



REPORT TO COUNCIL

City of Sacramento

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Consent
February 9, 2010

Honorable Mayor and
Members of the City Council

**Title: Contract: Sacramento Regional Water Meter Installation Acceleration
Project, Water Service Meter Retrofit – Phase 12 (Z14010030)**

Location/Council District: Council District 2

Recommendation: Adopt a **Resolution** awarding the contract to GM Construction & Developers, Inc., for an amount not to exceed \$1,810,000.

Contact: David L. Brent, Engineering Manager, 808-1420; Dan Sherry, Supervising Engineer, 808-1419

Presenters: Not applicable

Department: Utilities

Division: Engineering Services

Organization No: 14001311

Description/Analysis

Issue: On November 3, 2009, the City Council approved Resolution 2009-694 authorizing the execution of a Project Agreement whereby the City will receive \$2.6 million grant funding under the American Recovery and Reinvestment Act 2009 (ARRA) to enhance water efficiency projects in the Sacramento region. The grant was obtained by the Sacramento Suburban Water District (SSWD) and is being administered by the Regional Water Authority (RWA), and will allow the City to retrofit approximately 3,400 to 5,000 existing residential and commercial water services. This Phase 12 contract will retrofit approximately 1,956 water services.

Policy Considerations: This report's recommendation is consistent with the City's Strategic Plan Goals of improving and expanding public safety and achieving sustainability and livability. This project will assist the City in complying with Assembly Bill 2572, which requires the City to install water in all existing water service connections by 2025. Furthermore, this action is in conformance with City Code Chapter 3.60 Articles I and III, which provide that the City Council may award competitively bid contracts to the lowest responsible bidder.

To protect against counterfeit and fraudulent documents the Notice to Proceed will not be issued until bonds and insurance documents are verified.

Environmental Considerations:**California Environmental Quality Act (CEQA):**

The Development Services Department, Environmental Planning Services Division, has reviewed the proposed project and has determined that this project is categorically exempt from CEQA (the California Environmental Quality Act) under Class 1, Section number 15301 (b) and (c) and Class 3, Section number 15303(d) of the CEQA Guidelines. Projects exempt under Class 1, Section number 15301(b) and (c) consist of minor alteration or repair of existing utility facilities and sidewalks. Projects exempt under Class 3, Section number 15303(d) consist of installation and location of new, small utility facilities. A Notice of Exemption was filed on December 18, 2009, following the City Council's November 3, 2009, approval of the Project Agreement with RWA and the Project plans and specifications.

Sustainability Considerations: The project is consistent with the Sustainability Master Plan goals to help improve water conservation awareness, as the installation of water meters will allow the City to provide a monthly statement of water usage to the customers, and metered billing will improve water conservation. Water meter installation also furthers the City's progress in implementing the Water Forum Agreement and the California Urban Water Conservation Council Best Management Practices (BMPs 1, 4, and 7).

Other: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Engineering Services advertised the project to solicit bids, in accordance with City Code 3.60 and Administrative Policy Instruction #48. Ten bids were received and opened by City Clerk on January 20, 2010. The lowest responsive and responsible bidder was GM Construction & Developers, Inc. Staff recommends the contract be awarded to GM Construction & Developers, Inc. for an amount not to exceed \$1,810,000.

Financial Considerations: The total estimated cost for Phase 12, including design, construction, inspection and contingency, is \$2,081,000.

The ARRA US Bureau of Reclamation funding provides funds for the Residential Water Meter Master Project (Z14010000) in the amount of \$2.6 million in grant funding. The grant requires a local match of \$2.6 million. There is \$2.6 million in Water funds (Fund 6005) in the Residential Water Meter Master Project (Z14010000) available for the required local match. On November 3, 2009, the City Council approved the Project Agreement between RWA, the City and the other four RWA member agencies, to

provide for administration of the grant among the five recipient agencies, including the payment of administrative expenses incurred by RWA, SSWD and the USBR.

Disadvantage Business Enterprise/Minority Business Enterprise/Women Business Enterprise (DBE/MBE/WBE): The bid submitted by GM Construction & Developers, Inc. complies with the DBE/MBE/WBE requirements set forth in the bid specifications pursuant to applicable provisions of the ARRA funding agreement. Under the City Code, these DBE/MBE/WBE requirements apply in lieu of the City's ESBE provisions

Respectfully Submitted by:



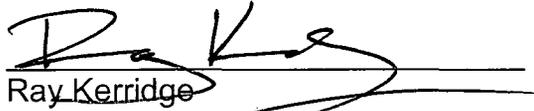
David L. Brent
Engineering Manager

Approved by:



Marty Hanneman
Director of Utilities

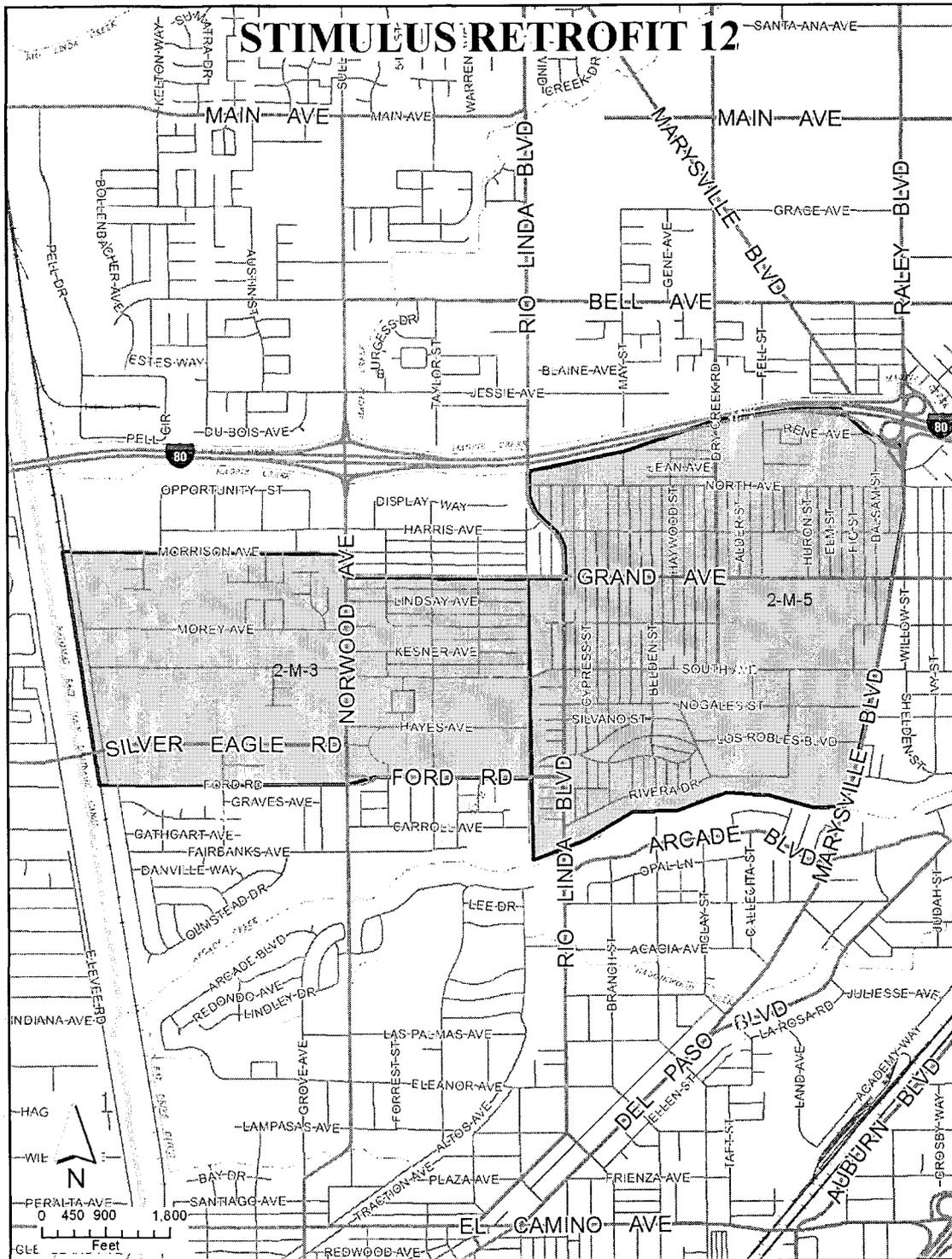
Recommendation Approved:



Ray Kerridge
City Manager

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Location Map -Water Meter Retrofit Phase12

Attachment 2

Background

With recent enactment of the American Recovery and Reinvestment Act of 2009 (ARRA), the US Bureau of Reclamation accepted applications for ARRA funding under the Challenge Grant Program for Water Marketing and Efficiency Grants. Locally, the Regional Water Authority (RWA) coordinated the grant application and Sacramento Suburban Water District (SSWD) applied on behalf of five RWA members that include SSWD, Carmichael Water District, El Dorado Irrigation District and Cities of Sacramento and West Sacramento. RWA is a joint powers authority formed in 2001 that serves and represents the interests of 22 water providers and affiliated agencies in the greater Sacramento area. The organization's primary mission is to help its members protect and enhance the reliability, availability, affordability and quality of water resources.

In August, 2009, the US Bureau of Reclamation selected the five RWA members to receive a total of \$5 million in grant funding under ARRA to enhance water efficiency projects in the Sacramento region. The federal stimulus dollars along with the \$7.5 million of local matching funds will allow water agencies to accelerate the installation of water meters throughout the region. Of the \$5 million in grant funding, the City of Sacramento was awarded \$2.6 million, subject to the requirement for the City to provide a local match of \$2.6 million. The City has identified \$2.6 million in the Residential Water Meter Project (Z14010000, Fund 6005) as the local match.

The Project Agreement between RWA, the City and the other four RWA member agencies, approved by the City Council on November 3, 2009, provides for administration of the grant among the five recipient agencies, including the payment of administrative expenses incurred by RWA, SSWD and the USBR.

This USBR grant follows the City's prior receipt of \$20 million in ARRA funding (\$10 million loan/\$10 million grant) from the Safe Drinking Water State Revolving Fund (SDWSRF) Program administered by the California Department of Public Health to fund water meter retrofits. The SDWSRF grant/loan funded project is expected to install 15,000 to 17,000 water meters throughout the city.

The Water Meter Installation Acceleration Project includes the installation of new water meters and transmitters on approximately 3,400 to 5,000 unmetered existing residential and commercial water services in the areas identified as Stimulus Retrofit 12, 13 and 14 on Attachments 1-3. The meter retrofits included in Stimulus Retrofit 12 were previously authorized for inclusion in the retrofit project being funded by the SDWSRF grant/loan, but the SDWSRF funding was not sufficient to fund this work, which now will be funded through the Water Meter Installation Acceleration Project.

This project will install 1,956 meters on unmetered residential and commercial services

within the project area depicted in Attachment 1.

All retrofit projects are coordinated with public outreach to customers and stake holders.

This project was advertised on December 28, 2009; ten (10) bids were received and opened by the City Clerk on January 20, 2010. The bids are summarized below:

Contractor	Bid Amount
GM Construction & Developers, Inc.	1,810,000
WR Forde Associates.	1,995,760
Sanco Pipelines	1,996,890
Marques Pipelines, Inc.	2,039,875
Navajo Pipelines, Inc.	2,094,400
Flowline Contractors, Inc.	2,206,452
Florez Paving	2,383,920
Teichert Construction	2,458,681
Preston Pipelines, Inc.	2,628,782
West Valley Construction Company Inc	3,024,000

The engineer's construction estimate was \$2,050,000.

RESOLUTION NO.

Adopted by the Sacramento City Council

Award Contract for the Sacramento Regional Water Meter Installation Acceleration Project, Water Service Meter Retrofit Phase 12 (Z14010030)

BACKGROUND

- A. The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on February 17, 2009. The US Bureau of Reclamation accepted applications for ARRA funding under the Challenge Grant Program for Water Marketing and Efficiency Grants. Locally, the Regional Water Authority (RWA) coordinated the grant application, and Sacramento Suburban Water District applied for the grant for a Regional Water Meter Installation Acceleration Project on behalf of five RWA members, that include Sacramento Suburban Water District (SSWD), Carmichael Water District, El Dorado Irrigation District and the Cities of Sacramento and West Sacramento.
- B. In August, 2009, the US Bureau of Reclamation selected the five RWA members to receive a total of \$5 million in grant funding under ARRA to enhance water efficiency projects in the Sacramento region. Of the \$5 million in grant funding, the City of Sacramento was awarded \$2.6 million, subject to the requirement for the City to provide matching funds of \$2.6 million.
- C. On November 3, 2009, the City Council approved the Project Agreement between RWA, the City and the other four RWA member agencies, to provide for administration of the grant among the five recipient agencies, including the payment of administrative expenses incurred by RWA, SSWD and the USBR.
- D. This ARRA stimulus funding will be used to install water meters in the areas identified as Phases 12, 13 and 14 of the Sacramento Regional Water Meter Installation Acceleration Project.
- E. The contract specifications for Phase 12 were approved by City Council on November 3, 2009.
- F. Bids for the Sacramento Regional Water Meter Installation Acceleration Project Phase 12 were opened on January 20, 2010 and GM Construction & Developers, Inc. was the lowest responsible bidder.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The contract for the Sacramento Regional Water Meter Installation

Acceleration Project, Water Service Meter Retrofit - Phase 12 is awarded to GM Construction & Developers, Inc., for an amount not to exceed \$1,810,000.