

**Council Meeting: October 22, 2013****SUBJECT: Award of Contract for the Purchase of Water Meters (F14-19)****BACKGROUND**

Approval is requested for award of a one-year contract, not to exceed budgeted amounts, to Badger Meter, Inc. of Milwaukee, Wisconsin for water meters. The one-year contract is recommended in part to conduct a residential pilot program using newer technology which automates meter reading and monitoring processes and should result in reduced water consumption.

Approval is also requested to delegate authority to the City Manager to extend the contract duration and expenditure amount if additional time is necessary to complete the pilot program, and if pricing and service remain acceptable.

CEQA REVIEW

N/A

DISCUSSION

The Environmental Services Department uses water meters and supplies on a continual basis, both for the replacement of existing meters and for the installation of meters in new developments. These meters are stocked at the Central Stores warehouse and issued to Environmental Services Water & Sewer Division employees on an as-needed basis.

The City's current 3-year water meter and end point (automated meter reading component) contract with Badger Meter is expiring in October 2013. Badger has offered a one-year contract extension honoring the City's contract pricing from the last competitive bid conducted in 2010. This pricing is comparable to other cities, specifically Santa Clara and Sacramento, who purchase similar Badger products.

One of the innovative services that Badger Meter now offers is a hosted utility and customer interface, coupled with an affordable meter end point, that essentially takes existing meters and makes them "smart meters" without the need for any additional infrastructure investment. The Badger hosted solution also enables remote meter reading and real-time access to water consumption data for customers. Currently, the City utilizes automation that is not "smart" and is used only to make the reading of meters more efficient by using handheld devices.

Provision of this hosted service resulted from Badger's recent acquisition of Aquacue, a firm with whom the City contracted with in 2011 for a small pilot program utilizing the technology for 50 meters at city-owned parks and landscape locations. The 2011 contract was awarded to Aquacue as the result of an RFP process. The firm was selected from among several proposers for the most complete solution and best pricing. Positive results from the 2011 pilot program suggest that a larger pilot program, mainly with residential customers, will produce benefits to the City and Sunnyvale residents.

The proposed pilot will include the installation of the new meter reading endpoints in a residential area already due for replacement. The pilot will allow the real time measurement of water consumption. An analysis of the data gathered will examine the overall amount of consumption among households receiving the service, and compare them with a randomized control. Using a variety of reporting mechanisms (email, paper, web) the expectation is that residential water consumption will be reduced and stabilized across the households. The pilot is anticipated to last up to one year, at which point the City can make a decision as to whether to continue with the technology. Based on the results of the pilot, a bid will be prepared for water meters, endpoints, and data collection services going forward.

Typically, water meters are bid every two to three years. Since pricing with Badger remains competitive, and to allow sufficient time to investigate the merits of the hosted utility and customer interface, staff recommends a one-year contract extension. Utility customers would be notified of the installation and given the option to opt out of the pilot program.

FISCAL IMPACT

Meter requirements and total costs vary from year to year, depending upon a variety of factors. Purchases for the period September 2012 through August 2013 totaled approximately \$275,000, but were significantly higher in previous years due to increased infrastructure spending. Budgeted funds are available in Environmental Services Department 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, Inc., in substantially the same form as the attached draft blanket purchase, not-to-exceed budgeted amounts, for water meters and end points; and
2. Delegate authority to the City Manager to extend the contract by a period of up to one year to allow sufficient time to evaluate results of the pilot program, if pricing and service remain acceptable to the City.

Reviewed by:

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

Approved by:

Gary M. Luebbers
City Manager

Attachment

A. Draft Blanket Purchase Order



City of Sunnyvale
California

ATTACHMENT A

Draft Blanket Purchase Order NO

BL004980

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 11/1/2013	
	EXPIRATION DATE 10/31/2014	
	CONTRACT AMOUNT NTE Budgeted Amounts	
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 in accordance with the specifications, terms and conditions of Invitation for Bids F1008-16 and quotation 133928 dated 10/7/2013, attached and incorporated by reference. Miscellaneous supplies in additional to those listed on bid form may be purchased under this order, as required and as quoted. Awarded by City Council 10/22/2013, RTC No. _____	DLR	\$1.0000

AUTHORIZED DEPARTMENT(S)		
NO	DEPT NAME	RELEASE AMT
3450	FIN/Central Stores	\$100,000.00
9023	ESD/Water	\$50,000.00

DOCUMENT TERMS

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Goods, dated 10/8/2010, a copy of which is attached and incorporated by reference (Form #TCBPO-G). Invoices must be sent directly to Accounts Payable by mail to the address above or by e-mail to accountspayable@ci.sunnyvale.ca.us and must reference the purchase order number. Failure to comply will result in a delay in payment processing.



City of Sunnyvale
California

Draft Blanket Purchase Order NO

BL004980

BUYER:

Dietz, Noel

PHONE (408) 730-7399

FAX (408) 730-7710



4545 W Brown Deer Road
PO Box 245036
Milwaukee, Wisconsin 53224-9536
414-355-0400 | 800-876-3837
www.badgermeter.com

City of Sunnyvale
Attn: Pete Gonda, Purchasing Officer
Sunnyvale City Hall Annex
650 West Olive Avenue
Sunnyvale, CA 94088-3707

October 10, 2013

Re: Contract Extension - Bid No. F1008-16 - Water Meters

Dear Mr. Gonda:

Thank you for your request regarding the renewal of the above referenced blanket purchase order. We will extend the contract for an additional one year period, at the same prices, terms and conditions set forth in our bid of September 22, 2010 . This contract is effective through October 31, 2014.

In addition, we wish to amend the contract with the following product.

Qty	Product Description	Price
550	5/8" X 3/4" M25 LL meter, ADE with 308 conector, and Barnacle endpoint with 308 connector, to be connected by the City.	\$132.00

Please note that the monthly subscription price is built-in to the above product price, and the price is subject to change at the expiration of this contract extension. Finally, this price does not include endpoint installation.

We appreciate the opportunity to continue serving you under this contract.

Sincerely,

BADGER METER, INC.

A handwritten signature in black ink that reads 'Pamela G. Stokke-Ceci'.

Pamela G. Stokke-Ceci
Assistant Secretary

cc: Brian Helphand

BID FORM (TO BE RETURNED)
FOR
WATER METERS

Honorable City Council
City of Sunnyvale
Sunnyvale, California

Bidder Name (Company): Badger Meter, Inc.

The undersigned bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with the City to sell and deliver, as required in the Bid Documents, the following bid items to the City of Sunnyvale in strict compliance with the specifications, terms, and conditions stated herein.

Item A. Positive Displacement of Multi-Jet Water Meters with Encoder-type Register and In-line Connector

Item No.	Meter Size	Make/Model Offered	Annual Estimated Quantity	Price Without ERT		Price With ERT	
				Unit Price	Total	Unit Price	Total
A1.	5/8" x 3/4"	RCDL Model 25, low lead, low lead bronze bottom with ADE	1,000	\$ 85.12	\$ 85,120.00	\$ 126.60	\$ 126,600.00
A2.	3/4"	RCDL Model 35, low lead, low lead bronze bottom with ADE	300	\$ 103.27	\$ 30,981.00	\$ 144.75	\$ 43,425.00
A3.	1"	RCDL Model 55, low lead, low lead bronze bottom with ADE	200	\$ 128.84	\$ 25,768.00	\$ 170.32	\$ 34,064.00
A4.	1 1/2"	RCDI Model 120, low lead, with ADE	200	\$ 253.92	\$ 50,784.00	\$ 291.32	\$ 58,264.00
A5.	2"	RCDL Model 170, low lead with ADE	200	\$ 352.92	\$ 70,584.00	\$ 390.32	\$ 78,064.00
Total Item A:				\$	263,237.00	\$	340,417.00

Item B. Class II Turbine Water Meters with Strainers and with Encoder-type Register and In-line Connector

Item No.	Meter Size	Make/Model Offered	Annual Estimated Quantity	Price Without ERT		Price With ERT	
				Unit Price	Total	Unit Price	Total
B1.	3"	RCDL Turbo 450 low lead w/ integral strainer and ADE	10	\$ 747.32	\$ 7,473.20	\$ 791.52	\$ 7,915.20
B2.	4"	RCDL Turbo 1000 low lead w/ integral strainer and ADE	10	\$ 1,083.92	\$ 10,839.20	\$ 1,128.12	\$ 11,281.20
B3.	6"	RCDL Turbo 2000 low lead w/ low lead bronze plate strainer and ADE	5	\$ 2,535.04	\$ 12,675.20	\$ 2,579.24	\$ 12,896.20
B4.	8"	RCDL Turbo 3500 low lead w/ ML-MS plate strainer and ADE	5	\$ 3,129.36	\$ 15,646.80	\$ 3,173.56	\$ 15,867.80
Total Item B:				\$ 46,634.40		\$ 47,960.40	

Item C. Compound Meters with Strainers and with Encoder-type Register and In-line Connector

Item No.	Meter Size	Make/Model Offered	Annual Estimated Quantity	Price Without ERT		Price With ERT	
				Unit Price	Total	Unit Price	Total
C1.	3"	RCDL Compound Series low lead meter and strainer with ADE	5	\$ 1,566.72	\$ 7,833.60	\$ 1,638.80	\$ 8,194.00
C2.	4"	RCDL Compound Series low lead meter and strainer with ADE	5	\$ 2,400.40	\$ 12,002.00	\$ 2,472.48	\$ 12,362.40
C3.	6"	RCLD Compound Series low lead meter and strainer with ADE	2	\$ 3,419.04	\$ 6,838.08	\$ 3,491.12	\$ 6,982.24
Total Item C:				\$ 26,673.68		\$ 27,538.64	