



Council Meeting: October 26, 2010

SUBJECT: Award of Contract for the Purchase of Water Meters (F1008-16)

BACKGROUND

Council approval is requested for the award of a one year contract, with an option to renew for two additional one-year periods to Badger Meter, Inc. of Milwaukee, Wisconsin for the purchase of water meters.

DISCUSSION

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. Water meters are warehoused in Central Stores and issued to Department of Public Works Field Services Division employees on an as needed basis. Most of the water meters purchased by the City are positive displacement, multi-jet, turbine, and compound meters.

Currently, all water meters can be read manually. Over the past several years, the City has been installing meters at both new developments and as meters come up for replacement that also have additional radio read technology. The device used (called an Electronic Radio Transmitter (ERT)) is manufactured by Itron, the City's meter reading software and hardware vendor. ERTs are radio-based endpoints that are attached to new or existing water meters to equip them for an advanced metering infrastructure (AMI) or automated meter reading (AMR) systems. The City employs both types of systems. Itron ERTs are available for water meters from all leading meter manufacturers.

In February 2008, Council awarded a contract to Elster AMCO Water, Inc. (RTC 08-039). This contract expired and a short-term purchase order was issued under the City Manager's contract award authority to allow time for the completion of a competitive bid. Purchasing staff issued Invitation for Bids No. F1008-16, which was broadcast to potential suppliers through the City's Onvia DemandStar public procurement network.

Meters were specified to be compatible with Itron meter reading technology used by the Finance Department Utility Billing staff. Bid pricing was requested for water meters both with and without ERTs bundled with the meter. The bid document was structured in this way in order to evaluate the cost effectiveness of installing the ERTs in-house. Additionally, the bid document allowed the

City maximum flexibility to award to a single bidder for the entire procurement or to multiple bidders by line item, in groups, or in phases.

Sealed bids were received and publicly opened on September 22, 2010. Two responsive bids were received (Attachment B). Staff compared costs and determined that purchasing the meters with the ERTs together was the most cost effective option for the City.

Staff requests that Council award a contract to Badger Meter, Inc. as the lowest responsive and responsible bidder for the meters listed under Items A, B and C of Attachment B (positive displacement, turbine and compound meters respectively). Elster Amco offered lower pricing than Badger Meter for Bid Items B3 and B4, but were deemed non-responsive because they could not meet the City's 5-year warranty requirement for these particular meters. On the other hand, Elster Amco met all City requirements for Item D, electromagnetic meters, and offered the lowest pricing. A separate purchase order will be issued under the City Manager's contract award authority to Elster Amco for the electromagnetic meters.

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 July 1, 2009, through June 30, 2010, totaled approximately \$375,000. Budgeted funds are available in Department of Public Works Operating Program 360 – Water Resources and in project 827180 – Automation of Meter Reading.

PUBLIC CONTACT

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

RECOMMENDATION

It is recommended that Council:

1. Award a one-year contract to Badger Meter, not-to-exceed budgeted amounts, in substantially the same form as the attached draft Purchase Order.
2. Delegate authority to the City Manager to exercise an option to extend the contract for two additional one-year periods, provided pricing and service remain acceptable to the City.

Reviewed by:

Grace K. Leung, Acting Director of Finance
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

Marvin Rose, Director of Public Works

Approved by:

Gary M. Luebbers
City Manager

Attachments

- A. Draft Purchase Order
- B. Bid Abstract



ORDERED FROM 13562 - 001 Badger Meter Inc PO Box 245036 Milwaukee, WI 53224-9536 (800) 876-3837	ORDER DATE	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	EFFECTIVE DATE 11/1/2010	
	EXPIRATION DATE 10/31/2011	
	CONTRACT AMOUNT Not to Exceed Budgeted Amount	
REQUISITIONING DEPARTMENT (3450) FIN/Central Stores	FOB DEST	FREIGHT CHARGES Destination, freight included in price
	PAYMENT TERMS	BID NO

ITEM	DESCRIPTION	UNIT	UNIT COST
1	Blanket order for the purchase of water meters as required by the City of Sunnyvale for a one year period, with an option to renew for two additional one year periods per Invitation For Bids F1008-16 specifications, terms and conditions and bidders response, which are incorporated herein by this reference. Requisition Number: RQ006906-1 This purchase order replaces BL002621 Contract awarded by City Council 10/26/2010, RTC#	DLR	\$1.0000

AUTHORIZED DEPARTMENT(S)		
NO	DEPT NAME	RELEASE AMT
3450	FIN/Central Stores	\$10,000.00
9023	DPW/FS - Water	\$10,000.00

DOCUMENT TERMS

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Goods, dated 1/15/2000, a copy of which is attached and incorporated by reference (Form #TCPO-G). Invoices must be sent directly to Accounts Payable at the address above and must reference the purchase order number. Failure to comply will result in a delay in payment processing.



BUYER:

Howard, Dreama

PHONE (408) 730-7396

FAX (408) 730-7710

ATTACHMENT B

WATER METERS F1008-16

Item No.	Meter Size	Annual Estimated Quantity	Badger		Elster Amco	
			Price With ERT		Price With ERT	
			Unit Price	Total	Unit Price	Total
Item A. Positive Displacement or Multi-Jet Water Meters with Encoder-type Register and In-line Connector						
A1.	5/8" x 3/4"	1,000	\$126.60	\$126,600.00	\$134.00	\$134,000.00
A2.	3/4"	300	\$144.75	\$43,425.00	\$145.00	\$43,500.00
A3.	1"	200	\$170.32	\$34,064.00	\$188.00	\$37,600.00
A4.	1 1/2"	200	\$291.32	\$58,264.00	\$370.00	\$74,000.00
A5.	2"	200	\$390.32	\$78,064.00	\$448.00	\$89,600.00
Subtotals			\$340,417.00		\$378,700.00	
Item B. Class II Turbine Water Meters with Strainers and with Encoder-type Register and In-line Connector						
B1.	3"	10	\$791.52	\$7,915.20	\$925.50	\$9,255.00
B2.	4"	10	\$1,128.12	\$11,281.20	\$1,267.84	\$12,678.40
B3.	6"	5	\$2,579.24	\$12,896.20	\$1,898.71	\$9,493.55
B4.	8"	5	\$3,173.56	\$15,867.80	\$2,641.33	\$13,206.65
Subtotals			\$47,960.40		\$44,633.60	
Item C. Compound Meters with Strainers and with Encoder-type Register and In-line Connector						
C1.	3"	5	\$1,638.80	\$8,194.00	\$2,290.00	\$11,450.00
C2.	4"	5	\$2,472.48	\$12,362.40	\$2,598.00	\$12,990.00
C3.	6"	2	\$3,491.12	\$6,982.24	\$4,220.00	\$8,440.00
Subtotals			\$27,538.64		\$32,880.00	
Item D. Electromagnetic Meters with Encoder-type Register and In-line Connector						
D1.	3"	5	\$1,379.04	\$6,895.20	\$1,165.18	\$5,825.90
D2.	4"	5	\$2,165.00	\$10,825.00	\$1,291.39	\$6,456.95
D3.	6"	2	\$2,615.00	\$5,230.00	\$1,914.13	\$3,828.26
D4.	8"	2	\$2,845.00	\$5,690.00	\$2,438.73	\$4,877.46
Subtotals			\$28,640.20		\$20,988.57	