

RESOLUTION NO. 2010-497

Adopted by the Sacramento City Council

August 17, 2010

AWARD CONTRACT FOR THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) WATER METER RETROFIT PROJECT PHASE 4 (Z14010022)

BACKGROUND

- A. On August 6, 2009, the City Council approved Resolution 2009-516 authorizing the execution of a \$20 million grant/loan funding agreement for the Water Meter Retrofit (WMR) Project (Phases 1-9), utilizing American Recovery and Reinvestment Act (ARRA) funding provided through the Safe Drinking Water State Revolving Fund (SDWSRF) Program administered by the California Department of Public Health. The City Council approved the addition of additional Phases to the Project on September 15th (Phase 10) and September 22nd (Phase 11).
- B. The WMR Project will retrofit water services with meters at a total of 15,000 - 17,000 residential and commercial properties.
- C. The plans and specifications for Phase 4 of the Project were approved by the City Council on June 23, 2009.
- D. On September 22, 2009, the City Council adopted Resolution No. 2009-601, awarding the contract for Phase 4 of the WMR project to Advantage Demolition and Engineering for an amount not-to-exceed \$1,235,530, to install 1,070 meters on unmetered services.
- E. Pursuant to the contract, Advantage Demolition and Engineering filed with the City performance and payment bonds purportedly issued by the Merchants Bonding Company. On January 7, 2010, in response to an inquiry from City staff, the City was notified by Merchants Bonding Company that the bonds filed by Advantage Demolition and Engineering were not legitimate. Upon receipt of this information, City staff directed Advantage Demolition and Engineering to stop work on the project. Upon receipt of additional verification that the bonds were not legitimate, the City terminated the Advantage Demolition and Engineering contract due to the filing of fraudulent bonds.
- F. On May 28, 2010, the Department of Public Health authorized the City to rebid the remainder of the Phase 4 work for ARRA reimbursement under the funding agreement.
- G. Bids for the remainder of the Phase 4 project were opened on July 21, 2010, and Florez Paving 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 remainder of the SDWSRF ARRA Water Meter Retrofit Project Phase 4 is awarded to Florez Paving, for an amount not to exceed \$874,730.

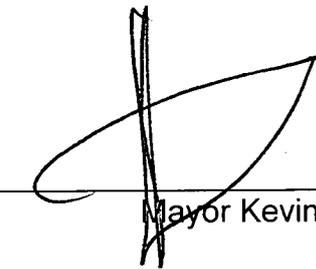
Adopted by the City of Sacramento City Council on August 17, 2010 by the following vote:

Ayes: Councilmembers Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: Councilmember Cohn.



Mayor Kevin Johnson

Attest:


Shirley Concolino, City Clerk