

# Agenda Report

February 23, 2015

**TO:** Honorable Mayor and City Council  
**FROM:** Water and Power Department  
**SUBJECT:** AMENDMENT TO THE AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACTS WITH ALTEC INDUSTRIES, INC. TO INCREASE THE NOT TO EXCEED AMOUNT FROM \$858,964 TO \$936,053.14 FOR THE PURCHASE OF THREE VEHICLES 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") in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. Authorize the City Manager to amend the authorization to enter into purchase order contracts, previously approved by City Council on December 15, 2014 with Altec Industries, Inc. for the purchase of one Articulating Telescopic Aerial Device Model #AT40M, increasing the not to exceed amount from \$121,284 to \$132,127.02; one Digger Derrick Model #D3060B, increasing the not to exceed amount from \$357,359 to \$389,448.77; and one Stake Truck with 18-Ton Crane, increasing the not to exceed amount from \$380,321 to \$414,477.35.
3. Find these amendments are not subject to competitive bidding pursuant to Pasadena City Charter Section 1002(H), and the City Council is asked to approve exemption from competitive selection for each of them as in the best interests of the City, pursuant to Pasadena Municipal Code Section 4.08.048(B)(1).

## **BACKGROUND:**

On December 15, 2014, the City Council approved purchase order contracts for three vehicles with Altec Industries, Inc. for the Water and Power Department as follows:

Amendment to PO Contracts with Altec for the Purchase of Three Vehicles

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<b>Vehicle</b>	<b>Price</b>	<b>Delivery Cost</b>	<b>Total Not to Exceed</b>
One Articulating Telescopic Aerial Device Model #AT40M	\$120,478	\$806	\$121,284
One Digger Derrick Model #D3060B	\$356,553	\$806	\$357,359
One Stake Truck with 18-Ton Crane	\$379,515	\$806	\$380,321
<b>Total</b>	<b>\$856,546</b>	<b>\$2,418</b>	<b>\$858,964</b>

The pricing presented to the City Council on December 15, 2014, was based on Altec's pricing to the National Joint Powers Alliance ("NJPA") Contract No. 31014 (City of Pasadena Member No. 38498), and on the City of Los Angeles Department of Water and Power ("LADWP") purchase order in place with Altec Industries, Inc. (P.O. No. 07428B 4 dated 5/12/2014), which PWP intends to piggy-back. Such pricing did not include applicable 9% CA sales tax. Staff discovered that the pricing provided to LADWP and NJPA did not include sales tax when preparing purchase order contracts and validating pricing with the vendor.

The original authorization by the City Council was exempt from competitive bidding pursuant to Pasadena City Charter Section 1002(H), and the City Council approved exemptions from competitive selection for each of them as in the best interests of the City, pursuant to Pasadena Municipal Code Section 4.08048(B)(1)(best interests) due to the opinion of staff that formal bids would not result in further cost savings beyond these existing contracts. NAFG and LADWP prices are based on higher volumes, and issuing bids for single vehicles would probably result in a higher bid price. Using NAFG to acquire the digger derrick and the aerial device, and piggybacking on the LADWP contract for the purchase of the stake truck will reduce the amount of time and internal costs needed to prepare bid specifications, review proposals and award competitive bid contracts and allow the equipment to be received earlier.

Staff recommends that the City Council increases the not to exceed amount of the contract to include the sales tax on the vehicle prices, as follows:

<b>Vehicle</b>	<b>Price</b>	<b>Delivery Cost</b>	<b>9% Sales Tax (on price only)</b>	<b>Total Not to Exceed</b>
One Articulating Telescopic Aerial Device Model #AT40M	\$120,478.00	\$806.00	\$10,843.02	\$132,127.02
One Digger Derrick Model #D3060B	\$356,553.00	\$806.00	\$32,089.77	\$389,448.77
One Stake Truck with 18-Ton Crane	\$379,515.00	\$806.00	\$34,156.35	\$414,477.35
<b>Total</b>	<b>\$856,546.00</b>	<b>\$2,418.00</b>	<b>\$77,089.14</b>	<b>\$936,053.14</b>

**COUNCIL POLICY CONSIDERATION:**

By providing Field Operations personnel with the vehicles needed to perform their duties, the proposed contracts are consistent with the Public Facilities Element of the General Plan and support 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 IMPACT:**

The actions proposed herein are for the purchase of equipment to allow for ongoing maintenance and operation of the City's electrical distribution system. This action has been determined to be exempt from the CEQA process 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, such as purchasing equipment to allow for ongoing maintenance and operation activities, may have a significant effect on the environment, the activity is not subject to CEQA. This action does not have the potential for causing a significant effect on the environment and is therefore exempt from CEQA per Section 15061(b)(3) (General Rule). The proposed purchases of the digger derrick and the stake truck comply with SCAQMD fleet rule 1196 regulating on road heavy duty public fleet vehicles.

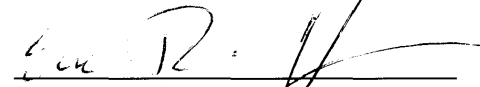
The proposed purchase of the aerial device complies with the SCAQMD fleet rule 1191, which requires all government agencies to purchase clean light and medium-duty dedicated gasoline or alternative fueled vehicles to reduce air toxic and pollutant emissions.

**FISCAL IMPACT:**

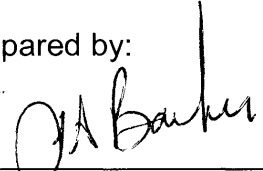
The cost of this action is \$77,089.14. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Water and Power Department's Transportation Equipment Account 8505-411-843210-0392. It is anticipated that the entire cost will be spent during the current fiscal year. Indirect costs for contract preparation and delivery arrangements are expected to be minimal and will be covered under normal cost of labor. Maintenance and repair costs are anticipated to be \$35,000 over the life span of each vehicle. Sufficient funds will be requested annually in operating budget account 8616-401-843210 for maintenance and 8618-401-843210 for fuel.

Pasadena Water and Power currently has one purchase order in place for the repair and maintenance of specialized vehicles and equipment with Altec Industries, Inc. A Capital Projects Manager in the Power Delivery Business Unit will facilitate and track expenditures related to this contract award.

Respectfully submitted,

  
Phyllis E. Currie  
General Manager  
Water and Power Department

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