

# Azusa Light & Water

## REQUEST FOR PROPOSALS

### **INTEGRATED SUPPLY SYSTEM (ISS) FOR WATERWORKS FITTINGS AND MATERIALS**

Pre-proposal conference at 10:00 A.M. Tuesday, April 7, 2015

Submit Proposal by 5:00 p.m. on or before Wednesday, May 13, 2015

Chet F. Anderson, P.E.,  
Assistant Director of Utilities  
Water Operations  
(626) 812-5209

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## **STATEMENT OF PURPOSE**

The Water Division (Water) of Azusa Light & Water is in the process of updating its Integrated Supply System (ISS) with a selected supplier to provide the majority of its waterworks materials requirements. The ISS includes acquisition, inventory management, warehousing, delivery, technical support, systems capability support and user interface.

The updated ISS must achieve the following:

- Keep the Water Division's total supply chain cost (price, warehouse, distribution, and administration) as low as possible.
- Update and improve materials and supplies procurement and delivery cycle.
- Provide a single point for purchasing of waterworks materials

Critical to the success of the ISS are the supplier's products, technical support capability, in house computer systems capability, and operations expertise, including experience in ISS, quality assurance/control, pricing, and customer service.

Please review this RFP carefully and submit your proposal in accordance with the following instructions:

## REQUEST FOR PROPOSAL (RFP) INSTRUCTIONS

Azusa Light & Water (ALW) is requesting proposals from qualified supply firms interested in providing waterworks materials on a continuing basis. Proposals shall be submitted in accordance with the requirements set forth in the RFP.

Only written proposals will be considered. All materials submitted shall become a part of the proposal, and will be incorporated in a subsequent contract between Water and the selected Supplier.

Use of the terms "bidder" and "bid" in this RFP shall be considered synonymous with the terms "proposer" and "proposal," respectively. The use of the term "supplier" in the RFP shall be considered synonymous with the term "Contractor".

A conference will be held to receive questions from prospective proposers regarding this RFP. The meeting has been scheduled for 10:00 a.m. April 7, 2015, in the first floor conference room of the Light and Water building at 729 N. Azusa Avenue, Azusa, California 91702.

The bidder's name, the name of bidder's authorized representative, bidder's business address, and the date of submittal shall be stated in the proposal. The person authorized to enter into a binding contract for the bidder shall sign the proposal.

Please submit three (3) copies of your written proposal, each wet signed, no later than 5:00 p.m., May 13, 2015. Proposals shall be submitted in a sealed package, clearly marked "Azusa Light & Water Waterworks Materials ISS/RFP", and the date and time of opening. At that time, only the names of the firms submitting proposals will be announced.

If the proposal is mailed, please address to:

Mr. Chet F. Anderson, P.E.  
Assistant Director of Utilities – Water Operations  
Azusa Light & Water  
P.O. Box 9500  
Azusa, California 91702-9500

If the proposal is sent by messenger, it shall be delivered to the 2<sup>nd</sup> floor front desk, Azusa Light & Water, 729 North Azusa Avenue, Azusa, California 91702.

If additional information is required to interpret this RFP, questions may be directed to: Chet F. Anderson at (626) 812-5209.

## **INTRODUCTION**

The following section is intended to provide the bidder with information about Azusa Light & Water; the materials defined as “waterworks materials” in this RFP; ALW's current supply base and current acquisition process for these materials; the desired business relationship between the Water Division and the ISS Supplier; and the overall scope, objectives, and terms and conditions under which ALW intends to contract for this ISS.

### **1. AZUSA LIGHT & WATER BACKGROUND**

The City of Azusa has owned and operated the Water Division of Light & Water, a municipally owned utility, and its predecessor agencies since the City's incorporation in 1898. Since that time the Water Division has grown through municipal acquisition of irrigation districts, mutual water companies, and in 1993, the purchase of the Azusa Valley Water Company, a stockholder held public utility. The Water Division is now the largest municipal provider of water service in the San Gabriel Valley, serving the City of Azusa and parts of the Cities of Glendora, Covina, West Covina, Irwindale and a portion of unincorporated Los Angeles County.

In 1997 ALW instituted a Materials Management Improvement project with the purpose of streamlining its entire supply chain, improving service to users and reducing its overall costs. This project has resulted in a number of improvements in both procurement and inventory management.

One of the major new initiatives implemented by the Water Division was the development of an ISS contract for waterworks materials. The purpose of this RFP is to update the existing ISS contract.

### **2. ALW'S WATERWORKS MATERIALS PROFILE**

The Water Division (“Water” or “Water Division”) of ALW typically purchases more than \$100,000 of various waterworks materials annually. Appendix A identifies the various types of materials to be included in this contract. As The Water Division and the selected Supplier participate in the ISS process, it is anticipated that new items will be added to the contract. Higher priced items not on the lists enclosed with this RFP will be purchased on an “as needed” basis, not necessarily from the supplier selected for this ISS contract, following price comparisons made with manufacturers and suppliers of substantially similar items. “Approved equals” submitted for acceptance by Water shall be substantially equivalent to the specified product in all respects including fit, form, function, fabrication, and materials used. “Substantial equivalence” shall be determined by the Water Division.

The materials to be purchased under the RFP purchase contract fit into the following major groups:

Group 1: Ductile-Iron Pipe

Group 2: Pipe Fittings

- Mechanical Joint
- Flange

Group 3: Gate Valves and appurtenances

Group 4: Fire Service and appurtenances

Group 5: Service Line and appurtenances

- Saddles
- Corporation stops
- Meters
- Meter Boxes

Group 6: Pipe Products

- Transition couplings
- Repair clamps
- Tapping Sleeves

Group 7: Air Relief Valves and Air/ Vacuum Relief Valves

Group 8: Miscellaneous

Attached as APPENDIX A is a list of parts that the Azusa Water Distribution crew typically utilizes at one time or another. The parts highlighted in yellow are those parts that are currently stocked in the Azusa Distribution warehouse.

The Water Division currently has one supplier for the above 8 Groups of materials. Water meters are currently purchased directly from the manufacturer (Badger Meters) by the Water Division and are not a part of this RFP.

### **3. CURRENT OPERATIONS**

#### **A. Stock Items**

The Water Division has one warehouse at its Gladstone Yard with various levels

of staffing. Normally, the warehouse is only staffed part-time and is locked when Water staff is not present. However, authorized individuals in the Water Distribution section associated with the warehouse have limited access to the storerooms when they are unattended.

- A discrete part number and UPC are assigned to each item.
- All items are set up and inventoried on a perpetual inventory basis. As inventory reduction is noted, the supplier delivers parts to replenish the inventory.
- Parts placed in inventory by the supplier are not billed until the parts are removed from inventory for use by the Water crew.

#### **B. Computer Support**

The Water Division is actively engaged in revising these procurement processes and in implementing a new integrated materials management software system to support the new processes. The contract resulting from this RFP will span the implementation of the new procedures and systems. However, since this system is not yet available, the Water Division may utilize the Supplier's system.

The Water Division buyer will work with the selected Supplier to minimize the disruptions caused by the transition to the Water Division material control system from the Supplier's system.

## **STATEMENT OF WORK**

### **1. DESCRIPTION**

The Water Division seeks to establish a long-term relationship with one or more Supplier(s) who will provide a wide variety of waterworks materials. The required materials identified by this RFP are specified in the attached Appendix A.

Provisions will be developed for emergency requirements. The Supplier(s) commitment to the Water Division's service needs shall be mutually developed and will be an effective business arrangement for both the Supplier(s) and the Water Division.

The long-term relationship shall make waterworks materials and technical resources available to all Water Division locations. The selected Supplier(s) shall assume the responsibility for testing, quality, delivery and availability of waterworks materials to be provided. The Water Division expects to obtain maximum advantage and simplify the arrangement by going directly to the selected Supplier(s) for their material needs.

To facilitate this interface, the Water Division requires that the Supplier(s) have an on-site electronic catalog, EDI or an equivalent means for the end user to order goods electronically with a minimum level of difficulty or training.

Ordering, expediting, billing, payment and similar traditional activities will all be replaced with streamlined mechanisms and mutually agreed-to performance measurements and material management processes.

### **2. OBJECTIVE**

The objective of the ISS is to establish a chain of supply for the Water Division with Supplier(s) who will provide the integrated services of acquisition, delivery of materials, on-line user/Supplier interface, and on-site technical support when required. This service must be provided for waterworks materials Groups 1 through 8 with the intent of keeping the amount of stocked items to a minimum.

### **3. GOALS**

The goals of the agreement are:



- Reduced total supply chain cost (price, acquisition, possession, and distribution) Improved procurement and delivery cycle
- Single-point supplier contact for waterworks materials
  
- "Real-time" end user inventory and order access/status
- Improved payment process
- Reduced inventories, particularly of infrequently used stock items
- Reduction of inactive/obsolete items
- Storage and restock of unused waterworks materials
- Increased efficiency in use of warehouse facilities and reduction of space
- Reduce or improve productivity of staff
- Emergency response capability
- Predetermined delivery schedules

#### 4. **TERM AND RENEWAL**

The term of the contract is five (5) years, with no automatic renewal.

#### 5. **SCOPE OF OPERATIONS**

The Supplier(s) shall provide waterworks materials and services necessary in complete accordance with all terms, conditions and attachments specified herein.

The services and materials to be provided by the Supplier(s) are as follows:

- A. Delivery of waterworks materials, or approved equals, in accordance with pre-established lead times, F. O. B. City of Azusa (Job-site delivery is desirable).
- B. Technical support for waterworks materials provided by the Supplier(s) or by the appropriate manufacturer with the Supplier(s) acting as intermediary to ensure that the support is provided.
- C. Pricing in accordance with a criterion that is aggressive in its approach to cost reduction. Pricing methods shall be identified.
- D. Recommending standardization programs to minimize duplication, reduce price and conserve space and resources.
- E. Reporting system(s) to provide usage statistics.. Expenditures, order fill rate or service level and other pertinent data to be determined in a customized format. For problems relating to supply, the system(s) must provide methods of notice for inability to supply waterworks materials, and

of advance Shipments.

- F. Shipping and receiving routines geared to minimize handling and paper flow while maximizing productivity.
- G. Invoicing routines and disciplines geared to minimize handling and paper flow while maximizing productivity, credibility and integrity. Online electronic transmission of billing invoices is preferred.
- H. Access to all vendor retained records for audit purposes.
- I. Ability and willingness to expand coverage of existing waterworks materials list during the term of the contract.
- J. Support in developing value analysis, cost reduction and cost avoidance programs.
- K. Ordering routines – online electronic catalog or similar simplified electronic order entry system.
- L. Support of the Water Division in updating its current ISS to provide and set up onsite inventory management and monitoring to ensure timely replenishment of stock.
- M. An aggressive plan for initiation, start-up, and full implementation of the contract.
- N. Qualified and committed engineering, sales and service personnel, all of whom are capable of providing or obtaining information and service regarding the ISS.
- O. Maintaining the Water Division's current part number or UPC integrity. As the Water Division's materials management improvement program progresses, the coding system will likely change. The Supplier(s) must commit to managing links to both the current system and the replacement system.
- P. Supplier(s) warehousing capabilities.
- Q. Just-in-time deliveries.
- R. Will call services.
- S. Emergency Deliveries

## **6. FUNCTIONAL SPECIFICATIONS**

### **A. Operating Hours and Delivery**

Normal business hours at the Water Distribution Yard are 10 hours per day, from 6:30 a.m. to 5:00 p.m., Monday through Thursday. Ten (10) national holidays are observed. The Supplier(s) shall operate a direct telephone response service for meeting normal and emergency deliveries.

Supplier(s) shall augment normal coverage with emergency telephone numbers or pager numbers for off-hours. Supplier shall reply to telephone or page within 30 minutes.

The Water Division will determine normal delivery frequency. Minimum data on the packing slip shall be:

- a. Item description
- b. Water Division's part number
- c. Supplier/Manufacturer's part number
- d. Purchase Order/Sub-Purchase Order or Requisition number
- e. The Water Division's cost center
- f. Order quantity
- g. Shipped quantity
- h. Drop location
- i. Requester's name

### **B. Performance Measurements**

Performance measurement criteria will be determined during contract negotiation and the Proposing Supplier(s) shall describe the Performance Standards under which it now operates.

### **C. Information Systems**

The primary operational link between the Supplier and the Water Division will be electronic (paperless for all normal operations). Supplier shall provide the necessary resources and equipment to interface with and transfer data to and from the Water Division systems, including, inasmuch as is possible, code (bar code) reading and direct transmission of information to and from the supplier.

## **EVALUATION**

### **1. Evaluation criteria and Factor Weighting**

The Water Division staff will evaluate the proposals in accordance with the following criteria to recommend award of a contract with the proposer/proposal deemed to be in the best interest of the City:

#### **Evaluation Criteria**

- a. Organizational strength (viability)
- b. Experience in ISS
- c. Information systems capability
- d. Operations Expertise, Quality Assurance and Control, and Customer Service
- e. Pricing
- f. Any other factor deemed relevant and applicable

### **2. Evaluation Criteria Factors**

Note that each question posed or information requested may not necessarily apply to your company or your particular proposal. The questions are posed and information is requested so that each prospective proposer will be able to organize their proposal in a consistent manner. If a particular item does not apply to your proposal, clearly mark that item with "not applicable" and explain why it does not apply to your proposal.

Please provide the following information:

#### **A. Organizational Strength (Stability/Quality of Corporation)**

1. How many years has your company been in business?
2. What are your corporate goals and objectives?
3. Provide your company's organizational chart for management and staff directly related to the waterworks industry in Southern California.
4. What are your liquidity and debt ratios for the last five years?
5. Provide audited financial statements or corporate tax returns for the last five years. All financial statements or returns will be considered proprietary during the evaluation process and returned once the evaluation has been

completed.

6. What were your total waterworks materials sales for the last five years in Southern California?

**B. Experience in ISS and startup timeline**

1. What is your company's definition of an ISS? How long, if at all, have you practiced this concept in the Southern California water industry?
2. What percent of your current business involves ISS customers in the Southern California water industry? How does your current level of ISS compare to your ultimate goals?
3. What are you doing to keep service to an acceptable level for
  - a. Current ISS Utility Customers?
  - b. Current ISS Suppliers?
4. What programs do you have in place and please explain the details of each including an identifiable cost and/or savings associated with:
  - a. Decreased customer stocking levels Improve purchasing efficiency
  - b. Improved staff productivity
  - c. Inventory consignment
  - d. Vendor consolidation
  - e. In connection with your Current ISS Utility Customers?
  - f. In connection with your Current ISS Suppliers?
5. List any specific benefits and associated cost savings, not already mentioned, that have resulted from your current ISS.
  - a. For your company
  - b. For your customers
6. Provide examples of problems experienced in ISS and their resolution.

7. How can your company's experiences with ISS enable the Water Division to save money?
8. What is essential to create a successful ISS between the Water Division and your company?
9. Provide a list of ISS customers, locations, contract lengths, scope of Service and reference names.
10. How are your emergency priorities set for ISS?
11. Describe your implementation plan for ISS, including:
  - a. Start-up process
  - b. Training plan
  - c. People required (yours)
  - d. Required interface with customer
  - e. Anticipated time from start to implementation (normal)

**C. Information System Capability**

**a. Electronic Commerce Questions:**

Do you currently use EDI (Electronic Data Interface/Interchange)? If yes, answer the following questions:

1. How many customers do you currently support with EDI and which transaction sets are you supporting?
2. What percentage of your Purchase Orders are processed via EDI?
5. Do you have Electronic Data Transfer, Electronic Funds Transfer, and Evaluated Receipts Settlement available?
6. If you use a Value Added Network (VAN), which one is it?
7. What information is available over the Internet (i.e., current pricing, product specifications)?
8. What are your plans for using the Internet to interface with customers?

9. Do you have a website with limited access via password for ISS customers? Describe the contents of the website section dedicated to ISS and the interactive functions available for customer use.

**b. Data processing Systems Assessment Questions:**

1. Describe the platforms that support your company including, hardware platform, the operating system software platform, and application software.
2. What degree of integration exists between your accounting, purchasing, sales, and warehousing systems?
3. Can customers connect to your site to enter orders and gain access to information for order and inventory status?
4. How is bar coding currently employed in your operations? What support can you provide in the Water Division's overall effort to employ bar coding?
5. What types of information/reports can you provide to assist with forecasting, planning and auditing and in what time frames?

**D. Operations Expertise, Quality Assurance and Control, Customer Service**

1. Number of your company yard locations within a 30 mile radius of Azusa.
2. Number and function of people per location in the above locations:

Function categories:

- a. Delivery
- b. Billing
- c. Customer service
- d. Management
- e. Warehousing



3. What are your normal yard operating hours?
4. What is your minimum order for delivered waterworks materials?
5. Describe your definition of an emergency order.
6. What emergency services (in the event of natural disaster) can you provide for waterworks materials?
7. What are your order fill rates from your waterworks inventory? The order fill rate is the percent of line items shipped complete divided by total number of line items. Only original or initial orders may be counted. Please document the number of line items shipped complete and total number of line items for an annual period.
8. Will the price for an off-hours emergency order be the same as for a non- Emergency order? If not, what would the associated cost(s) be for off-hours deliveries and normal working hours deliveries?
9. What percentage of orders are supplied on time? 1 week late? Longer? What are the usual reasons for late delivery?
10. Do you have any shipping restrictions? If yes describe?
11. Please describe how you would propose to make arrangements for waterworks materials deliveries and off-loading to the Water Division's main warehouse, service centers, and job sites, e.g. a truck borne forklift or a forklift provided to the Water yard for monthly rental.
12. What are your average lead times for waterworks materials?
13. Describe your system to track delivery problems and their resolution. At what level of management is this information reviewed?
14. List the methods and relative costs of transporting the finished products to their final destination.
15. What is your company's strategy to assure your materials are supplied at competitive price levels?
16. Furnish a list of major customers with their addresses, phone numbers and contact person(s).
17. How do you assure quality and on time delivery?
18. In general, can you supply certified test reports for each type of

waterworks materials?

19. What is the overall quality assurance philosophy of your company?
20. What QA/QC do you require from your manufacturers?
21. What is your Company's definition of total customer satisfaction?
22. How will you handle:
  - a. Problems with materials at delivery? (defective items supplied, problems due to transportation, etc.)
  - b. Large quantity/bulk orders?
  - c. Returned merchandise?
  - d. Back Orders?
  - e. Warehousing?
  - f. Requests for new items?
23. Can you schedule and provide just-in-time deliveries?
24. State your capabilities for handling and delivering large and small orders, and state order cycles.
25. Describe, in detail, technical support (including reports, publications and computer programs) that you will provide to the Water Division.
26. Should your product fail, can your company provide onsite failure analysis?
27. Provide a detailed plan that can save both the Water Division, and your company, money, improve quality, and/or enhance communication.
28. Do you maintain an inventory from which you distribute? What is its Approximate overall value?
29. Have you ever failed to honor commitments to your customers in the last five years? Describe the reason for the failure, and the corrective action taken.

30. Do you have an Employee Handbook that contains statements of policy, practice and procedure relating to your employees? If so, please include a copy.
31. Do you have general liability and workers compensation insurance? If so, please include certificates of insurance. If you don't have general liability and workers compensation insurance, you will need it if hired.

**E. Pricing**

Please provide representative pricing information for the items shown in APPENDIX A highlighted in yellow along with shipping and handling costs FOB Azusa Gladstone Yard.

# INSTRUCTIONS TO PROPOSERS AND CONDITIONS

## 1. GENERAL

### A. **Proposal Organization**

Proposals shall be submitted as one original and four copies. The original shall be clearly marked "ORIGINAL," and each copy shall be separately contained in a three-ring binder or other equally suitable cover with parts appropriately tabbed and identified for each of the following functional criteria to be evaluated:

- A: Organizational strength (viability)
- B: Strength in ISS (experience)
- C: Information systems capability
- D: Operations Expertise, Quality Assurance and Control, Customer Service

The information requested and the manner of submittal is essential to permit prompt evaluation of all proposals on a fair and uniform basis. Accordingly, the Water Division reserves the right to declare as non-responsive and reject any proposals in which information requested is not furnished or where direct or complete answers or information are not provided.

The Proposer shall not change any wording in the documents. Any explanation or alternatives offered shall be submitted in a letter attached to the front of the bidding documents. Alternatives that do not substantially comply with the Water Division's RFP may be rejected. Proposals offered subject to conditions or limitations may be rejected.

The Water Division requires that the proposal remain valid for ninety (90) calendar days after the closing date for submittal of proposals, and may be extended beyond that time by mutual agreement.

### B. **Revised or Additional Provisions**

The Water Division reserves the right to negotiate further with those Suppliers judged to be nearest to the median range of proposals submitted. In addition, any resultant contract is to include such other provisions as may be mutually agreed upon.

**C. Method of Assessing Proposals**

The Water Division will examine and evaluate each proposal according to the pre-established criteria described in Section III, "Evaluation Criteria".

Proposals should be responsive to the requirements of this RFP. Any enhancements or creative approaches a Supplier wishes to offer that are above the basic requirements should be submitted as an option for discussion as part of the ISS process.

**D. Proposals**

The Water Division reserves the right to reject any or all proposals. Any and all costs incurred responding to the RFP, conducting demonstrations or any other activities related, shall be borne by the Bidder. The rejection of any or all proposals shall not render the Water Division liable for costs or damages.

The proposal must be signed by an officer who has the authority to legally bind the corporation, partnership, or joint venture.

Proposals submitted shall become the property of the Water Division. Any proprietary information contained in the proposal must be clearly identified.

**E. Award of Contract**

The award of the contract will be to the proposal(s) deemed to offer the best service and product at the lowest ultimate cost to the Water Division based on the evaluation criteria set forth in this RFP. The Water Division reserves the right to reject any or all proposals.

Any action taken by the City Council/Utility Board of the City of Azusa will constitute the City's final decision.

**F. Language**

All submittals by the proposer shall be written in the English language.

**G. Clarifications, Interpretations, and Addenda:**

Should a proposer find discrepancies or omissions in the plans, specifications, or other documents, and/or should there be doubt as to their true meaning, the proposer shall submit to the Chet F. Anderson a written request for an interpretation or clarification thereof. A timely request for addendum, interpretation, or clarification shall be delivered to the Chet F. Anderson marked "Request for Clarification", and shall be received by the Chet F. Anderson in time to permit a written response before date of bid opening. Any interpretation of or change in the documents will be made only by written addendum issued to each person to whom specifications have been issued and shall become a part of any contract awarded. "Written requests for clarification" include e-mail requests and/or texts received by an authorized responder; e-mails or texts are the preferred modes of contact. The Water Division will not be held responsible for any explanation or interpretation given in response to an unwritten request for clarification.

**H. Terms and Conditions**

**1. Indemnification**

The Supplier undertakes and agrees to indemnify and hold harmless the Water Division and all of their officers and employees, and, at the option of the Water Division defend the Water Division, and any and all of their Boards, officers, agents, representatives, employees, assigns and successors in interest from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person including Supplier's employees and agents, or damage or destruction to any property of either party hereto, or third persons in any manner arising by reason of the unintentional, inadvertent, or negligent acts, errors, omissions or willful misconduct incident to the performance of this contract on the part of the Supplier, or the Supplier's officers, agents, employees, or subcontractors of any tier, except for the active negligence or willful misconduct of the Water Division, its Board, officers, agents, or employees.

**2. Labor**

Where labor is to be performed in the execution of the contract, the contractor shall comply with all applicable labor laws of the state in which the work is being done.

### **3. Governing Law**

All matters relating to the validity, construction, interpretation, and enforcement of the bid and contract, shall be determined in accordance with the laws of the State of California.

### **4. Patents**

The Supplier shall fully indemnify the Water Division against any and all liability whatsoever due to any alleged or actual infringement of any patent on any article, process, method, or application used in the construction of the work, or due to use by the Water Division of any article or material furnished under this contract.

### **5. Supplier's Address and Legal Services**

The address given in the proposal shall be considered the legal address of the Supplier and shall be changed only by written notice to the Water Division. The Supplier shall provide an address to which certified mail and service of process may be delivered. The delivery of any communication to the Supplier personally, or to said address, or deposited in the United States Mail registered or certified with postage prepaid, addressed to the Supplier at said address, shall constitute legal service thereof.

### **6. Assignment of Contract Prohibited**

The Supplier shall not assign or otherwise attempt to transfer the contract, or any of the moneys due or becomes due thereunder, unless authorized by prior written consent of the Assistant Director of Utilities. No right shall be asserted against the Water Division, in law or equity, by reason of any assignment or disposition unless so authorized.

If the Supplier, without prior written consent, purports to assign or transfer the contract or any interest therein, the Water Division, at its option, may terminate the contract, and the Water Division will be relieved and discharged from any and all liability and obligations to the Supplier and to any purported assignee or transferee thereof.

## **7. Substitution Control**

The selected Supplier shall be responsible to ensure that all items furnished to the Water Division meet the specifications as designated or mutually agreed to changes.

## **8. Guarantee**

The Supplier shall guarantee for a period of one year after delivery that all equipment, materials, and quality work furnished in that delivery shall be free from defects.

The Supplier shall provide repairs or replacements, F.O.B. Water Division facilities and job sites, for all equipment, materials or quality of work determined by the Water Division to be defective in part or in total.

## **9. Hazardous Substances**

The Supplier shall evaluate all substances used in the materials or equipment furnished in accordance with the requirements of the most recent update of General Industry Safety Order 5194 of Title 8 of the California Code of Regulations and Division 5, Chapter 2.5 of the California Labor Code. The Supplier shall furnish an MSDS for each hazardous substance and for each hazardous mixture of substances used. The MSDS's shall be furnished to the Water Division, on or prior to, the date of the first delivery of the material or equipment.

If the specifications require that the Supplier furnish instruction books, the MSDS's shall also be included in such books.

## **12. New and Unused**

All materials and work shall comply with these specifications. Except for rental services, and specified remanufactured parts, all materials and equipment furnished shall be new and unused. This requirement does not preclude the proper and legal use of recycled material in the manufacturing process.

## **13. Prior Notice of Impending Labor Dispute**

Whenever the Supplier has knowledge that any actual or potential labor dispute involving its own employees or its vendors is delaying or threatens



to delay the timely performance of this Contract, the Supplier shall immediately provide written notice thereof, with all relevant information, to the Water Division.

#### **14. City Business License**

In accordance with the terms and conditions contained herein, the Supplier shall at all times possess a valid City of Azusa business license.

#### **15. Materials and Work**

All materials and Supplier's work shall comply with these specifications. All materials and equipment furnished shall be new and unused, but this requirement does not preclude the proper and legal use of recycled materials in the manufacturing processes. All Supplier's work shall be done by qualified workers in a thorough workmanlike manner. Materials or quality of work not definitely specified, but incidental to and necessary for the work, shall conform to the best commercial practice for the type of work in question.

#### **16. Quality Assurance**

All materials or equipment furnished and delivered under the contract shall be subject to rigorous inspection by the Supplier's Engineer. Before offering any material or equipment for inspection or testing, the Supplier shall eliminate all material and equipment that are defective or which do not meet the requirements of these specifications. If any materials or equipment is found not to meet the requirements of these specifications, the lot or any faulty portion thereof may be rejected. The fact that the materials or equipment has been successfully inspected, tested, or accepted by the Supplier's Engineer shall not relieve the Supplier of responsibility in case of later discovery of flaws or defects.

The expense of the initial acceptance test, after receipt at the Water Division's specified receiving points, will be borne by the Water Division. The expense of subsequent tests will be charged against the Supplier when due to failure of first-offered materials or equipment to comply with these specifications. Charges may be deducted from original invoices at the discretion of the Water Division.

**17. Contract Period and Options to renew**

Any contract awarded will be for a period of five (5) years beginning with the date of award.

**18. Termination for Convenience**

The Water Division and/or Supplier have the right to terminate any contract resulting from this RFP, without cause upon 60 calendar days written notice.

**19. Accessible Records for Audit**

The Water Division shall have access to all of Supplier's relevant and appropriate records for audit purposes.

## **APPENDIX A**

### **PARTS INVENTORY**

## **APPENDIX B**

# **MATERIAL STANDARD DRAWINGS & SPECIFICATIONS**

## **APPENDIX C**

# **AZUSA STANDARD CONTRACT**

**(TO BE PROVIDED AT PREPROPOSAL MEETING)**