



MEMORANDUM

TO: CITY COUNCIL

FROM: BILL ROBESON, PUBLIC WORKS DIRECTOR

BY: SHANE TAYLOR, UTILITIES MANAGER

SUBJECT: CONSIDERATION OF A SECOND AND FINAL TIME EXTENSION TO THE CONTRACT WITH WATERBOYS PLUMBING, INC. FOR THE PLUMBING RETROFIT PROGRAM

DATE: MAY 14, 2019

SUMMARY OF ACTION:

Approving the time extension request will ensure the continuance of the Plumbing Retrofit Program.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

A contract in the amount of \$90,695.00 was awarded to Waterboys Plumbing, Inc. on March 28, 2017. The funds were allocated in the Water Neutralization Fund for the Plumbing Retrofit Program in the FY 2017/18 budget. On April 10, 2018, the City Council approved the first of two, 1-year time extensions in the amount of \$76,895. Of that amount, \$61,207.00 remains on the current Purchase Order. The cost to extend the contract for the final one-year extension is \$51,170. The program will continue to be administered by the Public Works Department. Approximately 200 hours per year are required to continue the program.

RECOMMENDATION:

It is recommended the City Council:

1. Approve the Second Amendment to the Contract for the Plumbing Retrofit Program with Waterboys Plumbing, Inc. in the amount of \$51,170.00; and
2. Authorize the Mayor to execute the Second Amendment.

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 15 years a total of 2,181 single family homes, 547 apartment units, 247 mobile homes, 260 motel units, 10 church facilities, 167 commercial establishments, and 7 public facilities have been retrofitted. A total of 5,421 toilets, 4,217 faucet aerators, 1,952 showerheads, and 438 pressure regulators were installed. The total cost to date for Phase I is \$1,424,159.33.

**CITY COUNCIL
CONSIDERATION OF A SECOND AND FINAL TIME EXTENSION TO THE
CONTRACT WITH WATERBOYS PLUMBING, INC. FOR THE PLUMBING RETROFIT
PROGRAM
MAY 14, 2019
PAGE 2**

In 2005, the City adopted a program requiring mandatory retrofit upon change of ownership of real property (reference Arroyo Grande Municipal Code Chapter 13.06). A total of 1,530 properties have been issued Water Conservation Certificates pursuant to AGMC Section 13.06.040 indicating that these residences comply with these requirements. An estimated 68 million gallons of water per year has been conserved due to the Plumbing Retrofit Program.

On March 28, 2017, Waterboys Plumbing, Inc. was awarded a one-year contract, which included an option for two, one year extensions. This is the second and final time extension request. During the period of their contract, extending over ten years, Waterboys Plumbing, Inc. has performed to a satisfactory level and the City has received many favorable comments regarding the quality of workmanship and product.

ANALYSIS OF ISSUES:

Indoor water conservation using retrofitting (Phase I) has proven to be very reliable and consistent. The per capita consumption for 2018 was 112 gallons per day per person compared to 194 gallons per day per person in 2007. Phase II programs, which consisted of washing machine rebates, cash for grass, and large landscape audits, have also contributed to water conservation in the City. Phase I and II are ongoing, indoor water conservation retrofits, residential and commercial washing machine rebates are still available; however, City of Arroyo Grande cash for grass and landscape audits are not because funding was exhausted. The California State cash for grass program continues to be available at \$2.00 per square foot.

ALTERNATIVES:

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

1. Approve the second amendment to contract for the Plumbing Retrofit Program;
2. Modify as appropriate and approve the second amendment to contract;
3. Do not approve the second amendment to contract; or
4. Provide direction to staff.

ADVANTAGES:

Every single family residential property retrofitted conserves approximately 12,000 gallons of water per year. Qualified property owners may still take advantage of the program and receive free retrofitting to comply with the Arroyo Grande Municipal Code requirements for mandatory retrofit upon change of ownership.

DISADVANTAGES:

Approving the extension to the contract will deplete funds available for Phase II of the Water Conservation Program by up to \$51,170.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

**CITY COUNCIL
CONSIDERATION OF A SECOND AND FINAL TIME EXTENSION TO THE
CONTRACT WITH WATERBOYS PLUMBING, INC. FOR THE PLUMBING RETROFIT
PROGRAM
MAY 14, 2019
PAGE 3**

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

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

This **SECOND AMENDMENT TO CONTRACT** ("Second Amendment") is made and entered into this 14th day of May, 2019, 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 March 30, 2017, 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 Public Works Department; and

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

WHEREAS, on April 10, 2018, the City Council approved a First Amendment which extended the Contract for the first of two (2) one (1) year options; and

WHEREAS, the Parties now desire to approve the second and final one (1) year option to extend the contract.

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	100	EA	1.28 gpm Flush Toilet – 12” Rough	\$240.00	\$24,000.00
2	50	EA	1.28 gpm Flush Toilet – 10” Rough	\$290.00	\$14,500.00
3	150	EA	Toilet Seat and Cover	\$16.00	\$2,400.00
4	100	EA	1.5 gpm Faucet Aerator	\$5.00	\$500.00
5	25	EA	1.5 gpm Shower Head	\$18.00	\$450.00
6	200	EA	Water Pressure Determination	\$10.00	\$2,000.00
7	20	EA	Adjust Existing Water Pressure Regulating Valve	\$5.00	\$100.00
8	20	EA	Replace Existing 3/4" Water Pressure Regulating Valve	\$1.00	\$20.00
9	20	EA	Replace Existing 1" Water Pressure Regulating Valve	\$2.00	\$40.00
10	20	EA	Install New 3/4" Water Pressure Regulating Valve	\$169.00	\$3,380.00
11	20	EA	Install New 1" Water Pressure Regulating Valve	\$189.00	\$3,780.00
TOTAL CONTRACT PRICE					\$51,170.00

3. The Parties agree to amend the Contract amount to \$51,170.00. The term is extended for an additional one year pursuant to Special Provisions, Section 11.D and shall expire on March 29, 2020.
4. Except as modified herein, all other terms and conditions of the Contract shall remain in full force and effect.

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

CITY OF ARROYO GRANDE

WATERBOYS PLUMBING, INC.

CAREN RAY RUSSOM, MAYOR

THOMAS POTTER, OWNER

ATTEST:

KELLY WETMORE, CITY CLERK

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