

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS  
FROM: KEVIN BUCHANAN, BUDGET & FINANCIAL ANALYSIS  
MANAGER, WATER DEPARTMENT  
SUBJECT: WAIVER OF COMPETITIVE PROCESS AND SOLE SOURCE  
AWARD FOR SENSUS REMOTE AND STANDARD READ-TYPE  
WATER METERS, PARTS, AND ANTENNAS BLANKET  
PURCHASE ORDER WITH AQUA-METRIC

AGENDA ACTION: MOTION

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RECOMMENDATION

It is recommended by Santa Rosa Water that the Board of Public Utilities (BPU), by motion: 1) waive the competitive process and approve a sole source Blanket Purchase Order (BPO) for remote and standard-read type water meters, parts, and antennas to Aqua-Metric Sales Company, Riverside, CA, for one year, with the option for four additional one-year extensions, in an amount not to exceed \$900,000 for a full 5 year period, and 2) delegate authority to the City Manager to approve the four additional one year extensions.

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EXECUTIVE SUMMARY

Aqua-Metric is the sole distributor of Sensus products in California. Establishing this BPO allows Santa Rosa Water to continue to purchase Sensus made products that are necessary for water distribution and billing operations. During the 2010s both City Council and BPU had opted to standardize water meters for operational efficiency and due to the implementation of the Advanced Metering Infrastructure project.

BACKGROUND

On December 20, 2007, the BPU, by Resolution No. 915, authorized the product standardization of Sensus USA, Inc. remote and standard read-type water meters.

On July 21, 2016, the BPU approved an agreement with Sensus as the product manufacturer for the Advanced Metering Infrastructure (AMI) project. Since then, Santa Rosa Water completed the build-out of its AMI deployment using the Sensus FlexNet System. This completed project provides customer usage data to the water billing team so that a staff person no longer needs to physically read every water meter each month.

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There remains an on-going need to have a standing BPO with the supplier of water meters, as meters break or otherwise reach the end of their useful life, requiring replacement. New meters are also needed in order to bring new developments online upon completion.

The lifespan of an AMI system is projected at 20 years. The City's AMI system was fully implemented in 2021. To maximize the City's return on investment, the City should continue to utilize Sensus products.

#### PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On September 18, 2025, the BPU waived competitive bidding and approved a sole source BPO in the amount of \$300,000.

#### ANALYSIS

Sensus no longer supplies equipment directly to customers and instead uses a third-party distributor, Aqua-Metric Sales Company, which is the only vendor in California that sells Sensus products. A BPO with Aqua-Metric will allow Santa Rosa Water to continue to source water meters and related parts on an as-needed basis. The City's entire AMI system is built around the Sensus ecosystem and continuing to use their products is in the best interest of the City as it keeps inventory, asset management, contracts, and purchasing as streamlined and efficient as possible. Aqua-Metric has submitted a written offer to extend firm fixed pricing for a one-year period through June 30, 2027. This new one-year proposal will result in an average 5% increase to overall pricing, plus Aqua-Metric has indicated that tariff rates are subject to change without notice and have listed their rates separately to be transparent. Therefore, Aqua-Metric's proposal is considered to be fair and reasonable and in the City's best interest to accept and waiving the competitive bidding process is appropriate under section 3-08.100(D) of the Santa Rosa City Code due to, among other things, limitations on the source of supply.

Prices do not include freight charges or sales tax. Standard purchase order terms and conditions will be incorporated into the BPO to protect the City. Ordering the parts on a one-year term BPO with 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 Aqua-Metric for the purchase of these goods as a more streamlined procurement mechanism.

An analysis of BPO spending over the past 5 years has shown that the City typically purchases about \$170,000 a year in meters and associated parts. Therefore, it is believed that a BPO in the not to exceed amount of \$900,000 would be sufficient to cover necessary purchases over a potentially five-year BPO with ability to absorb cost increases in the out years.

#### FISCAL IMPACT

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Funds for this expense are appropriated in Santa Rosa Water's operations and maintenance budget. There are no impacts to the general fund.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) because it consists of administrative activities related to the procurement of water meters, parts, and antennas, and does not have the potential to result in a direct or reasonably foreseeable indirect physical change in the environment.

In addition, the underlying activities supported by this procurement are exempt from CEQA pursuant to CEQA Guidelines Sections 15301(b) (Existing Facilities) and 15302(c) (Replacement or Reconstruction). Section 15301(b) exempts the operation, repair, maintenance, or minor alteration of existing public utility facilities involving negligible or no expansion of use. Section 15302(c) exempts the replacement or reconstruction of existing utility systems involving negligible or no expansion of capacity. The purchase of water meters, parts, and antennas will support the ongoing maintenance, repair, and replacement of existing water distribution system infrastructure and will not result in an expansion of capacity or change in the existing system.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Aqua-Metric Pricing
- Attachment 2 – Aqua-Metric Sole Source Letter

PRESENTER

Kevin Buchanan, Budget & Financial Analysis Manager