

# Agenda Report

June 4, 2012

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT:** AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH TEREX UTILITIES FOR THE PURCHASE OF ONE UTILITY TRACTOR WITH TRAILER FOR THE WATER AND POWER DEPARTMENT.

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Existing Facilities);
2. Accept the bid dated March 28, 2012, submitted by Terex Utilities in response to Specifications LD-12-01; and authorize a purchase order contract for one tractor with trailer for an amount not to exceed \$351,395.

## **BACKGROUND:**

The Pasadena Water and Power Department ("PWP") Underground Construction Division performs operations, maintenance and construction of the City's underground electrical distribution system, including transporting high voltage cable to be installed throughout the City. Specialized vehicles that carry tools, materials and equipment are essential to allow the crews to perform their work in a safe and efficient manner. The vehicle currently used is 27 years old, is considered a "Gross Polluter" and is only allowed to be operated for 50 hours per year. Within a few years, it will be completely banned from the roads by the South Coast Air Quality Management District ("SCAQMD"). PWP has previously used diesel-fueled vehicles, however to meet the requirements of the SCAQMD, new utility vehicles must use compressed natural gas.

On March 8, 2012, a Notice Inviting Bids to Furnish and Deliver One 52,000-Pound Utility Tractor Trailer was published in *The Pasadena Star News* and posted on the City's web page. In addition, specifications were mailed to three businesses on the Purchasing Division's vendor list. On March 28, 2012, one bid was received as follows:

<u>Bidder/Location</u>	<u>Amount</u>
Terex Utilities/Fontana, CA	\$351,395

Terex Utilities is the only bidder that meets all requirements of the specifications and is recommended to receive the contract award. Staff recommends that the City Council authorize a purchase order contract to Terex Utilities in an amount not to exceed \$351,395. The proposed contract complies with the Competitive Bidding and Purchasing Ordinance P.M.C.4.08 and the rules and regulations promulgated there-under.

**COUNCIL POLICY CONSIDERATION:**

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

**ENVIRONMENTAL ANALYSIS:**

The proposed contract to purchase a replacement vehicle has been determined to be categorically exempt from CEQA per the State CEQA Guidelines Section 15301 (Existing Facilities), which exempts actions such as maintenance, repair and operations relating to existing facilities, mechanical equipment or structures where there is negligible or no expansion of the use. The purchase of a replacement vehicle that has the same purpose as the vehicle to be replaced has been determined to be exempt from CEQA per this categorical exemption.

**FISCAL IMPACT:**

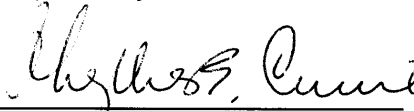
The maximum cost of this action is \$351,745. Funding for this action will be addressed by utilizing existing appropriations in the Transportation Equipment account 8505-411-843220. It is anticipated that all of the cost will be paid in Fiscal Year 2013. Indirect costs for contract preparation and delivery arrangements are anticipated to be less than \$100 for the current fiscal year and less than \$250 for fiscal year 2013 and will be addressed by utilization of existing budgeted appropriations and requested budget appropriations for FY2013 in Payroll account 8005-401-843220.

The following table summarizes the total fiscal impact.

	FY2012	FY2013
Base Contract Amount		\$351,395
Contingency		0
Not to Exceed Amount		\$351,395
Contract Administration	\$100	\$250
Fiscal Impact	\$100	\$351,645
<b>TOTAL MAXIMUM FISCAL IMPACT</b>		<b>\$351,745</b>

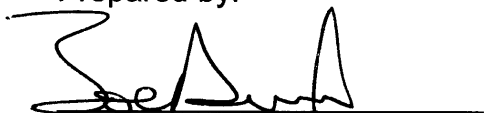
Funds were appropriated for the purpose of acquiring this vehicle, and the proposed contract will have no impact on operational or capital projects. Acquiring the vehicle will positively impact PWP's ability to complete necessary capital projects.

Respectfully submitted,



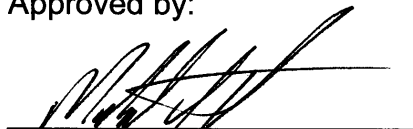
Phyllis E. Currie  
Phyllis E. Currie  
General Manager  
Water and Power Department

Prepared by:



Joe Awad  
Joe Awad  
Assistant General Manager  
Water and Power Department

Approved by:



Michael J. Beck  
Michael J. Beck  
City Manager