

Agenda Report

July 19, 2021

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH WESCO DISTRIBUTION INC. FOR ELECTRICAL TREE WIRES FOR AN AMOUNT NOT-TO-EXCEED \$1,128,000

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 State CEQA Guidelines Section 21065, 15060 (c)(2), 15060 (c)(3), and 15378, and as such, no environmental document pursuant to CEQA is required for the project; and
2. (i) Accept the bid dated April 30, 2021 submitted by WESCO Distribution Inc. ("Wesco") in response to the Specification titled "Electrical Tree Wires" for the Water and Power Department ("PWP"); (ii) reject all other bids received; and, (iii) authorize the issuance of a Purchase Order ("PO") Contract with Wesco for three years or an amount not to exceed \$628,000, whichever occurs first, with two one-year optional extensions of \$250,000 each, whichever occurs first, for a maximum contract amount not to exceed \$1,128,000.

BACKGROUND:

The City of Pasadena's ("City") electric system is comprised of variety of components, including high and low voltage conductors. These conductors are necessary to move electric current and are an essential part of City's electric infrastructure.

PWP has been successfully installing covered overhead electrical wires ("tree wires") in its distribution system for more than two decades. The installations have resulted in reduced power outages normally caused by momentary contact of overhead electrical wires with tree branches or other conductors. In an overhead distribution system, tree wires are spanned between power poles to deliver electricity to transformers which convert power to a voltage suitable for end users. The wires are also designed to provide additional fire protection by preventing sparks when an incidental contact occurs, and are identified in PWP's Wildfire Mitigation Plan as a measure to prevent wildfires caused by electrical infrastructure.

On April 5, 2021, a Notice Inviting Bids for the Specification was published in the Pasadena Press and Pasadena Journal. The invitation was also published on PlanetBids, which generated notices to all vendors previously registered with the City for this particular commodity class. A total of 37 vendors downloaded the Specification of which none were local. A total of three bids were received by the bid opening date. One bid was deemed non-responsive as it did not include a bid on all items required by the Specification. No bids were received from local firms and staff is not aware of any local vendors capable of providing these materials. The responsive bid results are shown below in Table I.

Table I: Bid Results

Bidder	Location	Annual Bid Amount
Wesco Distribution Inc.	Santa Fe Springs, CA	\$189,355
OneSource Distributors	Garden Grove, CA	\$241,117

Wesco was the lowest responsive and responsible bidder for this Specification. Therefore, staff recommends that the City Council authorize issuance of a PO Contract with Wesco for three years or an amount not to exceed \$628,000, whichever occurs first, with two optional one-year extensions of \$250,000 each, or whichever occurs first, for a maximum contract amount not to exceed \$1,128,000.

The recommended total not to exceed amount is based on PWP's expected workload and includes projected cost increases influenced by the American Metal Market and Producer Price Index. The estimated expenditure was developed based on the unit pricing submitted by Wesco in their bid. The actual payments will be based on the amount of material procured by PWP and satisfactory performance by the vendor. The contract does not guarantee any minimum level of material procurement over the term of the proposed contract.

The City of Pasadena has awarded three contracts to Wesco since 2015, for an approximate total not to exceed amount of \$11,662,576. 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's goals to maintain fiscal responsibility and stability, and PWP's strategic initiatives to enhance customer satisfaction and confidence, improve efficiency and business continuity and maintain PWP's fiscal health and stability.

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 will be \$1,128,000 if both optional one-year extensions are exercised. There is no minimum expenditure for this contract and material is ordered as needed to maintain warehouse inventory. Funding for this action will be addressed by the utilization of existing and future appropriations in the Power Operating Fund 401, Account 120500 (Inventory). The PO contract summary is shown below in Table II.

Table II: PO Contract Summary

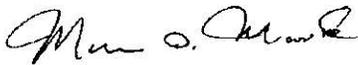
Contract Expenditures		Amount
Base Contract	1 st Year	\$190,000
	2 nd Year	\$208,000
	3 rd Year	\$230,000
	Total not to exceed	\$628,000
Optional Extensions	1 st Extension	\$250,000
	2 nd Extension	\$250,000
	Total Extensions	\$500,000
Total PO Contract Including Both Extensions		\$1,128,000

Respectfully submitted,



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