



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: AUGUST 25, 2025**

**SUBJECT: AMENDMENT OF THE MASTER AGREEMENT WITH HARDY & HARPER, INC. OF LAKE FOREST, CALIFORNIA, FROM RFP NO. 2289 FOR AS-NEEDED ASPHALT AND CONCRETE REPAIR SERVICES FOR WATER SYSTEM MAINTENANCE – SUPPLEMENTAL APPROPRIATION**

**ISSUE:**

Consider approving an additional annual expenditure in the amount of \$2,500,000 for three fiscal years for As-Needed Asphalt and Concrete Repair Services for Water System Maintenance; recommending that the City Council approve an amendment to the Master Agreement with Hardy & Harper, Inc. of Lake Forest, California, from RFP No. 2289 for As Needed Asphalt and Concrete Repair Services for Water System Maintenance, in a not-to-exceed amount of \$4,000,000 per fiscal year, for a term through June 30, 2028, with the option to extend for one additional two-year term.

**RECOMMENDATIONS:**

That the Board of Public Utilities recommend that the City Council:

1. Approve an amended Master Agreement with Hardy & Harper, Inc. of Lake Forest, California, from RFP No. 2289 for As-Needed Asphalt and Concrete Repair Services for Water System Maintenance, in a not-to-exceed amount of \$4,000,000 per fiscal year for a term through June 30, 2028, with the option to extend for one additional two-year term;
2. With at least five affirmative votes, adopt a resolution exempting the individual assignments under this As-Needed Asphalt and Concrete Repair Services Agreement from competitive bidding requirements of City Charter Section 1109;
3. With five affirmative votes, authorize the Chief Financial Officer, or his designee, to record a supplemental appropriation in the amount of \$2,500,000 from Water Utility Undesignated Reserves to the Public Utilities Water Field Operations Maintenance/Repair Account, System Expansion Account, and Distribution System Facilities Replacement Account; and
4. Authorize the City Manager, or his designee, to execute the Master Agreement with Hardy & Harper, Inc. and any other documents necessary to effectuate the work described herein, including making minor and non-substantive changes and to execute the optional two-year extension subject to funding availability, need, and acceptable performance.

## **BACKGROUND:**

The Riverside Public Utilities Department (RPU) Water Division operates and maintains nearly 993 miles of underground water pipelines and over 67,000 water service laterals. RPU's Water Division Field Forces (Water Crews) each year complete approximately 1,400 routine and emergency water pipeline and service lateral repairs. Water Crews also conduct various routine and systematic maintenance activities to reduce or prevent more extensive repairs from occurring.

Once the water team repairs the water pipelines and service laterals, the overlaying asphalt and concrete must be replaced according to the City's roadway standards established by the City's Public Works (PW) Department. Roadway infrastructure, including sidewalks, is the most visible and widely used city asset. Expediting permanent asphalt and concrete repairs is essential to restoring public access and ensuring community safety.

## **DISCUSSION:**

Water Crews do not perform partial or complete street paving, nor do they have the equipment or professional experience. RPU relies on the PW Street Division (PW Crews) or outside contractors to perform asphalt and concrete repairs. Historically, PW Crews were able to provide repair paving and kept pace with RPU's waterline maintenance repairs. However, in recent years, the PW Crews were not able to complete all of the repairs needed by RPU Water, which led to a backlog of over 4,000 waterline repair locations needing asphalt and concrete repair. RPU's repair work need outpaced the capacity of PW Crews. Public Works and RPU proposed hiring an outside contractor to handle outstanding and future repairs to supplement PW Crews, on an as-needed/on-call basis, to minimize disruptions to public road and sidewalk access.

On June 28, 2021, the Board of Public Utilities recommended this approach with approval of the annual expenditure not exceeding \$1,000,000 for a three-year agreement for as-needed asphalt and concrete repair services. Before seeking approval of the agreement by the City Council, the item was paused due to a good faith meet-and-confer process with the PW Street Division bargaining unit. This process took longer than anticipated (over two years), and, thus, the selected vendor at that time was not able to hold their pricing due to the unprecedented industrywide construction price increases that have occurred since the date the previous RFP was issued. Therefore, it was necessary to cancel the previous RFP and initiate a new procurement process with an increased budget.

On June 10, 2024, the Board of Public Utilities approved the expenditure of \$1,500,000 per fiscal year and recommended that the City Council approve the Master Agreement with Hardy & Harper, Inc. which was approved by City Council on July 2, 2024.

The initial agreement with Hardy and Harper has proven to be an effective solution to address the paving backlog. The combined efforts of the PW department and Hardy & Harper addressed 980 paving patches, which falls short of the annual average of patches created and the backlog of patches to be addressed, with additional funding PW and the contractor can continue to remediate one of the top complaints the City receives.

Due to the backlog of approximately 4,000 repair locations and the annual addition of approximately 1,400 locations (a total of about 2,600 repairs needed), the not to exceed amount of \$1,500,000 is not sufficient to chip away at the backlog and keep up with the annual workload.

Therefore, a supplemental appropriation of \$2,500,000 is being requested, to add to the approved agreement amount of \$1,500,000, bringing the total annual not to exceed amount to \$4,000,000 for three years to address the backlog. Thereafter the \$1,500,000 shall be budgeted and maintained for annual asphalt and concrete repairs.

#### Solicitation Process and Vendor Selection

On September 26, 2023, the City's Purchasing Division (Purchasing) issued Request for Proposals (RFP) No. 2289 for a qualified vendor to perform As-Needed Asphalt and Concrete Repair Services for Water System Maintenance in an amount not to exceed \$1,500,000 annually for a three-year term. The RFP stipulated that the agreement may be extended for an additional two-year term, subject to funding availability, need, and acceptable performance. The RFP also included assumed quantities for various types of asphalt and concrete repairs and required the vendors to submit unit pricing for each type of repair. The unit pricing will be the basis of compensation for the vendor's work performance. The RFP further stipulates that the vendor's compensation will be based on the work performed, which may be more or less than the fee for the assumed scope of work but not more than \$1,500,000 yearly.

The notification of the RFP release was sent to 254 vendors, and 39 vendors downloaded the RFP. The City did not schedule a pre-proposal meeting, did not receive any questions from prospective bidders, nor did the City post any addenda. On October 19, 2023, seven (7) proposals were received in response to RFP No. 2289. Under the guidance and oversight of the assigned representative from Purchasing, a five-member panel comprised of staff from both PW and RPU evaluated the proposals. Each of these five (5) individuals evaluated and ranked the proposals independently and input their scores into the online evaluation portal.

The evaluation criteria outlined in the RFP consisted of the following five elements:

1. Approach and Methodology (15%)
2. Experience (25%)
3. Professional References (10%)
4. Qualifications (35%)
5. Pricing (15%)

The evaluation criteria and respective weightings were established in collaboration with Purchasing using industry best practices and in consideration of the project needs. Because the work of this project will span over multiple years, the selected vendor must have the qualifications and experience needed to successfully complete the work, along with a superb understanding of the work and a verified track record to back it up. Fair and reasonable pricing is also a significant consideration to ensure overall good value for the City. The weightings were allocated according to the relative importance of each evaluation criterion based on the project needs.

The proposals, along with their respective scores, submitted for RFP No. 2289 are summarized in the table below:

Vendor Name	City Location	Proposed Fee (Annually)	Weighted Score Evaluations						
			Approach and Methodology (15%)	Experience (25%)	Professional References (10%)	Qualifications (35%)	Pricing (15%)	Total Proposal Score	Rank
Hardy & Harper, Inc.	Lake Forest, CA	\$1,559,700	141.00	235.00	88.00	308.00	88.82	860.82	1
Access General Contracting, Inc.	Corona, CA	\$1,548,767	105.00	170.00	62.00	259.00	89.44	685.44	2
Gentry General Engineering, Inc.	Rancho Cucamonga, CA	\$1,753,250	27.00	190.00	42.00	217.00	79.01	555.01	3
CT&T Concrete Paving, Inc.	Diamond Bar, CA	\$3,683,230	99.00	140.00	68.00	210.00	37.61	554.61	4
Onyx Paving Company, Inc.	Anaheim, CA	\$1,369,000	21.00	135.00	68.00	224.00	101.19	549.19	5
We R Builders, Inc.	Glendale, CA	\$923,510	78.00	105.00	54.00	161.00	150.00	548.00	6
NPL Construction	Eastvale, CA	\$3,918,050	66.00	125.00	52.00	168.00	35.36	446.36	7

Upon review of the scores by the assigned representative from Purchasing, Hardy and Harper, Inc., was ranked highest overall. The assigned representative from Purchasing requested a Best and Final Offer (BAFO) from Hardy and Harper, Inc., who responded with reduced unit pricing, resulting in a new overall annual proposed fee of \$1,503,415, a \$56,285 or 3.6% reduction to the original fee submitted. As previously noted, the RFP further stipulated that the vendor's compensation will be based on the actual work performed, which may be more or less than the quoted fee for the assumed scope of work but not more than \$1,500,000 each year.

Pricing is to remain firm for the initial contract term of three (3) years. If both parties agree on the one-time two-year extension, a CPI increase may be considered.

### Project and Fiscal Breakdown

Work Type:	Performed By:	Amount:
As-Needed Asphalt and Concrete Repair Services	Hardy and Harper, Inc.	Not-to-Exceed \$1,500,000 Each Fiscal Year
Reimbursements:	None	
Anticipated Start Date:	July 2024	
Anticipated Duration:	3 Years	

On July 2, 2024, City Council approved the Master Agreement under Charter Section 1109, which states, “Projects for the construction and/or improvement of any public utility operated by the City or for the purchase of supplies or equipment for any such utility may be excepted from the requirements of this section, provided the City Council so determines by at least five affirmative votes.” While RFP No. 2289 was conducted in a manner consistent with competitive procurements for the City of Riverside, individual assignments of asphalt and concrete repair projects would not be competitively procured. Therefore, City Council approval of a resolution is required to exempt the individual assignments of projects from the competitive bidding requirements of Charter Section 1109.

Per Purchasing Resolution 24101, Article Eight: Acquisition of Construction Services, Section 802 includes an exception for construction services under item (k) “When the Awarding Entity waives bidding requirements under and according to the circumstances set forth in Section 1109 of the City Charter or when it is determined by the Manager to be in the best interests of the City to do so”.

Per Purchasing Resolution 24101 Section 1104 Change Orders which states, “Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval... (c) Any Change Order which causes the contract price to exceed the authorization in section 203 hereof, if the Contract and/or Purchase Order was not previously approved by the Awarding Entity.”

The Purchasing Manager concurs that the recommended action to approve the Amendment to the Master Agreement for As Needed Asphalt and Concrete Repair Services is in accordance with Purchasing Resolution No. 24101, Section 1104 (c).

#### Partnership with Public Works

PW crews have and will continue to assist, when possible, with asphalt and concrete repairs requested by RPU Water. When PW Crews are unable to complete the repair work requested, they will utilize the approved outside contractor to supplement PW Crews, on an as-needed/on-call basis, to minimize disruptions to public roads and sidewalk access. Public Works has the expertise overseeing paving contractors and will partner with RPU to lead and oversee the work of the as-needed paving contract. This oversight by Public Works includes the existing as needed paving contract and the augmentation proposed in this Report. All charges will be allocated to the appropriate maintenance work orders and will be reviewed and approved by RPU staff.

The Public Works Director concurs that the recommended action to approve the Amendment to the Master Agreement for As Needed Asphalt and Concrete Repair Services.

#### **FISCAL IMPACT:**

The total fiscal impact of this action is \$7,500,000. The total cost for asphalt and concrete repairs will not exceed \$4,000,000 a year for Fiscal Years 25/26, 26/27, and 27/28 and \$1,500,000 for Fiscal Year 28/29. The Fiscal Year 25/26 supplemental appropriation of \$2,500,000 from Water Utility Undesignated Reserves will be allocated as \$875,000 to the Public Utilities’ Water Field Operations Maintenance/Repair Account No. 6205000-424130, \$487,000 to the System Expansion Account No. 6230000-470701, and \$1,138,000 to the Distribution System Facilities Replacement Account No. 6230000-470706. With the Fiscal Year 25/26 supplemental appropriation of \$2,500,000, sufficient funds are available in the Public Utilities’ Water Field Operations Maintenance/Repair Account No. 6205000-424130, System Expansion Account No.

6230000-470701, and Distribution System Facilities Replacement Account No. 6230000-470706. The costs will be allocated to the appropriate accounts based on the type of work performed as required by the PW Standards. Future year funding will be included as a part of the biennial budget process.

Prepared by:	Robin Glenney, Assistant General Manager of Water
Approved by:	David A. Garcia, Utilities General Manager
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. RFP No. 2289 Award Recommendation
2. Amended Master Agreement
3. Master Agreement
4. Resolution
5. Presentation