



Agenda Report

October 21, 2019

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH EWT HOLDINGS III CORPORATION TO FURNISH AND DELIVER ION EXCHANGE RESIN FOR AN AMOUNT NOT TO EXCEED \$1,737,717 FOR AN INITIAL TERM OF THREE YEARS FOR THE WATER AND POWER DEPARTMENT

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 September 10, 2019 submitted by Evoqua Water Technologies LLC ("Evoqua") in response to Specification WD-19-06 to furnish and deliver ion exchange resin for the Water and Power Department ("PWP"), reject all other bids, and authorize the City Manager to enter into a purchase order contract with EWT Holdings III Corporation, dba Evoqua Water Technologies LLC, for an amount not to exceed \$1,737,717 for an initial term of three years, or until funds are expended, whichever occurs first; with two optional one-year terms of \$579,239 each or until the funds are expended, whichever occurs first. If the two additional one-year terms are exercised, the total contract value would be \$2,896,195 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 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 ("IX resin") for perchlorate removal and five pairs of steel vessels containing granular activated carbon to remove VOCs. Specification WD-19-06 is associated only with furnishing and delivering IX Resin.

The Notice Inviting Bids for Specification WD-19-06 was advertised in the Pasadena Journal and posted online through Planet Bids on August 15, 2019. Bid packages were downloaded by twenty-six prospective bidders, but did not include any local vendors. On August 29, 2019, four prospective bidders attended the mandatory pre-bid meeting and one responsive and responsible bid was received on September 10, 2019.

The results of the bid were as follows:

<u>Bidders</u>		<u>Grand Total Price</u>
Evoqua Water Technologies LLC	La Mirada, CA	\$579,239.10
Engineer's Estimate		\$600,000

Evoqua was the sole bidder, the bid was within the engineer's estimate and complied in all respects with the requirements of the Specification. Evoqua's IX resin 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. There are no known vendors in the City that can supply and deliver IX resin.

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 Evoqua in the amount of \$1,737,717 for an initial term of three years with two optional one-year terms of \$579,239 each. The vendor has no current or past contracts with the City. Staff in the Water Division will keep track of the contract spending and performance of work.

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 IX resin 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 \$2,896,195, which includes the initial term of three years and two 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. 06503-50341-49007440-811400). It is anticipated that \$579,239 of the cost will be spent during the current fiscal year. 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:

Purchase Order Contract Amount – Initial three year term	\$1,737,717
Two optional one-year extensions	\$1,158,478
Total Fiscal Impact	\$2,896,195

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

Respectfully submitted,



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Approved by:



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