

COUNCIL ACTION FORM

SUBJECT: PURCHASE OF WATER METERS AND RELATED SERVICES

BACKGROUND:

On September 10, 2013, City Council awarded two contracts for the purchase of water meters and related parts. One contract was awarded to Badger Meter in the amount of \$205,000, and a second was awarded to Elster AMCO in the amount of \$15,000. These contracts were awarded for the remainder of the fiscal year ending June 30, 2014.

At that time, Badger Meter did not have a distributor supplying meters and meter parts to Iowa. Since that time, Metering Technology Solutions has become the factory-authorized distributor for Badger products in Iowa.

Staff has not rebid these contracts, as it was anticipated that a new contract for the Capital Improvement Plan's Automatic Meter Reading (AMR) project would be awarded to begin July 1, 2014. The Request for Proposals process for the AMR project is underway, but a contract will not be ready for Council award until later this fall. In the meantime, the current vendors have agreed to honor their existing pricing from 2013 during this interim period.

Funding for these purchases is included in the \$180,000 allotted for routine meter purchases in the adopted FY 14/15 operating budget. An additional \$417,000 is included in the FY 14/15 CIP for Year 1 of a multi-year roll-out of the AMR project.

ALTERNATIVES:

1. A.) Award a purchase agreement with Metering Technology Solutions of Burnsville, MN to furnish Badger water meters and related parts and services for the period July 1, 2014 through September 30, 2014 at an estimated cost of \$100,000.

B.) Approve an extension of the purchase agreement with Elster AMCO of Ocala, FL to furnish water meters and related parts and services for the period of July 1, 2014 through September 30, 2014 at an estimated cost of \$20,000.
2. Take no action. The existing contracts with Metering Technology Solutions and Elster AMCO would be insufficient to fund the pre-purchase of meters and related parts and services for the period of July 1, 2014 through September 30, 2014, and would expire on June 30, 2014.

MANAGER'S RECOMMENDED ACTION:

The existing agreements for purchasing water meters and related parts will expire on June 30, 2014. Replacement agreements for the installation of the new Automated Meter Reading system included in the Capital Improvements Plan will not be in place by July 1st. By not having a purchase agreement in place, the City would not have guaranteed pricing for purchasing water meters and related parts and services for the time period identified and would be subject to current spot market pricing.

Both of the existing vendors have agreed to honor their 2013 pricing for an additional three months, and funding is included in the FY 14/15 operating budget. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby extending the existing agreements through September 30, 2014.