



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 10, 2024

SUBJECT: 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 \$1,500,000 PER FISCAL YEAR, FOR A TERM THROUGH JUNE 30, 2027, WITH THE OPTION TO EXTEND FOR ONE ADDITIONAL TWO-YEAR TERM

ISSUE:

Consider approving an expenditure in an amount not-to-exceed \$1,500,000 each of three fiscal years for As-Needed Asphalt and Concrete Repair Services for Water System Maintenance; recommending that the City Council approve a 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 \$1,500,000 per fiscal year, for a term through June 30, 2027, with the option to extend for one additional two-year term.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve an expenditure in an amount not-to-exceed \$1,500,000 each fiscal year for As-Needed Asphalt and Concrete Repair Services for Water System Maintenance;

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

2. Approve a 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 \$1,500,000 per fiscal year for a term through June 30, 2027, with the option to extend for one additional two-year term;
3. 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; 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 1,200 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. They rely 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 along with RPU's waterline maintenance repairs; however, in recent years, the PW Crews have not had the personnel, experienced significant equipment breakdowns, or were assigned other priority work, which led to a backlog of approximately 4,000 waterline repair locations needing asphalt and concrete repair. To address the asphalt and concrete repair backlog challenges, PW and RPU proposed hiring an outside contractor on an as-needed 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.

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					Total Proposal Score	Rank
			Approach and Methodology (15%)	Experience (25%)	Professional References (10%)	Qualifications (35%)	Pricing (15%)		
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 a 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.

PW staff have the expertise overseeing paving contractors and will partner with RPU to lead and oversee the work of the as-needed paving contract. All charges will be allocated to the appropriate maintenance work orders and will be reviewed and approved by RPU staff.

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	

Charter Section 1109 provides “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”.

The Purchasing Manager concurs that the recommended action to approve the Master Agreement for As Needed Asphalt and Concrete Repair Services is in accordance with Purchasing Resolution No. 24101, Section 802(k).

STRATEGIC PLAN ALIGNMENT:

Ensuring the damaged asphalt and/or concrete are repaired in an efficient and thorough manner support the goals in the City of Riverside’s (City) *Envision Riverside 2025* strategic plan which focus on High Performance Government and Infrastructure, Mobility, and Connectivity.

The High-Performance Government strategic priority focuses on fiscal responsibility which includes being a prudent steward of public funds to provide exceptional public services that are efficient, accessible, and responsive to all. Responding to and addressing water line repairs, including the respective asphalt and concrete restoration, in an expeditious manner meets the following strategic goals:

5.2 – Utilize technology, data, and process improvement strategies to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitably throughout all geographic areas of the City.

5.4 – Achieve and maintain financial health by addressing gaps between revenue and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Replacing the temporary asphalt patches with permanent improvements helps restore the road, curb, and/or sidewalk to its full capacity which helps it meet its full useful service life since the infrastructure is less prone to damage by water infiltration or heavy traffic flow impacting the temporary patch which can lead to increased damage.

The Infrastructure, Mobility, and Connectivity strategic priority aims to ensure safe, reliable infrastructure that benefits the community and facilitates connection between people, place, and information. Several of the strategic goals that align with this project include:

6.1 – Provide, expand, and ensure equitable access to sustainable modes of transportation that connect people to opportunities such as employment, education, healthcare, and community amenities.

6.2 – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

The project aligns with EACH of the five cross-cutting threads as follows:

1. **Community Trust** – These services have been discussed and considered in a public forum demonstrating a commitment to building community trust.
2. **Equity** – These services will benefit the entire community by making improvements to roadways throughout the city.
3. **Fiscal Responsibility** – A competitive procurement process was used to secure the highest quality services at the best value.
4. **Innovation** – This project entails a collaborative and innovative partnership between the Public Works Department and the Public Utilities Department.
5. **Sustainability & Resiliency** – This project will entail making repairs at select locations on

roadways throughout the city helping to ensure the longevity of the city’s transportation system.

FISCAL IMPACT:

The total cost for asphalt and concrete repairs will not exceed \$1,500,000 each fiscal year. With City Council approval of the Fiscal Year 2024/25 – 2025/26 budget on June 25, 2024, sufficient funds are budgeted 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.

Funding in future years will be included as a part of the biennial budget process.

Prepared by:	Gilbert Hernandez, Public Works Director
Approved by:	David A. Garcia, Interim 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:	Phaedra A. Norton, City Attorney

Attachments:

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