

## Agenda Report

August 17, 2015

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: REJECTION OF BID TO FURNISH LABOR AND MATERIALS FOR UTILITIES MAINTENANCE SERVICES FOR THE PASADENA WATER AND POWER DEPARTMENT**

### **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the rejection of bids is statutorily exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Section 21080(b)(5) and Section 15270 of the State CEQA Guidelines; and
2. It is recommended that the City Council reject a bid received on July 1, 2015, in response to Specifications WD-14-07 to furnish labor and materials for utilities maintenance services for the Pasadena Water and Power Department.

### **BACKGROUND:**

The Water and Power Department ("Department") regularly completes water distribution projects as identified in the adopted Capital Improvement Program, Water System Master Plan, Water Integrated Resources Plan, and other water operations-related work. Specification WD-14-07 calls for a contract to provide utilities maintenance services to the Department. The services requested include exercising gate valves and replacing water meters and service laterals, which will assist in meeting the Department's goals for maintaining the water system per the 2002 Water System Master Plan. Any work to be performed by the contractor shall be on an "as needed" basis and supplemental to the work performed by the Department's Water Division construction crews.

On June 11, 2015, the Notice Inviting Bids for Specification WD-14-07 was advertised in the Pasadena Journal and also posted online through Planet Bids. Four contractors attended the non-mandatory pre-bid meeting on June 19, 2015 and one responsive bid was received and opened on July 1, 2015.

The result of the bid was as follows:

<u>Bidder</u>	<u>Grand Total Price</u>
Trautwein Construction, Inc., Rancho Cucamonga, CA	\$6,057,000.00

Staff compared the bid received to historical data for the same type of bid specifications and determined that the price submitted was not competitive. On average, the total unit prices from the bid received were approximately five times more than the lowest unit prices received in 2012. There was an anticipated price increase due to the implementation of the prevailing wage law earlier this year; however, the bidder's prices were much higher than expected.

Staff is working on revising the specifications and is planning to advertise in September 2015. The wide variety of work requiring varied expertise may have contributed to the single bid result. In order to engage a larger number of bidders during the next advertising, staff is planning on splitting the work and creating separate bidding groups for the gate valves, water meters, and water services so that a contractor can bid on just one task or multiple tasks within the contract. Staff is also working closely with the Purchasing Division to make certain that the revised specifications will encourage contractor participation while ensuring that the City's best interest is protected. With these revisions the specification will generate additional bids and result in a more cost effective contract. A contract award recommendation is expected to be brought back to Council in November 2015.

**COUNCIL POLICY CONSIDERATION:**

The rejection of the one received bid supports the City Council strategic goal to improve, maintain, and enhance public facilities and infrastructure and to improve mobility and accessibility throughout the City.

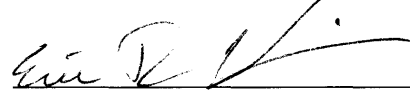
**ENVIRONMENTAL ANALYSIS:**

The rejection of bids is statutorily exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Section 21080(b)(5) and Section 15270 of the State CEQA Guidelines, which state that CEQA does not apply to "projects which a public agency rejects or disapproves".

**FISCAL IMPACT:**

There is no fiscal impact as a result of this action and it will not have any indirect or support cost requirements. Delays in meeting the Department's goals for gate valve exercising are expected as a result of not committing to this contract. There will be no other impacts to operational programs or capital projects as a result of this action.

Respectfully submitted,



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ERIC R. KLINKNER  
Interim General Manager  
Water and Power Department

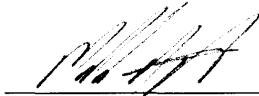
Prepared by:



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Approved by:



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MICHAEL J. BECK  
City Manager