

Agenda Report

August 19, 2024

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH NEXGEN POWER, INC. FOR ELECTRICAL UTILITY PAD MOUNT TRANSFORMERS FOR A TOTAL AMOUNT NOT-TO-EXCEED \$10,000,000 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. Award contract to lowest and best bid dated June 17, 2024, submitted by Nexgen Power, Inc. ("Nexgen") in response to the specifications for Electrical Utility Pad Mount Transformers for the Water and Power Department, authorize the City Manager to enter into a three-year contract for an amount not-to-exceed \$6,000,000; with the option for two additional one-year extensions for an amount not-to-exceed \$2,000,000 each, for a maximum contract amount not-to-exceed \$10,000,000.

BACKGROUND:

Pasadena Water and Power Department ("PWP") supplies electricity to over 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. PWP uses pad mount transformers in its power distribution systems and customer facilities.

On May 23, 2024, 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 32 vendors downloaded the Specifications, six of which were local. A total of three bids were received by the bid due date of June 18, 2024, with one bid received from a local firm.

The responsive bid results are shown below in Table I.

Table I: Bid Summary

Bidder Name	Office Location	Bid Amount
Nexgen Power, Inc.	Gardena, California	\$1,345,730
MVA Power	Montreal, Quebec	\$1,602,988
Young & Co.	Pasadena, California	\$1,637,123

Nexgen was the lowest responsive and responsible bidder for the pad mount transformers. PWP staff recommends that the City Council authorize the City Manager to enter into a contract with Nexgen for an amount not-to-exceed \$6,000,000 for three years or until the not-to-exceed amount has been expended, with the option for two additional one-year extensions for an amount not-to-exceed \$2,000,000 each, whichever occurs first, at the discretion of the City Manager, for a maximum contract amount not-to-exceed \$10,000,000.

The recommended total not-to-exceed amount is based on PWP's expected workload. The estimated expenditure was developed based on the unit pricing submitted by Nexgen in their bid. 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 Nexgen 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.

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 contract is \$10,000,000 and the total cost of this action will be \$12,800,000. Funding for this action will be addressed by the utilization of existing and future appropriations in the Power Capital Fund 411 in various Capital Improvement Programs including the Distribution Transformer Replacement Program (3237). It is anticipated that \$250,000 of the costs will be expended in fiscal year 2025. There is no impact to the General Fund.

The following table represents a project summary.


Base Contract Amount	\$	6,000,000
Two Optional One-Year Extensions	\$	4,000,000
Contract Administration and Warehouse	\$	2,800,000
Total Fiscal Impact	\$	12,800,000

Respectfully submitted,



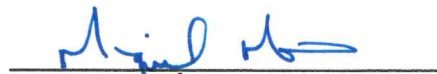
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