

COUNCIL ACTION FORM

SUBJECT: ELECTRIC METER SUPPLY CONTRACT RENEWAL

BACKGROUND:

This proposed action is for the purchase of standard residential single phase, AMR (Automated Meter Reading) residential single phase, AMR poly phase, and AMR programmable demand socket type electric meters to meet the needs of the Electric Services Department inventory. These meters will be purchased from an Electric Services Technical Services Division inventory asset account and charged to the appropriate operations accounts as the meters are put into use.

On August 25, 2020, City Council awarded two contracts for the purchase of various meters: groups 1, 3, and 4 of the bid were awarded to Vision Metering and groups 2, 5, and 6 were awarded to Van Wert Company. These contracts included a provision that would allow the City to renew each contract for up to two additional one-year terms. **The contract renewals would be the second and final optional renewal terms. The renewal period is from July 1, 2022, through June 30, 2023.** Both Vision Metering and Van Wert Company offer a 0% increase on contract pricing for the 2022/23 fiscal year.

Under this contract, electric meters would be purchased at the City's discretion, which may be quarterly or on an as-needed basis. This provides the City with flexible inventory management and helps to reduce the need for storage space. Bid prices plus applicable sales taxes are paid directly by the Utility. Funds for the meters will be used from the Operating Expense account, which contains a budgeted amount of \$119,579 for FY 2022/23. **Council should note that no contract amount is being authorized at this time, since purchase orders will be made as these meters are purchased.**

ALTERNATIVES:

1. a. Approve renewal of the contract to Vision Metering, York, South Carolina, for the purchase of electric meters in Groups 1, 3, and 4 in accordance with unit prices bid.
 - b. Approve renewal of the contract to Van Wert Company, Grundy Center, Iowa, for the purchase of electric meters in Groups 2, 5, and 6 in accordance with unit prices bid.
 - c. Authorize staff to purchase electric meters from these contracts as needed, with payments based on unit prices bid and actual quantities ordered, plus applicable sales taxes, in a total amount not to exceed \$119,579.
2. Reject all bids and purchase electric meters on an as needed basis at unpredictable prices.

CITY MANAGER'S RECOMMENDED ACTION:

It is important to purchase electric meters at the lowest possible cost, together with timely deliveries, with minimal risk to the City to meet customer needs for new service or emergency replacements.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.