



Agenda Report

October 19, 2020

TO: Honorable Mayor and City Council
FROM: Water and Power Department
SUBJECT: CONTRACT AWARD TO MCC EQUIPMENT RENTALS, INC. FOR WATER MAIN INSTALLATIONS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Section 21080.21 and State CEQA Guidelines Sections 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction); and
2. Accept the bid dated September 28, 2020 submitted by MCC Equipment Rentals, Inc. in response to Specifications WD-21-01; reject all other bids received, and authorize the City Manager, or his designee, to enter into a contract not to exceed \$1,975,757.00, which includes the base contract amount of \$1,796,143.00 and a contingency of \$179,614.00 to provide for any necessary change orders.

BACKGROUND:

Pasadena Water and Power ("PWP") regularly installs water mains to replace aging pipelines and to improve system reliability and water quality. PWP uses both in-house staff and contractors to perform the installation of mainlines and modifications to the water distribution system for new developments, regular maintenance and repairs to ruptured pipelines. In addition to replacing older mains, maintenance on the distribution system is critical for prolonging the life of the existing mains. Due to the need of increased maintenance of the water system to prolong the life of older pipes and quickly respond to failures, the use of contractors for mainline replacement allows PWP to more effectively manage the mainline replacement program.

This project will replace two pipelines that were installed 90 years ago. The Altadena Drive Water Main Project will replace approximately 2,900 feet of 12-inch cast iron pipes with new 12-inch ductile iron pipes. The Marengo Avenue Water Main Project will replace approximately 2,700 feet of 8-inch cast iron pipes with new 8-inch ductile iron pipes. The new water mains will meet the required pressure, pipe velocity, fire flow criteria and improve water quality. Work is expected to commence in January 2021 and be completed by June 2021.

On August 13, 2020, a Notice Inviting Bids for Specifications WD21-01 ("Specifications") was published in the paper as well as posted on Planet Bids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 63 vendors downloaded the Specifications of which two were local. A total of 12 bids were received by the bid opening date, zero from local contractors.

The results of the bids were as follows:

<u>Bidders</u>	<u>Total Bid</u>
MCC Equipment Rentals, Inc, Yucaipa CA	\$1,796,143
Creative Home/DBA: CHI Construction, Anaheim, CA	\$1,940,415
GRFCO, Inc., Brea, CA	\$1,947,500
Big Ben, Inc., Irvine, CA	\$1,973,754
William Pipeline Contractors, Inc., Somis, CA	\$2,075,935
Stephen Doreck Equipment Rentals, Inc., Pico Rivera, CA	\$2,236,085
Colich & Sons L.P., Gardena, CA	\$2,291,210
All Cities Engineering, Inc., Jurupa Valley, CA	\$2,335,330
Valverde Construction, Inc., Santa Fe Springs, CA	\$2,479,686
Bali Construction, Inc., South El Monte, CA	\$3,946,493
Toro Enterprises, Inc., Oxnard, CA	Non-Responsive
Performance Mechanical, Inc., Gardena CA	Non-Responsive
Engineer's Estimate	\$1,835,000

MCC Equipment Rentals, Inc. was the lowest responsive and responsible bidder and complied in all respects with the requirements of the Specifications. MCC Equipment Rentals, Inc. possesses a valid and current California State Contractors License Classification "A" as required.

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated thereunder. 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.

It is recommended that the City Council authorize the City Manager to enter into a contract with MCC Equipment Rentals, Inc. in the amount of \$1,975,757.00, which includes the base bid of \$1,796,143.00 and a 10% contingency of \$179,614.00 for any necessary change orders. The vendor has no current or past contracts with the City. The Project Engineer in the Water Division will track the contract spending and performance of work.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council's Strategic Planning Goals to: (i) Improve, maintain, and enhance public facilities and infrastructure; and, (ii) Ensure public safety. It supports PWP's Master Plan adopted by the City Council in 2002 to allow for the replacement of aging water distribution mains and establishment of reliable infrastructure to protect the public and minimize disruption of the City's water system.

ENVIRONMENTAL ANALYSIS:

The proposed contract is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Class 1: Existing Facilities) and 15302 (Class 2: Replacement or Reconstruction). Class 1 exempts from environmental review "the operation, repair, maintenance, permitting, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use." Class 2 exempts the replacement and/or reconstruction of existing structures and facilities where the new structure will be located on the same site and will have substantially the same purpose and capacity. The proposed contract would provide for the repair and/or replacement of existing water mains. The project would not result in an expansion of use or capacity and following the project, the water mains would have the same purpose and capacity as the current mains. There are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances.

In addition, the proposed contract is statutorily exempt from CEQA pursuant to Public Resources Code Section 21080.21, which states that CEQA "does not apply to any project of less than one mile in length within a public street or highway or any other public right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline."

FISCAL IMPACT:

The cost of this action will be \$2,125,757.00 which includes the base bid, 10% contingency, plus \$150,000.00 in anticipated internal indirect and support costs such as contract administration and inspection from Engineering. Funding for this action will be addressed by the utilization of existing appropriations in CIP #01080 – Distribution Mains. It is anticipated that \$2,125,757.00 of the cost will be spent in fiscal year 2021.

The following table presents the contract summary:

Bid Amount	\$1,796,143.00
Contingency	\$ 179,614.00
Subtotal	\$1,975,757.00
Contract Admin/Inspection (PWP)	\$ 150,000.00
Total Fiscal Impact FY 2020 / 2021	\$2,125,757.00

Respectfully submitted,



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