



Council Agenda Report

From: Kirk Gonzalez, Utilities Planning and Engineering Manager

Subject: Approval of a Resolution Awarding Construction Contract to Professional Meters, Inc. for the Automatic Metering Infrastructure (AMI) Water Meter Retrofit Project

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Date: September 3, 2024

Facts

1. The City provides water and wastewater service for homes, businesses, and institutions in the City. Potable water is delivered to the City's water customer through approximately 11,003 metered service connections.
2. The City relies on accurate and timely water meter reading information for billing and collection of approximately \$28 million in annual revenue from water and wastewater service.
3. The City currently uses a third-party vendor to manually read customer's water meters. Significant delays in meter reading have caused customer frustration and confusion regarding billings for water and sewer service, increased staff time to adjust billings and assist customers, and delayed collection of Water and Wastewater fund revenues.
4. The Capital Improvement Program in the City's adopted budget includes a project to retrofit existing water meters to advanced metering infrastructure (AMI) beginning this year. AMI is an integrated system consisting of electronic meter registers, a communications network, and data management system that collects water consumption data remotely without requiring manual reading.
5. The Water Division has evaluated advanced metering alternatives that would allow for remote collection of meter readings and are compatible with the City's existing water meters, and deployed pilot AMI meters between February 2023 through July 2023 to verify the remote reading technology.
6. On May 16, 2023, City Council authorized sole source procurement from Badger Meter Company for the Orion/Beacon AMI system.
7. On December 5, 2023, City Council authorized the purchase of AMI registers, radio endpoints, and AMI compatible lids from Badger Meter Company for the City's AMI project with a total cost of \$3,143,521.
8. In January 2024, the City publicly solicited qualifications from AMI installation contractors, and two respondents were prequalified to bid on the project AMI Water Meter Retrofit project.
9. The City advertised for bids from pre-qualified contractors and at the public bid opening on August 15, 2024 one bid was received:

Bidder	Base Bid	Base with Alternate Items
Professional Meters, Inc.	\$1,299,920.11	\$1,318,016.81

10. Staff reviewed the bid from Professional Meters, Inc. and found it responsive and responsible.

Options

1. Take no action;
2. Approve Resolution 24-XXX authorizing the City Manager to award a construction contract to Professional Meters, Inc. to provide installation services and related work for the AMI Water Meter Retrofit Project;
3. Provide alternative direction to staff.

Analysis and Conclusions

The City has planned and budgeted for implementation of AMI to allow remote reading of the City’s water meters, improve the consistency of meter reading, allow advanced warnings of leaks and other issues with customers’ service, and provide many other benefits to the City and our customers. City Council authorized purchasing of the required AMI hardware and integration of the AMI data management system with the City’s customer billing system. Integration work is nearly complete. The City has also prepared specifications for the AMI project, publicly solicited qualifications from AMI installation contractors, authorized a contract with a construction manager specializing in AMI system implementation and construction, and advertised for bids from pre-qualified contractors. If awarded in September, installations are anticipated to begin in October of 2024 and be completed by May of 2025. For the large majority of customer meters, upgrading to AMI will consist of the installation contractor removing the old dial/ register and replacing it with a digital register, and adding a small cellular unit that will transmit the water meter readings, alleviating the need for City staff or a contractor to visit each meter site to collect readings. Less than 3% of customer meters are anticipated to require temporary interruption to customers’ water service and in these cases, the customers will be notified in advance of the work.

One bid was received for the project from Professional Meters, Inc. (PMI). The base bid amount of \$1,299,920.11 was within the estimate for the installation work. Two additive bid items were requested in bids to facilitate data collection and related work for the project and total price with both alternate bid items included is \$1,318,016.81. City staff and the City Attorney’s office staff reviewed the bid and determined the bid from PMI is responsive and is prepared to award the construction contract. To account for changes in work during construction, a construction contingency of 10% is recommended for the project (\$1,449,818.49 total with contingency).

Fiscal Impact

The total construction cost for the project, including the requested alternate bid items and a 10% construction contingency, is \$1,449,818.49 and will be funded by the Water Fund.

Costs for AMI implementation, including the construction, construction contingency, and other expenditures are summarized in the table below. The total implementation cost for the AMI project is \$4,822,559.49. The approved budget for implementation of the AMI project is \$6 million, therefore, there are sufficient funds for construction.

Item	Amount
City Furnished AMI Materials	\$3,143,521.00
System Integration and Data Management	\$43,700.00
Construction Management	\$185,520.00
Construction	\$1,318,016.81
Construction Contingency (10%)	\$131,801.68

Total Implementation Cost	\$4,822,559.49
CIP Budget for AMI Project	\$6,000,000.00

CEQA

The City finds that this action is categorically exempt from CEQA review under State CEQA Guidelines sections 15301 (Class 1) as minor alterations of existing facilities involving negligible or no expansion of use and 15302 (Class 2) as the replacement or reconstruction of existing structures and facilities.

Recommendation (Option 2)

Approval of Resolution 24-XXX authorizing the City Manager to execute a construction contract to Professional Meters, Inc. in the amount of \$1,318,016.81, and authorize the use of up to 10% construction contingency, in an amount not to exceed \$131,801.68, for a total construction budget of \$1,449,818.49.

Attachments

1. Resolution 24-XXX – Award Construction Contract to Professional Meters, Inc. for the AMI Water Meter Retrofit Project