



CITY OF POMONA

COUNCIL REPORT

March 18, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Rene Guerrero, Interim Public Works Director

SUBJECT: AWARD OF SOLE SOURCE OPEN PURCHASE ORDERS TO AMERON POLE PRODUCTS, ITERIS, AND EXCELLENCE OPTO, INC. FOR AN INITIAL TERM OF THREE YEARS, WITH THE OPTION TO EXTEND THE CONTRACT FOR UP TO TWO ADDITIONAL ONE-YEAR TERMS

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Award an open purchase order to Ameron Pole Products for traffic signal and street light poles for three years, with the option to extend the contract for up to two additional one-year terms;
- 2) Award an open purchase order to Iteris for traffic signal equipment for three years, with the option to extend the contract for up to two additional one-year terms; and
- 3) Award an open purchase order to Excellence Opto, Inc. for street light fixtures for three years, with the option to extend the contract for up to two additional one-year terms.

EXECUTIVE SUMMARY: The proposed recommendation will award a three-year open purchase order with two annual extension options to Ameron Pole Products, Iteris, and Excellence Opto, Inc. These open purchase orders will provide the necessary materials and supplies for continued maintenance of the City's traffic operations, and offer the City the lowest purchase prices.

FISCAL IMPACT: Expenditures for traffic signal materials and supplies are limited annually by budgeted appropriations. Funding in the amount of \$380,000 was adopted and approved in the FY 2018-19 Public Works Operating Budget. Future contract costs will be budgeted for in the appropriate fiscal year. The amount for each open purchase order may vary based on annual needs.

PREVIOUS RELATED ACTION: On July 6, 2015, City Council awarded an open purchase order to Ameron Pole Products for traffic signal and street light poles under the Traffic Signal and Street Light Program and City's Lighting and Landscape District for Fiscal Year 2015-16 with three optional one-year extensions at an annual cost not-to-exceed \$75,000.

DISCUSSION:

Ameron Pole Products (Ameron)

The City has approximately 7,800 street light poles that are manufactured by Ameron, and is the recommended manufacturer in the City's street light design guidelines. The advantage of using Ameron poles is to maintain consistency Citywide. City has standardized Ameron as the pole manufacture. Historically, Ameron has been the primary provider of poles for the City's Traffic Signal and Street Light maintenance program. Several other municipalities rely on Ameron products for street light poles. In addition, the poles have served the City well in the past, and have been a reliable product and element of the City's streetlight infrastructure. The City purchases nine different models of Ameron poles, depending on their location within the City, with current prices ranging from \$350 to \$2,000 per pole.

Ameron has historically provided the lowest prices for their poles. The City has the choice to either purchase the poles directly from Ameron, or obtain bids from Ameron distributors. If the City were to request prices from the distributors, these companies will offer the City a cost plus a profit markup on the average of 10-20% higher. Staff confirmed with Ameron that the City is eligible to deal direct without going through an authorized distributor for sales. The recommended sole source action with Ameron will allow the City to purchase replacement poles directly from the manufacture rather than through distributors with markup costs.

Iteris

Through various Capital Improvement Program (CIP) projects, the City has upgraded approximately 30 intersections from loop detection to Iteris video detection systems. The Iteris brand has served the City well in the past and has been a reliable product. City has standardized Iteris as the video detection manufacture. The recommended sole source action with Iteris will allow the City to obtain replacement cameras and parts directly from the manufacture rather than through distributors with markup costs. The action will also allow staff to maintain uniformity throughout the City.

Excellence Opto, Inc. (EOI)

In 2017, the City completed a CIP project that converted over 2,000 streetlights to Light Emitting Diode (LED) fixtures. Excellence Opto, Inc. was the selected manufacturer due to cost and durability of the fixtures, as well as being located in Pomona. The fixtures have been in the field for over two years, with minimal malfunction. The malfunctioning fixtures are under warranty and EOI promptly replaced them with new fixtures. The customer service and technical support from EOI have been excellent. City has standardized EOI as the street light manufacture. Staff confirmed with EOI that the City is eligible to deal direct without going through an authorized distributor for sales. The recommended sole source action will allow staff to purchase City-standard LED fixtures at direct cost without distributor markup costs.

To ensure the lowest costs to the City, staff is requesting authority to purchase materials and supplies from Ameron Pole Products, Iteris, and Excellence Opto, Inc. under the provisions provided in City Code Section 2-970(1)(c)3 which states:

Exceptions. An award of purchase may be made without competitive bidding after conducting a good faith review of all available alternatives and sources which result in a finding that there is only one practical source available for the required supplies, services or equipment and that there is no other practical option or alternative available (sole source); based on the following criteria:

1. The needed product or service is only available from one source (sole-source).
2. Additional products or services are required to complete a budgeted project, and compatibility or uniformity with existing product or service is a requirement.

Prepared by:

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