

Agenda Report

September 9, 2019

TO: Honorable Mayor and City Council
FROM: Water and Power Department
THROUGH: Finance Committee
SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH REBAS INCORPORATED, DBA TOYOTA MATERIAL HANDLING SOLUTIONS, IN AN AMOUNT NOT TO EXCEED \$227,092 TO FURNISH AND DELIVER ONE HEAVY DUTY PROPANE-FUELED FORKLIFT.

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality act ("CEQA") in accordance with Section 15061(b)(3), the Common Sense Exemption (formerly the General Rule) that CEQA only applies to projects that may have an effect on the environment;
2. Accept the bid dated June 18, 2019, submitted by Rebas Incorporated, DBA Toyota Material Handling Solutions; reject all other bids; authorize the issuance of a purchase order in the amount of \$227,092 for one heavy duty propane-fueled forklift and the associated three-year warranty for the Water and Power Department.
3. Amend the Fiscal Year 2020 Operating Budget by appropriating \$147,610 from the Power Fund balance to the Power Capital Fund 411, and \$79,482 from the Water Fund balance to the Water Capital Fund 412 in Automotive Equipment Account 850510 in the Water and Power Department.

BACKGROUND:

Forklifts are used extensively by the Pasadena Water and Power Department's, ("PWP") Materials & Warehouse group ("Warehouse") to facilitate the handling of day-to-day materials and equipment distribution to utility work crews. Heavy duty forklifts are needed specifically to load and unload large, heavy, and bulky items such as transformers, switches, vaults, steel plates, copper cable reels, large water pipe, and valves that are used by the Water and Power Delivery field crews.

PWP's existing heavy duty forklift is 32 years old and has been non-operational for approximately 29 months. Staff has been renting a forklift to accommodate the workflow so that productivity is not impacted. The annual cost to rent the forklift is approximately \$53,000. Also, failure to have material readily available to fill crew requests could result in construction delays and potential safety risks.

Funds were previously approved for the purchase of a heavy duty forklift during fiscal year 2019. On January 7, 2019, PWP Warehouse staff posted specifications for a heavy duty electric forklift on PlanetBids. This effort was unsuccessful because the information provided in the bid proposals indicated that electric heavy duty forklifts were not suitable for uneven outdoor terrain while safely managing heavy loads. As a result, staff reissued the specifications for a heavy duty propane-fueled forklift.

On May 29, 2019, PWP Warehouse posted specifications for a liquefied petroleum gas fueled forklift on PlanetBids. Bidders were required to complete all items listed in the bidder's proposal and meet all specifications of the bid. Ten vendors downloaded the specifications and two bids were received by the bid due date of June 18, 2019. There were no bids received from local vendors.

The bid submitted by Rebas Incorporated, DBA Toyota Material Handling Solutions in the amount of \$227,092 is the only responsive and responsible bid that complies with all of the bid specification requirements. The other bid was deemed non-responsive.

It is recommended that the City Council accept the bid submitted by Rebas Incorporated, DBA Toyota Material Handling Solutions, and authorize the issuance of the purchase order in the amount of \$227,092. Rebas Incorporated is a new vendor for the City of Pasadena and has not been awarded any prior purchase orders. The current lead time for the delivery of the forklift is 15-17 weeks from the receipt of order.

The proposed purchase order contract complies with the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Chapter 4.08 and the rules and regulations promulgated thereunder.

COUNCIL POLICY CONSIDERATION:

The proposed purchase order 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 proposed action is exempt from CEQA in accordance with Section 15061(b)(3), the Common Sense Exemption (formerly the General Rule) that CEQA only applies to projects that may have an effect on the environment. The purchase of the replacement forklift has zero exhaust emissions and serves the same purpose as the vehicles being used currently and would have no adverse impact on the environment.

FISCAL IMPACT:

The cost of this action is \$227,092 which includes the forklift and the 3-year warranty. Funding for this action will be addressed by the recommended Fiscal Year 2020 budget amendment to the Power Capital Fund 411 and Water Capital Fund 412, Automotive Equipment Account 850510 per table below. Funding for the forklift was contained in FY 2019. However, due to delays in the procurement process, a PO contract could not be secured before the end of the fiscal year. PWP anticipates all of the cost being spent during the current fiscal year.

Fund	GL Org	GL Obj	CIP	PJO	PL Org	PL Obj	Amount
Power	42403940	850510	03400	26290	42403940	850500	\$ 147,610
Water	42406780	850510	01500	53637	42406780	850500	\$ 79,482
						Total	\$ 227,092


Indirect and support costs such as maintenance and fuel are anticipated to be \$3,500 per year over the life span of the forklift. Funding for the costs will be addressed annually in the Water and Power Operating Fund budget.

Respectfully submitted,



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Approved by:



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