

# Agenda Report

October 16, 2023

**TO:** Honorable Mayor and City Council

**FROM:** Department of Water and Power

**SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH G&W ELECTRIC COMPANY FOR MEDIUM VOLTAGE DISTRIBUTION SWITCHES 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 Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required; and
2. Accept the bid dated July 24, 2023, submitted by G&W Electric Company ("G&W") in response to the Specifications for the Medium Voltage Distribution Switches for the Water and Power Department ("PWP"); and authorize the City Manager to enter into a Purchase Order ("PO") Contract with G&W for a period of three years or an amount not to exceed \$3,972,000, whichever occurs first, with the option for two additional one-year extensions or an amount not to exceed \$1,680,000 each, whichever occurs first, at the discretion of the City Manager, for a maximum contract length of five years or a total amount not to exceed \$7,332,000, whichever occurs first.

**BACKGROUND:**

PWP provides electricity to more than 65,000 customers. The Power Distribution System is highly complex and comprised of thousands of components which function together as a Transmission and Distribution ("T&D") System. PWP is faced with the challenge of managing a wide range of aging distribution assets that are critical to system reliability. PWP uses a number of long-term contracts to provide just-in-time delivery of equipment in order to minimize internal inventory levels and manage costs.

Distribution switches are critical to system reliability; they allow for electrical

transmission and distribution lines to be disconnected, redirected, or isolated for maintenance. Immediate replacement of defective switches and the purchase of new switches for system expansion and customer projects is essential for Power Delivery operations.

On June 22, 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 30 vendors downloaded the Specifications, none of which were local. A total of three bids were received by the bid due date of July 24, 2023, with no bids received from local firms. The responsive bid results are shown below in Table I:

**Table I: Bid Summary**

<b>Bidder Name</b>	<b>Office Location</b>	<b>Amount</b>
<b>G&amp;W Electric Company</b>	<b>Bolingbrook, IL</b>	<b>\$8,260,385</b>
<b>One Source Supply Solutions</b>	<b>Fullerton, CA</b>	<b>\$13,058,214</b>
<b>Anixter, Inc.</b>	<b>Corona, CA</b>	<b>\$13,493,490</b>

G&W was the lowest responsive and responsible bidder. PWP staff recommends that the City Council authorize the City Manager to enter into a PO Contract with G&W for an amount not to exceed \$3,972,000, or a period of three years, whichever occurs first, with two optional one-year extensions or an amount not to exceed \$1,680,000 each, whichever occurs first, for a maximum contract amount not to exceed \$7,332,000 for the Medium Voltage Distribution Switches. 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.

Approximately 65 medium voltage distribution switches will be purchased annually based on maintenance needs, customer projects, or capital improvements. The estimated expenditure was developed based on the unit pricing submitted by G&W in their bid. The actual payments will be based on the number of switches 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.

Since 2013, the City of Pasadena has awarded two contracts and three purchase orders to G&W for a total not to exceed amount of approximately \$19,000,000.

**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 a project 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) that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in 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 will be \$7,332,000 over five years, which includes the base contract amount of \$3,972,000 with two optional one-year extensions or an amount not to exceed \$1,680,000 each. Funding for this action will be addressed by the utilization of existing and future appropriations in the Power Capital Fund 411, various Capital Improvement Projects and Power Operating Fund 401, Warehouse Store Issues (880200). It is anticipated that \$500,000 will be spent during the current fiscal year. The remainder of the costs will be spent over the next four years if the optional extensions are exercised. There is no anticipated impact to other operational programs as a result of this action. The PO Contract summary is shown below in Table II.

**Table II: PO Contract Summary**

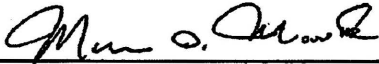
<b>Contract Expenditures</b>	<b>Amount</b>
Base Contract	\$3,972,000
1 <sup>st</sup> Extension	\$1,680,000
2 <sup>nd</sup> Extension	\$1,680,000
<b>Total Not-To-Exceed PO Contract Amount:</b>	<b>\$7,332,000</b>

Respectfully submitted,



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