

Agenda Report

October 28, 2024

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO AMEND CONTRACT 31789 WITH BLUSKY RESTORATION CONTRACTORS TO INCREASE THE CONTRACT AMOUNT BY \$900,000 FOR ASBESTOS ABATEMENT AND REMEDIATION FOR A REVISED NOT-TO-EXCEED AMOUNT OF \$1,600,000 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;
2. Authorize the City Manager to amend Contract No. 31789 with BluSky Restoration Contractors, LLC ("BluSky") to increase the contract amount by \$900,000, thereby increasing the grand total to a not-to-exceed amount of \$1,600,000, which includes the option for two additional one-year extensions or an amount not-to-exceed \$500,000, whichever occurs first, at the discretion of the City Manager; and
3. To the extent the amendment to Contract No. 31789 could be considered a separate procurement subject to the Competitive Selection Process, grant the contract an exemption pursuant to Pasadena Municipal Code (PMC) Section 4.08.049(B), contracts for which the City's best interests are served. This transaction is exempt from competitive bidding per PMC Section 4.08.030 and City Charter Section 1002(F) based on contracts for professional or unique services.

BACKGROUND:

On July 20, 2020, City Council authorized the City Manager to enter into a contract with BluSky for asbestos abatement and remediation for PWP for a total amount not-to-exceed \$700,000, which included a base amount of \$500,000 and two \$100,000

optional extensions. The scope of work for the awarded contract includes all necessary services to carry out disposal of asbestos in accordance with all applicable federal, state, and local regulations.

Asbestos was historically utilized in underground power utility vaults and cable trays due to its fire-resistant properties, thermal insulation capabilities, and durability. In the course of routine operations and maintenance of these vaults, PWP engages the services of a licensed hazardous material abatement contractor. This contractor is responsible for the safe removal of asbestos from cables and structural components within the underground utility vaults, as well as providing emergency mobilization and demobilization services when necessary.

A contract amendment is required to facilitate the accelerated replacement of the 35kV subtransmission cables that connect Glenarm and Santa Anita Receiving Stations. The replacement of these subtransmission cables was identified as a priority – with planned completion in Fiscal Year (“FY”) 2031 – in the Power Delivery Master Plan, which was approved by the City Council in 2022. However, due to a recent surge in cable failures, this project has been reprioritized to initiate in the current fiscal year and complete by FY 2028.

The successful replacement/upgrade of these subtransmission cables is essential for maintaining overall electric system reliability, as well as ensuring quality, operability, and sustainability of PWP’s electric system during periods of high demand. The estimated cost for required asbestos remediation within the underground vaults, housing the subtransmission cables, is \$600,000. PWP anticipates this work can be completed within the fiscal year, prior to the expiration of the initial term of the BluSky contract.

Additionally, PWP proposes increasing the not-to-exceed amount for the two optional one-year extensions from \$100,000 to \$250,000 each. This adjustment will help mitigate the risk of schedule delays during the cable replacement project asbestos remediation activities; it will also ensure that adequate contract resources remain available for emergency outage response operations, transformer lead stabilization and protective coat restoration efforts within power substations, and asbestos identification, analysis, and remediation efforts at the PWP primary dispatch center.

PWP staff recommends that the City Council authorize the City Manager to amend contract 31789 with BluSky to increase the contract amount by a total of \$900,000, including \$600,000 to the base amount and \$150,000 to each of the two optional one-year extensions, thereby increasing the total not-to-exceed amount to \$1,600,000 for asbestos abatement and remediation for PWP.

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 is a continuing administrative and maintenance activity. 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.

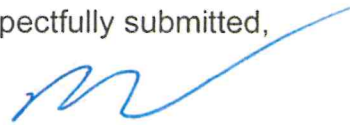
FISCAL IMPACT:

The cost to increase contract 31789 with BluSky is \$900,000. Funding for this action will be addressed by the utilization of existing and future appropriations in the Power Capital Fund 411 for various capital projects including the Electrical Vault Replacement and Reinforcement Program (3229) and the Subtransmission Path 2 Upgrade Program (3282). It is anticipated that \$600,000 of the costs will be expended in FY 2025. There is no impact to the General Fund.

The following table represents a contract summary.

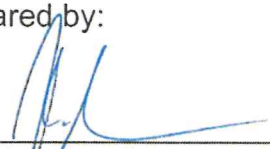
Contract	Current	Proposed Increase	New Total
Base Contract	\$500,000	\$600,000	\$ 1,100,000
First Optional One-Year Extension	\$100,000	\$150,000	\$ 250,000
Second Optional One-Year Extension	\$100,000	\$150,000	\$ 250,000
Total Fiscal Impact			\$ 1,600,000

Respectfully submitted,



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