

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 \$124,000.

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 2021/22. The current BPO has a remaining balance of \$124,000.00 through July 31, 2021.

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. All meters have now been converted to AMI and provide hourly usage data and reads used for monthly billing. Staff

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

ANALYSIS

Sensus USA, Inc. has submitted a written offer to extend firm fixed pricing for another one-year period through June 30, 2022. 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 years' BPOs. This 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 Attachment 1- Estimated Usage/Pricing Exhibit A-2). 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 \$248,000.00. With a balance of \$124,000.00 remaining under the original award, funding in the amount of \$124,000.00 will be required to carry the BPO through June 30, 2022.

FISCAL IMPACT

Funds required for this operational expense have been appropriated in the Fiscal Year 2021-22 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 Guideline 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-2
- Resolution

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