



Agenda Report

July 22, 2019

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH CALGON CARBON CORPORATION TO FURNISH AND DELIVER GRANULAR ACTIVATED CARBON FOR AN INITIAL TERM OF ONE YEAR WITH FOUR OPTIONAL ONE-YEAR TERMS NOT TO EXCEED \$383,034 PER YEAR

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required; and
2. Accept the bid dated June 7, 2019 submitted by Calgon Carbon Corporation ("Calgon") in response to Specification WD-19-04 to furnish and deliver granular activated carbon for the Water and Power Department ("PWP"), and authorize the City Manager to enter into a purchase order contract for an amount not to exceed \$383,034 for an initial period of one year, or until funds are expended, whichever occurs first; with four optional one-year terms of \$383,034 each or until the funds are expended, whichever occurs first. If the four additional one-year terms are exercised, the total contract value would be \$1,915,170 for a maximum contract duration of five years.

BACKGROUND:

PWP owns four groundwater wells in the northwest region of Pasadena collectively known as the Monk Hill Wells. Water from the Monk Hill Wells contains volatile organic compounds ("VOCs") and perchlorate which has been attributed to past disposal practices by the Jet Propulsion Laboratory ("JPL"), which is managed by the National Aeronautics and Space Administration and owned by the California Institute of Technology ("Caltech").

On January 23, 2006, the City of Pasadena ("City") and Caltech had entered into Contract No. 18,989, which provides a funding mechanism for the City to construct and operate the Monk Hill Treatment Plant ("MHTP") for the removal of VOCs and perchlorate. Under Contract No. 18,989, the bulk of the direct costs associated with the operation and maintenance of the MHTP is reimbursable to the City by Caltech.

The MHTP consists of four pairs of steel vessels containing ion exchange resin for perchlorate removal and five pairs of steel vessels containing granular activated carbon ("GAC") to remove VOCs. Specification WD-19-04 is associated only with furnishing and delivering GAC. Advertising for ion exchange resin will occur under a separate specification since some vendors may only provide for GAC or ion exchange resin and not necessarily both products.

The Notice Inviting Bids for Specification WD-19-04 was posted online through Planet Bids on May 20, 2019 and advertised in the Pasadena Journal on May 23, 2019. Bid packages were downloaded by six prospective bidders, which did not include any local vendors. On May 30, 2019, four prospective bidders attended the mandatory pre-bid meeting and one responsive bid was received and opened on June 12, 2019.

The results of the bid were as follows:

<u>Bidders</u>		<u>Grand Total Price</u>
Calgon Carbon Corporation	Moon Township, PA	\$383,034
Engineer's Estimate		\$490,000

Calgon was the only bidder and complied in all respects with the requirements of the Specification. Calgon's GAC media is already approved by the State Water Resources Control Board, Division of Drinking Water ("DDW"), which is a requirement of the City's drinking water permit. The other prospective bidders either failed to meet the DDW requirements, lacked the capacity to remove large quantities of carbon, or due to the location of the reactivation facility on the east coast, resulted in higher prices for transport. There are no vendors in the City that can provide GAC.

The proposed purchase order contract complies with Competitive Bidding and Purchasing Ordinance *Pasadena Municipal Code 4.08*, and the rules and regulations promulgated thereunder. The project was bid as a prevailing wage project and workers employed will be paid the general prevailing rate of per diem wages as determined by the California Director of Industrial Relations. The project will meet the requirements of prevailing wage law under California Labor Code Sections 1720 through 1861 and Title 8 of the California Code of Regulations.

It is recommended that the City Council award a purchase order contract to Calgon in the amount of \$383,034 for an initial period of one year with four optional one-year terms of \$383,034 each.

PWP administered a contract with Calgon from October 2008 to December 2015 for a total value of \$18,184,798 to fabricate and install the MHTP and for media services. In 2016, Calgon was awarded a three-year purchase order contract for a total value of \$1,751,421 to provide GAC and ion exchange resin media for the MHTP. In 2018, Calgon was awarded a purchase order for a total value of \$9,162.93 for pre-filters for the MHTP.

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 action proposed herein is not subject to the CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The acceptance of a bid to furnish and deliver granular activated carbon is a continuing administrative and maintenance activity (i.e., purchasing of supplies). This action would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:


The total cost of this action would be \$1,915,170, which includes the initial period of one year and four optional one-year terms, if exercised. Funding for this action will be addressed by the utilization of existing appropriations in the Water Operating Fund 402 (Account No. 06503-50341-49007440-811404). The bulk of the direct costs associated with the operation and maintenance of the MHTP is reimbursable by Caltech under Contract No. 18,989.

The following table presents the purchase order contract summary:

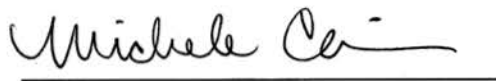
Contract Amount	\$383,034
Contingency	\$0
Total Contract Amount	\$383,034
Four Optional One-year Extensions	\$1,532,136
Total Fiscal Impact	\$1,915,170

There is no anticipated impact to other operational programs as a result of this action.

Respectfully submitted,


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