



Staff Report

File #: 21-0803

**REQUEST FOR CITY COUNCIL AND
CORONA UTILITY AUTHORITY ACTION**

DATE: 09/01/2021

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Utilities Department

SUBJECT:

Authorize a Professional Services Agreement with Royal Industrial Solutions for purchase of Allen-Bradley hardware products.

EXECUTIVE SUMMARY:

The City Council previously designated Allen-Bradley as the sole source provider of motor control centers and automation equipment. Royal Industrial Solutions is the only authorized dealer for Allen-Bradley hardware products in the Inland Empire. The Utilities Department, previously the Department of Water and Power, is requesting an annual purchase order of \$1,000,000 through June 30, 2026, for Allen-Bradley hardware products from Royal Industrial Solutions.

RECOMMENDED ACTION:

That the:

- a. City Council authorize the City Manager, or his designee, to execute a Professional Services Agreement with Royal Industrial Solutions of Riverside, CA for \$1,000,000 per year through June 30, 2026, for technical services and purchases of Allen-Bradley products.
- b. City Council authorize the Purchasing Manager to issue a purchase order to Royal Industrial Solutions of Riverside, CA, in the amount of \$1,000,000 per year through June 30, 2026.
- c. City Council authorize the City Manager, or his designee, to negotiate and execute non-substantive extensions, change orders, and amendments up to \$100,000 as authorized in Corona Municipal Code Section [3.08.080\(I\)](#).

- d. City Council make a determination under Corona Municipal Code Section [3.08.140\(E\)](#) that competitive bidding is not required for this purchase based upon the reasons provided in the "Basis for Exception to Competitive Bidding" section of this agenda report.
- e. Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to take the above actions.

BACKGROUND & HISTORY:

On June 19, 2013, the City Council approved Resolution No. 2013-057, designating certain equipment and products as "sole source" products for the construction of potable water, water reclamation, and reclaimed water facilities. Resolution No. 2013-057 designated Allen-Bradley as the sole-source product for motor control centers (MCC), control wiring terminals, Deutsches Institut für Normung (DIN) rail mounted circuit breakers, and programmable logic controllers (PLC). Allen-Bradley is the brand name of a product line of factory automation equipment which is currently manufactured and owned by Rockwell Automation. The sole source designation was performed after the initial evaluation process of various motor controller manufacturers on the open market. Evaluation factors included product specifications, product performance, meeting City safety requirements, and ease of integration and compatibility with existing equipment or products the City utilizes.

ANALYSIS:

Rockwell Automation manufactures industrial automation and control systems using Allen-Bradley hardware components and Rockwell Software control logic. The Utilities Department (UD) utilizes Rockwell Automation's Allen-Bradley equipment line of programmable logic controller products and MCCs to automate the operation and supervisory controls of Water and Water Reclamation Treatment Plants, pumping facilities, and remote UD sites. The Allen Bradley line of PLC equipment replaced the antiquated Modicon PLCs and Schneider PLCs, which had reached their useful life. Allen Bradley PLCs are widely used in the industry, have proven reliable for UD controls and control strategies, and integrate well with the current General Electric (GE) Digital iFix Supervisory Control and Data Acquisition (SCADA) software platform.

The UD has spent an average of \$774,722 annually on Allen-Bradley equipment with Royal Industrial Solutions during the last five years, as shown in Table 1. In Fiscal Year 2021, the UD purchased \$1,333,510 worth of Allen-Bradley equipment which included a MCC for the Mangular Blending Facility project for \$575,573 and a MCC for the Water Reclamation Facility No. 3 Lift Station project for \$534,090. The UD is requesting an annual purchase order of \$1,000,000 to accommodate the purchase of large equipment for capital improvement projects as well as equipment and components needed for ongoing maintenance of existing facilities.

Fiscal Year	Total Purchased
FY17	\$468,643
FY18	\$1,055,167
FY19	\$349,780
FY20	\$666,512
FY21	\$1,333,510

BASIS FOR EXCEPTION TO COMPETITIVE BIDDING

Staff believes that an exception to competitive bidding is warranted for this purchase pursuant to Corona Municipal Code (CMC) Section [3.08.140\(E\)](#), which states as follows:

“Purpose of bidding is otherwise accomplished. When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determine that it is in the best interest of the city and its administrative operations to dispense with public bidding for non-public projects under this chapter.”

Staff believes this exception to competitive bidding is warranted as Royal Industrial Solutions is the only authorized distributor of Rockwell Automation’s Allen-Bradley products in the Inland Empire. Royal Industrial Solutions is the only original equipment manufacturer (OEM) assigned distributor that can offer factory warranty coverage on purchased Allen-Bradley products. Warranty coverage is not applicable if any Allen-Bradley products are purchased outside the assigned geographical zoned authorized distributor. Currently, Allen-Bradley products make up a large percentage of the UD’s industrial control system which provides standardization, and reduces inventory cost, job training, compatibility issues, and programming variations. Further, Allen-Bradley products have proven reliability, serviceability, accuracy, and adaptability to a wide range of conditions.

The UD requests Royal Industrial Solutions as the preferred vendor for technical services and purchases of Rockwell Automation’s Allen-Bradley products and industrial electric components for the Water and Water Reclamation systems.

This designation would:

- provide access to local current product inventory, including spare and replacement parts,
- provide factory warranty coverage on Allen-Bradley products,
- provide technical assistance from local distributor product specialists,
- provide Rockwell Automation support of local distributor activities, and
- allow Royal Industrial Solutions to assist the City, its consultants, and contractors with up-front specification and technical assistance of new projects, which may result in additional cost savings and performance benefits.

FINANCIAL IMPACT:

Funding for the recommended action is included in the Fiscal Year (FY) 2022 Utilities Department

Operating Budget and the budget of certain Capital Improvement Projects. Funding in future fiscal years will be recommended through the budget process.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity covered by the commonsense exemption that CEQA applies only to projects that 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. This action approves Royal Industrial Solutions as a preferred vendor for Allen-Bradley/Rockwell Automation, Industrial Automation, and Control Products for purchase of equipment and technical services (on an as-needed basis) for projects to be identified later. Specific projects for which said equipment and services would be required must address all CEQA requirements on a project-by-project basis. Therefore, no environmental analysis is required.

PREPARED BY: VERNON R. WEISMAN, P.E., DISTRICT ENGINEER

REVIEWED BY: TOM MOODY, GENERAL MANAGER

Attachments:

1. Exhibit 1 - Professional Services Agreement - Royal Industrial Solutions
2. Exhibit 2 - Rockwell Automation Letter Confirming Royal Industrial Solutions as the only Local Authorized Distributor for Allen Bradley Products