



Agenda Report

October 21, 2019

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER WITH CUMMINS INC. FOR THE PURCHASE OF THREE EMERGENCY PORTABLE ELECTRICAL GENERATORS FOR AN AMOUNT NOT TO EXCEED \$302,532 FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3), the Common Sense Exemption that CEQA only applies to projects that may have an effect on the environment; and
2. Authorize the issuance of a purchase order with Cummins Inc. for the purchase of three emergency portable electrical generators for the Water and Power Department ("PWP") in an amount not to exceed \$302,532. Competitive bidding is not required pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors for labor, materials, supplies or services; 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:

PWP proposes the use of portable, trailer mounted, diesel-fueled generators to supply emergency electricity to water wells and booster stations during catastrophic events or planned outages. PWP operates nine active wells and 21 booster stations, as proposed, three 150 kilowatt portable generators will be purchased. Each generator can provide approximately 24 hours of run time on a single tank of fuel. These generators are adequate to operate booster stations, but do not have sufficient capacity for wells. A separate procurement is being initiated for larger generators to operate wells. The emergency portable generators would be utilized on a short-term basis until

normal electrical supply resumes. PWP has the ability to move the portable generators to various locations as needed. Under normal operating conditions most of the PWP water service area will function with sufficient flow and pressure for several days, but if firefighting operations were occurring, or the system was disrupted in the higher elevated areas, generally in the urban wildland interface area, water flow and pressure could not be sustained during an electrical outage without auxiliary power. During power outages, these generators will ensure adequate flow and pressure to the vulnerable service areas.

PWP is doing facility improvements to standardize connection points with the emergency portable generators. In addition, provisions to exercise this equipment under load conditions will be incorporated into the operations plan.

Sourcewell, formerly National Joint Powers Alliance, is a national service cooperative that combines the purchasing clout of more than 50,000 member agencies and streamlines the purchasing process. Sourcewell awards contracts at the manufacturing level, but the equipment is provided through local area distributors. Sourcewell issued a Request for Proposals #120617 for "Electrical Energy Power Generation with Related Parts, Supplies, and Services" on December 7, 2017. Six proposals were received and scored on a 1,000 point evaluation system with the strongest consideration given to the best price as it relates to the quality of the product and service. The Sourcewell Contract #120617 is valid through January 29, 2022.

PWP obtained technical specifications from the six manufacturers' local area distributors under Contract #120617. One vendor was not responsive, while another vendor could not meet the minimum required power needs. PWP requested quotes from the four remaining vendors and the results were as follows:

<u>Bidders</u>		<u>Grand Total Price</u>
Cummins Inc. (120617-CMM)	Irvine, CA	\$302,531.37
Yale/Chase Equipment and Services, Inc. (120617-GEN)	City of Industry, CA	\$313,176.91
Quinn Power Systems (120617-MTQ)	City of Industry, CA	\$344,976.77
Quinn Power Systems (120617-CAT)	City of Industry, CA	\$385,786.64

Cummins Inc. provided the lowest quote, which includes sales tax, delivery, offloading, CARB/DMV registration, parallel capability add-on, and operational training. It is recommended that the City Council award a purchase order contract to Cummins Inc. in the amount of \$302,532 to take advantage of reduced pricing offered through a competitive process. The Sourcewell contracts offer equipment that meets PWP's requirements, and are in the City's best interests as they ensure cost competitiveness of the purchase. There are no vendors in the City that can provide this equipment.

The Department of Public Works has administered contracts with Cummins Inc. from 2000 to 2014 for a total value of \$137,000 for parts and equipment repair.

COUNCIL POLICY CONSIDERATION:

The proposed purchase order contract is consistent with the 2015 Urban Water Management Plan under Section 7.8, Catastrophic Supply Interruption Plan. It supports the City Council's goal to maintain adequate water supply to protect human health and safety in a major catastrophic event, such as an earthquake or region-wide power outage.

ENVIRONMENTAL ANALYSIS:

A standby internal combustion engine or turbine for non-utility power generation that does not operate more than 200 hours a year and is only operated in the event of an emergency power failure or for routine testing and maintenance is considered an emergency backup generator for power generation. The proposed purchase complies with all South Coast Air Quality Management District ("SCAQMD") rules and regulations for engine emissions and clean air standards in the South Coast Air Basin. The proposed action has been determined to be exempt from environmental review pursuant to State CEQA Guidelines Section 15061(b)(3), the common sense exemption (formerly 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.

FISCAL IMPACT:

The cost of this action will be \$302,532. Funding for this action was planned in existing budgeted appropriations in the Water Capital Improvement Program Budget Number 1079 – Emergency Generator. Indirect and support costs such as maintenance, repair, and fuel costs are anticipated to be approximately \$50,000 over the life span of each generator. Funding for the operation and maintenance will be addressed annually in the Water Operating Fund.

Respectfully submitted,



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