

City of Sacramento

Legislation Text

File #: 2018-01567, **Version:** 1

Title:

Contract: Pipeline Replacement for the Accelerated Water Meter Program (AWMP) Multiple Award Task Order Contract (MATOC) Package 5B [Published for 10-Day Review 12/06/2018]

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Location: Districts 3, 4, 5, and 6

Recommendation:

Pass a Motion approving the contract plans and specifications for Construction Services for the AWMP Package 5B, and awarding the contract to Teichert Construction, for an amount not-to-exceed \$24,458,807.

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
- 3-MATOC Process Outline

Description/Analysis

Issue Detail: Staff recommends Council award a construction contract to Teichert Construction for the Accelerated Water Meter Program (AWMP) Package 5B to install 1,648 new water meters and approximately 13 miles of new water main.

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 Multiple Assignment Task Order Contracts (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 new infrastructure is expected to create 97.84 total jobs (56.26 direct jobs and 41.58 jobs through indirect and induced activities) and create \$15,101,723 in total economic output (\$9,518,732 of direct output and another \$5,582,991 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 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 5B was issued on August 16, 2018. The only project included in AWMP Package 5B was the Pipeline Replacement. Only pre-qualified contractors on the AWMP Master List and contractors that attended a pre-bid meeting held on August 29, 2018, were eligible to respond to the RFP. The City received one proposal from Teichert Construction on October 4, 2018.

Due to Teichert Construction being the only contractor that submitted a proposal, it was the top ranked proposer once its proposal was found to be complete. The City accepted Teichert Construction's cost proposal of \$24,458,807, which is 8.7% above the Engineer's Estimate of \$22,500,000.

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 5B pricing falls in line with the Engineers' estimated values. The Engineers' estimated price for Package 5B is \$22,500,000.

Financial Considerations: The construction contract with Teichert Construction for the Pipeline Replacement for the AWMP has a not-to-exceed amount of \$24,458,807. There is sufficient funding in the Residential Water Metering Program (Z14010000) to fund this project.

Funding for the Pipeline Replacement 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 proceeds from the State of California's general obligation bonds.

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

Local Business Enterprise (LBE): Teichert Construction is an LBE and has committed to providing 35% 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) 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

The AWMP will install a total of 41,783 new water meters and replace 60 miles of water main. The Package 5B Project will install approximately 1,648 water services and meters and replace approximately 13 miles of water main within the project limits.