



CITY OF POMONA

COUNCIL REPORT

April 6, 2020

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Rene Guerrero, Public Works Director

SUBJECT: AUTHORIZE AN EXCEPTION TO THE 25% AMENDMENT LIMIT IN SECTION 2-984(2) OF THE POMONA MUNICIPAL CODE FOR CAPITAL IMPROVEMENT PROGRAM (CIP) "CITY STABLE FACILITY," PROJECT NO. 428-2590-XXXXX-71054 AND APPROVE AN AMENDMENT TO THE AGREEMENT WITH AMERICAN TECHNOLOGIES, INC. FOR \$21,701.98 TO PROVIDE STEEL BRACING RENTAL SERVICES

RECOMMENDATION: It is recommended that the City Council authorize an exception to the 25% amendment limit in Pomona Municipal Code Section 2-984(2) and approve an amendment to the agreement with American Technologies, Inc. in the amount of \$21,701.98 for steel bracing rental services for CIP "City Stable Facility," Project No. 428-2590-XXXXX-71054.

EXECUTIVE SUMMARY: Approval of the amendment is recommended as the cost of additional steel bracing rental services in the amount of \$21,701.98 exceeds 25% of the original agreement amount (\$42,923.96). The amendment exceeds the 25% approval authority of the Finance Director or Procurement Officer, as set forth in the City of Pomona Purchasing Code Section 2-984(2).

FISCAL IMPACT: There are sufficient funds in the CIP Project "City Stable Facility," Project No. 428-2590-XXXXX-71054 to account for the cost of the proposed amendment, as shown below:

Category	City Stable Facility
	Project No. 428-2590-XXXXX-71054
Current Budget	\$949,380
Expenses / Encumbrances (as of March 10, 2020)	(\$140,224)
Proposed 2 nd Amendment for American Technologies, Inc.	(\$21,701.98)
Balance Remaining	\$787,454.02

PREVIOUS RELATED ACTION: At the recent March 16, 2020 City Council meeting, Council approved an amendment with American Technologies, Inc. in the amount of \$10,850.99. This amount, half of the total, was an error. The total amount should have been \$21,701.98.

DISCUSSION: The City Council will consider granting an exception to the 25% amendment limit as set forth in Section 2-984(2) of the Pomona Municipal Code to enable American Technologies, Inc. (ATI) to be paid for rental services incurred for CIP “City Stable Facility,” Project No. 428-2590-XXXXX-71054. The applicable code has a 25% amendment limit to contracts. This limit presents a dilemma as the City needs to pay ATI for the steel bracing rental services that occurred while Staff was negotiating the purchase of the bracing.

The City has been renting the bracing used to stabilize the Stable. Staff has been working with ATI since June 2019 to purchase the bracing in lieu of renting. In October 2019, the City was invoiced for the purchase of the bracing for a total of \$28,584. In January 2020, the City purchased the bracing for the City Stable with a different purchase order since the bracing is now an asset.

The original purchase order for the bracing rental was amended for services from April 2019 to June 2019. Amendment No. 1 added \$1,440.00 to the original purchase order. The City was issued the final rental invoice (Amendment No. 2) for rental services from July 2019 to October 2019 in the amount of \$21,701.98. Amendment No. 1 (\$1,440.00) and Amendment No. 2 (\$21,701.98) total \$23,141.98, exceeding the 25% amendment capacity.

Approval of the requested Amendment No. 2 will increase the ATI agreement from \$42,923.96 to \$66,065.94, exceeding the 25% amendment capacity set forth in Section 2-984(2).

Section 2-984(2) – A contract’s total expenditure may not increase by more than twenty-five percent (25%) of the original contract amount or will not cause the total cost to exceed the informal threshold amount, whichever is less and it is demonstrated to be in the best interest of the City and reflective of good purchasing practices and approved by the Finance Director or Procurement Officer. Increases that exceed the informal threshold shall be approved by City Council.

Approval of the Amendment to the agreement with American Technology, Inc. will enable the final payment of \$21,701.98 for rental of the steel bracing supporting the “City Stable Facility,” Project No. 428-2590-XXXXX-71054.

Prepared by Jizelle M. Campos, Senior Management Analyst