

# Agenda Report

October 3, 2022

**TO:** Honorable Mayor and City Council  
**FROM:** Water and Power Department  
**SUBJECT:** AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH HILL CRANE SERVICE, INC. FOR CRANE SERVICES FOR POWER POLES AND ELECTRICAL EQUIPMENT FOR AN AMOUNT NOT TO EXCEED \$400,000.

## 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 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 August 5, 2022, submitted by Hill Crane Service, Inc. ("Hill Crane") in response to Specifications for Crane Services for Power Poles and Electrical Equipment for the Water and Power Department ("PWP"); reject all other bids after contract execution; authorize the City Manager or designee to enter into a Purchase Order ("PO") Contract with Hill Crane for a period of three years or a maximum total amount not to exceed \$400,000, whichever occurs first.

## BACKGROUND:

The Water and Power Department ("PWP") provides electricity to more than 65,000 customers. The Transmission and Distribution ("T&D") System is highly complex and comprised of thousands of components functioning together.

Through the normal course of providing electrical service to its customers, PWP requires the usage of cranes and crane operators to perform field work on the distribution system. PWP does not own or have in-house labor that can operate the types of cranes needed for specialized work on the distribution system that requires cranes of various sizes and load capacities. For example, PWP requires large cranes to efficiently replace power poles installed behind private properties.

On July 21, 2022, a Notice Inviting Bids for Specifications for Crane Services for Power Poles and Electrical Equipment 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 12 vendors downloaded the Specification of which none were local. A total of two bids were received by the bid opening date. No bids were received from local firms and staff was unable to identify any local business that can provide these services. The responsive bid results are shown below in Table I.

**Table I: Bid Results**

<b>Bidder</b>	<b>Location</b>	<b>Annual Bid Amount</b>
Hill Crane Service, Inc.	Long Beach, CA	\$361,035
The Crane Guys, LLC.	Los Alamitos, CA	\$1,089,398

Hill Crane was the lowest responsive and responsible bidder for this Specification. Therefore, staff recommends that the City Council authorize the City Manager or designee to enter into a PO Contract with Hill Crane for three years or an amount not to exceed \$400,000, whichever occurs first.

During the bid review, the amounts were discussed with both vendors, and it was determined that the price difference was a result of each vendor's capacity and approach to determining the total cost of furnishing crane rentals.

The recommended total not to exceed amount of \$400,000 is based on PWP's expected workload and includes projected cost increases. The proposed contract will allow PWP to begin utilizing cranes with greater frequency when replacing power poles and other power distribution assets. Cranes can shorten the outage duration to customers and are more cost effective than using manual construction methods. The contract does not guarantee any minimum amount of rentals or labor over the term of the proposed contract.

The City has awarded Hill Crane two purchase orders since 2016, for an approximate total not to exceed amount of \$83,960. The proposed PO 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 PO 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.

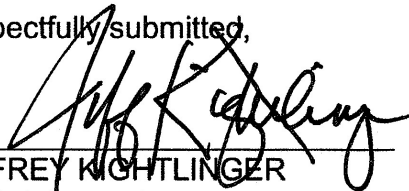
**FISCAL IMPACT:**

The maximum cost of this action will be \$400,000. There is no minimum expenditure for this contract and crane services are requested as needed based on capital improvement projects and operational needs. Funding for this action will be addressed by the utilization of existing and future appropriations in Power Operating Fund 401 and Power Capital Fund 411, which includes various Capital Improvement Projects. The contract summary is shown below in Table II.

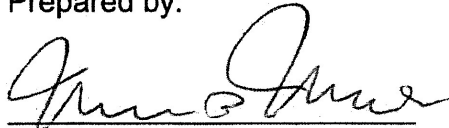
**Table II: Contract Summary**

<b>Contract Expenditures</b>	<b>Amount</b>
Base Contract (3 Years)	\$400,000
<b>Total PO Contract</b>	<b>\$400,000</b>

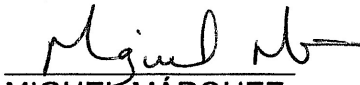
Respectfully submitted,

  
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