

# Agenda Report

June 10, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A PURCHASE ORDER CONTRACT WITH iFLOW ENERGY SOLUTIONS TO FURNISH AND DELIVER ITRON ENCODER RECEIVER TRANSMITTERS FOR AN AMOUNT NOT-TO-EXCEED \$591,646 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;
2. Accept the bid dated March 27, 2024, submitted by iFlow Energy Solutions ("iFlow") in response to Competitive Bidding Specification 2024-IFB-MS-0084 for furnishing and delivery of Itron Encoder Receiver Transmitter series endpoints 100W+ for the Water and Power Department ("PWP"), reject all other bids received; and
3. Authorize the City Manager to enter into a purchase order contract with iFlow for an amount not-to-exceed \$354,998 for a term of three years, or until funds are expended, whichever occurs first, with an option for two additional one-year terms at \$118,324 per year, at the discretion of the City Manager, for a maximum total amount not-to-exceed \$591,646.

## **BACKGROUND:**

Itron encoder receiver transmitter ("ERT") series Endpoints 100W+ is a device that connects to a water meter's absolute encoder register for automatic meter reading ("AMR"). AMR allows the collection of water meter data via drive-by instead of having to manually read each meter, saving a significant amount of labor-hours. The AMR program was launched in 2005 with the Itron ERT, which is designed for 20 years of battery life. PWP's service territory has approximately 38,000 service connections and each requires a meter and an Itron ERT. Accurate billing to the customers is dependent on the replacement of aging and/or non-functional meters and Itron ERTs.

Prior to the full implementation of advanced metering infrastructure (“AMI”), PWP needs to continue replacing approximately 1,500 meters and ERTs each year.

On March 14, 2024, a Notice Inviting Bids for Project ID 2024-IFB-MS-0084 was published in the Pasadena Press and posted on OpenGov. In addition, seven vendors were notified via email or via OpenGov invitation of the bid opportunity. Two responsive bids were received and opened on March 28, 2024, with no bids received from local vendors. There are no known Itron vendors in the City of Pasadena (“City”).

The bids were evaluated by multiplying the unit price by the quantity to determine the item price. The sum of the item price, sales tax, and delivery cost determines the grand total price. This evaluation method and quantities were fully disclosed in the Specifications.

The bid results are as follows:

<u>Bidders</u>	<u>Grand Total Price</u>
iFlow Energy Solutions, Santa Ana, CA	\$102,897.88
Blue Angel International LLC, Berkely, CA	\$108,552.15

iFlow Energy Solutions was the lowest responsive and responsible bidder that complied with the requirements of the Specifications. The vendor has no current contract with the City.

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 City Manager to enter a purchase order contract to iFlow for an amount not-to-exceed \$354,998 for three years, whichever comes first, with an option for two additional one-year terms of \$118,324 per year subject to the approval of the City Manager. The contract not-to-exceed amounts include a 15% contingency. Warehouse personnel will monitor contract 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 & Resources Plan that was adopted by the City Council in 2021 to allow for the on-going replacement of aging water meters.

**ENVIRONMENTAL ANALYSIS:**

The proposed contract is not a project subject to CEQA pursuant to Section 21065 of the Public Resources Code (CEQA) and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of a purchase order contract to furnish and delivery Itron ERTs to the Department's Water Division is an administrative and maintenance activity. The authorization of the proposed contract 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 \$591,646 over five years (if two additional one-year terms are exercised), which includes a 15% contingency. Funding for this action will be addressed by the utilization of existing and future budgeted appropriations in CIP 01081 – Meters and Services and CIP 01082 – Customer Driven.


The following table presents the purchase order contract summary:

	<b>iFlow Energy Solutions</b>
Initial three-year contract amount	\$354,998
Two optional one-year extensions	\$236,648
<b>Total amount of contract</b>	<b>\$591,646</b>

Respectfully submitted,

  
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DAVID M. REYES  
Acting General Manager  
Water and Power Department

Prepared by:

  
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Yan Qu  
Principal Engineer

Approved by:

  
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MIGUEL MARQUEZ  
City Manager