

# Lompoc City Council Agenda Item



City Council Meeting Date: July 20, 2010

TO: Laurel M. Barcelona, City Administrator  
 FROM: Ray Ambler, Purchasing and Materials Manager  
 r\_ambler@ci.lompoc.ca.us

SUBJECT: Award of a Contract to Purchase Water Meters (Automatic Meter Reading/WiFi Radio Read) in the Amount of \$1,161,573

**RECOMMENDATION:** That the City Council approve the award of a contract to Badger Meter of Milwaukee, Wisconsin to purchase annual requirements of Water Meters and authorize the Purchasing and Materials Manager to issue a purchase order.

**BACKGROUND AND/OR DISCUSSION:** The City of Lompoc Water Department has established a plan/program to replace 40 year old water meters with a new generation of water meters that are AMR Wifi Radio Read Meters, and meet the new California State water "Lead Free" standards. The Plan for this upgrade is to trade out 600 meters every six months, and complete the project in approximately seven years. Radio Read Meters will simplify the meter reading process and result in substantial savings.

The Request for Proposal was advertised in the Lompoc Record, published on the City of Lompoc website, and sent to water meter companies and distributors. Three proposals were received and evaluated based on meeting specifications, references and the evaluation criteria listed in the solicitation, which included price.

Company		5/8x3/4 Price Yr 1
Badger Meter	Highest Rated	\$135.00
Inland Water Works	2 <sup>nd</sup> Highest	150.00
Metron-Farnier	3 <sup>rd</sup> Highest	200.00

<u>Year</u>	<u># Meters</u>	<u>Price Each</u>	<u>Extended Price</u>	<u>Sales Tax</u>	<u>Total</u>
2010	1200	\$135.00	\$162,000.00	\$14,175.00	\$176,175.00
2011	1200	137.70	165,240.00	14,458.50	179,698.50
2012	1200	140.45	168,540.00	14,747.25	183,287.25
2013	1200	143.26	171,912.00	15,042.30	186,954.30
2014	1200	146.13	175,356.00	15,343.65	190,699.65
2015	1000	149.05	149,050.00	13,041.88	162,091.88
2016	500	152.03	76,015.00	6,651.31	82,666.31
	<u>7500</u>			<u>Total Cost</u>	<u>\$1,161,572.89</u>

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Recent lower volume pricing had been \$156.61 per meter. That suggests saving 13.8% per meter and \$185,948.26 over the 7-year life of the purchase agreement (\$24.79 per meter). That price advantage is due to the current business cycle and competition for the business represented by this replacement program.

The recommended award is to Badger Meter, the highest rated proposer. This award has been reviewed and recommended by Gene Margheim, Water Superintendent. Funds for this expenditure have been approved and are available in account number 51300-74733.

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Ray Ambler, Purchasing and Materials Manager

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

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Brad Wilkie, Management Services Director

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Ronald V. Stassi, Utility Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

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Laurel M. Barcelona, City Administrator