



Agenda Report

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File #: 19-0461

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**AGENDA REPORT  
REQUEST FOR CITY COUNCIL AND  
CORONA UTILITY AUTHORITY ACTION**

DATE: 5/15/2019

TO: Honorable Mayor and City Council Members  
Honorable President and Board Members

FROM: Administrative Services Department  
Department of Water and Power  
Maintenance Services

SUBJECT: City Council and Corona Utility Authority consideration of increase to the Total Compensation for Six Agreements and/or Purchase Orders for Cortech Engineering, Hardy and Harper, Regan Paving, Knudsen Grading Company, Inc., Quinn Company, and Vulcan Materials.

**RECOMMENDED ACTION:**

That the:

1. City Council approve an increase in the Blanket Purchase Order with Cortech Engineering, Inc. in the amount of \$117,500 for a total amount of \$300,000 for Fiscal Years 2018/19 and 2019/20 and 2020/21 pursuant to Corona Municipal Code 3.08.140(B) "No Competitive Market." Allow the General Manager or City Manager, or their designee, to approve change orders to approve necessary change orders up to 25% of the original purchase order amount.
2. City Council approve a Second Amendment with Hardy and Harper of Santa Ana, CA in the amount of \$825,000 for Fiscal Years 2018/19 and 2019/20 and for additional fiscal year extensions ending June 30, 2023, pursuant to Corona Municipal Code 3.08.160(I) "Subsequent contract awards, amendments, extensions, or renewals." Allow the General Manager or City Manager, or their designee, to approve change orders to approve necessary change orders or amendments up to 25% of the original contract amount.
3. City Council approve a Third Amendment with Regan Paving of Corona, CA in the amount of \$825,000 for Fiscal Years 2018/19 and 2019/20 and for additional fiscal year extensions ending June 30, 2023, pursuant to Corona Municipal Code 3.08.160(I) "Subsequent contract

awards, amendments, extensions, or renewals.” Allow the General Manager or City Manager, or their designee, to approve change orders to approve necessary change orders or amendments up to 25% of the original contract amount.

4. City Council approve a Second Amendment with Knudsen Grading Company, Inc., dba Green Mountain Engineering of Temecula, CA in the amount of \$186,000 per fiscal year for the initial contract term ending June 30, 2020, and for additional fiscal year extensions ending June 30, 2024, pursuant to Corona Municipal Code 3.08.160(I) “Subsequent contract awards, amendments, extensions, or renewals.” Allow the General Manager or City Manager, or their designee, to approve change orders to approve necessary change orders or amendments up to 25% of the original contract amount.
5. City Council approve a Second Amendment with Quinn Company dba Quinn Power Systems of Los Angeles, CA in the amount of \$325,000 for Fiscal Years 2018/19 and 2019/20 and 2020/21 pursuant to Corona Municipal Code 3.08.140(B) “No Competitive Market.” Allow the General Manager or City Manager, or their designee, to approve change orders to approve necessary change orders or amendments up to 25% of the original contract amount.
6. City Council approve an increase in the Blanket Purchase Order with Vulcan Materials Co. of Corona, CA in the amount of \$150,000 for Fiscal Years 2018/19 and 2019/20 and 2020/21 pursuant to Corona Municipal Code 3.08.140(E) “Purpose of bidding is otherwise accomplished.” Allow the General Manager or City Manager, or their designee, to approve change orders to approve necessary change orders up to 25% of the original purchase order amount.
7. Corona Utility Authority (CUA) review, ratify, and to the extent necessary, direct that the City Council take the above actions.

**ANALYSIS:**

The Department of Water and Power (DWP) and Maintenance Services Department (MSD) utilize various vendors and suppliers to complete necessary work during the fiscal year. During the third quarter of Fiscal Year 2018/19 the Departments became aware of the need to increase several purchase orders to allow for additional work to occur this year. These purchase order increases are primarily due to increased rainfall this year which has led to increases in services city-wide. The City has also experienced some City-owned equipment failures requiring additional funding due to an increased need for rental equipment. In all cases, vendor rates have not changed but use of services and products have increased requiring an increase in total compensation. A summary for each vendor is provided below.

**Cortech Engineering**

The increase to the Cortech Engineering purchase order is a result of a lower than estimated blanket purchase order that was not inclusive of purchases of equipment made directly by the City’s Warehouse. The Fiscal Year 2018/19 budget document for Water and Wastewater facility maintenance divisions included line items for equipment purchases from the Warehouse totaling \$387,640. This total budget included pumps, motors and other rebuilt equipment from Cortech Engineering. Cortech Engineering is the exclusive local distributor of Milton Roy products. Additionally, Cortech Engineering is a distributor of Goulds and Xylem products. All the products listed have been included in the Department of Water & Power (“DWP”) Notice Designating PCC

3400 Exclusive Standard Equipment and Products List. DWP has established standard equipment and products for increased efficiencies and cost-effectiveness throughout the City. Each of the City's treatment plants and facilities utilize similar or identical products which allows maintenance and operations staff to transition seamlessly between sites. This standardization also allows the Warehouse to stock fewer products since most can be used across the various facilities. DWP requests an exception to bidding pursuant to Corona Municipal Code 3.08.140(B) "No Competitive Market" since a competitive market does not exist for these products since Cortech Engineering is the sole distributor of Milton Roy products for Corona. The current purchase order is \$182,500 and DWP requests an increase to \$300,000 through June 30, 2021.

### **Hardy and Harper/Regan Paving**

The increased blanket purchase order amounts will allow MSD and DWP to complete previously budgeted concrete and pavement maintenance activities for Fiscal Year 2018/19. Regan Paving and Hardy and Harper are used by multiple divisions in both DWP and Maintenance Services; the combined budgeted amounts for these divisions exceed the current blanket purchase order amounts for Regan Paving and Hardy and Harper. The City has had to increase pothole repairs and concrete spot repairs due to wear and tear from the season's rain events. The agreements and purchase orders were first awarded by City Council pursuant to bid effort, RFP 17-003SB on November 15, 2017, for \$525,000 to each vendor with change order authority up to 25%. On May 5, 2017, the Purchasing Division issued Request for Proposals (RFP) No. 17-003SB for Concrete and Asphalt Maintenance Repair Services. The RFP was advertised in the Sentinel Weekly News on May 10, 2017, and posted on the City's website. The City solicited nine concrete and asphalt paving contractors with five contractors submitting proposals by the submission date of May 31, 2017. On February 4, 2019, the Purchasing Division exercised the 25% change order authority pursuant to Ordinance 2790 and issued the First Amendment to the Maintenance/General Services Agreement between the City of Corona and Hardy and Harper to increase the purchase order and agreement to \$656,250. On March 8, 2018, the Purchasing Division issued the First Amendment to the Maintenance/General Services Agreement between the City of Corona and Regan Paving to modify Exhibit C related to rates and compensation but did not increase the total compensation. On February 4, 2019, the Purchasing Division exercised the 25% change order authority pursuant to Ordinance 2790 and issued the Second Amendment to the Maintenance/General Services Agreement between the City of Corona and Regan Paving to increase the purchase order and agreement to \$656,250. The current purchase orders and agreements are \$656,250 per vendor and DWP/MSD request an increase to \$825,000 per year per vendor through June 30, 2023.

### **Knudsen Grading Company**

The Increased blanket purchase order amount for Knudsen Grading Company is due to higher than average spoils removal due to sink holes and utility trench failures from the increased rainfall during the winter and spring months. The agreement and purchase order were first awarded by City Council pursuant to bid, RFP 18-051CA on September 5, 2018 for \$130,000. On June 20, 2018, the City of Corona issued Request for Proposals (RFP) No. 18-051CA for On-call Site Grading and Stockpiled Spoils Removal Services. The RFP was advertised in the Sentinel Weekly News on June 22, 2018, and posted on the City of Corona's bidding website. The City solicited eleven (11) contractors with two (2) contractors submitting proposals on July 12, 2018. On February 15, 2019, the Purchasing Division exercised the 10% change order authority pursuant to Ordinance 3280 and issued the First Amendment to the Maintenance/General Services Agreement between the City of Corona and Knudsen Grading Company increasing the total compensation to \$143,000. DWP/MSD request an increase to \$186,000 per year through June 30, 2024.

**Quinn Power Systems**

Quinn Power Systems requires additional funding due to increased need for rentals because of City-owned equipment failures. This fiscal year the City procured two new backhoes and one new skid loader that went into service in early 2019. Prior to these purchases the City had to rent more equipment as the existing equipment experienced significant failures that rendered the units out of service. Quinn Power Systems is used by multiple divisions in both DWP and Maintenance Services for rentals, equipment repair, and emergency generator preventive maintenance services. The City has selected Caterpillar equipment for heavy machinery and generators because Caterpillar is the world's leading manufacturer of construction equipment with a reputation of instilling high quality in all equipment it produces. Quinn Power Systems is the local Caterpillar representative for Riverside County. Caterpillar generators are included in the Department of Water & Power ("DWP") Notice Designating PCC 3400 Exclusive Standard Equipment and Products List. DWP/MSD request an exception to bid for \$325,000 per year through June 30, 2021, pursuant to Corona Municipal Code 3.08.140(B) "No Competitive Market" as Quinn Power Systems is the only local vendor designated for Corona.

**Vulcan Materials**

The increased blanket purchase order amount for Vulcan Materials is to obtain paving, hot mix, emulsion and temporary asphalt. DWP and Maintenance Service have had to increase the purchase of materials due to excessive sink holes and utility trench failures because of the increased rain events during the winter and spring months. The City has selected to purchase materials and supplies from Vulcan Materials because this vendor has a local Corona site and is the nation's largest producer of construction aggregates. DWP/MSD request an exception to bidding for \$150,000 per year through June 30, 2021, pursuant to Corona Municipal Code 3.08.140(E) "Purpose of bidding is otherwise accomplished."

Vendor Name	Current PO Amount	Increase Requested	New PO Amount	Funds	End Date	Agreement
<b>Cortech Engineering</b>	\$182,500	\$117,500	\$300,000	572, 570	June 30, 2021	None
<b>Hardy &amp; Harper</b>	\$656,250	\$168,750	\$825,000	222, 227, 567, 570, 572	June 30, 2023	Second Amendment
<b>Regan Paving</b>	\$656,250	\$168,750	\$825,000	110, 227, 460, 570, 572	June 30, 2023	Third Amendment
<b>Knudsen Grading Company</b>	\$143,000	\$43,000	\$186,000	110, 570, 572	June 30, 2024	Second Amendment
<b>Quinn Power</b>	\$175,000	\$150,000	\$325,000	110, 227, 567, 570, 572, 682	June 30, 2021	Second Amendment
<b>Vulcan</b>	\$100,000	\$50,000	\$150,000	227, 567, 570, 572	June 30, 2021	None

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**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

Not applicable.

**FISCAL IMPACT:**

Funding for these materials and equipment purchases, and maintenance services are included in the Fiscal Year 2018-19 Operating and Capital budgets. Staff will recommend appropriate amounts in future budget years to provide for these purchases and services as needed.

**ENVIRONMENTAL ANALYSIS:**

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

**PREPARED BY:** SCOTT BRIGGS, PURCHASING SPECIALIST V

**REVIEWED BY:** CITA LONGSWORTH, PURCHASING MANAGER

**REVIEWED BY:** TOM MOODY, GENERAL MANAGER

**REVIEWED BY:** KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

**REVIEWED BY:** MICHELE NISSEN, ASSISTANT CITY MANAGER

**SUBMITTED BY:** MITCHELL LANSDELL, ACTING CITY MANAGER & EXECUTIVE DIRECTOR

**Attachments:**

1. Hardy and Harper Agreement
2. Knudsen Grading Agreement
3. Regan Paving Agreement
4. Quinn Power Systems Agreement