



City Council Report

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Sacramento, CA 95814

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April 2, 2019

Discussion Item 22

Title: Accelerated Water Meter Program Update [Oral Report]

Location: Citywide

Recommendation: Receive and file.

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Presenter: Michelle Carrey, Supervising Engineer (916) 808-1437, Department of Utilities

Attachments:

1-Description/Analysis

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Issue Detail: The Accelerated Water Meter Program (AWMP) is on schedule to install water meters on all City water service connections by the City's deadline of December 31, 2020 and the City is currently 87% metered.

The AWMP consists of eighteen projects in six packages of projects. Construction on Packages 1, 2, and 3 will be complete by April 2019, Packages 4 and 5 are expected to be completed by April 2020 with Package 6 construction beginning in Summer of 2019 and finishing in November 2020. The AWMP has an estimated cost of \$245,700,000, of which \$112,100,000 has been expended to date. The AWMP is projected to be completed within the council approved budget and schedule.

The AWMP included a local hire goal of 20% from local priority zip codes or the Sacramento Housing and Redevelopment Agency (SHRA) promise zones. The program has exceeded this goal with local hiring currently at 27%. To date approximately \$3.9M in local hire wages have been paid with a projected total of \$8M by the end of the program.

Policy Considerations: AB 2572 requires the City to install water meters on all municipal and industrial water service connections that are located within its service area.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Not applicable.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

Background: Assembly Bill 2572, enacted in 2004, mandated the installation of water meters on all water service connections by January 1, 2025. The City of Sacramento Department of Utilities (DOU) developed a water meter implementation program to meet this requirement.

On February 24, 2015, the City Council adopted Resolution No. 2015-0056, approving changes to the City’s water meter installation guidelines to accelerate the installation of water meters to complete installation of meters on all City water service connections by December 31, 2020, four years ahead of the statutory deadline specified in Assembly Bill 2572. The Accelerated Water Meter Program (AWMP) was developed to implement this directive.

On August 4, 2016, the City Council adopted Resolution No. 2016-0279, which suspended the standard competitive bidding provisions for the AWMP project and approved the use of an alternative competitive procurement process, referred to as the Multiple Award Task Order Contracts (MATOC) process, to ensure that the AWMP can be completed by December 31, 2020. MATOC is a contractor selection process based on qualifications, performance-based criteria, and pricing that will allow the City to award contracts to qualified contractors and repeat the process multiple times if the contractors perform well and within budget.

The MATOC process utilizes a Request for Qualifications (RFQ) process to pre-qualify contractors to develop a Master List of qualified contractors to perform the AWMP work, and Request for Proposals (RFP) processes to select contractors from the Master List to perform defined portions of the AWMP. On December 13, 2016, City Council approved the Master List of pre-qualified contractors for the AWMP.

The following table shows the number of meters installed, compared to the number of meters remaining:

Citywide Meters Installed (as of 2/2019)	Citywide Meters Remaining (as of 2/2019)	Total Citywide Meters to Be Installed (AWMP)
119,312 (89%)	15,345 (11%)	134,657 (100%)

The following table shows the number of meters by project phase:

In Design	Out to Bid	In Construction	Meters Installed
0 (0%)	4,994 (12%)	10,401 (25%)	25,742 (63%)

The following table shows the number of mains by project phase:

In Design	Out to Bid	In Construction	Mains Installed
0 (0%)	10.4 (17%)	20.8 (35%)	28.3 (48%)

DOU has continued to provide robust public outreach for the AWMP, maintaining a neighborhood presence through open houses, newspaper ads, and branded signage. Additionally, the AWMP has a robust online and mobile presence through an informational phone line, social media, the Meters Mater website, email address, and phone application. Customer response time, complaint resolution time, and “My Water” Billing activation continues to meet target goals established for the AWMP.

Another important benefit to the City is the AWMP contractors’ minimum requirement to meet 5% local hire hours (for Packages 1-3), or 10% local hire hours (for Packages 4-6). In order for a worker to be considered a “local hire” they must reside within the Priority Zip Codes (95811, 95814, 95818, 95617, 95820, 95823, 95824, 95832, and 95863) or within the Sacramento Housing and Redevelopment Agency’s Promise Zone. Participation has exceeded the City’s Goal of 20% local hire every month over the past year. To date, there have been 94,992 local labor hours used, and a remaining 177,355 projected remaining for the program. It is projected that upon completion, local hire pay for the program will total approximately \$10,409,097. (This is the most current data available as of February 20, 2019. Updated data will be incorporated into the presentation made to City Council on March 12, 2019.)