

CITY OF YUBA CITY
STAFF REPORT

Date: March 3, 2020
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presented by: Diana Langley, Public Works Director

Summary

Subject: Cellular Water Meter Replacement Project (Reject All Bids)

Recommendation:

- A. Adopt a Resolution rejecting all bids received for Contract No. 18-14, Cellular Water Meter Replacement Project, with a finding it is in the best interest of the City.
- B. Authorize the Public Works Department to re-advertise for bids for Contract No. 18-14, Cellular Water Meter Replacement Project.

Fiscal Impact: \$7,865,100 – Engineer’s Estimate (Account No. 1094 Replace Water Service or Water Meter)

Purpose:

To improve Water Distribution customer service, labor efficiency, and water-loss prevention by replacing aging radio-read meters with cellular-read meters.

Background:

The State Water Resources Control Board provides grant funding to local public agencies for water and wastewater infrastructure projects, including projects to conserve water and energy. On January 17, 2017, City Council authorized the Public Works Director to file a Financial Assistance Application with the State for the State Revolving Fund program to fund the Cellular Water Meter Replacement Project. The project proposes to replace all of the City’s radio-read meters with cellular-read meters and components in order to provide a higher level of service for our customers, while reducing costs associated with labor and equipment required to read the meters. Cellular-read meters provide faster, more accurate information about water usage, leaks, and potential maintenance issues by providing real-time data, which customers may access through a website and smartphone/tablet application and the City can quickly download the information for billing and maintenance purposes.

On April 10, 2018, City Council approved the Construction Installment Sale Agreement. The City entered into the agreement with the State Water Resources Control Board on April 18, 2018. The funding agreement is for \$8 million, which includes \$4 million in principal forgiveness. The City will be responsible to repay the remaining \$4 million through a state loan at 1.8% interest over 10 years.

The Cellular Water Meter Replacement Project includes the replacement of approximately 17,400 radio-read transmitters with new cellular-read transmitters (endpoints), 17,400 meter registers (encoders), and 5,000 meter bodies (bare meters).

Council approved the project's plans and specifications and authorized staff to advertise for bids on December 17, 2019.

Analysis:

The Cellular Water Meter Replacement Project was advertised for bids on January 10, 2020. Plans and specifications were provided to local builder/contractor exchanges, with six (6) contractors, (two (2) out-of-state), purchasing plans and specifications for bid. Bid opening occurred at 10AM Tuesday February 18, 2020.

At least two private carriers attempted to deliver bid packages to the City on Monday, February 17th, which was the day before the deadline. However, the City was closed that day for President's Day. Redelivery schedules created timing issues the next day, even though the packets had been sent in what would have otherwise been a timely fashion. Staff believes the holiday provided an unforeseen and undue hardship to the bidding community and contributed to the abnormal and/or late receipt of the bid packages. Staff is recommending that it is in the City's best interest to reject all bids and re-advertise the project to promote a fair process for all bidders.

With re-advertisement of the project, staff anticipates the following schedule to complete the project:

Re-advertise for Bid:	March 2020
Open Bids:	April 2020
Award Contract:	April 2020
Start of Construction:	September 2020
Completion:	May 2021

Fiscal Impact:

The total project cost estimate is approximately \$7.9 million, with a Clean Water State Revolving Fund principal forgiveness in the amount of approximately \$4.0 million. The City's remaining share of approximately \$3.9 million will be funded through a low-interest loan at 1.8% interest rate, 10-year term through the SRF program. The existing water rate structure established for meter replacement will pay for the annual debt service approximated at \$453,000. Project will be funded through CIP Account No. 1094 (Replace Water Service or Water Meter) which was included in the 2016 Water & Wastewater Rate Study and was adopted in the 2017-22 Capital Improvement Program (CIP) Budget.

A more accurate evaluation of the fiscal impacts will be provided at the time of project construction award.

Alternatives:

1. Award the bid to the apparent low bidder despite the delivery concerns. This may lead to a bid protest and other claims.

Recommendation:

- A. Reject all bids received for Contract No. 18-14, Cellular Water Meter Replacement Project, in the best interest of the City.

B. Authorize the Public Works Department to re-advertise for bids for Contract No. 18-14, Cellular Water Meter Replacement Project.

Attachments:

1. Resolution – Reject All Bids for the Cellular Water Meter Replacement Project

Prepared by:

/s/ Nick Menezes

Nick Menezes
Assistant Engineer

Submitted by:

/s/ Diana Langley for Michael Rock

Michael Rock
City Manager

Reviewed by:

Department Head

DL

Finance

SM

City Attorney

SLC by email

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
REJECTING ALL BIDS RECEIVED FOR THE CELLULAR WATER METER
REPLACEMENT PROJECT.**

WHEREAS, The City of Yuba City received two (2) bids for the Cellular Water Meter Replacement Project, which, due to a holiday, provided undue hardship to the bidding contractors and contributed to abnormal and/or late receipt of bid packages; and

WHEREAS, the City of Yuba City has determined that it is in the best interest of the City to reject all bids and re-advertise for bids for the Cellular Water Meter Replacement Project.

THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Yuba City that all bids received for the Cellular Water Meter Replacement Project be rejected in the best interest of the City, and therefore

BE IT FURTHER RESOLVED AND ORDERED by the City Council of the City of Yuba City that the Public Works Department is authorized to re-advertise for bids for the Cellular Water Meter Replacement Project.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 3rd day of March 2020.

AYES:

NOES:

ABSENT:

Shon Harris, Mayor

ATTEST:

Patricia Buckland, City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP