

Agenda Report

May 20, 2013

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: PURCHASE ORDER CONTRACTS WITH OKONITE COMPANY AND WESCO DISTRIBUTION TO FURNISH AND DELIVER VARIOUS TYPES OF CABLE AND TREE WIRE FOR THE WATER & POWER DEPARTMENT.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt from the California Environmental Quality act ("CEQA") pursuant to the State CEQA Guidelines Section 15302(c);
2. Accept the bid dated February 15, 2013 submitted by Okonite to furnish and deliver cables for the Water and Power Department ("PWP") in response to Specifications LD-12-04 Item I: 15kV Single-Conductor Triplexed EPR Insulated Cable, Item II: 15kV Multi-Conductor EPR Insulated Cable and Item V: 35kV Single-Conductor Triplexed EPR Insulated Cable, and authorize the Purchasing Administrator to enter into a purchase order contract with Okonite Company not to exceed \$29,120,994 or four years, whichever comes first, with one optional one-year extension in an amount not to exceed \$7,280,249.
3. Accept the bid dated February 15, 2013 submitted by Wesco Distribution to furnish and deliver cables for PWP in response to Specifications LD-12-04 Item III: 15kV Tree Wire and Item IV: 600V AL Single-Conductor Triplexed XLP Insulated Cable, and authorize the Purchasing Administrator to enter into a purchase order contract with Wesco Distribution not to exceed \$2,162,291 or four years, whichever comes first, with one optional one-year extension in an amount not to exceed \$540,573; and
4. Reject all other bids.

BACKGROUND:

Through the normal course of providing electrical service to its customers, PWP requires a variety of parts and equipment for the electrical distribution system, including high voltage cables such as 15kV and 35kV shielded Ethylene Propylene Rubber insulated power cables for replacement or addition of distribution and transmission circuits. In order to meet PWP's continuing need for high-voltage cable, a

Notice Inviting Bids was published in *The Pasadena Journal* on January 24, 2013 and posted on the City's web page. In addition, specifications were mailed to eighteen businesses on the Purchasing Divisions vendor list. On February 15, 2013, four responsive bids were opened.

Item	Okonite Long Beach, CA	Wesco (CME) Industry, CA	Wesco (GC) Industry, CA	One Source Buena Park, CA
I	\$5,588,092	Non-responsive	Non-responsive	Non-responsive
II	\$556,698	Non-responsive	Non-responsive	Non-responsive
III	No Bid	\$193,054	\$193,054	\$214,512
IV	No Bid	\$347,519	\$347,587	\$372,677
V	\$1,135,459	Non-responsive	Non-responsive	Non-responsive
Total	\$7,280,249	\$540,573	\$540,641	\$587,189

Wesco submitted bids from two different cable suppliers: CME Wire and Cable, Inc. ("CME") and General Cable Corporation ("GC").

Okonite was the lowest responsive bidder that met all the requirements of the specifications for Items I, II and V, and Wesco was the lowest responsive bidder that met all the requirements of the specifications for Items III and IV. Staff recommends a contract term of four years for the purchase of cable. Issuing long term contracts to Okonite and Wesco will allow PWP to purchase cable as needed for projects and to secure adequate cable quantities in inventory at the City Yards, at the vendor's yard and at the job sites. Okonite, which manufacturers all contracted cable in California, provides storage facilities, and is capable of delivering equipment within 72 hours. Wesco will also provide a storage facility, and is capable of delivery within a 72-hour period.

PWP requires that responsive bidders provide a minimum of three (3) references of other municipalities within the vicinity of Pasadena, or Southern California areas, for whom they have performed a contract of the same or similar nature, for a one year period. Okonite provided three required references for Item I, Item II and Item V and is deemed responsive; Wesco and One Source provided one required reference for Item I, Item II and Item V, and are therefore deemed non-responsive for those items. Wesco did meet this requirement for Item III and Item IV, and are deemed responsive for those items. PWP is recommending Okonite for Item I, Item II and Item V, due in large part to meeting the 'Reference' requirement that provides increased confidence in the quality of the product.

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

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from CEQA pursuant to the State CEQA Guidelines Section 15302(c) (Replacement or Reconstruction), which exempts the replacement and/or reconstruction of existing facilities or structures, including utility systems and/or facilities, involving negligible or no expansion of capacity. The proposed work will provide construction necessary to maintain existing electrical infrastructure and operational flexibility.

FISCAL IMPACT:

The maximum cost of this action if extensions on both contracts are approved is \$39,119,107 through fiscal year 2018. There are existing appropriations in Power Capital Fund 411, Capital Improvement Project ("CIP") 3137 to cover \$400,000 estimated to be ordered in fiscal year 2013; however no money will be spent in the current fiscal year, as all cable ordered this year will be delivered and paid for in fiscal year 2014. It is anticipated that \$2,500,000 will be spent during fiscal year 2014 for planned projects and to replenish inventory. The following table presents a summary of the source of funds requested in the 2014 Power Capital Fund 411 budget.

CIP No	Description	Amount
3001	Services from Utility Underground System – Private Property Vaults	\$200,000
3023	Services from Public Right of Way	\$250,000
3117	Wood Utility Pole Replacement/Reinforcing Program	\$100,000
3137	Cable Replacement and Testing	\$750,000
3161	Distribution Capacity and Reliability Sustaining Program	\$300,000
3174	Utility Undergrounding Districts	\$500,000
3191	4kV Distribution system Conversion	\$400,000
Total Projected Expenditures in Fiscal Year 2014		\$2,500,000

The remainder will be spent over the next four fiscal years. Sufficient funding will be requested in the appropriate CIP budgets for the projects planned for each year. Staff anticipates that spending levels will be \$6,000,000 to \$10,000,000 per year during the remaining years of the contract because major 34kV cable projects are planned. Purchases under these contracts will not be authorized unless sufficient funding is available each fiscal year in the appropriate CIP budgets.

These contracts will have no impact on other operational or capital projects other than minor costs for contract administration. The following table represents a contract summary.

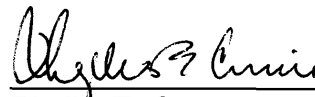
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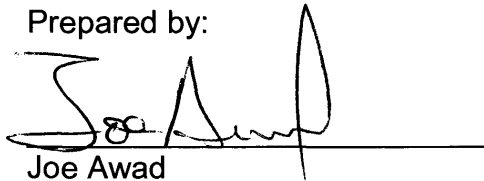
	Initial Term (4 Years)	Year 5
Not To Exceed Amount – Okonite	\$29,120,994	\$7,280,249
Not To Exceed Amount – Wesco	\$2,162,291	\$540,573
Contract Administration	\$12,000	\$3,000
Fiscal Impact	\$31,295,285	\$7,823,822
Maximum Fiscal Impact Through Fiscal Year 2018		\$39,119,107

Respectfully submitted,



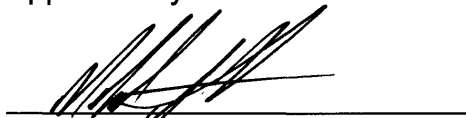
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