

Agenda Report

October 3, 2022

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: **AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACTS WITH HERC RENTALS INC. AND AL ASHER & SONS, INC. FOR HEAVY EQUIPMENT RENTAL SERVICES FOR A COMBINED TOTAL AMOUNT NOT TO EXCEED \$700,000 IF OPTIONAL EXTENSIONS ARE EXERCISED**

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 State CEQA Guidelines Section 21065, 15060 (c)(2), 15060 (c)(3), and 15378, and as such, no environmental document pursuant to CEQA is required for the project; and
2. Accept the bid dated July 29, 2022, submitted by Al Asher & Sons, Inc. ("Asher") in response to the Specifications for "Heavy Equipment Rental Services" for the Water and Power Department ("PWP"); authorize the City Manager or designee to enter into a Purchase Order ("PO") Contract with Asher for four years for an amount not to exceed \$400,000, whichever occurs first, with one optional extension of one-year for an amount not to exceed \$100,000, for a maximum PO contract amount not to exceed \$500,000; and
3. Accept the bid dated July 18, 2022, submitted by Herc Rentals, Inc. ("Herc") in response to the Specifications for "Heavy Equipment Rental Services" for PWP; authorize the City Manager or designee to enter into a Purchase Order ("PO") Contract with Herc for four years for an amount not to exceed \$160,000 with one optional extension of one-year for an amount not to exceed \$40,000, for a maximum PO contract amount not to exceed \$200,000.

BACKGROUND:

The Water and Power Department ("PWP") provides electricity to more than 65,000 customers. The Transmission and Distribution ("T&D") System is highly complex and comprised of thousands of components functioning together.

Through the normal course of providing electrical service to its customers, PWP requires the usage of heavy equipment rentals of specialized trucks, vans, cable pullers, and reels required to perform field work on the distribution system. PWP's normal vehicle practice is to own it's regularly used construction equipment. The short-term rentals supplement existing equipment when specialized or additional equipment is needed and/or equipment is out of service due extended maintenance or inoperability. Additionally, PWP staff found that the short-term rental market for this type of zero emission vehicles and equipment was not mature enough to be a viable option.

The type of equipment included in the specification is as follows:

Group A: 45' through 95' working height insulated, material handling bucket trucks to work around live overhead distribution wires, 45' through 100' Digger Derricks for setting utility poles, 40' through 50' Backyard Digger Derricks, Underground Hydraulic Cable Pullers with 7,500 – 22,000 lbs. Pulling Capability, Cable Scraper Trucks, Cable Reel Trailers/Trucks, and other heavy equipment.

Group B: 1/2-ton pickup truck, 3/4-ton pickup truck, 1/2-ton cargo van, 3/4-ton cargo van, and other heavy equipment.

On June 16, 2022, a Notice Inviting Bids for the Specifications was published in the Pasadena Press and Pasadena Journal. The invitation was also published on PlanetBids, which generated notices to all vendors previously registered with the City for this particular commodity class. A total of 19 vendors downloaded the Specification of which none were local. The Specifications allowed respondents to bid on all or some of the line items in Group A or B. A total of two bids were received by the bid opening date, one bid on Group A and another bid on Group B, no bidder bid on all items and none were local firms. Staff believes the reason only two bids were received is due to both availability and the specialized nature of the equipment that PWP needs. The responsive bid results are shown below in Table I.

Table I: Bid Results

Firm Name	Office Location	Group A Bid Price Total	Group B Bid Price Total
Al Asher & Sons, Inc.	Los Angeles, California	\$78,167.27	No Bid
Herc Rentals, Inc.	Carson, California	No Bid	\$58,288.50

Asher and Herc were the only responsive and responsible bidders for this Specification.

Therefore, staff recommends the following:

- City Council authorize the City Manager or designee to enter into a PO Contract with Asher for an amount not to exceed \$400,000 for a period of four years, with

the option for one additional one-year extension not to exceed \$100,000 after expending \$400,000, or the contract expires, or whichever occurs first, for a maximum contract amount not to exceed \$500,000; and

- City Council authorize the City Manager or designee to enter into a PO Contract with Herc for an amount not to exceed \$160,000 for a period of four years, with the option for one additional one-year extension not to exceed \$40,000 after expending \$160,000, or the contract expires, or whichever occurs first, for a maximum contract amount not to exceed \$200,000.

The recommended total not to exceed amount is based on PWP's expected workload and includes projected cost increases. The City of Pasadena has awarded one purchase order to Asher since 2016 for a total not to exceed amount of approximately \$40,000. The City of Pasadena has awarded one contract and 19 purchase orders to Herc since 2016 for a total not to exceed amount of approximately \$1,068,309.

The proposed PO contracts comply 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 PO contracts are consistent with the City Council's goals to maintain fiscal responsibility and stability, and PWP's strategic initiatives to enhance customer satisfaction and confidence, improve efficiency and business continuity and maintain PWP's fiscal health and stability.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not subject to CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of the proposed contract, which provides for the purchasing of equipment, is a continuing administrative and maintenance activity (i.e., purchasing of supplies). Moreover, this action would not commit the City to undertaking or approving any actual or specific physical construction activities or any other actions that involve physical changes to 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 maximum cost of this action will be \$700,000 if all optional extensions are exercised. There is no minimum expenditure for this contract and equipment is rented as needed based on operational needs. Funding for this action will be addressed by the utilization of existing and future appropriations in Power Operating Fund 401 and Power Capital Fund 411, which includes various Capital Improvement Projects. The PO contract summary for both contracts is shown below in Table II.

Table II: Contracts Summary


Herc Contract Expenditures	Amount
Herc Contract (Year 1 – 4)	\$160,000
Herc One-Year Extension	\$40,000
Total PO Contract Including All Extensions	\$200,000

Asher Contract Expenditures	Amount
Asher Contract (Year 1 – 4)	\$400,000
Asher One-Year Extension	\$100,000
Total PO Contract Including All Extensions	\$500,000

Respectfully submitted,


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