



Agenda Report

January 11, 2021

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: CONTRACT AWARD TO PAVECO CONSTRUCTION INC. TO FURNISH LABOR AND MATERIALS FOR UTILITY AND MISCELLANEOUS STREET REPAIRS

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 CEQA Section 21065 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 November 3, 2020 submitted by Paveco Construction Inc. ("Paveco") in response to Specifications WD-20-17; reject all other bids received, and authorize the City Manager to enter into a contract not to exceed \$2,000,000 for an initial period of one year with an option for two additional one-year terms at \$2,000,000 per year subject to the approval of the City Manager. If the two additional one-year terms are exercised, the total contract amount will be \$6,000,000.

BACKGROUND:

The Water and Power Department ("PWP") regularly installs water mains to replace aging pipelines and to improve system reliability and water quality. PWP uses in-house staff to perform the installation of mainlines, modifications to the water distribution system for new developments, regular maintenance, and repairs to ruptured pipelines and services. Specifications WD-20-17 ("Specifications") provide for a contract to furnish labor, equipment and materials to restore and final pave streets, and repair or replace sidewalks, driveways, curbs, and gutters impacted by PWP's Water Division construction crews as a result of installing water mains, water services, fire hydrants, and other water facilities.

The bid schedule has a list with 157 items for the various street restoration requirements such as asphalt concrete pavement, asphalt rubber mix, Portland cement concrete pavement, raising and lowering existing gate cans and water meter

boxes/vaults to grade, and restoring traffic loop detectors, channelization, striping, and pavement markers. To be considered responsive, bidders were required to bid on all items and the contract award is based on the lowest total bid price.

To determine a bid price, bidders multiplied each estimated quantity by the bidder's price. The total bid price was the cumulative sum of each bid item. The quantity for each bid item was estimated by staff based on material usage from prior years and projected for the work activity that will be performed in future years. The estimated quantity is an average for three years and may vary year to year, thus resulting in bids greater than the engineer's estimate. This evaluation method was fully disclosed in the specifications. The total bid price submitted by the bidders provides a method of comparing bids.

On October 1, 2020, a Notice Inviting Bids for Specifications was published in the Pasadena Journal and the Pasadena Independent as well as posted on Planet Bids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 32 vendors downloaded the Specifications of which 1 was local. A total of 4 bids were received by the bid opening date, with no bids received from local contractors.

The results of the bids were as follows:

| <u>Bidders</u> | <u>Total Bid</u> |
|---|------------------|
| Paveco Construction Inc., Baldwin Park, CA | \$3,672,065 |
| A & Y Asphalt Contractors Inc., Norco, CA | \$4,750,227 |
| S E Pipeline Construction, Santa Fe Springs, CA | \$5,713,013 |
| Hardy and Harper, Inc., Lake Forest, CA | \$6,200,240 |
| Engineer's Estimate | \$2,000,000 |

Paveco was the lowest responsive and responsible bidder and complied in all respects with the requirements of the Specifications. Possesses a valid and current California State Contractors License Classification "A" as required. The vendor has no current or past contracts with the City.

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 by the contractor 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.

It is recommended that the City Council authorize the City Manager to enter into a contract with Paveco in the amount of \$2,000,000, for an initial period of one year with an option for two additional one-year terms at \$2,000,000 per year subject to the approval of the City Manager. If the two additional one-year terms are exercised, the

total contract amount will be \$6,000,000. The Project Engineer in the Water Division will track the contract spending and performance of work.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council's Strategic Planning Goals to: (i) Improve, maintain, and enhance public facilities and infrastructure; and, (ii) Ensure public safety. It 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 to protect the public and minimize disruption of the City's water system.

ENVIRONMENTAL ANALYSIS:

The proposed contract is not a project subject to CEQA pursuant to Section 21065 of the Public Resources Code (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 cost of this action will be \$6,300,000, including PWP's administrative costs, if the two additional one-year terms are exercised. Funding for this action will be addressed by the utilization of existing appropriations in CIP 01080 – Distribution Mains, CIP 1081 – Meters and Services, and CIP 1082 – Customer Driven, as well as approved appropriations for operating and maintenance of water transmission and distribution systems. It is anticipated that \$500,000 of the cost will be spent in FY 2021.

The following table presents the contract summary:

| | |
|--|--------------------|
| First-year contract amount | \$2,000,000 |
| Contract Admin/Inspection | \$ 100,000 |
| Total Fiscal Impact FY 2021/2022 | \$2,100,000 |
| Optional 2 Year Extensions | \$4,000,000 |
| Contract Admin/Inspection Optional 2 Years | \$ 200,000 |
| Total Fiscal Impact | \$6,300,000 |

Respectfully submitted,



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Prepared by:



for _____
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Approved by:



STEVE MERMELL
City Manager