

**Council Meeting: January 8, 2008**

SUBJECT: Award of Contract for On Call Mechanical Maintenance and Repair Services at the Water Pollution Control Plant (F0710-49)

REPORT IN BRIEF

Approval is requested for the award of a one-year contract in an amount not to exceed \$75,000 to D.W. Nicholson Corporation of Hayward for on call mechanical maintenance and repair services at the Water Pollution Control Plant.

BACKGROUND

For many years, the City has contracted with D.W. Nicholson Corporation, a general engineering firm specializing in water and wastewater treatment projects, as the result of both formal and informal bids for construction and repair projects at the Water Pollution Control Plant (WPCP).

In December 2006, a \$75,000 contract was awarded by Council (RTC 06-395) to allow WPCP staff to access Nicholson's mechanical expertise on a time and materials basis, as required. Using this contract, which expired on December 12, 2007, it was possible to complete a number of corrective repairs to the WPCP facility as well as repairs to several critical pieces of equipment, such as polymer feed pumps, a pond recirculation pump, a grit pump, a grit pump check valve, drive shafts, gas blowers etc.

DISCUSSION

The contract with D. W. Nicholson has been so successful that staff recommends that Council award another one-year contract similar to the one that recently expired. This will provide a cost effective and efficient way to quickly address small and medium scale maintenance and repair projects at the City's aging WPCP facility. D. W. Nicholson is able to provide journey level mechanics with high skill sets with extensive wastewater experience.

Section 2.08.070(b)(1) of the Municipal Code exempts professional or specialized services from competitive bidding.

FISCAL IMPACT

Staff recommends awarding this one-year contract for an amount not to exceed \$75,000. Awarding the contract will provide proven expertise to meet the City's need for on-call mechanical maintenance and repair services at the WPCP.

The FY 2007/2008 operating budget of the Department of Public Works Program 344 – Wastewater Treatment includes \$1.1 million to maintain compliance with the National Pollutant Discharge Elimination System. That total contains the \$75,000 for this contract. The work performed under this contract will augment work performed by WPCP staff.

This recommendation takes into consideration that even though a total of \$75,000 in possible additional expenditures would be authorized, the Department of Public Works Program 344 – Wastewater Treatment is limited to spend only the amount of its current FY 2007/2008 allocated resources. Although unanticipated, if circumstances require additional financing, the Department of Public Works will return to Council to request a budget modification.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official notice bulletin board, the Senior Center and Community Center; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

RECOMMENDATION

It is recommended that Council award a one-year contract, in substantially the form as the attached draft blanket purchase order and in an amount not to exceed \$75,000, to D.W. Nicholson Corporation for on call mechanical maintenance and repair services at the Water Pollution Control Plant.

Prepared by:

Elaine Wesely
Purchasing Officer

Reviewed by:

Mary J. Bradley
Director, Finance

Reviewed by:

Marvin Rose
Director, Public Works

Approved by:

Amy Chan
City Manager

Attachment

Draft Blanket Purchase Order



**CITY OF SUNNYVALE
CALIFORNIA**

**DRAFT
BLANKET ORDER NO BL000953**

ORDERED FROM 01107-001 D W NICHOLSON CORPORATION ATTN PHIL GROVE 24747 CLAWITER ROAD HAYWARD CA 94540-4197	ORDER DATE 12/18/2007	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale CA 94088-3707
	510-887-0900 START DATE 1/8/2008	
	END DATE 1/7/2009	
	BID/RFQ NO	
DELIVER TO PW/ENVIRONMENTAL WATER POLLUTION CONTROL PLANT 1444 BORREGAS AVENUE SUNNYVALE CA 94089	FOB	FREIGHT CHARGES
	PAYMENT TERMS NET 30	REQUISITIONER JACKIE BESOYAN X7713
	PR NO RQ002666	CHARGE/OBJ CODE(S) VARIOUS
OTHER DEPTS/DIVISIONS AUTHORIZED TO USE THIS ORDER		THIS ORDER SUPERSEDES PO NO BL000319

ITEM	DESCRIPTION
A	Blanket order for "on-call" mechanical maintenance and repair services as required during a one-year period. Labor rates per the attached Labor Rates - Miscellaneous Work, dated 12/10/2007 All invoices to show this order number. All work to be performed at the WPCP facility ONLY. Awarded by Council 1/8/2008, RTC # _____ Total value of this order not to exceed \$75,000.00

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Services, dated 10/25/2000, a copy of which is attached and incorporated by reference (Form #TCBPO-S).

BUYER

David Gakle Phone 408-730-7403 Fax 408-730-7710 ▼

D.W. NICHOLSON



C O R P O R A T I O N

INDUSTRIAL MECHANIZATION CONTRACTORS

City of Sunnyvale
650 West Olive Ave.
Sunnyvale, CA 94088

December 10, 2007

Attention: David Gakle

Reference: Labor Rates
WWTP

Gentlemen:

The following labor rates apply to work done on a Time and Material basis.

The rates are computed to include all fringe benefits, labor taxes and insurance, use of small tools (excluding electric tools) with an acquisition cost less than \$150.00, overhead and profit. Not included in these rates are consumable supplies such as fuel, abrasive wheels, drills, taps, saw blades, rags, welding rod, oxygen and acetylene etc.

CRAFT	RATE PER HOUR			EFFECTIVE DATE
	<u>S/T</u>	<u>1-1/2</u>	<u>D/T</u>	
MILLWRIGHT - Local 102A				1/1/08 - 12/31/08
Foreman	97.88	125.79	153.69	
Journeyman	94.00	120.36	146.66	

All labor rates are subject to changes in union contracts per the effective dates shown above.

Material furnished to the job will be billed at vendor's invoice, plus 15% for handling. Subcontractors also will be billed at vendor's invoice, plus 15%.

Equipment having an acquisition cost over \$150.00 and electric tools will be charged at our current rental rates.

If you have any questions, please feel free to contact me at (510) 887-0900.

Sincerely,

Phil Grove
Manager of Estimating

PG/amc