

CITY OF SANTA ROSA
BOARD OF PUBLIC
UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: KIMBERLY ZUNINO, DEPUTY DIRECTOR –
ADMINISTRATION, WATER DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT,
FINANCE DEPARTMENT
SUBJECT: BLANKET PURCHASE ORDER 160356 EXTENSION APPROVAL
- SENSUS REMOTE AND STANDARD READ-TYPE
WATER METERS, PARTS, AND ANTENNAS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance and Water Departments, that the Board of Public Utilities, by resolution, approve an amendment to Blanket Purchase Order 160356 with Sensus USA, Inc., Raleigh, NC, to extend for an additional one-year period and add funds for remote and standard-read type water meters, parts, and antennas in the amount of \$160,000.

EXECUTIVE SUMMARY

Sensus meter supplies are currently stocked as inventory at the Municipal Service Center North (MSCN) Central Warehouse for use by the Water Department. The City has received a new price list of parts from Sensus for a one-year Blanket Purchase Order (BPO) for FY 2022-23. The current BPO has a remaining balance of \$147,679 through July 31, 2022.

BACKGROUND

On December 20, 2007, the Board of Public Utilities (BPU), by Resolution No. 915, authorized product standardization of Sensus USA, Inc. remote and standard-read type water meters and authorized the Chair of the Board to execute a one-year term contract with four one-year renewal options for the supply of same to Sensus USA, Inc., Raleigh, NC.

Since then, the City of Santa Rosa Water Department has built their Advanced Metering Infrastructure (AMI) using the Sensus Flexnet system. As of December 2020, the system has been fully deployed and all 53,000+ water meters have been upgraded and are being read hourly to provide a monthly billing read and hourly usage data for various purposes. The Flexnet system is more cost-effective and efficient than previous

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meter reading systems (including radio, touch, and manual systems) and provides a wide range of improvements to data tracking and customer service. The system is proprietary and therefore requires Sensus equipment to provide all system functionality.

Between December 2012 and June 2016, the BPU and Water Department conducted various study sessions, report items, and a Request for Proposals on the AMI project.

On July 21, 2016, the BPU approved an agreement with Sensus USA, Inc. as the product manufacturer for the AMI project.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On September 5, 2019, the BPU, by resolution, waived competitive bidding and approved issuance of sole source BPO 160356 for \$344,858.00.

On August 19, 2021, the BPU, by resolution approved amending BPO 160356 for a one-year extension and addition of funds in the amount of \$124,000.

ANALYSIS

Sensus USA, Inc. has submitted a written offer to extend firm fixed pricing for another one-year period through July 31, 2023. This one-year extension proposal will result in a 7% percent increase to overall pricing. The producer price index, and the consumer price index have reflected an average increase of 6-11% percent. Furthermore, the national global supply chain shortage has resulted in an increase to the cost of raw materials. Therefore, Sensus USA, Inc.'s proposal is fair and reasonable, and is in the City's best interest to accept.

Prices include freight charges and quantities are estimates and subject to change depending on actual usage throughout the period of the BPO (see Attachment 1- Estimated Usage/Pricing Exhibit A-3). Ordering the parts on a one-year term BPO with firm fixed pricing allows warehouse staff to order the most commonly used parts as needed for twelve months, thus reducing the cycle time to restock inventory. A BPO is recommended for Sensus USA, Inc. for the purchase of these goods as a more streamlined procurement mechanism. The requested BPO amended amount is based on the estimated parts usage multiplied by the new unit prices, which equals \$307,679. With a balance of \$147,679 remaining under the original award, funding in the amount of \$160,000.00 will be required to carry the BPO through July 31, 2023.

FISCAL IMPACT

Funds required for this operational expense have been appropriated in the Fiscal Year 2022-23 budget of the MSCN Warehouse. Products stored at the MSCN Warehouse are charged to Water Department projects and operational budget, as needed

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378 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.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

ATTACHMENTS

- Attachment 1 – Estimated Usage/Pricing Exhibit A-3
- Resolution

CONTACT

Kimberly Zunino, Deputy Director-Administration, Water Department -
kzunino@srcity.org, 707-543-3960

Brandalyn Tramel, Purchasing Agent, Finance Department – btramel@srcity.org,
707-543-3706

Tony Cabrera, Stores Specialist, Finance Department – tcabrera@srcity.org,
707-543-3518

Charles Weinstein, Purchasing Technician, Finance Department, cweinstein@srcity.org,
707-543-3146