

# Agenda Report

November 21, 2011

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: REJECTION OF ALL BIDS RECEIVED FOR PROVIDING LABOR AND MATERIALS FOR DEEP WELL AND PUMP MAINTENANCE TO THE WATER AND POWER DEPARTMENT**

## **RECOMMENDATION:**

It is recommended that the City Council reject all bids received on October 26, 2011 in response to Specification WD-11-03 for Providing Labor and Materials for Deep Well and Pump Maintenance to the Water and Power Department (Department).

## **BACKGROUND:**

Specification WD-11-03 provides for labor and materials for deep well and pump maintenance for the Department. The work includes routine and emergency pump pulling and installation, water well rehabilitations, well casing repairs and installations and/or repair services on various types of pumps at various well and pumping plant sites within the service area of the Department. The Notice Inviting Bids was published in the Pasadena Journal and posted on the City's web page on October 6, 2011. Specifications were mailed to six prospective bidders and four responses were received in the City Clerk's office on October 26, 2011.

The City issued Specification WD-11-03, which provides for an annual contract not to exceed \$500,000, while retaining the option to extend the existing labor and materials contract. The existing Contract 19,482-3 for deep well and pump maintenance expires on December 30, 2011. It is the third renewal to Contract 19,482, which allows for five one-year extensions to the initial term.

Specification WD-11-03 revised the Bid Schedule from Contract 19,482 by modifying some of the existing items and adding several new bid items for work that may be performed in the next several years. It was anticipated that the City would be able to make a straightforward comparison of the submitted bid prices and also determine the competitiveness of the currently contracted unit prices. The bid schedule includes unit prices for work items typically performed during well maintenance and rehabilitation, as well as some items that are performed less frequently.

The bid proposal uses a system of weighting factors applied to each of the unit prices that are then added together for a total weighted bid price, which becomes the basis for

comparing bids. The total weighted price does not represent the annual contract amount.

During bid review, staff determined that the weighting factors need further revision in order to provide an adequate and balanced means of evaluating the bids and that it is in the City's best financial interest to extend Contract 19,482 rather than award a new contract under Specification WD-11-03 at this time. The existing contract may be extended for an additional year in an amount not to exceed \$500,000 with the approval of the City Manager and without further City Council approval. Staff intends to revise the bid schedule to better reflect the needs of the Department, issue a new specification for deep well and pump maintenance, and re-bid the project in the fall of 2012. Therefore, the Department recommends that all bids in response to Specification WD-11-03 be rejected.

**COUNCIL POLICY CONSIDERATION:**

Rejecting the bids supports the City's goal of efficient use of funds towards the improvement of the Department's water facilities.

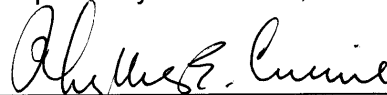
**ENVIRONMENTAL ANALYSIS:**

There is no environmental impact of this action.

**FISCAL IMPACT:**

There is no fiscal impact as a result of this action and it will not have any indirect or support cost requirements. There will be no impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



PHYLLIS E. CURRIE

General Manager

Water and Power Department

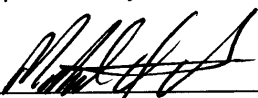
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