



Legislation Text

File #: 18-667, **Version:** 1

TO: Mayor and Commissioners
FROM: Marjorie G Craig, PE, Utilities Director
THROUGH: Mark R. Lauzier, City Manager
DATE: November 6, 2018

APPROVAL OF RESOLUTION NO. 123-18 TO AWARD A THREE-YEAR AGREEMENT, WITH OPTION FOR TWO YEAR RENEWAL, WITH LINE-TEC, INC. FOR WATER SERVICE CONNECTIONS, RESTORATION, AND MISCELLANEOUS SERVICES IN A NOT-TO-EXCEED AGREEMENT VALUE OF \$3,600,000

Recommended Action:

Motion to approve Resolution No. 123-18 to award a three-year agreement (Agreement), with option for two-year renewal, with Line-Tec, Inc. for miscellaneous services including water service connections, restoration, emergency repairs, and fire protection system enhancements in a not-to-exceed agreement value of \$3,600,000.

Background:

On August 28, 2018, the City of Delray Beach ("City") advertised an Invitation to Bid ("ITB") No. 2018-050 for water service connections, restoration, emergency repairs, fire system enhancements, and almost 150 miscellaneous as needed services. The bid was viewed by 42 suppliers on BidSync, seven of which downloaded the bid package. Two bids were received. However, only Line-Tec, Inc. ("Line-Tec") submitted a complete bid to perform all the services requested. To get a better understanding of why the five suppliers downloaded the package but did not bid, as well as information that might be useful in developing future ITBs and encouraging additional responsive bidders, City staff contacted them. Only one supplier responded, stating that they are based in Miami and therefore did not bid (proximity issue). Another supplier on the list, Bob's Barricades, typically partners with other suppliers as a subcontractor and does not submit as a primary supplier.

The second supplier to submit a response was R&M Service Solutions, LLC ("R&M"). Out of nine categories of work, R&M submitted pricing for three categories. Below is a price comparison of categories between Line-Tec and R&M based on the estimated annual quantities:

<u>Category</u>	<u>R&M</u>	<u>Line-Tec</u>
Fire Hydrant Maintenance and Repair	\$1,180,895	\$898,045
Valve Maintenance and Repair	\$2,154,975	\$1,417,425
Emergency Repair, Equipment, & Restoration	\$228,520	\$168,120

Based on this price comparison, Line-Tec is approximately \$5.4M lower than R&M over the course of five years for the three stated categories. In comparing the 2013 agreement to the new Agreement, pricing has gone up approximately 19% over a span of nearly six years. City staff reviewed the pricing and concluded that this increase is consistent with marketplace increases and Engineering

News Record (ENR) data, one of the primary sources of pricing in the industry.

The Agreement is for an initial term of three years with an option for a two-year renewal subject to mutual acceptance. For the first three years, staff requests an Agreement value not-to-exceed \$3,600,000. This amount was derived from reducing the original estimated quantities after additional review of historical and projected work load over the initial three-year span of the Agreement. The resolution authorizes the City Manager to execute the Agreement and any amendments and/or related renewals, and to take any other actions necessary to effectuate the Agreement.

This Agreement allows the City to provide its residents and businesses with timely services as needed for over 150 utilities related operations work including installing new and/or restoring existing water connections, pipe repairs, and fire system enhancements. This work includes but is not limited to relocating connections from alleys and backyards to front yards, trenching, repairing, restoration work including landscaping and driveways, valve operation, and as needed pipe repairs. The Agreement also provides for fire hydrant services, including but not limited to hydrant and system flushing, painting bollards, and installing fire hydrant security systems.

This motion is in accordance with Code of Ordinances Section 36.02 Commission Approval Required.

Attachments:

1. 2018-050 Agreement, Vendor Executed
2. Legal Review Checklist
3. 2018-050 Bid Document
4. 2018-050 Submittals
5. Resolution No. 123-18

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

Funding is available from 441-36-283-536.34-90 - Other Contractual Services Other Contractual Services and 441-36-270-536.34-90 - Other Contractual Services Other Contractual Services.