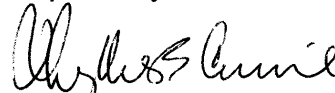
The proposed contract is exempt under CEQA Guidelines §15301 (Existing Facilities), which exempts actions such as maintenance, repair and operation relating to existing facilities, mechanical equipment, or structures where there is negligible or no expansion of the use. Section 15301(b) specifically identifies existing facilities of publicly-owned utilities used to provide electric power. The proposed project is for installation of equipment that will only be used to test equipment on the distribution system and will not add capacity.

FISCAL IMPACT:

The maximum cost of this action is \$347,573, which includes administrative costs. Most of these funds will be spent in fiscal year 2014 when the equipment is delivered. The cost will be addressed by utilizing existing appropriations in the Power Capital Fund 411, Budget No. 3021, Power System Cable and Transformer Test Equipment, and appropriating an additional \$150,000 from the Power Fund. This expenditure will have no impact on other operational or capital projects. The following table summarizes the total fiscal impact.

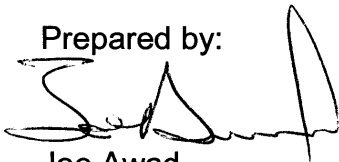
	FY2013	FY2014
Base Contract Amount		\$313,703
Contingency		\$31,370
Not to Exceed Amount		\$345,073
Administrative Costs	\$250	\$2,250
Annual Fiscal Impact	\$250	\$347,323
Total Maximum Fiscal Impact		\$347,573

Respectfully submitted,



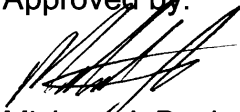
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