

# City of Sacramento

## Legislation Text

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**File #:** 2018-01377, **Version:** 1

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**Title:**

**Contract: Water Meter Retrofits for the Accelerated Water Meter Program (AWMP) Multiple Award Task Order Contract (MATOC) Package 5A (Published for 10-Day Review on 10/18/2018)**

**File ID:** 2018-01377

**Location:** Districts 3, 4, 5, and 6

**Recommendation:**

Pass a Motion approving the contract plans and specifications for Construction Services for the AWMP Package 5A, and awarding the contract to Florez Paving, for an amount not-to-exceed \$13,692,149.

**Contact:** Marc Lee, Senior Engineer (916) 808-7481; Michelle Carrey, Supervising Engineer (916) 808-1438; Dan Sherry, Engineering & Water Resources Division Manager, (916) 808-1419; Department of Utilities

**Presenter:** None

**Attachments:**

1-Description/Analysis

2-Contract, Florez Paving (Water Meter Retrofits for the AWMP Package 5A)

7-MATOC Process Outline

**Description/Analysis**

**Issue Detail:** Staff recommends Council award a construction contract to Florez Paving, as part of the Water Meter Retrofits for the AWMP MATOC Package 5A to install 6,577 new water meters.

**Policy Considerations:** City Council approval is required to award construction contracts of \$100,000 or more. Additionally, all agreements greater than \$1,000,000 must be posted on the City's website and made available to the public at least ten days prior to the Council action.

On August 4, 2016, City Council approved the use of the MATOC procurement method for the AWMP

contracts. The MATOC process utilizes Request for Qualifications (RFQ) and Request for Proposals (RFP) processes to select and award multiple contracts based on proposals from pre-qualified contractors, to maximize quality assurance and customer service, and to complete the AWMP in a coordinated, cost-effective, and timely manner. Award of this contract to this Contractor from the Master List of prequalified contractors is the next step in the MATOC process.

**Economic Impacts:** This project is expected to create 54.77 total jobs (31.49 direct jobs and 23.28 jobs through indirect and induced activities) and create \$8,454,012 in total economic output (\$5,328,628 of direct output and another \$3,125,384 of output through indirect and induced activities).

**Environmental Considerations:** The actions to be approved would implement the AWMP. The AWMP project components have been reviewed pursuant to the California Environmental Quality Act (CEQA) and Notices of Determination have been filed. On May 4, 2017, the City Council approved the environmental review for the AWMP Package 5 projects as a subsequent project under the Master Environmental Impact Report for the 2035 General Plan, pursuant to the CEQA. None of the circumstances identified in CEQA Guidelines section 15162 (substantial changes in the project or circumstances, receipt of new information of substantial importance, or mitigation measures that would not be implemented) are present. No additional environmental review is required.

**Sustainability:** The AWMP supports the goals of the City's Sustainability Master Plan by improving water conservation awareness through metered billing with a monthly statement of water usage to customers. 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 1, 4, and 7.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** To meet the AWMP installation schedule and select the most qualified contractors to perform the work, Council approved using an alternative, competitive procurement process (MATOC), which is a contractor selection process based on qualifications, performance-based criteria, and pricing. On December 13, 2016, the City Council approved the Master List of prequalified contractors for the AWMP.

The AWMP Master List includes the following 12 contractors (listed alphabetically):

- Florez Paving
- Granite Construction
- Lund Construction Co.
- Marques Pipelines, Inc.
- McGuire & Hester
- Navajo Pipelines, Inc.

- Ranger Pipelines, Inc.
- Rawles Engineering, Inc.
- T&S Construction Co., Inc.
- Teichert Construction
- Doug Veerkamp General Engineering
- West Valley Construction

The RFP for AWMP Package 5A was issued on July 20, 2018. The only project included in AWMP Package 5A was the Water Meter Retrofits. Only pre-qualified contractors on the AWMP Master List and contractors that attended a pre-bid meeting held on August 1, 2018, were eligible to respond to the RFP. The City received three proposals on August 30, 2018. A Selection Committee comprised of Department of Utilities and Department of Public Works staff evaluated and ranked the proposals based on the evaluation criteria below:

**Table 1: Proposal Evaluation Criteria and Scoring**

<b>Evaluation Criteria / Proposal Component</b>	<b>Maximum Possible Score</b>
Proposal Section 1 - General Information	Pass / Fail
Proposal Section 2 - Management Approach	5
Proposal Section 3 - Delivery Approach	5
Proposal Section 4 - Demonstrated Performance	20
Proposal Section 5 - Local Hiring Program Commitment	10
Proposal Section 6 - Proposal Forms	Pass / Fail
Proposal Section 7 - Price Proposal	60
<b>TOTAL</b>	<b>100</b>

A unified cost estimating approach is being applied to the AWMP. Engineer's Estimates for each project are based upon anticipated quantities of common pay item unit costs. These costs are updated as each Package of the AWMP is issued. There are numerous differences between projects that can lead to variability in actual individual unit prices. Some of these differences include: number of structures (e.g. pools, sheds, extra garages, etc.) to work around, number of trees to protect and roots to manage; age of existing homes and infrastructure; proximity and amount of space to stage materials; project schedule; workforce availability, etc. Package 5A pricing falls in line with the total Engineers' estimated values. The total Engineers' estimated price for Package 5A is \$14,729,400.

The City received proposal submittals from the following three Master List Contractors (in alphabetical order):

- Florez Paving
- Marques Pipelines, Inc.
- Teichert Construction

In the evaluation of the proposals, Florez Paving was the top-ranked Proposer. The City accepted Florez Paving's cost proposal of \$13,692,149, which is 7.5% below the Engineer's Estimate of \$14,729,400.

**Financial Considerations:** The construction contract with Florez Paving for the Water Meter Retrofits for the AWMP has a not-to-exceed amount of \$13,692,149. There is sufficient funding in the Residential Water Metering Program (Z14010000) to fund this project.

Funding for the Water Meter Retrofits for the AWMP may be provided in full or in part with the State Water Resources Control Board's State Revolving Fund. California's Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds.

There are no General Funds allocated or planned for these projects.

**Local Business Enterprise (LBE):** Florez Paving is an LBE and has committed to providing 40% local hire from the AWMP's identified local hire areas that include the City's priority zip codes and promise zone areas.

**Background:** On August 4, 2016, the City Council approved the use of an alternative, competitive procurement process to ensure that the AWMP can be completed by December 31, 2020. This process, referred to as the Multiple Assignment Task Order Contracts (MATOC) procurement process, utilizes an RFQ process to pre-qualify contractors to develop a Master List of qualified contractors to perform this work, then uses RFP processes to select contractors from the Master List to perform specific projects as part of the AWMP. An outline of the MATOC process is included with this report.

As part of the AWMP, the City has developed an extensive public outreach program to ensure quality service and enhanced communication with residents and water customers which includes the following:

- The AWMP has been branded "Meters Matter", so that all the projects are easily identifiable
- A program website ([www.MetersMatter.com](http://www.MetersMatter.com)) and a mobile app were developed to improve access to up-to-date information for customers and stakeholders
- An information phone line is available to customers and stakeholders if they have questions regarding the program
- Advertising and social media are being utilized to raise awareness and address concerns
- The AWMP includes coordination with stakeholders and district councilmembers

- Informational letters and an open house invitation are sent to all residences within the project areas
- Open houses are held, prior to construction, to inform residents of the project in their neighborhood and any related construction activities that are to be expected
- Contractors will hand-deliver notices one week and 24-48 hours before construction
- Contractors will post project signs for water main replacements throughout the neighborhood
- Contractors will place branded barricades that move with the construction for retrofit projects
- Water conservation packets are provided to residents following water meter installation

This project will install approximately 6,577 water meters on existing unmetered water services within the project limits.