

Agenda Report

March 25, 2024

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: CONTRACT AWARD TO PENHALL COMPANY TO FURNISH LABOR AND EQUIPMENT FOR THE SAW CUTTING OF CONCRETE AND ASPHALT PAVEMENT FOR AN AMOUNT NOT-TO-EXCEED \$2,859,032 FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not considered a "project" per Section 21065 of the California Environmental Quality Act ("CEQA") and is therefore not subject to CEQA review pursuant to Sections 15060(c)(2), 15060(c)(3), and 15378 of the CEQA Guidelines; as such, no environmental document pursuant to CEQA is required for the action; and
2. Accept the bid dated January 30, 2024, submitted by Penhall Company ("Penhall") in response to specifications for Project ID 2023-IFB-LM-923 to furnish labor and equipment for the saw cutting of concrete and asphalt pavement; authorize the City Manager, or his designee, to enter into a contract with Penhall for an amount not-to-exceed \$2,859,032, which includes the base contract amount of \$1,786,895, or five years, whichever comes first, and an option for three additional one-year terms at \$357,379 per year, at the discretion of the City Manager.

BACKGROUND:

Pasadena Water and Power ("PWP") regularly completes water distribution projects as identified in the Capital Improvement Program ("CIP") of the Water System and Resources Plan and other water operations-related work. Procuring the services of a qualified contractor to provide concrete and asphalt saw cutting services will expedite the installation of water mains, service laterals, and emergency repairs to mains and other water facilities.

The saw cutting service includes mobilization, labor, equipment, and removal of debris. Control of dust, run-off, and the prudent and responsible management of environmental factors associated with this service shall be the responsibility of the vendor.

On January 11, 2024, a Notice Inviting Bids for saw cutting of concrete and asphalt pavement was published in the Pasadena Press, as well as 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 15 vendors downloaded the specifications. A total of one bid was received by the bid due date, with no bids received from local contractors.

The result of the bid was as follows:

<u>Bidder</u>	<u>Total Bid</u>
Penhall Company, Anaheim, CA	\$357,379/year

Penhall is the only and lowest 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 Penhall Company for \$1,786,895, or five years, whichever comes first, with an option for three additional one-year terms at \$357,379 per year, at the discretion of the City Manager for a maximum total contract amount not-to-exceed \$2,859,032. The City has awarded two contracts and a purchase order to Penhall Company since fiscal year 2016, collectively valued at approximately \$1,697,652. Pasadena's previous Contract (#31602) with Penhall expired in February of 2024.

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 the Water System and Resources Plan that was adopted by the City Council in 2021 to provide reliable water service and avoid and/or mitigate disruptions in the PWP water system.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not a project subject to CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization of a contract to furnish labor and equipment for the saw cutting of concrete and asphalt pavement for PWP's job sites or other locations within the City of Pasadena's ("City") service area is an administrative and maintenance activity. 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 infrastructure projects, which themselves would be subject to CEQA consideration. Therefore, 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 \$2,859,032, which includes the initial period of five years and three optional one-year extensions, if exercised. Funding for this action will be addressed by the utilization of existing appropriations, an estimated 80% from CIP 01080 – Distribution Mains, CIP 01081 – Meters and Services, and CIP 01082 – Customer Driven - Mains, Meters, and Services, and the remaining 20% from approved appropriations for operating and maintenance of water transmission and distribution systems. It is anticipated that \$357,379 of the cost will be spent during the current fiscal year. The remainder of the costs will be spent over the next seven fiscal years.

The following table presents the contract summary:

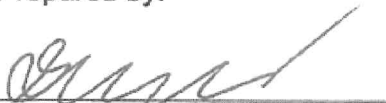
Initial five-year term	\$1,786,895
Three optional one-year extensions	\$1,072,137
Total Fiscal Impact	\$2,859,032

Respectfully submitted,



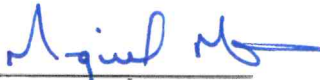
DAVID M. REYES
Acting General Manager
Water and Power Department

Prepared by:



Gabe Norris
Management Analyst II
Water and Power Department

Approved by:



MIGUEL MÁRQUEZ
City Manager