



# Agenda Report

February 5, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT: CONTRACT AWARD TO A&Y ASPHALT CONTRACTORS, INC. TO FURNISH LABOR AND MATERIALS FOR UTILITY AND MISCELLANEOUS STREET REPAIRS FOR AN AMOUNT NOT TO EXCEED \$1,500,000 FOR THE WATER AND POWER DEPARTMENT**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for this action;
2. Accept the bid dated November 13, 2023 submitted by A&Y Asphalt Contractors, Inc. ("A&Y") in response to Specifications WD-23-04; reject all other bids received; and
3. Authorize the City Manager to enter into a contract with A&Y for an amount not to exceed \$1,500,000 for an initial period of one year, whichever comes first, with an option for two additional one-year terms at \$1,500,000 per year, at the discretion of the City Manager, for a maximum total amount not to exceed \$4,500,000.

## **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 in-house staff to perform the installation of mainlines, modifications to the water distribution system for new developments, regular maintenance, and repairs to ruptured pipelines and services. Specifications WD-23-04 ("Specifications") provide for a contract to furnish labor, equipment, and materials to restore and final pave streets, and repair or replace sidewalks, driveways, curbs, and gutters impacted by PWP's Water Division construction crews as a result of installing water mains, water services, fire hydrants, and other water facilities.

The bid schedule has a list with 167 items for the various street restoration requirements such as asphalt concrete pavement, asphalt rubber mix, Portland cement

concrete pavement, raising and lowering existing gate cans and water meter boxes/vaults to grade, and among other items. Bidders were required to bid on all items to be considered responsive, and the contract award is based on the lowest grand total bid price.

To determine a bid price, bidders multiplied estimated quantity by respective price for a variety of scenarios. The quantity for each scenario was estimated by staff based on material usage from prior years and projected for the work activity that may be performed in future years. The total bid price was the cumulative sum of all scenarios, resulting in bids greater than the potential estimated annual expense. The grand total bid price, submitted by the bidders, serves as a method for bid comparison. This evaluation method was fully disclosed in the Specifications.

On October 19, 2023, a Notice Inviting Bids for Specifications was published in the Pasadena Press and posted on OpenGov. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 23 vendors downloaded the Specifications of which one was local. A total of 2 bids were received by the bid closing date, with 1 bid received from a local vendor.

The Results of the bids were as follows:

<u>Bidders</u>	<u>Grand Total Bid</u>
A&Y Asphalt Contractors, Inc., Norco, CA	\$11,825,525
Access Pacific, Inc., Pasadena, CA	\$18,660,200

Staff recommends award of a one-year contract not-to-exceed \$1,500,00 to A&Y.

A&Y was the lowest responsive and responsible bidder, complied in all respects with the requirements of the Specification, and possesses a valid and current California State Contractors License Classification "A" as required. The vendor has no current contract with the City. However, the vendor was previously contracted with the City for the same services from years 2013 to 2016, and 2017 to 2020.

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.

It is recommended that the City Council authorize the City Manager to enter into a contract with A&Y in the amount of \$1,500,000 for an initial period of one year, whichever comes first, with an option for two additional one-year terms at \$1,500,000 per year subject to the approval of the City Manager. The total contract amount will be \$4,500,000 if the two additional one-year terms are exercised. 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 Water System & Resources Plan that was adopted by the City Council in 2021 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 not a project subject to CEQA pursuant to Section 21065 of the Public Resources Code (CEQA) and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of a contract to furnish labor, equipment, and materials for utility and miscellaneous street repairs at the Department's Water Division construction job sites or other locations within the PWP service territory is a continuing administrative and maintenance activity. The City has maintained such an agreement(s) with paving contractors for equivalent services in the past and the proposed contract is a continuation of such services. In addition, the authorization of the proposed contract 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. Rather, the proposed contract would make such services available to potential water infrastructure projects, which themselves would be subject to CEQA consideration. 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 \$4,500,000 over three years, if the two additional one-year terms are exercised. Funding for this action will be addressed by the utilization of existing and future appropriations in the Water Capital Fund 412, Capital Improvement Projects 01080 - Distribution Mains, 01081 - Meters and Services, and 01082 - Customer Driven, as well as approved appropriations for operating and maintenance of water transmission and distribution systems. It is anticipated that \$375,000 of the cost will be spent in FY 2024.

The following table presents the fiscal impact summary:

First-year contract amount	\$ 1,500,000.00
Optional 2 Year Contract Extensions	\$ 3,000,000.00
<b>Total Fiscal Impact</b>	<b>\$ 4,500,000.00</b>

Respectfully submitted,



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Prepared by:



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