

Agenda Report

October 21, 2019

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH PENHALL COMPANY TO FURNISH LABOR AND EQUIPMENT FOR THE SAW CUTTING OF CONCRETE AND ASPHALT PAVEMENT FOR AN AMOUNT NOT TO EXCEED \$224,179 PER YEAR FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not considered a "project" per Section 21065 of the California Environmental Quality Act ("CEQA") and is therefore not subject to CEQA review pursuant to Sections 15060(c)(2), 15060(c)(3), and 15378 of the CEQA Guidelines; as such, no environmental document pursuant to CEQA is required for the action;
2. Accept the bid dated September 16, 2019 submitted by Penhall Company in response to Specification WD-19-19, to furnish labor and equipment for the saw cutting of concrete and asphalt pavement for the Water and Power Department ("PWP"), reject all other bids, and authorize the City Manager to enter into a contract with Penhall Company for an amount not to exceed \$224,179 for one year; and
3. Authorize the City Manager to extend the contract for three optional one-year terms not to exceed \$224,179 per year. If the three additional one-year terms are exercised, the total contract amount is \$896,716 for a maximum duration of four years.

BACKGROUND:

PWP regularly completes water distribution projects as identified in the Capital Improvement Program ("CIP") of the Water System Master Plan and other water operations-related work. Procuring the services of a qualified contractor to provide concrete and asphalt saw cutting services will expedite the installation of water mains, service laterals, and emergency repairs to mains and other water facilities.

The saw cutting services includes mobilization, labor, equipment, and removal of debris. Control of dust, run-off, and the prudent and responsible management of environmental factors associated with this service shall be the responsibility of the vendor.

The Notice Inviting Bids for Specifications WD-19-19 was advertised in the Pasadena Journal and posted online through Planet Bids on September 5, 2019. In addition, Specifications were sent to 10 contractors, none of whom were local since there are no known concrete and asphalt saw cutting contractors in Pasadena. Two responsive bids were received on September 17, 2019.

The results of the bids were as follows:

Bidder	Grand Total Price
Penhall Company, Anaheim, CA	\$224,179.00
G&F Concrete Cutting, Inc., Santa Fe Springs, CA	\$716,304.00
<i>Engineer's Estimate</i>	<i>\$200,000</i>

Penhall Company provided the lowest responsive and responsible bid and complies with the requirements of the Specifications.

It is recommended that the City Council award a contract to Penhall Company for an amount not to exceed \$224,179 per year for one year with three optional one-year extensions of \$224,179 each, subject to the approval of the City Manager.

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08. The project was bid as a prevailing wage project and workers employed will be paid the general prevailing rate of per diem wages as determined by the California Director of Industrial Relations. The project will meet the requirements of prevailing wage law under California Labor Code Sections 1720 through 1861 and Title 8 of the California Code of Regulations.

Penhall Company was awarded a competitively bid multi-year contract in fiscal year 2016 to provide saw cutting of concrete and asphalt pavement services with a value of \$186,484 or less per year for the past four years for a total value of \$745,936.

COUNCIL POLICY CONSIDERATION:

The proposed 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 a contract to furnish labor and equipment for the saw cutting of concrete and asphalt pavement for the Department's job sites or other locations within the PWP service area is an administrative and maintenance activity. The authorization of the proposed contract 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 contract would make such services available to 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 cost of this action will be up to \$224,179 for the initial year and the same amount for each of the three additional one-year terms. If the three additional one-year terms are exercised, the total contract amount is up to \$896,716 for a maximum duration of four years. Funding for this action will be addressed by the utilization of existing budgeted appropriations in CIPs 01001 and 01080 – Distribution Mains, CIP 01081 – Meters and Services, and CIPs 01003 and 01082 – Customer Driven, as well as the utilization of approved appropriations for operating and maintenance of water transmission and distribution systems. It is anticipated that \$112,090 of the cost will be spent in the current fiscal year.

The following table presents the contract summary:

First-year contract amount	\$224,179
Optional three year extensions	\$672,537
Total amount of contract	\$896,716

The anticipated impact to other operational programs or capital projects as a result of this action will be none.

Respectfully submitted,



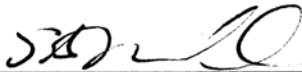
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