



Agenda Report

July 24, 2017

TO: Honorable Mayor and City Council

FROM: Pasadena Water and Power Department

SUBJECT: **AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH STORAGE BATTERY SYSTEM FOR AN AMOUNT NOT TO EXCEED \$80,162 TO FURNISH AND DELIVER VALVE-REGULATED LEAD ACID BATTERIES; AND AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH ONE SOURCE DISTRIBUTORS FOR AN AMOUNT NOT TO EXCEED \$284,985 TO FURNISH AND DELIVER FLOOD-TYPE LEAD ACID BATTERIES.**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is exempt from California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15302 (Class 2 Replacement and Reconstruction); and
2. Accept the bid received on April 25, 2017 submitted by Storage Battery System in response to Specification LD-17-05 Valve-Regulated Lead-Acid Batteries; reject all other bids, and authorize the issuance of a Purchase Order contract with Storage Battery System for Valve-Regulated Lead Acid Batteries in an amount not to exceed \$80,162.
3. Accept the bid received on May 30, 2017 submitted by One Source Distributors in response to Specification LD-17-01 Flood-Type Lead Acid Batteries; reject all other bids, and authorize the issuance of a Purchase Order contract with One Source Distributors for Flood-Type Lead Acid Batteries in an amount not to exceed \$284,985.

BACKGROUND:

Pasadena Water and Power ("PWP") distributes electricity to its customers through several distribution substations in the City of Pasadena. These substations are equipped with protection and control systems that use auxiliary direct current ("DC") power provided by batteries. Utilization of DC power is necessary to separate the power source for the

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protection and control equipment from the power system it is protecting during disturbances.

Valve-Regulated Lead Acid Batteries

Valve-regulated lead acid batteries at two PWP substations are reaching the end of their expected life cycle with signs of cracks, corrosion at the contact terminals, and limited capacity. These batteries were last replaced in the year 2007.

On April 5, 2017, a Notice Inviting Bids for Specification LD-17-05 Valve-Regulated Lead-Acid Batteries was published in the Pasadena Star News and posted on the City's web page and Planet Bids. The Bid was downloaded by 21 vendors. Six bids were submitted and opened on April 25, 2017. Two bids were deemed non responsive due to incompleteness of their bid documents.

Table 1 – Summary of Bidders and Cost

Contractor/Location	Amount*
Storage Battery System, Menomonee Falls, WI	\$80,161.80
One Source Distributors, Garden Grove, CA	\$95,366.51
Las Colinas Engineering, Rialto, CA	\$95,655.40
Stationary Power Systems, Windsor, CA	\$121,665.15

** Amount includes all shipping costs and taxes*

Staff respectfully recommends award of the Purchase Order Contract to Storage Battery System from Menomonee Falls, WI since they are the lowest responsive and responsible bidder. The proposed contract fully complies with Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 15, 2014.

Staff is not aware of any local Pasadena supplier of valve-regulated lead acid batteries and therefore conducted no local outreach. Storage Battery System has no current or past contracts with the City.

Flood-Type Lead Acid Batteries

Flood-type lead acid batteries at eight PWP substations are reaching the end of their expected life cycle with signs of cracks and corrosion at the contact terminals and metal racks they are installed on. These batteries were last replaced in the year 2000.

On May 4, 2017, a Notice Inviting Bids for Specification LD-17-01 Furnish and Deliver Flood-Type Lead Acid Batteries was published in the Pasadena Star News and posted on the City's web page and Planet Bids. The Bid was downloaded by 21 vendors. Five bids were submitted and opened on May 30, 2017. Three bids were deemed non responsive due to incompleteness of their bid documents.

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Table 2 – Summary of Bidders and Cost

Contractor/Location	Amount*
One Source Distributors, Garden Grove, CA	\$284,984.86
Myers Power Products, Ontario, CA	\$381,265.29

** Amount includes all shipping costs and taxes*

Staff respectfully recommends award of the Purchase Order Contract to One Source Distributors from Garden Grove, CA since they are the lowest responsive and responsible bidder. The proposed contract fully complies with Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 15, 2014.

One Source Distributor has received three awards since 2015 in an amount totaling \$13,204,345. Staff is not aware of any local Pasadena supplier of flood-type lead acid batteries and therefore conducted no local outreach.

COUNCIL POLICY CONSIDERATION:

The proposed contracts 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 action is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15302 (Class 2 Replacement or Reconstruction). The Class 2 categorical exemption covers the replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. The proposed project consists of replacing batteries at existing substations. The replacement batteries have the same purpose and capacity of the existing batteries.

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FISCAL IMPACT:

Funding for these actions will be addressed by utilization of existing budgeted appropriations in the Power Capital Fund 411, CIP #3090, Switchgear Upgrades for Power System Facilities. It is anticipated that all contract costs will be disbursed throughout FY 2018 and FY 2019.

Respectfully submitted,



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