

Agenda Report

May 4, 2026

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH HENKELS & MCCOY WEST, LLC. TO PROVIDE LABOR AND MATERIALS FOR FIBER OPTIC CABLE INSTALLATION FOR A PERIOD OF FIVE YEARS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (c) and Section 15303 New Construction or Conversion of Small Structures;
2. Award contract to lowest and best bid dated January 26, 2026, submitted by Henkels & McCoy West, LLC. in response to specifications for Fiber Optic Installation work, authorize the City Manager to enter into a five-year contract with a total not-to-exceed amount of \$1,018,184, which includes the base contract amount of \$885,378 and a fifteen percent contingency of \$132,806 to provide for any necessary change orders; and
3. Authorize the City Manager to approve no-cost amendments to the subject contract including durational extensions.

BACKGROUND:

The City's fiber optic backbone, originally installed in 1998 and 1999, has become a vital resource supporting City business operations and generating revenue through leases and services to local institutions, telecommunications firms, and businesses. In fiscal year 2016, a Fiber Network Expansion Program was established to support the expansion, maintenance, and enhancement of this critical municipal and leased fiber infrastructure citywide.

In February 2021, City Council awarded a five-year contract, 31889, to Henkels & McCoy West LLC for fiber optic cable installation services to support continued implementation of the program. That contract will expire on May 25, 2026, and the City

continues to need qualified vendors as multiple fiber installation projects remain underway and under consideration.

Given this continuing need under the fiber expansion program, a Notice Inviting Bids for Fiber Optic Installation was posted on OpenGov Procurement on November 12, 2025. The posting generated notices to all vendors who had previously registered with the City for this commodity class. A total of fifty-seven vendors downloaded the specifications, and four bids were received by the submission deadline of January 26, 2026, however, one of the bids was non-responsive. All bids were requested and received in accordance with Section 4.08.070 of the Pasadena Municipal Code.

After reviewing all submissions for compliance and qualifications, Henkels & McCoy West, LLC was determined to be the lowest, most responsive and responsible bidder.

<u>Bidder</u>	<u>Amount</u>
1. Henkels & McCoy West, LLC. Pomona, CA	\$ 885,378
2. VCI Construction, LLC Upland, CA	\$1,020,614
3. JM Communications, Inc. Van Nuys, CA	\$1,323,260

It is recommended that Henkels & McCoy West, LLC. be awarded a five-year contract for as-needed fiber optic cable installation services in an amount not-to-exceed \$1,018,184. A breakdown of the proposed contract amount is provided below:

Base Bid Amount	\$ 885,378
Contingency Allowance (15%)	<u>\$ 132,806</u>
Contract "Not To Exceed" Amount	\$1,018,184

A contingency of fifteen percent is allocated to this contract to allow for unforeseen service needs during the life of the contract. The recommended not-to-exceed amount reflects staff's estimate of the maximum amount of work that may be required over the course of the five-year term. Actual payments will be based on the amount of work requested by the Department of Information Technology and satisfactorily performed by the contractor in accordance with the agreed-upon hourly rates in the bid. The proposed contract does not guarantee any minimum level of work or compensation over the course of the contract term.

As noted previously in this report, the City currently has one active contract with Henkels & McCoy West, LLC. for fiber optic cable installation services, which was awarded through a prior competitive bidding process in 2021 and is scheduled to expire this month.

COUNCIL POLICY CONSIDERATION:

The proposed contract promotes the Council goal to improve, maintain and enhance public facilities infrastructure by contributing to the maintenance and expansion of the

City's fiber optic backbone, a critical resource supporting City and customer business operations.

ENVIRONMENTAL ANALYSIS:


The proposed contract is exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15301 (c) Existing Facilities and Section 15303 New Construction or Conversion of Small Structures. Section 15301 (Existing Facilities) exempts actions relating to existing facilities or structures where there is negligible or no expansion of the use. Section 15303, Class 3, consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. The proposed action relates to installation of fiber optic cable in existing communications and power conduit systems, with little or no alteration to those existing conduit systems.

FISCAL IMPACT:

The maximum cost of the proposed contract, including contingencies, will be \$1,018,184 over five years. Funding for this action will be addressed by the utilization of existing budgeted appropriations in Capital Improvement Program projects #71169 (City Park Public Wifi Expansion) and #71172 (City Fiber Network Expansion FY 2025 – FY 2029), as well as annual budgeted appropriations in the fiber management operations account. Approval of this contract will have no impact on the General Fund. It is anticipated that \$255,000 of the cost will be spent during the current fiscal year, and the remainder of the cost will be spent over the next five fiscal years. There are no indirect or support costs anticipated as a result of this contract award. The following table represents a funding summary of the contract:

Funding Source	Amount
City Fiber Network Expansion FY 2025 – FY 2029	\$ 712,729
Fiber Management Operations	\$ 203,637
City Park Public Wifi Expansion	\$ 101,818
Total:	\$1,018,184

Respectfully submitted,


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