

Agenda Report

Date: October 20, 2014

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: WATER AND POWER DEPARTMENT

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH POWER TESTING AND ENERGIZATION FOR PARTIAL DISCHARGE TESTING FOR THE WATER AND POWER DEPARTMENT.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is categorically exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act ("CEQA") California Code of Regulation, Title 14, Division 6, Chapter 3, Article 19, §15301 (Existing Facilities); and
2. Accept the proposal submitted by Power Testing and Energization ("Power Testing") on July 10, 2014, in response to a Request for Proposal ("RFP") for Engineering and Online Partial Discharge Testing Services; and authorize the City Manager to enter into a contract with Power Testing for an amount not to exceed \$235,825, for a period of three years.

BACKGROUND:

Some cable failures occur due to the deterioration of the insulating material around the conductors. To determine the integrity of the electrical cable, a test called "partial discharge" is conducted. Typically, such testing is performed when the cable is not in service. It is in the best interest of the City to perform such testing without interrupting power to our electric customers and while the circuit is energized. The Department of Water and Power ("PWP") does not have the specialized equipment to perform testing on energized cable or the expertise to evaluate and analyze test results to determine potential weaknesses in 34.5kV, 17kV and 4kV electrical circuits and where failures may occur.

On June 18, 2014, an RFP for Engineering and Online Partial Discharge Testing Services was published in the *Pasadena Journal* and posted on the City's web page. The RFP was mailed to four vendors. Two bids were received and opened on July 10, 2014, but only Power Testing and Energization met all of the requirements of the RFP.

<u>BIDDERS / Location</u>	<u>Total Bid Price</u>
Power Testing and Energization / Anaheim	\$235,825

There are very few companies that provide this type of specialized testing and have the required equipment and certifications. One other company submitted a proposal but did not have certified personnel and did not meet the requirements of the RFP. In addition, companies located outside of southern California capable of providing this service would not be cost competitive because travel expenses must be reimbursed over the three year contract period. Staff recommends award of a contract to Power Testing and Energization in an amount not to exceed \$235,825 for a period of three years.

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

Last year, following an informal bid process, PWP contracted with Power Testing to conduct a pilot test using partial discharge on a section of 34kV cable. That was the first time partial discharge testing was conducted on an energized portion of the distribution system. PWP used the results from that testing to select that 34kV cable for rejuvenation. It is good business practice to perform similar additional partial discharge testing on other circuits to enable PWP to prioritize which circuits need replacement, repair, and/or rejuvenation. Power Testing will use specialized equipment and perform work that PWP staff is not equipped or qualified to perform. The contract is a prevailing wage contract, and all work will be performed with assistance from PWP electric crews under the supervision of PWP staff.

COUNCIL POLICY CONSIDERATION:

The proposed contract supports the Council's goal to improve, maintain and enhance public facilities infrastructure.

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from CEQA pursuant to the State 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 publically-owned utilities used to provide electric power. The proposed contract will provide equipment for the necessary maintenance of existing electrical infrastructure. There will be no expansion of the use.

FISCAL IMPACT:

The maximum cost of this action is \$285,825. It is anticipated that approximately \$80,000 per year will be spent in fiscal years 2015 and 2016, and the remainder will be spent in fiscal year 2017.

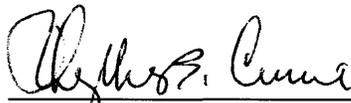
The cost will be addressed by utilizing existing and future appropriations in the Power Capital Fund 411, Capital Project No. 3137, Cable Testing and Replacement Project. Sufficient funding is available for the work proposed for the current fiscal year. Funds will be requested in future years to cover anticipated expenses for that year. Work will not be authorized under this contract unless sufficient funding is available in the Capital Improvement Project budget each fiscal year.

The following table represents the total cost under this contract:

	FY 2015	FY2016	FY2017	Total
Base Contract	\$80,000	\$80,000	\$75,825	\$235,825
In-House Labor	\$12,000	\$12,000	\$10,000	\$34,000
Administration and Inspections	\$6,000	\$6,000	\$4,000	\$16,000
Total	\$98,000	\$98,000	\$89,825	
Total Maximum Fiscal Impact Through 2017				\$285,825

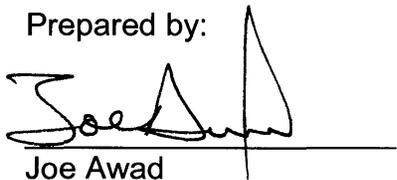
The anticipated impact to other operational programs or capital projects as a result of this action will be \$34,000 for in-house labor and \$16,000 for administrative and inspection expenses.

Respectfully submitted,



PHYLLIS E. CURRIE
General Manager
Water and Power Department

Prepared by:



Joe Awad
Assistant General Manager
Water and Power Department

Approved by:



MICHAEL J. BECK
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:

POWER Testing and Energization, Inc.

2. Type of Entity:

non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

Chris Zavadlov, President & COB
Bill Hansen, VP
Tim Ostermeier, VP
Ross Pritchard, VP
Gerry Murray, VP
Rachel Moore, Secretary
Janis James, Treasurer

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

We have none to report that fall within the 10% equity, participation, or revenue interest.

Prepared by: Andrea deRuyter

Title: Marketing and Proposal Coordinator

Phone: 360-597-2806

Date: September 19, 2014