



Agenda Report

May 9, 2022

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH ANIXTER INC. FOR LOW VOLTAGE WIRE AND CABLE FOR AN AMOUNT NOT TO EXCEED \$7,581,766

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 State CEQA Guidelines Sections 15060(c)(2), 15060(c)(3), and 15378 and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Accept the bid dated January 12, 2022 submitted by Anixter Inc. ("Anixter") in response to Specifications for Secondary (Low Voltage) Wire and Cable for the Water and Power Department ("PWP"); authorize the City Manager or her designee to enter into a Purchase Order ("PO") Contract with Anixter for an amount not to exceed \$3,381,766 or a period of three years, whichever occurs first, with the option for three additional extensions of one year each or an amount not to exceed \$1,400,000, whichever occurs first, at the discretion of the City Manager for a maximum contract length of six years or a total amount not to exceed \$7,581,766.

BACKGROUND:

The City of Pasadena's ("City") electric system is comprised of many essential components, including low voltage wire and cable (less than 600 volts). In the course of its day-to-day operation, various wire and cable configurations are utilized to complete planned and emergency construction and repair activities.

In the overhead distribution system, these wires span from pole to pole and from pole to customer panel to deliver electricity to the end users. In the underground distribution system, these cables are routed through vaults and conduits to terminate within customer service panels.

On December 2, 2021, a Notice Inviting Bids for the Specifications Secondary Wire and Cable 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 38 vendors downloaded the Specification of which two were local. A total of three bids were received by the bid opening date. No bids were received from local firms. The responsive bid results are shown below in Table I.

Table I: Bid Results

Bidder	Location	Annual Bid Amount
Anixter Inc.	Corona, CA	\$1,072,725
American Wire Group	Miami, FL	\$1,195,555
OneSource Distributors	Garden Grove, CA	\$1,385,931

Anixter was the lowest responsive and responsible bidder for this Specification. Therefore, staff recommends that the City Council authorize the City Manager or her designee to enter into a PO Contract with Anixter for an amount not to exceed \$3,381,766 or a period of three years, whichever occurs first, with the option for three additional extensions of one year each or an amount not to exceed \$1,400,000 per year, whichever occurs first, at the discretion of the City Manager.

The total not to exceed amount of \$3,381,766 includes the base bid amount of \$1,072,725 per year for three years, plus 5% compounded annually to account for estimated increases in material costs. The \$1,400,000 per year contract extensions will account for anticipated material cost increases and will provide contingency for minimum order quantities.

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 over the course of six years. The estimated expenditures were developed based on the unit pricing submitted by Anixter 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 has awarded three contracts to Anixter since 2015, for an approximate total not to exceed amount of \$12,790,952. 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 \$7,581,766 if all contract periods and optional extensions are fully exercised. There is no minimum expenditure for this contract and cable is ordered as needed to maintain warehouse inventory. Funding for this action will be addressed by the utilization of existing and future appropriations in Power Operating Fund 401, Inventory Account (120500). It is anticipated that none of the contract budget will be spent during the current fiscal year. The remainder of the costs will be spent over the next six fiscal years. The contract summary is shown below in Table II.

Table II: Contract Summary

Contract Expenditures		Amount
Base Contract	Year 1 to Year 3	\$3,381,766
Extension 1	Year 4	\$1,400,000
Extension 2	Year 5	\$1,400,000
Extension 3	Year 6	\$1,400,000
Total Fiscal Impact:		\$7,581,766

Respectfully submitted,



JEFFREY KIGHTLINGER
Interim General Manager
Water and Power Department

Prepared by:



MARVIN D. MOON
Assistant General Manager
Water and Power Department

Approved by:



CYNTHIA J. KURTZ
Interim City Manager