



Agenda Report

May 21, 2018

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: PURCHASE ORDER CONTRACT WITH CORE & MAIN LP TO FURNISH AND DELIVER CEMENT-MORTAR LINED DUCTILE-IRON PIPE FOR AN AMOUNT NOT TO EXCEED \$504,434 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 April 23, 2018, submitted by Core & Main LP in response to Specifications WD-18-02, to furnish and deliver cement-mortar lined ductile-iron pipe for the Water and Power Department ("PWP"); reject all other bids, and authorize the issuance of a purchase order contract with Core & Main LP for an amount not to exceed \$504,434 for a period of one year; and
3. Subject to the approval of the City Manager extend the purchase order contract for three optional one-year terms not to exceed \$504,434 per year. If the three additional one-year terms are exercised, the total contract value would be \$2,017,736 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. Specification WD-18-02 provides for a contract to furnish and deliver cement-mortar lined ductile-iron pipe to PWP as needed to enable PWP's Water Division construction crews to install pipelines, perform fire protection system upgrades, and other construction and maintenance activities. The contract is also critical to respond to emergency repairs.

A Notice Inviting Bids for Specifications WD-18-02 was advertised in the Pasadena Journal and posted online through Planet Bids on April 5, 2018. Fourteen 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. Three bids were received electronically on April 24, 2018.

The bids were evaluated by multiplying each unit price by the corresponding estimated quantity and then adding the products of these estimated quantities and unit prices to arrive at a grand total price. 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 Specifications.

The bid results are as follows:

Bidder	Grand Total Price
Core & Main LP, Valencia, CA	\$504,433.66
Ferguson Waterworks, Poway, CA	\$509,629.43
S & J Supply Company, Inc., Santa Fe Springs, CA	\$529,996.43

Core & Main LP provided the lowest responsive and responsible bid and complies in all respects with the requirements of the Specifications. 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 Core & Main LP for an amount not to exceed \$504,434 per year for one year with three optional one-year extensions of \$504,434 each, subject to the approval of the City Manager. The vendor may request unit price increases prior to the commencement of any subsequent contract extension period that will not exceed the rate of the then current Producer Price Index (P.P.I.) for the latest available preceding 12 month period. Warehouse staff at PWP's yards will monitor the spending through Highjump, the warehouse management application.

The recommended vendor has a current contract with PWP to furnish and deliver cold-water meters for an amount of \$218,117 per year. This contract is a two year contract with two optional one-year extensions. PWP is currently exercising the first optional one-year extension.

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 \$2,017,736 over four years if the one year original contract term and the three 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 #1003 – Customer Driven, and CIP #1019 – Fire Protection System Improvements, as well as the utilization of approved budgeted appropriations in operating and maintenance of water transmission and distribution systems. It is anticipated that the full cost of the original contract will be spent in fiscal 2019 and the cost for each additional one-year terms, if approved, will be spent within each of the subsequent fiscal years.

The following table presents the purchase order contract summary:

First one-year purchase order contract amount	\$504,434
Optional three year extensions	\$1,513,302
Total amount of purchase order contract	\$2,017,736

Respectfully submitted,



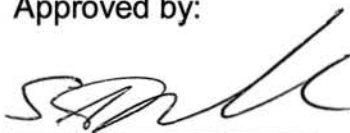
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