



# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: JULY 2, 2024**

**FROM: PUBLIC WORKS DEPARTMENT      WARDS: ALL**

**SUBJECT: APPROVE A MASTER AGREEMENT WITH HARDY & HARPER, INC. OF LAKE FOREST, CALIFORNIA, FROM RFP NO. 2289 FOR ASPHALT AND CONCRETE REPAIR SERVICES FOR WATER SYSTEMS MAINTENANCE ON AN AS-NEEDED BASIS, IN AN AMOUNT NOT-TO-EXCEED \$1,500,000 PER FISCAL YEAR, FOR A THREE-YEAR TERM THROUGH JUNE 30, 2027, WITH THE OPTION TO EXTEND FOR ONE ADDITIONAL TWO-YEAR TERM**

**ISSUE:**

Approve a Master Agreement with Hardy & Harper, Inc. of Lake Forest, California, from RFP No. 2289 for Asphalt and Concrete Repair Services for Water System Maintenance on an as-needed basis, in an amount not-to-exceed \$1,500,000 per fiscal year, for a three-year term through June, 30, 2027, with the option to extend for one additional two-year term; and with at least five affirmative votes, adopt a resolution exempting the individual assignments under this On-Call Asphalt and Concrete Repair Services Agreement from competitive bidding requirements of City Charter Section 1109.

**RECOMMENDATIONS:**

That the City Council:

1. Approve a Master Agreement with Hardy & Harper, Inc. of Lake Forest, California, from RFP No. 2289 for Asphalt and Concrete Repair Services for Water System Maintenance on an as-needed basis, in an amount not-to-exceed \$1,500,000 per fiscal year for a three-year term 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 On-Call Asphalt and Concrete Repair Services Agreement from competitive bidding requirements of City Charter Section 1109; and
3. Authorize the City Manager, or designee, to execute the 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.

## **BOARD RECOMMENDATION:**

This report is published on June 21, 2024, for the July 02, 2024, City Council meeting.

On June 10, 2024, the Board of Public Utilities will hear this item for consideration to recommend to the City Council to take action on the subject.

If the Board approves to forward this to the City Council, we respectfully request the City Council consider the item at the July 02, 2024, City Council meeting.

## **BACKGROUND:**

The Riverside Public Utilities Department (RPU) is responsible for operating and maintaining nearly 993 miles of underground water pipelines and over 67,000 water service laterals. Each year, RPU's Water Field Forces (Water Crews) 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.

Once the water pipelines and service laterals are repaired, the damaged asphalt and/or concrete must be replaced in accordance with the Riverside Public Works Department's (PW) Standards. Replacing temporary asphalt patches with permanent improvements helps restore the road, curb, and/or sidewalk to its full capacity. This helps the road, curb, and/or sidewalk meet its full useful service life since the infrastructure is less prone to damage by water infiltration or heavy traffic loads impacting the temporary asphalt patches.

## **DISCUSSION:**

Water Crews are not equipped to perform street paving and therefore rely on the Public Works Street Division (PW Crews) to perform the asphalt and concrete repair work related to water system maintenance. In the past, PW Crews kept pace with RPU's maintenance repairs; however, in recent years repair work has outpaced the capacity of the Public Works Department, in part due to proactive repair work, resulting in a backlog of approximately 4,000 asphalt repair locations.

Public Works and Riverside Public Utilities staff collaborated on ways to address the backlog to restore the asphalt and minimize disruptions to the community and recommended hiring a contractor to handle outstanding and future repairs on an on-call basis most efficiently. The benefits offered by a contractor include the ability to allocate dedicated personnel, having ample and specialized equipment, and the ability to implement permanent repairs in a timely and efficient manner.

On June 28, 2021, the Board of Public Utilities recommended approval of an agreement from RFP No. 1946 for asphalt and concrete repair services for water system maintenance; however, the selected vendor was not able to hold their pricing until a meet and confer process with the union representatives was complete, which took longer than anticipated. Therefore, it was necessary to cancel the previous RFP and initiate a new procurement process.

### **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 asphalt and concrete repair services

related to water system maintenance in an amount not to exceed \$1,500,000 annually for a three-year term. Subject to funding availability, need and acceptable performance, the RFP stipulated that the agreement may be extended for an additional two-year term. 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 performance of the work. The RFP further stipulates that the vendor’s compensation will be based on the actual work performed, which may be more or less than the fee for the assumed scope of work, but not more than \$1,500,000 each year.

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 the Public Works Department 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. Given the work of this project will span over multiple years, it is essential that the selected vendor have the qualifications and experience needed to successfully complete the work along with a superb understanding of the work and a verified work history. Fair and reasonable pricing is a very important consideration as well 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. 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.

Public Works staff has expertise in overseeing paving contractors and will partner with RPU to lead and oversee the work of the on-call paving contract. All charges 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 Consumer Price Index increase may be considered.

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:**

1. **Community Trust** – Project has 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** – The competitive procurement process was used to secure lowest cost possible, for the highest quality performance of the project.
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 fiscal impact of the action is up to \$4,500,000 for the three-year term of the agreement, or up to \$1,500,000 per fiscal year. The funds are budgeted in Water Fund, PU Water Field Operations, Maintenance account 6205000-424130, System Expansion CIP Project 6230000-470701 and Distribution Facilities Replacement CIP Project 6230000-470706. Appropriations for future fiscal years will be included in the RPU’s Budget submissions for those fiscal years to be presented to the City Council for approval.

Prepared by:	Nathan Mustafa, Public Works Deputy Director/City Engineer
Approved by:	Gilbert Hernandez, Public Works Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Agreement
2. Resolution
3. Award Recommendation
4. Presentation