

City of Sacramento

Legislation Text

File #: 2019-01147, Version: 1

Title:

Agreement: Industrial Plumbing Supplies [Published for 10-Day Review 08/29/2019]

File ID: 2019-01147

Location: Citywide

Recommendation:

Pass a Motion authorizing the City Manager or the City Manager's designee to: 1) execute a Goods Agreement with Pace Supply, to provide Industrial Plumbing Supplies for a one-year term, with the option to extend for two additional one-year terms, for a total amount not-to-exceed \$3,938,945; 2) authorize the City Manager or the City Manager's designee to approve the one-year extensions, provided that sufficient funds are available in the Department of Utilities (DOU) operating budget adopted for the applicable fiscal year (FY).

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Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Agreement: Pace Supply

Description/Analysis

Issue Detail: DOU has an ongoing need to purchase industrial plumbing supplies in support of its Operations and Maintenance functions within the Department.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56, which requires City Council approval for contracts of \$100,000 or more.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all

agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action. This item was published for 10-day review on August 29, 2019.

Economic Impacts: None

Environmental Considerations: The Community Development Department, Environmental Services Manager has determined that the proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA). CEQA Guidelines Section 15378(b). The activity is a continuing administrative or maintenance activity, such as the purchase of supplies, and is not subject to CEQA. CEQA Guidelines Section 15060(c)(3).

Sustainability: Purchases made under this contract support the goals of the City's Sustainability Master Plan by protecting sources of water and providing flood protection.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: On May 7, 2019, DOU issued Invitation for Bid (IFB) B19141451025 for Industrial Plumbing Supplies. The project was publicly advertised, and bids were received on the closing date of May 22, 2019 and opened on May 29, 2019. Bids were received from Ferguson Enterprises, Inc., Pace Supply and Core and Main.

Ferguson Enterprises, Inc. submitted its bid after the closing time posted in the bid document. As such, it was deemed a late submission and returned unopened and unprocessed. The bid from Core and Main was found to be responsive in 4 of 26 categories; however, it was not found to be the low bidder in any categories. Pace Supply was the lowest responsive bidder in all 26 categories with a bid total of \$3,938,945.

Over the last 3-year contract period, DOU spent approximately \$500,000 per year with Pace Supply and another \$530,000 with Ferguson Enterprises. Given this spending history, DOU anticipates that there will be sufficient capacity in the contract for three years of purchases. Staff recommends executing a Goods Agreement with Pace Supply, to provide Industrial Plumbing Supplies for a total amount not-to-exceed \$3,938,945 over the three-year term.

Financial Considerations: Sufficient funds are available in the DOU FY2019/20 Operating Budget to execute the agreement with Pace Supply for a one-year term, with an option to extend for two additional one-year terms for an amount not-to-exceed \$3,938,945. Funding of this agreement in future fiscal years will be subject to availability of sufficient funds in the budget adopted for the applicable fiscal year.

There are no General Funds allocated or planned for this project.

Local Business Enterprise (LBE): The LBE program does not apply to contracts for supplies in excess of \$100,000.