

# Agenda Report

**TO:** CITY COUNCIL  
**THROUGH:** Finance Committee

**DATE:** May 8, 2006

**FROM:** CITY MANAGER

**SUBJECT:** FISCAL YEAR 2006 OPERATING AND CAPITAL BUDGET AMENDMENTS; PURCHASE ORDER AWARD TO CARMENITA FORD TRUCK SALES, INC.; CONTRACT AWARD TO DAVIS LANGDON AND RBF CONSULTING RELATED TO "GREEN BUILDINGS"; AND, INCREASE THE NOT TO EXCEED AMOUNT OF PURCHASE ORDER NUMBER 29095 WITH G.P. RESOURCES FROM \$1.5 MILLION TO \$2.5 MILLION

## RECOMMENDATION

It is recommended that the City Council:

- I) Approve a journal voucher implementing certain amendments to the fiscal year 2006 Operating and Capital Budgets;
- II) Authorize a purchase order to Carmenita Ford Truck Sales, Inc. in the amount of \$1,423,317 for the purchase of five Refuse Automated Side Loaders;
- III) Authorize a contract with Davis Langdon, without competitive bidding pursuant to City Charter section 1002(F) contracts for professional or unique services, for an amount not to exceed \$155,000 to review building compliance with the requirements set forth in the Pasadena Municipal Code Chapter 14.90 Green Building Practices for a period of 18 months;
- IV) Authorize a contract with RBF Consulting, without competitive bidding pursuant to City Charter section 1002(F) contracts for professional or unique services, for an amount not to exceed \$107,000 to develop and implement a green building outreach and education component for a period of 18 months; and,

- V) Authorize an increase to the not to exceed amount of purchase order contract number 29095 with G. P. Resources from \$1.5 million to \$2.5 million, for the purchase of fuel for the city's fleet of vehicles.

## **BACKGROUND**

On June 20, 2005 the City Council adopted the Operating Budget for fiscal year 2006. Subsequent to the adoption of the budget, as is often the case, several items have been identified that necessitate amendments to the budget. Accordingly, the following amendments are recommended for adoption, additionally there are four contractual items related to the proposed budget actions that have been incorporated into the recommendations:

1. Appropriate \$262,000 from the unappropriated Building Services Fund balance to the Permit Center budget account 8115-204-447100 and authorize those contracts recommended to Davis Langdon and RBF Consulting. On December 19, 2005 the City Council approved recommendations for creating a Green Building Practices Ordinance. The proposed contracts are in relation to this program. Specifically, the contract with Davis Langdon will provide accredited professional services for projects as it relates to Leadership in Energy and Environmental Design standards. The contract with RBF Consulting will be for the provision of outreach and education services related to sustainable building practices. Each of these consultants was selected through a competitive selection process as set forth in the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code chapter 4.08, and as summarized on the attached scoring matrix.
2. Recognize \$12,726 in investment earnings from the 2005 Equipment Lease Financing to the Printing Services Fund 508. As part of the 2005 Equipment Lease Financing, \$12,600 in debt service was allocated to the Printing Service Fund and the corresponding \$12,726 in allocated interest earnings should be recognized as well, which will offset the debt service expense.
3. Appropriate \$32,500 from the unappropriated General Fund balance to the Police Department budget account 8101-101-401200 to cover additional costs for the indoor firing range. A total of \$12,500 for cleaning in accordance with OSHA requirements that includes quarterly removal of ammunition fragments and annual removal of hazardous waste, and \$20,000 for non-toxic ammunition. The lead based ammunition that was previously used is considered hazardous material for disposal purposes and the lead-free ammunition required for use in the new indoor facility is almost twice as costly. These costs were not included in the fiscal year 2006 operating budget pending the determination of the ongoing annual costs.

4. Transfer \$54,740 from the Parking Operations fund, budget account 102-774200-8114 to the Building Maintenance fund, budget account 502-766500-6843 to cover the cost of the Holly Street Garage Security contract. Administration of security contracts for the city's parking garages has been transferred to the Public Works Department. Consequently it is appropriate to transfer the related budget
5. An exchange of fund sources is needed to reallocate funds to address recently determined funding limitations on the use of Low and Moderate Income Housing Trust funds and FNMA Interest Earnings for the provision of homeless and emergency shelters. Decrease Tax Increment revenues by \$40,000 and decrease FNMA Investment Earnings by \$47,973 for the Bad Weather Shelter Program and appropriate \$107,973 (which includes an additional \$20,000) in the Inclusionary Housing Trust Funds to the Bad Weather Shelter Program. These budget revisions were recommended by the Community Development Committee to go forward to the City Council for approval.
6. Increase appropriations in the Fleet Maintenance Fuel budget (503-766200-8137) in the amount of \$1,020,000 and authorize an increase to purchase order contract number 29095 from not to exceed \$1.5 million to not to exceed \$2.5 million. Due to increasing fuel prices as well as increased fuel usage, additional funding is needed to pay for fuel purchases through the end of the Fiscal Year. The approved budget amount of \$1,480,000 was based on an average per gallon fuel cost to the city of \$1.85. Since the time this figure was developed, fuel prices to the city have risen to an average of \$2.30 per gallon, still considerably less than the retail rate. This action will bring the budget in line with the purchase order.

Additionally, fuel usage has risen by 12.5% or 100,000 gallons since the FY 2006 budget was developed. This is due to an increase in the size of the city's fleet. Over the past two years, the fleet has increased by more than 60 vehicles most notably in Code Enforcement and Water & Power and inadequate funds were added at the time of these purchases for fuel.

The city currently has a purchase order contract with G.P. Resource Inc., which was approved by City Council on August 16, 2006, for the provision of fuel. The not to exceed amount of the contract is \$1.5 million. Staff is requesting to increase the not to exceed amount to \$2.5 million per year to accommodate price increases as well as increased usage.

7. Increase appropriations to funds/departments (as listed below) by \$539,177 for fuel. Due to fuel price increases as discussed in item 6 above, additional funding is needed to pay for the fuel purchases that will be passed through to the General Fund, Proposition C Fund and Refuse Fund departments by Fleet Maintenance through the end of the fiscal year.

Department	Amount
Fire	\$80,552
Police	166,117
Planning & Development	18,861
Public Works	153,531
Transportation	<u>13,792</u>
Total General Fund	\$432,853
Total Refuse Fund	\$53,000
Total Proposition C Fund	\$53,324
Combined Total	\$539,177

8. Appropriate \$15,000 from the CIP Public Art Fund to project account 613-442000-98120 for consulting services to conduct assessment of public art program guidelines and procedures, to conduct community evaluation and recommend revisions to the program.
9. Appropriate \$500,000 from the CIP Public Art Fund Balance to the Glenarm Power Plant Art project account 310-442000-98119 for engineering, design, fabrication, and installation of PowerPlants, a public art program consisting of multiple "plants" to be place in the area near the Glenarm power plant. The proposed "plants" will be kinetic, of steel or comparable material, of similar scale to a Mexican palm, with a sun-generated light at the head. The final project will be brought back to City Council for approval. This action reserves and sets aside funds for the project.
10. Increase budgeted revenue by \$1,770,649 in the Power fund (account 7117-401-841910). This increase in revenue is the result of a change in the Power Cost Adjustment (PCA) component of power rates resulting from higher costs of fuel and energy.
11. Appropriate an additional amount of \$16,563,291 for various energy accounts from the unappropriated Power Fund balance accounts as follows:

Account 8222 – Short-Term Power Expense, \$15,432,741: Since the adoption of FY 2006 budget, the California energy market has experienced dramatic increase and high volatility due to the hurricanes in the East Coast which has affected the cost of spot market purchases to the utility. The short term energy purchase expense included in the approved FY 2006 budget was based on an average cost of about \$53.00 per MWH and the actual cost of short-term power to the utility has averaged about \$98.00 per MWH, and increased short-term energy cost by \$15,432,741. In addition, the delay in commercial operation of the Magnolia Power Plant increased the utility's exposure to the spot market which resulted in additional purchase of replacement power from the spot market at significantly higher energy prices. The additional appropriation is needed to cover this increased cost. The utility raised the Power Cost Adjustment Charge by \$0.05/kWh or about \$6 million revenue per year in October 2005 to reduce the impact of the higher energy costs.

Account 8229 – Short-Term Natural Gas Expense, \$1,002,920: Due to the delay in the commercial operation of the Magnolia Power Plant and reduced local power production resulting from high market prices, the utility's need for natural gas decreased. This reduction in appropriation is needed to reflect changes in operation.

Account 8213 – Long-Term Energy Expenses, \$2,133,470: The final Intermountain Power Project (IPP) budget which was provided to the utility after the adoption of the FY 2006 budget came in at \$2,133,470 higher than the preliminary IPP budget which was used to develop the FY 2006 budget. The additional appropriation is needed to cover the difference between the final and the preliminary IPP budget.

12. Recognize and appropriate \$1,423,317 in 2005 Equipment Lease Financing funds to Refuse Fund account 8505-406-764120 to purchase five refuse automated side loaders. On May 23, 2005, the City Council approved the 2006 Integrated Waste Management Operations plan which defined the future direction of the Refuse Collection Enterprise and which included a recommendation to purchase new refuse vehicles. One of the components essential to the success of this plan is having safe and reliable refuse vehicles. This vehicle purchase will replace five automated side loader collection vehicles that each have over 135,000 miles and have reached the end of their useful lifecycles.

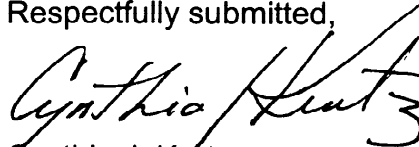
A Notice Inviting Bids was published on March 31, 2006. Only one firm submitted a bid, Carmenita Ford Truck Sales, Inc., it is therefore recommended that the bid be awarded to Carmenita Ford Truck Sales, Inc. in the amount of \$1,423,317. The City has purchased vehicles from this firm in the past with good results and considers this a responsive and reliable bid.

## FISCAL IMPACT

The proposed recommendation will result in the following changes:

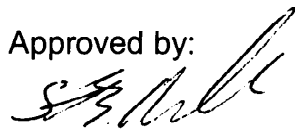
- Increase appropriations in the Building Services Fund by \$262,000.
- Increase estimated revenues in the Printing Services Fund by \$12,726.
- Increase appropriations in the General Fund by \$465,353.
- Increase estimated revenue and appropriations in the Building Maintenance Fund by \$54,740.
- Increase estimated revenues from the Inclusionary Housing Fund by \$107,978 and increase appropriations in the Affordable Housing Fund by \$107,978.
- Decrease tax increment estimated revenues to the Affordable Housing Fund by \$40,000.
- Decrease FNMA investment earnings to the Affordable Housing Fund by \$47,973.
- Increase appropriations in the Fleet Maintenance Fund by \$1,020,000.
- Increase appropriations in the Capital Public Art Fund by \$515,000.
- Increase appropriations and estimated revenues in the Cultural Trust Fund by \$15,000.
- Increase estimated revenues in the Light and Power Fund by \$1,770,649 and appropriations by \$16,563,291.
- Increase estimated revenue and appropriations to the Refuse Collection Fund by \$1,476,317.
- Increase appropriations in the Proposition C Fund by \$53,324.

Respectfully submitted,



Cynthia J. Kartz  
CITY MANAGER

Approved by:



Steve Mermell  
Acting Director of Finance

Prepared by:



Paula Hanson  
Management Analyst V

**GREEN BUILDING RFP EVALUATION  
OUTREACH & EDUCATION**

Name	Adjusted Price 16 projects	Ability, Capacity, Flexibility (40%)	Experience, Skill, Qualifications (25%)	Price (25%)	Local Pasadena Business (5%)	Small Micro Business (5%)	TOTAL %
RBF + Marie Jones Consulting	\$116,447	40	25	20	0	0	85
Yorkshire Development	\$71,000	35	20	15	5	5	80
Davis Langdon	\$36,500	25	25	25	0	0	75
Green Building Services + Collaborative Project Consulting	\$55,690	25	20	20	0	0	70
Global Green + S. Groner Associates	\$67,970	25	15	20	0	5	65
Industrial Strength	\$125,000	25	20	15	0	0	60

**GREEN BUILDING RFP EVALUATION  
LEED ACCREDITED PROFESSIONAL**

Firm	Adjusted Price 16 projects	Ability, Capacity, Flexibility (40%)	Experience, Skill, Qualifications (25%)	Price (25%)	Local Pasadena Business (5%)	Small Micro Business (5%)	TOTAL %
Davis Langdon	\$155,000	40	25	20	0	0	85
Zinner	\$171,600	35	25	15	0	5	80
Yorkshire Development	\$214,000	30	20	15	5	5	75
Green Building Services + Collaborative Project Consulting	\$177,750	25	25	15	0	0	75
Tracy A. Stone Architect	\$324,000	35	25	10	0	0	70
Global Green + S. Groner Associates	\$138,440	30	15	20	0	5	70

**EXHIBIT E**

**Disclosure Pursuant to the  
City of Pasadena Taxpayer Protection Amendment of 2000  
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

*(If printing, please print legibly. Use additional sheets as necessary.)*

**1. Contractor/Organization Name:**

Davis Langdon

**2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:**

Martin Gordon
Nicholas Butcher
Alice Nguyen
Peter Morris
Alistair Roberts
David Hudd

**3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:**

Martin Gordon
Nicholas Butcher
Alice Nguyen
Peter Morris

Prepared by: Nicholas Butcher

Title: President

Date: March 16, 2006

For office use only: Contract/Transaction No. _____  If not a contract, type of transaction: _____
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**1. Contractor/Organization Name:**

RBF Consulting

**2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:**

Robert Kallenbaugh, President
James McDonald, President
Michael Rudinica, Senior Vice President
Michael Burke, Senior Vice President
Robert Crawford, Senior Vice President, Secretary
Doug Frost, CFO, Senior Vice President
Robert Bein, Chairman of the Board

**3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:**


Prepared by: Sherrie Gundlach

Title: Business Development Manager

Date: March 15, 2006

For office use only:  
Contract/Transaction No. \_\_\_\_\_

If not a contract, type of transaction: \_\_\_\_\_