



## Legislation Text

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File #: 19-161, Version: 1

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Approve the award of Bid 19-077, 1.5-Inch Water Meter Replacement Services Rebid, to Calumet City Plumbing Co., Inc. for an amount not to exceed \$228,500, plus a 5% 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 of the 1870 one and one-half inch (1.5-inch) diameter water meters and reading devices used mainly for commercial properties throughout the City. A recommendation was made to award Bid 19-015 at the February 5, 2019 City Council meeting. The City Council voted to reject all bids and rebid the project. In February 2019, the Water Utilities issued Bid 19-077 to replace approximately 1,200 one and one-half inch (1.5-inch) diameter water meters and reading devices over a two-year period.

Water meters deteriorate with age, losing accuracy as their moving parts wear out. Additionally, the older 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 not compatible with AMR/AMI technology. In addition, the Utility is 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 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: | 02/11/2019 | Notices Sent:  | 67 |
| Opening Date:   | 02/26/2019 | Planholders:   | 15 |
|                 |            | Bids Received: | 3  |

Bids were received from the following vendors:

| Vendor                                 | Total Cost       |
|--|------------------|
| <b>Calumet City Plumbing Co., Inc.</b> | <b>\$228,500</b> |
| Engineers Estimate                     | \$285,625        |
| HBK Water Meter Service, Inc.          | \$301,375        |
| Professional Meters, Inc.              | \$322,800        |

Staff has checked this contractor's references and the references were satisfactory. The term of this contract is two years from date of award through December 31, 2020 with two one-year 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.