

Agenda Report

September 30, 2002

To: City Council
From: City Manager
Subject: Authorization to Enter into a Contract with Pacific States Cast Iron Pipe Company to Furnish and Deliver Cement-Mortar Lined Ductile Iron Pipe to the Pasadena Water and Power Department

RECOMMENDATION

It is recommended that the City Council:

- (i) Accept the bid dated August 20, 2002 submitted by Pacific States Cast Iron Pipe Company in response to Specification WD-02-02 for Furnishing and Delivering Cement-Mortar Lined Ductile Iron Pipe to Pasadena Water and Power (PWP);
- (ii) Reject all other bids; and
- (iii) Authorize the Purchasing Administrator to issue a purchase order for the first two-year period to Pacific States Cast Iron Pipe Company with two optional one-year extensions subject to the approval of the General Manager of PWP. The contract shall not exceed \$450,000 annually.

BACKGROUND

Specification WD-02-02 provides for an annual contract to furnish and deliver cement-mortar lined ductile iron pipe to PWP. The Specification provides for an initial term of two years from the date the City signs the contract with an option for the General Manager of PWP to extend the contract for two additional one-year periods, provided the contractor's services have been satisfactory and its proposed price changes do not exceed the rate of the then current Producer Price Index. Cement-mortar lined ductile iron pipe is used extensively by the Water Division for water main installation and repairs.

The Notice Inviting Bids for Specification WD-02-02 was published in the Pasadena Journal on August 1, 2002. In response to the Notice Inviting Bids, two companies, both large manufacturing companies submitted bids based on the Total Weighted Bid Price, which is an estimate of the average annual amount of pipe to be used. The bids are as follows:

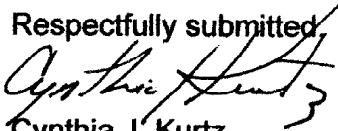
<u>Bidders</u>	<u>Total Weighted Bid Price</u>
Pacific States Cast Iron Pipe Company	\$418,660.00
United States Pipe and Foundry Company	\$423,230.00

Pacific States Cast Iron Pipe Company is the lowest responsive bidder and complies in all respects with the requirements of the Specification. Staff recommends that the City Council award a contract to Pacific States Cast Iron Pipe Company for an amount not to exceed \$450,000 per year. This amount is higher than the bid price because staff estimates the installation of a higher proportion of water mains in the larger sizes in this fiscal year. The recommended contract amount is based on PWP's expected annual expenditure for this work in the upcoming year

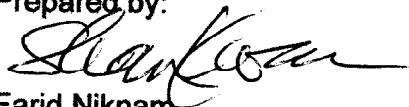
Pacific States Cast Iron Pipe Company is in compliance with the Competitive Bidding in Contracting Ordinance P.M.C. 4.08.

FISCAL IMPACT

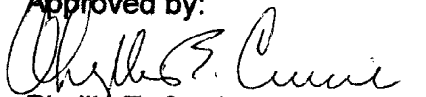
Sufficient funds for furnishing and delivering cement-mortar lined ductile iron pipe for Fiscal year 2003 are provided for in the Water Division's Fiscal Year 2003 Operating and Capital Budgets in various PWP accounts. Funding for future years will be requested at the appropriate time.

Respectfully submitted,

Cynthia J. Kurtz
City Manager

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