

# Agenda Report

March 11, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH PERRY C. THOMAS CONSTRUCTION, INC. FOR THE WILSON AND OAK KNOLL SUBSTATION OIL CONTAINMENT SYSTEMS FOR AN AMOUNT NOT-TO-EXCEED \$505,254 FOR THE WATER AND POWER DEPARTMENT**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Class 1: Existing Facilities); there are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances; and
2. Accept the bid dated November 22, 2023, submitted by Perry C. Thomas Construction, Inc. ("Perry Thomas") in response to the specifications for the Wilson and Oak Knoll Substation Oil Containment for the Water and Power Department ("PWP"); and authorize the City Manager to enter into a contract with Perry Thomas for an amount not-to-exceed \$505,254 or for a period of two years, whichever occurs first. The total cost includes a base contract amount of \$439,351 and a 15% contingency of \$65,903 to provide for any necessary change orders.

**BACKGROUND:**

Construction of oil containment systems at Wilson and Oak Knoll Substations are needed to prevent environmental damage resulting from potential mineral oil spills originating from transformers or electrical equipment. Federal Environmental Protection Agency ("EPA") regulations require that regulated facilities, including electric facilities, have Spill Prevention, Control, and Countermeasure plans in place to ensure that potentially large oil spills be contained within the immediate area. A large oil spill can be very costly to remediate and has the potential to seep into the groundwater.

The Wilson and Oak Knoll Electric Distribution Substations were constructed in 1971 and 1962 respectively, prior to these federal regulations and they are currently not in

compliance. The proposed construction projects will bring the Wilson and Oak Knoll Substations up to code to comply with Title 40 (Protection of Environment) of Code of Federal Regulations - Part 112 (Oil Pollution Prevention). The scope of work includes the removal and replacement of existing gravel; soil excavation, backfill, soil compaction, testing and shoring; installation of reinforced concrete pipe, polyvinyl chloride ("PVC") pipe, reinforced concrete trench with grates, and reinforced concrete structures; hauling, providing safety devices, demolition, cleanup, and miscellaneous appurtenant work.

On October 12, 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 20 vendors downloaded the Specifications, one of which was local. A total of two bids were received by the bid due date of November 22, 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>Perry C. Thomas Construction, Inc.</b>	<b>Monrovia, CA</b>	<b>\$439,351</b>
Vicon Enterprise, Inc.	Anaheim, CA	\$1,010,775

Perry Thomas was the lowest responsive and responsible bidder. PWP staff recommends that the City Council authorize the City Manager to enter into a contract with Perry Thomas for an amount not-to-exceed \$505,254, or a period of two years, whichever occurs first, for the construction of oil containment systems at the Wilson and Oak Knoll Substations. The total cost includes a base contract amount of \$439,351 plus a 15% contingency of \$65,903 to cover for 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.

The City of Pasadena has awarded 10 contracts and 11 purchase orders to Perry Thomas since 2015 for a total not-to-exceed amount of approximately \$30.5 million dollars.

**COUNCIL POLICY CONSIDERATION:**

The proposed contract is consistent with the City Council's Strategic Planning Goals to: (i) improve, maintain and enhance public facilities and infrastructure; and (ii) ensure public safety.

**ENVIRONMENTAL ANALYSIS:**

These projects are categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Class 1: Existing Facilities). The Class 1 categorical exemption covers the repair, maintenance, or minor alteration of existing public or private structures, involving

negligible or no expansion of use. The proposed contract would provide for improvements to safeguard against potential oil spills at two existing PWP substation sites, but would not expand the use of the properties. There are no features that distinguish these projects from others in the exempt class and, therefore, there are no unusual circumstances.

**FISCAL IMPACT:**

The total cost of this action will be \$505,254 over two years, which includes the base contract amount of \$439,351 and a 15% contingency of \$65,903 to provide for any necessary change orders. Funding for this action will be addressed by using existing appropriations in the Power Capital Fund 411, Capital Improvement Program 03128 – Substation Oil Containment. It is anticipated that \$400,000 will be spent during the current fiscal year. The remaining amount will be spent during fiscal year 2025.

There is no anticipated impact to other operational programs as a result of this action. The contract summary is shown below in Table II.

**Table II: Contract Summary**

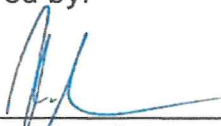
Base Contract Amount	\$439,351
Contingency Amount (15%)	\$ 65,903
<b>Total Contract Not-to-Exceed Amount</b>	<b>\$505,254</b>

Respectfully submitted,



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