

Meeting Date: 5/17/2016

Report Type: Consent

Report ID: 2016-00500

Title: Contract Supplement: Purchase of Closed Circuit Television (CCTV) Pipeline Inspection Equipment, Parts, and Software

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager or his designee to sign Contract Supplement No. 2 to City Agreement No. 2013-0010 with WECO Industries, LLC, to: 1) ratify prior unauthorized purchases in the amount of \$85,054; 2) extend the Agreement term for the final contract year; and 3) approve additional purchases in FY2016/17 in the amount of \$150,000, increasing the Agreement's total not-to-exceed amount to \$670,054.

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-CUES Sole Source Letter

4-Contract-Supplement WECO CUES

City Attorney Review

Approved as to Form

Joe Robinson

5/4/2016 10:42:17 AM

Approvals/Acknowledgements

Department Director or Designee: Bill Busath - 4/29/2016 3:36:32 PM

Description/Analysis

Issue Detail: On January 3, 2013, the City Council approved City Agreement No. 2013-0010 with WECO Industries, LLC, for the purchase of closed circuit television (CCTV) pipeline inspection parts, equipment, and software manufactured by CUES, Inc. WECO Industries is the sole authorized dealer for CUES equipment in Northern California. The Department of Utilities (DOU) deploys a fleet of CCTV camera trucks manufactured by CUES, Inc., that allow staff to quickly view and pinpoint the exact location of blocked, overflowing, and reduced capacity sewer pipes. This technology reduces sanitary sewer overflows and the need to excavate large areas during repairs, minimizing cost and the impact on the environment and City residents.

City Agreement No. 2013-0010 had an initial term through June 30, 2013, with the option of four one-year extensions, extending the term through June 30, 2017, with a maximum purchase amount of \$435,000. City staff inadvertently purchased parts, equipment, and software that exceeded this contract maximum by \$85,054. This overage consists of \$51,597 that the contractor has been paid for and \$33,457 that has not yet been paid. Staff believes that it is in the City's best interests for the City Council to ratify these purchases after-the-fact, since the failure to obtain purchase approval was due to a staff oversight and not the fault of the contractor. These items were necessary to maintain, repair, and upgrade the CCTV pipeline inspection equipment used by the DOU. In addition to ratification of these prior unauthorized purchases, staff is requesting approval to increase the maximum agreement amount by \$150,000 for purchases to be made in FY2016/17, the final year of the Agreement term.

Policy Considerations: The DOU's need for CCTV pipeline inspection parts, equipment, and software has exceeded what was anticipated when City Agreement No. 2013-0010 was approved. Approval of the proposed contract supplement will ratify prior purchases that exceeded the contract maximum, and authorize a new not-to-exceed amount for the Agreement that includes these ratified purchases, as well as additional funding for purchases in FY2016/17 to meet ongoing operational needs for the City's sewer system pipelines.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): The Community Development Department, Environmental Services Manager has determined that the proposed activity is not a project pursuant to the CEQA. CEQA Guidelines Section 15378(b). The activity is a continuing administrative or maintenance activity and is not subject to the provisions of CEQA. CEQA Guidelines Section 15060(c)(3).

Sustainability: The purchase of CUES CCTV pipeline inspection parts, equipment, and software furthers the City's Sustainability Master Plan goal of continuing to reduce sanitary sewer overflows.

Commission/Committee Action: Not applicable .

Rationale for Recommendation: The DOU has an ongoing need to purchase CUES CCTV wastewater pipeline inspection equipment to ensure continuation of services to its customers and compliance with regulatory mandates. Because WECO Industries is the only authorized supplier for CUES products for Northern California, the City can only purchase this equipment from WECO Industries.

Financial Considerations: Staff is recommending a new not-to-exceed amount of \$670,054 for City Agreement No. 2013-0010, to ratify the prior unauthorized purchases of \$85,054 (of which \$51,597 has been posted to the budget), and an additional \$150,000 for the remaining contract term in FY2016/17. Sufficient funding is available in the DOU FY2015/16 operating budget to pay for the portion of the prior unauthorized purchases not yet paid, in the amount of \$33,457. Purchases after June 30, 2016, are subject to funding availability in the adopted budget for FY2016/17. The proposed FY2016/17 budget includes funding for this purpose.

Local Business Enterprise (LBE): The City's contract with WECO Industries was approved prior to the establishment of the City's LBE participation requirements.

Background

The City of Sacramento provides wastewater service to residents, businesses, and industries within the City. These services consist of performing preventative maintenance as well as clearing main and lateral lines of blockage. The Department of Utilities (DOU) deploys a fleet of CCTV camera trucks that allow staff to quickly view and pinpoint the exact location of obstructions, blockages, overflowing pipes and reduced capacity sewer pipes. These pipes are often cleared through the use of rodding equipment minimizing the need to excavate large areas during repairs, minimizing cost and the impact on the environment and City residents. DOU has an ongoing need to purchase the parts, equipment, and software necessary to maintain, repair, and upgrade the CUES CCTV pipeline inspection to ensure continuation of service to its customers.

"The Standard of the Industry"



3600 Rio Vista Avenue
Orlando, Florida 32805
(407) 849-0190
(407) 425-1569 (Fax)
(800) 327-7791

April 26, 2016

Ken Swartz
City of Sacramento
5730 24th street Bldg 22
Sacramento, CA 95822

RE: Sole Source Letter / CUES Equipment / Northern CA

Dear Ken:

In pursuance to your inquiry, please be advised that WECO Industries, LLC, Vacaville, CA, is the sole authorized supplier of all CUES products in the territory of Northern California, Porterville and every area north of it. This includes all major equipment, and spare parts.

WECO Industries LLC contact information is as follows:

WECO Industries LLC
4971 Allison Parkway, Suite A
Vacaville, CA, 95688

Contacts: Tom Johnson,
E-mail: tjwecoind@sbcglobal.net
Toll Free: 800-677-6661
Local: (707) 446-6661
Fax: 707-446-7933
Website: www.wecoind.com

We appreciate your business and look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Doolittle', with a long horizontal line extending to the right.

David Doolittle
Vice President, CFO
Phone: 800-327-7791
Fax: 407-425-1569
CC: WECO Industries LLC

Corporate Office:

3600 Rio Vista Avenue, Orlando, FL 32805 • Telephone (407) 849-0190 / (800) 327-7791 • Fax (407) 425-1569

**CONTRACT SUPPLEMENT
(Supplies)**

Bid Title and Number: CUES CCTV Pipeline Inspection Equipment
Purchase Order #: 0000028667

Date: 5/17/16
Contract Supplement No.: 2

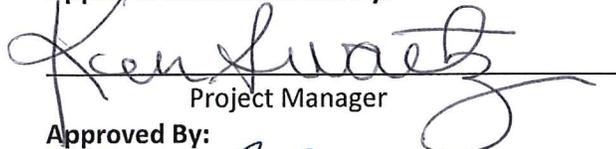
The City of Sacramento ("City") and WECO Industries, LLC ("Contractor"), as parties to that certain contract awarded for the above Bid and designated as **City Contract Number C2013-0010**, including any prior contract supplements modifying the contract (the contract and contract supplements are hereafter collectively referred to as the "Contract"), hereby supplement and modify the Contract as follows:

1. Prior purchases made under the Contract that exceeded the Contract not-to-exceed amount, in the amount of \$85,054, are ratified.
2. The Contract term is extended for the final year, through and including June 30, 2017, to allow additional purchases under the Contract during FY2016/17 in a maximum amount of \$150,000.00.
3. To authorize the prior purchases ratified in section 1, above, and additional purchases during FY2016/17 as described in section 2, above, the maximum not-to-exceed amount that is specified in the Contract is **increased by \$235,054.00**, and the Contract's maximum not-to-exceed amount is amended as follows:

Contract's original not-to-exceed amount:	\$435,000.00
Net change by previous contract supplements:	0
Not-to-exceed amount prior to this contract supplement:	\$435,000.00
Increase by this contract supplement:	\$235,054.00
New not-to-exceed amount including all contract supplements:	\$670,054.00

4. Contractor agrees that the compensation specified herein shall constitute full compensation for any and all direct and indirect costs that may be incurred by Contractor in connection with this Contract amendment, including costs associated with any changes or delays in work schedules or in the performance of other services or work by Contractor.
5. Contractor warrants and represents that the person or persons executing this contract supplement on behalf of Contractor has or have been duly authorized by Contractor to sign this contract supplement and bind Contractor to the terms hereof.
6. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Contract, as supplemented and modified by this contract supplement.

Approval Recommended By:


Project Manager

Approved By:

 WECO INDUSTRIES, LLC
Contractor

Approved By:

City of Sacramento

Approved As To Form By:

City Attorney

Attested To By:

City Clerk