



Agenda Report

DATE: JANUARY 10, 2000

TO: CITY COUNCIL
Through Deregulation Committee

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: AUTHORIZATION TO AMEND P. O. CONTRACT 6929 WITH PCR KOTIN
FOR EXPANDED ANALYSIS OF ALTERNATIVE LAND USES FOR THE
GLENARM POWER PLANT SITE

RECOMMENDATION

It is recommended that the City Council:

1. Authorize the Purchasing Administrator to increase the not to exceed amount of Purchase Order Contract number 6929 with PCR Kotin from \$23,000 to \$43,000, to provide for expanded analysis of alternative land uses for the Glenarm Power Plant Site and determine valuation of the site for each land use. Competitive Bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services.
2. Grant this contract an exemption from the competitive selection process of the Affirmative Action in Contract Ordinance pursuant to Pasadena Municipal Code (P.M.C.) 4.09.060 contracts for which the City's best interest is served.

BACKGROUND

The Glenarm Power Plant is located at the southeast corner of Glenarm and Fair Oaks. As part of its response to deregulation of the electric utility industry, the Water and Power Department is considering whether to recommend declaring approximately 7.5 acres of the Glenarm site surplus property.

In July 1999 the City retained the services of PCR Kotin to conduct an analysis of alternative land uses for a portion of the Glenarm Power Plant Site. The cost of these services was \$23,000 and was accomplished by way of purchase order contract 6929. PCR Kotin was selected to perform this work because its experience in working with the City on a number of other projects City-wide, their understanding of the local real estate market and the proven ability to complete the study within the given time constraints.

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PCR Kotin completed its analysis in October, 1999 and presented its report to the Deregulation Committee and the Utility Advisory Commission ("UAC"). The analysis identified six (6) alternative land uses for the site and a range of values associated with each development option. The valuation for each alternative included offsets for the cost associated with remediation problems related to the soil and improvements on the site.

Following the report, members the UAC requested that the entire Glenarm site be analyzed to determine the value of the site without the Broadway Power Plant and Glenarm Gas Turbines. The proposed scope of work would include an analysis of the following additional scenarios:

1. The entire site cleared of all utility uses and easements, including the Broadway Power Plant and Glenarm Gas Turbines.
2. The entire site cleared of all utility uses and easements, except for the small triangular parcel south of State Street, which may be used to relocate the gas turbines. It still must be determined if the relocation is feasible.
3. The original scenario, i.e. retaining the Broadway Power Plant and Glenarm Gas Turbines, except the turbines would be moved to the small triangular parcel south of State Street, thus freeing up additional land on the main parcel.

PCR Kotin has provided a not to exceed price of \$20,000 to perform these additional services. This would bring the total value of PCR Kotin's work to \$43,000. Normally, when a transaction of this nature exceeds \$25,000, a competitive selection process is undertaken.

However, staff is requesting an exemption from the competitive selection process, pursuant to Section 4.09.060[C], of the Affirmative Action in Contracting Ordinance, contracts for which the City's best interests are served, due to the fact that PCR Kotin's remains the most qualified firm capable of performing this additional analysis, particularly given the value of the work already prepared by the firm.

A preliminary pricing analysis of the Broadway Power Plant and the Glenarm Gas Turbines showed that these facilities have substantial value in their current state, whether or not they are retained by the city. For this reason staff is recommending a phased approach to the overall site analysis. The current proposal will yield the value of the land occupied by the power facilities. The results of this analysis will be considered before recommending further analysis regarding the valuation or disposition of the power facilities.

FISCAL IMPACT

Adequate funds are budgeted in the Light and Power Fund under Capital Improvement Project No. 3133 (Economic Rehabilitation of Properties).

Respectfully submitted,



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Concurrence:



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