



Legislation Text

File #: 20-0129, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Stephanie Katsouleas, Public Works Director

Prem Kumar, City Engineer

Gilbert Gamboa, Senior Civil Engineer

SUBJECT:

Consider Adopting a Resolution Establishing Sole Source Exception Findings Pursuant to Public Contract Code Section 3400(c)(2) for Specific Materials, Products, Systems and Services for City-Related Water, Sewer, and Storm Water Capital Projects (Public Works Director Katsouleas).

ADOPT RESOLUTION NO. 20-0035

RECOMMENDATION:

Staff recommends that City Council:

- a) Adopt Resolution No. 20-0035 pursuant to Section 3400(c)(2) of the Public Contract Code, finding that there is a need to utilize certain specialized material, products, systems, and services that match those currently utilized in City-owned facilities for synergistic operational efficiencies and overall cost benefits within the water, sewer and storm water utilities; and,
- b) Authorize the Director of Public Works to include the following specialized product specifications for City-related water, sewer and storm water capital projects: Motor Control Centers (Allen-Bradley), Variable Frequency Drives (ABB Group), Programmable Logic Controllers (Allen-Bradley), Control Valves (Cla-Val Company), and Standby Power Generator (Onan-Cummins).

FISCAL IMPLICATIONS:

The fiscal implications with authorizing staff to identify specific materials, products, systems, and services for water, sewer, and storm drain projects is unknown at this time, and will be dependent on the material and equipment needs of the project when plans and specifications are developed. However, given the scale of most utility capital projects, staff does not anticipate significant cost differences in procuring specialized materials, products, systems, and services.

Additionally, the products and materials manufactured by the companies listed above are readily available within the utility industry and widely used by many agencies. All potential bidders on City projects will have the ability to freely purchase any specialized products identified by the City at competitive prices, thus creating an equal opportunity for bidders in the cost of procurement.

BACKGROUND:

The City completed a Water System Master Plan and Sewer System Master Plan (Master Plans) in 2010 that analyzed various facilities and operations of the City's existing utility systems. These Master Plans identified a list of capital improvement projects that will enhance the water and sewer systems to meet established system criteria, properly maintain the systems' assets, and replace facilities that have reached the end of their useful lives.

In terms of the immediate upcoming utility project, the Master Plan recommended, as a top priority, the replacement of Peck Reservoir due to its age and condition. Peck Reservoir is situated just east of Peck Avenue, between 18th Street and 19th Street. The proposed replacement project includes removing the degraded 60-year-old concrete reservoir, pumps, and ancillary facilities and replacing the existing structure and equipment with a new 8-million gallon concrete reservoir, control building, pump station building, groundwater treatment system, and related ancillary facilities.

The final design work is substantially complete and solicitation of construction bids is anticipated in late spring 2020. Staff is finalizing a detailed review of materials, products, services, and systems to be specified in the construction contract documents in preparation for competitive bidding, and has identified a limited list of specialized equipment that matches pertinent equipment currently utilized in other City owned utility facilities. Specifying similar specialized equipment achieves the goal of maintaining synergistic operational efficiencies and overall cost benefits.

DISCUSSION:

City staff has identified five specific pieces of equipment and systems that staff believes should be specifically identified in the bid package specifications. These products include Motor Control Centers (MCC), Variable Frequency Drives (VFD), Programmable Logic Controllers (PLC), Control Valves, and Standby Power Generator, all of which assist in providing the assemblies, controls and programmability to operate the City's drinking water storage and delivery system for the community. Standardization of these new products with existing products already deployed in other City facilities will allow staff to program, operate and troubleshoot the water system most efficiently. In addition, integrated and compatible equipment allows contracted vendors to be familiar with similar City equipment at each water facility site during operational and emergency maintenance and repair situations. This equipment is also used in the City's wastewater facilities, creating additional synergistic benefits during maintenance and repairs.

If the five proposed equipment items are not standardized, they have the potential to create extra delays in operations, maintenance and troubleshooting of controls and programmers. Furthermore, it might be necessary to conduct customized redesign activities of the project design plans to accommodate different assemblies and products with different dimensions and parts with varying programmatic features, which are inconsistent with the operational strategy of the City's capital projects.

California Public Contract Code (CPC) Section 3400 permits the City Council to require such products to be used, without substitution, on capital projects, in certain limited circumstances. Under CPC Section 3400, any public works construction contract specification that calls for the installation of a particular brand name must be supported by one of four permissible findings. One of the permissible findings is that the proprietary specification is needed to match other products in use on a particular public improvement. The making of such a finding by the City Council will allow the Director

of Public Works to include a specialized equipment specification for City utility-related projects in construction documents to match existing equipment already deployed in the City's other utility facilities. Such a specification would require the contractor to purchase and install specified equipment, enabling staff to stock inventory parts and be well trained in the operational aspects of the specialized equipment functionality and programming citywide.

Staff, and the City's Peck Reservoir consultant, Stantec, have evaluated the proposed five sole-source items against the following factors:

1. What particular materials, products, systems or services are currently in use or planned for in use throughout the City?
2. Where in the City are these particular materials, products, systems or services being used or placed throughout the City?
3. How long they have been in use, and to what extent does the City depend and reliance on them?
4. Have there been any significant operational and/or maintenance issues?
5. What is the current life or longevity of the existing particular materials, products, systems or services?
6. How great is the need to have totally integrated/compatible particular materials, products, systems or services?
7. Are there security and safety related concerns?
8. Where will the new particular materials, products, systems and services be installed?
9. What negative resulting consequences (cost, maintenance, safety, security or otherwise) are likely to occur if different materials, products, systems or services are put in place?

As a result of that evaluation, and in order to match the existing system and provide compatibility, proper installation and interfacing, and to eliminate the possibility of the contractor voiding any warranties currently in place, staff recommends that the City Council adopt Resolution No. 20-0035 making a finding pursuant to Public Contract Code 3400(c) that there is a need to match pertinent equipment currently utilized in other City-owned utility facilities, specifically the following: Motor Control Centers (Allen-Bradley), Variable Frequency Drives (ABB Group), Programmable Logic Controllers (Allen-Bradley), Control Valves (Cla-Val Company), and Standby Power Generator (Onan-Cummins). Staff further recommends that City Council authorize the Director of Public Works to include a proprietary specification for those items in the specifications for the construction of City owned utility facilities, inclusive of the upcoming Peck Reservoir Replacement Project.

PUBLIC OUTREACH:

Although the Public Works Department has held three community information meetings prior to and during the environmental review period for construction of Peck Reservoir, no specific outreach was conducted regarding identification of sole-sourcing specific materials, products, systems and services.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the proposed activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is

necessary.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENTS:

- 1) Resolution No. 20-0035
- 2) Sole Source Justification Report
- 3) Sole Source Justification Letter