



Legislation Details (With Text)

File #: 19-087 **Version:** 1

Type: Procurement Award **Status:** Failed

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On agenda: 2/5/2019 **Final action:** 2/5/2019

Title: Approve the award of Bid 19-015, 1 ½” Inch Water Meter Replacement Program, to HBK Water Meter Service Inc. for an amount not to exceed \$171,250, plus a 3% contingency

Sponsors:

Indexes:

Code sections:

Attachments: 1. CIP Page, 2. IL Dept of Labor Letter - 01 18 2019

Date	Ver.	Action By	Action	Result
2/5/2019	1	City Council	denied	Pass

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Bid 19-015, 1 ½” Inch Water Meter Replacement Program, to HBK Water Meter Service Inc. for an amount not to exceed \$171,250, plus a 3% contingency

DEPARTMENT: Water Utilities

SUBMITTED BY: Mark Curran, Interim Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In January 2019, the Water Utilities issued Bid 19-015 to replace approximately 850 one and one-half inch (1 ½ inch) diameter water meters and reading devices used mainly for commercial properties throughout the City. Water meters deteriorate with age, losing accuracy as their moving parts wear out. Additionally, the meters being replaced in this bid cannot be tested in place for flow accuracy as larger commercial meters can. Planned replacement of older meters ensures customers will be billed fairly and accurately. Water meters over 16 years of age are targeted for replacement, along with any meters that are not compatible with AMR/AMI technology. In addition, the Utility has been testing a selection of removed meters to better quantify the magnitude of the accuracy loss in different ages and types of meters.

The Utility does not have the staffing levels needed to conduct a large-scale meter replacement program using in-house labor and must rely upon contractors to keep the project on schedule. City staff will continue to replace meters that fail in service, requiring immediate action and will perform planned replacements in situations where it is impractical to use a contractor.

DISCUSSION:

Advertise Date:	01/07/2019	Notices Sent:	66
Opening Date:	01/22/2019	Planholders:	6
		Bids Received:	1

Bids were received from the following vendors:

Vendor	Total Cost
HBK Water Meter Service, Inc.	\$171,250

Prior to the bid opening, one vendor submitted a No Bid form stating they were unable to meet the specifications.

During the January 15, 2019 Council meeting, a member of the public shared concerns about whether HBK had followed the Illinois Prevailing Wage Act when performing prior work for the City. The member of the public understood that the Illinois Department of Labor (IDOL) is the entity charged with investigating prevailing wage complaints and said he had submitted his complaint to the IDOL. On January 18, 2019, the IDOL issued the attached letter indicating that it had completed its investigation of the complaint and administratively closed the case. In a follow-up conversation that IDOL told City staff that it had not found that HBK violated Illinois Prevailing Wage Act. Therefore, staff recommends Council proceed with awarding HBK the proposed contract.

The term of this contract is from date of award through December 31, 2019 with no options to extend the contract.

FISCAL IMPACT:

CIP #: WU20 - Water Meter Replacement

Water meter replacements are expensed to the infrastructure account listed below as part of the capital improvement program. A total of \$2,300,000 is budgeted for WU20 in 2019. The requested award is within budget.

Account Number	Fund Description	Total Budget Amount
41251500-551502	Water Utilities	\$11,576,000

*Per City Council directive, contingency on construction projects is set at 3% on projects over \$500,000 and 5% on projects under \$500,000.