

City of Sacramento

Legislation Text

File #: 2019-00765, **Version:** 1

Title:

Contract: Accelerated Water Meter Program (AWMP) Multiple Award Task Order Contract (MATOC) Package 6 (Published for 10-Day Review 06/13/2019)

File ID: 2019-00765

Location: Districts 2, 3, 4, 5, and 6

Recommendation:

Pass a Motion approving: 1) the contract plans and specifications for Townhomes / Condos Water Meter Retrofit, and awarding the contract to Florez Paving, for an amount not-to-exceed \$2,080,572; 2) the contract plans and specifications for Parker Homes Pipeline Replacement / Water Meter Retrofit, and awarding the contract to Teichert Construction, for an amount not-to-exceed \$1,275,970; and 3) the contract plans and specifications for River Park Phases 1 & 2 Pipeline Replacement / Water Meter Retrofit, and awarding the contract to Navajo Pipelines, Inc., for an amount not-to-exceed \$18,809,232.

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 (Townhomes / Condos)
- 3-Contract, Teichert Construction (Parker Homes)
- 4-Contract, Navajo (River Park Phase 1 & 2)
- 5-MATOC Process Outline

Description/Analysis

Issue Detail: Staff recommends, based on the results of a Request for Proposals process, awarding contracts for three projects as part of the Accelerated Water Meter Program (AWMP) Multiple Award Task Order Contract (MATOC) Package 6.

Staff recommends that the City Council award the following contracts:

1. Townhomes / Condos Water Meter Retrofit to Florez Paving. This project consists of installing 772 new water meters.
2. Parker Homes Pipeline Replacement / Water Meter Retrofit to Teichert Construction. This project consists of installing 69 new water meters and replacing 2,640 lineal feet of water distribution mains that are at the end of their useful life.
3. River Park Phases 1 & 2 Pipeline Replacement / Water Meter Retrofit to Navajo Pipelines, Inc. This project consists of installing 1,465 new water meters and replacing 52,995 lineal feet (10.03 miles) of water distribution mains that are at the end of their useful life.

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. This contract was published for 10-day review on June 13, 2019.

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 these contracts to these Contractors from the Master List of prequalified contractors is the next step in the MATOC process.

Economic Impacts: This new infrastructure is expected to create 88.66 total jobs (51 direct jobs and 37.66 jobs through indirect and induced activities) and create \$13,685,925 in total economic output (\$8,626,343 of direct output and another \$5,059,582 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 6 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 6 was issued on February 14, 2019. Only pre-qualified contractors on the AWMP Master List were eligible to respond to the RFP. The City received proposals for the three projects identified in RFP Package 6 on April 25, 2019. The proposals were evaluated and ranked based on the proposals' scores in five criteria categories described in the RFP and summarized below:

- **Management Approach:** The degree to which Proposer's Management Approach meets City objectives with respect to team organization, communication, and management.
- **Delivery Approach:** The degree to which the Proposer's Delivery Approach meets City objectives with respect to project delivery, schedule, QA/QC, safety, and customer service.
- **Demonstrated Performance:** The degree and applicability of recent similar project experience, and the favorability of Proposer references from current and prior similar projects.

- Local Hiring Percentage: Proposer's commitment to use of local labor.
- Pricing: Proposer's price competitiveness based on Total Proposed Project Price as indicated on Contractor Price Proposal Form.

The Selection Committee was comprised of staff from DOU, Public Works, and Citrus Heights Water District.

In accordance with the RFP, the evaluation criteria presented in Table 1 below was applied to the Proposal submittals:

Table 1 Proposal Evaluation Criteria and Scoring

PRICE PROPOSALS COMPARED TO ENGINEERS' ESTIMATE

A unified cost estimating approach is being applied to the Accelerated Water Meter Program (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. The Package 6 pricing falls in line with the total Engineers' estimated values. The total Engineers' estimated price for Package 6 is \$23,804,000. The contracts' cumulative total of \$22,165,775 for the selected contractors is 6.8% below the Engineers' total estimated price.

PROPOSAL EVALUATION FINDINGS - Townhomes / Condos Water Meter Retrofit Project

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

- Florez Paving, Inc.
- Teichert Construction

The Selection Committee evaluated and ranked the Proposal submittals by applying the evaluation criteria and scoring methodology described above to determine the highest ranked Proposer.

Based on its evaluation of the Proposals, the Selection Committee selected Florez Paving, Inc. as the top-ranked Proposer. The City accepted Florez Paving's cost proposal of \$2,080,572 which was 13.95% below the Engineer's Estimate of \$2,418,000.

PROPOSAL EVALUATION FINDINGS - Parker Homes Pipeline Replacement / Water Meter Retrofit Project

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

- McGuire & Hester
- Teichert Construction

McGuire & Hester did not submit signed documents that were required with their proposal and their proposal was rejected. Due to Teichert Construction being the only other 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 \$1,275,970, which was 27.6% above the Engineer's Estimate of \$1,000,000.

PROPOSAL EVALUATION FINDINGS - River Park Phases 1 & 2 Pipeline Replacement / Water Meter Retrofit Project

The completion schedule for the River Park Phases 1 & 2 Pipeline Replacement / Water Meter Retrofit project has been extended to June 2021. This was done to expand the pool of contractors proposing on the project, and hence, get the best price and quality for the City.

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

- McGuire & Hester
- Navajo Pipelines, Inc.
- Teichert Construction

McGuire & Hester did not submit signed documents that were required with their proposal and their proposal was rejected. The Selection Committee evaluated and ranked the remaining two Proposal submittals by applying the evaluation criteria and scoring methodology described above to determine the highest ranked Proposer.

Based on its evaluation of the Proposals, the Selection Committee selected Navajo Pipelines as the top-ranked Proposer. The City accepted Navajo Pipelines' cost proposal of \$18,809,232, which was 7.7% below the Engineer's Estimate of \$20,386,000.

Financial Considerations: The construction contract with Florez Paving has a not-to-exceed amount of \$2,080,572. The construction contract with Teichert Construction has a not-to-exceed amount of \$1,275,970. The construction contract with Navajo Pipelines, Inc. has a not-to-exceed amount of \$18,809,232. The total construction costs for the AWMP MATOC Package 6 are \$22,165,775. There is sufficient funding in the Residential Water Metering Program (Z14010000) to fund the AWMP MATOC Package 6.

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): All 3 contractors are LBEs and have committed to local hire goals that exceed the minimum requirement of 10%. Florez and Teichert have 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. Navajo has committed to providing 20% 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 39,326 new water meters and replace 59.5 miles of water main. The Package 6 Projects will install approximately 2,306 water services and meters and replace approximately 10 miles of water main within the project limits.