



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO. 2A
COUNCIL MEETING 2/28/13
APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

February 28, 2013

FROM: PATRICK N. WIEMILLER, Director
Department of Public Utilities

BY: ROBERT N. ANDERSEN, PE, Assistant Director
Department of Public Utilities

SUBJECT: AWARD A CONTRACT TO VULCAN CONSTRUCTION AND MAINTENANCE INC. IN THE AMOUNT OF \$5,426,640 FOR THE INSTALLATION OF COMMERCIAL WATER METERS IN THE CITY OF FRESNO (CITYWIDE)

RECOMMENDATION

Award a contract to Vulcan Construction and Maintenance, Inc. in the amount of \$5,426,640 for the installation of commercial water meters throughout the City of Fresno and authorize the Director of Public Utilities or his designee to sign on behalf of the City.

EXECUTIVE SUMMARY

In December 2012, the City of Fresno completed the installation of 110,000 Automatic Meter Reading (AMR) water meters on all residential customers in the City of Fresno. Staff now wishes to replace the existing commercial water meters of the size 2" and below with similar AMR water meters. The larger meters within the City are being installed by City forces.

Plans and specifications were prepared and a Notice of Inviting Bids was published on December 10, 2012, posted on the City's website and faxed to seven builder exchanges. The specifications were distributed to fifteen prospective bidders. Four (4) bid proposals was received and opened in a public bid opening on January 17, 2013.

Staff recommends that City Council award a contract to Vulcan Construction and Maintenance, Inc. in the amount of \$5,426,640 for the installation of commercial water meters throughout the City of Fresno and authorize the Director of Public Utilities or his designee to sign on behalf of the City.

BACKGROUND

Since 2009, the City Department of Public Utilities has been working diligently to get all of the 110,000 residences throughout the metropolitan area on water meters. This was due to the various Senate bills requiring the City to be completely metered by January 2013 or face losing our Federal water allotment. The residential project was completed in Fall 2012.

On July 26, 2012, Council awarded a contract to Sharp Inspection Group for the construction management services on the commercial water meter project. Staff with Sharp Inspection also assisted City staff to assemble the specifications for the commercial meter retrofit program.

City staff would now like to begin to retrofit the remaining commercial manually read meters with the AMR meters that the rest of the City is using. This means either upgrading or replacing the manually read meters on our commercial customers. There are approximately 20,350 commercial meters to retrofit. These meters run from 5/8" to 2" in size. The larger meters (above 2") will be retrofitted by City staff. By doing this project, staff will be able to end the current practice of manually reading the commercial meters using Utility Serviced Workers employed by the City. The Utility Service workers we currently employ will be able to assist in maintaining the new meter inventory.

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ENVIRONMENTAL FINDING

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Class 1 Categorical Exemption set forth in CEQA Guidelines, section 15301(b) as this contract is for the replacement of existing commercial water meters, which will not result in the expansion of capacity. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

FISCAL IMPACT

See attached.

EVALUATION OF BID PROPOSALS

FOR: INSTALLATION OF COMMERCIAL WATER METERS IN THE CITY OF FRESNO

Bid File No. 3203
Bid Opening: 1/17/13

BIDDER'S NAME	TOTAL NET BID AMOUNT
1. Vulcan Construction & Maintenance, Inc. 130 S. West Avenue Fresno CA 93706	\$5,426,640.00
2. Teichert Construction 4533 E. Citron Avenue Fresno CA 93725	\$5,856,413.75
3. Contract Callers, Inc. 1058 Claussen Road, Suite 110 Augusta GA 30907	\$6,484,618.40
4. West Valley Construction Company, Inc. 580 McGlincy Lane Campbell CA 95008	\$8,258,932.50

Each bidder has agreed to allow the City sixty-four (64) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, February 6, 2013, 5:00 P.M.

The Engineer's Estimate for this expenditure is \$ 6,709,715.00. The contract price is 19 % below the Engineer's Estimate. If the overage is greater than 10% or only one bid was received, give explanation:

BACKGROUND OF PROJECT (To be completed by Evaluating Department/
Division. Explain need for project/equipment):

The scope of work includes installation of commercial water meters throughout Fresno, installation and or repair of water meter boxes, installation of meter box lids and installation of Badger Gateways (transmitters). This project will allow for all commercial meters within Fresno to be read automatically rather than manually.

EVALUATION OF BID PROPOSALS

FOR: INSTALLATION OF COMMERCIAL WATER METERS IN THE CITY OF FRESNO

Bid File No. 3203
Bid Opening: 1/17/13

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 5,426,640.00 to Vulcan Construction & Maintenance, Inc. as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval



Title Assistant Director of DPU

Date 1/22/13

- | | | |
|--|---|--------------------|
| <input checked="" type="checkbox"/> Approve Dept. Recommendation | <input checked="" type="checkbox"/> Approve | Finance/Purchasing |
| <input type="checkbox"/> Disapprove | <input type="checkbox"/> Disapprove | |
| <input type="checkbox"/> See Attachment | | |

FINANCE DEPARTMENT

CITY MANAGER

 1/23/13
Purchasing Manager Date

 1/24/13
City Manager or Designee Date

 1/24/13
Assistant Controller Date

FISCAL IMPACT STATEMENT

PROGRAM: WC00081

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	\$5,426,640.00	_____
Indirect Cost	\$ 100,000.00	_____
TOTAL COST	\$5,526,640.00	_____
Additional Revenue or Savings Generated	_____ -0- _____	_____
Net City Cost	\$5,526,640.00	_____
Amount Budgeted (If none budgeted, identify source)	\$10,272,600.00	_____

Indirect Costs Consist of:
Project Management: \$100,000.00

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