

# Agenda Report

February 4, 2013

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH A & Y COMPANY INC., TO PROVIDE LABOR AND MATERIALS FOR UTILITY AND MISCELLANEOUS STREET REPAIR SERVICES IN AN AMOUNT NOT TO EXCEED \$1,500,000 PER YEAR (SPECIFICATION WD-12-10)**

## **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 Section 15301 (Existing Facilities);
2. Accept the bid dated November 14, 2012 submitted by A & Y Company Inc., in response to Specification WD-12-10, to provide labor and materials for utility and miscellaneous street repair services for the Water and Power Department ("Department");
3. Reject all other bids; and
4. Authorize the City Manager to enter into a one year contract with A & Y Company Inc., for an amount not to exceed \$1,500,000 with an option for three additional one-year terms in amounts not to exceed \$1,000,000 each.

## **BACKGROUND:**

The Department regularly completes water distribution projects as identified in the adopted Capital Improvement Program ("CIP"), Water System Master Plan, and Water Integrated Resource Plan. Specification WD-12-10 provides for an annual contract for repaving streets, curbs, and sidewalks made necessary in the course of water system construction. The specification provides for an initial term of one year from the time the City of Pasadena ("City") signs the contract, with an option for three additional one-year periods, subject to the City Manager's approval.

On October 18, 2012, a Notice Inviting Bids for Specification WD-12-10 was advertised in the Pasadena Journal, and posted online through Planet Bids.

As a result of the Notice Inviting Bids, twenty-two contractors received the Specification. Seven bids were received and opened on November 14, 2012.

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

The results of the bid are as follows:

<b><u>Bidders</u></b>	<b><u>Total Weighted Bid Price</u></b>
A & Y Company Inc. – Norco, CA	\$ 41,336.95
R. T. Larsen Inc. – Covina, CA	\$ 43,901.00
Paveco Construction Inc. – Baldwin Park, CA	\$ 53,840.05
Hardy & Harper Inc. - Santa Ana, CA	\$ 82,732.80
VCI Construction, Inc. – Upland, CA	\$ 98,196.73
Palp Inc. – Long Beach, CA	\$ 98,336.00
E.C. Construction – El Monte, CA	\$186,772.55

A & Y Company Inc. is the lowest responsive bidder and complies in all respects with the requirements of the specification.

Staff recommends award of a one year contract not to exceed \$1,500,000 to A & Y Company Inc., with an option for three additional one-year terms in amounts not to exceed \$1,000,000 each with the approval by the City Manager.

**COUNCIL POLICY CONSIDERATION:**

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

**ENVIRONMENTAL ANALYSIS:**

The project is exempt from CEQA review pursuant to State CEQA Guidelines Section 15301 (Existing Facilities). The 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 negligible or no expansion of the use.

**FISCAL IMPACT:**

Funding for the contract will be provided using approved CIP appropriations budgeted in the Water Capital Fund 412 under Distribution Mains Project #1001, Fire Protection System Improvements Project #1019, and Meters and Services Project #1002. If the three, one-year extensions are approved, the maximum cost of this contract will be \$4,500,000.

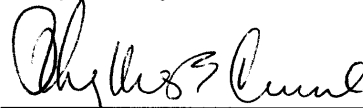
It is anticipated that \$1,500,000 of the cost will be spent during the first 12 months of the contract award as shown in the following table.

<b>Fund</b>	<b>Budget Number</b>	<b>Amount</b>
Water Capital Fund 412	Budget Number 1001 Distribution Mains	\$ 800,000
Water Capital Fund 412	Budget Number 1002 Meters and Services	\$ 450,000
Water Capital Fund 412	Budget Number 1019 Fire Protection System Improvements	\$ 250,000

Total Annual Fiscal Impact \$1,500,000

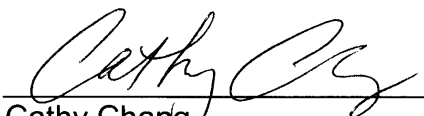
Work will not be assigned under the contract unless sufficient funding is available. The anticipated administration cost as a result of this action will be minimal.

Respectfully submitted,



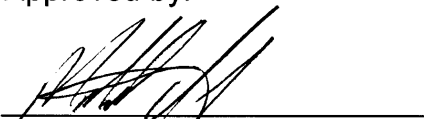
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