

# Agenda Report

June 22, 2020

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH JCI JONES CHEMICALS, INC. TO FURNISH AND DELIVER 12.5% SODIUM HYPOCHLORITE FOR AN AMOUNT NOT TO EXCEED \$41,895 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; and
2. Accept the bid dated April 7, 2020 submitted by JCI Jones Chemicals, Inc. ("JCI") in response to Specification WD-20-02, to furnish and deliver 12.5% Sodium Hypochlorite for the Water and Power Department ("PWP"); reject all other bids received, and authorize the City Manager to enter into a purchase order contract with JCI for an amount not-to-exceed \$41,895 for an initial term of one year; and
3. Authorize the City Manager to extend the purchase order contract for up to four additional one-year terms each year not to exceed \$41,895 per year, allowing for a unit price increase that shall not exceed the change in the rate of the current Producer Price Index (PPI). If the four additional one-year terms are exercised, the total purchase order contract amount is \$209,475 for a maximum duration of five years.

## **BACKGROUND:**

PWP operates the Sunset and Eastside Disinfection Facilities to treat groundwater from existing wells. Both facilities consist of a chloramination system to disinfect the water from groundwater wells prior to discharge into the Reservoirs. These facilities use approximately 50,000 gallons of sodium hypochlorite solution annually. Specification WD-20-02 calls for a purchase order contract to provide all necessary labor, equipment, and materials for furnishing and delivery of 12.5% sodium hypochlorite solution that will be used at the both Disinfection Facilities.

The Notice Inviting Bids for Specification WD-20-02 was advertised in the Pasadena Journal and posted online through Planet Bids on March 16, 2020. Bid packages were downloaded by 15 prospective bidders, but did not include any local vendors. Six bids were received and opened on April 7, 2020.

The results of the bid were as follows:

<u>Bidders</u>		<u>Total Bid</u>
JCI Jones Chemicals, Inc.	Torrance, CA	\$ 41,895
Hasa, Inc.	Saugus, CA	\$ 51,156
Pacific Star Chemical, Inc.	Sherwood, OR	\$ 54,353
The Illini Companies, Inc.	Anaheim, CA	\$ 61,960
Univar USA, Inc.	Kent, WA	\$ 62,511
Waterline Technologies, Inc.	Santa Ana, CA	\$ 74,970
Engineer's Estimate		\$55,000

JCI is the lowest responsive and responsible bidder and complies in all respects with the requirements of the Specification. There are no known vendors in the City that can supply and deliver 12.5% sodium hypochlorite solution.

The proposed purchase order contract complies with Competitive Bidding and Purchasing Ordinance *Pasadena Municipal Code 4.08*, and the rules and regulations promulgated thereunder. The project was bid as a prevailing wage project and workers employed will be paid the general prevailing rate of per diem wages as determined by the California Director of Industrial Relations. The project will meet the requirements of prevailing wage law under California Labor Code Sections 1720 through 1861 and Title 8 of the California Code of Regulations.

It is recommended that the City Council award a purchase order contract to JCI in the amount of \$41,895 for an initial term of one year with four optional one-year terms of \$41,895 each. The vendor has current and past contracts with the City since 2014, totaling \$700,522 to furnish and deliver chlorine liquefied gas. The Water Division will monitor the contract spending and performance of work.

**COUNCIL POLICY CONSIDERATION:**

The proposed 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 action proposed herein is not subject to the CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The acceptance of a bid to furnish and deliver 12.5% Sodium Hypochlorite solution is a continuing administrative and maintenance activity (i.e., purchasing of supplies). As 12.5% Sodium Hypochlorite has been used at the involved facilities since their installation, the subject action is the purchasing of materials to continue an existing practice. This action would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. 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 would be \$209,475, which includes the initial one year term and four optional one-year terms, if exercised. Funding for this action will be addressed by the utilization of existing appropriations in the Water Operating Fund 402 (Account No. 06500-53403-49507440-811400). It is anticipated that \$41,895 of the cost will be spent in the initial year of the contract commencing in fiscal year 2021.

The following table presents the purchase order contract summary:

Purchase Order Contract Amount – Initial one-year term	\$41,895
Four optional one-year extensions	\$167,580
Total Fiscal Impact	\$209,475

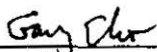
There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



GURCHARAN S. BAWA  
General Manager  
Water and Power Department

Prepared by:

  
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Gary Cho  
Engineer

Approved by:

  
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STEVE MERMELL  
City Manager