



Agenda Report

June 11, 2018

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH G&W ELECTRIC COMPANY TO FURNISH AND DELIVER MEDIUM VOLTAGE DISTRIBUTION SWITCHES FOR THREE YEARS WITH TWO OPTIONAL ONE-YEAR EXTENSIONS FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$24,406,850 IF THE EXTENSION OPTIONS ARE EXERCISED

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Accept the bid dated February 7, 2018 submitted by G&W Electric Company in response to the Specifications LD-17-11 to furnish and deliver medium voltage distribution switches for the Water and Power Department; reject all other bids, and authorize the City Manager to enter into a contract for a period of three years or until \$14,644,110 has been expended, whichever occurs first, with two optional one-year extensions not-to-exceed \$4,881,370 each.

BACKGROUND:

Pasadena Water and Power ("PWP") provides electricity to more than 65,000 customers. The Power Distribution System is highly complex and comprised of thousands of components which function together as a Distribution and Transmission ("T&D") System. PWP is faced with the challenge of managing a wide range of aging distribution assets that are critical to system reliability. PWP uses a number of long-term contracts to provide just-in-time delivery of equipment in order to minimize internal inventory levels and manage costs.

Distribution switches are critical to system reliability; they allow for electrical power transmission and distribution lines to be disconnected, redirected or isolated for maintenance. Immediate replacement of defective switches and the purchase of new switches for customer projects is essential for Power Delivery operations.

PWP issued Specifications LD-17-11 to furnish and deliver medium voltage distribution switches. The Specifications were advertised in the Pasadena Journal and available for download via PlanetBids on January 9, 2018. 924 vendors received electronic notification (39 local) and 32 vendors downloaded the Specification (two local). No local vendors submitted bids. Two bids were received on February 7, 2018 as required by the Specifications from G&W Electric Company ("G&W Electric") and OneSource Distributors:

Bidder	Total Annual Evaluated Bid Price
G & W Electric, Bolingbrook, IL	\$4,881,370
OneSource Distributors, Garden Grove, CA	\$6,219,046

G&W Electric Company was the lowest responsive and responsible bidder for the medium voltage distribution switches. Therefore, staff recommends that the City Council authorize the City Manager to enter into contract for a period of three years or until \$14,644,110 has been expended, whichever occurs first, with two optional one-year extensions not-to-exceed \$4,881,370 each. Optional extensions must be authorized by the City Manager. Approximately 147 medium voltage distribution switches will be purchased annually based on maintenance needs, customer projects, or capital improvements.

The City of Pasadena has awarded two contracts to G&W Electric since 2015, for a total of \$4,638,585 for equipment maintenance and repair and high voltage gas insulated and solid vacuum switches. The proposed contract complies with the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Chapter 4.08 and the rules and regulations promulgated thereunder.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council Strategic Planning Goal to improve, maintain, and enhance public facilities and 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 action proposed herein is not subject to CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of the proposed contract, which provides for the purchasing of equipment, is a continuing administrative and maintenance activity (i.e., purchasing of supplies). Moreover, this action would not commit the City to undertaking or approving any actual or specific physical construction activities or any other actions that involve physical changes to the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The maximum cost of this action is \$24,406,850, which includes two optional one-year extensions. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Power Operating Fund 401, Inventory Account (120500). It is anticipated that \$50,000 of the cost will be spent during the current fiscal year. The remainder of the costs will be spent during the five-year contract term.

The following table represents a contract summary:

Contract Summary	Total Amount
Initial Term (3-Years)	\$14,644,110
First Extension	\$4,881,370
Second Extension	\$4,881,370
Total Fiscal Impact:	\$24,406,850

The anticipated impact to other operational programs or capital projects as a result of this action will be none.

Respectfully submitted,


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