



RESOLUTION NO. _____

BOARD LETTER APPROVAL

JOHN A. SMITH JR.
JOHN A. SMITH JR. (Dec 10, 2024 13:22 PST)

JOHN A. SMITH JR.
Chief Administrative Officer

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: December 6, 2024

SUBJECT: Contract Nos. 614A, 614B and 614C – Bare Rental, Construction Equipment and Material with United Rentals (North America), Inc., Herc Rentals Inc. and Los Angeles Power and Equipment Rental Solutions

SUMMARY

The proposed Contract Nos. 614A, 614B, and 614C (Contracts) are to furnish and deliver construction equipment and material on a fully maintained, as-needed, bare rental basis for a term of three years, for a cumulative estimated expenditure of \$12,035,607, and for a cumulative amount not to exceed \$15,044,509 (budgeted). The Contracts are a result of a competitive bid process.

The Contracts will support the continued operations of projects, allowing the Fleet and Aviation Services Division (Fleet Services) to dispatch construction equipment and material to various geographical areas throughout Los Angeles County, San Bernardino County, Kern County, and Inyo County. The Contracts will provide a readily available source of construction equipment for LADWP to support normal and emergency operations for utility restoration, installation, maintenance, repair, and construction of LADWP infrastructure, including capital and regulatory projects.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing the award of Contract No. 614A to United Rentals (North America), Inc. (United), the only bidder for Group A; Contract No. 614B to Herc Rentals Inc. (Herc), the lowest bidder due to Local Business Preference Program for

Group B; and Contract No. 614C to Los Angeles Power and Equipment Rental Solutions (LAPERS), the lowest bidder for Groups C, D, E, and F.

ALTERNATIVES CONSIDERED

The alternative to renting construction equipment is to purchase additional equipment to handle peak demand, which is neither cost-effective nor in the best interest of LADWP. Fleet Services has determined that renting the additional construction equipment and materials is more operationally advantageous due to the sporadic use and cost of ownership, such as capital investment in purchasing new equipment and the labor for maintaining transportation to various facilities for service and storage.

FINANCIAL INFORMATION

The Contracts are for a term of three years and are budgeted.

	<u>Minimum Expenditure</u>	<u>Estimated Expenditure</u>	<u>Maximum Expenditure</u>
<u>Contract No. 614A – United - Group A</u>			
Contract Total (Three years)	\$ 318,813	\$ 3,188,132	\$ 3,985,165
<u>Contract No. 614B – Herc - Group B</u>			
Contract Total (Three years)	\$284,288	\$2,842,882	\$3,553,602
<u>Contract No. 614C – LAPERS Groups C, D, E, and F</u>			
Contract Total (Three years)	\$600,459	\$ 6,004,593	\$ 7,505,742
Grand Total	\$ 1,203,560	\$ 12,035,607	\$ 15,044,509

LADWP agrees to a minimum expenditure of 10 percent and a maximum expenditure of 125 percent of the estimated expenditures. The maximum cumulative expenditure will not exceed \$15,044,509.

The total quotation of \$12,035,607 for all groups is approximately 29 percent lower than LADWP's estimated cost of \$16,860,710. LADWP's price estimate was based on a market assessment of quotes for construction equipment and materials obtained from local vendors before advertising IFB No. 614. The variance can be attributed to the competitive process.

BACKGROUND

Rentals of construction equipment such as carry deck cranes, personnel lifts, generators, hybrid generators, air compressors, and trailered energy storage systems, equipment are used as substitutes when LADWP equipment is unavailable during times of emergency and/or when regulatory and capital projects require immediate completion. The Contracts will enable Fleet Operations to dispatch the rental equipment to various LADWP organizations and jobsites, ensuring uninterrupted service and immediately delivering newer, more fuel-efficient models without LADWP purchasing the equipment.

United is the only bidder for Group A for specialized cranes. The sole bid can be attributed to company consolidation and the cost of maintaining the equipment for the vendors, which most companies do not utilize. The proposed pricing provided by United for Group A is 7.5% less than the quoted price from another vendor.

United and Herc have performed satisfactorily on previous contracts.

LADWP has no contract history with LAPERS.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guideline 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the award of a contract to furnish and deliver construction equipment and materials on a fully maintained, as-needed, bare rental basis is not subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Group A - United Rentals (North America), Inc. (United), Group B - Herc Rentals Inc. (Herc), and Group C, D, E and F - Los Angeles Power and Equipment Rental Solutions (LAPERS)
2.	Procurement Type: Invitation for Bid (IFB)
3.	Procurement Details: A. Contract Status: Replacement B. Bid Advertisement Date: August 12, 2024 C. Pre-Bid Conference Date: N/A D. Bid/Proposal Due Date: September 11, 2024 E. Number of Downloads of Solicitation: 14 (13 primes, 1 subcontractors)* F. Number of Bids/Proposals Received: 4 G. Protest Received: No
4.	Buyer Assigned: Kien Hua
5.	Contract Administrator: Melizza Estur
6.	LADWP System/Division: Joint / Fleet and Aviation Services
7.	Contact Person for Item: Raul Fletes

*Note: eRSP requires vendors to express interest either as a prime contractor or subcontractor only in order to download solicitation documents. Downloads do not necessarily accurately reflect unique vendor interests as multiple individuals in an organization can download solicitations.

A. Summary of Bids Received

Group A	United
Original Period (Three Years)	\$3,188,132
Less Cash Term Discount (if applicable)	-
Less LBPP (if applicable)	-
Total Evaluated Amount	\$3,188,132

Group B	Herc	United	LAPERS
Original Period (Three Years)	\$2,842,882	\$2,722,134	\$3,218,762
Less Cash Term Discount (if applicable)	-	-	(\$64,375)
Less LBPP (if applicable)	(\$227,431)	-	-
Total Evaluated Amount	\$2,615,451	\$2,722,134	\$3,154,387

Group C	LAPERS	Herc	United	Quinn Rental Services
Original Period (Three Years)	\$1,619,926	\$1,743,906	\$1,664,406	\$2,497,206
Less Cash Term Discount	(\$32,399)	-	-	-

(if applicable)				
Less LBPP (if applicable)	-	(\$139,512)	-	-
Total Evaluated Amount	\$1,587,527	\$1,604,394	\$1,664,406	\$2,497,206

Group D	LAPERS	Herc	United.	Quinn Rental Services
Original Period (Three Years)	\$3,639,802	\$4,219,302	\$5,647,546	\$5,461,202
Less Cash Term Discount (if applicable)	(\$72,796)	-	-	-
Less LBPP (if applicable)		(\$337,544)	-	-
Total Evaluated Amount	\$3,567,006	\$3,881,758	\$5,647,546	\$5,461,202

Group E	LAPERS	Herc
Original Period (Three Years)	\$721,238	\$1,628,038
Less Cash Term Discount (if applicable)	(\$14,425)	-
Less LBPP (if applicable)	-	(\$130,243)
Total Evaluated Amount	\$706,813	\$1,497,795

Group F	LAPERS	Herc
Original Period (Three Years)	\$146,170	\$263,570
Less Cash Term Discount (if applicable)	(\$2,923)	-
Less LBPP (if applicable)	-	(\$21,086)
Total Evaluated Amount	\$143,247	\$242,484

B. Evaluation of Bid

LADWP received a total of 1 bid for Group A, 3 bids for Group B, 4 bids for Groups C and D, and 2 bids for Groups E and F under IFB No. 614.

United submitted the only bid for Group A. The reasons for receiving only one bid is partially due to United purchasing the company “Ahern Rentals Inc.” and Sunbelt purchasing the company “R.J. Lalonde Inc.” who were bidders on previous IFBs for the equipment rentals. In addition, Supply Chain Services conducted a survey of bidders who expressed interest in the IFB but did not submit a bid response for Group A. The below table provides the feedback received:

COMPANY NAME	REASON(S) FOR NOT BIDDING ON GROUP A
Quinn Company	Quinn company does not carry cranes in their fleet so we would not be able to support that portion of the contract
Herc	We currently do not have the availability of the truck cranes in our fleet that would meet the required specs. We have older 18-ton

	units but they would need to be re-rigged and certified at the lower capacity required.
LAPERS	We decided not to bid Group A because prorating was not doable and the insurance for road driven vehicles added a hurdle for us that needed more time to review. So it was best to leave it out this time around for us.

Herc submitted the lowest bid for Group B due to Local Business Preference Program (LBPP).

LAPERS submitted the lowest bid for Groups C, D, E, and F.

Prices submitted under Group A have been determined to be fair and reasonable based upon comparing previous solicitation prices and preliminary quotes prior to bid. Prices submitted under Groups B through F have been determined to be fair and reasonable based on a competitive bid process.

United and Herc have performed satisfactory on current and past contracts.

This will be the first contract awarded to LAPERS. The Vendor Authentication Unit performed a full vendor authentication review on LAPERS with only minor issues found, which do not impact LAPERS responsibility as a company.

C. Procurement History

Service/Item History – Number of Times Item or Service has been Procured					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Original Contract Amount
269A	Quinn Rental Services	3 Years	03/28/23	03/27/26	\$19,908,775
269B	Sunbelt Rentals, Inc.	3 Years	03/28/23	03/27/26	\$6,195,438
984A	Quinn Rental Services	3 Years	07/09/19	07/08/22	\$6,542,434
984B	Herc	5 Years	07/16/19	07/15/24	\$13,059,019
984C	R.J. Lalonde, Inc.	5 Years	07/09/19	07/08/24	\$13,059,019
984D	United	3 Years	07/09/19	07/08/22	\$2,780,136
690A	Ahern Rentals, Inc.	3 Years	06/22/16	06/21/19	\$6,579,925
690B	Hertz Equipment Rental	3 Years	06/22/16	06/21/19	\$4,563,403
334	Hertz Equipment Rental	3 Years	06/29/12	06/28/15	\$6,542,434

United has an extensive award history. The following table is a partial listing of recent Board-awarded contracts during the past 5 years.

United Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Original Contract Amount
429C	Utility And Material Handling Equipment On A Fully-Maintained, As Needed, Bare Rental Basis	3 Years	02/23/24	02/22/27	\$27,831,188
174C	Rentals, Utility and Material Handling Equipment, Bare, As-Needed	3 Years	04/08/21	04/07/24	\$10,956,431
142A	Furnish, Deliver & Pick Up Heavy Trucks & Trailers, Bare Rental	3 Years	08/18/20	08/17/23	\$6,768,738
142B	Furnish, Deliver & Pick Up Heavy Trucks & Trailers, Bare Rental	3 Years	08/18/20	08/17/23	\$1,141,323
984D	Furnish And Deliver Construction Equipment	3 Years	7/9/19	7/8/22	\$2,780,136
836	Bare Rental Of Tanks, Pumps, Pipes, Fittings And Accessories	3 Years	6/6/18	6/5/21	\$7,305,948
848B	Rentals, Utility And Material Handling Equipment, Bare, As-Needed	3 Years	1/24/18	1/23/21	\$404,430
802A	Bare Rental-Furnish, Deliver, Pick Up, Heavy Trucks, & Trailers	3 Years	5/12/17	5/11/20	\$6,091,080

Herc Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Original Contract Amount
429B	Utility And Material Handling Equipment On A Fully-Maintained, As Needed, Bare Rental Basis	3 Years	02/23/24	02/22/27	\$1,787,809
268D	Furnish, Deliver, And Pick-Up Heavy Construction Equipment On A Fully-Maintained, As-Needed, Bare Rental Basis	3 Years	3/28/23	3/27/26	\$1,607,000
2498A	Furnish, Deliver, And Pick Up Construction Equipment On A Fully-Maintained, As-Needed Bare Rental Basis	3 Years	11/08/21	11/07/24	\$509,700
2366	Rental, Bare, 18-Ton Forklift	3 Years	09/21/21	09/20/24	\$918,345
2612	Rental, Bare, Intermittent, Dehumidifier Equipment	3 Years	07/19/21	07/18/24	\$414,000
984B	Furnish, Deliver, And Pick Up Construction Equipment On A Fully-Maintained, As-Needed Bare Rental Basis	5 Years	7/16/19	7/15/24	\$13,059,019

355	Furnish, Deliver, And Pick Up Heavy Trucks And Trailers, On A Fully-Maintained, As-Needed, Bare Rental Basis	3 Years	9/22/23	9/21/23	\$36,471,526
1517	Rental, Bare, 18-Ton Forklift	3 Years	08/08/18	08/07/21	\$549,000
802B	Furnish, Deliver, And Pick Up Heavy Trucks And Trailers, On A Fully-Maintained, As-Needed, Bare Rental Basis	3 ½ Years	5/12/17	10/19/20	\$1,280,125

LAPERS has no contract history with LADWP.

D. Local Business Preference Program (LBPP)

The LBPP was included in this Bid. Herc is a certified Local Business Enterprise (LBE) and was awarded Group B due to the Local Business Preference of 8 percent. However, LBPP was not a determining factor in the evaluation and recommendation of award for Group A, C, D, E, and F.

E. Additional Outreach Efforts Taken

In addition to the original bid list, the following outreach efforts were taken:

- The IFB was posted on the City of Los Angeles Regional Alliance Marketplace for Procurement (RAMP) website.
- The IFB was electronically advertised on eRSP for direct download.

F. Small Business Enterprises (SBE)/Disabled Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Participation

Not applicable as this is a contract for rentals.

RESOLUTION NO. _____

WHEREAS, through a competitive bid process, the Los Angeles Department of Water and Power (LADWP) issued a solicitation to procure the rental of Bare Rental, Construction Equipment and Materials, under Invitation for Bids No. 614; and

WHEREAS, United Rentals (North America), Inc. (United), is the only bidder for Group A, Herc Rentals Inc. (Herc) is the lowest bidder due to Local Business Preference Program for Group B, and Los Angeles Power and Equipment Rental Solutions (LAPERS) is the lowest bidder for Groups C, D, E, and F under Bid No. 614.

NOW, THEREFORE, BE IT RESOLVED that United is awarded Contract No. 614A for an amount not to exceed \$3,985,165, Herc is awarded Contract No. 614B for amount not to exceed \$3,553,602, and LAPERS is awarded Contract No. 614C for an amount not to exceed \$7,505,742, all for a period of three years (Contracts).

BE IT FURTHER RESOLVED that the Contracts approved as to form and legality by the City Attorney, and filed with the Secretary of the Board, are hereby approved.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Water Revenue Fund, in accordance with the terms of the Contracts awarded pursuant to Bid No. 614 and this Resolution.

BE IT FURTHER RESOLVED that the President or Vice President, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said agreement for and on behalf of LADWP.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the Resolution adopted by the Board of the City of Los Angeles at its meeting held

APPROVED AS TO FORM AND LEGALITY
HYDEE FELDSTEIN SOTO, City Attorney

By

Bethany A. Burgess

BETHANY A. BURGESS

Deputy City Attorney

Date: November 20, 2024

Secretary