

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

RECOMMENDATION

It is recommended by Santa Rosa Water that the Board of Public Utilities (BPU), by motion, 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, in an amount not to exceed \$300,000.

EXECUTIVE SUMMARY

Santa Rosa Water has had an ongoing BPO with Sensus USA, Inc. ("Sensus") for their water meters, parts, and antennas that are compatible with Santa Rosa Water's remote Advanced Metering Infrastructure (AMI) system. Sensus has decided to stop supplying customers directly, and now works with a third-party distributor, Aqua-Metric Sales Company. 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.

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.

Earlier this year Sensus informed Santa Rosa Water that they would no longer be distributing directly to customers. Sensus has worked with Santa Rosa Water to help transition Santa Rosa Water to procuring equipment from their authorized California-based vendor, Aqua-Metric.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On September 19, 2019, the Board of Public Utilities (BPU) waived competitive bidding and approved a sole source BPO with Sensus in the amount of \$344,858.

On June 21, 2018, the BPU waived competitive bidding and approved issuance of sole source BPO 157353 with Sensus for a not to exceed amount of \$632,000.

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

On October 3, 2013, the BPU waived competitive bidding and approved issuance of sole source BPO F000282 with Sensus, for a not to exceed amount of \$600,000.

On August 2, 2012, the BPU approved a one-year extension to Sensus BPO F000282, increasing funds by \$250,000 for a total not to exceed the amount of \$650,000

On November 3, 2011, the BPU waived competitive bidding and approved issuance of sole source BPO F000282 with Sensus, for a not to exceed amount of \$400,000.

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.

With the uncertainty of tariffs, Aqua-Metric's pricing will be honored through June 30, 2026. New BPOs will need to be established beyond that time frame.

For the past couple of years, the City has spent an average of \$225,000 per year purchasing meters and parts. With the increase in pricing and additional consideration for market uncertainty, including tariffs, staff believe a BPO in an amount not to exceed \$300,000 will be sufficient for the remainder of the fiscal year.

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FISCAL IMPACT

Funds required for this operational expense have been appropriated in the Fiscal Year 2025-2026 budget of the Municipal Services Center North (MSCN) Warehouse. Products stored at the MSCN Warehouse are charged to Water Department projects and operational budgets in the form of stores issues, as needed. There is no fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

The action is exempt under CEQA Guidelines Section 15301(b) (Existing Facilities) and Section 15302(c) (Replacement or Reconstruction). Section 15301(b) exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private facilities used to provide public utility services. Section 15302(c) exempts the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

The purchase of Sensus water meters, parts, and antennas through Aqua-Metric Sales Company constitutes the ongoing operation, maintenance, and replacement of existing water distribution system equipment. These purchases are necessary to ensure compatibility with the City's Advanced Metering Infrastructure (AMI) system and support water distribution and billing operations. The action does not involve the expansion of existing capacity or any change to the existing water utility system.

Therefore, the project is exempt from CEQA under Sections 15301(b) and 15302(c), and no further environmental review is required.

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

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