



RESOLUTION NO. _____

BOARD LETTER APPROVAL

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ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

A handwritten signature in black ink, appearing to read "Janisse Quiñones", written over a horizontal line.

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: January 27, 2025

SUBJECT: Contract No. 8012 for Earthquake Resistant Ductile Iron Pipe and Appurtenances for Roscoe Trunk Line Project with S & J Supply Company, Inc.

SUMMARY

The proposed Contract No. 8012 (Contract) is to furnish and deliver earthquake resistant ductile iron pipe (ERDIP) and appurtenances for the construction of the Roscoe Trunk Line Project (Project). This is a one-time purchase for an estimated expenditure of \$5,874,922, for an amount not to exceed \$6,756,160 (budgeted). The Contract is a result of a competitive bid process, under Invitation for Bid (IFB) No. 8012R1.

The Los Angeles Department of Water and Power (LADWP) is committed to improving the seismic performance of its water distribution pipe network. The ERDIP can improve the reliability of LADWP's water infrastructure's performance against earthquakes and other forces (landslide, erosion, etc.). This new 48-inch ERDIP will be used to replace approximately 4,000 feet of existing high-density polyethylene (HDPE)-lined welded steel pipe and riveted steel pipe that has experienced 19 leaks between 2004 and 2021. The Project stretches along Roscoe Boulevard from Mason Avenue to Louise Avenue.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners adopt the attached Resolution authorizing award of Contract No. 8012 to S & J Supply Company, Inc., the lowest bidder in compliance with the specifications.

ALTERNATIVES CONSIDERED

LADWP does not have the capacity or facilities to fabricate ERDIP materials to be purchased in this contract. There are no other alternatives at this time. Several ERDIP companies were contacted, including Kubota Membrane USA Corporation (Kubota), U.S. Pipe, American Pipe, and McWane Ductile Iron Pipe. It was determined that only Kubota and U.S. Pipe could offer a joint system meeting the design criteria and technical specifications of the Project, including size, joint deflection, and axial strain in tension and compression. S & J Supply Company, Inc., is a distributor for U.S. Pipe.

The proposed one-time spot purchase yields the lowest bid pricing due to the large bid quantities and competitive bid process between the two potential vendors, resulting in the lowest cost to LADWP.

FINANCIAL INFORMATION

The Contract is for a one-time purchase and is budgeted.

Contract	\$5,874,922
Contingency (15 percent)	<u>\$ 881,238</u>
Total	\$6,756,160

LADWP's Water System requests a 15 percent contingency to provide additional ERDIP, special fittings, and appurtenances to address potential design and schedule changes due to unforeseen field conditions.

S & J Supply Company, Inc.'s total quotation of \$5,874,922 is approximately 28 percent lower than LADWP's estimated cost of \$8,211,940, which was based on pricing discussions and quotations from several vendors. The variance is likely due to the competitive bidding environment between the vendors that can meet the requirements of this Project.

BACKGROUND

The Project crosses liquefaction zones and is located in an area with 40-to-50-foot depths of soft clay soil. ERDIP is recommended because the joints are designed to resist separation by allowing for expansion, contraction, and deflection. Per the specified design criteria, ERDIP shall have joint capacities with a minimum of 1 percent axial strain in tension and compression, total of 1 percent of the standard pipe length; slip out resistance of up to 816,000 pound-feet; and up to 5.5 degrees of rotational joint deflection for each joint. Upgrading the original trunk line to ERDIP will provide additional capacity in liquefaction zones, greater system flexibility, and enhanced reliability to customers in the San Fernando Valley.

The Contract will include approximately 4,000 feet of large diameter 48-inch trunk line, including fittings, accessories, installation equipment, and training.

S & J Supply Company, Inc., has performed satisfactorily on previous contracts.

ENVIRONMENTAL DETERMINATION

Determine item is in compliance with California Environmental Quality Act (CEQA) Guidelines Sections 15070-15075 (MND previously adopted). In accordance with CEQA, a Mitigated Negative Declaration (MND) was prepared to analyze the impacts associated with the construction and operation of the Roscoe Trunk Line Replacement Project. On July 12, 2022, the Board of Water and Power Commissioners adopted the MND and Mitigation Monitoring and Reporting Program and approved the project.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Sonoran Sales Company, LLC (Sonoran)
2.	Procurement Type: Invitation for Bid (IFB)
3.	Procurement Details: A. Contract Status: New B. Bid Advertisement Date: October 23, 2024 C. Pre-Bid Conference Date: N/A D. Bid/Proposal Due Date: November 14, 2024 E. Number of Downloads of Solicitation: 10* (8 Prime, 2 Subcontractors) F. Number of Bids/Proposals Received: 4 G. Protest Received: No
4.	Buyer Assigned: Jamie Vasquez
5.	Contract Administrator: Ian Lei
6.	LADWP System/Division: Water System/Water Distribution Division
7.	Contact Person for Item: Gene Hong

*Note: eRSP requires vendors to express interest either as a prime contractor or subcontractor only in order to download solicitation documents. Downloads do not necessarily accurately reflect unique vendor interests as multiple individuals in an organization can download solicitations.

A. Summary of Bids Received

Group A				
Term	Sonoran Sales Company, LLC	Jifco, Inc.	Northwest Pipe Company	Robles Welding
Original Period	\$3,749,900	\$5,291,410	\$6,339,945	\$190,063
Less Cash Terms Discount	-	-	-	(\$950)
Less LBPP	-	-	-	-
Total Evaluated Amount	\$3,749,900	\$5,291,410	\$6,339,945	\$189,113 Non-responsive

Group B				
Term	Sonoran Sales Company, LLC	Jifco, Inc.	Northwest Pipe Company	Robles Welding
Original Period	\$4,169,295	\$5,000,650	\$7,345,305	\$429,304
Less Cash Terms Discount	-	-	-	(\$2,147)
Less LBPP	-	-	-	-
Total Evaluated Amount	\$4,169,295	\$5,000,650	\$7,345,305	\$427,157 Non-responsive

B. Evaluation of Bids

Bid No. 8014R1 is a rebid. One bid was received under Bid No. 8014; however, the total quotation was 257 percent higher than LADWP's estimated cost. Therefore, it was determined in the best interest of LADWP to reject the bid under IFB No. 8014 and rebid under IFB 8014R1 with revised technical specifications.

Under the rebid, LADWP received four bids in response to IFB No. 8014R1.

Robles Welding submitted the lowest bid for Groups A and B. However, they were deemed non-responsive due to submitting an incomplete bid for both Groups A and B.

Sonoran submitted the second lowest bid for Groups A and B and is in full compliance.

Prices submitted under Bid No. 8014R1 have been determined to be fair and reasonable based on a competitive bid process.

Sonoran has performed satisfactorily on previous and current contracts.

C. Procurement History

Service/Item History – Number of Times Item or Service has been Procured					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
41246	Sonoran Sales Company	One Time	2/22/2024	-	\$299,725
7903	Imperial Pipe Services, LLC	One Time	6/2/2020	-	\$3,642,365
42667	Imperial Pipe Services, LLC	One Time	4/24/2019	-	\$2,745,730
7789	Imperial Pipe Services, LLC	One Time	6/6/2018	-	\$648,490
7815	Imperial Pipe Services, LLC	One Time	6/6/2018	-	\$1,600,536
7647	Northwest Pipe Company	One Time	11/17/2015	-	\$2,175,408
7631	Northwest pipe Company	One Time	7/21/2015	-	\$2,770,513

Sonoran Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
41246	Welded Steel Pipe and Appurtenances	One Time	2/22/2024	-	\$299,725
01096	Steel Pipe	One Year with Two One-Year Renewal Periods	2/22/2024	2/21/2027	\$13,316,250

D. Local Business Preference Program (LBPP)

LBPP was included in the IFB. However, LBPP was not a determining factor in the evaluation and recommendation of award for this proposed contract.

E. Additional Outreach Efforts Taken

- The IFB was posted on the City of Los Angeles Regional Alliance Marketplace for Procurement (RAMP) website.
- The IFB was electronically advertised in eRSP for direct download.

F. Small Business Enterprises (SBE)/Disabled Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Participation

There were no subcontracting opportunities identified under this IFB; however, contractors were encouraged to utilize SBE, DVBE, MBE, and WBE and other firms where feasible.