



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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CONSENT
February 23, 2010

Honorable Mayor and
Members of the City Council

Title: Contracts: Purchase of Industrial Plumbing Parts

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) awarding a three-year contract for industrial plumbing parts to Ferguson Waterworks for an amount not-to-exceed \$2,600,000; 2) awarding a three-year contract for industrial plumbing parts to Groeniger and Co. for an amount not-to-exceed \$900,000; and 3) awarding a three-year contract for industrial plumbing parts to Pace Supply Corp. for an amount not-to-exceed \$1,500,000.

Contacts: Marc Robles, Program Analyst, Procurement Services, 808-6343;
Ken Swartz, Stores Administrator, Field Services, 808-6276

Presenters: Not applicable

Department: Utilities

Division: Field Services

Organization Nos. : 14001411/14001421/14001431

Description/Analysis:

Issue: The Department of Utilities, Field Services Division, has an ongoing need to purchase industrial plumbing parts for their inventory to ensure continuation of services its customers. Three contract awards are recommended to the firms that were the lowest responsible bidders for the plumbing part categories included in their respective contracts.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.56 that provides for the award of competitively bid supply contracts to the lowest responsible bidder.

Environmental Considerations:

California Environmental Quality Act (CEQA): Continuing purchases of supplies are not a “project” and are not subject to CEQA, in accordance with Section 15378(b)(2) of the CEQA Guidelines.

Sustainability Considerations: The plumbing parts purchased under this contract are in compliance with AB1953, a state regulation that requires the use and installation of lead-free plumbing parts in the State of California.

Commission/Committee Action: Not Applicable

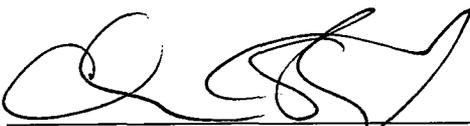
Rationale for Recommendation: The Department of Utilities has a need to purchase industrial plumbing parts to ensure continuation of services to its customers.

In December 2009, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B10131061011 for the purchase of Industrial Plumbing Parts. Three responses were received. The lowest responsive and responsible bidders in their respective plumbing part categories were determined to be: Ferguson Waterworks, Groeniger and Co. and Pace Supply Corp. By making multiple awards for the different part categories, the City will save an estimated \$100,000.00 over the life of the three year contract. The Bid Results and the calculation of each contract’s not-to-exceed amount based on the Bid Results are provided on Attachment 1. Both Ferguson and Pace have the ability to place orders over the internet.

Financial Considerations: Sufficient funding is available in the Department of Utilities FY2009/10 operating budget for the purchase of industrial plumbing parts, through June 30, 2010. Purchases after June 30, 2010 are subject to funding availability in the adopted budget of the applicable fiscal year. The estimated annual amounts for all three contracts are as follows:

Year 1	Year 2	Year 3	Total Amount
\$1,250,000	\$1,750,000	\$2,000,000	\$5,000,000

Emerging Small Business Development (ESBD): None of the vendors proposed for award are certified as an emerging/small business firm.

Respectfully submitted by: 
Chris Stewart
Procurement Manager

Approved by: 
Marty Hanneman
Director, Department of Utilities

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1

BID RESULTS - BID NO. B10131061011-INDUSTRIAL PLUMBING PARTS

IFB No. B10131061011

Bid Opening Date: 1/6/10

Item

Plumbing Parts

	Ferguson	Groeniger	Pace Supply Co.	Annual Multiple Award Savings(1)
Category/Low Bid	<u>Extension</u>	<u>Extension</u>	<u>Extension</u>	<u>Savings(1)</u>
Brass Valves	\$ 154,545.60	\$ 153,734.50	\$ 155,186.00	\$ 811.10
Pipe Clamps	\$ 7,152.70	\$ 13,405.75	\$ 9,132.25	\$ 6,253.05
Tapping Sleeves	\$ 16,984.00	\$ 16,806.94	\$ 16,194.00	\$ 790.00
Flex Couplings	\$ 45,553.98	\$ 49,811.60	\$ 55,647.50	
Leak Clamps	\$ 7,566.00	\$ 6,898.60	\$ 5,246.50	\$ 667.40
Coupling Adapters	\$ 191,418.50	\$ 193,540.00	\$ 197,335.00	
Gate valves	\$ 153,140.01	\$ 165,797.50	\$ 142,148.00	\$10,992.01
Repair Bands	\$ 147,926.66	\$ 146,781.25	\$ 146,148.10	\$ 1,145.41
Meter Valves	\$ 27,660.90	\$ 27,817.50	\$ 28,813.75	
Meter Boxes/Lids	\$ 207,791.21	\$ 211,229.70	\$ 223,881.51	
Meter Adapters	\$ 89,367.00	\$ 90,610.00	\$ 93,017.50	
Flange Adapters	\$ 1,680.69	\$ 2,763.50	\$ 1,396.00	\$ 284.69
Megalugs	\$ 19,582.70	\$ 22,320.00	\$ 14,930.00	\$ 4,652.70
Red Head Adptrs	\$ 17,079.50	\$ 12,000.00	NO BID	\$ 5,079.50
Sewer Parts	\$ 31,733.40	\$ 29,062.00	\$ 37,600.00	\$ 2,671.40
Subtotal	\$ 1,119,182.85	\$ 1,142,578.84	\$ 1,126,676.11	
City 1% Pref Yes	\$ (11,191.83)	\$ (11,425.79)	\$ (11,266.76)	
ESBE Pref - 5%	No	No	No	
Prompt Payment Disc	No	No	No	
Subtotal	\$1,107,991.02	\$1,131,153.05	\$ 1,115,409.35	
Sales Tax @ 8.75%	\$ 97,928.50	\$ 99,975.65	\$ 98,584.16	
Bid Evaluation Total	\$1,205,919.52	\$1,231,128.70	\$ 1,213,993.51	
Award Total	\$1,217,111.35	\$1,242,554.49	\$ 1,225,260.27	
		Total Annual Savings		\$33,347.26
		Total Contract Savings		\$100,041.78

(1) By making a multiple award rather than awarding to the lowest overall responsible bidder, Ferguson, the City will realize the aggregate savings listed above. Based on the split award Ferguson will receive six (6) categories, Groeniger three (3) categories and Pace will receive six (6).

	Ferguson Waterworks	Groeniger & Co.	Pace Supply Corp.
Bid Amount (incl. sales tax)	\$1,217,111.35	\$1,242,554.49	\$1,225,260.27
5% E/SBE Preference	None	None	None
1% City Limit Preference	(\$11,191.83)	(\$11,425.79)	(\$11,266.76)
Prompt Payment Discount	None	None ⁽¹⁾	None ⁽¹⁾
Total Bid Evaluation	\$1,205,919.52	\$1,231,128.70	\$1,213,993.51

Low bid categories added together equal \$1,089,803.39.
 Ferguson's was low bid on (6) six categories \$568,944.29 or 52%.
 Groeniger was low bid on (3) three categories \$194,796.50 or 18%.
 Pace was low bid on (6) six categories \$326,062.60 or 30%.
 Each award was calculated on the percentage of each firm's low bid categories.

Award (Years 1 thru 3) Contracts To:

Ferguson Waterworks
 8732 Fruitridge Rd..
 Sacramento, CA 95826

Groeniger & Co.
 7601 14th Ave.
 Sacramento, CA 95820

Pace Supply Corp.
 8400 24th Ave.
 Sacramento, CA 95826

\$2,600,000.

\$900,000.

\$1,500,000

Total Amount of Three Contracts (Years 1 thru 3): \$5,000,000.00⁽²⁾

Using Department: Department of Utilities

No. of Bids Received	No. of E/SBE Bids Solicited	No. of E/SBE Responses	Award to E/SBE Vendor?
3	1	0	No

⁽¹⁾Prompt payment discount offered was less than 20 days.

⁽²⁾The lowest responsible bid amount of \$1,205,919.52 represents the total for the quantities selected for evaluation purposes only, which was calculated on annual historical usage. Authorization is requested to enter into contracts in a total amount not to exceed \$5,000,000, which anticipates an annual cost and/or volume increase and more closely reflects the actual amount anticipated to be expended overall for these three year contracts.

RESOLUTION NO. 2010-

Adopted by the Sacramento City Council

February 23, 2010

AWARD CONTRACTS FOR THE PURCHASE OF INDUSTRIAL PLUMBING PARTS

BACKGROUND

- A. The Department of Utilities has an ongoing need to purchase industrial plumbing parts for their inventory to ensure continuation of services to its customers.
- B. In December 2009, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B10131061011 for the purchase of industrial plumbing parts. The lowest responsive and responsible bidders in their respective plumbing part categories were determined to be: Ferguson Waterworks, Groeniger and Co. and Pace Supply Corp.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. A three-year contract for industrial plumbing parts is awarded to Ferguson Waterworks for an amount not-to-exceed \$2,600,000.
- Section 2. A three-year contract for industrial plumbing parts is awarded to Groeniger and Co. for an amount not-to-exceed \$900,000.
- Section 3. A three-year contract for industrial plumbing parts is awarded to Pace Supply Corp. for an amount not-to-exceed \$1,500,000.