



## CITY COMMISSION STAFF REPORT

**DEPARTMENT:** Utilities

**DATE:** April 9, 2024

**SUBJECT:** Motion to approve and authorize a piggyback agreement from the Broward County Contract No. IND2122200B2, Water Meters and Repair Parts with Consolidated Pipe & Supply Company, Inc., in the amount of \$359,362.00 for the purchase of Zenner Water Meters. - **Utilities**

**CITY MANAGER RECOMMENDATION:**

The City Manager recommends that the Commission approve and authorize a piggyback agreement from Broward County Contract No. IND2122200B2, Water Meters, and Repair Parts, with Consolidated Pipe & Supply Company, Inc., in the amount of \$359,362.00, for the purchase of Zenner Water Meters.

**BACKGROUND OF ITEM:**

The City has been grappling with persistent challenges in the Advanced Water Meter Infrastructure. Currently, we have a total of 11,869 water meters installed, with approximately 6,690 being advanced meters and the remainder being manual water meters. Regrettably, the advanced meters have introduced a spectrum of issues, encompassing meter failures, malfunctioning radio transmitters, network connectivity challenges, software glitches, data inaccuracies, unresolved warranty issues, a substantial number of zero readings, and expired software licenses and service maintenance agreements. Notably, the City is currently incurring an annual expenditure exceeding \$63,000 for software and maintenance.

These challenges collectively led to a significant decrease in our utility's annual revenue, estimated at \$1,632,587.95. This situation hampers our operational capabilities, diverting valuable resources from crucial infrastructure maintenance and affecting project timelines.

Our efforts to tackle these persistent issues have necessitated the allocation of extra resources, placing a stain on our operational efficiency. Furthermore, the current system's incapacity to furnish accurate and consistent data has resulted in delayed contractor response times, aggravating the problem. According to the manufacturer, the replacement of malfunctioning meters could extend anywhere from 6 to 8 weeks, introducing additional complexity to the situation.

**ANALYSIS:**

After a thorough analysis, it becomes evident that the expenses linked to maintaining the existing advanced meter system, along with revenue loss and staff compensation, exceed the potential migration costs from advanced to manual meters. In light of this, we recommend implementing a phased approach to replace the malfunctioning meters with more reliable alternatives.

Commencing the replacement program with the advanced meters that caused the most significant problems will let us gradually shift to a more stable and efficient system. While adding more manual meters will require hiring additional resources for meter reading, this strategic move promises better financial outcomes than the ongoing maintenance costs associated with the problematic advanced meters.

In conclusion, the challenges from the advanced water meters necessitate a strategic and progressive approach to replace them. By systematically addressing the malfunctioning meters and transitioning towards manual meters in a controlled manner, we can mitigate revenue losses, streamline our operations, and ensure accurate utility billing.

**COST ANALYSIS:**

The Zenner manual meters are \$65.05 each, and the check valves are \$44.79 each, totaling \$109.84 for a complete water installation.

- Out of the Mueller Water Meters, 1,170 are ME8 meters, which can function as a manual meter. However, 5,520 SSR Digital Water Meters are still in use. Unfortunately, when these digital meters fail, obtaining a reading becomes impossible. For the complete replacement of the meter with Zenner Meters, the overall material cost for Phase I would be \$606,316.80. (The Utilities Department presently holds an inventory of 20 manual meters.)
- At present, 5,179 old manual meters are still in use, having reached the end of their lifespan. Upgrading the manual meters in Phase II will cost \$568,861.36.

**STRATEGIC PLAN:**

This project supports the City's Strategic goal of maintaining and improving the City's infrastructure and appearance to support and ensure a sustainable and beautiful environment.

**PROCUREMENT:**

Sec. 2-258 – Exclusions and exceptions to bid and proposal requirements.

(f) *Purchases of good or services from contracts award by other governmental or not-for-profit entities by formal competitive selection process.* The purchase of goods or services under a contract awarded by the United States Government or another governmental, public or not-for-profit entity by a formal competitive process is authorized provided the purchasing agent makes a determination that time, expense and marketplace factors make it financially advantageous for the City to do so.

**FISCAL IMPACT:**

Sufficient funds are available in the Water & Sewer Fund

<u>General Ledger Acct. Number</u>	<u>Budgeted Amount</u>	<u>Requested Amount</u>	<u>Remaining Amount</u>
453-911-563422-533-24018	\$1,100,000.00	\$359,362.00	\$740,638.00

**ATTACHMENTS:**

1. City of Cooper City Agreement with Consolidated Pipe & Supply Company, Inc.
2. Exhibit A – Broward County Contract IND2122200B2 Documents
3. Exhibit B – Consolidated Pipe & Supply Company, Inc. Proposal
4. Vendor Compliance
5. Zenner Water Meters Manufacturer Warranty