

# Agenda Report

March 9, 2026

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH OUTSOURCE UTILITY CONTRACTOR, LLC FOR PATH TWO 35KV CABLE REPLACEMENT PROJECT FOR UP TO TWO YEARS FOR A GRAND TOTAL AMOUNT NOT-TO-EXCEED \$4,493,521**

## **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) and Section 15302 (Replacement or Reconstruction); there are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances; and
2. Award contract to lowest and best bid dated October 20, 2025, submitted by Outsource Utility Contractor, LLC ("Outsource") in response to the project plans and specifications for Path Two 35kV Cable Replacement Project Construction, and authorize the City Manager to enter into a contract for up to two years for a grand total amount not-to-exceed \$4,493,521, which includes the base contract amount of \$4,085,019 and a contingency of \$408,502 to provide for any necessary change orders.

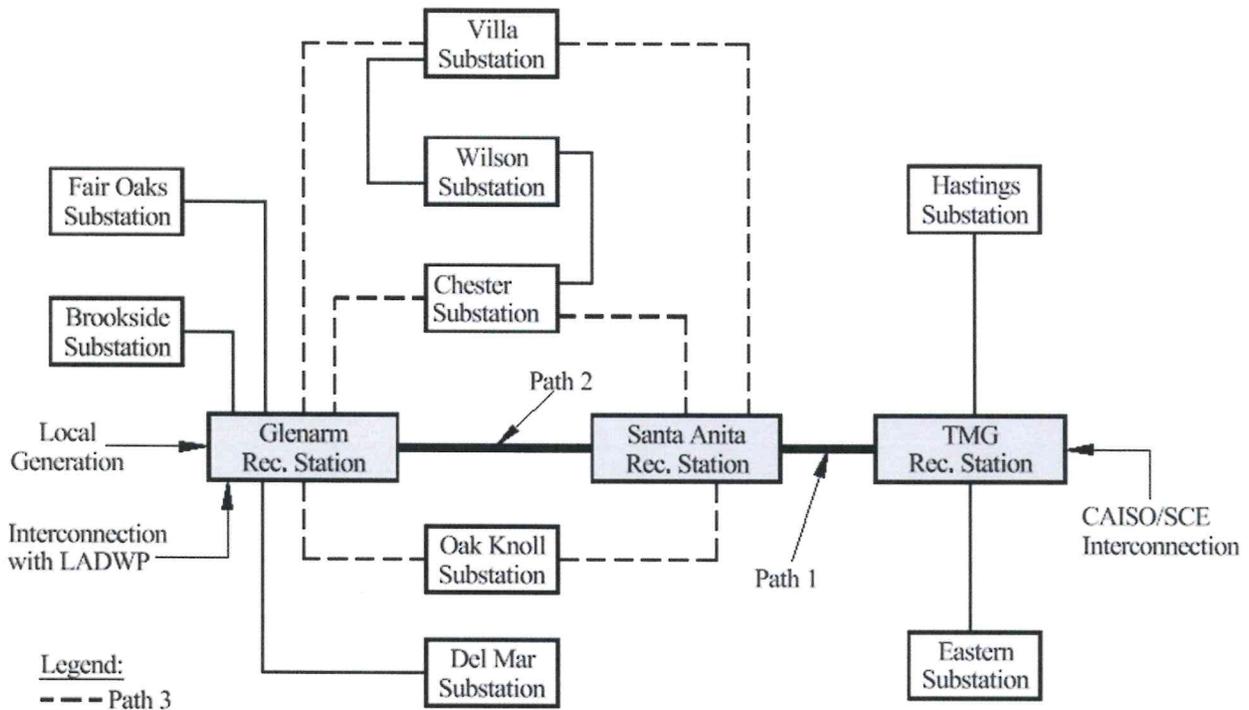
## **BACKGROUND:**

Pasadena Water and Power ("PWP") delivers electricity to over 65,000 residential and commercial customers within the city of Pasadena. As a key provider of essential utility services, PWP plays a critical role in supporting the City's infrastructure by ensuring the reliable delivery of water and power, while also advancing environmental sustainability and maintaining a high standard of customer service.

PWP imports most 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 (“Path 1”) and subsequently transferred to the Glenarm Receiving Station via a second set of 34.5kV 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 critical components 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, identified 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 replacement is 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 also 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 to eight months, provided no unforeseen emergencies arise. During this period, 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.

On July 14, 2025, the City Council awarded a contract to Anixter, Inc. for the procurement of the necessary replacement cables, which represented the first step in implementing this critical infrastructure project. The recommended contract award for the procurement of a construction contractor for the cable replacement project represents the next key milestone in implementing this project.

On August 25, 2025, a Notice Inviting Bids for the Specifications for Path Two 35kV Cable Replacement Project Construction was published on the City’s electronic procurement platform, OpenGov. The notice was automatically distributed to all vendors registered with the City under the applicable commodity codes for related services. A total of 61 vendors downloaded the Specifications, one of which was local. A total of six responsive bids were received by the bid due date of October 20, 2025, with no bids received from a local firm. The bid results are summarized below in Table I.

**Table I: Bid Summary**

<b>Bidder Name</b>	<b>Location</b>	<b>Annual Bid Amount</b>
<b>Outsource Utility Contractor, LLC</b>	<b>Artesia, CA</b>	<b>\$4,085,018.72</b>
Asplundh Construction, LLC	Buena Park, CA	\$4,280,002.80
Diversified Utility Services, Inc.	Bakersfield, CA	\$4,643,361.76
Henkels & McCoy West, LLC	Pomona, CA	\$5,188,076.16
Parkia, Inc.	Santa Fe Springs, CA	\$10,666,058.72
Shimmick Construction	Suisun City, CA	\$12,564,020.16

Outsource was the lowest and best bidder. PWP staff recommends that the City Council authorize the City Manager to enter into a contract with Outsource for a grand total amount not-to-exceed \$4,493,521, which includes the base contract amount of \$4,085,019 for up to two years, and a contingency of \$408,502 to provide for any necessary change orders.

The recommended not-to-exceed amount is based on the low bid amount plus contingency for unforeseen change orders. The actual payments will be based on the vendor's satisfactory performance. 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.

No prior contracts with Outsource have been awarded.

**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:**

The proposed contract is exempt from CEQA pursuant to the State CEQA Guidelines Sections 15301 and 15302. Section 15301 (Existing Facilities) exempts actions (such as maintenance, repair, operation etc.) relating to existing facilities or structures where there is negligible or no expansion of the use. Section 15302 (Replacement or Reconstruction) exempts the replacement and/or reconstruction of existing facilities or structures including utility systems and/or facilities involving negligible or no expansion of capacity. The proposed work will provide needed replacement of existing facilities necessary to maintain existing electrical infrastructure and operational flexibility. There is no proposed expansion of use or capacity. There are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances.

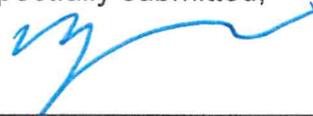
**FISCAL IMPACT:**

The total cost of this contract including contingency is \$4,493,521. Funding for this action will be addressed by the utilization of existing and future appropriations in the Subtransmission Path 2 Upgrade (03282) CIP budget. It is anticipated that all the costs will be expended in FY 2027. There is no impact to the General Fund. The contract summary is shown below in Table II.

**Table II: Contract Summary**

Base Contract	\$4,085,019
Contingency (10%)	\$ 408,502
<b>Total Contract Not-to-Exceed Amount</b>	<b>\$4,493,521</b>

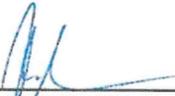
Respectfully submitted,



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General Manager  
Water and Power Department

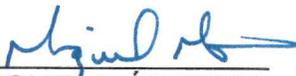
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