

Agenda Report

March 18, 2013

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH ZUSSER COMPANY, INC. TO PROVIDE LABOR AND MATERIALS FOR THE PENSTOCK AND BYPASS PIPE SEISMIC RETROFIT AT THE AZUSA HYDROELECTRIC PLANT, AND ADOPT THE FINDINGS OF THE MITIGATED NEGATIVE DECLARATION RELATED TO THE RETROFIT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed project for the seismic retrofit project of the Azusa Hydroelectric Plant penstock and bypass pipe was subject to adequate environmental review in the Initial Study (Attachment A);
2. Adopt the findings of the Azusa Hydroelectric Plant Seismic Retrofit Mitigated Negative Declaration and the Mitigation Monitoring Reporting Program (Attachment B);
3. Accept the bid dated February 5, 2013, submitted by Zusser Company, Inc. ("Zusser") in response to Specifications LD-12-13 for providing labor and materials for Seismic Retrofit of Azusa Hydroelectric Plant Penstock and Bypass Pipe; reject all other bids received; and authorize the City Manager to enter into a contract for an amount not-to-exceed \$535,000; and
4. Direct the City Clerk to file a Notice of Determination with the Los Angeles County Recorder.

BACKGROUND:

The City of Pasadena ("City") currently owns and operates the Azusa Hydroelectric Plant ("Plant"), as well as the conduit that conveys water from San Gabriel Dam to the Plant in order to run the turbine and generate electricity. The Plant helps the Department of Water and Power ("PWP") meet its Renewable Portfolio Standards goals as required of publicly owned utilities by the California legislature.

Following a standard inspection by the Federal Energy Regulatory Commission ("FERC") in April of 2008, it was recommended that PWP perform a structural assessment of the steel penstock and concrete bypass pipe due to their condition and advanced ages of approximately 60 and 70 years, respectively. PWP contracted with G&E Engineering Systems, Inc. to perform a seismic assessment based on updated and prevailing code, the results of which prescribed a seismic retrofit of the penstock and bypass pipe as well as maintenance recoating of the penstock. Plans and specifications were prepared accordingly.

The proposed contract will enhance the resistance of the penstock and bypass pipe to damage and reduce the possibility of its failure during a seismic event. This will enable PWP to continually operate the unit safely and reliably in order to meet the City's energy demand as well as generate green energy.

Plans and specifications for the subject project were prepared by G&E Engineering Systems, Inc. in accordance with section 4.08.070 of the Pasadena Municipal Code. On January 3, 2013, the Notice Inviting Bids was published in the Pasadena Journal and posted on the City website. Bid packages were obtained by 18 contractors; the following bids, which were responsive to the Specifications, were received on February 5, 2013:

<u>BIDDERS</u>	<u>BID PRICE</u>
Zusser Company, Inc., Los Angeles, CA	\$486,945
Olympos Painting, Inc., Van Nuys, CA	\$633,000
Diamond Lane Contractors, Solano Beach, CA	\$658,000
Engineer's Estimate	\$500,000

Staff has concluded that the lowest responsive bidder is Zusser Company, Inc. ("Zusser") and recommends that Zusser be awarded the contract. Zusser's bid is 3% lower than the engineer's estimate. The proposed contract fully complies with Competitive Bidding and Living Wage ordinances. The contractor has indicated that the award of this contract will result in three new hires to his present workforce.

The contract for this project will be set up as follows:

Base Bid	\$486,945
Contingency Allowance	\$48,055
Contract "Not to Exceed" Amount	\$535,000

It is anticipated that construction will begin in April 2013 and be completed in July of 2013.

COUNCIL POLICY CONSIDERATION:

This contract 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 and safety of the community.

ENVIRONMENTAL ANALYSIS:

After initial meetings with stakeholders in the Azusa Hydroelectric project, staff hired a consultant to prepare an Initial Study ("Study") (Attachment A) pursuant to the California Environmental Quality Act ("CEQA") to evaluate potential environmental effects that may result from the proposed retrofit project. It was determined that the project will not result in significant impacts with implementation of mitigation measures. The potential impacts that were identified in the Study are in the topic areas of: Biological Resources and Cultural Resources.

To mitigate these potential impacts to a less-than-significant level, seven mitigation measures are recommended in the Study. The Mitigation Monitoring Reporting Program which is Attachment B to this report lists all of the mitigation measures, who is responsible for ensuring the measures are implemented and at what stage of the project. The measures are preventative to ensure there are no construction related impacts to sensitive habitat species and culturally sensitive remnant facilities related to water service infrastructure. The site is an open space area that has provided water service for over 100 years through various canals, pipelines etc.

The Study and associated Mitigated Negative Declaration were made available to the public from November 9, 2012 to November 30, 2012 for review and comment. Public notice of the CEQA document and it's availability for public review was sent to all City of Azusa property owners within 500 feet of the site. Notice was also published in the Azusa Highlander/San Gabriel Valley Tribune and on the City of Pasadena website. Because the project will be performed outside of the City of Pasadena, there are no discretionary actions associated with the Mitigated Negative Declaration, other than the contract approval and funding. Therefore, the CEQA document will be adopted in conjunction with the award of the Azusa Seismic Retrofit construction contract.

FISCAL IMPACT:

The cost of the Azusa Hydroelectric Seismic Retrofit will be \$535,000. Sufficient funding for Seismic Retrofit of Azusa Hydro is available in the current FY 2013 appropriation for Capital Improvement Project 3179, Azusa Hydro Life Extension, Budget Account no. 8114-411-841200- 0332- 23791.

The following table presents a summary of the total fiscal impact:

Azusa Hydroelectric Seismic Retrofit:	
Contract Amount	\$486,945
Contingency (10%)	\$48,055
Total Fiscal Impact	\$535,000

There are no other anticipated impacts to other operational programs or capital projects as a result of this action.

Respectfully submitted,

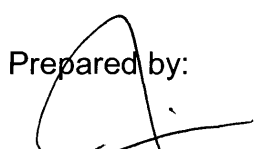


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Attachments:

Attachment A – Initial Study (with technical studies)

Attachment B – Mitigated Negative Declaration (MND) and Mitigation Monitoring Reporting Program (MMRP)