



Folsom City Council Staff Report

MEETING DATE:	6/8/2021
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10638 – A Resolution Authorizing the City Manager to Execute an Agreement with Badger Meter, Inc. for the Purchase of 1-Inch Water Meters and Rejecting all Bids for 1.5-Inch and 2-Inch Water Meters
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends that the City Council pass and adopt Resolution No. 10638 – A Resolution Authorizing the City Manager to Execute an Agreement with Badger Meter, Inc. for the Purchase of 1-Inch Water Meters and Rejecting all Bids for 1.5-Inch and 2-Inch Water Meters.

BACKGROUND / ISSUE

The Environmental and Water Resources Department has identified the need to purchase 1-inch water meters for installation on new homes and to replace older water meters that may be reaching the end of their serviceable life. As required by State Law, water meters have been installed on all new homes since 1992, with metered rate billing for all the City’s water customers beginning in 2013. Water meters are used for water metering, water conservation and are an integral part of the water billing process. This authorization for the purchase of water meters will meet the anticipated demands of new residential construction and the necessary residential meter replacements.

The City currently has approximately 22,500 installed water meters, which range in size from 5/8-inch to 12-inch. It is anticipated that approximately 750 of these need to be replaced annually, while new construction will require up to 1,500 new water meters installations per year. To meet this demand of the most widely used meters, staff issued a request for bids for the supply of 1-inch and/or 1.5-inch and 2-inch water meters.

The objective of this process is to bid consistent meter specifications and receive competitive pricing, while maintaining a specific level of quality and accuracy for the water meters. Staff recommends a five-year contract to maintain consistent meter pricing across all new meter purchases.

As a result of the bids, the Environmental and Water Resources Department is requesting authorization for the City to enter into an agreement for five years with Badger Meter, Inc. for the purchase of 1-inch water meters. Upon review of the 1.5-inch and 2-inch positive displacement meter bids, staff determined that there would be a need to revise the specifications for the 1.5-inch and 2-inch water meters in order to have a more comprehensive meter bid package to encompass multiple meter styles and technologies to meet operational needs. There is also an opportunity to include meter sizes from 3-inch to 12-inch in the bid package. It was decided that the department should therefore issue a new request for bids for all larger meters, sized from 1.5 inch to 12 inch. Consequently, staff requests the rejection of all the 1.5-inch and 2-inch bids received on April 13, 2021.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code supplies, equipment, services, and construction with a value of \$62,657 or greater shall be approved by City Council.

ANALYSIS

Bids were solicited by advertising in the March 28 and April 2, 2021, editions of the Sacramento Bee, and online at www.CIPList.com. On April 13, 2021, the Environmental and Water Resources Department received the following responses to the 1-inch water meter bid and the combined 1.5-inch and 2-inch water meter bid:

1-inch Water Meters

	<u>Vendor</u>	<u>Unit Price</u>
1.	Zenner USA	\$110.74*
2.	Badger Meter Inc.	\$147.00
3.	Aqua-Metric	\$150.00
4.	Ferguson Water Works	\$152.00

1-1/2-inch and 2-inch Water Meters

	<u>Vendor</u>	<u>Unit Price</u>		
		1 ½”	2”	Total Bid
1.	Aqua-Metric	\$293.09	\$326.42	\$30,975.50**
2.	Zenner USA	\$270.03	\$350.13	\$31,008.00**
2.	Ferguson Water Works	\$312.50	\$405.00	\$35,975.00**
5.	Badger Meter Inc.	\$320.00	\$410.00	\$36,500.00**

*Meter proposed does not meet specifications.

** Bids requested to be rejected.

Pursuant to the Environmental and Water Resources Department procedure for evaluation of bids, 1-inch meter bids were reviewed by staff and all except Zenner USA meters were determined to meet the required specifications. After discussion with the City Attorney regarding the submittal from Zenner USA, their bid was deemed non-responsive because their meter submittal did not meet the required meter specification. Specifically, the Zenner meter proposal was deemed non-responsive because they did not meet the specification as related to the meter register in the following areas: registers are a pulse type, Nicor wire is not permanently potted to the register and the register ID is programmable. Therefore, the Environmental and Water Resources Department recommends execution of an agreement with the apparent, responsive low bidder of 1-inch meters, Badger Meter, Inc.

Subsequently, with the need for a more comprehensive meter bid to encompass multiple meter styles and technologies, the Environmental and Water Resources Department requests rejection of all 1.5-inch and 2-inch bids so a new request for bids, including large water meters up to 12-inch, can be issued.

This resolution will authorize the City Manager to execute an Agreement with Badger Meter Inc. for the purchase of 1-inch water meters and reject all 1.5-inch and 2-inch meter bids.

FINANCIAL IMPACT

This agreement will allow for the annual purchase of up to 1,500 1-inch water meters for new homes, to be paid for out of the Water Meter Fund (Fund 522). The Water Meter Fund (Fund 522) is funded through fees paid by Developers for the installation of water meters and meter reading equipment. Additionally, the agreement will allow for the purchase of up to 750 1-inch water meters for replacement of existing water meters, to be paid for out of the Water Operating Fund (Fund 520). Based on Badger Meter, Inc's bid price of \$147.00 per meter, the combined total annual cost for the meters is \$330,750, split out by fund as shown in the table below.

	Unit Price	Estimated Quantity per year for new homes (Fund 522)	Total Cost per year (Fund 522)	Estimated Quantity per year for replacement meters (Fund 520)	Total Cost per year (Fund 520)
1-inch meters	\$147.00	1,500	\$220,500	750	\$110,250

Staff recommends approval of a five-year contract for a not-to-exceed total \$1,653,750. Sufficient funds will be made available through the budget process throughout the period of the Agreement in the Water Meter Fund (Fund 522) and the Water Operating Fund (Fund 520).

ENVIRONMENTAL REVIEW

The purchase of water meters is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENT

Resolution No. 10638 – A Resolution Authorizing the City Manager to Execute an Agreement with Badger Meter, Inc. for the Purchase of 1-Inch Water Meters and Rejecting all Bids for 1.5-Inch and 2-Inch Water Meters

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 10638

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH BADGER METER, INC. FOR THE PURCHASE OF 1-INCH WATER METERS AND REJECTING ALL BIDS FOR 1.5-INCH AND 2-INCH WATER METERS

WHEREAS, staff has identified the need to purchase water meters for installing on new homes as required by State Law and to replace older water meters that may be reaching the end of their serviceable life; and

WHEREAS, a Request for Proposals (“RFP”) for 1-inch, 1.5-inch, and 2-inch water meters were issued on March 28, 2021; and

WHEREAS, Zenner USA submitted a non-responsive low bid for the 1-inch water meter that does not meet the City’s specifications in the RFP; and

WHEREAS, Badger Meter, Inc. submitted the lowest responsive, responsible bid that met required specification for the 1-inch meters, opened on April 13, 2021; and

WHEREAS, based on the City need of a more comprehensive meter bid to encompass multiple meter styles and technologies to meet operational needs, staff requests rejection of all 1.5-inch and 2-inch bids so a new request for bids, including large water meters up to 12-inch, can be issued; and

WHEREAS, funds will be made available in the Water Meter Fund (Fund 522) for \$220,500 per year for the next five fiscal years; and

WHEREAS, funds will be made available in the Water Operating Fund (Fund 520) for \$110,250 per year for the next five fiscal years; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the low bid for 1-inch water meter submitted by Zenner USA is hereby rejected as being non-responsive to the City’s specifications in the RFP.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute an agreement with Badger Meter, Inc. for the purchase of 1-inch water meters not to exceed \$110,250 per year for 5 years.

BE IT FURTHER RESOLVED that all bids received in response to the RFP for 1.5-inch and 2-inch water meters are hereby rejected.

PASSED AND ADOPTED this 8th day of June, 2021, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK