

Agenda Report

August 28, 2023

TO: Honorable Mayor and City Council

FROM: Department of Water and Power

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH
DIVERSIFIED UTILITY SERVICES, INC. FOR EL MIRADOR
INFRASTRUCTURE IMPROVEMENT PROJECT FOR THE WATER
AND POWER DEPARTMENT**

RECOMMENDATION:

It is recommended that the City Council:

1. Find the proposed action to be categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15302 (Class 2 – Replacement or Reconstruction) and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances; and
2. Accept the bid dated April 18, 2023, submitted by Diversified Utility Services, Inc. ("Diversified") in response to the specifications for the El Mirador Infrastructure Improvement Project for the Water and Power Department ("PWP"); and authorize the City Manager to enter into a contract with Diversified for an amount not to exceed \$971,274 or a period of three years, whichever occurs first. The total cost includes a base contract amount of \$882,977 plus a 10% contingency of \$88,297 to provide for any necessary change orders.

BACKGROUND:

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. The operation of the current distribution system presents a risk of wildfire ignition requiring the utility to address these risks through a myriad of system improvements.

Staff is planning to upgrade the power distribution system to proactively address replacement of aging infrastructure, to increase resiliency of the overhead system to mitigate fire ignition risk with upgraded poles and installation of covered insulated

conductors. The project will facilitate the installation of future fiber optic communication lines to the El Mirador radio tower for use by multiple City departments. This project which is included in the Fiscal Year 2024 adopted Capital Improvement Program budget will also solve power quality issues, such as voltage drop during summer months, and add electrical capacity to the upgraded circuits for future load growth.

This project requires replacement of 33 power poles and replacement/upgrade of 15 transformers that are nearing end of life, and 21,000 feet of conductor upgrades. The project is located within the west area of Pasadena near the City border. PWP will provide the materials for this project.

On March 2, 2023, a Notice Inviting Bids for the Specifications was published in the Pasadena Press and Pasadena Journal. The invitation was also published on OpenGov, which generated notices to all vendors previously registered with the City for this particular commodity class. A total of 48 vendors downloaded the Specifications, one of which was local. A total of five bids were received by the bid due date of April 18, 2023, with no bids received from local firms. The responsive bid results are shown below in Table I:

Table I: Bid Summary

Bidder Name	Office Location	Amount
Diversified Utility Services, Inc.	Bakersfield, CA	\$882,977
Petrelli Electric, Inc.	Agua Dulce, CA	\$928,747
Henkels & McCoy	Pomona, CA	\$1,242,847
E.E. Electric, Inc.	Jurupa Valley, CA	\$1,293,680
Parkia, Inc.	Santa Fe Springs, CA	\$2,216,903

Diversified was the lowest responsive and responsible bidder. PWP staff recommends that the City Council authorize the City Manager to enter into a contract with Diversified for an amount not to exceed \$971,274, or a period of three years, whichever occurs first, for the El Mirador Infrastructure Improvement project. The total cost includes a base contract amount of \$882,977 and a 10% contingency of \$88,297 to cover unforeseen field conditions or work scope, and to provide for any necessary change orders. 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.

No prior contracts with Diversified have been awarded.

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. This project is included in the Power Delivery Master Plan.

ENVIRONMENTAL ANALYSIS:

The recommended action is exempt from CEQA pursuant to State CEQA Guidelines Section 15302 (Class 2 – Replacement or Reconstruction). Class 2 exempts from environmental review 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. Example (c) specifically states that Class 2 includes, "Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity." The proposed project provides for the replacement of a portion of the power distribution facility. The proposed project would improve the reliability and flexibility of electrical service. Any resulting increase in capacity would be ancillary and negligible. There are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances.

FISCAL IMPACT:

The total cost of this action will be \$971,274 over three years, which includes the base contract amount of \$882,977 and a 10% contingency of \$88,297 to provide for any necessary change orders. Funding for this action will be addressed by the utilization of existing appropriations in the Power Capital Fund 411, Capital Improvement Program 03258 – Fire Threat Mitigation Tier 2 Areas. It is anticipated that \$971,274 will be spent during the current fiscal year. There is no anticipated impact to other operational programs as a result of this action. The contract summary is shown below in Table III.

Table II: Contract Summary

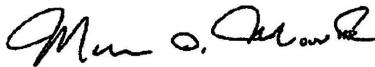
Contract Expenditures	Amount
Base Contract Price	\$882,977
Contingency (10%)	\$88,297
Total Not-To-Exceed Contract:	\$971,274

Respectfully submitted,



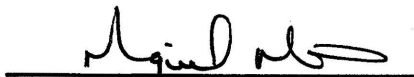
SIDNEY JACKSON
General Manager
Water and Power Department

Prepared by:



Marvin D. Moon
Assistant General Manager
Water and Power Department

Approved by:



MIGUEL MÁRQUEZ
City Manager