

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: KIMBERLY ZUNINO, DEPUTY DIRECTOR, WATER
DEPARTMENT
SUBJECT: WAIVER OF COMPETITIVE BIDDING AND APPROVAL –
SENSUS REMOTE AND STANDARD READ-TYPE WATER
METERS, PARTS, AND ANTENNAS BLANKET PURCHASE
ORDER FOR FEMA PROJECT 38687

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance and Water Departments, that the Board of Public Utilities (BPU), by resolution, waive competitive bidding and approve a Blanket Purchase Order (BPO) for remote and standard-read type water meters, parts, and antennas to Sensus USA, Inc., Raleigh, NC, for FEMA Project 38687, Water Department Metering Citywide Meter Replacement in the amount of \$508,538.

EXECUTIVE SUMMARY

As a result of the October 2017 fires, Water has determined the water meters and related equipment were damaged in the burned areas and are either inoperable or unreliable. Water has submitted a project through the FEMA reimbursement process, #38687, to replace all meters in the burned areas. Water will replace all meters and associated equipment based on current standards. Water's current meters and the new advanced metering system, Flexnet, are Sensus products and Sensus will therefore be the replacement equipment vendor. The current meter pricing and equipment was selected through an RFP process and all equipment was discounted in the final agreement as a result of that process. Sensus will provide the replacement equipment at the same discounted price for this project. Staff did request pricing from the only other Sensus certified vendor who confirmed discounted pricing was only available from Sensus. Water will therefore be requesting a waiver competitive bidding for this project.

BACKGROUND

On October 9, 2017 Santa Rosa experienced a devastating fire. As a result it was discovered that the meters exposed to the extreme heat were damaged. Meters began to fail and proved to be measuring water inaccurately when bench tested.

Water developed a project that will replace all meters in the burned areas. Per FEMA regulations, Water may replace all meters to current standards. Current standard will require either replacement of the same size meter or a larger meter to accommodate current fire flow requirements for building. In addition, all meters will be equipped with a Flexnet meter transmission unit (MTU) as that is the current standard. The meter lids will also be replaced to accommodate the Flexnet MTU.

On July 21, 2016 BPU approved an agreement for the purchase of additional equipment for the advanced meter infrastructure chosen through an RFP process. The agreement reduced the current pricing for goods by an average of 41%. Sensus has agreed to extend firm fixed pricing through installation of the project therefore providing the discount for the FEMA project. Staff did request a pricing list from the only other certified Sensus distributors who confirmed the savings.

There will be 2,440 meters with Flexnet MTU's and lids with this project.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

July 21, 2016 BPU approved agreement #F001230 between Santa Rosa and Sensus USA, Inc. for the purchase of equipment and software for the installation of the Flexnet system.

ANALYSIS

The October, 2017 fires damaged the water meters in the burned area and 2,740 meters will be replaced as part of this project. This project is eligible for FEMA reimbursement.

Sensus USA, Inc. has submitted a written offer to extend firm fixed pricing through the completion of the installation of the Flexnet system, estimated to be completed in 2021. The unit price is an average of 41% lower in cost compared to a previous year's BPO's with Sensus and a request from the only other certified vendor confirmed the Sensus pricing to be the lowest available. Therefore, Sensus USA, Inc.'s meters and equipment are considered to be fair and reasonable and in the City's best interest.

Prices include freight charges, and quantities are estimates and therefore subject to change depending on required meter size for rebuild throughout the period of the BPO - see Exhibit "A" attached hereto. A BPO is recommended for Sensus USA, Inc. for the purchase of these goods to provide all equipment required for the replacement of the damaged meters and metering equipment and the installation of the Flexnet MTU. The requested BPO amount is based on the estimated parts multiplied by the new unit prices, which equals \$508,538.

Sensus parts are required to maintain the City's water delivery system and are only available at the discounted price set forth in Agreement F001230 through Sensus USA, Inc..

FISCAL IMPACT

Funds are budgeted in JL Key 55771 and the project will be eligible for 75% reimbursement through the FEMA process.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

ATTACHMENTS

- Attachment 1 - Pricing Exhibit A

CONTACT

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