



# Agenda Report

January 23, 2017

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH A&Y COMPANY, INC. TO FURNISH LABOR AND MATERIALS FOR UTILITY AND MISCELLANEOUS STREET REPAIRS FOR AN AMOUNT NOT TO EXCEED \$1,500,000 PER YEAR (SPECIFICATION WD-16-12)**

## **RECOMMENDATION:**

It is recommended that the City Council

- 1 Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for this action, and
- 2 Accept the bid dated December 1, 2016 submitted by A&Y Company, Inc in response to Specification WD-16-12, to furnish labor and materials for utility and miscellaneous street repairs for the Water and Power Department ("PWP"), reject all other bids received, and authorize the City Manager to enter into a contract with A&Y Company, Inc for an amount not to exceed \$1,500,000 for an initial period of one year with an option for three additional one-year terms at \$1,500,000 per year subject to the approval of the City Manager. If the three additional one-year terms are exercised, the total contract amount may be \$6,000,000

## **BACKGROUND:**

PWP regularly completes water distribution projects as identified in the adopted Capital Improvement Program ("CIP"), Water System Master Plan, Water Integrated Resources Plan, and other water operations-related work. Specification WD-16-12 provides for a contract to furnish labor, equipment, and materials to restore and final pave streets, sidewalks, driveways, curbs, and gutters after PWP's Water Division construction crews complete the installation of water mains, water services, fire hydrants, and other water facilities.

The bid schedule was categorized into ten separate items to classify the different street restoration requirements: asphalt concrete pavement, asphalt rubber hot mix, Portland cement concrete pavement, adjust gate cans and water meter boxes/vaults to grade,

loop detectors, channelization, striping, and pavement markers To be considered responsive, bidders were required to bid on all items and contract award is based on the total weighted bid price

The Notice Inviting Bids for Specification WD-16-12 was advertised in the Pasadena Journal and posted online through Planet Bids on November 14, 2016 In addition, specifications were sent to eight contractors, none of which were local since there are no known paving construction contractors in Pasadena A pre-bid conference was not conducted Two responsive bids were received and opened on December 13, 2016

To obtain the total weighted price, bidders multiplied each unit bid price by a weighted factor and then added the products of these weighting factors and unit prices 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

The bid results were as follows

<u>Bidders</u>	<u>Total Weighted Bid Price</u>
A&Y Company, Inc , Norco, CA	\$ 73,077 00
Hardy & Harper Inc , Santa Ana, CA	\$158,567 60
Engineer's Estimate	\$100,000 00

A&Y Company, Inc is the lowest responsive and responsible bidder and complied in all respects with the requirements of 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 Director 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

Staff recommends that the City Council award a contract to A&Y Company, Inc for an amount not to exceed \$1,500,000 per year for one year with three optional one-year extensions at \$1,500,000 per year Water Distribution staff in the Water Services Division will monitor the contract spending

A&Y Company, Inc has had a competitively bid contract with PWP in the amount of \$1,000,000 per year since February 2013 There were seven bidders during the bidding of Specification WD-12-10 and A&Y Company, Inc was also the lowest bidder at that time PWP anticipated a low number of bidders during this current bidding process due to the strong economy and the unavailability of paving construction contractors

The increase in contract price from \$1,000,000 to \$1,500,000 per year is due to increased labor costs under the prevailing wage law, and the increase in customer driven projects anticipated for Water Utility Services Planning under CIP #01003. These projects are fully reimbursable.

**COUNCIL POLICY CONSIDERATION:**

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

**ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not a project subject to CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines, Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of a contract to furnish labor, equipment, and materials for utility and miscellaneous street repairs at the Department's Water Division construction job sites or other locations within the PWP service territory is continuing administrative and maintenance activity. The City has maintained such an agreement(s) with paving contractors for equivalent services in the past and the proposed contract is a continuation of such services. In addition, the authorization of the proposed contract would not commit the City to undertaking or approving any actual or specific physical construction activities or any other actions that involve physical changes to the environment. Rather, the proposed contract would make such services available to potential water infrastructure projects, which themselves would be subject to CEQA consideration. The proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

**FISCAL IMPACT:**

The total cost of this action will be \$6,000,000 if the three additional one-year terms are exercised. Funding for this action will be addressed by the utilization of existing budgeted appropriations in CIP #01001 – Distribution Mains, CIP #01002 – Meters and Services, CIP #01003 – Customer Driven, and CIP #01019 – Fire Protection System Improvements, as well as approved appropriations for operating and maintenance of water transmission and distribution systems. It is anticipated that \$1,500,000 of the cost will be spent in the initial year of the contract which falls in fiscal years 2017 and 2018.

The following table presents the contract summary

First-year contract amount	\$1,500,000
Optional three year extensions	\$4,500,000
<b>Total Fiscal Impact</b>	<b>\$6,000,000</b>

Respectfully submitted,



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