

REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
[www. CityofSacramento.org](http://www.CityofSacramento.org)

Consent
February 23, 2010

Honorable Mayor and
Members of the City Council

**Title: Contract: Sacramento Regional Water Meter Installation Acceleration
Project, Water Service Meter Retrofit - Phase 13 (Z14010031)**

Location/Council District: Council District 7

Recommendation: Adopt a **Resolution** to award the contract to Marques Pipeline, Inc. for an amount not to exceed \$2,357,045.

Contact: David L. Brent, Engineering Services 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 13 contract will retrofit approximately 2,276 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 meters on 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.

Environmental Considerations: The Development Services Department, Environmental Planning Services Division, has reviewed the proposed project and has determined that this project is categorically exempt from California Environmental Quality Act (CEQA) 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).

Commission/Committee Action: Not applicable


Rationale for Recommendation: Engineering Services advertised the project to solicit bids, in accordance with City Code Chapter 3.60 and Administrative Policy Instruction #48. Eleven bids were received and opened by the City Clerk on February 3, 2010. The lowest responsive and responsible bidder was Marques Pipeline, Inc. Staff has verified the validity of their bid bond, and recommends that the contract be awarded to Marques Pipeline, Inc., for an amount not to exceed \$2,357,045.

Financial Considerations: The total estimated cost for Phase 13, including design, construction, inspection and contingency, is \$2,882,500. There are sufficient funds to award the construction contract and complete the project.

The ARRA U.S. 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 Marques Pipeline, 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:


for _____
David L. Brent
Engineering Services Manager

Approved by:


Marty Hanneman
Director of Utilities

Recommendation Approved:


Ray Kerridge
City Manager

Table of Contents:

Report	pg. 1-3
Attachments	
1 Background	pg. 4
2 Location Map	pg. 6
3 Resolution	pg. 7

Attachment 1**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.

This project will install 2,276 meters on unmetered residential and commercial services within the project area depicted in Attachment 1.

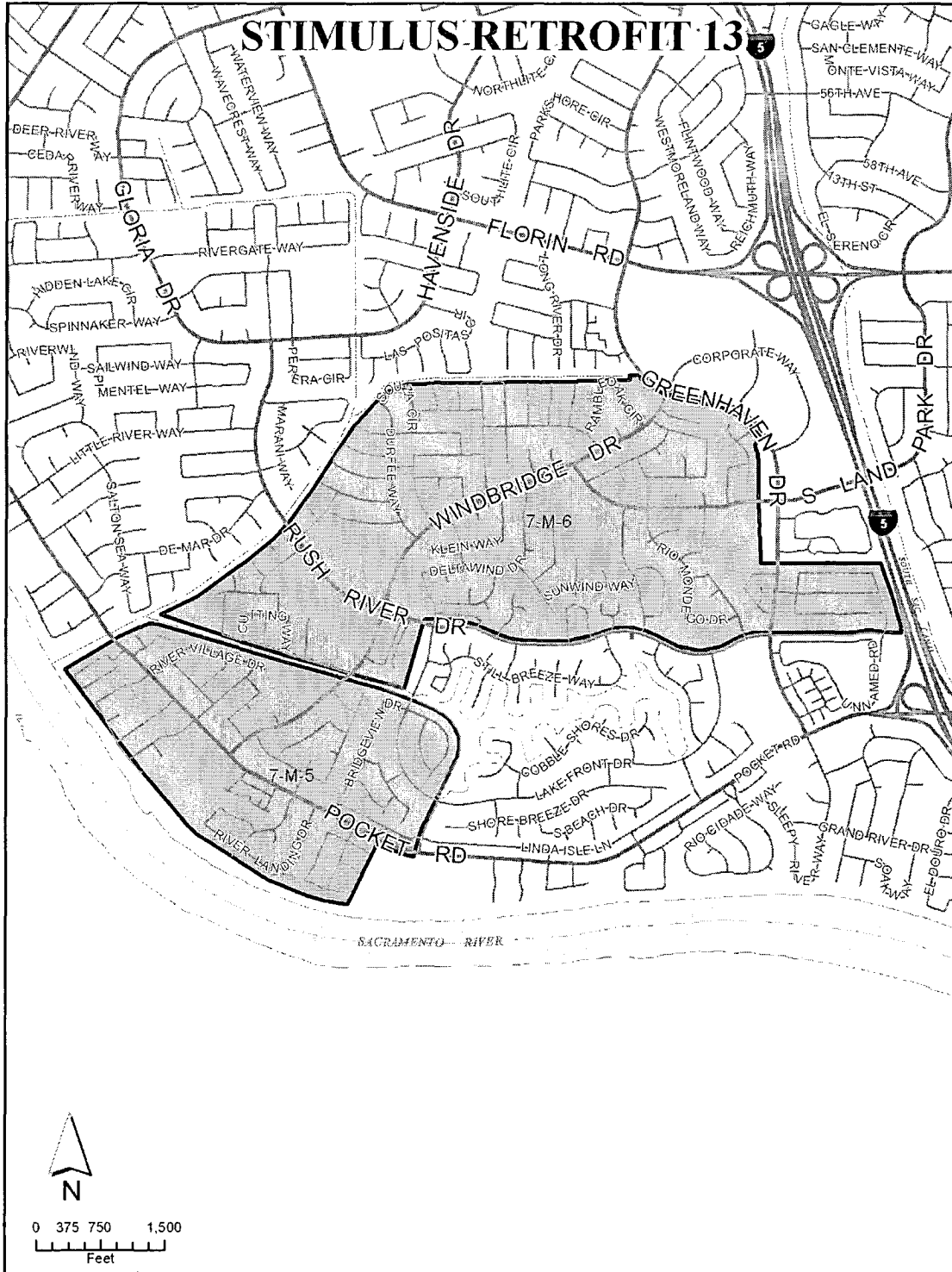
All retrofit projects are coordinated with public outreach to customers and stake holders.

This project was advertised on January 12, 2010; eleven (11) bids were received and opened by the City Clerk on February 3, 2010. The bids are summarized below:

Contractor	Bid Amount
Marques Pipeline, Inc.	\$2,357,045
Bay Pacific Pipeline	\$2,469,081
Florez Paving	\$2,620,785
Sanco Pipelines, Inc.	\$2,770,381
Arrow Construction	\$2,853,436
Argonaut Construction	\$2,951,284
Flowline Contractors	\$2,977,483
WR Forde Associates	\$3,073,026
Preston Pipelines, Inc.	\$3,126,292
West Valley Construction Company Inc	\$3,429,250
Teichert Construction	\$3,578,354

The engineer's construction estimate was \$2,250,000.

Attachment 2



Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council
**Award Contract for the Sacramento Regional Water Meter Installation
Acceleration Project, Water Service Meter Retrofit Phase 13 (Z14010031)**

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 13 were approved by City Council on November 3, 2009.
- F. Bids for the Sacramento Regional Water Meter Installation Acceleration Project Phase 13 were opened on February 3, 2010 and Marques Pipeline, 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 13 is awarded to Marques Pipeline, Inc., for an amount not to exceed \$2,357,045.