

Agenda Report

August 17, 2015

TO: Honorable Mayor and City Council

FROM: Pasadena Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH NO-DES, INC. FOR THE PURCHASE OF A 150 PSI NO-DES FLUSHING SYSTEM TRUCK UNIT FOR THE PASADENA WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the authorization to enter into a purchase order contract with NO-DES, Inc. is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3) (General Rule);
2. Authorize the issuance of a purchase order contract without competitive bidding pursuant to City Charter Section, 1002(c), Contracts for Labor, Materials, Supplies, or Services Available from Only One Vendor, to NO-DES, Inc. in an amount not to exceed \$378,012; and,
3. Grant the proposed purchase order contract an exemption from the competitive selection process pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.

BACKGROUND:

The Pasadena Water and Power Department ("PWP") Water Operations Section performs routine flushing of the water distribution system. Additional flushing may be performed due to consumer complaints, construction, and emergencies. The flushing is to mitigate and address public health concerns and to test the system's water pressure to assure it is sufficient for fire suppression. Flushing is also required to maintain the City's permit and remain in compliance with the State Water Resources Control Board.

As a result of flushing operations, approximately 400,000 gallons of potable water are sent into the street and flow into the storm drain every month. Not only is this a waste of potable water, discharging flushed water to the storm drain is becoming increasingly difficult due to new State and Federal regulations, water conservation efforts, and increased public awareness of the ongoing drought.

As an alternative to traditional flushing, NO-DES, Inc. has developed a flushing system that functions as a portable treatment plant mounted on the back of a flatbed truck. The equipment allows water to be flushed from the distribution system (typically from a fire hydrant), filtered, disinfected (as needed), and returned back to the distribution system (typically through a second fire hydrant) with minimal or no water loss. Staff estimates that six million gallons of water could be saved every year by using NO-DES, conserving a limited natural resource and demonstrating the City's leadership in water conservation efforts.

The NO-DES system is more effective at flushing than traditional means. The system provides higher flow rates that result in a deeper and faster cleaning of the water mains, thereby improving water pressure, fire protection flow, and extending the time between required flushing operations. The system enables staff to monitor the quality of the water during flushing operation and determine when sufficient flushing has been performed. It reduces or eliminates the need to dechlorinate flushed water that would otherwise be sent to the storm drain. Finally, after flushing is completed, staff would be able to analyze the debris captured by the filter, providing useful information for water system operations and planning.

In November 2014, PWP conducted a pilot study using a 150 PSI NO-DES Flushing System truck unit to perform required routine flushing in various locations in the water service area. Staff found the flushing system to be highly effective in conserving water and, as an added benefit, the unit assisted with identifying water mains developing corrosion nodules which could reduce the pressure in the distribution system and broken water main valves.

While the purchase of this unit is not being driven by cost savings, the NO-DES unit is expected to reduce purchased water costs by approximately \$10,000 annually as a result of reduced flushing water losses. This annual savings amount will rise as the cost of imported water increases.

Despite cost savings from reduced water losses, PWP's annual operating costs for flushing operations are expected to be higher overall as a result of using the NO-DES system. It is estimated that filter replacement will cost approximately \$20,000 per year. Also, operating the NO-DES system will require more setup up time and one more operator than is typically required for many traditional flushing operations; however, over time this will be offset by improved operations and reduced frequency of required flushing operations. Existing staff will be utilized to operate the NO-DES system with little or no anticipated net impact on water system operations or labor costs.

Even with the NO-DES system available, there will be times when traditional flushing methods will be required. The NO-DES system cannot be used for fire flow testing, and there may be times when multiple flushing operations are required at different locations simultaneously.

The NO-DES system is proprietary equipment produced by NO-DES, Inc., which is the sole-source vendor. Accordingly, staff is requesting an exemption from the competitive selection process.

COUNCIL POLICY CONSIDERATION:

By providing PWP crews with equipment designed to minimize water waste and improve the process of required routine flushing, the proposed purchase is consistent with the Public Facilities Element of the General Plan and supports the City Council's Strategic Goal to increase conservation and sustainability as well as to improve maintain, and enhance public facilities and infrastructure.

ENVIRONMENTAL ANALYSIS:

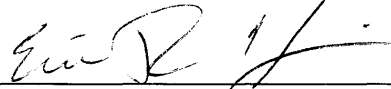
The proposed purchase order has been determined to be exempt from environmental review pursuant to State CEQA Guidelines Section 15061(b)(3), the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The purchase of the NO-DES would have no effect on the construction projects undertaken by PWP. Rather, the equipment would be used in combination with PWP's existing fleet to undertake improvement and maintenance activities that would otherwise be undertaken by the City using existing methods of water system flushing. The purchase and operation of the NO-DES serves the same purpose as the existing PWP vehicles.

The proposed purchase of the NO-DES would have no adverse impact on the environment. Conversely, by providing the NO-DES, the proposed purchase has the potential to eliminate the amount of water currently discharged into the storm drain.

FISCAL IMPACT:

The maximum cost of this action is \$378,012. Funding for this action will be addressed by utilizing existing budgeted appropriations in the Water Fund (412) in account 49506732-850510-01500-53408-49506732-850513. It is anticipated that the entire \$378,012 will be spent during fiscal year 2016. The impact to other operational programs as a result of this action will be approximately \$20,000 per year for the cost of filters for the NO-DES. No significant net impact on labor costs is anticipated.

Respectfully submitted,



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