



Agenda Report

May 20, 2024

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH CARBON ACTIVATED CORPORATION FOR FURNISHING AND DELIVERY OF REACTIVATED GRANULAR ACTIVATED CARBON FOR AN AMOUNT NOT-TO-EXCEED \$2,188,837 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 25, 2024, submitted by Carbon Activated Corporation ("Carbon Activated") in response to Project ID 2024-IFB-MS-0052 for furnishing and delivery of reactivated granular activated carbon 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 Carbon Activated for an amount not-to-exceed \$2,188,837 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 volatile organic compounds ("VOCs") and perchlorate 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 VOCs and perchlorate. Under Contract No. 18,989, the direct costs associated with the operation and maintenance of the MHTP are reimbursable by Caltech.

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

Additionally, PWP recently completed the construction and began operating the Wadsworth Groundwater Treatment Plant, which treats groundwater pumped from three wells located in the central region of Pasadena. The Wadsworth Groundwater Treatment Plant utilizes GAC to remove VOCs from the extracted groundwater. The cost to operate and maintain the Wadsworth Groundwater Treatment Plant are a part of the Water Funds operating and maintenance budget.

The Monk Hill Treatment Plant and Wadsworth Groundwater Treatment Plant require use of GAC for VOC removal from extracted groundwater.

On April 4, 2024, a Notice Inviting Bids for Project ID 2024-IFB-MS-0052 (“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 18 vendors downloaded the Project, of which none were local. On April 9, 2024, five prospective bidders attended the mandatory pre-bid meeting and three responsive and responsible bids were received on April 25, 2024, with no bids received from local contractors. There are no known vendors in the City that can supply and deliver GAC.

The results of the bids were as follows:

<u>Bidders</u>	<u>Location</u>	<u>Total Bid</u>
Carbon Activated Corporation	Compton, CA	\$1,989,852
Calgon Carbon Corporation	Moon Township, PA	\$2,002,471
Desotec US LLC	Darlington, PA	\$3,550,675
Engineer’s Estimate:		\$2,100,000

Carbon Activated was the lowest responsive and responsible bidder that complied with the Project’s requirements. Carbon Activated’s GAC 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 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. 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 Director 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 Carbon Activated for an amount not-to-exceed \$2,188,837, which includes the base bid of \$1,989,852 and a contingency of \$198,985 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 reactivated GAC 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 \$2,188,837, which includes the base contract amount of \$1,989,852 and a contingency of \$198,985 for any necessary change orders, for a term of five years. Funding for this action will be addressed by the utilization of existing appropriations in the Water Operating Fund 402, Other Contract Services Accounts (06503-50341-49007440-811400 and 06500-50059-49007440-811400). It is anticipated that none of the cost will be spent during the current fiscal year. The GAC 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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