



Agenda Report

September 15, 2025

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO UTILIZE AN ALTERNATIVE PROJECT DELIVERY METHOD FOR THE PRIMARY POWER DISPATCH CENTER UPGRADE PROJECT

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. Authorize the City Manager to utilize the alternative project delivery method, Progressive Design-Build, for the Primary Power Dispatch Center Upgrade Project in accordance with Pasadena Municipal Code ("PMC") Section 4.08.136 (Alternative project delivery).

EXECUTIVE SUMMARY:

Pasadena Water and Power ("PWP") seeks City Council authorization to utilize the Progressive Design-Build project delivery method for the planned modernization of the Primary Power Dispatch Center, a 24/7 mission-critical facility responsible for managing the City's electric distribution system serving over 65,000 customers. This comprehensive upgrade will transform the existing facility into a modern, resilient operations hub equipped to support advanced system functions such as real-time monitoring, load forecasting, outage coordination, and secure field operations management. Additional site enhancements include reconfigured interior spaces, removal of obsolete equipment, reorganized cable infrastructure and environmental remediation.

Due to the project's technical complexity, need for continuous operations, and incomplete existing documentation, Progressive Design-Build, as authorized under PMC Section 4.08.136, is the recommended delivery method. This approach allows for

early contractor involvement, promotes collaboration between design and construction teams, and reduces risk by aligning scope, budget, and schedule before a Guaranteed Maximum Price (“GMP”) is established. This approach is expected to streamline delivery, minimize operational disruptions, and ensure successful completion of a future-ready Primary Power Dispatch Center that meets the City’s long-term reliability and operational needs.

BACKGROUND:

PWP serves over 65,000 electric customers and operates the Primary Power Dispatch Center, a mission-critical facility responsible for monitoring, controlling, and managing the City's electric distribution system 24 hours a day, seven days a week. This facility ensures real-time situational awareness, system reliability, and safe power delivery system using advanced technologies such as Supervisory Control and Data Acquisition (“SCADA”) systems, an Outage Management System (“OMS”), and physical security measures including access control and video surveillance.

Over several decades, the dispatch center has experienced multiple incremental upgrades, equipment additions, repairs, and partial demolitions. As a result, obsolete equipment now coexists alongside critical active systems, creating congested basement cable infrastructure containing a mix of outdated and live communication lines. Additionally, many past modifications were inadequately documented, resulting in incomplete and inaccurate as-built records.

To address these challenges and proactively meet current and future operational needs, PWP is initiating a comprehensive project to modernize the Primary Power Dispatch Center. Planned improvements include ergonomic 24/7 operator workstations, a new video wall, modern IT infrastructure, HVAC and electrical upgrades, and evaluation and replacement of battery backup and inverter systems. This modernization effort aims to create a state-of-the-art operations hub, significantly enhancing the City's capabilities in real-time system monitoring, load management and forecasting, outage coordination and restoration, and grid stability management.

Key improvements of this project include:

- **Interior Space Reconfiguration:** Enhanced layout designed to optimize operational workflow.
- **Advanced Operator Workstations:** Ergonomic, modern consoles to support continuous (24/7) dispatch operations.
- **Video Wall and Visualization Systems:** Modern technology to enhance grid monitoring that provides a better situational awareness and to increase operational effectiveness and SCADA monitoring.
- **HVAC and Electrical Systems Upgrades:** Comprehensive infrastructure upgrades tailored for reliable, critical-facility operations.

- **IT Infrastructure Modernization:** Upgraded data infrastructure, including server racks, network switches, fiber optics, and advanced communication cabling to support modern dispatch operations.
- **Battery Backup and Inverter Replacement:** Evaluation and upgrade of battery backup and inverter systems to ensure uninterrupted power continuity during emergencies.
- **Removal of Obsolete Equipment and Cabling:** Clearing outdated infrastructure, reorganizing basement cable trays, and environmental remediation to eliminate existing hazards.
- **Facility Enhancements:** Expanded office and locker-room facilities and improved staff amenities.

Construction activities will occur in carefully coordinated phases to ensure the dispatch center remains fully operational throughout the duration of the project.

Progressive Design-Build:

PMC Section 4.08.020 defines Progressive Design-Build as a project delivery method in which the City contracts with a single entity responsible for both the design and construction phases of a public works project. Progressive Design-Build facilitates early and ongoing collaboration between designers, builders, and City staff, creating a more cohesive and integrated project approach.

This delivery method is particularly well-suited to complex infrastructure projects like the Primary Power Dispatch Center remodel, which involves intricate technical systems and infrastructure upgrades. Progressive Design-Build enables the City to involve contractors from the outset, aligning the design closely with construction practices. Early contractor involvement supports real-time problem-solving and decision-making, significantly reducing risks related to technical integration and system compatibility.

A key advantage of the Progressive Design-Build is its phased approach. Initially, a contractor is selected to collaborate with PWP staff to thoroughly evaluate existing site conditions, address documentation gaps, and define a detailed scope. After this initial phase, the contractor submits a Guaranteed Maximum Price proposal for the remaining design, procurement, and construction phases. This approach reduces risk by ensuring that the contractor clearly understands existing conditions and project requirements before finalizing cost and scope commitments.

PWP considered updating the dispatch center's incomplete documentation and as-built records internally to facilitate a traditional project delivery. However, this approach was deemed neither efficient nor cost-effective as it requires reallocating critical internal resources from other high-priority initiatives to document legacy systems that will be removed or replaced.

Furthermore, compared to traditional Design-Bid-Build delivery methods, Progressive Design-Build streamlines project timelines, improves cost certainty, and reduces risk of conflicts or costly change orders. By assigning both design and construction to a single accountable entity, Progressive Design-Build supports a seamless transition from concept to completion, promotes value engineering, and fosters innovative solutions tailored to the City's operational needs.

POLICIES AND PROCEDURES FOR ALTERNATIVE PROJECT DELIVERY:

The City of Pasadena is committed to a transparent and competitive procurement process for selecting qualified Design-Build entities to deliver major public works projects. As defined in PMC Section 4.08.020, the Design-Build method enables the City to contract with a single entity for both the design and construction phases, streamlining project delivery and fostering a more collaborative, efficient approach.

This process is governed by the City of Pasadena Policies and Procedures for Alternative Project Delivery, adopted by the City Manager on June 5, 2025, which establishes the framework for consistency, accountability, and compliance across all City departments. These policies and procedures are designed to ensure that the selected Design-Build teams deliver projects on schedule and within budget, while meeting the City's standards for quality, safety, and long-term sustainability.

The procurement process begins with the Project Manager ("PM") drafting and releasing the Request for Proposals ("RFP"), in coordination with the Procurement Oversight Committee. The PM also serves as the point of contact for proposer inquiries during the advertising period but does not participate in the evaluation or selection process. Proposal evaluations are conducted by the Selection Committee, while the Procurement Oversight Committee ensures adherence to City policies, procurement guidelines, and applicable regulations.

Appointed by the City Manager, the Procurement Oversight Committee includes representatives from the Finance Department, City Manager's Office, and subject matter experts from relevant departments, such as Water and Power and Public Works. This committee is responsible for approving evaluation criteria and weighted scoring prior to RFP issuance, reviewing all procurement documentation for compliance, and auditing the process to identify and resolve any procedural deviations.

The Selection Committee, composed of at least five members from various City departments, evaluates the proposals submitted by Design-Build teams. Evaluations are based on pre-established criteria tailored to the scope and complexity of the Primary Power Dispatch Center Upgrade project.

These criteria may include, but is not limited to:

- Relevant experience with projects of similar size and scope.
- Organization and Qualification of key personnel.

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- Financial strength/financial capacity that meets or exceeds what is necessary to deliver the Project.
- Cost proposal for design and construction services.
- Technical approach and understanding of the project, including constructability, design innovation, and phased delivery strategy.
- Risk management and safety practices, including approach to minimizing disruptions to ongoing operations.
- Local Pasadena business preference (PMC Section 4.08.048).
- Small or micro-business preference (PMC Section 4.08.048).

Top-ranked firms based on proposal evaluations will be invited to interview with the Selection Committee. Interview scoring may assess the firm's understanding of project objectives and constraints, collaborative approach, communication skills, and ability to deliver the phased construction plan with minimal impact on the 24/7 operations of the Primary Power Dispatch Center.

Once proposal and interview scores are combined, the highest-ranked Progressive Design-Build entity will be invited to enter contract negotiations. Terms such as project scope, cost, performance milestones, and allowable work hours will be finalized at this stage. If an agreement cannot be reached, negotiations may proceed with the next highest-ranked proposer. If the City is unable to negotiate a satisfactory contract with any finalist, it may consider other options, including using the traditional Design-Bid-Build method.

Upon successful negotiations, the Selection Committee will submit its recommendation to the Procurement Oversight Committee for concurrence. With approval, the final contract will be presented to the City Council for award.

JUSTIFICATION FOR ALTERNATIVE PROJECT DELIVERY:

Pasadena Municipal Code (PMC) Section 4.08.136 authorizes the use of alternative project delivery methods, including Progressive Design-Build, for public works projects valued at over \$1 million, provided specific qualifying criteria outlined in Section 4.08.136(B) are satisfied.

The Primary Power Dispatch Center Upgrade Project meets the following criteria under 4.08.136(B), Subsection 1:

- **High Level Technical Complexity:** The project requires integration of complex, mission-critical systems, including SCADA, OMS, secure IT infrastructure, and facility-wide monitoring and control systems, all of which must operate continuously without interruption; and
- **Specialized Expertise:** Designing and constructing a modern, continuously operating (24/7) dispatch center demands specialized experience with ergonomic workstation design, secure information technology infrastructure, advanced video

display systems, and robust electrical and mechanical systems tailored to mission-critical operations; and

- **Need for Early Contractor Involvement:** Early contractor engagement allows the identification of potential constructability challenges, facilitating design optimization to meet operational requirements. It also enables value engineering early in the project, reducing costs while enhancing functionality; and
- **Critical Risk Management:** Maintaining uninterrupted operations during phased construction is essential. Progressive Design-Build provides a collaborative framework that significantly reduces operational risks through integrated planning and real-time adjustments, ensuring smooth transitions and continuous system availability.

The Primary Power Dispatch Center Upgrade Project also meets the following criteria under 4.08.136(B), Subsection 2:

- **Improved Project Quality and Functionality:** Progressive Design-Build promotes early and ongoing collaboration between the design and construction teams, enabling solutions that enhance operational functionality, reliability, and long-term performance of the upgraded Primary Power Dispatch Center. This delivery method allows the project team to develop tailored design strategies that optimize system layout, user interface, and overall facility resilience, key for a mission-critical, 24/7 environment; and
- **Minimize Project Delivery Time:** Progressive Design-Build enables design and construction phases to overlap, accelerating project delivery compared to traditional delivery methods. This is especially important for the Primary Power Dispatch Center, where reducing the duration of construction directly minimizes exposure to operational risk and supports timely implementation of system upgrades.

By utilizing the Progressive Design-Build delivery method, the City can reduce overall project risk, improve coordination between design and construction teams, and accelerate project delivery. This approach supports seamless integration of complex systems, minimizes disruptions to 24/7 operations, and ensures the efficient delivery of a high-performing, future-ready Primary Power Dispatch Center that aligns with PWP's long-term operational needs and reliability goals.

PWP recommends that the City Council, in accordance with Pasadena Municipal Code Section 4.08.136, authorize the use of the Progressive Design-Build project delivery method for the Primary Power Dispatch Center Upgrade Project (CIP Project Number 03253). This capital project specific to dispatch was created and initially funded by the Power Fund (Fund 411) in FY2020.

COUNCIL POLICY CONSIDERATION:

This action is consistent with the City Council's goals to maintain fiscal responsibility and stability, while also supporting sustainable energy and infrastructure policies that

prioritize the design, construction, and improvement of City facilities to reduce environmental impact. Additionally, the proposed contract aligns with PWP's strategic initiatives to enhance customer satisfaction, improve operational efficiency, and strengthen long-term business continuity.

ENVIRONMENTAL ANALYSIS:

The action proposed herein does not constitute a project subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060(c)(2), 15060(c)(3), and 15378. The authorization to utilize the design-build alternative project delivery method for the modernization of the Primary Power Dispatch Center is an administrative action that will not result in direct or indirect physical changes to the environment. This action is limited to initiating a competitive selection process to solicit proposals for design and construction services and does not commit the City to proceeding with construction. Therefore, the proposed action is not considered a "project" under CEQA, and no environmental document is required at this stage.

FISCAL IMPACT:

There is no fiscal impact as a result of this action. There is no impact to the General Fund.

Respectfully submitted,



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