



MEMORANDUM

TO: CITY COUNCIL

FROM: GEOFF ENGLISH, DIRECTOR OF PUBLIC WORKS *GE*

BY: SHANE TAYLOR, PUBLIC WORKS SUPERVISOR – UTILITIES

SUBJECT: CONSIDERATION OF AMENDMENT NO. 2 TO THE CONTRACTOR SERVICES AGREEMENT WITH WATERBOYS PLUMBING FOR THE PLUMBING RETROFIT PROGRAM

DATE: SEPTEMBER 22, 2015

RECOMMENDATION:

It is recommended that the City Council approve Amendment No. 2 with Waterboys Plumbing, Inc. in the amount of \$25,532 to continue the Plumbing Retrofit Program.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The contract period for the Plumbing Retrofit Program spans FY 2014/15 and FY 2015/16. A total of \$52,050 was allocated in the FY 2015/16 Budget in Water Neutralization Contractual Services (Account 226-4306-5303), for the Plumbing Retrofit Program. The program will continue to be administered by the Public Works Department. Approximately 200 hours per year are required to continue the program.

BACKGROUND:

The City Council adopted a Water Conservation Program on May 13, 2003. Phase I of the program began in April of 2004 and was focused on retrofitting existing residential plumbing with low flow fixtures. Over the last 10-1/2 years, a total of 1,996 single family homes, 543 apartment units, 230 mobile homes, 226 motel units, 8 church facilities, and 153 commercial establishments have been retrofitted under the program. A total of 4,932 toilets, 4,074 faucet aerators, 1,824 showerheads, and 412 pressure regulators were installed. The total cost to date for Phase I of the Water Conservation Program is \$1,287,362.

On February 26, 2014, Waterboys Plumbing, Inc. was awarded a one year contract, which included options for two, one year extensions. The first contract extension was awarded by the City Council on February 24, 2015.

This is the first time, since the inception of the Plumbing Retrofit Program, that staff has had to return to the City Council to ask that the contract be amended to increase the

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dollar amount. Due to the severe drought conditions, the City's adoption of mandatory water reduction strategies, and one of the larger hotels being retrofitted, it has become necessary to increase the original contract amount of \$72,935 to \$98,467.

To date Waterboys Plumbing, Inc. has performed to a satisfactory level and the City has received many favorable comments regarding the quality of workmanship and level of service.

ANALYSIS OF ISSUES:

Staff previously estimated totals for the contracted period. Based on the number of toilets, etc. estimated, a contract total is agreed upon by the City and the contracted plumber. When the Council approved the one-year time extension with Waterboys Plumbing, Inc., the agreed upon total cost was \$72,935. Since approval of the contract, the City enacted Mandatory Water Reduction Measures. This action prompted customers who had not yet taken advantage of the free Retrofit Program to reconsider and the City has since received several retrofit requests.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- 1) Approve Amendment No. 2 to the contract with Waterboys Plumbing, Inc. to continue the Plumbing Retrofit Program in the amount of \$25,532;
- 2) Do not approve the contract amendment; or
- 3) Require staff to end the current contract, prepare new contract documents and specifications and go out to bid; or
- 4) Provide direction to staff.

ADVANTAGES:

Every property retrofitted conserves approximately 10,000 gallons of water per year. Qualified property owners may still take advantage of the program and receive free retrofitting to comply with the Mandatory Retrofit Upon Change of Ownership of Real Property Ordinance. Amending the contract with Waterboys Plumbing will ensure that the program will proceed with minimal interruption.

DISADVANTAGES:

Amending the contract will deplete funds available for Phase II of the Water Conservation Program by an additional \$25,532.00.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

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PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, September 17, 2015. The Agenda and staff report were posted on the City's website on Friday, September 18, 2015.

Attachments:

1. Amendment No. 2 with Waterboys Plumbing

**SECOND AMENDMENT TO CONTRACT FOR
CITY OF ARROYO GRANDE PLUMBING RETROFIT PROGRAM**

This **SECOND AMENDMENT TO CONTRACTOR SERVICES AGREEMENT** ("Second Amendment") is made and entered into this 22nd day of September, 2015, by and between the **CITY OF ARROYO GRANDE**, a California Municipal Corporation ("City") and **WATERBOYS PLUMBING INC.**, a California Corporation ("Contractor"). The City and Contractor are sometimes referred to herein as the "Parties".

WHEREAS, on February 26, 2014, the City and Contractor entered into a Contract for the City of Arroyo Grande's Plumbing Retrofit Program ("Contract") wherein Contractor agreed to provide City with plumbing services subject to the terms and conditions set forth in the Contract. A true and correct copy of the Contract is on file with the Administrative Services Department; and

WHEREAS, the Contract includes two (2) one (1) year options to extend; and

WHEREAS, on February 24, 2015, the City extended the Contract for the first of two (2) one (1) year options; and

WHEREAS, by this Second Amendment, the Parties wish to amend the Contract, adding additional monies to cover costs incurred by the program.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. Article 1 of the Contract shall be amended in its entirety as follows:

ARTICLE I. For and in consideration of the payments and agreements hereinafter mentioned to be made and performed by City, Contractor agrees with City to furnish all materials, equipment and labor and construct facilities for City, and to perform and complete in a good and workmanlike manner all the work pertaining thereto shown on the plans and described in the specifications hereto attached, and to furnish at his own proper cost and expense all tools, equipment, labor, and materials necessary therefore, except such materials as in the said specifications are stipulated to be furnished by City, and to do everything required by this Contract and the said specifications and plans, and the requirements of the Engineer under them, to wit:

CONTRACT SCHEDULE OF COSTS

ITEM NO.	QTY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
1	250	EA	1.28 gpm Flush Toilet – 12" Rough	\$235.00	\$58,750.00
2	65	EA	1.28 gpm Flush Toilet – 10" Rough	\$290.00	\$18,850.00
3	315	EA	Toilet Seat and Cover	\$15.00	\$4,725.00
4	250	EA	2.2 gpm Faucet Aerator	\$5.00	\$1,250.00
5	100	EA	2.5 gpm Shower Head	\$13.00	\$1,300.00
6	175	EA	Water Pressure Determination	\$10.00	\$1,750.00
7	25	EA	Adjust Existing Water Pressure Regulating Valve	\$5.00	\$125.00
8	567	EA	Replace Existing 3/4" Water Pressure Regulating Valve	\$1.00	\$567.00
9	200	EA	Replace Existing 1" Water Pressure Regulating Valve	\$2.00	\$400.00
10	40	EA	Install New 3/4" Water Pressure Regulating Valve	\$100.00	\$4,000.00
11	50	EA	Install New 1" Water Pressure Regulating Valve	\$135.00	\$6,750.00
TOTAL CONTRACT PRICE					\$98,467.00

3. The Parties agree to amend the Contract amount to \$98,467.00. The term of the first Contract extension shall remain as previously approved and expire on February 23, 2016.
4. Except as modified herein, all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, this Second Amendment has been duly executed as of the date first set forth above.

CITY OF ARROYO GRANDE

WATERBOYS PLUMBING, INC.

Jim Hill, Mayor

Thomas Potter, Owner

ATTEST:

Kelly Wetmore, City Clerk

APPROVED AS TO FORM:

Heather Whitham, City Attorney