

# Agenda Report

June 2, 2014

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH PACIFIC STATES CAST IRON PIPE COMPANY TO FURNISH AND DELIVER CEMENT-MORTAR LINED DUCTILE IRON PIPE FOR THE PASADENA WATER AND POWER DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$497,362 PER YEAR**

## **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); and
2. Accept the bid dated May 2, 2014 submitted by Pacific States Cast Iron Pipe Company in response to Specification WD-14-02 to furnish and deliver cement-mortar lined ductile iron pipe to the Pasadena Water and Power Department ("PWP") and authorize the City Manager to issue a purchase order contract for a two-year period or until \$994,724 is expended to Pacific States Cast Iron Pipe Company, with two optional one-year extensions for a total amount of \$994,724 subject to the approval of the City Manager.

## **BACKGROUND:**

As part of the adopted Water System Master Plan ("Master Plan"), PWP's Water Division has a goal to replace two to four miles of old distribution mains under Pasadena streets each fiscal year.

Specification WD-14-02 provides for a contract to furnish and deliver Class 52 cement-mortar lined ductile iron pipe to PWP. Cement-mortar lined ductile iron pipe is used for distribution main replacement and fire protection system upgrades as approved in the Master Plan and will also be used in PWP's annual water main replacement program, which replaces old and occluded mains that do not provide adequate fire flow.

The previous contract to furnish and deliver Class 52 cement-mortar lined ductile iron pipe to PWP, which expired on February 7, 2014, was awarded to HD Supply Waterworks in an amount not to exceed \$350,000 per year. This was a two-year contract with two optional one-year extensions.

The Notice Inviting Bids for Specification WD-14-02 was published in the Pasadena Journal on April 10, 2014 and posted on the City's web page. Bid packets were obtained by 12 contractors, 5 of whom submitted bids.

The bids were evaluated by multiplying each unit price by the estimated quantity to obtain an item total for 4", 6", 8", 12", 16", 24", and 30" ductile iron pipe. The estimated quantities were determined by the frequency with which the corresponding bid items are required by PWP. This evaluation method and estimated quantities were fully disclosed in the Specification.

Following advertising, bids were opened on May 6, 2014.

The results of the bids were as follows:

<u>Bidders</u>	<u>Grand Total Price</u>
1. Pacific States Cast Iron Pipe Company, Corona, CA	\$497,361.55
2. S&J Supply Company Inc., Santa Fe Springs, CA	\$506,757.35
3. Western Water Works Supply Company, Inc., Chino Hills, CA	\$524,458.95
4. Ferguson Waterworks, Poway, CA	\$533,762.10
5. HD Supply Waterworks, LTD, Valencia, CA	\$692,629.60

Pacific States Cast Iron Pipe Company is the lowest responsive and responsible bidder and complies in all respects with the requirements of the Specification. Founded in 1926, Pacific States Cast Iron Pipe Company is one of the industry leaders in ductile iron.

Staff recommends award of a contract for a period of two years or until \$994,724 is expended to Pacific States Cast Iron Pipe Company. The contract may be extended for two additional one-year terms for a total of \$994,724 with approval of the City Manager. The total expenditure over the 4 year period will not exceed \$1,989,448.

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 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 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 structures, facilities, and mechanical

equipment including existing publicly owned utilities, involving 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 ductile iron pipe for distribution main replacement and capital improvements to the City's water main projects, including PWP's three-mile annual replacement program. All of the contemplated maintenance activities and improvements constitute negligible or no expansion of capacity. There is no impact to other projects as a result of approval of this contract.

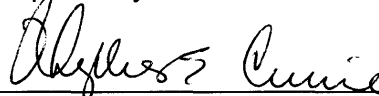
**FISCAL IMPACT:**

The maximum cost of this contract, if the two one-year extensions are approved, is \$1,989,448. 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 \$497,362 of the cost will be spent during fiscal year 2015 as shown in the following table. The remainder of the costs will be spent over the next three fiscal years in equal increments, if the contract extensions are approved.

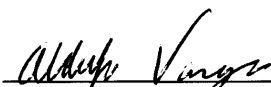
<b>Fund</b>	<b>Budget Number</b>	<b>Amount</b>
Water Capital Fund 412	Budget Number 1001 Distribution Mains	\$331,574.37
Water Capital Fund 412	Budget Number 1019 Fire Protection System Improvements	\$165,787.18
	<b>Total Annual Fiscal 2015 Impact</b>	<b>\$497,361.55</b>

Respectfully submitted,



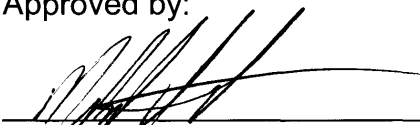
PHYLLIS E. CURRIE  
General Manager  
Water and Power Department

Prepared by:



Aldolfo Vargas  
Associate Engineer

Approved by:



MICHAEL J. BECK  
City Manager