



City Council Report

Date: January 9, 2017
To: City Council
Through: Mike Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: One-Year Renewal Contract for Radio-Based Endpoint Encoders for the Water Resources Department **(Single Bid) (Citywide)**

Purpose and Recommendation

Council is requested to approve the One-Year Renewal Contract for Radio-Based Endpoint Encoders as recommended.

The Water Resources Department and Purchasing recommend authorizing the renewal with Itron, Inc. at \$55,000.00, based on estimated requirements.

Background / Discussion

The City has been using the Itron automated reading system for the past 15 years. Same brand, Itron meter reading devices are required to interface with the system, no other brand is acceptable. This contract provides Itron model(s) 100W+ and 100WP+ radio-based endpoint encoders and accessories purchased directly from Itron, Inc., the manufacturer. The endpoint stores 40 days of hourly reads to ensure data integrity and offers advanced customer side leak detection and reverse flow and tamper alarms. Water Utility installs approximately 540 radio-based endpoint encoders on new and existing meters annually.

Water Resources and Energy Resources will soon be issuing an RFP to hire a consultant to review all meters throughout the City and help us to move forward with an Automatic Metering Program. This program may or may not require automatic meter reading devices. The City feels it would not be justified to re-bid this contract now knowing that significant changes may occur through the review.

On February 24, 2014, Council approved the initial three-year contract with two, one-year renewal options. This is the first, one-year renewal contract with a one-year renewal option remaining.

Itron, Inc. offered to renew the contract without a pricing increase. The Producer Price Index has increased by 5.5% since originally bid in January 2014. The City has been satisfied with the vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Alternatives

Council may choose not to authorize the renewal and new responses will be solicited.

Fiscal Impact

The annual contract amount of \$55,000.00 is available in the Water Resources operating budget through the Enterprise, Water Sub Fund.

Coordinated With

Water Resources – Water Utility, and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Bids

Solicitation Number: 2014118

Responses Received: One

Initial Contract Term: Three Years

Renewal Term: One Year

Renewal Terms Remaining: One, one-year renewal subject to future Council consideration

January 6, 2014 Responses (Single Bid)

Itron, Inc.

\$41,320.00 (Awarded)

Liberty Lake, WA

No Bid response received from

Badger Meter Inc. – Milwaukee, WI

RENEWAL RECOMMENDATION

Itron, Inc.

Liberty Lake, WA

Description
Itron Radio-Based Endpoint Encoders per Contract No. 2014118 Terms and Conditions, Specifications and Pricing as offered
Annual Contract Amount: <u>\$55,000.00</u>