



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 Fire Hydrant Water Meters for the Water Resources Department **(Funded by 2014 Water Bonds) (Citywide)**

Purpose and Recommendation

Council is requested to approve the One-Year Renewal Contract for Fire Hydrant Water Meters as recommended.

The Water Resources Department and Purchasing recommend authorizing the renewal with Badger Meter Inc. at \$31,000.00, based on estimated requirements.

Background / Discussion

This contract provides 3" fire hydrant water meters to accurately measure construction water use of fire hydrants. The meters are installed by Water Utility staff to serve contractors and other customers needing to connect to City fire hydrants for temporary construction water service and dust control purposes.

The City charges fees for fire hydrant meters. The vendor is required to pay a \$1,500 deposit plus \$150 for Mesa personnel to set the meter. Then monthly meter costs are \$108.41 per month for rental and the water usage is billed at \$7.26 per 1,000 gallons. The deposit is refundable upon return of the meter.

On January 13, 2014, Council approved the initial three-year contract with two, one-year renewal options. This is the first, one-year renewal with a one-year renewal remaining.

Badger Meter Inc., the manufacturer of these meters, offered to renew the contract with an overall 2.5% pricing increase; from \$560.70 to \$574.72 per meter and the Producer Price Index changed (7.7%) since the inception of the contract. The renewal pricing is still significantly less than other vendors. 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 is available in the Water Resources capital budget through 2014 Water Bonds.

Coordinated With

Water Resources and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Bids

Solicitation Number: 2014100

Responses Received: 4

Initial Contract Term: Three years

Renewal Term: One year

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

December 4, 2013 Responses

Annual Quantity of 75 Meters

Badger Meter, Inc. Milwaukee, WI	\$42,052.50 (Awarded)
HD Supply Waterworks, Ltd. Gilbert, AZ	\$56,250.00
Zenner Performance Meters, Inc. Addison, TX	\$58,125.00
Dana Kepner Co. Phoenix, AZ	\$89,325.00

RENEWAL RECOMMENDATION

***Badger Meter, Inc.
Milwaukee, WI***

Description
<p><u>Estimated Annual Quantity of 50</u> - Badger 3" Recordall Turbo 450 fire hydrant water meters per Contract No. 2014100, Terms and Conditions, Specifications and Pricing at <u>\$574.72/each</u></p> <p>Annual Contract Amount: <u>\$31,000.00</u></p>