



Agenda Report

January 29, 2018

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH WESTERN WATER WORKS SUPPLY COMPANY TO FURNISH AND DELIVER MISCELLANEOUS WATER UTILITY MATERIALS FOR AN AMOUNT NOT TO EXCEED \$1,500,000 PER YEAR

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project;
2. Accept the bid dated November 20, 2017, submitted by Western Water Works Supply Company in response to Specifications WD-17-11, to furnish and deliver miscellaneous water utility materials for the Water and Power Department ("PWP"), and authorize the issuance of a purchase order contract with Western Water Works Supply Company for an amount not to exceed \$1,500,000 per year for a period of two years; and
3. Subject to the approval of the City Manager extend the purchase order contract for two optional one-year terms not to exceed \$1,500,000 per year. If the two additional one-year terms are exercised, the total contract value would be \$6,000,000 for a maximum contract duration of four years.

BACKGROUND:

PWP regularly completes water distribution projects as identified in the adopted Capital Improvement Program ("CIP"), Water System Master Plan, Water Integrated Resources Plan, and other water operations-related work. Specifications WD-17-11 provides for a contract to furnish and deliver miscellaneous water utility materials as needed to enable PWP's Water Division construction crews to install pipelines, water services, and perform other construction and maintenance activities.

The miscellaneous materials, such as pipes, sleeves, spools, clamps, couplings, fittings, valves, and fire hydrants are used for routine maintenance and capital improvements to Pasadena's water distribution system and are critical to emergency repairs of broken water mains and services. These materials will also be used in PWP's annual three-mile main replacement program which replaces old and occluded mains that do not provide adequate fire flow.

The Notice Inviting Bids for Specifications WD-17-11 was advertised in the Pasadena Journal and posted online through Planet Bids on November 2, 2017. Fifteen vendors downloaded the Specifications from Planet Bids, none of which were local since there are no known industrial supply warehouses in Pasadena. A pre-bid conference was not conducted. Two bids were received electronically on November 29, 2017.

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 Specifications. The total weighted bid does not represent an actual dollar amount, but provides a method for comparing bids.

The bid results are as follows:

Bidder	Total Weighted Price
Western Water Works Supply Company, Chino Hills, CA	\$1,226,061.01
Core and Main, LP, Valencia, CA	non-responsive

Western Water Works Supply Company provided a responsive bid and complies in all respects with the requirements of the Specifications. The bid submitted on November 28, 2017 by Core and Main, LP, formally known as HD Supply Waterworks LTD, was deemed non-responsive as a few items were bid at zero cost. The Specifications included an exhaustive list of water utility materials that could be required over the next several years and required a bid price for every item. PWP is confident in moving forward with a contract with Western Water Works Supply Company, because the bids were within 1% of each other and within the expected price.

The proposed purchase order contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder. Staff recommends that the City Council award a purchase order contract to Western Water Works Supply Company for an amount not to exceed \$1,500,000 per year for two years with two optional one-year extensions of \$1,500,000 each, subject to the approval of the City Manager. Warehouse staff at PWP's yards will monitor the spending through Highjump, the warehouse management software.

Western Water Works Supply Company was awarded a competitively-bid multi-year purchase order contract for miscellaneous water utility materials in December 2013 for four years with a value of \$1,500,000 per year.

COUNCIL POLICY CONSIDERATION:

The proposed purchase order contract is consistent with the City Council Strategic Planning Goal to improve, maintain, and enhance public facilities and infrastructure. It supports PWP'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 action proposed herein is not a project subject to CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of the proposed purchase order contract, which would provide for the purchasing of supplies, would not commit the City to undertaking or approving any actual or specific physical construction activities or any other actions that involve physical changes to the environment. Rather, the proposed purchase order contract would make such services materials available to potential water infrastructure projects, which themselves would be subject to CEQA consideration. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The total cost of this action will be a maximum of \$6,000,000 over four years if the two year original contract term and the two additional one-year terms are exercised. Funding for this action will be addressed by the utilization of existing budgeted appropriations in CIP #1001 – Distribution Mains, CIP #1002 – Meters and Services, CIP #1003 – Customer Driven, and CIP #1019 – Fire Protection System Improvements, as well as the utilization of approved appropriations for operating and maintenance of water transmission and distribution systems. It is anticipated that \$750,000 of the cost will be spent in the initial year of the purchase order contract which falls in fiscal year 2018.

The following table presents the purchase order contract summary:

First two-year purchase order contract amount	\$3,000,000
Optional two year extensions	\$3,000,000
Total amount of purchase order contract	\$6,000,000

Respectfully submitted,



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