

Agenda Report

July 14, 2025

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH ANIXTER, INC. FOR THE PURCHASE OF CABLES NECESSARY FOR REPLACEMENT OF THE POWER SUBTRANSMISSION LINES BETWEEN SANTA ANITA AND GLENARM RECEIVING STATIONS FOR A GRAND TOTAL AMOUNT NOT-TO-EXCEED \$40,952,000

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. Award contract to lowest and best bid dated April 17, 2025, submitted by Anixter, Inc. ("Anixter") in response to the project plans and specifications for Path Two Cable Replacement: 1250 KCMIL Compact CU, 35kV Flat Strap Triplex Cable, authorize the City Manager to enter into a contract for up to two years for a grand total amount not-to-exceed \$40,952,000, which includes the base contract amount of \$37,229,000 and a contingency of \$3,723,000 to provide for any necessary change orders.

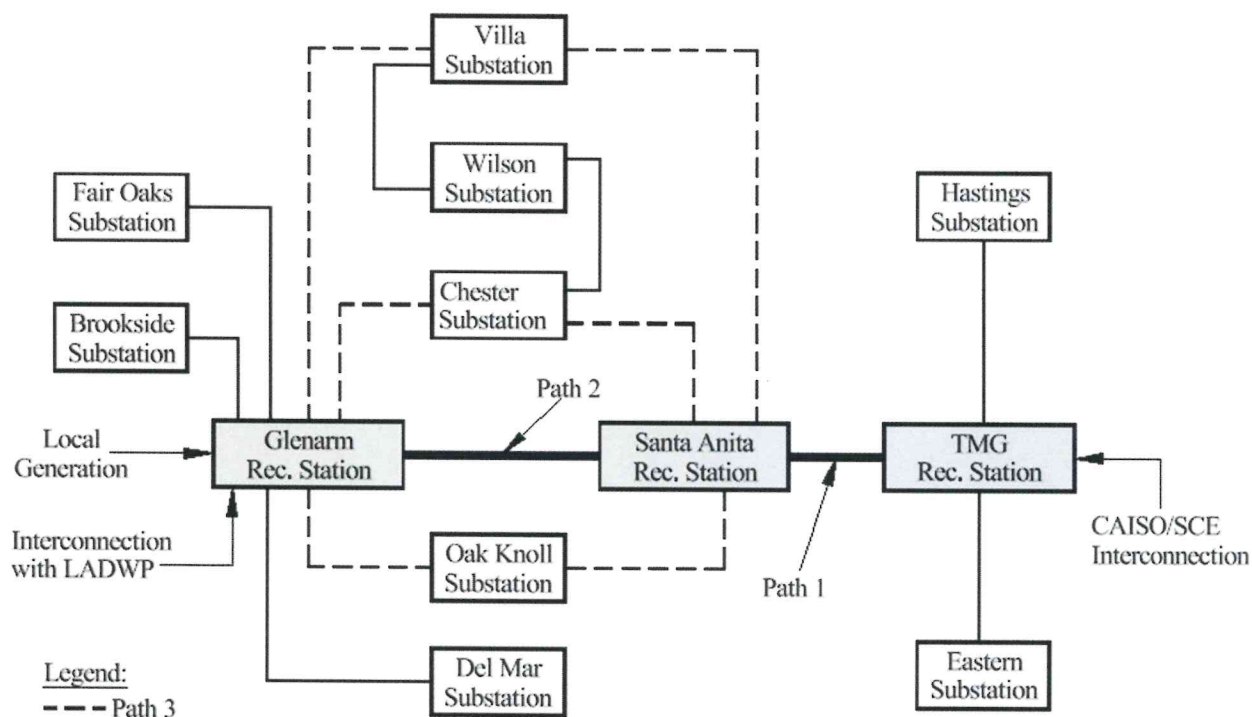
BACKGROUND:

Pasadena Water and Power ("PWP") delivers electricity to over 65,000 residential, commercial, and industrial customers within the City of Pasadena. As a provider of essential services, PWP supports the City's critical infrastructure by ensuring reliable water and power services, prioritizing environmental sustainability, and providing exceptional customer service.

PWP imports the majority of its electricity through a 220 kilovolt ("kV") transmission interconnection with the California Independent System Operator ("CAISO"), via Southern California Edison ("SCE") at the T.M. Goodrich Receiving Station ("TMG"). From TMG, power is transferred to the Santa Anita Receiving Station through 34.5kV

subtransmission lines (referred to as “Path 1”) and subsequently transferred to the Glenarm Receiving Station via a second set of subtransmission lines (“Path 2”), where it is then distributed to more than half of all PWP customers. The configuration of PWP’s subtransmission system is illustrated in Figure I below:

Figure I: PWP Subtransmission System



The need to replace and upgrade the 34.5kV subtransmission lines was identified in PWP’s Power Delivery Master Plan, approved by the City Council in June 2022, as essential to ensuring adequate power transfer capacity across the city, particularly during periods of peak demand. The Path 2 subtransmission lines connecting the Santa Anita and Glenarm Receiving Stations, via about 36 miles of cables, are a critical component of this system and are currently in need of replacement. PWP plans to start replacing the Path 2 subtransmission line cables in October 2026 and complete the project before the summer of 2027.

In preparation for the Path 2 cable replacement, PWP needed to upgrade the supporting subtransmission lines, referred to as “Path 3” in Figure I. These upgrades indirectly facilitate power transmission between Santa Anita and Glenarm Receiving Stations. Several of the Path 3 subtransmission lines have already been replaced over the past few years, and the remaining replacements are expected to be completed prior to the start of the Path 2 replacement effort.

Additionally, PWP has undertaken major repairs and reinforcements of the underground infrastructure (vaults) that house the Path 2 subtransmission lines. This work will be completed ahead of the new cable installation.

Furthermore, to complete the Path 2 cable replacement project, PWP must de-energize the associated subtransmission lines to safely remove and replace the aging cables. This work is estimated to take approximately six months. During this time, the power import capacity at TMG will be reduced, requiring increased reliance on internal generation resources. As such, the availability and reliability of internal generation will be vital throughout the duration of the project.

The recommended contract award for the procurement of the necessary replacement cables represents the first step in implementing this critical infrastructure project. PWP is also currently developing technical specifications to support the procurement of a construction contractor for the cable replacement project. Staff plans to present a recommendation for the construction contract to the City Council by fall of 2025.

On March 25, 2025, a Notice Inviting Bids was published on OpenGov, which automatically notified all vendors registered with the City under the relevant commodity classification. The solicitation resulted in 27 vendors downloading the Specifications, one from a local firm. A total of two bids were received by the bid due date of April 17, 2025, with no bids 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
Anixter, Inc.	Santa Fe Springs, CA	\$37,228,772
CME Wire and Cable, Inc.	Suwanee, GA	\$41,024,518

Anixter was the lowest responsive and responsible bidder. PWP staff recommends that the City Council authorize the City Manager to enter into a contract with Anixter for a not-to-exceed amount of \$40,952,000, which includes a base contract amount of \$37,229,000 and a contingency of \$3,723,000, for a one-time purchase of cable in support of the Path Two Cable Replacement Project.

Bid pricing was indexed to commodity benchmarks in effect at the time of solicitation, including copper (MB-CU-0309), aluminum (MB-AL-0231), and rubber and plastic products (BLS Series ID WPU07). Final pricing will be determined at the time of order, in accordance with these indexes. Approximately 75% of the cable cost is driven by copper, making it the most significant cost component.

Recent market trends underscore the need for a pricing structure that allows for adjustments based on commodity fluctuations. The contract will have a built-in price adjustment to provide this flexibility, enabling the final purchase price to reflect actual commodity index values at the time of order. Copper prices have shown substantial volatility in 2025, including an 8.4% drop in April following surges in the first quarter of 2025. Aluminum prices are forecasted to rise over 6% year-over-year, and rubber/plastic product indexes have increased by more than 5%. Additionally, proposed

federal tariffs on imported base metals may introduce further cost escalation, making a responsive pricing mechanism essential for protecting the City's interests.

By incorporating indexed pricing and a structured adjustment mechanism, this contract ensures transparency and provides PWP with the flexibility needed to respond to commodity market changes or federal tariffs while securing timely delivery of critical infrastructure materials.

The total purchase includes 240,152 feet of cable, of which approximately 212,472 feet will be installed as part of the Path Two Cable Replacement Project. The remaining 27,680 feet of cable (32 reels) will be incorporated into PWP's warehouse inventory. These reels will serve as risk mitigation during project implementation and will also establish an initial inventory to support routine operations and emergency response efforts.

The proposed contract complies with the City's Competitive Bidding and Purchasing Ordinance under Pasadena Municipal Code Chapter 4.08.

Since 2015, the City has awarded eight purchase orders and three contracts to Anixter, totaling approximately \$62,266,832 in authorized spending.

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 materials, supplies and 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 including contingency is \$40,952,000. Funding for this action will be addressed by the utilization of existing and future appropriations in various capital improvement projects including the Subtransmission Path 2 Upgrade (03282) CIP budget, and Power Operating Fund (401). It is anticipated that \$40,952,000 of the costs will be expended in FY 2027. Future costs will be budgeted as part of the department's capital budgets. There is no impact to the General Fund.

The following Table II represents a contract summary.

Table II: Contract Summary

Base Bid	\$ 37,229,000
Contract Contingency	\$ 3,723,000
Total Fiscal Impact	\$ 40,952,000

Respectfully submitted,



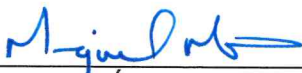
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