

COUNCIL ACTION FORM

SUBJECT: CONTRACT RENEWAL FOR WATER METERS AND RELATED ACCESSORIES

BACKGROUND:

On February 10, 2015, the City entered into a sales agreement with Itron, Inc. for the procurement of an Automatic Meter Reading System which included hardware, software, meters, installation, and maintenance services. That agreement also included up to four 12-month renewals, with the timing of each renewal to run with the City's fiscal years. **Itron has provided firm unit pricing for FY 18/19 with a 2% increase from the FY 17/18 renewal that was approved May 9, 2017.**

The operating budget is built around a baseline of 1,000 meter per year for routine meter replacements and an additional 400 meters per year for new construction. Additional funds are included in the CIP so that the meter change out can be completed in an eight-year period. The adopted FY 18/19 budget for this project is as follows.

FY 18/19 Operating Budget	\$246,400
FY 18/19 CIP Budget	<u>\$197,000</u>
Total Available Budget	\$443,400

FY 18/19 will be the fourth year of the eight year replacement schedule.

ALTERNATIVES:

1. Award the fourth of five annual contract renewals with Itron, Inc., of Liberty Lake Washington, to furnish radio units, meters, and related parts and services for the period of July 1, 2018 to June 30, 2019 per the unit cost quotation dated April 10, 2018 in an aggregate amount not to exceed \$433,400.
2. Do not award a contract at this time.

MANAGER'S RECOMMENDED ACTION:

The City has entered into a project to install and Automatic Meter Reading system using meter reading equipment and meters provided by Itron, Inc. Staff has reviewed the pricing from Itron, Inc., for FY 18/19 and has concluded that the pricing still provides the best value for our customers. Therefore, it is the recommendation of the City Manager that the Council adopt Alternative No. 1 as described above.