

**Council Meeting: February 12, 2008**

SUBJECT: Award of Contract for Miscellaneous Water Meters (F0712-55)

REPORT IN BRIEF

Approval is requested for the award of a one-year contract, with an option to renew for two additional one-year periods, to Elster AMCO Water, Inc., of Ocala, Florida, for the purchase of water meters. Water meters are warehoused in Central Stores and issued to Department of Public Works Field Services Division employees on an "as needed" basis.

BACKGROUND

Water meters are standard supply items that are continually in demand by the Department of Public Works, both for the replacement of existing meters and for the installation of meters in new developments. Most of the water meters purchased by the City are positive displacement multi-jet meters, Class II Turbine meters, and compound meters.

Beginning in March of FY 1999/00, the City began installing remote read meters that use radio frequency technology (radio read meters) on City accounts in difficult or dangerous to read locations (e.g. medians). The City has since expanded this program, installing only radio read meters for both new developments, and as meters come up for replacement at the end of their useful life. Staff is currently focusing on commercial meter replacement, which are time consuming to read and have high revenue value.

Meters that are specified in this contract must be compatible with Itron handheld remote meter reading devices used by Finance Department Utility Billing staff and must include the absolute encoder type of electronic registers.

In December 2004, Council awarded a one-year contract, with an option to extend for two additional one-year periods to Elster AMCO Water, Inc. (RTC 04-429). This contract, which was based upon a competitive bid, including the two one-year extensions, expired on December 31, 2007.

DISCUSSION

Over the years, the City has found it beneficial to “piggyback” on contracts initiated by larger public agencies. This has allowed the City to leverage discounts typically offered only to high volume purchasers. Most recently, the City of Pasadena issued a competitive bid for water meters which resulted in contract award to Elster AMCO Water, Inc.; and use of the recommended contract makes high-volume Pasadena pricing available to Sunnyvale.

Section 2.08.220 (b) of the Sunnyvale Municipal Code exempts the City from competitive bidding in situations where the City uses a contract initiated by another governmental, public or quasi-public entity, provided that the original parties to the contract agree, the contract is for identical or nearly identical goods, and the contract resulted from a competitive bid using methods similar to those required by the City’s Purchasing Ordinance. The City of Pasadena contract meets these criteria.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

FISCAL IMPACT

Meter requirements and total costs vary from year to year, depending upon a variety of factors. Water meter purchases for the period of January 1, 2007, through December 31, 2007, total approximately \$385,000. Funds are available in Department of Public Works Program 312 – Water Supply and Distribution.

RECOMMENDATION

It is recommended that Council:

1. Award a one-year contract, in substantially the same form as the attached draft purchase order, to Elster AMCO Water, Inc., for the purchase of water meters; and

2. Delegate authority to the City Manager to exercise an option to extend the contract for two additional one-year periods if in the City's best interest to do so.

Reviewed by:

Mary J. Bradley, Director, Finance
Prepared by: Dreama Howard, Senior Buyer

Reviewed by:

Marvin Rose
Director, Public Works

Approved by:

Amy Chan
City Manager

Attachment

Draft Blanket Purchase Order



**CITY OF SUNNYVALE
CALIFORNIA**

BLANKET ORDER NO BL000975

ORDERED FROM 14799-002 ELSTER AMCO WATER INC ATTN POLLY C JONES P O BOX 1852 OCALA FL 34478-1852	ORDER DATE 2/13/2008	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale CA 94088-3707
	800-874-0890 START DATE 2/1/2008	
	END DATE 1/31/2009	
	BID/RFQ NO	
DELIVER TO FINANCE/STORES 221 COMMERCIAL STREET SUNNYVALE CA 94085	FOB	FREIGHT CHARGES PREPAID AND ADDED
	DESTINATION	REQUISITIONER PERRY CORNEJO
	PAYMENT TERMS NET 30	CHARGE/OBJ CODE(S) VARIOUS
	PR NO RQ002799	THIS ORDER SUPERSEDES PO NO BL000333
OTHER DEPTS/DIVISIONS AUTHORIZED TO USE THIS ORDER PW/FIELD SERVICES - WATER		

DESCRIPTION

Blanket order for the purchase of water meters as required by the City of Sunnyvale for a one-year period with an option to extend for two additional one-year periods.

1	5/8 x 3/4" Elster AMCO Model C700 w/60W ERT with in-line connector, low lead case, low lead bottom plates.	EA	\$122.75
2	3/4 x 3/4" Elster AMCO Model C700 w/60W ERT with in-line connector, low lead case, low lead bottom plates.	EA	\$141.98
3	1" Elster AMCO Model C700 w/60W ERT with in-line connector, low lead bottom plates.	EA	\$174.95
4	1-1/2" Elster AMCO Model C700 w/60W ERT with in-line connector.	EA	\$272.98
5	2" Elster AMCO Model C700 w/60W ERT with in-line connector.	EA	\$307.98
6	3" Elster AMCO Model TS4000 w/60W ERT with in-line connector.	EA	\$775.00
7	4" Elster AMCO Model TS4000 w/60W ERT with in-line connector.	EA	\$995.00

Miscellaneous supplies may also be purchased under this purchase order, as required.

AMCO Point of Contact:
 Peter Martin, Key Customer Manager
 Phone 916-415-9999
 Email: peter.martin@amcowater.com

All invoices shall reference this purchase order number.
 Awarded by City Council 02/12/2008. RTC #08-039

BUYER

 Dreauna Howard Phone 408-730-7396 Fax 408-730-7710