

Agenda Report

August 16, 2021

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: CONTRACT AWARD TO KOPPL PIPELINE SERVICES, INC. FOR WATER MAINLINE STOPPING SERVICES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction) and that there are no features that distinguish this project from others in the exempt classes and, therefore, there are no unusual circumstances; and
2. i) Accept the bid dated June 15, 2021, submitted by Koppl Pipeline Services, Inc. in response to Specifications WD-21-04 for water mainline stopping services; and ii) authorize the City Manager to enter into a contract not to exceed \$250,000 per year for an initial period of one year; and
3. Authorize the City Manager to extend the contract for up to three optional one-year terms of \$250,000 for a total not-to-exceed value of \$1,000,000.

BACKGROUND:

The Water and Power Department ("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, water distribution system modifications for new developments, and repairs to ruptured pipelines. In addition, maintenance is critical for prolonging the life of the existing mains. The use of contractors for planned mainline replacement allows PWP to more effectively manage its mainline replacement program.

PWP is in need of line stopping services, which involve isolation of specific sections of water main for repair without interrupting water delivery to customers. Any contracted work shall be on an "as needed" basis to supplement the work performed by PWP's Water Division crews.

On May 20, 2021, a Notice Inviting Bids for Specifications WD-21-04 ("Specifications") was published in the Pasadena Journal and the Pasadena Independent 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 21 vendors downloaded the Specifications of which none were local. A total of one bid was received by the bid opening date, with no bids received from local contractors. This is specialty work, which requires specific equipment that can perform the work in different sizes and material of pipes, and there are no local vendors known to PWP.

The results of the bids were as follows:

<u>Bidders</u>	<u>Total Bid</u>
Koppl Pipeline Services, Inc., Montebello, CA	\$574,000
Engineer Estimate	\$570,500

Koppl Pipeline Services, Inc. is a responsive and responsible bidder that complied with the Specification requirements, and possesses a valid California State Contractors License Classification "A".

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 by the contractor 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 Koppl Pipeline Services, Inc. in the amount not to exceed \$250,000 for an initial term of one year, with three optional one-year terms not to exceed \$250,000 each subject to approval by the City Manager. The bid includes line stops of all sizes relevant to PWP's water distribution system yet PWP will procure services on an "as needed" basis only. The City has awarded two contracts to Koppl Pipeline Services, Inc. since February 2020, collectively valued at approximately \$149,999. One is currently active and expires on August 24, 2021. The past two contracts awarded for line-stopping services illustrate this niche service, in each occurrence only one responsive and responsible bidder submitted a bid, that vendor was Koppl Pipeline Services, Inc. The Capital Projects Manager in the Water Division along with a consultant for inspection/contract management 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.

FISCAL IMPACT:

The cost of this action will be \$250,000, plus \$50,000 in anticipated internal indirect and support costs such as contract administration from Engineering. Funding for this action will be addressed by the utilization of existing appropriations in CIP # 01080 – Distribution Mains and CIP #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 \$170,000 of the cost will be spent in fiscal year 2022.

The following table presents the contract summary:

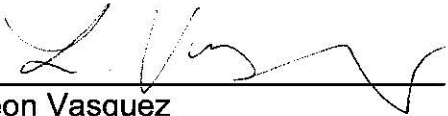
Initial one-year term	\$250,000
Three optional one-year extensions	\$750,000
Subtotal	\$1,000,000
Contract Admin/Inspection (PWP)	\$50,000
Total Fiscal Impact FY 2022 / 2023	\$300,000

Respectfully submitted,



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STEVE MERMELL
City Manager