

AGENDA ITEM NO. 1 I
COUNCIL MEETING 6/3/2010
APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

June 3, 2010

FROM: RENE A. RAMIREZ, Director 
Department of Public Utilities

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

SUBJECT: AWARD A CONTRACT IN THE AMOUNT OF \$465,298.00 TO MEASUREMENT CONTROL SYSTEMS, INC. FOR THE REQUIREMENTS CONTRACT NO. 2 TO INSTALL WATER METERS WITHIN THE CITY OF FRESNO (VARIOUS COUNCIL DISTRICTS)
(Bid File 9108)

RECOMMENDATION

Staff recommends that the City Council award a contract in the amount of \$465,298.00 to Measurement Control Systems, Inc. as the lowest responsive and responsible bidder.

EXECUTIVE SUMMARY

This project will install approximately 10,500 water meters for the first six months of the requirements contract. The contract can be extended for up to two years.

BACKGROUND

The passage of Assembly Bill 514 requires that all users of Federal Central Valley Project (CVP) water install water meters and bill for water usage at a metered rate by 2025. Additionally, under the terms of the City's CVP contract renewal with the United States Bureau of Reclamation, the City must begin charging a metered rate to all users with existing water meters by January 1, 2010, and all services must be metered by January 1, 2013. The Water Division has approximately 105,050 residential water services that will require water meters in order to be in compliance with AB 514.

As part of the upcoming project, an Initial Study for California Environmental Quality Act (CEQA) compliance was prepared. It was determined that the project will not have a significant impact on the environment. A Negative Declaration was prepared and circulated for 30 days, starting on May 1, 2008, for review by the public and interested agencies. The review period closed on May 30, 2008, without any comments having been submitted. The Negative Declaration was and is available at the City of Fresno, Department of Public Utilities.

To comply with the Assembly Bill, staff is being proactive in getting the water meter boxes installed as soon as possible. This project will install approximately 10,500 water meters for the first six months of the requirements contract. The contract can be extended for an additional four six-month periods and may eventually involve 55,000 meter installations. On May 6, 2010 Council awarded the first meter install contract to run concurrently

REPORT TO THE CITY COUNCIL

AWARD A CONTRACT IN THE AMOUNT OF \$465,298.00 TO MEASUREMENT CONTROL SYSTEMS, INC.

June 3, 2010

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with this contract. By bidding in this manner not only allows for the City to meet its deadline, it allows for more local participation by reducing the bonding requirements.

The Water Meter Project has been a complicated and quite onerous project to undertake in the timeline the City has to complete the project. To comply with the Federal Water Contract and Assembly Bills, the project was divided into phases including the design, environmental, construction management, meter box installation, meter procurement and finally the meter installation itself. The third meter box contract was not renewed. The additional work is being spread to the other two contractors. Below is a listing of contracts associated with the Water Meter Project. The costs associated with the construction activities are an estimate only.

Component	Contractor	Award Cost	Probable Cost
Engr. /Rate Setting/Environ.	HDR	\$651,672	\$651,672
Const. Mgmt	Vali Cooper/Fred Sharp	\$9,121,792	\$9,121,792
Meter Box Install 1	Vulcan Construction	\$781,330	\$17,811,100
Meter Box Install 2	West Valley Construction	\$855,097	\$18,570,600
Meter Box Install 3	Teichert Construction	\$928,971	\$1,019,300
Water Meters(product only)	Badger Meter Inc.	\$22,247,680	\$22,247,680
Water Meter Install 1	Vulcan Construction	\$559,069	\$2,920,100
Water Meter Install 2	Measurement Controls(pend.)	\$465,298	\$2,430,300
		Total	\$74,772,544
		Water Meter Bonding total	\$86,330,700

Plans and Specifications were prepared and a Notice of Inviting Bids was published in the Business Journal on March 5, 2010, posted on the City's website and faxed to ten (10) builder exchanges. The specifications were distributed to eighteen (18) prospective bidders. Two (2) bid proposals were received and opened in a public bid opening on May 11, 2010. Bid proposal prices ranged from \$465,298.00 to \$588,938.00.

Staff recommends that the City Council award a contract in the amount of \$465,298.00 to Measurement Control Systems, Inc. as the lowest responsive and responsible bidder. This staff determination was posted on the City's website on May 19, 2010.

The initial portion of the project will be completed with six months from issuance of Notice to Proceed. The contract can be renewed for additional four six-month periods and may eventually involve 55,000 meter installations.

FISCAL IMPACT

See attached.

FISCAL IMPACT STATEMENT

PROGRAM: WC 00063

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	\$465,298.00	_____
Indirect Cost	\$10,000	_____
TOTAL COST	\$475,298.00	_____
Additional Revenue or Savings Generated	<u>-0-</u>	_____
Net City Cost	\$475,298.00	_____
Amount Budgeted (If none budgeted, identify source)	\$79,000,000	_____

Indirect Costs Consist of the following:

Project Management- \$10,000

(CM services are handled under another app. Contract)

EVALUATION OF BID PROPOSALS

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FOR: REQUIREMENTS CONTRACT NO. 2 FOR WATER METER INSTALLATION WITHIN THE
CITY OF FRESNO

Bid File No. 9108
Bid Opening: May 11, 2010

BIDDER'S	TOTAL NET BID AMOUNT
1. Measurement Control Systems, Inc. 1331 South Lyon street Santa Ana CA 92705	\$465,298.00
2. West Valley Construction Company, Inc. PO Box 5639 San Jose CA 95150	\$588,938.00

Each bidder has agreed to allow the City sixty-two (62) 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 Monday, June 7, 2010, 5:00 P.M.

The current contract pricing is 28 % below the previous contract pricing. 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):

This project is a requirements contract to install approximately 55,000 water meters throughout Fresno for a period of 2-1/2 years. This is evaluation is for the first six months of the project. This is also one of two requirements contracts to install water meters.

Due to the time sensitivity of this project, it is of utmost importance that all residential water accounts have a water meter installed prior to January 2013. To not meet this deadline could jeopardize our Federal Water contract which accounts for 40% of the City's water supply.

EVALUATION OF BID PROPOSALS

FOR: REQUIREMENTS CONTRACT NO. 2 FOR WATER METER INSTALLATION WITHIN THE CITY OF FRESNO

Bid File No. 9108
Bid Opening: May 11, 2010

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 465,298.00 to Measurement Control Systems, Inc. as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval



Title Assistant Director of DPU

Date May 18, 2010

- Approve Dept. Recommendation Approve GSD/Purchasing Recommendation
- Disapprove Disapprove
- See Attachment

GENERAL SERVICES DEPARTMENT

CITY MANAGER

Jason B. MacDonald 5/18/2010
Purchasing Manager Date

[Signature] 5/19/10
City Manager or Designee Date

[Signature] 5/18/10
Director Date

FISCAL IMPACT STATEMENT

PROGRAM: WC 00063

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	\$465,298.00	_____
Indirect Cost	\$10,000	_____
TOTAL COST	\$475, 298.00	_____
Additional Revenue or Savings Generated	<u>-0-</u>	_____
Net City Cost	\$475,298.00	_____
Amount Budgeted (If none budgeted, identify source)	\$79,000,000	_____

Indirect Costs Consist of the following:

Project Management- \$10,000

(CM services are handled under another app. Contract)