



Agenda Report

MEETING DATE: Tuesday, April 13, 2021

TO: City Council

FROM: PUBLIC WORKS & UTILITIES DIRECTOR PALMISANO
MAX BRANDENBURG, CUSTOMER SERVICE MANAGER

SUBJECT: BLANKET PURCHASE ORDER WITH AQUA-METRIC SALES
COMPANY FOR WATER METER READING EQUIPMENT IN AN
AMOUNT NOT TO EXCEED \$200,000 PER YEAR FOR THREE (3)
CALENDAR YEARS FROM THE WATER ENTERPRISE FUND

STATEMENT OF ISSUES:

About 45% of the City's water meters need to be updated to modern standards. The proposed purchase order would achieve this goal over the next three years.

RECOMMENDED ACTION:

Water Division staff recommends the authorization of a blanket purchase order with Aqua-Metric Sales Company in an amount not to exceed \$200,000 each year (beginning in 2021) for the next three (3) calendar years for water meter reading equipment.

DISCUSSION:

The Water Division is responsible for the reading and maintaining of the City's water meters and meter reading equipment. With ongoing support from Public Works, senior management, and the City, Sensus USA Inc. is the City chosen vendor for the City's Advanced Metering Infrastructure (AMI) water meter reading system, including City infrastructure and meter reading software.

Sensus USA Inc. has awarded Aqua-Metric Sales Company the exclusive franchise area rights to Northern California to provide Sensus's water meter reading equipment and services. Sensus USA Inc.'s previous Northern California approved vendor, and the City's prior supplier of meter reading equipment was GSFM (Golden State Flow Measurement). The ability for the City to use Aqua-Metric Sales Company as a vendor will allow for: expediting the supply chain for critical meter reading equipment; providing local outside face-to-face IT support on Sensus's associated software, essential for meter reading and customer support; and more flexibility and control in working with a local vendor.

With the City's roughly 15,100 active water meters, there are currently 8,300 meters installed with Sensus Flexnet AMI. To complete the ongoing project, the City needs to

install an additional 6,800-meter reading equipment units, projected to be completed by the year 2026.

Quotes came in as follows:

| Supplier | Material (meter reading equipment) | Annual 1st year Cost per Unit | Annual 2nd year Cost per Unit | Annual 3rd year Cost per Unit |
|-----------------------------|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Sensus (Direct Manufacture) | 520M Single | \$120.00 | \$123.50 | \$127.00 |
| Aqua-Metric (Vendor) | 520M Single | \$116.00 | \$119.50 | 123.00 |
| N/A (no third option) | 520M Single | \$---- | \$---- | \$---- |

This purchase of equipment is exempt from the City's formal written competitive bidding requirements for purchases exceeding \$100,000 under Article 4 of Chapter 5 of Title 3 of the Municipal Code. The specific exemption is subdivision (c) of Section 3-5.110 "equipment, supplies or nonprofessional services are unique, available only from one (1) source, or sought to match existing equipment or supplies already in use (also known as a sole source purchase)" and also under subdivision d) "Equipment, supplies or nonprofessional services have been uniformly adopted or otherwise standardized in the City. In this case, evidence for the standardization shall be documented and maintained as a public record and approved by the Purchasing Officer before the purchase and then at least once every five (5) years"

STRATEGIC PLAN:

The project is consistent with the following Strategic Plan goal:
03 – Infrastructure & Environment

FINANCIAL IMPACT:

Funds for these services will be paid out of the Water Enterprise Fund and are included in the adopted budget- Account 720-597-7559

ALTERNATIVE ACTION:

City Council could choose to not award the contract.

ATTACHMENTS AND/OR REFERENCES (If any):

- 1) Sensus Direct Quote
- 2) Aqua-Metric Quote
- 3) Sensus Statement: Awarded Franchise