

Agenda Report

February 24, 2020

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACTS WITH INLAND WATER WORKS SUPPLY COMPANY AND WESTERN WATER WORKS SUPPLY COMPANY TO FURNISH AND DELIVER WATER METERS FOR AN AMOUNT NOT TO EXCEED \$978,491 AND \$138,498 PER YEAR, RESPECTIVELY

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 project;
2. Accept the bid dated December 31, 2019 submitted by Inland Water Works Supply Company in response to Specification WD-19-20, to furnish and deliver water meters for the Water and Power Department ("PWP"), and authorize the issuance of a purchase order contract with Inland Water Works Supply Company for an amount not to exceed \$1,956,982 for two years with an option for two additional one-year terms of \$978,491 each at the approval of the City Manager; and
3. Accept the bid dated December 31, 2019 submitted by Western Water Works Supply Company in response to Specification WD-19-20, to furnish and deliver water meters for PWP, and authorize the issuance of a purchase order contract with Western Water Works Supply Company for an amount not to exceed \$276,996 for two years with an option for two additional one-year terms of \$138,498 each at the approval of the City Manager.

BACKGROUND:

Specification WD-19-20 provides for a purchase order contract to furnish and deliver water meters, which are devices that record the amount of water used by customers. PWP's service territory has approximately 38,000 service connections and each requires a meter. Accurate billing to the customers is dependent on the replacement of

Authorize Contracts with Inland Water Works and Western Water Works

February 24, 2020

Page 2 of 5

aging and/or non-functional meters. Water meters have a life-span of 15-20 years, depending on the type of meter and the date of manufacture.

Each meter is delivered with an Itron Encoder Receiver Transmitter ("ERT") series endpoint and in-line connectors to the meter's absolute encoder register for automatic meter reading ("AMR"). Water meters equipped with AMR have the capacity to be programmed to become compatible with advanced or smart metering infrastructures.

The bids were categorized into six groups (A through E) based on the type and size of the meters, types of end-users, and required flow rates. Small meters range in size from ¾- to 2-inch and large meters are 3- to 8-inch. Group F represents the individual Itron ERT series endpoints. Bidders had an opportunity to bid on any one or all six groups based on their specialty. The City of Pasadena ("City") benefits from this bidding strategy by choosing the lowest Bidder in each of the categories.

The Notice inviting Bids for Specification WD-19-20 was advertised in the Pasadena Journal and posted online through Planet Bids on November 26, 2019. In addition, sixteen vendors were notified via email of the bid opportunity. None of these vendors are local since there are no known water meter manufacturers or industrial warehouses in the City. A pre-bid conference was not conducted. Four responsive bids were received and opened on December 31, 2019.

The bid was evaluated by multiplying each unit price by the corresponding quantity to determine the item price. The sum of the item prices, determines the item total. The sum of the item total and the sales tax determines the grand total price. This evaluation method and quantities were fully disclosed in the Specifications.

The bid results are as follows:

Bid Group A: "Small" Positive Displacement or Multi-Jet Type and Turbine Type Cold-Water Meters

<u>Bidders</u>	<u>Grand Total Price</u>
1. Inland Water Works Supply Company, San Bernardino, CA	\$631,071.00
2. Western Water Works Supply Company, Chino Hills, CA	\$1,084,727.26

Bid Group B: Turbine Type Cold-Water Meters

<u>Bidders</u>	<u>Grand Total Price</u>
1. Inland Water Works Supply Company, San Bernardino, CA	\$70,537.95
2. Western Water Works Supply Company, Chino Hills, CA	\$96,652.12

Bid Group C: Compound Type Cold-Water Meters

<u>Bidders</u>	<u>Grand Total Price</u>
1. Western Water Works Supply Company, Chino Hills, CA	\$138,497.28
2. Inland Water Works Supply Company, San Bernardino, CA	Non-responsive

Bid Group D: "Small" Ultrasonic Type Cold-Water Meters

<u>Bidders</u>	<u>Grand Total Price</u>
1. Inland Water Works Supply Company, San Bernardino, CA	\$187,700.63
2. Western Water Works Supply Company, Chino Hills, CA	\$235,318.15

Bid Group E: "Large" Ultrasonic Type Cold-Water Meters

<u>Bidders</u>	<u>Grand Total Price</u>
1. Inland Water Works Supply Company, San Bernardino, CA	\$31,299.98
2. Core and Main, LP., Valencia, CA	\$73,576.50
3. Western Water Works Supply Company, Chino Hills, CA	\$73,808.94

Bid Group F: Itron ERT Series Endpoints

<u>Bidders</u>	<u>Grand Total Price</u>
1. Inland Water Works Supply Company, San Bernardino, CA	\$57,881.25
2. Itron, Inc., Liberty Lake, WA	\$58,360.84

Total	\$1,116,989
Engineer's Estimate	\$1,299,681

Inland Water Works Supply Company provided a responsive and responsible bid for Groups A, B, D, E, and F, and Western Water Works Supply Company provided a responsive and responsible bid for Group C. Both Bidders comply in all respects with the requirements of the Specifications.

The proposed purchase order contracts comply 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 two purchase order contracts: one to Inland Water Works Supply Company for an amount not to exceed \$1,956,982 for two years with an option for two additional one-year terms of \$978,491 each; and one to Western Water Works Supply Company not to exceed \$276,996 for two years with an option for two additional one-year terms of \$138,498 each subject to the approval of the City Manager. Warehouse personnel will monitor the purchase order contracts spending.

Inland Water Works Supply Company was awarded a competitively-bid purchase order contract in fiscal year 2016 to furnish and deliver cold-water meters with a value of \$944,277 or less per year for four years. Western Water Works Supply Company was awarded a competitively-bid purchase order contract in fiscal years 2013 and 2018 to furnish and deliver miscellaneous water utility materials with a value of \$1,500,000 or less per year for four years.

COUNCIL POLICY CONSIDERATION:

The proposed purchase order contracts are 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 to allow for the on-going replacement of aging water meters.

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 two purchase order contracts to furnish and deliver cold-water meters to the Department's Water Division is an administrative and maintenance activity. The authorization of the proposed purchase order contracts 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. 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 \$3,913,964 for Inland Water Works Supply Company and \$553,992 for Western Water Works Supply Company for the initial two years plus two additional one-year terms, if exercised. Funding for this action will be addressed by the utilization of existing and future budgeted appropriations in CIP 01081 – Meters and Services, and CIPs 01003 and 01082 – Customer Driven. It is anticipated that \$279,247 of the cost will be spent in the current fiscal year.

The following table presents the purchase order contracts summary:

	Inland Water Works Supply Company Co	Western Water Works Supply Company	Total
Initial two-year contract amount	\$1,956,982	\$276,996	\$2,233,978
Two optional one-year extensions	\$1,956,982	\$276,996	\$2,233,978
Total amount of contract	\$3,913,964	\$553,992	\$4,467,956

Respectfully submitted,



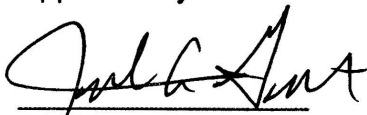
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