



Agenda Report

December 14, 2020

TO: Honorable Mayor and City Council

FROM: Department of Transportation

SUBJECT: AMEND EXISTING PURCHASE ORDER 1210226 WITH ELLIS EQUIPMENT INC. AND PURCHASE ORDER 1210219 WITH MERIDIAN RAPID DEFENSE GROUP LLC. FOR ON-STREET DINING PROGRAM EQUIPMENT RENTALS

RECOMMENDATION:

It is recommended that the City Council:

1. Find this action is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b) (3), Review for Exemption; and
2. Authorize the City Manager to amend Purchase Order No. 1210226, with Ellis Equipment Inc., from \$225,908 to a revised amount of \$375,908; and
3. Authorize the City Manager to amend Purchase Order No. 1210219, with Meridian Rapid Defense Group LLC, from \$70,475 to a revised amount of \$130,475; and
4. Appropriate \$210,000 from the General Fund operating reserve for the on-street dining program equipment rentals to the Department of Transportation Fiscal Year 2021 Operating Budget; and
5. To the extent this transaction could be considered a separate procurement subject to competitive selection, as competitive bidding is not required pursuant to City Charter Section 1002(F), Contracts for Professional or Unique Services, grant the proposed amendment to the purchase order with Ellis Equipment Inc. and Meridian Rapid Defense Group LLC., an exemption from the Competitive Selection process set forth in the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interests are served.

BACKGROUND:

In response to the State of California Stay at Home order, City staff was tasked with assisting local restaurants by repurposing the public right of way for outdoor dining

purposes. City staff created guidelines and an application process to allow businesses to use sidewalks, alleys, and city streets (on-street dining and parklets) for dining purposes. On July 11, 2020, the original purchase order with Ellis Equipment Inc. was issued. The first on-street dining deployment using concrete k-rails was on July 18, 2020. The initial purchase order was intended to cover a three month rental of the concrete k-rails. On October 5, 2020, the City Council approved an appropriation of \$150,000 (\$50,000 from the Off -Street Parking Fund and \$100,000 from the Old Pasadena Parking Meter Fund) for the concrete k-rail rental to the Department of Transportation Fiscal Year 2021 Operating Budget. The current purchase order amount of \$225,908 allows for the on-street dining program to be in place through January 18, 2021.

Also, as part of the initial on-street dining installation, the Department of Transportation issued a purchase order to Meridian Rapid Defense Group for the rental of the anti-vehicle barriers to be part of the on-street dining closures. Meridian Rapid Defense Group is a local Pasadena company and is the sole manufacturer of this product. The anti-vehicle barrier is a safety component that has been required by the City of Pasadena for special event street closures and for on-street dining without adjacent parking. The initial purchase order for the rental of the anti-vehicle barriers was in the amount of \$39,900 which allowed for a three month rental period. In order to continue the on-street dining program beyond the initial three month period, the purchase order was increased to \$70,475 in October 2020. The current purchase order allows for the on-street dining program to be in place through January 12, 2021.

The request for additional funds to increase the current Ellis Equipment Inc. purchase order to \$375,908 and the Meridian Rapid Defense Group purchase order to \$130,475 will allow the current on-street dining program to be extended to June 18, 2021, in addition to possible future installations, while City staff work to procure the equipment. The initial funding for these expenses used Fund 213 (Old Pasadena Parking Meter Fund) and Fund 407 (Off-Street Parking Fund). Due to financial impacts on parking revenue from COVID-19 these funds cannot continue to financially support the k-rail or anti vehicle barrier rentals. As such, it is recommended that the additional funding for the equipment rental through June 2021 be appropriated from the General Fund operating reserve.

The Department of Transportation is working jointly with staff from Economic Development to pursue grant funds that, if awarded, will be used to purchase the concrete k-rail and anti-vehicle barriers and allow for the on-street dining program to continue in perpetuity. The City submitted a grant application to the U.S. Economic Development Administration in October 2020. The EDA Grant projects are scheduled to be reviewed in late November 2020, with the Grant Selection Committee selecting applications for funding the week of December 7, 2020. Due to the timing of the grant selection announcement, staff may provide an updated and revised agenda report by the City Council date. It is anticipated that selected applicants will receive an award letter for the grant award by end of December 2020. If this timeline holds, all funding agreements would be executed by April 15, 2021. Based on the projected timeline, the concrete k-rail advertisement for bids will be ready to be published on April 15, 2021. The goal

would be to return to Council for an executed purchase order by May 24, 2021 with scheduled deployment no later than June 14, 2021. Should the City be awarded funds through this EDA Grant, the execution of the funding agreements would be contingent on how quickly the U.S. Economic Development Administration can process the agreements.

To date, the City has paid \$102,344 in costs associated with the rental of the concrete k-rails for the on-street dining program. This cost includes mobilization costs incurred with each deployment. With new on-street deployments still anticipated in the coming months, staff estimates that rental costs from Ellis Equipment Inc. will average \$25,969 per month from February 2021 to June 2021, which totals \$129,845 in rental costs. It is anticipated that the total rental costs from initiation of the on-street dining program in July 2020 to June 2021 will total \$232,189. Transportation staff estimates that the purchase price of the equipment being rented from Ellis Equipment Inc. is \$289,313 including taxes and delivery. If the City does not receive grant funds, consideration to purchasing the equipment with City funds in lieu of continuing to rent the equipment will be given.

In addition, the City has paid \$58,100 in rental fees for the Meridian anti-vehicle barriers. With additional deployments anticipated in December 2020, the average monthly cost will increase to \$11,900, which will bring the total amount spent from July 2020 to June 2021 to \$118,000. The purchase price of the Meridian anti-vehicle barrier is estimated to be \$224,400. It is recommended that the City continue to rent the anti-vehicle barriers if the City is not successful in obtaining the EDA Grant funds.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council's strategic planning goal to maintain fiscal responsibility and stability and to promote quality of life and the local economy.

ENVIRONMENTAL ANALYSIS:

The proposed purchase order amendment with Ellis Inc. is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b) (3), Review for Exemption.

FISCAL IMPACT:

The total cost of the purchase order increases will be an additional \$210,000 in FY 2021 funds. This accounts for an additional \$150,000 for Ellis Equipment Inc. and \$60,000 for Meridian Rapid Defense Group. Upon approval of this action, the revised purchase order amount will be \$375,908 for Ellis Equipment Inc. and \$130,475 for Meridian Rapid Defense Group.

In total, the estimated cost to support outdoor dining from January 2021 to June 2021 is \$506,383.

Funding for the additional \$210,000 requires additional appropriations to the Department of Transportation's FY2021 Operating Budget as follows:

- \$210,000 increase in appropriations to account 10124003-811400 from the General Fund operating reserve.

Respectfully submitted,



LAURA RUBIO-CORNEJO
Director
Department of Transportation

Prepared by:



Alberto Felix, T.E.
Engineer

Approved by:



STEVE MERMELL
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name: Ellis Equipment Inc.

2. Type of Entity: <input checked="" type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization: Merriam M. Ellis - President
John H. Ellis - V.P.
Karina E. Kotchasak - CFO

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization: Merriam M. Ellis
John H. Ellis

Prepared by: Jenna Ellis Dolezal

Title: Operations Manager

Phone: 562-424-9991

Date: 9/4/2020

**Disclosure Pursuant to the
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Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:	Meridian Rapid Defense Group LLC
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2. Type of Entity: <input checked="" type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:
Peter D. Whitford
William L. Fields III
Karen Ewald

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:
Peter D. Whitford

Prepared by: Karen Ewald
Title: Secretary of Corporation
Phone: (434) 529-6903
Date: December 1, 2020