

Agenda Report

December 9, 2013

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH WESTERN WATER WORKS SUPPLY COMPANY, INC. TO FURNISH AND DELIVER MISCELLANEOUS WATER UTILITY MATERIALS FOR THE WATER AND POWER DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$1,500,000 PER YEAR FOR TWO YEARS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction).
2. Accept the bid dated November 22, 2013 submitted by Western Water Works Supply Company, Inc. in response to Specification WD-13-03 to furnish and deliver miscellaneous water utility materials to the Water and Power Department (Department) and authorize the City Manager to issue a Purchase Order Contract for the two-year period to Western Water Works Supply Company, Inc., with two optional one-year extensions subject to the approval of the City Manager. The Contract shall not exceed \$1,500,000 annually.

BACKGROUND:

As part of the City's Water Master Plan, the Department's Water Division has a goal to replace three miles of old distribution mains under City of Pasadena (City) streets each fiscal year.

Specification WD-13-03 provides for a contract to furnish and deliver miscellaneous water utility materials to the Department. The miscellaneous materials, such as pipe connectors, water gate cans, valves, and fire hydrants are used for routine maintenance and capital improvements to the City's water distribution system and are critical to emergency repairs of broken mains. These materials will also be used in the Department's three-mile annual water main replacement program which replaces old and occluded mains that do not provide adequate fire flow.

The Notice Inviting Bids for Specification WD-13-03 was published in the Pasadena Journal on October 31, 2013 and posted on the City's web page. Bid packets were obtained by 20 contractors, 3 of whom submitted bids.

The bids were evaluated by multiplying each unit price by a weighting factor and then adding the products of these weighting factors and unit prices to arrive at a total weighted price. The weighting factors were 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 for comparing bids.

Following advertising, bids were opened on November 22, 2013.

The bids were categorized into three groups based on the type of materials. The Grand Total Price is the addition of three Weighted Group Totals.

The results of the bids were as follows:

<u>Bidders</u>	<u>Grand Total Price</u>
1. Western Water Works Supply Company, Inc., Chino Hills, CA	\$1,091,834.14
2. HD Supply Waterworks, LTD, Valencia, CA	\$1,132,518.25
3. Ferguson Waterworks, Santa Ana, CA	\$1,184,428.06

Western Water Works Supply Company, Inc. is the lowest responsive and responsible bidder and complies in all respects with the requirements of the specification. Western Water Works Supply Company, Inc. is the original waterworks supplier in Southern California. Since 1945, they have been distributing water utility materials and products that are used in the transmission of potable water.

Staff recommends award of a contract not to exceed \$1,500,000 per year to Western Water Works Supply Company, Inc.

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder.

COUNCIL POLICY CONSIDERATION:

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

ENVIRONMENTAL ANALYSIS:

The project is categorically exempt from CEQA review pursuant to State CEQA Guidelines Section 15301 (Class 1: Existing Facilities) and 15302 (Class 2: Replacement or Reconstruction). The Class 1 categorical exemption covers the repair, maintenance, or minor alteration of existing public or private facilities, including existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities, involving

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negligible or no expansion of use. The Class 2 exemption covers the replacement or reconstruction of existing structures and facilities (including utility systems) where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. The proposed contract would provide for the furnishing of materials for routine maintenance and capital improvements to the City's water main projects, including the Department's three-mile annual replacement program. All of the contemplated maintenance activities and improvements constitute negligible or no expansion of capacity.

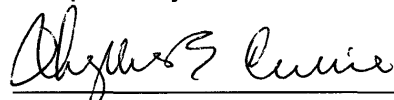
FISCAL IMPACT:

The maximum cost of this contract, if the two one-year extensions are approved, is \$6,000,000. Funding for this action will be addressed by the utilization of existing and future appropriations to Budget Number 1001 Distribution Mains and Budget Number 1019 Fire Protection System Improvements of the Water Capital Fund 412.

It is anticipated that \$1,500,000 of the cost will be spent during the current fiscal year as shown in the following table. The remainder of the costs will be spent over the next three fiscal years in approximately even increments. Additional appropriations may need to be requested to cover the cost of materials required in FY 2015 through 2017 at \$1,500,000 per year.

Fund	Budget Number	Amount
Water Capital Fund 412	Budget Number 1001 Distribution Mains	\$1,000,000
Water Capital Fund 412	Budget Number 1019 Fire Protection System Improvements	\$500,000
Total Annual Fiscal Impact		\$1,500,000

Respectfully submitted,




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