

COUNCIL ACTION FORM

SUBJECT: CONTRACT RENEWAL FOR THE PURCHASE OF WATER METERS AND RELATED PARTS AND SERVICES

BACKGROUND:

On April 1, 2009, a Request for Proposal (RFP) was submitted to four companies to provide water meters and associated parts. Elster AMCO Meter, Inc. of Ocala, Florida submitted the lowest cost proposal of \$116,969 based on numbers of units anticipated to be purchased. The supplier is giving the City a 20 percent discount from the manufacturer's list price for meter parts and accessories. **The original RFP included renewal options for four additional years at specified unit prices for each type of meter we may purchase in each renewal year. The attached spreadsheet shows the 2012-2013 unit price for the various types of meters / related equipment which the City uses, and the approximate quantities for each type of meter that staff anticipates we may purchase during the coming fiscal year. The city will pay for only those meters actually purchased.**

After reviewing the technical specifications and checking references for Elster AMCO Meter Inc. back in 2009, staff determined that the proposed equipment and services met the requirement of the RFP and that their proposal was the lowest responsive, responsible proposal in the best interest of the Water Utility. Elster AMCO Meter, Inc. meters provide flexibility in the future should the utility pursue automated meter reading options. Additionally, standardization of meters allows the City to more cost-effectively stock parts and accessories.

Elster AMCO Meter, Inc. was awarded a contract on June 9, 2009, which included up to four 12-month renewal periods. As firm unit pricing was submitted for each subsequent renewal, the estimated total, based on anticipated quantities to be purchased, for FY2013 is \$92,456.05. Staff has reviewed the proposal pricing from Elster AMCO Meter, Inc. for FY2012-13 and believes its proposal is still in the best interest of the City. The general adjustment to the unit pricing for all units is approximately 4.9%. The budget available for this anticipated purchase is \$175,000.

ALTERNATIVES:

1. Renew the contract to Elster AMCO Water, Inc. of Ocala, Florida to furnish water meters and related parts and services for the period of July 1, 2012 through June 30, 2013, at the stated renewal unit costs included in original 2009 RFP. The estimated amount of equipment to be purchased in FY2012-13 will total \$92,456.05.
2. Do not renew the contract with Elster AMCO and direct staff to solicit new proposals.

MANAGER'S RECOMMENDED ACTION:

Accurate water metering is essential for the proper allocation of costs for both the drinking water and wastewater utilities. Staff obtained competitive proposals for FY09/10 that included terms for four additional annual renewals. Elster AMCO was awarded the contract for FY09/10, FY10/11, and FY11/12. Staff has reviewed the pricing from Elster AMCO for FY12/13 and concluded that the pricing still provides the best value for our customers.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, approving to renew the contract to Elster AMCO Water, Inc. of Ocala, Florida to furnish water meters and related parts and services for the period of July 1, 2012 through June 30, 2013, at the stated renewal unit costs included in original 2009 RFP. The estimated amount of equipment to be purchased in FY2012-13 will total \$92,456.05.