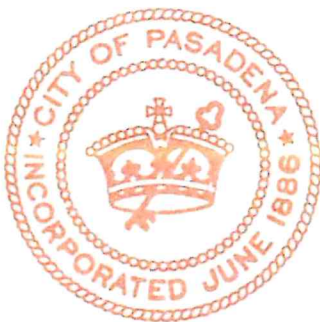




Agenda Report

August 17, 2026

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH CANNON CORPORATION TO PROVIDE ENGINEERING SERVICES FOR THE DON BENITO RESERVOIR REPLACEMENT PROJECT FOR AN AMOUNT NOT TO EXCEED \$618,782 FOR UP TO THREE YEARS**

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 Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Section 15378; and
2. Authorize the City Manager to enter into a contract, as a result of the competitive selection process, as specified by section 4.08.047 of the Pasadena Municipal Code, with Cannon Corporation to provide engineering services for an amount not to exceed \$618,782, or three years, whichever occurs first, which includes the base amount of \$538,071 and a contingency of \$80,711 to provide for any necessary change orders. Competitive price bidding is not required pursuant to the City Charter Section 1002 (F), Contract for professional or unique services; and
3. Authorize the City Manager to approve no-cost amendments to the subject contract including durational extensions.

BACKGROUND:

Prior to the 2025 Eaton Fire, Pasadena Water and Power's ("PWP") Don Benito Reservoir consisted of two steel tanks with a capacity of approximately 0.7 million gallons each that provided water storage to most of the Upper Hastings Ranch neighborhood. The Eaton Fire severely damaged the tanks. An interconnection with a neighboring agency was activated for water delivery to the affected zones. After a detailed assessment of the damage and an evaluation of alternatives, a new reservoir was deemed necessary for water system reliability and resilience.

In September 2025, PWP commissioned the conceptual design of the Don Benito Reservoir Replacement project. The resulting report was completed in March 2026 and establishes the technical framework for the final design and provides a basis for the scope of engineering services required to complete the project.

On April 23, 2026, a Request for Proposals ("RFP") for the Don Benito Reservoir Replacement Engineering Services, Project ID 2026-RFP-0118, was issued seeking engineering services including final design, bid assistance, and engineering services during construction, which is subject to reimbursement from federal sources such as Federal Emergency Management Agency ("FEMA"). The RFP was posted on OpenGov Procurement with proposals due on May 19, 2026. The posting generated notifications to 681 vendors, and 62 vendors downloaded the solicitation documents. Four proposals were ultimately received.

An evaluation of the proposals using the criteria set forth in the RFP was conducted, including qualifications, relevant experience, schedule, and cost. Because this RFP is subject to federal procurement guidelines, the City may not grant advantages to local firms in the evaluation process. The procurement complied with 2 CFR 200 federal requirements. The proposals were scored as follows.

Table 1: Proposal Scores

Firm Name	Location	Total Score
Cannon Corporation	San Luis Obispo, CA	94
Lee + Ro, Inc.	City of Industry, CA	86
TKE Engineering, Inc.	Riverside, CA	81
WHB Engineers	San Diego, CA	77

A complete summary of the ranked proposals is included in Attachment A. Cannon Corporation received the highest score based on the evaluation criteria.

Cannon Corporation has demonstrated its ability to successfully provide professional engineering services for reservoir upgrades and improvement projects. The firm has provided similar services to the Santa Clarita Valley Water Agency, the County of Los Angeles, and the City of Whittier, demonstrating relevant experience and technical expertise. Cannon Corporation offers depth of experience, successful performance on comparable projects, and a competitive cost proposal when compared to the other proposals and as a percentage of estimated construction costs to complete this project.

The City has no prior contracts with Cannon Corporation.

It is recommended that a contract be awarded to Cannon Corporation for engineering services for the Don Benito Reservoir Replacement project for an amount not to exceed \$618,782. This total includes the base amount of \$538,071 and a contingency of \$80,711 to accommodate any necessary change orders.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the Public Facilities Element of the General Plan and supports the Council's goal to improve, maintain and enhance public facilities infrastructure and to implement capital improvements that will maintain and rehabilitate infrastructure.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by Public Resources Code Section 21065 and within the meaning of CEQA Guidelines Section 15378. Sections 21065 and 15378 define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378(b) excludes from the definition of "project" continuing administrative or maintenance activities, such as purchases for supplies and services. The actions proposed herein, authorizing the City Manager to enter into a contract for engineering services, is an administrative activity for the purchasing of services, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required. Future actions related to construction of the tanks will be subject to appropriate CEQA review at that time.

FISCAL IMPACT:

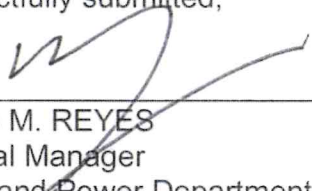
The total cost of this contract, including contingency, will be \$618,782. Funding for this action will be addressed by the utilization of Don Benito Reservoir Replacement (01099) CIP budget. It is anticipated that approximately \$400,000 will be expended in Fiscal Year ("FY") 2027. The remainder of the costs will be expended in FYs 2028 through 2030. It is anticipated that a portion of the costs will be reimbursable by insurance and/or federal sources. There is no impact to the General Fund.

The following table represents a project summary.

Table 2: Contract Summary

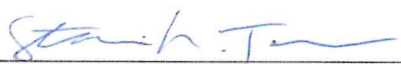
Base Contract	\$538,071
Contract Contingency	\$80,711
Total Contract	\$618,782

Respectfully submitted,



DAVID M. REYES
General Manager
Water and Power Department

Prepared by:



Stacie N. Takeguchi
Chief Assistant General Manager
Water and Power Department

Approved by:



MATTHEW E. HAWKESWORTH
Interim City Manager

Attachment A – Don Benito Reservoir Replacement Project Engineering Services
Proposal Evaluation Summary