

# Agenda Report

October 3, 2011

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH HD SUPPLY WATER WORKS, LTD TO FURNISH AND DELIVER MISCELLANEOUS WATER UTILITY MATERIALS FOR THE WATER AND POWER DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$1,500,000 PER YEAR**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301(Existing Facilities);
2. Accept the bid dated August 31, 2011 submitted by HD Supply Waterworks, LTD in response to Specifications WD-10-03 to furnish and deliver miscellaneous water utility materials to the Water and Power Department (Department), reject all other bids received, and authorize the City Manager to issue a Purchase Order Contract for the first two year period to HD Supply Waterworks, LTD, with two optional one year extensions. The Contract shall not exceed \$1,500,000, annually.

## **BACKGROUND:**

As part of the City's Water Master Plan, the Department's Water Division has a goal to replace three miles of old distribution mains under City of Pasadena (City) streets each fiscal year.

Specification WD-10-03 provides for a contract to furnish and deliver miscellaneous water utility materials to the Department. The miscellaneous materials, such as pipe connectors, water gate cans, valves, and fire hydrants are used for routine maintenance and capital improvements to the City's water main projects and are critical to the Department's three-mile annual replacement program.

The Notice Inviting Bids for Specification WD-10-03 was published in the Pasadena Journal on August 4, 2011 and posted on the City's web page. In addition, specifications were mailed to six businesses on the Purchasing Division's vendor list. Bid packets were obtained by thirteen contractors, five of whom submitted bids for the project.

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 and the weighting factors were fully disclosed in the specification. The total weighted bid does not represent an actual dollar amount, but provides a method of comparing bids.

Following advertising, bids were opened on August 31, 2011.

The bids were categorized into three groups based on the type of materials. This gives all bidders an equal opportunity to bid on one or all of the groups based on their specialty.

#### Bid Group 1: Water Distribution Materials

<u>Bidders</u>	<u>Total Weighted Bid Price</u>
1. HD Supply Waterworks, LTD, Valencia	\$435,497.04
2. Western Water Works Supply, Chino Hills	\$467,118.92
3. Ferguson Water Works, Santa Ana	\$474,459.99
4. S.J. Supply Co., Inc., Santa Fe Springs	Non-Responsive
5. C Wells Pipeline Materials, Corona	Non-Responsive

#### Bid Group 2: Fire Protection Materials

<u>Bidders</u>	<u>Total Weighted Bid Price</u>
1. HD Supply Waterworks, LTD, Valencia	\$318,767.79
2. C Wells Pipeline Materials, Corona	\$333,983.00
3. Ferguson Water Works, Santa Ana	\$335,604.23
4. Western Water Works Supply, Chino Hills	\$374,443.34
5. S.J. Supply Co., Inc., Santa Fe Springs	Non-Responsive

Bid Group 3: Large and Special Valves

<u>Bidders</u>	<u>Total Weighted Bid Price</u>
1. HD Supply Waterworks, LTD, Valencia	\$263,645.50
2. Western Water Works Supply, Chino Hills	\$266,243.81
3. Ferguson Water Works, Santa Ana	\$268,088.04
4. C Wells Pipeline Materials, Corona	\$271,483.00
5. S.J. Supply Co., Inc., Santa Fe Springs	Non-Responsive

HD Supply Waterworks, LTD is the lowest responsive and responsible bidder in all three bid groups and complies in all respects with the requirements of the specification.

Staff recommends award of a contract not to exceed \$1,500,000 per year to HD Supply Waterworks, LTD.

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder.

**COUNCIL POLICY CONSIDERATION:**

The proposed contract supports the Department's Water System Master Plan adopted by the City Council in 2002 to allow for the replacement of aging water distribution mains and establishment of reliable infrastructure for the City's water system.

**ENVIRONMENTAL ANALYSIS:**

The project is exempt from CEQA review pursuant to State CEQA Guidelines Section 15301 (Existing Facilities). The exemption covers the repair, maintenance, or minor alteration of existing public or private facilities, including existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities, involving negligible or no expansion of use.

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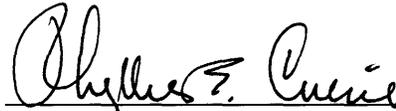
**FISCAL IMPACT:**

The maximum cost of this contract, if the two one-year extensions are approved, is \$6,000,000. Funding for this action will be addressed by the utilization of existing and future appropriations to Budget Number 1001 Distribution Mains and Budget Number 1019 Fire Protection System Improvements of the Water Capital Fund 412.

It is anticipated that \$1,500,000 of the cost will be spent during the current fiscal year as shown in the following table. The remainder of the costs will be spent over the next three fiscal years in approximately even increments.

<b>Fund</b>	<b>Budget Number</b>	<b>Amount</b>
Water Capital Fund 412	Budget Number 1001 Distribution Mains	\$1,000,000
Water Capital Fund 412	Budget Number 1019 Fire Protection System Improvements	\$500,000
<b>Total Annual Fiscal Impact</b>		<b>\$1,500,000</b>

Respectfully submitted,



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