

Agenda Report

December 11, 2023

TO: Honorable Mayor and City Council

FROM: Department of Water and Power

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH CUSTOM TRUCK ONE SOURCE FOR UTILITY CONSTRUCTION EQUIPMENT RENTAL FOR AN AMOUNT NOT-TO-EXCEED \$1,500,000 FOR THE WATER AND POWER DEPARTMENT

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 November 2, 2023, submitted by Custom Truck One Source ("Custom Truck") in response to the Specifications for Utility Construction Equipment Rental for the Water and Power Department ("PWP"); and authorize the City Manager to enter into a Contract with Custom Truck for a period of three years or an amount not to exceed \$900,000, whichever occurs first, with the option for two additional one-year extensions or an amount not to exceed \$300,000 each, whichever occurs first, at the discretion of the City Manager, for a maximum contract length of five years or a total amount not to exceed \$1,500,000, whichever occurs first.

BACKGROUND:

PWP provides electricity to more than 65,000 customers. The Power Distribution System is highly complex and comprised of thousands of components which function together as a Transmission and Distribution ("T&D") System. PWP manages a wide range of aging distribution assets that are critical to system reliability.

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 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.

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

- **Group One: Insulated Bucket Truck** – 55' and 65' working height
- **Group Two: Underground Cable Puller** – 7,500, 10,000, and 22,000 lbs. pulling capability
- **Group Three: Digger Derrick** – 45' and 60' for setting utility poles
- **Group Four: Knuckle Boom** – 11,640 lbs. Rear Mount and 62,831 lbs. Behind Cab Mount
- **Group Five: Cable Scrapper** - Truck Mounted Conductor Recycler
- **Group Six: Other** – 11 ft Medium-Duty Crane Body Service Truck, Single Axle 7 cu yd Rear Dump Truck, and 14,000 lbs. or Greater Reel Loader / Cable Handler

This equipment was included in two prior solicitations, but the lowest bidder awarded the contract on the first solicitation would not agree to the City's Terms & Conditions, and the second solicitation had no responsive and responsible bids.

On October 19, 2023, a Notice Inviting Bids for the Specifications was published in the Pasadena Press and Pasadena Journal. The invitation was also published on OpenGov, which generated notices to all vendors previously registered with the City for this particular commodity class. A total of 15 vendors downloaded the Specifications, none of which were local. Staff released this bid as a split award and evaluated each group in the table below independently based on the lowest grand total price for each group. The Specifications allowed respondents to bid on all or some of the groups. A total of two bids were received by the bid due date of November 2, 2023, with no bids received from local firms. The responsive bid results are shown below in Table I and II:

Table I: Bid Summary

| | | | |
|-------------------------|----------------|-----------------|-----------------------|
| Bidder Name | | Custom Truck | Al Asher & Sons, Inc. |
| Office Location | | Kansas City, MO | Los Angeles, CA |
| Bid Price Totals | Group 2 | \$104,396 | \$107,053 |
| | Group 5 | \$48,620 | \$71,663 |

Table II: Bid Summary

| | | |
|-------------------------|----------------|-----------------|
| Bidder Name | | Custom Truck |
| Office Location | | Kansas City, MO |
| Bid Price Totals | Group 1 | \$43,758 |
| | Group 3 | \$2,925 |
| | Group 4 | \$35,456 |
| | Group 6 | \$55,158 |

Custom Truck was the lowest responsive and responsible bidder. PWP staff recommends that the City Council authorize the City Manager to enter into a PO Contract with Custom Truck for an amount not to exceed \$900,000, or a period of three years, whichever occurs first, with two optional one-year extensions or an amount not to exceed \$300,000 each, whichever occurs first, for a maximum contract amount not to exceed \$1,500,000 for the Utility Construction Equipment Rental.

The recommended total not to exceed amount is based on PWP's expected workload and includes projected cost increases. The proposed contract complies with the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Chapter 4.08 and the rules and regulations promulgated thereunder.

Since 2022, the City of Pasadena has awarded seven purchase orders to Custom Truck for a total not to exceed amount of approximately \$324,993.

COUNCIL POLICY CONSIDERATION:

The proposed contract is 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 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 contract, which provides for the purchasing of equipment, is a continuing administrative and maintenance activity (i.e., purchasing of supplies) that 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.

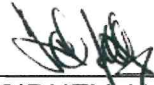
FISCAL IMPACT:

The total cost of this action is \$1,500,000 over five years, which includes the base contract amount of \$900,000 with two optional one-year extensions or an amount not to exceed \$300,000 each. 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, Vehicle Rental (821800) and Power Capital Fund 411, which includes various Capital Improvement Projects. It is anticipated that \$100,000 of the cost will be spent during the current fiscal year. The remainder of the costs will be spent over the next four fiscal years. There is no anticipated impact to other operational programs as a result of this action. The Contract summary is shown below in Table III.

Table III: Contract Summary

| Contract Expenditures | Amount |
|--|--------------------|
| Base Contract | \$900,000 |
| 1 st Extension | \$300,000 |
| 2 nd Extension | \$300,000 |
| Total Not-To-Exceed PO Contract Amount: | \$1,500,000 |

Respectfully submitted,



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