



DATE: October 3, 2024
 TO: Angela Calvillo, Clerk of the Board
 FROM: Taraneh Moayed, Assistant Director of Office of Contract Administration (OCA) and Purchaser
 SUBJECT: Resolution to approve Peoplesoft Contract ID 1000034314 (TC 75001) for Citywide Plumbing Supplies

Enclosed please find the proposed Resolution from the Office of Contract Administration (OCA) requesting that the Board of Supervisors authorize Contract 1000034314 with Underground Republic Water Works, Inc. (“Underground”) for citywide plumbing supplies. The proposed contract will have a not to exceed (“NTE”) amount of \$50,400,000 and an initial term of five (5) years, with the option to extend the term for two (2) additional years, for a total contract duration of seven (7) years. The anticipated contract start date is January 1, 2025.

Background

Between 2021 and 2023, City departments encumbered approximately \$31 million dollars for the procurement of plumbing supplies, or an average of \$10.3MM per year.¹ The primary user of plumbing supplies are the San Francisco Public Utilities Commission (“PUC”) and Department of Public Works (“DPW”). Total PO encumbrances by City departments between 2021-2023 for plumbing supplies is provided in Table 1 below.

Table 1: Total PO Encumbrances by City Departments between 2021-2023 for Plumbing Supplies

Department	2021	2022	2023	Grand Total	Annual Average
PUC	\$ 7,341,493	\$ 10,045,492	\$ 6,369,363	\$ 23,756,348	\$ 7,918,783
DPW	\$ 1,048,542	\$ 1,248,539	\$ 1,494,546	\$ 3,791,626	\$ 1,263,875
AIR	\$ 344,993	\$ 401,224	\$ 827,141	\$ 1,573,358	\$ 524,453
DPH	\$ 89,502	\$ 161,640	\$ 376,199	\$ 627,341	\$ 209,114
MTA	\$ 190,086	\$ 58,622	\$ 73,069	\$ 321,777	\$ 107,259
REC	\$ 28,661	\$ 110,557	\$ 111,359	\$ 250,577	\$ 83,526
ADM	\$ 54,659	\$ 32,400	\$ 107,207	\$ 194,266	\$ 64,755
PRT	\$ 21,378	\$ 19,486	\$ 151,779	\$ 192,643	\$ 64,214
LIB	\$ 15,629	\$ 26,944	\$ 61,974	\$ 104,548	\$ 34,849
FIR	\$ 4,097	\$ 31,542	\$ 38,120	\$ 73,759	\$ 24,586
SHF	\$ 20,646	\$ 17,528	\$ 19,373	\$ 57,547	\$ 19,182
JUV	\$ 13,533	\$ 13,703	\$ 29,550	\$ 56,786	\$ 18,929
HSA	\$ 1,956	\$ 12,877	\$ 9,998	\$ 24,830	\$ 8,277
ART	\$ 11,271			\$ 11,271	\$ 3,757
Grand Total	\$ 9,186,445	\$ 12,180,554	\$ 9,669,678	\$ 31,036,677	\$ 10,345,559

¹ This amount is based on Total PO encumbrances for City’s primary suppliers of plumbing supplies during 2021, 2022 and 2023: Cal-Steam A Wolseley Company (Supplier ID 0000023480), Core & Main LP (Supplier ID 0000019146), Ferguson Enterprises Inc (Supplier ID 0000020252), Ferguson Waterworks (Supplier ID 0000020250), Fluid Gauge Company (Supplier ID 0000003278), Global Microsystems Inc (Supplier ID 0000043810), Iconix Water Works, Inc. (Supplier ID 0000044927), Sigillo Supply Inc (Supplier ID 0000003096), and Underground Republic Water Works, Inc. (Supplier ID 0000047915).



During this period, City departments procured plumbing supplies through a combination of OCA Term Contracts, department issued contracts and stand-alone purchase orders not associated with any contracts. However, as shown in Table 2 below, the bulk of these purchase (nearly 87%) is associated with Term Contracts established through OCA, making OCA’s contracts essential to maintaining City operations.

Table 2: Total PO Encumbrances by PS Contract ID between 2021-2023 for Plumbing Supplies

Contract ID	2021	2022	2023	Grand Total	% of Total
1000014803 (OCA TC)	\$ 1,177,606	\$ 2,225,866	\$ 2,378,416	\$ 5,781,889	19%
1000014804 (OCA TC)	\$ 1,085,497	\$ 1,909,977	\$ 2,258,704	\$ 5,254,177	17%
1000016993 (OCA TC)	\$ 1,081,037	\$ 1,125,184	\$ 1,656,506	\$ 3,862,728	12%
1000020515 (OCA TC)	\$ 1,236,897	\$ 551,702	\$ 349,148	\$ 2,137,747	7%
1000022763 (OCA TC)	\$ 296,225	\$ 647,216	\$ 695,764	\$ 1,639,204	5%
1000023407 (OCA TC)	\$ 369,803	\$ 1,108,669		\$ 1,478,472	5%
1000014800 (OCA TC)	\$ 229,498	\$ 559,911	\$ 499,251	\$ 1,288,660	4%
1000019857 (OCA TC)	\$ 805,096	\$ 194,919	\$ 244,282	\$ 1,244,297	4%
1000020871 (OCA TC)		\$ 640,823	\$ 249,568	\$ 890,391	3%
1000023661 (OCA TC)		\$ 466,883	\$ 384,460	\$ 851,343	3%
1000001656 (OCA TC)	\$ 810,719	\$ -		\$ 810,719	3%
1000018958 (OCA TC)	\$ 343,833	\$ 181,370	\$ 239,825	\$ 765,028	2%
1000020686 (OCA TC)	\$ 260,394	\$ 176,076		\$ 436,469	1%
1000025845 (OCA TC)		\$ 88,820	\$ 198,944	\$ 287,764	1%
1000001583 (OCA TC)	\$ 195,532			\$ 195,532	1%
1000020466 (OCA TC)		\$ 111,434	\$ 1,804	\$ 113,237	0%
1000008931 (OCA TC)	\$ 50,703			\$ 50,703	0%
1000024166 (OCA TC)		\$ 34,068		\$ 34,068	0%
1000013827 (OCA TC)	\$ 7,807	\$ -		\$ 7,807	0%
1000030384 (AIR Dept Contract)			\$ 10,000	\$ 10,000	0%
1000026419 (AIR Dept Contract)		\$ 8,542		\$ 8,542	0%
No Contract	\$ 1,235,799	\$ 2,149,093	\$ 503,007	\$ 3,887,899	13%
Grand Total	\$ 9,186,445	\$ 12,180,554	\$ 9,669,678	\$ 31,036,677	100%



Invitation for Bids (Sourcing Event 0000009352)

On July 24, 2024, OCA issued an Invitation for Bids (“IFB”) for plumbing supplies through Sourcing Event 0000009352. The purpose of the IFB was to replace OCA’s expired and/or expiring contracts for plumbing supplies.² The IFB consisted of two (2) aggregates, each of which is summarized below:

- Aggregate 1 consisted of 30 lines, each representing different manufacturers. Each line in Aggregate 1 was awarded separately to the two lowest responsive bidders that met the Minimum Qualifications for that Line. Bidders were not required to bid on all Lines in Aggregate 1.
- Aggregate 2 consisted of 472 lines representing specific products procured primarily by PUC. Bidders for this Aggregate were required to bid on all 472 lines and an award was made to the lowest responsive bidder for all lines and who met the Minimum Qualifications for Aggregate 2.

Award

As per the IFB, if a Bidder was awarded more than one Aggregate or Aggregate Line, their awards would be combined into a single contract. As a result, the IFB has resulted in the award of five (5) contracts to five (5) suppliers based on the awards outlined in Tables 3 and 4 below. With respect to Underground, specifically, it was deemed the lowest responsible and responsive Bidder for Lines 7, 8, 9, 11, 13, 16, 18, 26, and 29 in Aggregate 1 and the entirety of Aggregate 2, all of which has been combined into Contract 1000034314 for which Board approval is now being requested.

Table 3: Summary of all Aggregate 1 Awards under Sourcing Event 0000009352

Line	Manufacturer	Bidders	Awarded	Awarded Bidders’ % off of MFR’s List Price
1	AB&I	1. Ferguson Enterprises Inc 2. Sigillo Supply Inc	1. Ferguson Enterprises Inc 2. Sigillo Supply Inc	1. 46% 2. 42%
2	ACIPCO / American Ductile	1. Ferguson Enterprises Inc	1. Ferguson Enterprises Inc	1. 20%
3	Bell & Gossett	1. Ferguson Enterprises Inc 2. Fluid Gauge Company 3. Sigillo Supply Inc	1. Fluid Gauge Company 2. Sigillo Supply Inc	1. 25% 2. 20%
4	Blinc	1. Ferguson Enterprises Inc 2. Fluid Gauge Company	1. Fluid Gauge Company 2. Sigillo Supply Inc	1. 40% 2. 15%

² These contracts are:

- PS Contract ID 1000014800 with Cal-Steam A Walseley Company (Supplier ID 0000023480) expiring October 31, 2024.
- PS Contract ID 1000014803 with Core & Main LP (Supplier ID 0000019146) expiring October 31, 2024.
- PS Contract ID 1000014804 with Sigillo Supply Inc (Supplier ID 0000003096) expiring October 31, 2024.
- PS Contract ID 1000016993 with Fluid Gauge Company (Supplier ID 0000003278) expiring January 31, 2027.
- PS Contract ID 1000018958 with Core & Main LP (Supplier ID 0000019146) expiring September 30, 2025.
- PS Contract ID 1000019857 with Core & Main LP (Supplier ID 0000019146) expiring December 31, 2024.
- PS Contract ID 1000020274 with Ferguson Enterprises Inc (Supplier ID 0000020252) expired September 30, 2024.
- PS Contract ID 1000020466 with Iconix Water Works, Inc. (Supplier ID 0000044927) expired March 14, 2024.
- PS Contract ID 1000020515 with Core & Main LP (Supplier ID 0000019146) expiring December 31, 2024.
- PS Contract ID 1000020686 with Core & Main LP (Supplier ID 0000019146) expired March 14, 2022.
- PS Contract ID 1000023407 with Core & Main LP (Supplier ID 0000019146) expiring October 14, 2026.



Line	Manufacturer	Bidders	Awarded	Awarded Bidders' % off of MFR's List Price
		3. Sigillo Supply Inc		
5	Brecco	1. Core & Main LP 2. Ferguson Enterprises Inc	1. Core & Main LP 2. Ferguson Enterprises Inc	1. 40% 2. 5%
6	Charlotte Pipe and Foundry Co.	1. Ferguson Enterprises Inc 2. Sigillo Supply Inc	1. Ferguson Enterprises Inc 2. Sigillo Supply Inc	1. 15% 2. 42%
7	Clow	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Underground Republic Water Works, Inc.	1. Core & Main LP 2. Underground Republic Water Works, Inc.	1. 42% 2. 20%
8	EBAA	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Underground Republic Water Works, Inc.	1. Ferguson Enterprises Inc 2. Underground Republic Water Works, Inc.	1. 45% 2. 50%
9	Febco	1. Best Plumbing Specialties Inc 2. Core & Main LP 3. Ferguson Enterprises Inc 4. Fluid Gauge Company 5. Sigillo Supply Inc 6. Underground Republic Water Works, Inc.	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Underground Republic Water Works, Inc. Note: Three contracts are awarded due to a tie between Core & Main LP and Ferguson Enterprises Inc.	1. 42% 2. 42% 3. 48%
10	Ford Mtr Box Co.	1. Core & Main LP 2. Ferguson Enterprises Inc	1. Core & Main LP 2. Ferguson Enterprises Inc	1. 40% 2. 41%
11	Hymax	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Underground Republic Water Works, Inc.	1. Ferguson Enterprises Inc 2. Underground Republic Water Works, Inc.	1. 42% 2. 45%
12	Industrial Valco	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Fluid Gauge Company 4. Sigillo Supply Inc 5. Underground Republic Water Works, Inc.	1. Fluid Gauge Company 2. Sigillo Supply Inc	1. 55% 2. 20%
13	James Jones Company	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Underground Republic Water Works, Inc.	1. Core & Main LP 2. Underground Republic Water Works, Inc.	1. 40% 2. 30%
14	Master Meter	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Underground Republic Water Works, Inc.	No Award	No Award
15	Merit Brass Co.	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Fluid Gauge Company 4. Sigillo Supply Inc 5. Underground Republic Water Works, Inc.	1. Core & Main LP 2. Sigillo Supply Inc	1. 65% 2. 70%
16	Midland Metal / Midland Industries	1. Core & Main LP 2. Ferguson Enterprises Inc	1. Sigillo Supply Inc 2. Underground Republic	1. 70% 2. 60%



Line	Manufacturer	Bidders	Awarded	Awarded Bidders' % off of MFR's List Price
		3. Fluid Gauge Company 4. Sigillo Supply Inc 5. Underground Republic Water Works, Inc.	Water Works, Inc.	
17	Milwaukee Electric Tool Corp.	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Fluid Gauge Company 4. Sigillo Supply Inc 5. Underground Republic Water Works, Inc.	1. Fluid Gauge Company 2. Sigillo Supply Inc	1. 15% 2. 10%
18	Mueller	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Underground Republic Water Works, Inc.	1. Core & Main LP 2. Underground Republic Water Works, Inc.	1. 30% 2. 30%
19	Mueller Streamline Co.	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Fluid Gauge Company 4. Sigillo Supply Inc 5. Underground Republic Water Works, Inc.	1. Fluid Gauge Company 2. Sigillo Supply Inc	1. 75% 2. 47.5%
20	Nibco Inc.	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Fluid Gauge Company 4. Sigillo Supply Inc	1. Ferguson Enterprises Inc 2. Sigillo Supply Inc	1. 40% 2. 62%
21	PDM STL SERV	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Underground Republic Water Works, Inc.	1. Core & Main LP 2. Ferguson Enterprises Inc	1. 10% 2. 5%
22	PROFLO	1. Ferguson Enterprises Inc	1. Ferguson Enterprises Inc	1. 40%
23	Smith-Blair	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Fluid Gauge Company 4. Sigillo Supply Inc	1. Core & Main LP 2. Sigillo Supply Inc	1. 30% 2. 10%
24	Spartan Tool, LLC	1. Ferguson Enterprises Inc 2. Fluid Gauge Company 3. Sigillo Supply Inc	1. Fluid Gauge Company 2. Sigillo Supply Inc	1. 15% 2. 5%
25	Spears Manufacturing Co.	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Fluid Gauge Company 4. Sigillo Supply Inc 5. Underground Republic Water Works, Inc.	1. Core & Main LP 2. Sigillo Supply Inc	1. 50% 2. 45%
26	Tyler	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Underground Republic Water Works, Inc.	1. Ferguson Enterprises Inc 2. Underground Republic Water Works, Inc.	1. 46% 2. 52%
27	US Pipe	1. Core & Main LP	1. Core & Main LP	1. 10%
28	Victaulic	1. Core & Main LP 2. Ferguson Enterprises Inc 3. Fluid Gauge Company	1. Ferguson Enterprises Inc 2. Fluid Gauge Company	1. 51% 2. 50%



Line	Manufacturer	Bidders	Awarded	Awarded Bidders' % off of MFR's List Price
29	Watts	<ol style="list-style-type: none"> Best Plumbing Specialties Inc Core & Main LP Ferguson Enterprises Inc Fluid Gauge Company Sigillo Supply Inc Underground Republic Water Works, Inc. 	<ol style="list-style-type: none"> Core & Main LP Underground Republic Water Works, Inc. 	<ol style="list-style-type: none"> 45% 48%
30	Miscellaneous Group of 106 MFRs	<ol style="list-style-type: none"> Core & Main LP Ferguson Enterprises Inc Fluid Gauge Company Sigillo Supply Inc 	<ol style="list-style-type: none"> Fluid Gauge Company Sigillo Supply Inc 	<ol style="list-style-type: none"> 40% 20%

Table 4: Summary of Aggregate 2 Award under Sourcing Event 000009352

Aggregate	Bidders	Awarded
2	<ol style="list-style-type: none"> Core & Main LP Underground Republic Water Works, Inc. 	<ol style="list-style-type: none"> Underground Republic Water Works, Inc.

Pricing Structure

Pricing for Aggregate 1 Lines were based on bidders' proposed % discount off of Manufacturer's List Price while pricing for Aggregate 2 lines were based on specific pricing for each item. While bidders' proposed % discount off of Manufacturer's List Price must remain firm for the duration of the awarded contract, pricing for Aggregate 2 can be adjusted annually, commencing 12 months from the Bid Due Date of August 26, 2024. Price adjustments are based on the rate of change in the U.S. Department of Labor's most recently published, non-preliminary Producer Price Index (PPI) for Series ID PCU332913332913 (plumbing fixture fitting and Trim Mfg, not seasonally adjusted) available at the time of Contractor's price adjustment request. The rate of change is measured between the last price adjustment date (or Bid Due Date if no prior price adjustment has been requested) and the date of the requested price adjustment date. Underground's pricing for awarded Aggregate 1 Lines 7, 8, 9, 11, 13, 16, 18, 26, and 29 and Aggregate 2 is identified in Appendix B of Contract ID 1000034314.

Contract NTE Calculations

For Aggregate 1, OCA advertised an initial 5-year NTE for each line. The advertised NTE was based on prior spend on the manufacturer identified for that line. For Aggregate 2, OCA did not advertise an initial NTE. Instead, the NTE for Aggregate 2 was to be based on Total Bid Price of the awarded Contractor. The initial five (5) and estimated seven (7) year contract NTE amounts for Contract 1000034314 have been calculated by adding the advertised contract NTEs of Aggregate 1 Lines 7, 8, 9, 11, 13, 16, 18, 26, 29 and the Total Bid Price for Aggregate 2, adding estimated sales tax, and rounding to the nearest one hundred thousand.

Table 5: Contract NTE Calculations for Contract ID 1000034314 with Underground Republic Water Works, Inc.

Underground Republic Water Works, Inc. (Contract ID 1000034314)	Total Bid Price	Contract NTE (5 Years)	Contract NTE (7 Years)
Aggregate 1, Line 7	20% off of MFR's List Price	\$100,000 (Advertised NTE)	\$140,000 (Advertised NTE Proportionally Increased)



Aggregate 1, Line 8	50% off of MFR's List Price	\$1,000,000 (Advertised NTE)	\$1,400,000 (Advertised NTE Proportionally Increased)
Aggregate 1, Line 9	48% off of MFR's List Price	\$100,000 (Advertised NTE)	\$140,000 (Advertised NTE Proportionally Increased)
Aggregate 1, Line 11	45% off of MFR's List Price	\$100,000 (Advertised NTE)	\$140,000 (Advertised NTE Proportionally Increased)
Aggregate 1, Line 13	30% off of MFR's List Price	\$100,000 (Advertised NTE)	\$140,000 (Advertised NTE Proportionally Increased)
Aggregate 1, Line 16	60% off of MFR's List Price	\$100,000 (Advertised NTE)	\$140,000 (Advertised NTE Proportionally Increased)
Aggregate 1, Line 18	30% off of MFR's List Price	\$1,000,000 (Advertised NTE)	\$1,400,000 (Advertised NTE Proportionally Increased)
Aggregate 1, Line 26	52% off of MFR's List Price	\$1,000,000 (Advertised NTE)	\$1,400,000 (Advertised NTE Proportionally Increased)
Aggregate 1, Line 29	48% off of MFR's List Price	\$100,000 (Advertised NTE)	\$140,000 (Advertised NTE Proportionally Increased)
Aggregate 2 (Specific Products List)	\$5,904,395.84	\$29,521,979.20 (Bid Amount)	\$41,330,770.88 (Bid Amount)
Total Estimated Spend		\$33,121,979.20	\$46,370,770.88
Estimated Sales Tax (8.625%)		\$2,856,770.71	\$3,999,478.99
Total Contract NTE Rounded to the Nearest 100,000		\$36,000,000	\$50,400,000

Recommendation

Plumbing supplies are critical to maintaining city infrastructure, disaster preparedness and water management. The City manages a vast network of public buildings, including hospitals and government offices. Plumbing supplies are essential for the maintenance, repair, and upgrading of water systems in these facilities. This includes everything from water supply lines to waste management, ensuring safe and hygienic conditions for employees and the public. PUC, in particular, relies heavily on plumbing supplies to operate efficiently and these supplies ensure the smooth functioning of water treatment facilities, sewage systems, and water distribution networks that are vital to public service operations and preventing health hazards. Plumbing supplies are also crucial to maintaining water lines and sewage systems during and after seismic events. For emergency response facilities such as fire departments, robust access to plumbing supplies ensure that these critical services continue to operate effectively during natural disasters. Lastly, easy access to plumbing supplies ensures City can continue to procure high-efficiency water fixtures and systems that support City’s water conservation efforts.

For these reasons, a timely approval of this resolution will provide City departments access to acquire plumbing supplies through a comprehensive citywide plumbing supplies contract.

If you have any questions or require additional information, please contact Norman Liang on my team at (628) 652-1621.

Enclosures:

1. Contract 1000034314 Proposed Agreement
2. Contract 1000034314 Ethics Form 126f(2)
3. Contract 1000034314 Ethics Form 126f(4)
4. Contract 1000034314 Resolution