



Date: December 4, 2012

To: Thomas J. Bonfield, City Manager  
Through: Keith Chadwell, Deputy City Manager  
From: Jerry F. Morrone, Engineering Supervisor, Water Management  
Donald F. Greeley, Director, Water Management

Subject: Contract MR-7, 2012 Commercial Meter Replacement Project Phase II  
– Construction Contract Award to Centurion Construction Company, Inc.

**Executive Summary:**

The Department of Water Management received bids on October 17, 2012 for Contract MR-7, Commercial Meter Replacement Project, Phase II. The proposed project consists of upgrading 400 manual-read commercial water meters to new remote-read meters and upgrading the meter assemblies to current City standards to allow for meter testing and removal. This project is the second phase of the Commercial Meter Replacement Program, which will replace/rehabilitate a total of approximately 2,800 commercial meters. The Department recommends the contract be awarded to Centurion Construction Company, Inc. being the lowest responsive and responsible bidder. Additionally, the Department recommends a contingency of approximately 10% be established for the project.

**Recommendations:**

The Department recommends that the City Council:

1. Authorize the City Manager to execute a contract with Centurion Construction Company, Inc. for the MR-7 Commercial Meter Replacement Project for \$2,295,265.00.
2. Establish a contingency fund for the contract in the amount of \$228,735.00 and
3. Authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders does not exceed \$228,735.00 and the total project cost does not exceed \$2,524,000.00.

**Background:**

The Commercial Meter Replacement Program is part of the City's Automated Meter Reading (AMR) project to replace all residential and commercial manual-read meters with remote-read meters. Once fully implemented, both the City and the customer will benefit from the following:

- A higher level of customer service and responsiveness.
- Quicker detection and repair of leaks in customers' facilities.
- Savings of potable water lost due to leakages.
- Increased ability to detect malfunctioning or tampered meters and provide immediate corrective action.
- Ability to instantly analyze flow data transmitted by the meter.
- Move to monthly billing for all customers to provide a more stable revenue stream while allowing customers to better monitor and budget their utility costs.

This project is the second phase of the AMR Commercial Meter Replacement Program and will replace 400 meters as well as upgrade meter assemblies to current City construction standards to allow for meter testing and removal.

**Issues and Analysis:**

A total of 2 bids were received on the initial formal bid opening of October 3, 2012 so the project was subsequently re-advertised. On October 17<sup>th</sup>, two (2) bids were received. The bid results are:

Centurion Construction Company, Inc.	\$ 2,295,265.00*
Vanguard Utility Service, Inc	\$ 2,347,204.26

\* Lowest responsible and responsive bidder.

The base bid is consistent with the engineer's estimate and within the budget allocated for this phase of the program.

**Alternatives:**

Alternative 1: Reject all bids and do not proceed with the work. This would delay the overall AMR project.

**Financial Impacts:**

Funds for this contract are budgeted in the Water Distribution System Rehabilitation Project in the City's Capital Improvement Program as well as the operating budget of the Meter Maintenance Division. There are currently funds available for this contract:

Construction: 4100P762-731000-POBM6:	\$1,825,265.00
5100P605-720400:	\$470,000.00
Contingency: 4100P762-731900-POBM6:	\$228,735.00

**SDBE Summary:**

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Centurion Construction Company, Inc., Raleigh, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MSDBE 6% and WSDBE 1%. It was determined that Centurion Construction Company, Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

**SDBE REQUIREMENTS**

Centurion Construction Company, Inc. will subcontract to the following certified firm:

<b>Firm</b>	<b>ID</b>	<b>City/State</b>	<b>Amount</b>	<b>% of Contract</b>
Busy Black Trucking, LLC	MSDBE	Durham, NC	\$138,500	6%
Certified Concrete Construction, Inc.	WSDBE	Raleigh, NC	\$15,770	.69%
Calmar, Inc.	WSDBE	Durham, NC	\$8,000	.35%

The MSDBE and WSDBE goals were both met.

**WORKFORCE STATISTICS**

The workforce statistics for Centurion Construction Company, Inc. are as follows:

Total Workforce	46	
Total Females	8	17%
Total Males	38	83%
Black Males	3	7%
White Males	24	52%
Other Males	11	24%
Black Females	0	0%
White Females	8	17%
Other Females	0	0%