



Agenda Report

September 14, 2020

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: **CONTRACT AWARD TO SAN JOAQUIN CHEMICALS, INC. FOR HEATING VENTILATION AND AIR CONDITIONING WATER TREATMENT SERVICES FOR A NOT-TO-EXCEED AMOUNT OF \$96,105 FOR UP TO FIVE YEARS**

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 August 4, 2020, submitted by San Joaquin Chemicals, Inc. (San Joaquin Chemicals) to provide Heating, Ventilation, and Air Conditioning (HVAC) water treatment Services; ii) reject all other bids submitted; and iii) authorize the City Manager to enter into a contract with San Joaquin Chemicals in a not-to-exceed amount of \$57,663 (which includes a contingency of \$2,745) over a three-year period with the option for two, one-year extensions in the annual amount of \$19,221 (which includes a contingency of \$915) at the discretion of the City Manager, for a maximum total contract length of five years and a total contract amount of \$96,105.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) requires qualified firms to provide specialized water treatment services to the HVAC systems in city-owned buildings.

The City of Pasadena has several large buildings with heavy duty HVAC equipment requiring unique heating and cooling system maintenance. These systems utilize water as a heat transference property that must be treated regularly to prevent corrosion, scale and microbiological growth. Accurate and consistent water treatment services help to prevent system failure as well as extending the life and performance of the equipment.

On July 9, 2020, a Notice Inviting Bids for HVAC Water Treatment Services was posted on PlanetBids generating notices to 1,837 vendors, including 112 Pasadena businesses. Forty-six of the vendors were identified as prospective bidders for the type and scope of work in the bid specification. Forty-one vendors downloaded the bid documents and three vendors submitted a bid response.

As part of local outreach, BSFMD staff researched the local area to locate any businesses that provide specialized services for HVAC water treatment. No local companies were identified that would be able to provide the type and scope of work necessary to respond to this specialized bid opportunity.

BID RESULTS:

On August 4, 2020, three bids were submitted to PlanetBids. The bid results are as follows:

Bidder		Amount (\$)
1. San Joaquin Chemicals, Inc.,	Fresno, CA	\$18,306
2. CCI Chemical	Vernon, CA	\$23,400
3. Aqua Clear Water Treatment Specialists	San Diego	Non Responsive

San Joaquin Chemicals provides chemicals and service for all types of industrial water processes including condensers, boilers, closed loops, thermal energy storage, potable water, and waste water. San Joaquin Chemicals has provided services for the City of Pasadena since 2015 in the aggregate amount of \$533,322, of which \$88,140 relates to BSFMD with the balance pertaining to Water and Power. They are the current service provider for HVAC water treatment for BSFMD. The Department of Public Works recommends that San Joaquin Chemicals be awarded a contract for this project as they are the lowest responsive and responsible bidder.

The contract amounts will be set as follows:

	Year 1 to 3	Year 4 Optional	Year 5 Optional
Base Bid	\$54,918	\$18,306	\$18,306
Contingency Allowance	<u>\$ 2,745</u>	<u>\$ 915</u>	<u>\$ 915</u>
"Not to Exceed" Amount	\$57,663	\$19,221	\$19,221
		TOTAL	\$96,105

The contingency allowance is for use in the event of emergency and/or special requests and increases in the Consumer Price Index, for the Los Angeles-Riverside-Orange County area, for the most recent available 12-month period. The proposed contract with San Joaquin Chemicals fully complies with the Competitive Bidding and Living Wage Ordinances.

COUNCIL POLICY CONSIDERATION:

This contract furthers the City Council's goal to maintain fiscal responsibility and stability; improve, maintain and enhance public facilities and infrastructure; 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 an effect on the environment.

FISCAL IMPACT:

The cost of this contract is \$57,663 for a three-year contract, and the total cost of this action will be \$96,105 over five years. Funding will be addressed by the utilization of existing budgeted appropriations from the Building Maintenance Fund (budget account 50222052-811400). There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,


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Approved by:


STEVE MERMELL
City Manager