

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

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

AGENDA ACTION: RESOLUTION

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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 sole source Blanket Purchase Order (BPO) for remote and standard-read type water meters, parts, and antennas to Sensus USA, Inc., Raleigh, NC, in the amount of \$344,858.

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EXECUTIVE SUMMARY

Sensus meter supplies are currently stocked as inventory at 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 BPO, the current BPO has a balance remaining of \$274,489 from original award and was extended through August 31, 2019.

BACKGROUND

On December 20, 2007, the Board of Public Utilities, by Resolution No. 915, authorized product standardization of Sensus USA, Inc. remote and standard-read type water meters and authorized the Chairman 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, over 44,000 of the more than 52,000 water meters have been upgraded through August, 2019 which are read hourly and used for monthly billing. Staff has found it more cost effective and efficient to

standardize to a single brand of equipment with Sensus USA, Inc., rather than stock, install, and maintain multiple brands of water meters and parts.

Between December 2012 and June 2016, the BPU and Water Department conducted various study sessions, report items, and 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 June 21, 2018, the BPU, by resolution, waived competitive bidding and approved issuance of sole source BPO 157353 for a not to exceed amount of \$632,000.

On November 17, 2016, the BPU, by resolution, waived competitive bidding and approved issuance of sole source BPO 152548 for a not to exceed amount of \$402,000.

On October 3, 2013, the BPU, by Resolution No. 1055, waived competitive bidding and approved issuance of sole source BPO F000282, for a not to exceed amount of \$600,000.

On August 2, 2012, the BPU, by Resolution No. 1030 approved a one-year extension to BPO F000282, increasing funds by \$250,000, for a total not to exceed amount of \$650,000.

On November 3, 2011, the BPU, by Resolution No. 1011, waived competitive bidding and approved issuance of sole source BPO F000282, for a not to exceed amount of \$400,000.

### ANALYSIS

Sensus USA, Inc. has submitted a written offer to extend firm fixed pricing for another one-year period through June 30, 2020. Due to the current AMI project agreement with Sensus USA, Inc., the unit price was lowered an average of 41% in cost compared to previous year's BPO's. This new one year extension proposal will result in an average 3% increase to overall pricing which is the yearly increase in the agreement with Sensus for AMI project equipment. Therefore, Sensus USA, Inc.'s proposal is considered to be fair and reasonable and 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 Exhibit "A". Standard purchase order terms and conditions will be incorporated into the BPO to protect the City - see Exhibit "B." 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 amount is based on the estimated parts usage multiplied by the new unit prices, which equals \$344,858.

## FISCAL IMPACT

Funds required for this operational expense have been appropriated in the Fiscal Year 2019-20 budget of the MSCN Warehouse. Products stored at the MSCN Warehouse are charged to Water Department projects and operational budget, as needed. There is no fiscal impact to the General Fund.

## 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 – Estimated Usage/Pricing Exhibit A
- Attachment 2 – Standard Purchase Order Terms and Conditions/Exhibit B
- Resolution

## CONTACT

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