

Meeting Date: 6/2/2015

Report Type: Consent

Report ID: 2015-00505

Title: Lease Extension for Confined Space Gas Detection Equipment

Location: Citywide

Recommendation: Pass a Motion 1) authorizing payment for equipment and services provided under the iNet Usage Agreement with Industrial Scientific Corporation (Agreement No. 2012-0835) since the Agreement's lease term expired in March 2015; and 2) authorizing the City Manager or the City Manager's designee to approve a 12-month extension of the Agreement's lease term for \$55,598, bringing the total Agreement amount to \$167,272.

Contact: Michael Malone, Operations Manager, (916) 808-6226; Ken Swartz, Program Specialist, (916) 808-6276, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Logistics

Dept ID: 14001451

Attachments:

1-Description/Analysis

2-Background

3-Agreement

City Attorney Review

Approved as to Form

Joe Robinson

5/22/2015 4:02:26 PM

Approvals/Acknowledgements

Department Director or Designee: Bill Busath - 5/18/2015 3:17:39 PM

Description/Analysis

Issue: The Department of Utilities (DOU), Operation and Maintenance Division, utilizes gas detection equipment to ensure the safety of personnel during confined space entry. Since June 2012, DOU has had a lease agreement with Industrial Scientific Corporation to provide and service the vendor's iNet gas detection equipment. The original 33-month lease term ended in March of 2015, but DOU has continued to utilize the leased equipment because the equipment and related services are vital to ensure the safety of DOU personnel and comply with applicable health and safety requirements. DOU is seeking Council authorization to correct this inadvertent lapse by approving an Agreement amendment to authorize payment for equipment and services provided since the lease term expired in March, and extend the Agreement's lease term through March 2016, for an additional cost of \$55,598, bringing the total iNet Usage Agreement amount to \$167,272.

Policy Considerations: In order to ensure the safe, reliable functionality of gas detection equipment, the Operation and Maintenance Division has a need to extend the agreement with Industrial Scientific Corporation. City Council approval is required because the proposed increase in the Agreement amount exceeds the City Manger's authority to approve contract supplements under City Code section 3.56.290. During the extended lease term DOU staff will evaluate the historical effectiveness of the iNet Gas Detection Service, safety compliance, and potential alternate vendor solutions, and conduct a new procurement process to meet future needs.

Economic Impacts: Not Applicable

Environmental Considerations: The Community Development Department, Environmental Planning Services has reviewed the project and has determined the project is exempt under the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment the activity is not subject to CEQA.

Sustainability: The procurement of gas detection equipment is consistent with the goals and targets of the City's Sustainability Master Plan, by allowing city staff to enter and maintain the city's sewer and drainage collection systems thereby reducing sanitary sewer overflows.

Commission/Committee Action: Not Applicable

Rationale for Recommendation: DOU has an ongoing need for gas detection equipment to ensure the safety of our personnel during confined space entry to detect carbon monoxide, and potential chlorine leaks.

Financial Considerations: There are sufficient resources in the DOU operating budget for the purchase of the iNet Gas Detection Service for a total amount not to exceed \$55,598. The cost of the agreement will be split between the Water fund (Fund 6005) \$31,702, Wastewater fund (Fund 6006) \$8,218 and Storm Drain Fund (Fund 6011) \$15,678.

Local Business Enterprise (LBE): The original iNet Usage Agreement with Industrial Scientific Corporation was approved prior to the City's establishment of a LBE participation requirement.

Background

The Department of Utilities (DOU), Operation and Maintenance Division, utilizes gas detection equipment to ensure the safety of our personnel during confined space entry and to detect potential chlorine leaks and other dangerous gases per the City of Sacramento Illness & Injury Prevention Program (IIPP) guidelines and OSHA regulations. Initially, DOU purchased and managed its gas detection equipment. Managing gas detection equipment proved difficult for a variety of reasons: safety compliance, staff training, equipment breakdown and timely repair, calibrations, equipment applications, equipment upgrades, and the lack of a system to monitor equipment or report usage.

In 2012, City staff conducted considerable research and found that Industrial Scientific Corporation was the only vendor that provided a comprehensive package that includes instrument upgrades, hardware installation, replacement parts, labor, remote management of instruments, calibrations, system testing, training and on-going customer support. Industrial Scientific Corporation was the only vendor that provided a comprehensive gas detection system that monitors equipment, and provides a usage reporting package. Other vendors were either unable to provide the monitoring and reporting package or were distributors/subsidiaries of Industrial Scientific Corporation and could not compete with their parent company.

On June 6, 2012, DOU and Industrial Scientific Corporation entered into an iNet Usage Agreement providing for a 33-month lease of the required gas detection equipment, including installation, maintenance, and monitoring for a total amount of \$96,587.04. On July 3, 2012, DOU and the supplier approved Addendum 1, which modified some of the leased equipment and increased the lease amount to \$98,251.23. On October 9, 2012, the City Council approved Addendum 2, which amended the Agreement to modify and add to the leased equipment and increased the total agreement amount to \$101,435.22. DOU and the supplier subsequently approved additional equipment modifications to bring the Agreement to its current amount of \$111,674.

Although the original 33-month lease term ended in March of 2015, DOU has continued to utilize the leased equipment because the equipment and related services are vital to ensuring the safety of DOU personnel and comply with applicable health and safety requirements. DOU is seeking Council authorization to correct this inadvertent lapse by approving an Agreement amendment to authorize payment for equipment and services provided since the lease term expired in March, and extend the Agreement term through March 2016, for an additional cost of \$55,598, bringing the total Agreement amount to \$167,272. This extension will allow time for DOU staff to evaluate the historical effectiveness of the iNet Gas Detection Service, safety compliance, and potential alternate vendor solutions, and conduct a new procurement process to meet future needs.

Agreement of Amendment

This Agreement of Amendment is made effective as of _____, by and between INDUSTRIAL SCIENTIFIC CORPORATION, a Pennsylvania corporation ("Company") and CITY OF SACRAMENTO, CALIFORNIA (the "Customer" and, along with Company, the "Parties." provided the Parties may be individually referred to as a "Party").

Company and Customer entered into an iNet Usage Agreement dated June 6, 2012 (the "Agreement"), under which Company agreed to provide its iNet gas detection services to Customer for a Term that commenced June 27, 2012, and expired on March 26, 2015; and

Company and Customer desire to extend the Term of the Agreement and to revise the Subscription Fees as detailed below.

Company and Customer hereby agree to amend the Agreement as follows:

1. Except where the context otherwise requires, words and expressions defined in the Agreement shall have the same meanings when used herein; references to sections are to sections of the Agreement.
2. Section 1, "Subscription," is amended to provide that the Term of the Agreement will be extended for a period of twelve (12) months, such that the Term shall now expire on March 26, 2016 (the "Amended Term"). The definition of the word "Term" as defined in Section 1 of the Agreement is also amended to include the Amended Term.
3. Section 2, "Subscription Fee and Costs," is amended to provide that the cost of the Subscription for the additional twelve (12)-month Amended Term is \$49,738.56 (total cost of \$53,965.56 including tax at current rate), payable as follows: twelve (12) monthly payments of \$4,144.88 (total cost of \$4,973.86 per month including tax at current rate). If the tax rate should change during the Amended Term, then the total cost of the Subscription including tax and the monthly payments including tax are subject to change.
4. Customer does not require new Equipment, and will keep the Equipment currently in its possession and as identified in the last amendment dated June 30, 2014.
5. All terms and conditions of the Agreement shall remain unchanged and in full force and effect except where modified by this Agreement of Amendment.

The parties hereto have executed this Agreement of Amendment effective as of the date and year first above written.

INDUSTRIAL SCIENTIFIC CORPORATION

CITY OF SACRAMENTO, CALIFORNIA

By: *Harry A. Griffith*
Name: Harry A. Griffith
Title: VP, People + Leadership

Project Manager: _____
Name: _____
Title: _____

Approved By:

William O. Busath, Director
Department of Utilities

Approved As To Form By:

City Attorney

Attested To By:

City Clerk

SCHEDULE B

EQUIPMENT SCHEDULE

(Revised July 3, 2012)
 (Revised November 18, 2012)
 (Revised January 20, 2014)
 (Revised June 30, 2014)

TOTAL EQUIPMENT

Qty	Part Number	Description
77	VTS-K1232000101	Ventis MX4 Multi-Gas Monitor, LEL (Pentane), CO, H2S, O2, Lithium-ion ERB, No Charger, Black, UL/CSA, No Carrying Case, English
38	18100060-7	GasBadge Pro - Chlorine (Cl2)
3	18108915	iNet DS Docking Station for GasBadge Pro, 2 iGas Readers, Universal power cord
7	18108918	iNet DS Docking Station for Ventis MX4
7	18105841	iGas Regulator w/Pressure Switch for 58/103L Cylinders
1	18105858	iGas Regulator w/Pressure Switch for 650L Cylinders
7	17124348	Wall Mounted Gas Cylinder Holder
4	18105924	5-Port Gas Regulator Manifold
12	18109162-2011	Ventis Slide-on Pump Base, Lithium-ion Extended Range battery pack, Black, UL/CSA, English
6	18108650-0	Ventis MX4 Six Unit Charger

Breakdown by Location

Location 1 – Fairbarn Water Treatment Plant

Qty	Part Number	Description
8	VTS-K1232000101	Ventis MX4 Multi-Gas Monitor, LEL (Pentane), CO, H2S, O2, Lithium-ion Extended Range Battery, Black, UL/CSA, English
8	18100060-7	GasBadge Pro - Chlorine (Cl2)
1	18108918	iNet DS Docking Station for Ventis MX4, 2 iGas Readers, Universal power cord
1	18108915	iNet DS Docking Station for GasBadge Pro, 2 iGas Readers, Universal power cord
2	18105841	iGas Regulator w/Pressure Switch for 58/103L Cylinders
2	18109162-2011	Ventis Slide-on Pump Base, Lithium-ion Extended Range battery pack, Black, UL/CSA, English
2	18108650-0	Ventis MX4 Six Unit Charger
1	18105924	DS2 5-Port Gas Regulator Manifold
2	17124348	Wall Mounted Gas Cylinder Holder

Location 2 – Sacramento Water Treatment Plant

Qty	Part Number	Description
18	VTS-K1232000101	Ventis MX4 Multi-Gas Monitor, LEL (Pentane), CO, H2S, O2, Lithium-ion Extended Range Battery, Black, UL/CSA, English
18	18100060-7	GasBadge Pro - Chlorine (Cl2)
1	18108918	iNet DS Docking Station for Ventis MX4, 2 iGas Readers, Universal power cord
1	18108915	iNet DS Docking Station for GasBadge Pro, 2 iGas Readers, Universal power cord
2	18105841	iGas Regulator w/Pressure Switch for 58/103L Cylinders
2	18109162-2011	Ventis Slide-on Pump Base, Lithium-ion Extended Range battery pack, Black, UL/CSA, English
2	18108650-0	Ventis MX4 Six Unit Charger
1	18105924	DS2 5-Port Gas Regulator Manifold
2	17124348	Wall Mounted Gas Cylinder Holder

Location 3 – Combined Wastewater Treatment Plant

Qty	Part Number	Description
31	VTS-K1232000101	Ventis MX4 Multi-Gas Monitor, LEL (Pentane), CO, H2S, O2, Lithium-ion ERB, No Charger, Black, UL/CSA, No Carrying Case, English
12	18100060-7	GasBadge Pro - Chlorine (Cl2)
1	18108915	iNet DS Docking Station for GasBadge Pro, 2 iGas Readers, Universal power cord
2	18108918	iNet DS Docking Station for Ventis MX4
1	18105841	iGas Regulator w/Pressure Switch for 58/103L Cylinders
1	18105858	iGas Regulator w/Pressure Switch for 650L Cylinders
4	18109162-2011	Ventis Slide-on Pump Base, Lithium-ion Extended Range battery pack, Black, UL/CSA, English
1	17124348	Wall Mounted Gas Cylinder Holder
2	18105924	5-Port Gas Regulator Manifold

Location #4 – South Area Corp Yard

Qty	Part Number	Description
20	VTS-K1232000101	Ventis MX4 Multi-Gas Monitor, LEL (Pentane), CO, H2S, O2, Lithium-ion Extended Range Battery, Black, UL/CSA, English
2	18108650-0	Ventis MX4 Six Unit Charger
2	18108918	iNet DS Docking Station for Ventis MX4, 2 iGas Readers, Universal power cord
1	18105841	DS2 iGas Regulator w/Pressure Switch for 58/103L Cylinders
4	18109162-2011	Ventis Slide-on Pump Base, Lithium-ion Extended Range battery pack, Black, UL/CSA, English /French /Spanish /German /Chinese
1	17124348	Wall/ Desk Mount Cylinder Holder (for use with, 34L, 58L, 103L, 116L and 552L cylinders)

Location #5 – North Area Corp Yard

Qty	Part Number	Description
1	18108918	iNet DS Docking Station for Ventis MX4, 2 iGas Readers, Universal power cord
1	18105841	DS2 iGas Regulator w/Pressure Switch for 58/103L Cylinders
1	17124348	Wall/ Desk Mount Cylinder Holder (for use with, 34L, 58L, 103L, 116L and 552L cylinders)