

Agenda Report

January 13, 2020

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: AUTHORIZE PURCHASE ORDER CONTRACT WITH SENSITIVE INDUSTRIAL SUPPLY DBA DESERT INDUSTRIAL SUPPLY, TO FURNISH PLUMBING SUPPLIES FOR AN AMOUNT NOT-TO- EXCEED \$270,000

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. i) Accept the bid dated November 26, 2019 submitted by Sensitive Industrial Supply dba Desert Industrial Supply (Desert Industrial), in response to the specifications to furnish plumbing supplies, ii) reject all other bids, and iii) authorize the issuance of a purchase order contract with Desert Industrial in an amount not to exceed \$270,000 over a three-year period with the option of two one-year extensions in the annual amount of \$90,000, at the discretion of the City Manager, for a maximum total contract length of five years and a total contract amount of \$450,000.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) purchases supplies for ongoing plumbing maintenance and repairs for various City facilities.

On November 6, 2019, a Notice Inviting Bids was published in the *Pasadena Journal* and posted on the City's website, which generated notices to 305 vendors. Out of the 17 vendors that downloaded the bid documents, one was local. The bids solicited were for pricing on typical plumbing supplies in estimated quantity requirements. Actual plumbing item types and quantities will be determined by BSFMD based on need.

Six bids were received by the bid closing date of November 26, 2019. The bid result is as follows:

Bidder		Amount (\$)
1. Desert Industrial Supply	Pasadena, CA	\$ 84,261.75
2. Plumbing and Industrial Supply	Los Angeles, CA	\$ 87,446.12
3. Ferguson Enterprises, Inc.	Pomona, CA	\$ 87,889.89
4. Golden West Pipe and Supply	Downey, CA	\$ 88,325.25
5. Riverside Winnelson	Grand Terrace, CA	\$100,026.78
6. LotusUSA, Inc.	Santa Clarita, CA	\$249,954.44

Desert Industrial is a local vendor located at 2268 East Foothill Boulevard, Pasadena, 91107. They have been doing business with the City since 1999. The estimated annual need of \$90,000 is based on the cost for the typical plumbing supplies needed for yearly repairs and maintenance including contingencies. As the responsive and responsible lowest bidder, staff recommends awarding this purchase order contract to Desert Industrial for an amount not to exceed \$270,000 for a three-year period with the option of two one-year extensions in the annual amount of \$90,000. The total for the maximum five-year period amounts to \$450,000.

The contract amounts are as follows:

	Year 1 to 3	Year 4 Optional 1 st Extension	Year 5 Optional 2 nd Extension
Base Bid	\$225,000	\$75,000	\$75,000
Contingency Allowance	<u>\$ 45,000</u>	<u>\$15,000</u>	<u>\$15,000</u>
"Not to Exceed" Amount	\$270,000	\$90,000	\$90,000
		TOTAL	<u>\$450,000</u>

The contingency allowance is for emergencies and/or special requests related to unanticipated increases in events, as well as tenant improvements, annual work plan projects, and increases in overall maintenance due to aging facilities.

COUNCIL POLICY CONSIDERATION:

This authorization supports the City Council's strategic goal to maintain fiscal responsibility and stability, improve, maintain, and enhance public facilities and infrastructure, support and promote the quality of life and local economy; and ensure public safety.

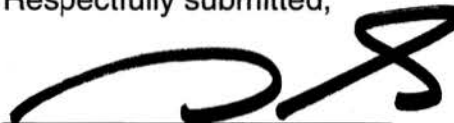
ENVIRONMENTAL IMPACT:

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have a significant effect on the environment.

FISCAL IMPACT:

The cost of this action is \$270,000. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Building Maintenance Fund, budget account 50222055-810100.

Respectfully submitted,



ARA MALOYAN, P.E.
Director of Public Works

Prepared by:



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Approved by:



for STEVE MERMELL
City Manager