

Agenda Report

May 20, 2024

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: **AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACTS WITH ALTEC INDUSTRIES, INC. FOR ONE KNUCKLE BOOM CRANE TRUCK AND PLUMBERS DEPOT INC. FOR ONE GAPVAX HYDRO EXCAVATION TRUCK FOR AMOUNTS NOT-TO-EXCEED \$699,086 AND \$938,943 RESPECTIVELY 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. Authorize the City Manager to issue a Purchase Order ("PO") Contract to Altec Industries, Inc. for the purchase of one knuckle boom crane truck for an amount not-to-exceed \$699,086 for the Power Delivery Division of the Pasadena Water and Power Department ("PWP"), which includes the base amount of \$635,534 and a contingency of \$63,552 to provide for any necessary change orders. Competitive Bidding is not required pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors;
3. Authorize the City Manager to issue a PO Contract to Plumbers Depot Inc. for the purchase of one hydro excavation truck for an amount not-to-exceed \$938,943 for the Water Division of the Pasadena Water and Power Department, which includes the base amount of \$853,584 and a contingency of \$85,359 to provide for any necessary change orders. Competitive Bidding is not required pursuant to City Charter Section 1002(H), contracts with other governmental entities or their contractors; and
4. It is further recommended that the City Council grant the proposed contracts exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

BACKGROUND:

PWP performs maintenance, construction, and emergency operations on the City's electrical transmission and distribution systems and its water production, treatment, and distribution systems. PWP crews require specialized vehicles to transport technical staff, lift heavy equipment and construction material, and perform other essential functions such as hydro excavation. These vehicles are needed to complete activities critical to electric and water system reliability, resilience, and safety.

Recommended Knuckle Boom Crane Truck Purchase:

PWP has identified a need for an additional knuckle boom crane truck, which the City Council approved the purchase of in the Fiscal Year 2024 budget. There is currently one knuckle boom truck in the PWP fleet. However, as an older model this truck has been found to be underpowered for certain situations, hence the need for a new stronger knuckle boom.

The knuckle boom truck is used by Power Delivery field crews to travel to job sites and move heavy equipment such as transformers, cable reels and poles. For certain tasks such as lifting and positioning large transformers, the knuckle boom truck is the only vehicle capable of performing the work.

Due to the vast power needed to operate the truck and its long-extending crane, these trucks are only available with diesel or compressed natural gas ("CNG") engines. There are currently no electric alternative knuckle boom trucks with near similar crane power capacity available in the market. PWP intends to purchase a CNG powered knuckle boom truck.

Sourcwell, a local government unit, public corporation, and public agency under the laws of the state of Minnesota (formerly the National Joint Powers Alliance), is a national service cooperative that combines the purchasing power of more than 50,000 member agencies and streamlines the purchasing process. It awards contracts at the manufacturing level, but local area distributors sell the equipment.

In September of 2021, Sourcwell issued a Request for Proposals for Public Utility Equipment with Related Accessories and Supplies. Ten submissions were received and evaluated by the Sourcwell selection committee. Submissions were scored on criteria such as pricing, warranty coverage, variety of products offered, and bidders' ability to service the contract nationally. Altec Industries, Inc. ("Altec") was one of the vendors awarded a contract (# 110421-ALT) which extends through December 2025.

Staff recommends the City Council authorize the issuance of a PO Contract to Altec for the purchase of one knuckle boom crane truck in an amount not-to-exceed \$699,086. The PWP General Manager, or his designee, will manage any change order authorization. Additionally, staff recommends the City Council grant an exemption for this PO Contract from the Competitive Selection process pursuant to Pasadena City Charter Section 1002(H), contracts with other governmental entities or their contractors.

The City of Pasadena has awarded more than 50 purchase orders to Altec for a total amount of approximately \$8 million since 2016.

Recommended Hydro Excavation Truck Purchase:

PWP has identified a pressing need for an additional hydro excavation truck. This truck provides necessary construction support by safely performing major excavations to expose pipes for repairs, new services, main installation, and tie-ins. Since the truck is equipped with a vacuum to clear dirt, it has the flexibility to excavate smaller areas around buried hazards for underground utilities such as gas, power, or communication cables, unlike a backhoe which has large and heavy attachments.

There is currently one hydro excavation truck in the PWP fleet, purchased in 2020. However, it is needed to perform core functions by four water distribution teams. Due to its high usage rate, it has already incurred over \$44,000 in maintenance costs and requires constant repairs, reducing work efficiency while the equipment is down. Ideally, each distribution crew would have their own hydro excavation truck to avoid wear and tear and to increase efficiency.

Due to the extreme power needed to operate the truck, these trucks are only available with diesel or compressed natural gas (“CNG”) engines. There is currently no electric alternative hydro excavation trucks in the market. PWP intends to purchase a CNG powered hydro excavation truck.

In August of 2021, Sourcewell issued a Request for Proposals for Sewer Vacuum, Hydro Excavation, and Municipal Pumping Equipment with Related Accessories and Supplies. Sixteen submissions were received and evaluated by the Sourcewell selection committee. Submissions were scored on criteria such as pricing, warranty coverage, variety of products offered, and bidders' ability to service the contract nationally. Plumbers Depot Inc. (“Plumbers”) is a local area distributor that sells the equipment through GapVax, Inc. that was one of the vendors awarded a Sourcewell contract (# 101221-GPV), which extends through November 2025.

Staff recommends the City Council authorize the issuance of a PO Contract to Plumbers for the purchase of one hydro excavation truck in an amount not-to-exceed \$938,943. The PWP General Manager, or his designee, will manage any change order authorization. Additionally, staff recommends the City Council grant an exemption for this PO Contract from the Competitive Selection process pursuant to Pasadena City Charter Section 1002(H), contracts with other governmental entities or their contractors.

The City of Pasadena has awarded one purchase order to Plumbers for a total amount of approximately \$560,000 since 2020.

It is in the best interests of the City to purchase the requested equipment utilizing the Sourcewell contracts, as it reduces the amount of time required to take delivery of new equipment and eliminates the need to solicit for items that are already competitively

priced. Additionally, the highly competitive marketplace for vehicles makes it advantageous for manufacturers to avoid bidding on public bid contracts as vehicles are selling quickly for high prices in the open marketplace.

The highly competitive and low inventory procurement marketplace has made it critical for PWP to place orders quickly to secure pricing and begin production or delivery processes. Utilizing the Sourcwell contracts, which are competitively bid, saves time and locks in pricing that would be volatile in the open market based on demand and availability.

10% contingencies have been added to the requested PO Contract amounts to combat possible supply chain issues and account for final design adjustments. Order placement and delivery delays can extend beyond the current manufacturers order window. Sourcwell vehicle orders are not final until the vendors receive the purchase orders. If the price increases slightly when the order window reopens, PWP must be able to adjust accordingly. In addition, the knuckle boom crane truck and hydro excavation truck have customized upfitting, design reviews, and approval phases before final assemblies are completed. This process can sometimes have a slight impact on final prices.

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 the California Environmental Quality Act ("CEQA") in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The purchase of these vehicles 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 maximum cost of this action will be \$1,638,029 which includes the combined base contract amounts of \$1,489,118 and combined contingency amounts of \$148,911 to cover unforeseen price changes.

Funding for this action will be addressed by the utilization of existing appropriations in the Power and Water Capital Funds 411 and 412 in account 850500 (Automotive

Equipment). Sufficient funds will be requested annually in the operating budget accounts for operation and maintenance of the vehicles.

The funding sources summary is shown below in Table I.

Table I: Funding Sources Summary

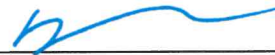
Fund	Amount
Power Capital Fund 411	\$699,086
Water Capital Fund 412	\$938,943
Total Funding	\$1,638,029

The contracts summary is shown below in Table II.

Table II: PO Contract Summary

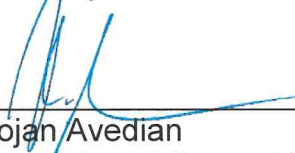
Vendor Name	Contract Base Amount	Contingency (10%)	Total Not-to-Exceed Contract Amount
Altec	\$635,534	\$63,552	\$699,086
Plumbers	\$853,584	\$85,359	\$938,943
Total Not-to-Exceed Amount			\$1,638,029

Respectfully submitted,



DAVID M. REYES
Acting General Manager
Water and Power Department

Prepared by:



Varoojan Avedian
Acting Assistant General Manager
Water and Power Department

Approved by:

for 

MIGUEL MÁRQUEZ
City Manager