

Agenda Report

February 8, 2021

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (February 3, 2021)

FROM: Department of Transportation

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH ELLIS EQUIPMENT INC. TO FURNISH AND DELIVER CONCRETE K-RAILS AND TL2 SLEDS FOR THE ON-STREET DINING PROGRAM NOT TO EXCEED \$230,000

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 enter into a purchase order contract, without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services, with Ellis Equipment Inc. for the procurement of concrete K-rail and TL2 SLEDs for the on-street dining program in an amount not to exceed \$230,000, which includes the base purchase amount of \$190,000 and an optional contingency of \$40,000; and
3. Appropriate \$35,000 from the General Fund operating reserve for the on-street dining program to the Department of Transportation Fiscal Year 2021 Operating Budget contract services account 10124003-811400; and
4. It is further recommended that the City Council grant the proposed purchase order contract 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 City implemented the first phase of outdoor dining along Colorado Boulevard in the Playhouse Village and Old Pasadena area. The Department of Transportation worked through the Emergency Operations Center (EOC) to issue a purchase order for the rental of water barriers for the on-street dining closures as these barricades were readily available on short notice. While working with representatives from Playhouse Village and Old Pasadena Management District to implement phase one on-street dining, a phase two for on-street dining was in design and subsequently implemented on July 18, 2020. In an effort to provide a more consistent aesthetic and to enhance safety of on-street dining, staff worked through the EOC to procure quotes for rentals of concrete K-rails to be installed with the phase 2 roll out. The EOC reached out to three vendors and Ellis Equipment Inc. was the only vendor that met the deployment requirements. As such, the City issued a purchase order for the rental of concrete K-rail deployed by Ellis Equipment Inc. A third phase of the on-street dining program was implemented on August 8, 2020 under the same initial purchase order that had been issued to Ellis Equipment Inc.

On Sept 24, 2020, an agenda item was brought to City Council to request additional funds to allow the on-street dining program barrier rentals to be extended to January 18, 2021. The extension also provided the opportunity to further expand the on-street dining program as needed.

Due to the extension of the California Stay at Home and ongoing need for on-street dining, City staff returned to City Council on December 14, 2020, to request an extension to the existing rental purchase order to ensure that the concrete K-rail rentals would be in place through June 28, 2021.

The Department of Transportation worked with staff from City's Economic Development to pursue grant funds from the U.S. Economic Development Administration (EDA) that if awarded would have been used to purchase the concrete K-rails and other materials to allow for the on-street dining program to continue in perpetuity. On December 21, 2020, the EDA notified City staff that the City was not awarded grant funding for this program.

To date, the City has paid \$151,000 in costs associated with the rental of concrete K-rails for the on-street dining program. It is estimated that previously City Council approved rental costs from February 18 to June 18, 2021 will be \$110,000 (approximately \$27,500 per month). City staff requested a quote from the Ellis Equipment Inc. to purchase the equipment that the City is currently renting (200 concrete K-rails and 15 TL2 SLEDs). To purchase the currently deployed equipment from Ellis, the cost would be \$190,000. When adding the option of purchasing and deploying an additional 25 K-rails and two TL2 SLEDs for potential future program expansion, the total cost would be \$230,000. With City Council approval, the City would be saving \$110,000 in rentals costs. City will reallocate unused portion of the appropriated funds of the K-rail rental purchase order and use toward the purchase of the concrete K-rails and TL2 SLEDs. The unused amount of \$195,000 plus the \$35,000 being requested will provide for the \$230,000 purchase order for Ellis Equipment Inc. The \$230,000 includes \$40,000

contingency for future purchase and deployment if the City chooses to expand the on-street dining area.

In addition to the long term cost savings, another advantage of purchasing the K-rail is the opportunity to modify the aesthetics of the K-rails to provide a more consistent and inviting environment by painting, wrapping or otherwise installing aesthetically pleasing treatments to the K-rail.

City staff obtained quotes from other vendors for the purchase of the concrete K-rail and TL2 SLEDs. The Ellis Equipment Inc. purchase quote is similar or lower to the comparison quotes that were received. Should City Council direct us to go out to bid, the City would pay \$27,500 per month for rentals during the bidding process. In addition, selection of a vendor other than Ellis Equipment Inc. will require the City pay \$35,560 to remove the K-rails and TL2 SLEDs that are currently deployed plus an additional \$35,000 from a new vendor for installation of the newly purchased K-rail and TL2 SLEDs. As such, it is estimated that selecting a vendor other than Ellis Equipment Inc. will cost the City an additional \$70,000 plus rentals while the new K-rails are deployed.

Based on the information above it is in the City's best interest to procure the currently deployed concrete K-rails and TL2 SLEDs from Ellis Equipment Inc.

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:

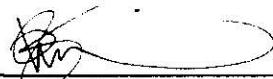
The proposed purchase order contract with Ellis Equipment Inc. is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b) (3), Review for Exemption.

FISCAL IMPACT:

Budget had previously been appropriated for rental of the K-rails through June 2021. If approved to purchase the K-rails, the unused budget for the rentals will be used for the purchase costs. Funding for the purchases will require additional appropriations to the Department of Transportation's FY2021 Operating Budget as follows:

- \$35,000 in appropriations to account 10124003-811400 from the General Fund operating reserve.

Respectfully submitted,



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