



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 28, 2021

SUBJECT: APPROVE A 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; recommend that the City Council exempt the On-Call Asphalt and Concrete Repair Services Agreement from competitive bidding requirements of City Charter Section 1109; and recommend 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. Ensuring the damaged asphalt and/or concrete are repaired in an efficient and thorough manner support the priorities in the City of Riverside's (City) *Envision Riverside 2025* strategic plan which focus on High Performing Government and Infrastructure, Mobility, and Connectivity.

The High Performing Government strategic priority focuses on fiscal responsibility which includes being a prudent steward of public funds to provide exceptional public service that is 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 under this priority:

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.

Roadway infrastructure to include sidewalks is one of the biggest and most valued assets in the City. After a water line is repaired, expediting permanent asphalt and concrete repairs are critical to best maintain and protect these facilities while restoring access and improving safety in the community.

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 1,800 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. Table 1 reflects some advantages and disadvantages of the various alternatives considered by staff:

Table 1: Advantages and Disadvantages of Various Alternatives

No.	Alternatives	Advantages	Disadvantages
1	RPU to hire an On-Call Contractor and administer the work independently of PW.	<ul style="list-style-type: none"> • RPU maintains control of the work/progress. • Can make repairs quickly. 	<ul style="list-style-type: none"> • More expensive due to double inspection. • Diverts RPU staff away from other priorities.
2	RPU to fund a dedicated PW paving crew.	<ul style="list-style-type: none"> • Keeps the work in-house. 	<ul style="list-style-type: none"> • More expensive. • May not have enough work once the outstanding paving repairs are completed.
3	RPU to add a paving crew.	<ul style="list-style-type: none"> • Keeps the work in-house. 	<ul style="list-style-type: none"> • Paving is not a core competency of RPU. • Significant investment in paving equipment and materials. • Need to identify storage facility for large equipment.
4	PW to utilize existing crews to perform the repairs.	<ul style="list-style-type: none"> • No additional staffing needed. • Keeps the work in-house. 	<ul style="list-style-type: none"> • Crews may not be able to address the repairs in a timely fashion due to other work priorities. • The list of repairs may continue to get longer. • Roadway damage may result from outstanding repair locations. • Repair costs would likely increase.

On September 15, 2020, the Finance Department/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.

No.	Vendors	City Location	Fee (Based on Assumed Quantities in the RFP)
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.	L.C. Paving & Sealing, Inc.	San Marcos, CA	\$792,200.00
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.

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

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 but the work would be conducted and priced in accord with the successful proposer’s proposal, which included unit pricing. Therefore, City Council approval 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:	Kris Martinez, Public Works Director
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Kristi J. Smith, Interim City Attorney

Certifies availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
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Attachments:

1. RFP Award Recommendation
2. Agreement
3. Presentation