



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

March 23, 2021

SUBJECT: Advanced Metering Infrastructure (AMI) Water Service Meter Installation Project-Award of Construction Contract

PREPARED BY: Dane H. Schilling – City Engineer, and
Asa Utterback – Coastland Engineering

Recommendation

Adopt Resolution No. 13-21 authorizing the City Manager to award a construction contract to Keystone Exteriors, LLC of Luzerne, Pennsylvania (dba. Keystone Metering Systems, Inc.) for construction of the Advanced Metering Infrastructure (AMI) Water Service Meter Installation Project in the amount of \$600,488 and authorizing the City Manager to execute contract and change orders not to exceed \$30,000 with total contract value not to exceed \$630,488.

Background/Discussion

With the support of the Yuba Water Agency (YWA), the City has been awarded a combined \$1.36 million grant through the Integrated Regional Water Management (IRWM) grant program, which includes fifty percent (50%) matching funds by YWA, for a Comprehensive Drinking Water Project. The Comprehensive Project will improve water system reliability; increase community awareness of water consumption; encourage sustainable water practices; and modernize the City's water supply system to accommodate growth. The grant includes several projects including a new municipal accounting and billing software system, new communication infrastructure and new water meters.

On May 12, 2020, the City Council authorized the draft request for proposals (RFP) for implementation of the AMI water system. On September 22, 2020, the City Council authorized the City Manager to award contracts to Mueller Systems, LLC (Mueller) for the AMI system communications work. Additionally, on October 13, 2020, the City Council adopt Resolution No. 41-20 making a public interest finding for the sole source procurement of water meters and AMI endpoints supplied by Muller Systems, LLC for the City-wide AMI Water Meter Installation Project.

This project will install all new service meters and implement systemwide water meter automation upgrades using the Advanced Metering Infrastructure to fully automate meter reading, enable timely leak detection; provide consumers with data for consumption management, increase operational efficiencies and improve the City's related operational and billing software.

A version of this project, which was planned to also include all new supply side meters at the City water wells, was bid in January 2021. The two bids received for that project were found to be non-responsive and were formally rejected by City Council on February 9, 2021. Due to the specialized nature of performing mass meter change outs in association with AMI implementation, the field of available contractors is limited with several contractors holding only a C36 Plumbing Contractor license, so the City decided to repackage the service meters separately in this current project to facilitate competitive bidding. The supply meter work is now planned to occur with similar work under the Water System Reliability Project funded through this same IRWM grant.

In the same action with the bid rejection on February 9th, Council approved the bid documents and authorized the City Engineer to proceed with soliciting bids for the construction of the Advanced Metering Infrastructure (AMI) Water Service Meter Installation Project. The bids were received and opened on March 11th. Two contractors submitted bids as follows:

Table 1 – Bid Summary

Bid	
Keystone Metering Systems, Inc. *1	\$ 600,488.00
Professional Meters, Inc. (PMI)	\$ 785,832.42
Engineer's Estimate	\$ 623,500.00

Note 1 - Verified Low Bidder

Staff has verified that both bids were responsible and responsive with the appropriate experience and California contractor licenses in good standing per the project requirements as well as provision of insurance and bonding which satisfied the requirements. Staff is recommending award of the construction contract to the low-bidder, Keystone Exteriors, LLC of Luzerne, Pennsylvania (dba. Keystone Metering Systems, Inc.) in the amount of \$600,488.00.

The service meter installations under this project are anticipated to begin as early as May 2021.

Alternatives

Alternatively, the City Council may choose to not award the contract for construction of the project and provide direction to staff for alternative means of handling the planned grant work.

Fiscal Impact

The project is funded entirely through external grants. The Yuba Water Agency (YWA) awarded the City of Wheatland a \$700,000 grant for the City's Comprehensive Drinking Water Project as the local match to leverage an application to the State for additional grant funding. The Project was also selected for full funding through the Proposition 1 Round 1 Integrated Regional Water Management (IRWM) Implementation Grant in the amount of \$682,347. With the above-noted match grant from YWA, the total grant to the City for the *Comprehensive Drinking Water Project* is \$1,382,347. The *Water Conservation and Efficiency Component* of the *Comprehensive Drinking Water Project* which is being implemented under the various phases of the AMI Water System Metering Upgrade Project accounts for \$964,695 (\$838,865 plus 15% contingency) of the grant.

The overall budget of the Comprehensive Drinking Water Project Grant is divided into two main project components; the Water Conservation & Efficiency (AMI Metering) Project and the Water System Reliability Project. The portions of the grant budgeted to each of those projects is provided in Table 2.

Table 2 – Comprehensive Drinking Water Project Overall Funding

Projects in Grant	Amount
Water Conservation & Efficiency (AMI Metering) Project ¹	\$ 964,695.00
Water System Reliability Project	\$ 400,000.00
TOTAL	\$ 1,364,695.00

¹ see breakdown in Table 2A

The AMI Metering project funding and budgeted costs are provided in Tables 2A and 3 below.

Table 2A - Water Conservation & Efficiency (AMI Metering) Funding

Funding	Amount
Prop 1 - Integrated Regional Water Management (IRWM) Grant	\$ 482,347.50
Yuba Water Agency (YWA) Matching Grant	\$ 482,347.50
TOTAL	\$ 964,695.00

Table 3 - Water Conservation & Efficiency (AMI Metering) Budget

Expenditures	Amount
Project Management, Engineering and Environmental	\$ 63,250.00
Installation / Implementation	\$ 69,245.00
Construction Administration	\$ 90,000.00
City Admin (Transition of billing software)	\$ 23,000.00
City Municipal Accounting and Billing Software Upgrade (water enterprise portion)	\$ 19,200.00
TOTAL	\$ 964,695.00

Note: Budgeted amounts include a contingency.

It should be noted that while an agreement has been executed for the YWA matching grant, the agreement for the Proposition 1 funding is pending and it may be several

months before the agreement is fully executed. Therefore, the potential exists for State reimbursements for construction invoices on the project to be delayed. Staff would use General Fund reserves to accommodate the potential cash flow gap until reimbursements from the State are received by the City.

Attachments

1. Resolution No. 13-21

RESOLUTION NO. 13-21

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND AUTHORIZING THE CITY MANAGER TO AWARD A CONSTRUCTION CONTRACT TO KEYSTONE EXTERIORS, LLC OF LUZERNE, PENNSYLVANIA (DBA. KEYSTONE METERING SYSTEMS, INC.) FOR CONSTRUCTION OF THE ADVANCED METERING INFRASTRUCTURE (AMI) WATER SERVICE METER INSTALLATION PROJECT IN THE AMOUNT OF \$600,488 AND AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT CHANGE ORDERS NOT TO EXCEED \$30,000 WITH TOTAL CONTRACT VALUE NOT TO EXCEED \$630,488.

WHEREAS, City staff applied for and the City was awarded \$1,382,347 in funding through the combination of a Proposition 1 Integrated Regional Water Management (IRWM) grant and match funding from the Yuba Water Agency (YWA) for the Wheatland Comprehensive Drinking Water Project; and

WHEREAS, the Advanced Metering Infrastructure (AMI) Water Service Meter Installation Project ("Project") is included in the Wheatland Comprehensive Drinking Water Project grant; and

WHEREAS, on February 9, 2021, City Council approved the bid documents and authorized staff to advertise the Advanced Metering Infrastructure (AMI) Water Service Meter Installation Project for bids; and

WHEREAS, on March 11, 2021, the City received two bids for the project with the low bid being submitted by Keystone Exteriors, LLC of Luzerne, Pennsylvania (dba. Keystone Metering Systems, Inc.) who was identified as the lowest responsible and responsive bidder with a bid in the amount of \$600,488.00.

NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND by the City Council of City of Wheatland, State of California, that the City Council authorizes the City Manager to award a construction contract to Keystone Exteriors, LLC of Luzerne, Pennsylvania (dba. Keystone Metering Systems, Inc.) for construction of the Advanced Metering Infrastructure (AMI) Water Service Meter Installation Project in the amount of \$600,488 and authorizing the City Manager to execute the contract and change orders not to exceed \$30,000 with total contract value not to exceed \$630,488.

PASSED AND ADOPTED by the City Council of City of Wheatland, State of California
this 23rd day of March 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Rick West, Mayor

ATTEST:

Lisa Thomason, City Clerk