

# 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 EWT HOLDINGS III CORP., DBA EVOQUA WATER TECHNOLOGIES LLC TO FURNISH AND DELIVER ION EXCHANGE RESIN FOR AN AMOUNT NOT-TO-EXCEED \$2,956,736 FOR A TERM OF FIVE YEARS 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 April 4, 2024, submitted by EWT Holdings III Corp., dba Evoqua Water Technologies LLC ("Evoqua") in response to Project ID 2024-IFB-MS-0128 to furnish and deliver ion exchange resin for the Water and Power Department ("PWP"), reject all other bids; and
3. Authorize the City Manager to enter into a purchase order contract with Evoqua for an amount not-to-exceed \$2,956,736 for a term of five years, or until funds are expended, whichever occurs first.

## **BACKGROUND:**

PWP owns four groundwater wells in the northwest region of Pasadena collectively known as the Monk Hill Wells. Groundwater from the Monk Hill basin contains perchlorate and volatile organic compounds ("VOCs") due to past disposal practices by the Jet Propulsion Laboratory, which is managed by the National Aeronautics and Space Administration and owned by the California Institute of Technology ("Caltech").

On January 23, 2006, the City of Pasadena (“City”) and Caltech entered into Contract No. 18,989, which provides a funding mechanism for the City to construct and operate the Monk Hill Treatment Plant for the removal of perchlorate and VOCs. Under Contract No. 18,989, the direct costs associated with the operation and maintenance of the Monk Hill Treatment Plant are reimbursable by Caltech.

The Monk Hill Treatment Plant utilizes ion exchange resin (“IX resin”) that is specifically designed for removal of perchlorate and granular activated carbon to remove VOCs. This subject contract is associated only with furnishing and delivering IX resin. Advertising for granular activated carbon occurred under a separate specification, since some vendors may only provide for IX resin or granular activated carbon and not necessarily both products.

On March 14, 2024, a Notice Inviting Bids for Project ID 2024-IFB-MS-0128 (“Project”) was published in the Pasadena Press and posted on OpenGov. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 15 vendors downloaded the Project, of which none were local. On March 20, 2024, four prospective bidders attended the mandatory pre-bid meeting, and four responsive and responsible bids were received on April 4, 2024, with no bids received from local vendors. There are no known vendors in the City that can supply and deliver IX resin.

The results of the bids were as follows:

<u>Bidders</u>	<u>Location</u>	<u>Total Bid</u>
<b>Evoqua Water Technologies LLC</b>	<b>Sarasota, FL</b>	<b>\$2,687,942</b>
Purolite, LLC	Prussia, PA	\$2,944,998
Carbon Activated Corporation	Compton, CA	\$3,614,513
Calgon Carbon Corporation	Moon Township, PA	\$4,314,000
Engineer’s Estimate		\$3,450,000

Evoqua was the lowest responsive and responsible bidder that complied with the Project’s requirements. Evoqua’s IX resin is approved by the State Water Resources Control Board, Division of Drinking Water, which is a requirement of the City’s drinking water permit. The vendor is currently contracted with the City for \$2,896,195 for furnishing and delivery of IX resin from 2019 to 2024.

The proposed purchase order contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder. The project was bid as a prevailing wage project and workers employed by the contractor will be paid the general prevailing rate of per diem wages as determined by the California Department of Industrial Relations. The project will meet the

requirements of prevailing wage law under California Labor Code Sections 1720 through 1861 and Title 8 of the California Code of Regulations.

It is recommended that the City Council authorize the City Manager to enter into a purchase order contract with Evoqua for an amount not-to-exceed \$2,956,736, which includes the base bid of \$2,687,942 and a contingency of \$268,794 for any necessary change orders, for a term of five years, or until funds are expended, whichever occurs first. Staff in the Water Division will track the contract spending and performance of work.

**COUNCIL POLICY CONSIDERATION:**

The proposed contract is consistent with the City Council's Strategic Planning Goals to: (i) Improve, maintain, and enhance public facilities and infrastructure; and, (ii) implement capital improvements that will maintain and rehabilitate infrastructure.

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not subject to the CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The acceptance of a bid to furnish and deliver IX resin is a continuing administrative and maintenance activity (i.e., purchasing of supplies). This action 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 will be \$2,956,736, which includes the term of five years. Funding for this action will be addressed by the utilization of existing appropriations in the Water Operating Fund 402 (Account No. 06503-50341-49007440-811400). It is anticipated that none of the cost will be spent during fiscal year 2024. The entire IX resin costs associated with the operation and maintenance of the Monk Hill Treatment Plant are reimbursable by Caltech under Contract No. 18,989.

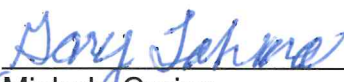
Respectfully submitted,



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