

Agenda Repos

May 11, 2015

TO:

Honorable Mayor and City Council

FROM:

Water and Power Department

SUBJECT:

AUTHORIZATION TO ENTER INTO A CONTRACT WITH GRFCO, INC.

TO PROVIDE LABOR AND MATERIALS FOR THE INSTALLATION OF

DUCTILE IRON WATER MAINS IN LAKE AVENUE FOR THE

PASADENA WATER AND POWER DEPARTMENT, SPECIFICATION

WD-13-01

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 Sections 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction); and
- 2. Accept the bid dated April 10, 2015, submitted by GRFCO, Inc. in response to Specification WD-13-01 to provide labor and materials for the Installation of ductile iron water mains in Lake Avenue from Woodbury Road to Boylston Street for the Pasadena Water and Power Department ("PWP"), and authorize the City Manager to enter into a contract with GRFCO, Inc., for an amount not to exceed \$1,549,522.

BACKGROUND:

PWP's Water System Master Plan ("Master Plan") was adopted in 2002 and provides guidelines for water main replacements. It is PWP's goal to replace three to five miles of water mains per fiscal year to provide continued reliable water service.

The Lake Avenue Water Main Project, as described in Specification WD-13-01, would replace 1.2 miles of occluded 6- and 8-inch cast iron pipes from 1914 and 1915 with new 8-inch ductile iron pipes. The new water mains will meet the required pressure, pipe velocity, and fire flow criteria as approved in the Master Plan.

05/11/2015

AGENDA ITEM NO. ____4

Authorization to Enter into a Contract with GRFCO, Inc. to Provide Labor and Materials for the Installation of Ductile Iron Water Mains in Lake Avenue, Specification WD-13-01 May 11, 2015 Page 2 of 4

The Notice Inviting Bids for Specification WD-13-01 was advertised in the <u>Pasadena Journal</u>, and also posted online through Planet Bids on March 12, 2015. Twenty-two contractors attended the mandatory pre-bid meeting on March 26, 2015 and twelve responsive bids were received and opened on April 10, 2015.

The results of the bids were as follows:

<u>Bidders</u>	Total Bid
1. GRFCO, Inc., Brea	\$1,347,410
2. Stephen Doreck Equipment Rentals, Inc., Pico Rivera	\$1,404,683
3. CHI Construction, Anaheim	\$1,488,243
4. EAR Engineering, Construction & Support Services, Riverside	\$1,528,746
5. J. A. Salazar Construction & Supply Corp., La Habra	\$1,529,483
6. Toro Enterprises, Inc., Oxnard	\$1,566,374
7. Vido Samarzich, Inc., Alta Loma	\$1,677,725
8. Kana Pipeline, Inc., Placentia	\$1,695,000
9. MNR Construction Inc., Baldwin Park	\$1,733,300
10. J. De Sigio Construction, Inc., Baldwin Park	\$1,780,585
11. Dominguez General Engineering, Inc., Pomona	\$1,792,400
12. Minco Construction, Gardena	\$1,904,500
Engineer's Estimate	\$1,500,000

GRFCO, Inc. was the lowest responsive and responsible bidder and complied in all respects with the requirements of the Specification. GRFCO, Inc. possesses a valid and current California State Contractors License Classification "A" as required by the Specification.

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder. The project was bid as a prevailing wage project and workers employed will be paid the general prevailing rate of per diem wages as determined by the California Department of Industrial Relations. The project will meet the requirements of prevailing wage law under California Labor Code Sections 1720 through 1861 and Title 8 of the California Code of Regulations.

On April 14, 2015, Pierre Weakley from the Center for Contract Compliance ("CCC") contacted City staff to protest GRFCO, Inc.'s bid. In particular, he claimed GRFCO, Inc. operating under a different company name, has a history of not paying employees prevailing wages. The City was unable to treat this as an official protest, because CCC was not a bidder. However, staff will closely monitor certified payrolls, as required by prevailing wage law, to ensure that GRFCO, Inc. is paying its employees the correct rate. Staff also contacted other municipalities, such as City of Newport Beach, Central Basin Municipal Water District, City of Santa Fe Springs, and Los Angeles County Sanitation District, regarding recently completed projects and all stated GRFCO, Inc. is capable of satisfactorily completing the project. Currently the company is in good standing with the California Contractors State Licensing Board.

Authorization to Enter into a Contract with GRFCO, Inc. to Provide Labor and Materials for the Installation of Ductile Iron Water Mains in Lake Avenue, Specification WD-13-01 May 11, 2015
Page 3 of 4

GRFCO, Inc., operating under the name Garcia Juarez Construction, repaired broken sewer mains in 2011 for the Pasadena Department of Public Works for a total contract value of \$131,500. Public Works staff recommended their work stating it was of the highest quality, completed on schedule, and with minimal changes.

Staff recommends that the City Council award a contract to GRFCO, Inc. in the amount of \$1,549,522, which includes the base bid and a 15% contingency for any necessary change orders. The recommended contractor does not have any existing contracts with the City of Pasadena.

COUNCIL POLICY CONSIDERATION:

The proposed contract supports PWP's 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 categorically exempt from CEQA review pursuant to State CEQA Guidelines Section 15301 (Class 1: Existing Facilities) and 15302 (Class 2: Replacement or Reconstruction). The Class 1 categorical exemption covers the repair, maintenance, or minor alteration of existing public or private structures, facilities, and mechanical equipment including existing publicly owned utilities, involving negligible or no expansion of use. The Class 2 exemption covers the replacement or reconstruction of existing structures and facilities (including utility systems) where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. The proposed contract would replace 1.2 miles of existing distribution mains for capital improvements to PWP's three to five mile annual replacement program. All of the contemplated maintenance activities and improvements constitute negligible or no expansion of capacity. There is no impact to other projects as a result of approval of this contract.

Authorization to Enter into a Contract with GRFCO, Inc. to Provide Labor and Materials for the Installation of Ductile Iron Water Mains in Lake Avenue, Specification WD-13-01 May 11, 2015
Page 4 of 4

FISCAL IMPACT:

The cost of this action will be \$1,634,522. Funding for this action will be addressed by the utilization of existing appropriations in CIP #1001 – Distribution Mains. It is anticipated that \$1,634,522 of the cost will be spent in fiscal year 2016. Indirect and support costs such as contract administration and inspections are anticipated to be \$85,000.

The following table presents the contract summary:

Total Fiscal Impact	\$1,634,522
Contract Admin/Inspection	\$85,000
Subtotal	\$1,549,522
Contingency	\$202,112
Grand Total Price	\$1,347,410

Water Distribution in the Water Services Division will keep track of the contract spending.

Respectfully submitted,

PHYLLIS E. CURRIE

General Manager

Water and Power Department

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