



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
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Meeting Date: 6/21/2011

Report Type: Consent

Title: Safe Drinking Water State Revolving Fund American Recovery and Reinvestment Act – Water Meter Project Phase 15

Report ID: 2011-00563

Location: District 7

Recommendation: Adopt Resolution awarding the contract for the Water Meter Retrofit Phase 15 to Florez Paving, for an amount not to exceed \$2,117,940.

Contact: Bill Busath, Interim Engineering Manager, (916) 808-1434; Dan Sherry, Supervising Engineer, (916) 808-1419; Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Engineering Administration

Dept ID: 14001311

Attachments:

- 1-Description/Analysis
- 2- Background
- 3- Location Map
- 4- Resolution

City Attorney Review

Approved as to Form
Joe Robinson
6/9/2011 4:32:09 PM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Russell Fehr
6/3/2011 4:59:07 PM

Approvals/Acknowledgements

Department Director or Designee: Marty Hanneman - 6/9/2011 3:21:56 PM

Assistant City Manager: John Dangberg - 6/9/2011 4:14:07 PM

Description/Analysis



Issue:

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 Project (Phases 1-9) with the California Department of Public Health (CDPH). The Council approved additional Phases on September 15, 2010 (Phase 10), and September 22, 2010 (Phase 11). This is titled Phase 15, rather than Phase 12, because during the intervening period the City received different ARRA grant funding from the U.S. Bureau of Reclamation for Phases 12-14 of the Meter Retrofit Project.

On March 8, 2011 the City Council adopted Resolution 2011-128 approving the plans and specifications for the Water Meter Retrofit Project Phase 15 (Phase 15). The overall Project will retrofit approximately 17,000 to 18,000 residential and commercial properties within the City of Sacramento. This Phase 15 project will retrofit approximately 2,275 services with meters. Bids for the Phase 15 project were opened on May 25, 2011, and Florez Paving was the lowest responsible bidder. **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. Furthermore, this project will assist the City in complying with Assembly Bill 2572, which requires the City to install water meters on all existing water service connections by 2025. Using ARRA funding for this project allows the City to comply with this mandate at a lower cost to City rate payers.

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.

Environmental Considerations:

California Environmental Quality Act (CEQA): The Community Development Department, Environmental Planning Services Division, has reviewed the Water Meter Retrofit Project and determined that the Project is categorically exempt from CEQA under Class 3 & 4, Section 15303(d) and Section 15304(f) of the CEQA Guidelines. Projects exempt under Section 15303(d) consist of new small utility extensions and street improvements. Projects exempt under Section 15304(f) consist of minor trenching and backfilling where the surface is restored.

Sustainability Considerations: The project is consistent with the Sustainability Master Plan goal to help to improve water conservation awareness, by providing a monthly statement of water usage to the customers. The Meter Retrofit 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).

Commission/Committee Action: N/A

Rationale for Recommendation: Engineering Services advertised the project to solicit bids, in accordance with City Code Chapter 3.60 and Administrative Policy AP-4002. Award of this contract will continue the City's implementation of the meter retrofit plan developed by the Department of Utilities based on the implementation guidelines approved by Council.

Financial Considerations:

The total ARRA funding of \$20 million consists of a \$10 million grant and a \$ 10 million loan. Water user rate revenues in the Water Enterprise Fund have been dedicated as the funding source for the debt service on the loan portion, with a 20 year repayment period at a 2.5017 percent interest rate. Rate revenues will also be used for any non-grant/loan covered expenses incurred as part of the overall Project.

The total estimated cost for Phase 15, RWM ARRA CDPH Project 15 (Z14010054), including design, construction, inspection and contingency is \$2,640,000. The contract to be awarded to Florez Paving, the lowest responsive bidder, is for an amount not to exceed \$2,117,940.

There is sufficient funding to award the contract and complete the project: \$1.0 million in ARRA funding (Fund 6015) and the balance of the project funding is from Water funds (Fund 6005).

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



BACKGROUND

The American Recovery and Reinvestment Act of 2009 (ARRA) was enacted on February 17, 2009. Within California, the ARRA will provide \$160 million to the Safe Drinking Water State Revolving Fund (SDWSRF) for infrastructure development for California's drinking water system. The SDWSRF program is administered through the California Department of Public Health (CDPH).

On February 1 to 27, 2009, the CDHP held an initial pre-application period for the ARRA funding. Over 2,200 pre-applications were received, including five projects submitted by Utilities, with the total funds requested exceeding \$6.8 billion. CDPH prioritized projects in accordance with the existing SDWSRF procedures, based on health risk, median household income, population, and water system type. From the prioritized list of projects, CDPH identified the projects that were the most ready to proceed to assure compliance with ARRA requirements and to create jobs immediately.

To date, CDPH has approved funding of \$20 million (\$10 million in grant and \$10 million in loan) for the City's Water Meter Retrofit Project Phases 1 through 11 and 15.

The City has bid and awarded eleven phases of the Water Meter Retrofit Project. Due to the current favorable bid climate, the total ARRA reimbursable costs for these contracts will not exceed the allotted \$20 million. Therefore CDPH waived the contract award date (February 17, 2010) required for the Project in order to allow another phase to be added. This is titled Phase 15, rather than Phase 12, because during the intervening period the City received different ARRA grant funding from the U.S. Bureau of Reclamation for Phases 12-14 of the Meter Retrofit Project. In accordance with the process established in the SDWSRF application guidelines, adding an additional phase for ARRA funding requires the City Council to first approve the plans and specifications for such additional phase. The City Council took this action on March 8, 2011, Resolution 2011-128.

This project (Phase 15) will install approximately 2,275 meters on unmetered residential and commercial services within the project area depicted in Attachment 2. The water mains within the project area are located in the streets and there will be no water main replacements as part of this project. This project will place meter boxes in sidewalks per the City's current Council policy.

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

This project was advertised on April 29, 2011 and ten (9) bids were received and opened by the City Clerk on May 25, 2011. The bids are summarized below:

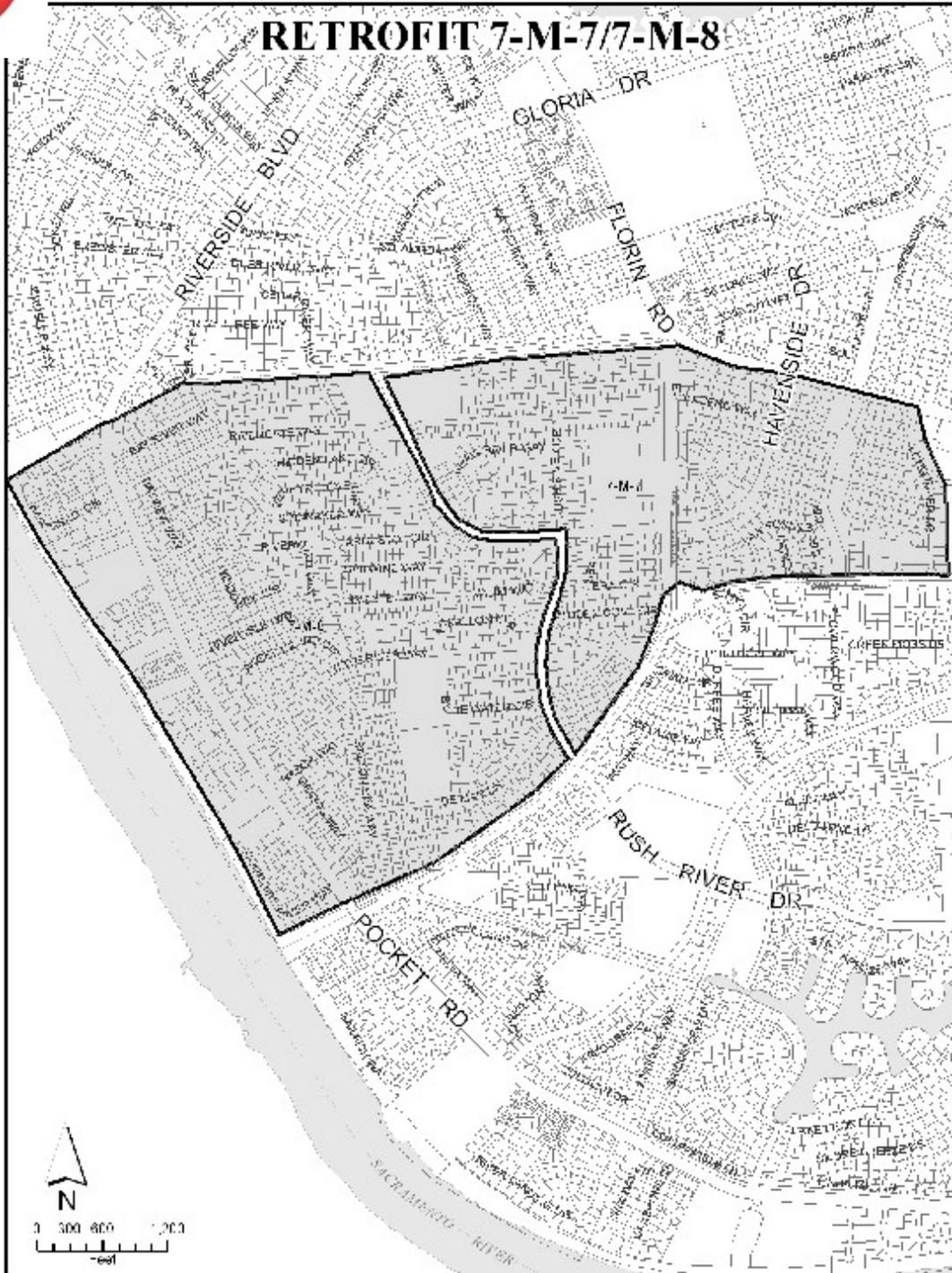
Contractor	Bid Amount
Florez Paving	2,117,940
United Building Contractors	2,135,590
Newland Entities, Inc.	2,163,790
Marques Pipeline, Inc.	2,327,430

West Valley Construction	2,379,470
Teichert Construction	2,491,385
Navajo Pipelines, Inc.	2,513,250
Flowline Contractors, Inc.	2,654,030
D.A. Wood Construction, Inc.	2,682,370

The engineer's estimate was \$2,300,000.

Staff recommends the contract be awarded to Florez Paving, the lowest responsible bidder for an amount not to exceed \$2,117,940.

Location Map





RESOLUTION

Adopted by the Sacramento City Council

AWARD CONTRACT FOR THE SAFE DRINKING WATER STATE REVOLVING FUND AMERICAN RECOVERY AND REINVESTMENT ACT WATER METER RETROFIT PROJECT PHASE 15 (PN: Z14010054)

BACKGROUND

- A. The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law on February 17, 2009. Within California, the ARRA is providing funding to the Safe Drinking Water State Revolving Fund (SDWSRF) administered by the California Department of Public Health (CDPH), for infrastructure development for California's drinking water system.
- B. On May 26, 2009, the City Council authorized the City Manager to apply for ARRA funding for the City's Water Meter Retrofit Project, through the SDWSRF program administered by CDPH.
- C. The plans and specifications for Phase 15 of the Project were approved by the City Council on March 8, 2011.
- D. Bids for Phase 15 of the Project were opened on May 25, 2011 and Florez Paving was the lowest responsible bidder.
- E. RWM ARRA CDPH Project 15 (Z14010054) has sufficient funding to award the contract and complete the project.

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

- Section 1. The contract for the Water Meter Retrofit Phase 15 is awarded to Florez Paving, for an amount not to exceed \$2,117,940.