

# Agenda Report

July 9, 2018

**TO:** Honorable Mayor and City Council

**FROM:** Department of Public Works

**SUBJECT: PURCHASE ORDER CONTRACT AWARD TO GANAHL LUMBER COMPANY FOR HARDWARE AND LUMBER SUPPLIES FOR AN AMOUNT NOT TO EXCEED \$102,744**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have a significant effect on the environment; and
2. i) Accept the bid dated May 29, 2018, submitted by Ganahl Lumber Company (Ganahl) in response to the specifications for lumber and hardware supplies, ii) reject all other bids received, and iii) authorize the City Manager to enter into such purchase order contract for an amount not-to-exceed \$102,744 for a three-year period, inclusive of Consumer Price Index increases, and two one-year options in an amount not-to-exceed \$34,248 annually, subject to the approval of the City Manager, for a maximum purchase order contract length of five years and a total purchase order contract amount of \$171,240.

## **BACKGROUND:**

The Department of Public Works, Building Systems and Fleet Management Division, is responsible for the routine maintenance of city buildings and is required to purchase the necessary hardware and lumber supplies for various projects.

The Department of Public Works prepared specifications in accordance with Section 4.08.070 of the Pasadena Municipal Code. Regularly purchased items listed in the bid specifications represent approximately 60 percent of the annual spending for hardware and lumber by the Division.

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On March 10, 2018, a Notice Inviting Bids for hardware and lumber supplies was posted on Planetbids notifying 422 vendors. Six prospective bidders downloaded the bid documents of which one was local.

Two vendors submitted bids electronically by the bid closing date of May 29, 2018. The following bids were received:

Bidder	Amount
1. Ganahl Lumber Company, Pasadena, CA	\$17,124
2. Jones Lumber Company, Chula Vista, CA	\$18,960

The Department of Public Works recommends that Ganahl be awarded the purchase order contract to provide hardware and lumber materials for a three-year period as they are the lowest responsive and responsible bidder. As proposed, the purchase order contract may be extended for two additional one-year renewal options with the approval of the City Manager. The proposed purchase order contract with Ganahl fully complies with the Competitive Bidding and Living Wage Ordinances.

The formal bid specifications contained a market basket list representing 60 percent of the most frequently used items. However, the base bid amount reflects the total anticipated annual expenditures for all needed supplies.

The annual purchase order contract for this project will be set as follows:

Base Bid	\$28,540
Contingency	<u>\$ 5,708</u>
Purchase Order Contract "Not to Exceed" Amount	\$34,248

The City has done business with Ganahl in the past, issuing purchase orders for hardware and lumber supplies totaling \$272,048 since 2010. Ganahl is a Pasadena-based business.

**COUNCIL POLICY CONSIDERATION:**

This authorization supports the City Council's strategic goal to improve, maintain, and enhance public facilities and infrastructure.

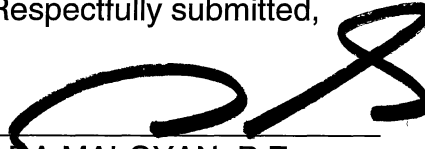
**ENVIRONMENTAL IMPACT:**

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have a significant effect on the environment.

**FISCAL IMPACT:**

The total cost of this action is \$171,240, which includes the possible one-year extensions. Funding for this fiscal year will be addressed by utilization of existing budgeted appropriations in the Building Maintenance Fund under budget account 810100-50222053. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



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