

Agenda Report

February 27, 2006

To: CITY COUNCIL

Through: FINANCE COMMITTEE

From: CITY MANAGER

Subject: Authorization to Enter into a Contract with R. T. Larsen, Inc. to provide Labor and Materials for Utility Street Repairs for the Water and Power Department, Specification WD-05-02 and Approval of a Journal Voucher amending Water Main Distribution Projects in the Fiscal Year 2006 Capital Improvement Program (CIP) Budget

RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated February 6, 2006 submitted by R. T. Larsen, Inc., in response to Specification WD-05-02 for providing labor and materials for Utility Street Repairs for Pasadena Water and Power (PWP);
2. Reject all other bids;
3. Authorize a contract between the City and R.T. Larsen, Inc. not to exceed \$3,000,000 for an initial term of two years with an option for two additional one-year terms; and
4. Approve a Journal Voucher appropriating \$1,500,000 from the unappropriated Water Fund balance to the Capital Improvement Program Budget, Project Number 1001 for additional expenses incurred from the construction and installation of water distribution main.

BACKGROUND

Specification WD-05-02 provides for an annual contract for repaving streets, curbs and sidewalks made necessary in the course of water system construction. The specification provides for an initial term of two years from the time the City signs the contract, with an option for two additional one-year periods, subject to the City Manager's approval.

The Notice Inviting Bids for Specification WD-05-02 was published in the Pasadena Journal on January 19, 2006. In response to the Notice Inviting Bids, eight contractors received the Specification. Bids were received from two contractors.

The bids were evaluated by multiplying each unit price by a weighting factor and then adding the products of these weighting factors and unit prices to arrive at a total weighted price. The weighting factor was determined according to how frequently the corresponding bid items are required by the Department. This evaluation method as well as the weighting factors were fully disclosed in the specifications. The total weighted bid does not represent an actual dollar amount, but provides a method of comparing bids.

The following two contractors submitted bids, which were evaluated and the total weighted bids are as follows:

<u>BIDDERS</u>	<u>WEIGHTED BID PRICES</u>
R. T. Larsen, Inc.	\$16,349.50
Paveco Construction, Inc.	\$19,520.25

R. T. Larsen, Inc. is the lowest responsive bidder and complies in all respects with the requirements of the specifications.

Water System Master Plan Impact

As part of the Water and Power Department's Water System Master Plan, the installation and replacement of water distribution mains plays a major role in the establishment of reliable infrastructure for the City's water system. However, several factors have raised the cost of installing and replacing the water mains:

- Cost of re-paving the streets after construction and installation has increased due to increased street maintenance requirements before and after the main installation (the original paving contract, which staff estimated to cover approximately one year of installation, ran out in 6 months)
- Distribution main contractors, which install and replace approximately 50% of PWP's water mains annually, has exceeded budgeted expenditures due to unforeseen field conditions, which require change orders delaying and extending the completion of the construction

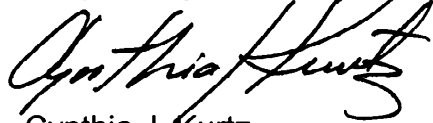
These adjustments are needed to continue the water main infrastructure replacement as stated in the Water System Master Plan and to cover unanticipated increases in contract services and equipment.

FISCAL IMPACT

Sufficient funds are available from the unappropriated Water Fund balance to provide the \$1,500,000 increase in the Fiscal Year 2006 Capital Improvement Program, Project Number 1001 "Distribution Mains."

Upon authorization and approval of the recommended Journal Voucher, funds for utility street repairs will be provided for in the Water Division's Operating and Capital Budgets in various Water Division accounts.

Respectfully submitted,



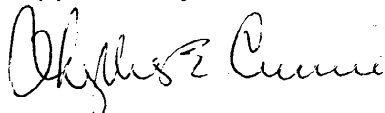
Cynthia J. Kurtz
City Manager

Prepared by:



S.G.
Joseph Gachiri
Principal Engineer
Water and Power Department

Approved by:



Phyllis E. Currie
General Manager
Water and Power Department

Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization, as follows:
(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:

R. T. LARSEN, INC.

2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

RICHARD T. LARSEN, INC.
DEE ANN C. LARSEN

3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

RICHARD T. LARSEN,
DEE ANN C. LARSEN

Prepared by: RICHARD T. LARSEN *Richard T. Larsen*

Title: PRESIDENT

Date: 2/16/06

For office use only: Contract/Transaction No. _____
If not a contract, type of transaction: _____