



Agenda Report

December 11, 2023

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH ANIXTER INC. FOR PAD MOUNT AND UNDERGROUND TRANSFORMERS FOR A TOTAL AMOUNT NOT-TO-EXCEED \$3,900,000 FOR THE WATER AND POWER DEPARTMENT

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. Accept the bid dated October 18, 2023, submitted by Anixter Inc. ("Anixter") in response to the Specifications for "Utility Power Distribution Transformers" for the Water and Power Department; authorize the City Manager to enter into a Contract with Anixter for an amount not-to-exceed \$3,900,000.

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. The distribution portion of the system contains high voltage lines that operate at either 4,160 Volts ("4kV") or 17,200 Volts ("17kV"). Through the normal course of providing electrical service to its customers, PWP requires a variety of parts and equipment for the T&D system, including utility poles, high and low voltage cables, transformers, switches, and dynamic protective devices.

Transformers convert PWP's electrical distribution high voltage network to voltages that can be utilized by customers and are used both for scheduled projects and emergencies.

On October 5, 2023, an Invitation for 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 25 vendors downloaded the Specification of which one was local. One bid was received by the bid due date, and it was not from a local firm. The responsive bid results are shown below in Table I.

Table I: Bid Results

Firm Name	Office Location	Total Bid Price
Anixter Inc.	Corona, California	\$3,899,311

PWP staff contacted other vendors to determine the reasons for not submitting a bid. Most vendors explained that they would not have been able to meet the bid specifications and fulfill the City's needs, particularly with respect to the desired timing of delivery. PWP attributes the inability for vendors to meet this bid specification to the lingering supply chain issues caused by the pandemic. There is unprecedented demand for utility assets such as transformers, and most vendors have a two-year or longer lead time. This is due to that fact that many utilities, including PWP, are now stocking warehouse reserves with two years or more worth of inventory, whereas before the pandemic only a six-month reserve was stocked.

Anixter was the sole responsive and responsible bidder for this Specification. Therefore, staff recommends that the City Council authorize the City Manager or his designee to enter into a contract with Anixter for an amount not-to-exceed \$3,900,000.

The City of Pasadena has awarded two contracts and five purchase orders to Anixter since 2015 for a total not-to-exceed amount of approximately \$18.8 million dollars.

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 total cost of this action is an amount not-to-exceed \$3,900,000. Since the contract supports various construction, operational and maintenance projects, funding for this action will be addressed by the utilization of existing and future appropriations in the Power Capital Fund (411) and Power Operating Fund (401), Warehouse Store Issues (880200). It is anticipated that the full amount will be spent during fiscal year 2024. There is no anticipated impact to other operational programs as a result of this action.

Respectfully submitted,



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