



# Agenda Report

August 28, 2017

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH WESTERN RENTALS, INC. TO FURNISH AND DELIVER HEAVY CONSTRUCTION EQUIPMENT RENTAL FOR AN AMOUNT NOT TO EXCEED \$91,321.73 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 for the project; and
2. Accept the bid dated June 5, 2017 submitted by Western Rentals, Inc. in response to Specification WD-17-02, to furnish and deliver heavy construction equipment rental for the Water and Power Department ("PWP"), reject all other bids, and authorize the City Manager to enter into a purchase order contract with Western Rentals, Inc. for an amount not to exceed \$91,321.73 for one year; and
3. Authorize the City Manager to extend the purchase order contract for three optional one-year terms not to exceed \$91,321.73 per year. If the three additional one-year terms are exercised, the total contract value would be \$365,286.92 for a maximum contract length of four years.

## **BACKGROUND:**

Pasadena Water and Power ("PWP") regularly completes water distribution projects as identified in the adopted Capital Improvement Program ("CIP"), Water System Master Plan, Water Integrated Resources Plan, and other water operations-related work. Specification WD-17-02 provides for a contract to furnish and deliver heavy construction equipment for rental as needed to enable PWP's Water Division construction crews to install pipelines, water services, and perform other construction and maintenance activities. The contract would enable PWP to rent equipment for everyday operations and also obtain equipment to respond to emergency situations. It is more practical and

economical to rent certain types of equipment on an as needed basis than to purchase additional equipment.

The type of equipment included for rental in the Bidder's Proposal are backhoes, loaders, dump trucks, air compressors, water trucks, lighted arrow boards, and steel traffic plates of different capacities and dimensions.

The Notice Inviting Bids for Specification WD-17-02 was advertised in the Pasadena Journal and posted online through Planet Bids on May 17, 2017. In addition, Specifications were sent to six vendors, none of which were local since there are no known heavy construction equipment rental vendors in Pasadena. A pre-bid conference was not conducted. Four responsive bids were received and opened on June 7, 2017.

The bid results are as follows:

<u>Bidders</u>	<u>Grand Total Price</u>
Western Rentals, Inc., Fontana, CA	\$91,321.73
Growth Development Marketing, Inc., Chino, CA	\$97,296.01
Sunbelt Rentals, Inc., Orange, CA	\$102,358.15
United Rentals, Inc., Sun Valley, CA	\$104,608.27
Engineer's Estimate	\$100,000.00

Western Rentals, Inc. is the lowest responsive bidder and complied in all respects with the requirements of the specification.

The proposed purchase order contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder. Staff recommends that the City Council award a contract to Western Rentals, Inc. for an amount not to exceed \$91,321.73 for one year, with three optional one-year extensions at \$91,321.73 per year. Water Distribution staff in the Water Services Division will monitor the spending.

Western Rentals, Inc. does not have any current or past contracts with the City.

**COUNCIL POLICY CONSIDERATION:**

The proposed purchase order contract is consistent with the City Council Strategic Planning Goal to improve, maintain, and enhance public facilities and infrastructure. It supports PWP's Water System Master Plan adopted by the City Council in 2002 and addresses the replacement of aging water distribution mains and establishment of reliable infrastructure for the City's water system.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not a project subject to CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of a contract to furnish and deliver heavy construction equipment rental to the Department's Water Division construction crews' job sites or other locations within the PWP service territory is an administrative and maintenance activity. The authorization of the proposed contract would not commit the City to undertaking or approving any actual or specific physical construction activities or any other actions that involve physical changes to the environment. Rather, the proposed purchase order contract would make such services available to potential water infrastructure projects, which themselves would be subject to CEQA consideration. 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 will be a maximum of \$365,286.92 over four years if the three additional one-year terms are exercised. Funding for this action will be addressed by the utilization of existing budgeted appropriations in CIP #1001 – Distribution Mains, CIP #1002 – Meters and Services, CIP #1003 – Customer Driven, and CIP #1019 – Fire Protection System Improvements, as well as the utilization of approved appropriations for operating and maintenance of water transmission and distribution systems. It is anticipated that \$91,321.73 of the cost will be spent in the initial year of the purchase order contract which falls in fiscal year 2018 and 2019, with approximately \$74,000 spent in fiscal year 2018. The operating and maintenance costs are estimated to be about 20% of the total cost at \$18,000 per year, for a total of \$72,000 for all four years.

The following table presents the purchase order contract summary:

First-year purchase order contract amount	\$91,321.73
Optional three year extensions	\$273,965.19
Total amount of purchase order contract	\$365,286.92

Respectfully submitted,



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Prepared by:



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Approved by:



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STEVE MERMELL  
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