



# Agenda Report

October 3, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACT WITH H&E EQUIPMENT SERVICES, INC. TO FURNISH AND DELIVER HEAVY CONSTRUCTION EQUIPMENT RENTAL FOR AN AMOUNT NOT-TO-EXCEED \$1,455,895**

## **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 for the project; and
2. Accept the bid dated July 29, 2022, submitted by H&E Equipment Services, Inc. in response to Specification WD-22-08, to furnish and deliver heavy construction equipment rental; reject all other bids received; and authorize the issuance of Purchase Order contract with H&E Equipment Services, Inc. in an amount not to exceed \$873,537 for a period of three years, whichever occurs first, with two optional one-year extensions not to exceed \$291,179 per year, at the discretion of the City Manager or designee, for a maximum total contract length of five years not to exceed \$1,455,895.

## **BACKGROUND:**

Pasadena Water and Power ("PWP") regularly completes water distribution projects as identified in the adopted Capital Improvement Program ("CIP"), Water System and Resources Plan, and other water operations-related work. Specification WD-22-08 provides for a contract to furnish and deliver heavy construction equipment rental to PWP as needed to enable PWP's Water Division construction crews to install pipelines, perform fire protection system upgrades, and other construction and maintenance activities. The contract is also critical to respond to emergency repairs. The short-term rentals supplement existing equipment when specialized or additional equipment is needed and/or equipment is out of service due to extended maintenance or inoperability.

On July 14, 2022, a Notice Inviting Bids for Specification WD-22-08 was advertised in the Pasadena Press and Pasadena Journal in addition to being posted online through Planet Bids. Planet Bids generated notices to 1,710 vendors. A total of 18 vendors downloaded the specification of which none were local. A total of two bids were received by the July 29, 2022, bid due date, none from local vendors. A pre-bid conference was not conducted.

The bids were evaluated by multiplying the unit price by the estimated quantity to arrive at a grand total price. The estimated quantities were determined by the frequency with which the corresponding bid items are required by PWP. This evaluation method and estimated quantities were fully disclosed in the specification.

The bid results are as follows:

Bidders	Bid Amount (\$)
H&E Equipment Services, Inc., La Mirada, CA	\$291,179
Herc Rentals Inc., North Hollywood, CA	Non-responsive

H&E Equipment Services, Inc. provided the lowest responsive and responsible bid. The proposed purchase order contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder. Staff recommends that the City Council authorize the issuance of Purchase Order contract with H&E Equipment Services, Inc. in an amount not to exceed \$873,537 for a period of three years, whichever occurs first, with two optional one-year extensions not to exceed \$291,179 per year, at the discretion of the City Manager or designee.

H&E Equipment Services, Inc. has no former or current contracts with the City. Warehouse personnel will monitor the purchase order spending.

**COUNCIL POLICY CONSIDERATION:**

The proposed purchase order contract is consistent with the City Council Strategic Planning Goal to improve, maintain, and enhance public facilities and infrastructure. It supports PWP's Water System and Resources Plan adopted by the City Council in 2021 and addresses the replacement of aging water distribution mains and establishment of reliable infrastructure for the City's water system.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not a project 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 purchase order contract, which would provide for the rental 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 total cost of this action will be \$1,455,895 over five years, which includes the two optional one-year extensions. Funding for this action will be addressed by the utilization of existing and future appropriations in the Water Capital Fund 412, Capital Improvement Projects 01080 – Distribution Mains and 01082 – Customer Mains, Meters, and Services, as well as the utilization of approved appropriations for operating and maintenance of water transmission and distribution systems. It is anticipated that \$145,000 will be spent during this fiscal year. The remainder of the costs will be spent over the next four fiscal years.

The fiscal impact summary is shown below:

Contract Amount	\$1,455,895
Contract Administration	\$10,000
<b>Total Fiscal Impact: fiscal years 2023 -2027</b>	<b>\$1,465,895</b>

Respectfully submitted,

  
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