



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: APRIL 26, 2021**

**SUBJECT: THREE YEAR AGREEMENT WITH L.C. PAVING & SEALING, INC., IN RESPONSE TO REQUEST FOR PROPOSAL NO. 1946 FOR ON-CALL ASPHALT AND CONCRETE REPAIR SERVICES FOR WATER SYSTEM MAINTENANCE IN AN AMOUNT NOT-TO-EXCEED \$1,000,000 ANNUALLY**

**ISSUES:**

Consider approving an expenditure in an amount not-to-exceed \$1,000,000 annually for three years for asphalt and concrete repairs related to water system maintenance; recommending that the City Council exempt the On-Call Asphalt and Concrete Repair Services Agreement from competitive bidding requirements of City Charter Section 1109; and recommending that the City Council approve an Agreement for On-Call Asphalt and Concrete Repair Services with L.C. Paving & Sealing, Inc. in an amount not-to-exceed \$1,000,000 annually for a three-year term.

**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Approve an expenditure in an amount not-to-exceed \$1,000,000 for each fiscal year for asphalt and concrete repairs related to water system maintenance;
2. Recommend that the City Council, with at least five affirmative votes, approve exempting the individual assignments under this On-Call Asphalt and Concrete Repair Services Agreement from competitive bidding requirements of City Charter Section 1109;
3. Recommend that the City Council approve an Agreement for On-Call Services for Asphalt and Concrete Repair with L.C. Paving & Sealing, Inc., of San Marcos, California, in an amount not to exceed \$1,000,000 annually for a three-year term with the option to extend for one additional two-year term; and
4. Recommend that the City Council authorize the City Manager, or his designee, to execute the agreement 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) is responsible for operating and maintaining nearly 965 miles of underground water pipelines and over 68,000 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 in the future.

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.

## **DISCUSSION:**

Water Crews are not equipped to perform street paving and therefore rely on the PW 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 the PW Crews have experienced challenges with maintaining needed personnel levels and equipment breakdowns, which led to a backlog of approximately 1,600 asphalt repair locations.

PW and RPU staff identified ways to address the backlog to restore the asphalt and minimize disruptions to the community and recommend 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 September 15, 2020, Riverside's Purchasing Division (Purchasing) issued Request for Proposals (RFP) No. 1946 for a qualified vendor to perform asphalt and concrete repair services related to water system maintenance in an amount not to exceed \$1,000,000 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 \$1,000,000 each fiscal year.

RFP 1946 was publicly advertised in the Press Enterprise on September 18, 2020 as required for construction and/or improvement projects in Section 1109 of the Riverside City Charter. On October 8, 2020, the City received eight proposals in response to the RFP, which are listed below in order of the fees submitted, lowest to highest, for the assumed scope of work. Three of the proposals received were deemed non-responsive by the Purchasing Manager.

<b>No.</b>	<b>Vendors</b>	<b>City Location</b>	<b>Fee (Based on Assumed Quantities in the RFP)</b>
1.	NPG, Inc. (Deemed Non-Responsive)	Perris, CA	\$428,349.00
2.	Pavement Rehab Company (Deemed Non-Responsive)	Costa Mesa, CA	\$766,500.00
3.	<b>L.C. Paving &amp; Sealing, Inc.</b>	<b>San Marcos, CA</b>	<b>\$792,200.00</b>
4.	GM Sager Construction Co., Inc. (Deemed Non-Responsive)	Pomona, CA	\$810,000.00
5.	Hardy & Harper, Inc.	Lake Forest, CA	\$1,173,750.00
6.	A&Y Asphalt Contractors, Inc.	Norco, CA	\$1,842,300.00
7.	CT&T Concrete Paving, Inc.	Diamond Bar, CA	\$1,857,950.00
8.	HCI, LLC	Norco, CA	\$2,313,740.00

*Project budget: \$1,000,000 annually for three years*

A five-member panel comprised of staff from both PW and RPU evaluated the proposals. The two highest ranked vendors were invited to participate in an oral interview on March 1, 2021, and L.C. Paving & Sealing, Inc., of San Marcos, California ranked highest.

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

<b>Project and Fiscal Breakdown</b>		
<b>Work Type:</b>	<b>Performed By:</b>	<b>Amount:</b>
On-Call Asphalt and Concrete Repair Services	L.C. Paving & Sealing, Inc.	Not-to-Exceed \$1,000,000 Annually for Three Years
Reimbursements:	None	
<b>Anticipated Start Date:</b>	<b>July 2021</b>	
<b>Anticipated Duration:</b>	<b>36 Months</b>	

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 1946 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.

Section 802(h) of Purchasing Resolution 23256 includes this exception for construction services “When the Awarding Entity waives bidding requirements under and according to the circumstances set forth in Section 1109 of the City Charter”.

The Purchasing Manager concurs that the recommended action to approve the On-Call Asphalt and Concrete Repair Services Agreement is in accordance with section 802(h) of Purchasing Resolution No. 23256.

**FISCAL IMPACT:**

The total cost for asphalt and concrete repairs in Fiscal Year 2021/22 will not exceed \$1,000,000. Sufficient funds are budgeted in the Public Utilities' Water Field Operations Maintenance/Repair Account No. 6205000-424130, System Expansion Account No. 6230000-470701, Distribution System Facilities Replacement Account No. 6230000-470706, and Main Replacement Account No. 6230000-470707. The costs will be allocated to the appropriate accounts based on the type of work performed as required by the PW Standards.

Funding in Fiscal Years 2022/23 – 2023/24 will be included as a part of the biennial budget process.

Prepared by:	Todd L. Jorgenson, Utilities Assistant General Manager/Water
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Kristi Smith, Interim City Attorney

Concurs with:	Kris Martinez, Public Works Director
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Certifies availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
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Attachments:

1. RFP Award Recommendation
2. Agreement
3. Presentation